

2024

ANNUAL REPORT

TO MEMBERS



Coastal Financial
CREDIT UNION

Table of Contents & AGM Agenda

Table of Contents

1 Annual Meeting Agenda	9-10 Our Leadership Team & Board of Directors
2-3 2024 Meeting Minutes	
4 A Message from the Chairman of the Board	11 Board Highlights
5-6 A Message from the Chief Executive Officer	12-13 Audit & Risk Committee Report
7-8 Making a Difference in Our Community	14-15 Credit Committee Report
	16 Nomination Committee Report
	17 Youth Strategy Committee Report

AGM Agenda

1 Call Meeting to Order/Confirm all have Registered	8 Chief Executive Officer's Report
2 Confirmation of Quorum and Proper Notice of Meeting	9 Auditor Report and Financial Statements
3 One Minute of Silence for Deceased Members	10 Audit Committee Report
4 Approval of Agenda	11 Credit Committee Report
5 Approval of the Minutes of the Last Annual Meeting	12 Youth Committee Report
6 Business Arising from the Minutes	13 Nomination Committee Report
7 Chair of the Board of Directors' Report	14 New Business
	15 Service Awards for Board of Directors
	16 Adjournment

2024 Meeting Minutes

The Annual General Meeting (AGM), for 2023 was held April 25th, 2024 as a Virtual Meeting. Raymond Doucette called the meeting to order at 7:00 pm with 48 members in attendance.

Confirmation of Quorum and Proper Notice of Meeting. Jeff Muise officially established a quorum so the meeting could continue.

One Minute of Silence. Was observed in honour of past members.

Approval of Agenda. Moved by Joanne Wallace that the agenda be accepted as presented. The motion was 2nd by Irvin Surette. All in favour. **Motion Carried.**

Approval of the Minutes of the last Annual Meeting. Moved by Joanne Wallace to approve the minutes for the April 25th, 2023 AGM. The motion was 2nd by Irvin Surette. All in favour. **Motion Carried.**

Business arising from the Minutes. There was no new business arising from the minutes.

Chair of the Board of Director's Report. The Chairman, Raymond Doucette, gave a summary of his report. The full report is included in the AGM booklet on page 4. It's no secret that 2023 was a challenging year for many families and businesses in our community from a financial perspective. With a backdrop of high interest rates and persistently high inflation, there was a lot of economic pressure felt right here in our community. However, as I reflect on the state of Coastal Financial, I see a great, resilient organization. Like all strong organizations, your Credit Union is built on what I see as our key pillars of success: our membership; our community; our people; and our systems. Because of you - our valued members - we're able to keep our profits local for the overall betterment of our community, which is something I believe we can all truly be proud of.

Chief Executive Officer's Report. CEO, Rick Doucette, gave a summary of his report. The full report is included in the AGM booklet on page 5. Coastal Financial Credit Union had a strong year of growth in 2023, which is on top of a great year in 2022. Once again, our successful year was largely attributed to increased interest rates, which remained high as the Central Bank worked to tame inflation. We were there for our community when you needed us most in 2023. We saw unprecedented levels of food and shelter insecurities, and I'm proud of our action. Once again we supported the TCRCE and CSAP school breakfast programs with a combined commitment of \$35,000, ensuring that kids in our communities won't go hungry and are able to start their day with a nutritious meal to support their learning. On behalf of our staff and board, I would like to thank you - our valued members - for continuing to choose to do your banking locally at our Credit Union. By choosing to keep your banking local, we're able to remain steadfast in our mission to promote and enhance the economic and social wellbeing of the communities where we all live and work.

Auditor's Report. Gloria Banks, of the accounting firm Grant Thornton LLP, presented a brief review of the independent auditor's report and the procedures that Grant Thornton uses in order to provide the report and their opinions. Grant Thornton appreciates the support they receive from the management and staff of CFCU during the preparation of the financial statements. CFCU had a clean audit with no deficiencies. All filings were up-to-date. There were no recommendations for improvements.

Financial Statement. Rick Doucette, CEO, presented a summary of the Financial Statements emphasizing that 2023 was a good year for CFCU.



2024 Meeting Minutes

Audit and Risk Management Committee Report.

Joanne Wallace gave a brief summary of the Audit Committee report which is on page 6 of the AGM booklet. Despite the challenges during these economic times, we had a positive year because of our whole team. Joanne thanked the committee members for their time and dedication along with Phyllis Amirault and her team, as well as Gloria Banks and her Grant Thornton team. We are pleased to report that Coastal Financial is compliant and up to date in their reporting.

