



VISION 
CREDIT UNION
2017 ANNUAL REPORT

MISSION

**Vision Credit Union improves the lives of the people we serve
and the well-being of our communities.**

VISION

**Vision Credit Union will be the financial service provider
of choice in rural and entrepreneurial Alberta.**

CREDIT UNIONS SERVE OVER 5 MILLION CANADIANS

PRESIDENT'S REPORT

On behalf of the Board of Directors, I am pleased to report that Vision Credit Union has had another outstanding year. In fact, our assets and earnings this year were the highest in our history.

Assets increased to \$992 million, up from \$940 million in 2016 and \$878 million in 2015. Earnings before taxes and ProfitShare allocation increased to \$13.6 million, and reserves increased to \$122 million representing 12.3% of assets.

Remember that every dollar of your money deposited with Vision Credit Union is 100% guaranteed by the Credit Union Deposit Guarantee Corporation, and the Province of Alberta ensures that this guarantee is honoured.

The policy of our board is to build reserves while at the same time paying out a substantial portion of our earnings to our members by way of profit sharing.

This year we allocated \$9.3 million to the share accounts of our members. This represents a 25% rebate on interest paid by our members, and a 25% bonus on interest earned by our members. It pays to do business with Vision Credit Union!

Our board, management and staff are committed to providing you with the best possible service and facilities, in our branches and electronically, each and every day.

Our success is truly your success.

Alan D. Fielding, Q.C.
President



A FEW WORDS FROM OUR CEO

Vision Credit Union has had another very successful year in 2017. The loyalty of our members and the dedication of our staff and board have helped Vision to have healthy growth in deposits, loans and net profit.

This allowed Vision to pay back 25% in profit share to our members on all interest earned or paid. Our profit share in 2017 is the most paid back by any credit union in Alberta.

Vision continues to support our communities, and donated over \$120,000 to various sports teams, dance clubs, community projects and charities.

Once again I would like to thank our loyal members, dedicated staff and board for making 2017 another banner year for Vision Credit Union.

**Steve Friend
Chief Executive Officer**



WE SHARE OUR PROFITS WITH OUR MEMBERS

WE ARE HERE TO HELP!

Whether you're buying a car, planning a vacation, buying your first home, or even looking at starting your own business, Vision Credit Union is here to help you every step of the way!

- Residential, Agriculture, and Commercial Mortgages
- Home Equity, Agriculture and Commercial Line of Credit
 - Personal Line of Credit
 - Personal Loans
 - RRSP Loans
 - Machinery and Input Loans
 - Student Select Revolving Line of Credit
- Insurance (Travel, Group Life and Health, Loan and Mortgage Protection)
- Wealth Management (offered through Credential Asset Management Inc.)

We also offer the services of four mobile lending specialists...they come to you!



Dan Szott



Steve Davies



Laine Gray



Darrell Fiddick

EVERY MEMBER HAS A VOICE IN HOW THE CREDIT UNION OPERATES

WE MAKE IT EASY!

At Vision Credit Union, we realize the importance of remaining current with technology and the services and products we provide.

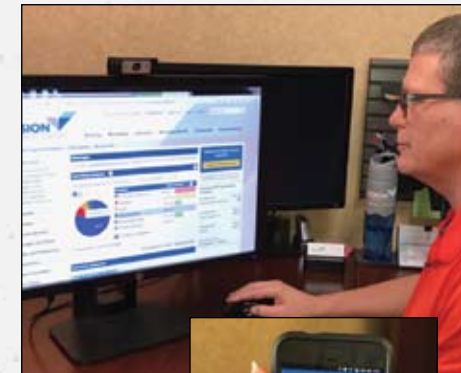
We are listening and proactively responding to offer you products that make your everyday banking easy!

