



2024

ANNUAL REPORT

GROW WITH US



OUR MISSION

To provide a full range of financial services delivered professionally at a fair price that supports our members and communities in building their financial security.

OUR VISION

Through continued innovation, Vermilion Credit Union will be the financial institution of choice and a recognized leader in our community.

OUR VALUES

Vermilion Credit Union will be guided by the following values:

Cooperative principles are the basis of our operating principles.
We will be supportive of our community.
We will treat our members and our employees with compassion.
We will adhere to an ethical business philosophy.
We will conduct our business in a fair and equitable manner.

82ND ANNUAL GENERAL MEETING AGENDA

Moment of Silence

Quorum

Call to Order

Alberta Central Greetings

Approval of Agenda

Approval of Minutes of the 81ST Annual General Meeting

Business Arising from the Minutes

Board Chair Report

Operations Report to Membership

Financial Summary

Employees and Board of Directors

Nominating Committee Report

Election Results

Motion to destroy the ballots.

Audit and Finance Committee Report

Credit Committee Report

Approval of Reports

Wealth Management Portfolio

Sponsorship & Donations Report

Profit Sharing

Financial Literacy

Membership Graphs

Auditor's Report

Adjournment

MINUTES OF THE 81ST ANNUAL GENERAL MEETING

WELCOME | Kellen Snelgrove welcomed everyone to the 81st Annual General Meeting. He went over housekeeping items for the Vermilion Elks Hall.

INTRODUCTION OF DIRECTORS AND CEO | Kellen Snelgrove introduced the head table which included himself, David Eremko, Wayne Wright, and Arch Partington. He then introduced the other board members present.

INTRODUCTION OF GUESTS | Kellen Snelgrove went on to introduce our special guests in attendance:

Crystal Althorp, Credit Union Engagement Representative - AB Central

Rien Visscher, Manager, Regulation and Risk Assessment, CUDGC

Dennis Ronald, Manager, Regulation & Credit Risk Assessment, CUDGC

Dan Hautzinger, Chief Operating Officer, Vision Credit Union

Amy Gertsma, VP of Digital Transformation, Vision Credit Union

Jeff Alliston, Metrix Group

Jim Jackson, Deputy Mayor, Village of Mannville

MOMENT OF SILENCE | There was a moment of silence to recognize our members we lost in the past year.

QUORUM REPORT | Kellen Snelgrove reported 54 members and 9 guests were in attendance, which represents quorum.

CALL TO ORDER | Kellen Snelgrove called the meeting to order at 7:03 p.m.

ALBERTA CENTRAL GREETINGS | Crystal Althorp, Credit Union Engagement Representative at AB Central introduced herself and passed along greetings on behalf of everyone at AB Central. She congratulated Vermilion Credit Union on another great year, acknowledging David Eremko and staff on their hard work and commitment. She further acknowledged David Eremko's support to Alberta Central in his active role with the manager committee throughout the years, working on strategic issues presented to Alberta credit unions. She thanked our staff on the hard work our employees accomplish for our more than 4000 members. She highlighted the over 800K profit sharing we were able to provide for our 2023 fiscal year. She praised Vermilion Credit Union for our work within the community through our FAT CAT Accelerated Reading Program, our Each One Teach One program; to help to deliver financial literacy within our communities, supporting our local 4-H clubs, Ukrainian Dance, CURE breast cancer fundraiser, participation within our schools, and garbage pick-up within our communities.

APPROVAL OF AGENDA | Sonia Matichuk moved the agenda be accepted as presented, seconded by Sherry Martin. All in favour; carried.

PRESENTATION OF MINUTES FROM PREVIOUS MEETING | Arch Partington moved the minutes be accepted as presented, seconded by Ted Wheat. All in favour; carried.

BOARD CHAIR REPORT | Kellen Snelgrove presented the Board report, on page 5 of the AGM report, on behalf of Devon Whitten, in his absence. He acknowledged Devon Whitten's commitment to his role of Chair for the board of directors and thanked him for his contributions. He indicated that 2023 has been another great year for the Vermilion Credit Union, although not without challenges and that the board continues to remain focused on supporting and meeting the needs of our members and communities. Acknowledging staff and the leadership of our management team, he highlighted that we were able to achieve record net earnings which affords us the opportunity to offer back higher patronage rebates & dividends, support our community and employ our staff.

OPERATIONS REPORT | David Eremko presented the operations report on page 6 of the AGM report. He welcomed everyone as VCU celebrates 81 years, thanking our members and guests for joining us. He highlighted significant

MINUTES OF THE 81ST ANNUAL GENERAL MEETING CONT'D

changes in the evolving credit union landscape since Vermilion Credit Union's Incorporation in 1943, from a high of 129 credit unions in the province to the current level of 12 credit unions. For the credit unions that continue to operate, he acknowledged we are resilient, determined and have weathered numerous financial storms to get where we are today, further indicating we strive to make a meaningful financial difference for our members and the communities we serve. David Eremko spoke to the branch modernization the Vermilion branch underwent in 2023 and thanked the members for their patience during the approximate four months of upheaval.

FINANCIAL SUMMARY | David Eremko presented the financial summary, on page 7, which highlighted stairways of great numbers. Noting increases in deposits, assets, capital, income before taxes, net income, and patronage and dividends. He concluded by thanking our board for their leadership, the valued employees, and the ongoing support of our membership over the last eight decades.

EMPLOYEES AND BOARD OF DIRECTORS | David Eremko presented the employees and Board of Directors shown on page 8, where he highlighted 2 staff members who celebrated years of service milestones. Ashton Stuparyk celebrated 15 years, and Corrine Minish celebrated 10 years. He congratulated them both on their work anniversaries and thanked them for their dedication and commitment to our credit union.

