

# Annual Report



2016

AGENDA

# Teachers *Plus* Credit Union

## 2016

# Annual General Meeting



# AGENDA

- Approval of Agenda
- The Prayer of St. Francis
- Call to order, Establishing a Quorum
- Welcome to Members and Guests
- Moment of Silence for Departed Members
- Minutes of the 2015 Annual General Meeting
- Business Arising from the Minutes
- Prize Draws
- Chair Report
- President & CEO's Report
- Auditors Report and Financial Report for 2016
- Prize Draws
- Committee Reports
  - Audit Committee
  - Credit Committee
  - Corporate Social Responsibility Committee (CSR)
  - Governance Committee
- Nomination Committee Report
- Appointment of Auditor
- Board Years of Service
- Confirmation of Board for 2017-2018
- New Business
- Prize Draws
- Adjournment and Refreshments

**2015 Annual General Meeting**  
**April 9, 2016 – 11:00am**  
**Holiday Inn & Suites, 980 Parkland Drive, Halifax, NS**

**Minutes**

**1. Call to order, establishing a quorum**

*The meeting was called to order by Board Chair Don Crosby. Bill Redden, Chair of the Governance and Nominating Committee reported that we had a quorum.*

**2. Approval of Agenda**

**Motion:** That the Agenda be adopted as presented.

Mover: Mike Hurley

Seconder: Pat Hillier

Motion Carried

**3. The Prayer of St. Francis**

*The Prayer of St. Francis was read by Bob Blundell*

**4. Welcome to Members and Guests**

*The Board Chair, Don Crosby, extended a welcome to all attendees. A special word of welcome was extended to Tom Williams & Rodney Belliveau.*

**5. Moment of silence for departed members**

*Members who passed away during the past year were remembered by a moment of silence.*

**6. Minutes of the 2014 Annual General Meeting**

**Motion:** That the Minutes of the 2014 AGM be approved.

Mover: Danielle Eleftheros

Seconder: Danny Wadden

Motion Carried

**7. Business arising from the minutes (Called for 3 times)**

- N/A

**8. Prize draws - \$50**

*Winners: Bruce Kelloway*

## 9. Chair's Report

- Chair Don Crosby presented his report.

*Motion: That the Chair's report be received.*

*Mover: Bill Redden*

*Seconder: Harold Doucette*

*Motion Carried*

## 10. President and CEO's Report

- CEO Steve Richard presented his report.

*Motion: That the CEO's Report be received.*

*Mover: Terry Gallager*

*Seconder: Annette Petrie*

*Motion carried*

## 11. Financial Report for 2015

*The audit this year was carried out by Grant Thornton, Rodney Belliveau presented the financial report for the year ending December 31, 2015.*

*Motion:*

*That the financial statements, as presented by Rodney Belliveau & Steve Richard, be adopted.*

*Mr. Belliveau's*

*Mover: Patricia Hillier*

*Seconder: Danny Wadden*

*Motion Carried*

*Mr. Richard's*

*Mover: Mike Hurley*

*Seconder: Harold Doucette*

*Motion Carried*

## 12. Prize draws – Millionaire for a Day, \$50 Cash Prize

*Winners: Kelly James, Gladys Ascah*

## 13. Committee Reports

*Most of the work carried out by the Board of Directors is done through a number of standing committees. The following Committee reports were reviewed:*

- Audit (Mike Hurley)*
- Credit (Derek Haynes)*
- Governance (Bill Redden)*
- Corporate Social Responsibility (CSR) (Danielle Eleftheros)*

*Motion: That the Audit, Credit, CSR, and Governance Committee reports be received.*

*Mover: Patricia Hillier*

*Seconder: Danielle Eleftheros*

*Motion Carried*

**14. Nomination Committee Report was given by Bill Redden**

*Derek Haynes, elected by acclamation. Election held for Halifax seat. Alexis Allen, Mario Eleftheros and Turk MacDonald addressed the AGM. Alexis Allen won the seat.*

*Motion: To approve the Nomination Committee report.*

*Mover: Annette Petrie*

*Seconder: Debbie Stitchman*

*Motion Carried*

*Motion: To destroy election ballots*

*Mover: Patricia Hillier*

*Seconder: Mike Hurley*

**15. Appointment of Auditor**

*Audit Chair Mike Hurley to address meeting to nominate auditors for 2016.*

*Motion: That the firm of Grant Thornton be appointed Auditor for the Teachers Plus Credit Union for 2016.*