Members can access their accounts 24 hours a day, seven days a week through a variety of innovative products and services, including:

- **Online banking through our MemberDirect Integrated website
 - eTransfers (e-mail money transfer)**
- **ePost (allows members to receive, view and pay their bills) through our MemberDirect site**
 - **Direct Alerts (allows members to receive notifications about events that have occurred in their accounts or in online banking by e-mail or text message)**
 - **Mobile Banking App (available on Apple and Android devices)**
 - **Deposit Anywhere (remote deposit capture)**

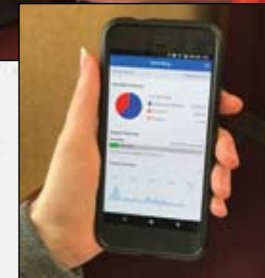
In 2017 we introduced Personal Financial Management (PFM) on our online banking site. This money management tool allows members to understand where their money goes, and plan where they can make changes to align with their financial goals.

We are currently working on ME-to-ME transfers, which gives our members the ability to link their accounts at various financial institutions through our online banking site. As a result, members can move money into their credit union account with funds from another financial institution, and also send money from their credit union account to an account at another financial institution.



Darin Winder, VP Information Systems, demonstrates the functionality of Personal Financial Management.

You can also use it on our Mobile App!



WE SPECIALIZE IN SERVING SMALL- AND MEDIUM-SIZED BUSINESS

WE MAKE A DIFFERENCE IN OUR COMMUNITIES



Gals from the West End branch made a donation and also entered a team in the Habitat for Humanity Snow Golf event in February.



Staff from the Vegreville branch presented a donation to the Vegreville Crisis Association of proceeds from a silent auction that was held in their branch.



The Stettler branch partnered with their local Legion to host a charity bingo to benefit the Stettler Food Bank. They were able to raise over \$2,500.



The Stettler branch hosted their annual Farmers' barbecue in June.

Each year every agricultural account which completes their renewal package by February 1 is entered into a draw for a barbecue hosted by Vision Credit Union.

PEOPLE HELPING PEOPLE: THAT'S THE REASON WE'RE IN BUSINESS

WE MAKE A DIFFERENCE IN OUR COMMUNITIES



Member Appreciation Day was hosted at all of our branches in June.



Volunteers help to fill the bags which are supplied through funding from Vision Credit Union.

Every year Vision Credit Union partners with Camrose Family Literacy and the Early Childhood Development Coalition (ECD) to provide information and resources for parents of pre-school aged children to improve success in school. The bags are also distributed to parents with new babies.



Head Office, City Centre and West End branches joined forces to host a fundraiser barbecue with all proceeds going to the Camrose Women's Shelter.



The Falher branch held a fundraiser on Credit Union Day, collecting donations for Grandma's Den, which is a local thrift store.

WE ARE A ONE-STOP FINANCIAL RESOURCE

WE MAKE A DIFFERENCE IN OUR COMMUNITIES



Vision Credit Union is a proud supporter of the Camrose Association for Community Living, an organization which provides services to people to develop skills and build quality of life.



Vision Credit Union's Board of Directors made a donation to the Camrose Food Bank in lieu of Christmas gifts.



Vision Credit Union Head Office staff and families volunteered their time to deliver approximately 250 Christmas Cheer hampers for the fifth year in a row. Head Office departments also sponsored 16 families, purchasing gifts for those families and personally delivering those gifts.

YOUR MONEY IS 100% GUARANTEED

TERRY KELLY MEMORIAL SCHOLARSHIP WINNER

Terry Kelly served as the General Manager of Battle River Credit Union for 30 years - his career with the Credit Union was his life. He lived and breathed the Credit Union, and his second family were his faithful employees.

Terry passed away suddenly in May 2009. To honor Terry's memory, the Board of Directors established the Terry Kelly Memorial Scholarship program, where a scholarship in the amount of \$2,500 is available to children of staff and directors who will be attending a post-secondary institute for the year. The scholarship is based on academic achievement and community involvement.