Motion: Motion by Joanne Wallace to accept the Board, CEO Report, Auditors Report as presented. The motion was 2nd by Rick Allwright. All in favour. **Motion carried.**

Motion: Motion by Irvin Surette to approve the Financials as presented. The motion was 2nd by Joanne Wallace. All in favour. **Motion carried.**

Appointment of Auditors. Moved by Joanne Wallace to retain MNP LLP, Chartered Accountants for 2024, 2025, 2026. The motion was 2nd by Nicole Telford. All in favour. **Motion carried.**

Credit Committee Report. The Credit Committee's mandate is overseeing and monitoring the lending function within policies as established by the Board of Directors and is a valuable resource within the Credit Union. Irvin Surette went over the credit committee report which is on page 7 of the AGM booklet. Our total portfolio is comprised of 2,550 accounts totaling \$177 million dollars. We attained 4% in growth this year totaling \$6 million over the previous year. Delinquency and write-off levels were very low this year and we referred 57 loans to Atlantic Central for approval. I wish to thank the Credit Committee members, Yvon Boudreau, Ilona Smith, Christine Telford, Sandra Ryan, and Michelle Amirault for their continuous cooperation and sincere dedication.

Motion: Moved by Irvin Surette to accept the Credit Report as presented. The motion was 2nd by Ilona Smith. All in favour. **Motion Carried.**

Youth Committee Report. Pam LeBlanc stated that her report was on page 8 of the AGM booklet. Four (4) Bursaries of \$1,000 each went to our high schools. Students had to prepare an essay commenting on "Coastal Financial Credit Union offers banking services to your community. What technology does your financial institution provide that makes banking easier for you?" Play for "A's" was a chance to win a \$1,500 computer. Three (3) packages were awarded this year. Yarmouth High approached us asking for our assistance to present financial literacy sessions for grades 10 and 11. We had our Each One Teach One volunteers present this program as well as one to youth at the SHYFT House. Our "design our corporate Christmas card" contest was enthusiastically received with over 3,000 entries, our biggest year ever, with all the elementary schools participating. \$1,000 was presented to Plymouth Elementary School with a Star Saver bag of goodies for the winner.

Nomination Committee Report. Raymond Doucette presented the Nomination Committee Report. There were four (4) three-year terms and one (1) one-year term positions available. Successful candidates were: Danielle Boudreau, Racheal Surette, Irvin Surette and Michelle Amirault. Moved by Raymond Doucette to accept the successful candidates. The motion was 2nd by Rick Allwright. All in favour. **Motion carried.**

Adjournment. Dan d'Eon moved to adjourn.



Message from Raymond Doucette

CHAIRMAN OF THE BOARD

Dear Valued Members,

Over the past year, Coastal Financial Credit Union has experienced significant achievements and milestones. 2024 has been a period of transformation, growth, and resilience for the organization.

Our journey towards a comprehensive digital transformation has been a significant focus this year. We have completed the first phase of updating our digital services, including a new core banking system, an online banking portal, and a revamped website. These advancements are a testament to our commitment to making banking more accessible and streamlined for our members today, while investing in the technology we'll need to serve members of tomorrow.

However, like any major transformation, our journey was not without its challenges. We encountered unexpected hurdles along the way, and there were instances where we fell short of your expectations. Our Board – along with our management team – thanks you for your patience as we worked through these matters.

Despite these challenges, our dedication to supporting our community has remained. We continued to support various initiatives like school breakfast and food pantry programs, and local non-profits like the Tri-County Women's Centre, and Our House Youth & Wellness; ensuring that our community members have access to essential resources.

As we move forward, we remain committed to our vision of Banking to Strengthen our Community. We are excited about the future and the opportunities for Coastal Financial to leave a positive impact on the Southwest Nova Scotia community.

Thank you to our CEO and the entire management team for their dedication and hard work stewarding our organization through the last year. Our board is confident in this team's ability to continue driving your credit union forward and achieving our shared vision.

Thank you to all our staff for being there for our members and each other day in and day out. Your commitment to exceptional member service continues to inspire me.

Finally, thank you – our valued members – for your unwavering trust, patience, and support of your locally-owned credit union. Coastal Financial exists because of you. And your Board continues to be your voice leading your credit union to success. I remain firm in my commitment to represent you in the year ahead and am excited to see what opportunities arise.

Respectfully submitted,

Raymond Doucette

Chairman, Board of Directors
Coastal Financial Credit Union Ltd.



Coastal Financial Credit Union
2024 Annual Report to Members



Message from Rick Doucette

CHIEF EXECUTIVE OFFICER

Dear valued members,

As I reflect on the past year, I am filled with immense pride and gratitude for the remarkable achievements and milestones we have reached together. 2024 was a year of foundation building for Coastal Financial Credit Union as we embark to evolve into the future-ready credit union you need us to be.

In line with our vision of Banking to Strengthen our Community, we embarked on our digital transformation journey. Our updated digital services, including a new core banking system, online banking portal, and website, marked the completion of phase one of making banking more accessible and streamlined for our members. This transformation is yet another example of our dedication to meeting the evolving needs of our community.