*Mover: Nigel Mailman*

*Seconder: Bill Redden*

*Motion Carried*

**16. Governance and Nominating Committee Chair, Bill Redden Confirmed the Board for 2016-17**

*The following are the Board Members for 2016-17:*

- *Alexis Allen*
- *Nigel Mailman*
- *Don Crosby*
- *Derek Hayne*
- *Mike Hurley*
- *Bill Redden*
- *Danny Wadden*
- *Maureen Smith*
- *Pat Hillier*
- *Jim MacFarlane*

**17. New Business- Service recognition**

- *Service recognition presented to Danielle Eleftheros (12 yrs on BOD),*
- *Service award presented to Mary Graham for 25 years of TPCU service.*

**18. Prize draws- \$50**

*Winners: Eileen Crosby, Alexis Allen*

**19. Adjournment and refreshments**

*All AGM attendees were thanked for attending and all were invited to stay for a light lunch.*

**Motion:** *to adjourn.*

*Mover: Nigel*

*Recorded by Nigel Mailman*

# CHAIR'S REPORT

One thing that the financial world does not like is a major surprise. 2016 will go down in history for two major events, both were not expected and both continue to have a lasting impact on financial institutions because of the uncertainty that these events have caused. The first of these occurred in late June when voters in Great Britain shocked the world by electing to leave the European Economic Union. The so-called "Brexit" referendum. The second event occurred in November when the American voters elected Donald Trump as President.

You may be asking yourself what these two seemingly unrelated events have to do with a Teachers *Plus* Credit Union in Nova Scotia. The answer is – a lot. For nearly three decades now, we have seen falling interest rates. They are now at historically low levels. Low rates mean low profitability for credit unions as margins get squeezed tighter and tighter. Everyone wants to lock in mortgages long term at low rates and no one is encouraged to save. And there are lenders out there offering ridiculously low mortgage rates that we just can't compete with because of our small size. For several years now, we have been expecting rates to rise, but events that continue to cause uncertainty force central banks to keep rates low to stimulate the economy. Companies do not want to invest or expand during uncertain times, not knowing if they can be guaranteed a profit. In a global world economy, faraway events can affect us here in Canada, so we expect a continuation of low rates for some time to come.

Despite all of this, the Teachers *Plus* had another profitable year in 2016, thanks to good management and some good luck, but things are certainly not getting any easier. As you are no doubt aware if you have attended previous AGM's, credit unions throughout Atlantic Canada are experiencing a declining membership and an ageing membership. Therefore, your Board has spent a great deal of meeting



time this past year focused on our strategic plan. That plan has three main goals: 1. – Increase membership, 2. – Decrease average age, and 3. – Increase the number of products per member. We have set some aggressive, but hopefully achievable, targets. We are in the early stages of implementing that plan, and there are still some marketing strategies to be worked out, but we remain optimistic that we will be successful.

2016 has also been a year where we have been keeping a watchful eye on two initiatives underway (spearheaded by the Atlantic Central) but involving talks among a number of Atlantic credit unions. These initiatives may have an impact on our Credit Union. One of these initiatives is the “Compelling Selling Program” whereby we join with other credit unions in finding better ways to target our marketing materials. We hope to have more information about these initiatives latter this year. It is shaping up to be a busy year ahead for your Board and our staff. So let me take this opportunity to express my gratitude to all the members of the Board for their time, dedication and cooperation. I would also express my sincere thanks to all of our staff for their hard work and professionalism. In particular, thanks go to Mary for keeping us organized and prepared, and to Steve, a special thank you. Your knowledge of the industry and your dedication to your role as CEO is outstanding and greatly appreciated by all. Lastly to all of you, our members thank you for your loyalty and continued business. Without you, there would be no need to have a credit union. Credit unions exist to profit members, not to profit from members.

Bill Redden

Chair

# CEO REPORT

2016 was another very business and successful year for Teachers *Plus* Credit Union. It was also a year of great change within the credit union system in Atlantic Canada as well as across Canada and your credit union was well represented at all system events and meetings.

This year started very strong with considerable demand for loans and deposit business, but then settled in to a more normal pattern from March onward. Our success in attracting personal loans and lines of credit was, unfortunately, offset by our less than expected mortgage growth. This was due to the continuing low interest rate environment and the very competitive nature of the mortgage business in this province and across Canada as well.

That said, we were able to show continued profitability. We also had the advantage of some “one time” events that helped our year, including a nice loan loss recovery and an unexpected rebate from our Atlantic Central.

As at December 31 we were behind budget on our overall loan target due to the mortgage market we faced, but we did have success in other lending areas as mentioned which helped us achieve overall asset growth of \$2,964,312 or 5.6%. With that Teachers *Plus* Credit Union was able to generate a bottom line surplus of \$221,723, which enabled us to allow for another patronage rebate for 2016 to be paid out in April of 2017. This profitability also allowed us to put \$36,724 into our retained earnings as well as adding \$8,000 to our provision for doubtful loans which protects us from unforeseen losses in the future. As with previous years we managed expenses tightly which also contributed to our bottom line.

