

V.P. CREDIT UNION
ANNUAL GENERAL MEETING



Serving those who protect

Saturday, May 2nd 2015
Burnaby Mountain Clubhouse

BUSINESS PORTION OF THE EVENING INCLUDES:

- Reading of minutes of 2014 A.G.M.
- Reports of President, General Manager and Auditor
- New Business
- Appointment of Auditor for 2014
- Election of Directors and Committee Members

ELECTED OFFICERS FOR 2013

<i>Board of Directors</i>	<i>Elected</i>	<i>Unexpired Term</i>
Eric Borglund	President	2 years
Enzo Nadalin	Vice-President	***
Alvin Shum	Director	2 years
Jean Downing	Director	2 years
Rob Barber	Director	1 year
Neal Tyldesley	Director	1 year
Vello Klebanand	Director	1 year
Stephen Hatcher	Director	***
Ruben Sorge	Director	***

(Ruben Sorge was appointed to complete the remaining term of Jim Maidland)

CREDIT COMMITTEE

Jean Downing	Chairman	1 Year
Augie Butterworth	Member	2 Years
Mario Gardin	Member	2 Years
Larry Weeks	Member	1 Year
Alvin Shum	Member	***
Ron Fairweather	Member	***

*** indicates completed terms at time of A.G.M.

2015 CHAIRMAN OF NOMINATING COMMITTEE:

Neal Tyldesley

4837 Victoria Drive,
Vancouver B.C. V5N 4P3

Room 242 - 3585 Gravelly Street,
Vancouver BC V5K 5J5

Phone: 604-683-2434 • Fax: 604-683-3565

Toll Free: 1-877-683-8727 (VPCU)

Phone Banking 604-683-5300

E-Mail: info@vpcu.com Website: www.vpcu.com

YOUR STAFF:

Larry Hill	General Manager
Ann Phillips	Asst. G.M. / Mgr. Lending & Business Development
Tina Whiteaw	Manager, Administration & Finance
Deborah O'Toole	Manager, Member Services
Marla Bedard	Loans / Mortgage Officer
Vladimir Seslija	Loans Officer
Jackie Fekker	Loans Administration Officer
Adriana Gaven	Loans Officer
Karyn Cochrane	Administration Officer
Shirley Shum	Snr. Member Services Representative
Darcy Knoll	Member Services Representative
Carlos Correas	Member Services Representative
Lisa Parans	Member Services Representative
Sarah Plummer	Member Services Representative



2014 Annual Report

The benefits are real.

Presidents Message



The Board of Directors for VP Credit Union takes extreme pleasure in announcing the 2014 year end results. Assets grew by about .5 % to just under 130 million dollars. Net income totaled \$ 100 thousand dollars. Expenses remained firmly under control and delinquency remains extremely low.

Current economic events and a very low interest rate environment has meant reduced interest margins for our Credit Union over the past few years and we see no immediate relief in sight. Therefore the Board of Directors has taken the step to suspend the patronage program as of the fiscal year 2015.

We do note that in this past we again returned more than \$181,000 to you as members in the form of member patronage and dividends for the past year.

During the 2014 we unfortunately lost a very valued director due to personal reasons. Jim Maitland has decided to dedicate more time to his personal life. On the positive side, Ruben Sorge has proven to be a very welcome addition in as an appointed director.

During 2014, your Board of Directors conducted some very preliminary discussions with the board of directors of Vancouver Fire Fighters Credit Union. While we mutually agreed that a merger of equal Credit Unions did not seem viable at the present time, we have left the door open for further discussions.

VPCU continues a fine history of community involvement with the continued efforts of a volunteer staff team to work on projects of interest to the Vancouver Police Department. This Community Involvement Team has contributed staff time and efforts to such events and causes such as PMBA Children's Christmas party, Larry Young Run, V.P. Pipe Band, Kops for Kids and the VPD Victims Assistance Unit. We also are providing scholarships for well deserving young people to continue their education in law enforcement through our partners in the Credit Union Foundation as well as our own scholarship awards. This past year we made awards to Liam Fawcett and Joel Schellenberg.

In closing, I would like to thank my fellow board members and the various committee members for their countless hours of dedicated service on behalf of VP Credit Union.

Yours truly,
E. Borglund

General Managers Report



The year of 2014 continued the period of slow economic growth and frozen interest rates at an unheralded low level. The unexpected drop in oil prices has two sided effect on the Canadian economy. While it certainly is good news for consumers at the gas pumps, it certainly affects unemployment ratios. This is especially true in Western Canada. On the positive side, British Columbia is expected to lead the country in economic growth in 2016.