NOMINATING COMMITTEE REPORT | Arch Partington presented the Nominating Committee Report on page 9 and shared that the VCU Board of Directors is comprised of 9 individuals who represent the members of VCU. Sherry Martin, Ted Wheat, and Willow Jaremco were the 3 individuals with expired terms this year. Ted Wheat and Willow Jaremco agreed to let their names stand for re-election and Sherry Martin stepped down from her director position. In accordance with our bylaws, an additional call for nominations from the membership at large was advertised. One nomination for Gerald Martin was obtained. As a result, Gerald Martin, was elected by acclamation and joins our two returning directors.

AUDIT AND FINANCE COMMITTEE REPORT | Wayne Wright presented the Audit and Finance Committee Report on page 10, outlining that the committee consisted of Willow Jaremco, Sherry Martin, Ted Wheat, Devon Whitten, and himself. There were 3 audits completed in addition to the year-end audit which was performed by Metrix Group LLP, all with positive outcomes. Wayne Wright thanked our staff, fellow committee members, and board of directors.

CREDIT COMMITTEE REPORT | David Eremko presented the Credit Committee Report on behalf of Laura Tyner, on page 11 of the AGM report. David Eremko introduced the committee which consisted of himself, Brenda Jackson, Michael Myhovich, Kelsey Rose and Laura Tyner. He highlighted that in the past year member loans have increased by 2.92% which represents \$5.1 million dollars. Most of the increases were in residential mortgages, commercial loans, and agricultural mortgages. VCU disbursed 360 loans for approximately 39 million dollars. He noted that our delinquency was at .05% as of year-end which shows strength of our membership.

Ted Wheat moved that all the reports be moved en masse and be accepted as presented, seconded by Alta Matters. All in favour; carried.

WEALTH MANAGEMENT PORTFOLIO | David Eremko presented the Wealth Management Portfolio on page 12 which shows the off-book balance sheet from three companies under the Aviso umbrella. VCU members have \$18.7M in mutual funds at Credential Asset Management Inc. and \$3.4M held at Qtrade Direct Investing and Qtrade Guided Portfolios.

COMMUNITY SPONSORSHIP | David Eremko presented the Sponsorship and Donations Report on page 13 which shows the donations and community support by VCU. Giving back to the community is an intrinsic part of who Vermilion Credit Union is and we will continue supporting the community because they support us. We look forward to seeing this number grow year over year.

MINUTES OF THE 81ST ANNUAL GENERAL MEETING CONT'D

PROFIT SHARING | David Eremko presented the Profit Sharing report on page 14 where he highlighted the record high dividends and patronage rebates that were given back to thank VCU members.

FINANCIAL LITERACY | David Eremko presented the Financial Literacy report on page 15 where he noted that we have added educational value where we communicate sound financial advice. 10 presentations for students to seniors were put on by VCU educated staff.

MEMBERSHIP GRAPHS | David Eremko presented the membership graphs displayed on pages 16-17 where it shows the length of memberships for individuals, organizations, and businesses as well as the members by branch for both Vermilion and Mannville.

AUDITOR'S REPORT AND FINANCIAL STATEMENT | Jeff Alliston presented the Auditor's Report and Financial Statement on pages 22-25. He thanked the staff of VCU for their cooperation during audit; helping it to be successful and completed with ease. The audit required shows the financial position as of October 31, 2023. The board of directors approved the audit, and it is now presented here tonight.

Wayne Wright moved the Auditor's Report and Financial Statement be accepted as presented, seconded by Carol Therrien. All in favour; carried.

NEW BUSINESS | Kellen Snelgrove presented the following board resolutions:

Resolution 9.10 - Board Remuneration

The proposed resolution amendment was presented as an insert to the AGM report outlining the proposed increase to remuneration in the following categories: full day, half day, board meeting and committee meeting with a breakdown for directors and chairman.

Sherry Martin moved the amendment to Resolution 9.10 be accepted as presented, seconded by Trina Fisher. All in favour; carried.

Resolution 7.11 - Board Compensation

The proposed resolution amendment was presented as an insert to the AGM report outlining the proposed variance of the number of directors required at any given time form 7-9 (7 being the minimum and 9 being the maximum)

Terry Lupul moved the amendment to Resolution 7.11 be accepted as presented, seconded by Wayne Wright. All in favour; carried.

THANKS | Kellen Snelgrove concluded by thanking all our members and guests for attending our 81st Annual General Meeting.

ADJOURNMENT | Kellen Snelgrove moved for adjournment at 7:35 pm, seconded by Ted Wheat.

BOARD CHAIR: 
2FC80ADB0B9A489...

SECRETARY: 
0FE7FF3C2A01406...

MESSAGE FROM **THE BOARD CHAIR**

On behalf of the Board of Directors, I would like to thank our membership, staff and management team for their continued commitment to the Vermilion Credit Union and its ongoing success.

As a board we focus on providing value to the management, staff and members by guiding the Vermilion Credit Union in directions which allow us to continue to best serve our membership and the communities in which we live.

This organization continues to demonstrate the value of a local, cooperative financial institution in an evolving financial market. We remain deeply committed to our communities as a trusted employer, a charitable leader, and a financial institution of choice. We take pride in reinvesting our profits and time back into our communities.