Like with most digital transformations, ours was not without bumps along the way. Given the scale and complexity of this work, we never expected the transition to be simple. However, there have certainly been hurdles we – nor our vendor partners – could have anticipated. We know there has been instances where we've let you down, and we own that. Thank you for your patience as we worked through these challenges.

2024 marked another year where we lived our brand purpose To Help our Community Thrive by showing up for our community through our various donations and sponsorships. Over the course of the year, we returned over \$101,000 to our community through initiatives like the NSCC Burrridge Campus food pantry, and sponsoring major events like the 2024 Congrès mondial acadien.

Of all our community initiatives, two were personal highlights for me: continuing our support of the school breakfast programs and the 12 Days of Giving.

This year, our staff visited all 16 schools in our service area to personally drop off cheques – totaling \$35,000 – to school staff for the breakfast programs. Doing so allowed us to see how these donations directly support our children. And once again, our 12 Days of Giving provided \$1,000 per day for 12 days leading up to the holidays to organizations nominated by our staff and board. This resulted in organizations like Acts of Kindness, 100 Meals, SAR Social Aid, and the Kids Fair Play Fund receiving much-needed support.

We also marked a new chapter in our brand identity with the soft launch of our updated logo. This rebranding effort reflects our commitment to staying relevant in today's ever-changing banking landscape. This phased rollout will ensure we're taking a sustainable and fiscal approach to the transition.



From a financial perspective, 2024 was a mixed year. We grew our overall asset portfolio by more than \$35M – including branch loan growth of \$4.38M and total deposit growth of \$33.4M – while maintaining membership levels flat versus 2023. However, we encountered headwinds with our operating costs, which in turn reduced our profitability. These increased costs are largely attributed to our technology investments for our core banking system.

As we look ahead to 2025, we remain committed to our mission of improving the financial and social well-being of our community. Guided by our vision of Banking to Strengthen our Community, we are embarking on a new multi-year strategy called Forward Together, which aims to guide our actions and decisions over the coming years. Through our Forward Together strategy, management intends to provide additional value to our members through improved experiences, become a more operationally efficient organization, and continue to unapologetically support our community.

Overall, while cost pressures and economic instability remain, our leadership team is focused on driving growth for your credit union.

As I finish reflecting on the past year, I want to say thank you to our tremendous staff who've continued to show up for our members. Your dedication to your craft and willingness to forge ahead through change keeps me energized.

Thank you to our board for your unwavering support of me, our management team, and our staff. As the voice of our members, our team values your insights and perspectives that you bring to the table.

And last, but certainly not least: thank you to you, our members, for your continued patience and dedication to your credit union. You are why we exist, and we look forward to continuing to work each day to enhance the experience we provide you.

Respectfully submitted,

Rick Doucette

Chief Executive Officer
Coastal Financial Credit Union Ltd.



Making a Difference in Our Community

In 2024, Coastal Financial Credit Union reaffirmed its commitment to strengthening the social fabric of our community through targeted donations and volunteerism. Two cornerstone initiatives stood out:

- **School Breakfast Program:** We proudly donated a total of \$35,000 to 16 schools across our service area to support breakfast programs. These funds were delivered in person by our staff, allowing us to witness firsthand the impact on students and educators.
- **12 Days of Giving:** Continuing a cherished new tradition, which began in 2023, we distributed \$12,000 in December through our "12 Days of Giving" campaign. Each day, a different organisation—nominated by our staff and board—received a \$1,000 donation. Beneficiaries included: 100 Meals, Gilles Boudreau and Friends Cancer Help Fund, Tri-Country Women's Centre, Acts of Kindness, SHYFT House, Salvation Army Angel Tree Program, Our House Youth Wellness Centre, St. Vincent de Paul Pubnico Fuel Bank, Parents' Place, Kids Fair Play Fund, Juniper House, and SAR Social Aid

Beyond financial contributions, our team contributed numerous hours of personal volunteer time in 2024, supported by our policy of offering two paid volunteer days per employee annually.



Making a Difference in Our Community

Coastal Financial's sponsorship strategy began to evolve in 2024 to be more focused on supporting hyper-local events, programs, and initiatives that drive positive community sentiment, local economic development, and propel the business of the credit union forward. Highlights include:

- **Major Sponsorships:** With a focus of driving economic development in our region and the overall awareness of Coastal Financial, your credit union teamed up with organizations like the Yarmouth Jr A Mariners, Congrès mondial acadien, the Yarmouth Rib Fest, Y-Con Gaming Convention
- **Community-Focused Festivals:** Throughout the summer, events across our community are held to celebrate local heritage and foster inclusive community gatherings. Coastal Financial are long-standing supporters of these events, and in 2024 were proud to support festivals like Yarmouth Seafest, the Wedgeport Tuna Tournament and the Argyle Abuptic Festival.
- **Loyal 2 Local:** We remained active supporters of the Atlantic credit union Loyal 2 Local initiative, encouraging residents to shop locally and support small businesses. This initiative aligns with our cooperative values and our mission to promote economic resilience in Southwest Nova Scotia.
- **Cooperatives Supporting Cooperatives:** True to our cooperative values, we continued our support of the Yarmouth Community Farmers Market. Most weeks saw members of Coastal Financial attending the market with cash floats to help provide change for vendors and market-goers alike.