Senior Vice President of Operations Bruce Weinkauf congratulates Cheyanne Kotylak, this year's recipient of the Terry Kelly Memorial Scholarship Award.

Cheyenne is the daughter of Pam and Brian Kotylak, and is currently studying Occupational and Physiotherapist Assistant at Red Deer College.

IN RECOGNITION

With gratitude and congratulations,
Vision Credit Union announces the retirement of
Directors Joseph Cameron and Leslie Trach.

We would like to thank them for their dedicated service, and wish them both
all the best with their future endeavors.

Mr. Cameron has served our
Sedgewick/Killam/Alliance
region since 1990.



Mr. Trach has served our
Two Hills/Vegreville
region since 2003.



WELCOME TO OUR NEW DIRECTORS

MR. JAMES BRODIE
representing the Sedgewick/Killam/Alliance region

MR. ALLEN STEFIUK
representing the Two Hills/Vegreville region

WE OFFER LOCAL DECISION MAKING

The background features a collection of overlapping circles in various colors (pink, blue, green, yellow) with a textured, stippled appearance. A solid black horizontal bar is positioned across the middle of the page, containing the title text in white. At the bottom, there is a decorative border composed of horizontal bands of color (pink, yellow, green) with a similar stippled texture.

FINANCIAL STATEMENT
Fiscal 2017



Management's Responsibility for Financial Reporting

The financial statements of VISION RIVER CREDIT UNION LTD. and all other information contained in the annual report are prepared and presented by management, which is responsible for their accuracy, objectivity and completeness. This responsibility includes presenting the financial statements in accordance with International Financial Reporting Standards ("IFRS"). The preparation of the statements necessarily involves the use of estimates, which are made using careful judgment.

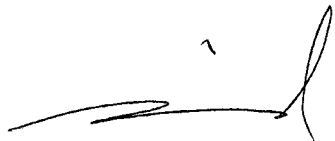
Management is responsible for maintaining a system of internal controls designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Directors has the ultimate responsibility for these financial statements. The Board oversees management's responsibilities for financial reporting through an Audit and Finance Committee, which is composed entirely of directors who are not officers or employees of VISION CREDIT UNION LTD. The Committee reviews the financial statements and recommends them to the Board for approval.

To carry out its duties, the Audit and Finance Committee reviews the annual financial statements, as well as issues related to them. The Audit and Finance Committee also assesses the effectiveness of internal controls over the accounting and financial reporting systems. The Audit and Finance Committee's review of financial reports includes an assessment of key management estimates and judgments material to the financial results.

The external auditor, appointed by the Board of Directors, conducted an audit of these financial statements in accordance with Canadian generally accepted auditing standards. The external auditor has full and unrestricted access to the Audit and Finance Committee to discuss their audit findings as to the integrity of VISION CREDIT UNION LTD.'s financial reporting and adequacy of internal controls.

Mowbrey Gil LLP Chartered Professional Accountants has examined these financial statements and their report follows.

A handwritten signature in black ink, appearing to read 'Steve Friend', with a stylized flourish at the end.

Steve Friend, Chief Executive Officer
Camrose, Alberta
December 9, 2017

Audit and Finance Committee Report

The Audit and Finance Committee met four times during the 2017 fiscal year. We reviewed the legislated financial reports as well as the financial results of each branch and compared their performance to budget. We received quarterly Asset Liability Management reports provided to ensure our portfolio was properly matched.

We reviewed and recommended the 2018 budget for approval. We received and reviewed the internal audits conducted during the fiscal year, our external auditors' management letter and the audited financial statements.

The purpose of the audits is to verify the Credit Union procedures are being followed in accordance with the Credit Union's policies and that the legislated requirements governed by the *Credit Union Act* and bylaws are adhered to.

My sincere thanks to the members of the committee and to the management who provided their assistance and information.

A handwritten signature in black ink, appearing to read 'Ron Pilger', is positioned above the name of the committee chairman.