Respectfully submitted,

Devon Whitten

Chair, Board of Directors

**“ We remain
deeply committed to
our communities as
a trusted employer,
a charitable leader,
and a financial
institution of choice.”**

MESSAGE FROM **THE CEO**

On behalf of the board and staff of Vermilion Credit Union, I am pleased to present the results of our past year to our 82nd Annual Meeting. The past year represents a successful year of operation and for that we truly thank our members and community for continuing to support and believe in the value of a locally owned independent financial institution.

We were able to continue rewarding our membership with a payment representing 38.95% of our gross income by way of patronage and dividend payments totaling \$875,000 of which the dividend represented a very attractive rate of 6.00% for the year. This now represents a combined total of \$9.10 million that has been returned to our members since inception in 1999.

“ We truly thank our members and community for continuing to support and believe in the value of a locally owned independent financial institution.”

The past year of operations saw assets climb to a new high of \$272,673,185 as of October 31, 2024, representing a healthy increase of \$24,044,827. Profitability ended the year with net income of \$1,946,058, a slight decline of \$161,054 from last year's record earnings. Capital and retained earnings saw further improvement to \$29,084,922 which met all provincial regulatory levels of capital and provides strength and security for our membership.

Our nine member board of directors remains fully committed to providing sound guidance and oversight to the organization on behalf of the membership they represent. To ensure further accountability the board continues to engage independent professional bodies to complete external audits, quarterly by Alberta Central, and annually by Metrix Group LLP, with positive feedback being maintained.

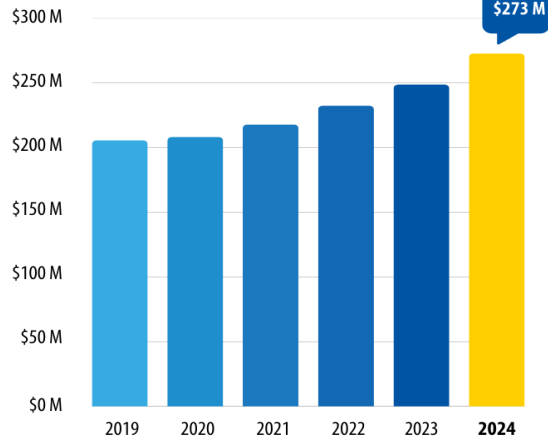
Thank you to our membership for your continued support, patronage, and loyalty as well as our valued staff whose dedication and efforts have resulted in a successful year for your Vermilion Credit Union.