As a staff we have tried to concentrate on being environmentally responsible, from our battery collection program to my challenge to staff to reduce our power consumption. We are all highly aware of our ability to help the environment through the accumulation of small acts, so we are always vigilant about turning off lights in empty offices, keeping heating levels set appropriately, etc. Our staff also took on as their charity this year, Margaret House in Dartmouth, which provides meals and clothing to those less fortunate. Through our own efforts such as yard sales, ticket sales on draws, as well as the outstanding support of our wonderful membership we were able to raise over \$3,600 as well as collect shoes and clothing that amounted to 6 small truckloads of donations.

We are blessed with a very efficient and dedicated staff and I am thankful every day for the work they do and the effort they put in. We continue to provide financial advice through our pre-retirement and budgeting seminars, as well as our conversations with members on a daily basis. We are always striving to improve to ensure that we provide an enhanced member experience to our members so they will tell their friends and family about us. As always, I want to encourage you all to tell your friends and neighbors about Teachers *Plus* and encourage them to join the credit union and share in our success.

In closing, I would like to again thank our staff for their hard work and I thank our Board of Directors who work hard on your behalf and who provide me with outstanding support and direction.

Steve Richard  
President & CEO

# Audit Committee Annual Report

The Audit Committee met seven times since our last AGM – two of which were with our new Auditors, Grant Thornton. The first meeting with the Auditor was on December 1, 2016 at which time Rodney Belliveau and Jaime MacDonald presented the Audit Plan for the 2016 audit of the Teachers *Plus* Credit Union's financial statements. The second meeting was on February 21st, 2017 when they presented the audited financial statements for 2016 and reviewed the 2016 Audit Findings letter.

During the year, the Audit Committee reviewed the monthly financial statements, the financial report and budget variance statements, allowances for doubtful loans, the Auditor's 2016 Audit Findings Letter, Internal Controls Review Report (CUDIC), the FINTRAC audit findings report, the Asset/Liability (ALM) management policy, the Enterprise Risk Management (ERM) policy, the Money Laundering policy, the Credit Card Use Policy, the Investment Policy, the Computer Policy, the Budget for 2016 and a review of the Patronage Rebate calculation. Finally, all expense forms for staff, committees and board members were reviewed regularly throughout the year. The Audit Committee reported regularly to the Board of Directors.

At the end of 2016, our Credit Union ended up with a before-tax profit of \$221,723. The Audit Committee recommended and the Board agreed that 83% of this pre-tax profit totaling \$185,000 be returned to members with the balance less taxes and auditor adjustments of \$36,724 be added to our retained earnings bringing our combined equity total to \$7,636,610. This brings the total amount of rebates to our members to \$2,336,515 for the past fourteen years. The rebate cheques will be deposited in members' accounts, with the amount of the rebate based on the total business that was carried out by each member at this Credit Union in 2016.

In conclusion, I would like to thank my fellow committee members for their dedicated service during the past year. They are Bill Redden, Maureen Smith and Jim McFarlane. Also, I want to thank management and staff for their assistance throughout the year.

I would also like to thank our Auditor, Grant Thornton, for their professional service and advice to this credit union during this audit transition year.

Prepared by,  
Mike Hurley  
Chair

# CREDIT COMMITTEE ANNUAL REPORT

During the past year, the Credit Committee of the Teachers *Plus* Credit Union included Alexis Allen, Derek Hayne, Pat Hillier, Nigel Mailman and Danny Wadden. Attendance at all meetings was very good and the input by members was excellent. The mandate of the Credit Committee is to review policy and make recommendations to the Board of the Teachers *Plus* Credit Union regarding Capital Utilization. The Committee reviews loans which go beyond the policies of the Capital Utilization Policy. These loans are referred to as Loan Exceptions. After a Loan exception has been approved by the Committee, it is forwarded to CUDIC for approval. Two loan exceptions were reviewed and approved by the Committee this past year.

The committee reviews all loans to staff members as well as loans to Board members and their families. This past year, three such loans were reviewed. It is also the responsibility of the Credit Committee to report to the Board on Loan Delinquencies. Thanks to the hard work of management and staff, action plans are in place to deal effectively with these delinquencies as they occur. Delinquency rates are well within acceptable limits.

Loan Declines are also reported to the Committee at each meeting. Loans are declined because of insufficient security, bankruptcy, and/or TDSR (Total Debt Service Ratio). The Committee reports to the Board on all consumer proposals and bankruptcies and, when necessary, recommends that these loans be written off.