Ron Pilger, Committee Chairman

Credit Committee Report

We are pleased to report on the activities of the Credit Committee for the past year.

The Credit Committee continues to meet on a regular basis to ensure loan requests are processed on a timely basis.

During the 2017 fiscal year, Vision Credit Union approved 2,841 loan applications totalling \$428,614,792.07. This compares to the previous fiscal year where 3,134 applications were approved totalling \$419,351,532.10.

The total amount of new money approved is \$193,098,047.83.

Independent Auditor's Report

To the Members of Vision Credit Union Ltd.

The accompanying summary financial statements of Vision Credit Union Ltd., which comprise the summary statement of financial position as at October 31, 2017, and the summary statements of income and comprehensive income, changes in members' equity and cash flows for the year ended October 31, 2017, are derived from the audited financial statements of Vision Credit Union Ltd. for the year ended October 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated December 9, 2017.

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.


Auditor's 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, these summary financial statements, derived from the audited financial statements of Vision Credit Union Ltd. for the year ended October 31, 2017, are a fair summary of those financial statements, on the basis described in Note 1.

Edmonton, Alberta
December 9, 2017



Mowbrey Gil LLP, Chartered Professional Accountants

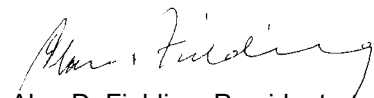
Statement of Financial Position

Year Ended October 31, 2017

(\$ Thousands)

	2017	2016
Assets		
Cash and cash equivalents	\$ 19,791	\$ 25,355
Member loans receivable and accrued interest	810,405	787,591
Investments and accrued interest	144,651	110,598
Income taxes recoverable	-	196
Other assets	252	215
Foreclosed properties held for resale	224	88
Deferred tax	401	392
Investment property	262	280
Intangible assets	746	922
Derivative financial assets	2	15
Property and equipment	14,964	13,879
	\$ 991,698	\$ 939,531
Liabilities		
Accounts payable and accrued liabilities	\$ 1,438	\$ 1,553
Income taxes payable	35	-
Derivative financial liabilities	2	15
Member deposits and accrued interest	868,358	823,382
	\$ 869,833	\$ 824,950
Contingent liabilities and commitments		
Members' equity		
Member shares	57,995	54,505
ProfitShare allocation	9,750	9,320
Retained earnings	54,120	50,756
	121,865	114,581
	\$ 991,698	\$ 939,531

Approved on behalf of the Board:


Alan D. Fielding, President


Ron Pilger, Director

A full set of financial statements is available from the Credit Union

Statement of Income and Comprehensive Income

Year Ended October 31, 2017

(\$ Thousands)

	2017	2016
Interest income		
Member loans	\$ 34,404	\$ 33,172
Investments	1,730	1,466
	36,134	34,638
Interest expense		
Member deposits	6,470	5,595
	29,664	29,043
Financial margin		
	29,664	29,043
Other income (expense)		
Other income	4,800	4,917
Provision for credit losses	(1,247)	(1,008)
	3,553	3,909
Operating expenses		
Personnel	10,444	10,531
Administration	5,532	5,570
Occupancy	1,620	1,499
Member security	895	1,397
Organization	423	376
	18,914	19,373
Income before ProfitShare allocation and income taxes	14,303	13,579
ProfitShare allocation	9,750	9,320
Income before income taxes	4,553	4,259
Income taxes		
Current	1,198	1,095
Deferred	(9)	67
	1,189	1,162
Net income and comprehensive income for the year	3,364	3,097

A full set of financial statements is available from the Credit Union

Statement of Changes in Members' Equity

Year Ended October 31, 2017

(\$ Thousands)