Respectfully submitted,

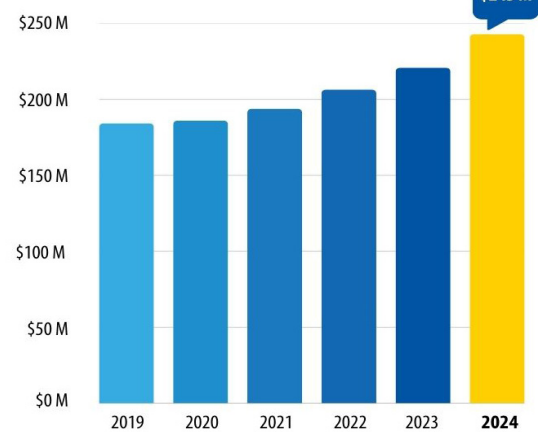
David Eremko
Chief Executive Officer

FINANCIAL SUMMARY

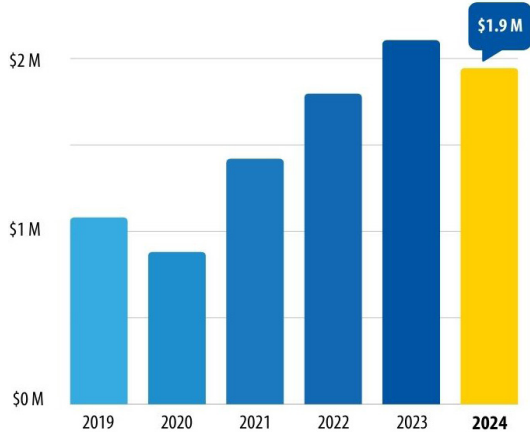
ASSETS IN MILLIONS



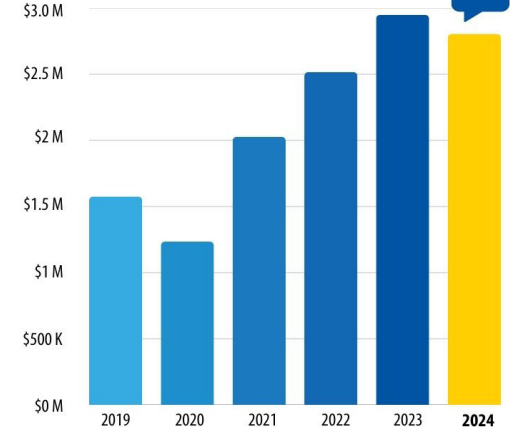
DEPOSITS IN MILLIONS



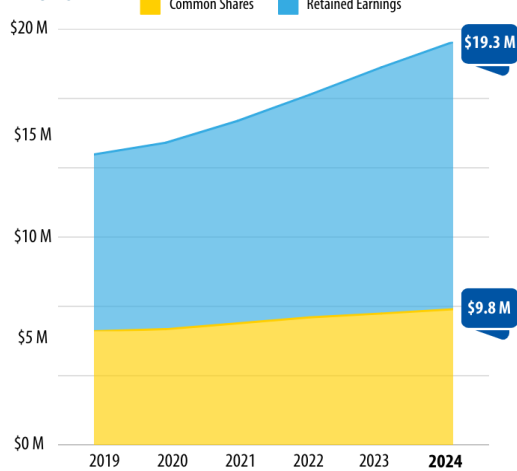
NET INCOME IN MILLIONS



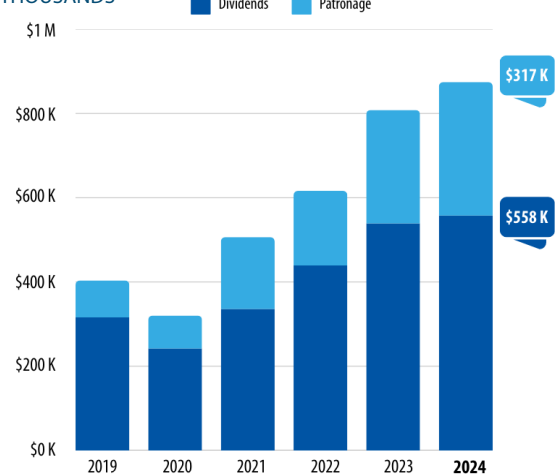
INCOME BEFORE ALLOCATION IN MILLIONS



COMMON SHARES & RETAINED EARNINGS IN MILLIONS



MEMBER DIVIDEND / PATRONAGE PMTS IN THOUSANDS



OUR FRIENDLY & PROFESSIONAL **EMPLOYEES**

Vermilion

Alta Matters	Harm Tjardes
Ashley Roberts	Katrina de Nevers
Ashton Stuparyk	Kelsey Rose — 5 years
Bobbi Jo Lysons	Laura Tyner
Brenda Jackson — Retiring	Laurie Barlow
Celina Savic	Leanne Lupul
Christa Grocock — 15 years	Misty McLaughlin
Connie Wilkinson	Sean Tennant
Corrine Minish	Shelby Cartier
David Eremko	Tanya Whelan
Delainey Selte	Tracey Rogers
Elaine Poliakiwski	Trina Fisher
Fernanda Merchan	Wendy Gill
Halle Leslie	

Mannville

Michael Myhovich — **20 years**
Rachel Stavely
Rania Pitre
Rebecca Hochhausen

OUR COMMITTED **BOARD OF DIRECTORS**

Our Credit Union is governed by an elected representation of the membership and each Director brings valuable insight and perspective when developing the strategy for our business. The Board of Directors is a unique and important part of the credit union structure.

The Directors are responsible to ensure the financial viability of the credit union well into the future.

Board Directors

Devon Whitten — **Board Chair**
Kellen Snelgrove — **Vice Chair**
Arch Partington
Carrie Boerrichter
Cole Goad
Gerald Martin
Ted Wheat
Wayne Wright
Willow Jaremco

Committees

Executive Committee
Audit and Finance Committee
Nominating Committee
Enterprise Risk Management Committee

NOMINATING COMMITTEE REPORT

The Vermilion Credit Union Board of Directors is comprised of nine individuals who represent the members of the Vermilion Credit Union. Every year the terms of three individual Directors expire, and this year those Directors were Devon Whitten, Wayne Wright, and Cole Goad.

As chair of the nominating committee I spoke with Devon, Wayne, and Cole individually about their intentions to seek another term on the board. All agreed to let their names stand for re-election.

In accordance with our bylaws, an additional call for nominations from the membership at large was advertised in the local papers, on social media, and in the Mannville and Vermilion branches. One nomination was received for Kirk Davies and an election was then held in February 2025. The in-branch ballots were counted and verified by Leckie and Associates CPA and confirmed the return of Whitten, Wright and Goad.

The Nominating Committee of Kellen Snelgrove, Ted Wheat, Gerald Martin, along with myself, would like express our appreciation to the nominees for allowing their names to stand, and wish to congratulate the successful candidates.

Sincerely,

Arch Partington

Chair, Nominating Committee

“The
Nominating
Committee would
like to express
their appreciation
to the candidates
for allowing their
names to stand
for nomination
and election.”

AUDIT & FINANCE COMMITTEE REPORT

During the past year, the Vermilion Credit Union Audit and Finance Committee consisted of Willow Jaremco, Cole Goad, Ted Wheat, Devon Whitten and myself, Wayne Wright.

The Audit and Finance Committee met on four separate occasions to complete the tasks and responsibilities assigned to it by the board.

Meetings were held independent of the CEO and management with Brightside Consulting Services Ltd. to discuss and review the audit process after each audit.

Discussion was held throughout the year on the work of the Enterprise Risk Management committee.

☺☺ On behalf of the Audit and Finance Committee, we thank the staff and management for all their efforts during this past year. ☹☹

The committee also reviewed Quarterly Financial Reports prepared by management for the board, to ensure industry and Vermilion Credit Union benchmarks and goals are being met.

On behalf of the board of directors, Brightside Consulting Services Ltd. was engaged to complete an Internal Audit during the fiscal year. Metrix Group LLP, the Credit Union's external auditor, completed the Fourth Quarter Audit and the year-end Financial Statement as of October 31, 2024. The Audit and Finance Committee reviewed all audit reports along with management's responses and were satisfied with the integrity of systems and controls, which are supported by all external bodies.

On behalf of the Audit and Finance Committee, we thank the staff and management for all their efforts during this past year. The audit reports received are a result of their hard work and attention to following policies and procedures.

Thank you to my fellow committee members, Board of Directors, management, and staff.