The effects of these lower rates are affecting all credit unions and VPCU did not escape entirely. However our assets showed a slight increase year over year. The continued squeeze on financial margin meant that our earnings from operations dropped to 300,000 but still net income came in at just under 100,000. The biggest impact to our income statement was an adjustment in foreign exchange as we had to follow the drop in the Canadian dollar.

As part of our update in electronic services, we unveiled an updated web-site that is cleaner and more user friendly to navigate. However, your internet browser may have to be updated to take full advantage of all the new services.

After several interruptions, we are scheduled to convert to a new banking system in late spring of 2015. Management and staff are quite excited to show off the new system that we have been working on for a year now.

We are still formulating plans to serve the new RCMP member market and have signed an arrangement with a team of mortgage brokers to work on our behalf mostly out in the Fraser Valley.

Respectfully submitted:

L.D. (Larry) Hill, CGA ACUIC
General Manager

Hours of Operation:

4837 Victoria Drive:	
Monday to Friday	8:00 am to 4:00 pm
3585 Graveley Street:	
Monday to Thursday	8:00 am to 4:00 pm
Friday	8:00 am to 2:00 pm
Closed for lunch between	11:30 and 12:30

Products and Services

VPCU is pleased to offer all its members a full range of competitively priced financial services including the following:

- Demand accounts – chequing, savings and package accounts
- Junior accounts
- Investment services and products
- Low cost loans and Mortgages
- RRSP's, RRIF's, TFSA's & RESP's
- Financial and estate planning
- Direct payroll deposits
- Free payroll deductions
- Free internet & telephone banking services.
- Patronage rebates
- Mobile Lending Service available 7 days per week.

Membership in V.P. Credit Union is available to the immediate family members of all our qualifying members.

**REPORT OF THE INDEPENDENT AUDITOR ON
THE SUMMARY FINANCIAL STATEMENTS**

To the Members of V.P. Credit Union

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2014, and the summary statement of comprehensive income for the year then ended, are derived from the audited financial statements, prepared in accordance with the International Financial Reporting Standards, of V.P. Credit Union for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated March 11, 2015.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited financial statements of V.P. Credit Union. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of V.P. Credit Union.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the fair summarization of the complete audited financial statements of V.P. Credit Union.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of V.P. Credit Union for the year ended December 31, 2014 are a fair summary of those financial statements.

Meyers Norris Penny LLP
Chartered Accountants
March 11, 2015
Abbotsford, BC

STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	Dec. 31, 2014	Dec. 31, 2013
Assets		
Cash and cash equivalents	5,103,102	6,387,287
Investments	10,758,907	10,979,908
Member loans receivable	108,779,350	106,894,498
Current tax receivable	50,316	28,544
Prepays	66,708	36,288
Property held for sale	54,565	-
Property, plant and equipment	3,929,283	3,948,111
	<u>\$128,742,231</u>	<u>\$128,254,636</u>
Liabilities		
Member deposits	114,615,097	114,616,967
Accounts payable & accrued liabilities	238,844	285,718
Member shares	5,385,448	5,004,430
Deferred income taxes	42,000	25,000
	<u>\$120,281,389</u>	<u>\$119,932,115</u>
Members' equity		
Equity shares	2,223,249	2,183,256
Retained earnings	6,237,593	6,139,255
	<u>8,460,842</u>	<u>8,322,521</u>
	<u>\$128,742,231</u>	<u>\$128,254,636</u>

Approved on behalf of the Board

Director: E. Borglund
Director: J Maitland

V.P. CREDIT UNION

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2014

	2014	2013
Interest income	3,938,080	3,975,183
Interest expense	1,876,529	2,070,593
Gross financial margin	2,061,551	1,904,590
Operating and administrative expenses	1,923,489	1,594,296
Other income	156,133	196,057
Net operating expenses	1,767,356	1,398,239
Earnings from operations	294,195	506,351
Dividends and patronage refunds	181,639	300,239
Loss on disposal of leasehold improvements	-	112,104
Income before income taxes	112,556	94,008
Income taxes	14,228	9,888
Total comprehensive income	98,328	84,120
Members' equity, beginning of year	8,322,521	8,181,161
Net issuance of equity shares	39,993	57,240
Members' equity, end of year	<u>\$8,460,842</u>	<u>\$8,322,521</u>

Cash provided by (used for) the following activities

Operating activities	156,882	312,076
Financing activities	457,585	3,360,321
Investing activities	(1,878,652)	(8,660,778)
Decrease in cash & cash equivalents	(1,264,185)	(4,988,381)
Cash & cash equivalents, beginning of year	6,367,287	11,355,668
Cash & cash equivalents, end of year	5,103,102	6,367,287

Note: Details are omitted that do not constitute financial statements as set forth in the Bank's legal or complete set of financial statements.

A complete set of Financial Statements is available at VPCU.