	Member shares	ProfitShare allocation	Retained earnings	Total
Balance, October 31, 2015	\$ 51,837	\$ 8,627	\$ 47,659	\$ 108,123
Net income and comprehensive income for the year	-	-	3,097	3,097
Issuance of member shares	8,629	(8,627)	-	2
Redemption of member shares	(5,961)	-	-	(5,961)
ProfitShare allocation	-	9,320	-	9,320
Balance, October 31, 2016	54,505	9,320	50,756	114,581
Net income and comprehensive income for the year	-	-	3,364	3,364
Issuance of member shares	9,323	(9,320)	-	3
Redemption of member shares	(5,833)	-	-	(5,833)
ProfitShare allocation	-	9,750	-	9,750
Balance, October 31, 2017	\$ 57,995	\$ 9,750	\$ 54,120	\$ 121,865

Statement of Cash Flows

Year Ended October 31, 2017

(\$ Thousands)

	2017	2016
Operating activities		
Net income and comprehensive income for the year	\$ 3,364	\$ 3,097
Items not affecting cash:		
Amortization	1,279	1,142
Deferred taxes	(9)	67
ProfitShare allocation	9,750	9,320
	14,384	13,626
Changes in non-cash working capital:		
Other assets	(37)	(3)
Accounts payable and accrued liabilities	(108)	66
Income taxes payable	231	209
	86	272
	14,470	13,898
Investing activities		
Purchase of property and equipment, and intangible assets	(2,177)	(3,233)
Net change in member loans receivable and accrued interest	(22,814)	(57,014)
Net change in foreclosed properties held for resale	(136)	89
Net sale (purchase) of investments	(34,053)	4,945
	(59,180)	(55,213)
Financing activities		
Net change in member deposits and accrued interest	44,976	54,952
Member shares issued	3	2
Redemption of member shares	(5,833)	(5,961)
	39,146	48,993
Increase (decrease) in cash flow	(5,564)	7,678
Cash and cash equivalents - beginning of year	25,355	17,677
Cash and cash equivalents - end of year	\$ 19,791	25,355
Cash flows supplementary information		
Interest received	\$ 35,719	34,072
Interest paid	\$ 6,252	6,070
Income taxes paid	\$ 967	886