Respectfully submitted,

Wayne R Wright

Chair of the Audit & Finance Committee

CREDIT COMMITTEE REPORT

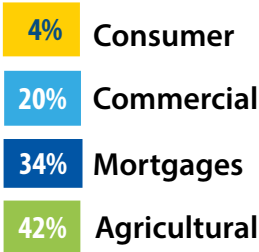
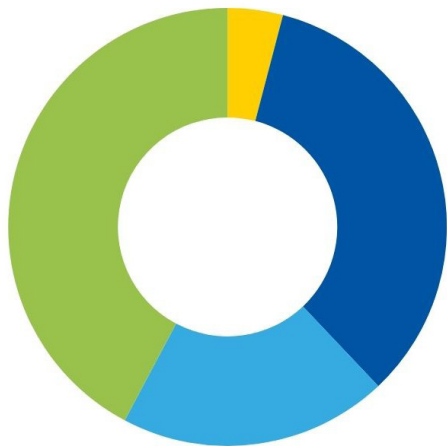
As of October 31, 2024 the loan portfolio was \$194,597,849, an increase of \$13,342,714 or 7.36% from the last fiscal year end. Vermilion Credit Union disbursed 379 loans for a total of \$49,751,640 last fiscal year-end. The overall increase in the portfolio is attributed mostly to our consumer loans, commercial mortgages and agricultural loans and mortgages.

Loan delinquency as of October 31, 2024 was at .07% of the total loans and authorized overdrafts, which were delinquent in excess of 60 days.

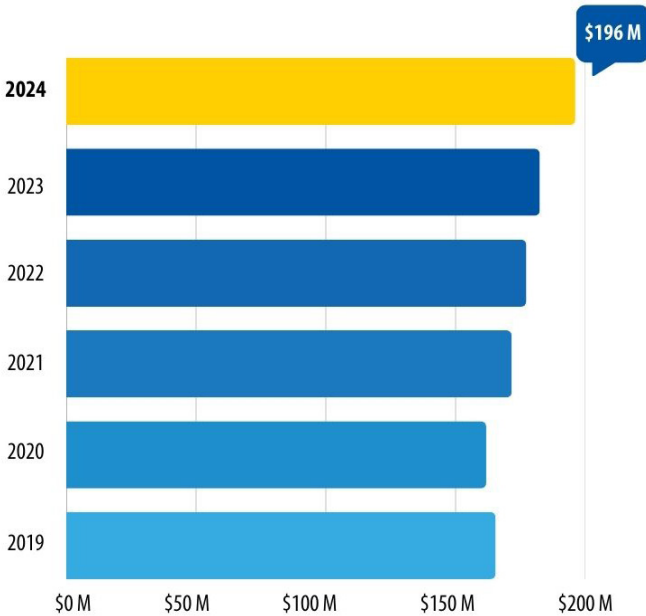
Respectfully Submitted,

Laura Tyner
Manager of Lending Services

LOAN PORTFOLIO MIX



MEMBER LOANS (\$ Millions)



WEALTH MANAGEMENT PORTFOLIO

Whether you're looking for expert guidance or a self-managed approach, we have the right investment solutions to support your financial future.

Our members are able to access products and services from three trusted companies under the Aviso Wealth umbrella.

Aviso Wealth Inc. provides access to mutual funds from some of Canada's top investment firms, including Fidelity Investments, CI Investments, Mackenzie Investments, AGF, NEI, and Franklin Templeton. Our licensed advisors work with you to build a portfolio tailored to your financial goals.

Qtrade Investing® offers a self-directed investing platform for those who want full control over their portfolios. With access to individual stocks, bonds, and ETFs on North America's major exchanges, you can build and manage your investments with confidence.

Qtrade Guided Portfolios® is a simple, low-cost solution for investors looking for a hands-off approach. Designed for those just starting out or seeking automated portfolio management, this service helps match you with an investment strategy that fits your risk profile.

VERMILION CREDIT UNION MEMBERS HAVE

\$27,230,588

IN MUTUAL FUNDS AT AVISO WEALTH INC.

AND

\$4,871,157

HELD AT QTRADE DIRECT INVESTING AND QTRADE GUIDED PORTFOLIOS

Mutual funds and other securities are offered through Aviso Wealth Inc., a division of Aviso Financial Inc. Commissions, trailing commissions, management fees, and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Online brokerage services are offered through Qtrade Direct Investing®, a division of Aviso Financial Inc. Securities mentioned are not guaranteed, their values change frequently, and past performance may not be repeated.

Qtrade Guided Portfolios® Qtrade Guided Portfolios is a trade name of Credential Qtrade Securities Inc., a wholly owned subsidiary of Aviso Wealth Inc.

SPONSORSHIP & DONATIONS

Vermilion Credit Union takes pride in strengthening our community by supporting organizations, charities, and events which reflect the values of our members and our employees. Major recipients were the Vermilion and Mannville Elementary Schools receiving \$6,036 for the FAT CAT® Accelerated Reading Program, the Vermilion Public Library Elevator project receiving \$5,000 and the Vermilion Senior Centre flooring upgrade receiving \$3,000.

\$37,317
INVESTED IN OUR COMMUNITIES

By providing service charge free accounts for our non-profit and community based organizations, that means that an additional benefit of **\$32,000** was provided to these valued community members in 2024. We are proud to play a role in supporting these organizations and the great work they do in our communities.