This recommendation is made when the Committee is convinced that every effort has been made by staff to service these loans. During this past year, five such loans were written off.

The Credit Committee met on six occasions this past year. I would like to thank all members for their hard work and participation. I would also like to thank all Board members; CEO, Steve Richard; Manager, Financial Services, Dale Roode; and the lending department for their continued hard work and support.

Danny Wadden

Credit Committee, Chair

# CSR COMMITTEE ANNUAL REPORT

The Corporate Social Responsibility (CSR) Committee of the Nova Scotia Teachers *Plus* Credit Union consisted of Board members Alexis Allen, Nigel Mailman, Bill Redden, Chair Pat Hillier, staff Christine James and Mary Graham. The committee, which met on six occasions, began the year with a review of the mandate of the committee, and developed the primary focus goals of the committee for the next 3 years.

A grant proposal was developed for Nova Scotia schools, with a target area of grades 10 to 12 for the 2017 school year. Grants of up to \$2,000 per project may be awarded to teachers for use in the implementation of an educational based project to be completed with students. The grants will support teachers and students in the public school system, as well as enhance our visibility in the communities.

The committee discussed other ways of enhancing our visibility provincially through various media channels, including the up and coming new website. There is ongoing discussion on finding and utilizing ways to reach our members through communicating, via a variety of avenues, as well as ways to give back to our community locally and at the provincial level.

The committee had supported several requests for funding throughout 2016. \$2000 was donated to the Bras d'Or Watch, a project which was launched by the Bras d'Or Lake Biosphere Reserve Association to enable and support citizen- based monitoring in the Biosphere. In July, a field day at seven sites around the Bras d'Or Lake allowed for simultaneous sampling of several ecosystem properties on the lakeshore and in the shallow waters of the Bras d'Or Lake. Sampling at each site is overseen by an ecologist, and the result are used to provide a report card for the Bras d'or Lakes.



Funding in the amount of \$1000 was provided to the Rally that Gives, an annual motorcycle rally held in Sherbrooke Village. The Rally That Gives donates proceeds to three organizations: the Cancer Society's "Lodge That Gives" in Halifax, NS, Cathy's Place Cancer Resource Room in St. Martha's Hospital, Antigonish, NS and Holy Redeemer Convent in Sydney, NS. The Lodge That Gives offers a home away from home for cancer patients and their families living more than 50 km from the cancer treatment centre in Halifax. Cathy's Place Cancer Resource Room provides a variety of services to cancer patients and their families, including Reiki, a wig bank, pamphlets, videos and a computer with an oncology patient information system. Holy Redeemer Convent in Sydney, NS offers a place to stay for those undergoing cancer treatments from northern Nova Scotia.

A donation of \$1500 was provided to the Scottish Rites Learning Centre for Children in Halifax. The centre is dedicated to improving the lives of children diagnosed with dyslexia, and provides quality, state-of-the-art tutoring, free of charge, to those with difficulties in reading and writing, and related scholastic skills.

The staff of the TPCU continues to be dedicated towards maintaining a carbon conscious workplace environment, as well as giving to several community based fundraising endeavours throughout the year.

I would like to thank all members of the committee for their participation and commitment, with a special thank you to Mary Graham and Christine James for their continued hard work and support to the ongoing work of the committee.

Pat Hillier

CSR Committee Chair

# GOVERNANCE & NOMINATING COMMITTEE

The members of the Committee for 2016-17 were Bill Redden, Maureen Smith, Danny Wadden and Jim MacFarlane, Committee Chair. Throughout the year the Committee met six times on June 9, Aug 3, Oct 13, Dec 2, Feb 1 and Apr 20.

The primary function of the Committee is to ensure that we have good governance practice and in so doing review Board Policies and bring to the Board best practice if needed. The mandate of the Committee was reviewed and accepted with a few alterations around oversight. One change was policy oversight of staff was removed and left under CEO oversight and implementation with the CEO reporting to the Board.

A self evaluation was completed of the board with two areas of concern being noted. It was determined from the assessment that additional training regarding Legal responsibility of the Board and each member as well as some additional training regarding Risk Management. Subsequent training took place to help strengthen these areas. Along with this training Board members are taking courses through Cusource to meet or exceed the standards to be a Credit Union director in Nova Scotia.

Board remuneration was also looked into for the first time in eleven years. The result of this will have an impact of about \$3 000 a year for the Board expense. This coming year will see an evaluation of the Board as well as the self assessment. The brief history of the Credit Union referred to in last year's report has not been completed to date.

Respectfully submitted;

Jim MacFarlane, Chair

**THANK YOU!**

**FOR ATTENDING  
2016  
ANNUAL GENERAL  
MEETING**