Notes to Financial Statements

Year Ended October 31, 2017

1. Basis of presentation

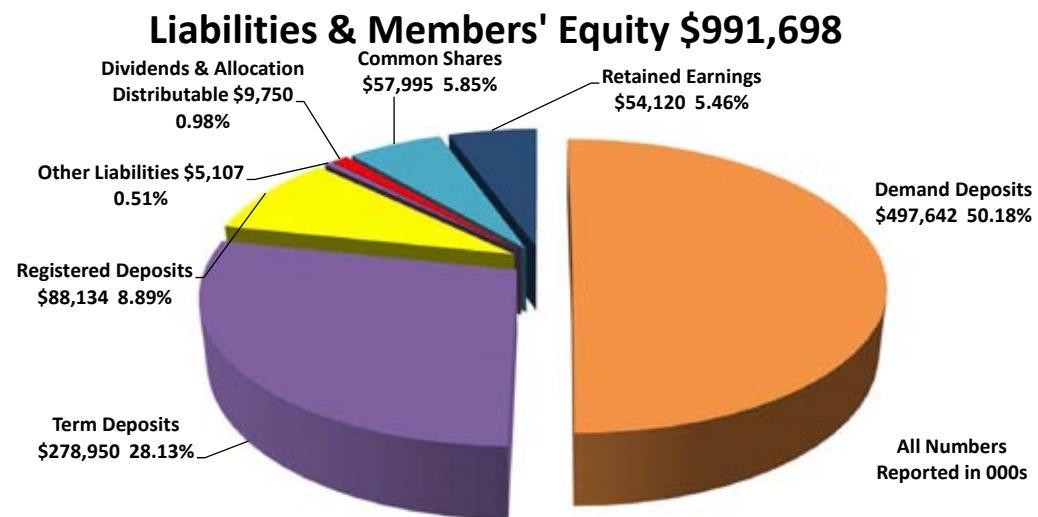
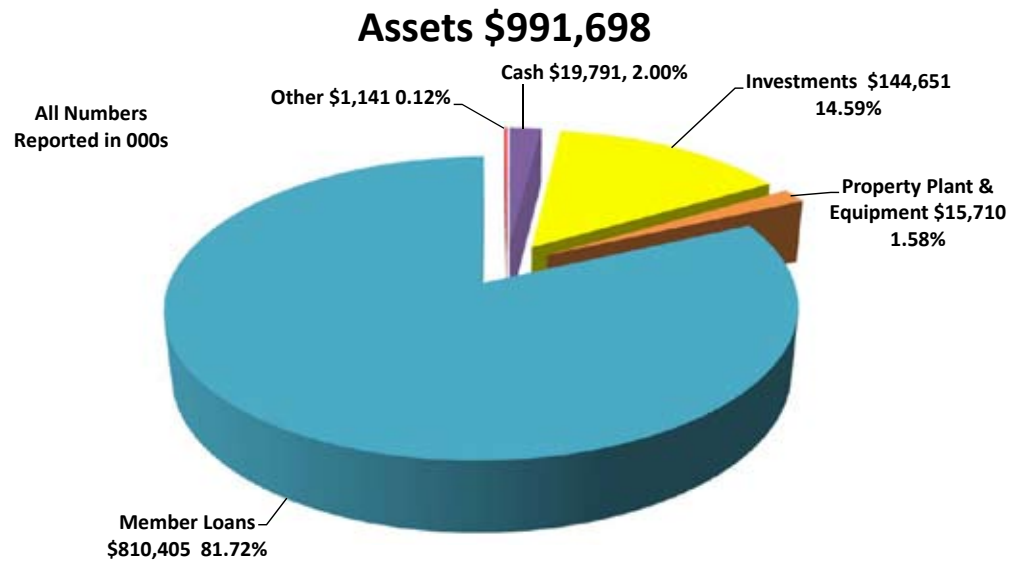
These summary financial statements have been derived from the financial statements of Vision Credit Union Ltd. (the "Credit Union") for the year ended October 31, 2017, which were prepared in conformity with International Financial Reporting Standards ("IFRS").

The criteria developed by management for the preparation of the summary financial statements is as follows: that the information included in the summarized financial statements is in agreement with the related information in the complete financial statements, and that the summarized financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto, in all material respects.

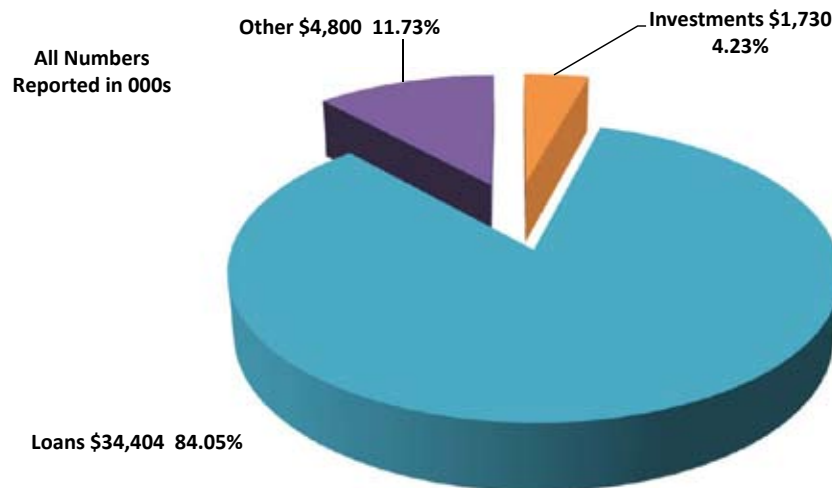
A full set of the financial statements including significant accounting policies and other explanatory information is available from the Credit Union.

Financial Position

Year Ended October 31, 2017



Financial & Operating Income \$40,934



Income Expended or Allocated \$40,934