AREAS OF INTEREST

Eligible projects that further the strategic goals of community investment for our credit union include, but are not limited to activities in any of the following areas of interest:

- Arts & Culture
- Charities
- Clubs
- Education
- Events
- Groups & Associations
- Sports & Recreation

Priorities

In awarding investment, particular consideration is given to innovative projects and programs which engage in one or more of the following:

- Capital projects
- Contribute to strengthening the community, especially by encouraging the participation of diverse groups and individuals
- Building effective partnerships within the community



Arts & Culture & Events

— \$9,006



Charities

— \$460



Clubs

— \$5,350



Education

— \$9,206



Groups & Associations

— \$8,250



Sports & Recreation

— \$5,045

PROFIT SHARING **WITH OUR MEMBERS**

At Vermilion Credit Union you are a member and an owner. This is beneficial to you because when we make a profit, so do you. As a reward to you for trusting us with your financial business, the more business you do with us, the bigger your share of the profits!

Earnings returned to member-owners can be in the form of:

- Patronage rebates on service charges and interest paid on loans, or a bonus on the interest earned on deposits. Patronage rebates are placed directly to your chequing or savings accounts.
- Dividends on the common share purchased at the time of membership opening or invested at a later date increase the amount of your common share. (Speak to a VCU team member if you are interested to hear about investment options.)

The decision as to how much is allocated and paid out in the month of December is made annually by your Board of Directors.



\$875,000

GIVEN BACK TO MEMBERS

\$875,000 paid to members in 2024 in way of patronage & dividends and \$9.1 million since 1999.

FINANCIAL LITERACY IN OUR COMMUNITIES

We recognize that people's financial well-being depends on their ability to understand and use financial information in a way that helps them make good decisions. That's why we are proud to promote and facilitate a valuable financial literacy initiative. The innovative program, Each One Teach One, was created to help families and individuals build lives of financial stability and independence. We were happy to host 15 literacy sessions this past year, and we look forward to sharing knowledge and financial literacy throughout our communities in the upcoming years.

Each One Teach One Stats



2

Staff Members

are currently trained to be a coach and trainer for the Each One Teach One Program



15

Presentations

were put on by our trainers



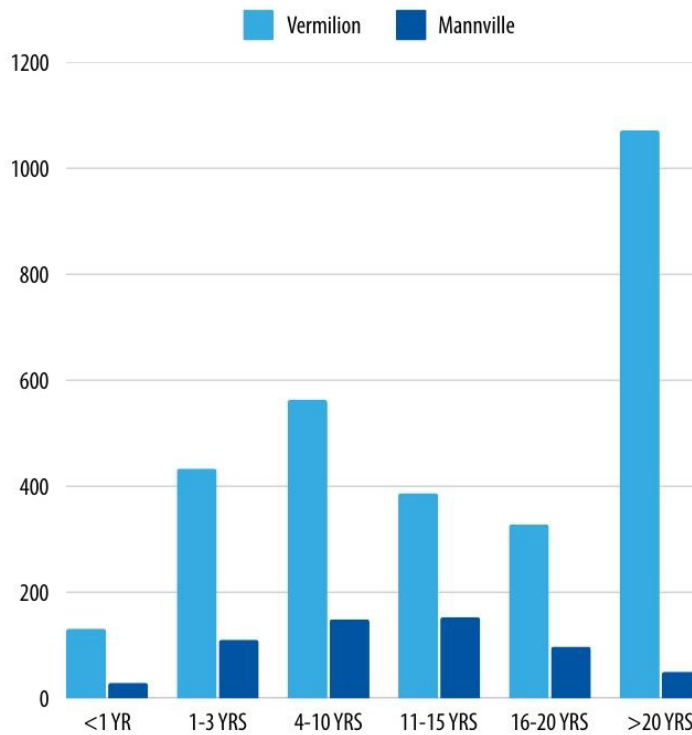
298

Participants

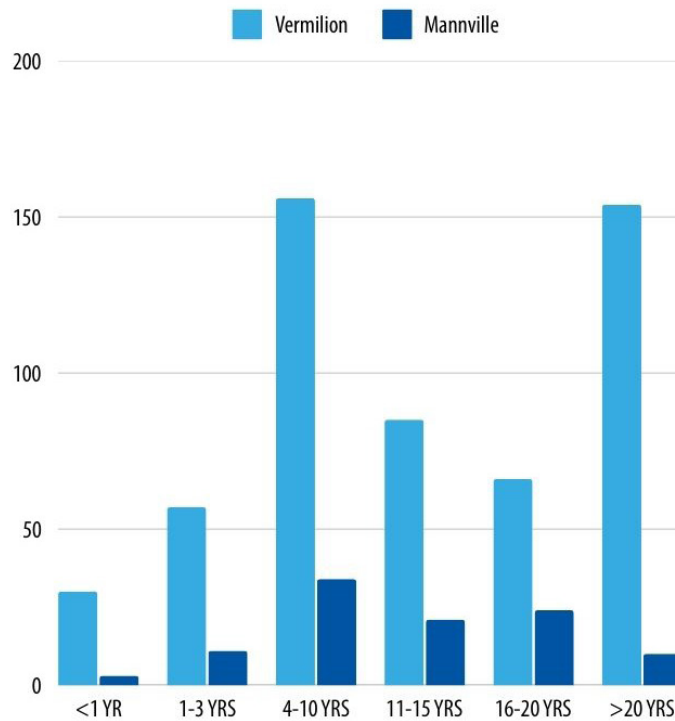
attended the workshops

MEMBER LOYALTY

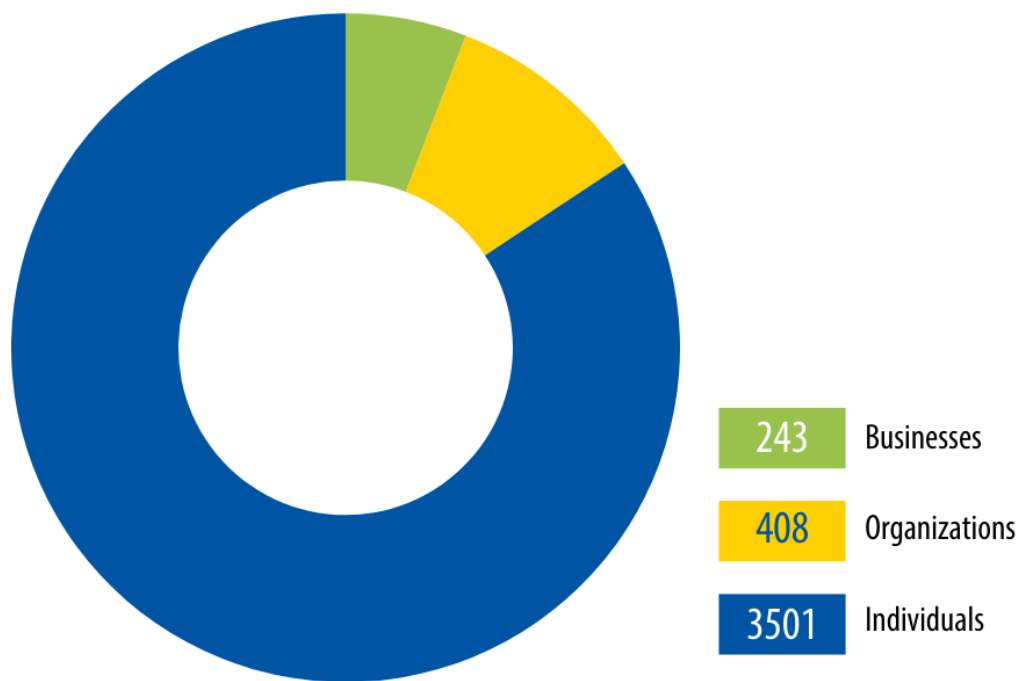
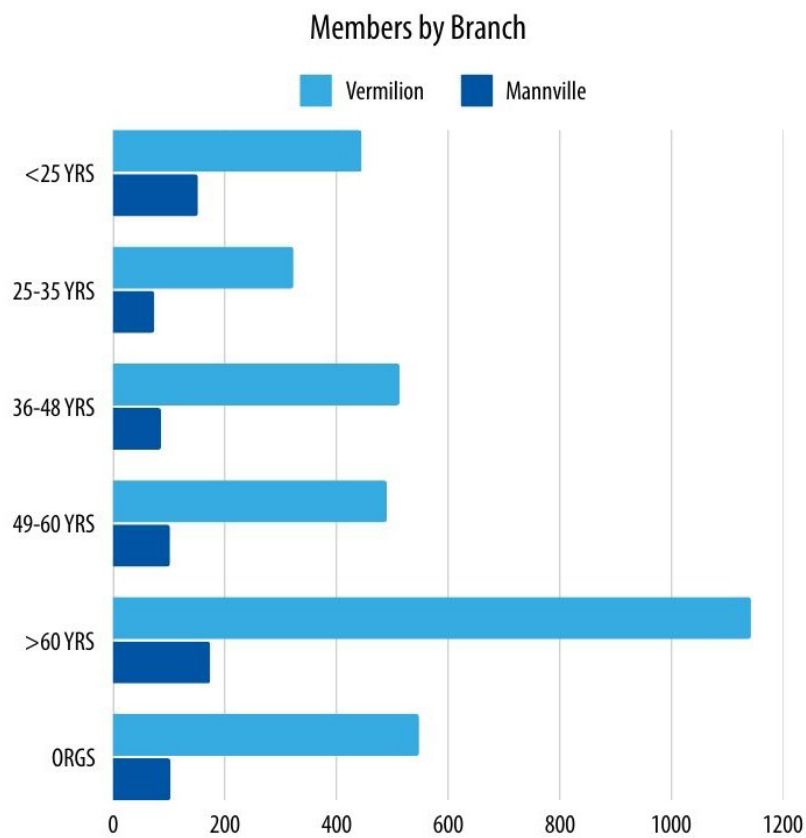
Length of Memberships - Individual Members



Length of Memberships - Organizations & Businesses



MEMBERSHIP COMPOSITION



A photograph of a field of yellow mustard flowers. The flowers are in various stages of bloom, with some showing bright yellow petals and others as green buds. The stems are green and leafy. The background is a clear, light blue sky. A dark blue banner is overlaid on the right side of the image, containing white text.

Summary Financial Statements

FOR YEAR ENDED OCTOBER 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Vermilion Credit Union Limited

Opinion

We have audited the financial statements of Vermilion Credit Union Limited (the Credit Union), which comprise the statement of financial position as at October 31, 2024 and the statement of net income and comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at October 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(continues)



Independent Auditors' Report to the members of Vermilion Credit Union Limited (*continued*)

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
January 29, 2025



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including significant accounting judgments and estimates in accordance with International Financial Reporting Standards. The responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary accounting systems and related internal controls designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The elected Board of Directors of Vermilion Credit Union Limited are composed entirely of individuals who are neither management nor employees of the Credit Union. The Board of Directors have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board of Directors are also responsible for the appointment of the Credit Union's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by The Board of Directors to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with the internal audit staff, other management staff, and the Audit & Risk Committee of the Board and management to discuss their audit findings.

Vermilion, Alberta

January 29, 2025

DocuSigned by:

David Eremko

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David Eremko

Chief Executive Officer

DocuSigned by:

Kelsey Rose

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Kelsey Rose

Manager of Finance and Risk

Vermilion Credit Union Ltd.
Statement of Financial Position
As at October 31, 2024

	2024	2023
Assets		
Cash and cash equivalents	\$ 31,433,385	\$ 24,947,727
Investments	42,939,343	39,143,594
Derivative assets	10,222	24,940
Income taxes recoverable	48,756	-
Member loans	196,125,291	182,435,447
Assets held for resale	144,740	-
Other assets	169,564	187,911
Deferred income tax asset	-	3,878
Property and equipment	1,660,403	1,722,177
Intangible assets	141,481	162,684
	\$ 272,673,185	\$ 248,628,358
Liabilities		
Accounts payable and accrued liabilities	\$347,619	\$238,090
Deferred income tax liability	1,543	-
Derivative liabilities	10,222	24,940
Income taxes payable	-	11,610
Member deposits	242,912,104	220,837,443
Patronage allocation payable to members	316,775	268,875
	\$243,588,263	\$ 221,380,958
Members' Equity		
Allocation distributable	557,850	539,250
Member shares	9,227,543	8,946,529
Retained earnings	19,299,529	17,761,621
	29,084,922	27,247,400
	\$ 272,673,185	\$ 248,628,358

ON BEHALF OF THE BOARD:

Signed by:

Devon Whiten

CFAF880273FE46E...

Director

Signed by:

Wayne R Wright

7E143D4399D0489...

Director

Vermilion Credit Union Ltd.

**Statement of Net Income & Comprehensive Income
For The Year Ended October 31, 2024**

	2024	2023
Financial Income		
Interest from member loans	\$ 9,645,037	\$ 8,157,927
Investment income	2,875,347	2,136,631
	12,520,384	10,294,558
Financial Expense		
Interest on member deposits	5,910,089	3,826,653
Financial Margin Before Impairment Charges	6,610,295	6,467,905
Net Investment Impairment Charges	1,142	779
Net Member Loan Impairment Charges	(61,255)	102,080
Off Balance Sheet Impairment Charges	6,032	592
Financial Margin After Impairment Charges	6,664,376	6,364,454
Other Income	931,553	1,030,824
Gross Margin	7,595,929	7,395,278
Operating Expenses		
Personnel	2,774,262	2,687,043
Occupancy	183,347	198,210
Security	173,427	155,471
Organization	109,860	105,217
General	1,550,720	1,299,476
	4,791,616	4,445,417
Income Before Patronage Allocation & Income Taxes	2,804,313	2,949,861
Patronage Allocation	316,775	268,875
Income Before Income Taxes	2,487,538	2,680,986
Income Taxes		
Current	536,059	578,801
Deferred (Recovery)	5,421	(4,927)
	541,480	573,874
Net Income and Comprehensive Income	\$ 1,946,058	\$ 2,107,112

Vermilion Credit Union Ltd.

Statement of Changes in Members' Equity

For the Year Ended October 31, 2024

	<u>Allocation Distributable</u>	<u>Member Shares</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, October 31, 2022	\$ 439,375	\$ 8,769,205	\$ 16,059,000	\$ 25,267,580
Net Income and Comprehensive Income	-	-	2,107,112	2,107,112
Dividends Paid Through Issuance of Member Shares	(439,375)	425,438	13,937	-
Dividends Accrued	539,250	-	(539,250)	-
Income Tax Recovery, Dividends Declared	-	-	120,822	120,822
Issuance Of Member Shares	-	74,979	-	74,979
Redemption Of Member Shares	-	(323,093)	-	(323,093)
Balance, October 31, 2023	\$ 539,250	\$ 8,946,529	\$ 17,761,621	\$ 27,247,400
Net Income and Comprehensive Income	-	-	1,946,058	1,946,058
Dividends Paid Through Issuance of Member Shares	(539,250)	511,462	27,788	-
Dividends Accrued	557,850	-	(557,850)	-
Income Tax Recovery, Dividends Declared	-	-	121,912	121,912
Issuance Of Member Shares	-	209,233	-	209,233
Redemption Of Member Shares	-	(439,681)	-	(439,681)
Balance, October 31, 2024	\$ 557,850	\$ 9,227,543	\$ 19,299,529	\$ 29,084,922

Vermilion Credit Union Ltd.

Statement Of Cash Flows

For the Year Ended October 31, 2024

	2024	2023
Operating Activities		
Interest received from member loans	\$ 9,297,907	\$ 7,909,316
Interest received from investments	2,778,456	1,664,441
Dividends received	-	36,250
Other income received	931,553	1,030,824
Interest paid to members	(4,786,264)	(2,745,303)
Income taxes paid	(474,513)	(613,233)
Net operating expenses paid	(4,536,879)	(4,346,203)
Patronage allocation paid	(268,875)	(176,850)
Net change in member loans	(13,267,766)	(4,998,258)
Net change in member deposits	20,950,836	13,276,837
	10,624,455	11,037,821
Investing Activities		
Purchase of property and equipment	(63,609)	(744,684)
Acquisition of foreclosed property	(144,740)	-
Net change in investments	(3,700,000)	(3,125,248)
	(3,908,349)	(3,869,932)
Financing Activities		
Issue of member shares	720,695	500,417
Redemption of member shares	(439,681)	(323,093)
Dividends on common shares	(511,462)	(425,438)
	(230,448)	(248,114)
Net Increase in Cash and Cash Equivalents	6,485,658	6,919,775
Cash and Cash Equivalents, Beginning of Year	24,947,727	18,027,952
Cash and Cash Equivalents, End of Year	\$ 31,433,385	\$24,947,727



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