Leadership Team



Rick Doucette

Chief Executive
Officer



Phyllis Amirault

Manager, Operations



Sonia Ryan

Manager, Human
Resources



Jeff Muise

Manager, Information
Technology



Blake Sandham

Manager, Marketing
& Community
Engagement



Tracy Cottreau

Branch Manager,
Wedgeport



Pam LeBlanc

Branch Manager,
Tusket



Darryl LeBlanc

Branch Manager,
Yarmouth



Tracy Lusk

Branch Manager,
West Pubnico &
Barrington



Board of Directors



**Raymond
Doucette**

Chair of the Board
Term expires 2025



**Danielle
Boudreau**

1st Vice Chair
Term expires 2027



Rene Madden

2nd Vice Chair
Term expires 2025



Racheal Surette

Secretary
Term expires 2027



Irvin Surette

Past Chair
Term expires 2027



**Michelle
Amirault**

Board Member
Term expires 2027



Yvon Boudreau

Board Member
Term expires 2026



Patrick Dempsey

Board Member
Term expires 2026



Ilona Smith

Board Member
Term expires 2025



**Christine
Telford**

Board Member
Term expires 2026



Joanne Wallace





Board Member
Term expires 2026



Board Highlights

	2024
Total remuneration paid to all Directors (Includes service awards, health benefits, etc.	\$55,235.12
Total amount paid to all directors as reimbursement for travel expenses incurred on credit union business	\$19,489.23
Details of any loans made to directors or officers and to any persons in whom directors or officers have a material interest, which do not conform to the credit union's ordinary lending practices for members who are not directors or officers	None to report

Board Years of Service Spotlight:

	Yvon Boudreau 30 Years of Service
	Racheal Surette 10 Years of Service
	Christine Telford 5 Years of Service
	Patick Dempsey 5 Years of Service

Audit and Risk Management Committee Report



Rene Madden

Chair



Racheal Surette

Member



Ilona Smith

Member



Patrick Dempsey

Member



Francois Cormier

Member

The Audit and Risk Management Committee plays an important role for Coastal Financial Credit Union with both an eye on the past and another one on the future.

The audit and risk management committee works with its auditors and system partners to provide governance and compliance oversight – allowing the Board to rely upon the information it receives to assess the organization's performance, set strategic priorities, and develop sound policy.

In its forward-looking capacity, the committee provides risk management oversight – bringing a greater degree of structure to the assessment, management, reporting, and monitoring of important risks.

This year marked another successful period for the audit and risk management committee. This year was also marked by many changes.

- Onboarding with a new external auditor
- New back-end banking system and online platform
- Enhanced risk management reporting process

New External Auditor

We're pleased to report a clean audit opinion from our new auditing team at MNP LLP. We would take this moment to thank Darren Chiasson, CPA and his team at MNP for their insight and guidance during this year's audit process. Their familiarity with and knowledge of the local credit union landscape provided reassurance during a year with a lot of moving parts.



Audit and Risk Management Committee Report

Risk Management Reporting

On the risk management front, the committee, in cooperation with management, performed a comprehensive review of the inherent and residual risks associated with operating a local financial institution in Atlantic Canada. One of the key outcomes of this exercise is to help focus risk management efforts where they can have the greatest impact. Among other findings, Chart 1 below shows the estimated positive risk mitigation effect of current risk management efforts.

These types of reviews help direct future risk management exercises and better leverage internal and external resources to capitalize on opportunities that best fit our strengths.

Acknowledgments

We would like to acknowledge the efforts of Phyllis Amirault and Rick Doucette – both as valuable resources to the committee, but also in leading by example during the banking system conversion and as champions in the implementation of new risk management approaches.

Finally, I would like to recognize the members of the committee for the generous offer of their time, knowledge, and experience to the committee, and, by extension, to all members of the Credit Union. My personal thanks to François Cormier, Patrick Dempsey, Ilona Smith, and Rachael Surette.

A look ahead

While change is constant, the committee looks forward to building on this year's momentum and tackling the exigencies of the days, months, and years to come.

Respectfully submitted,

René Madden

Chair, Audit & Risk Management Committee

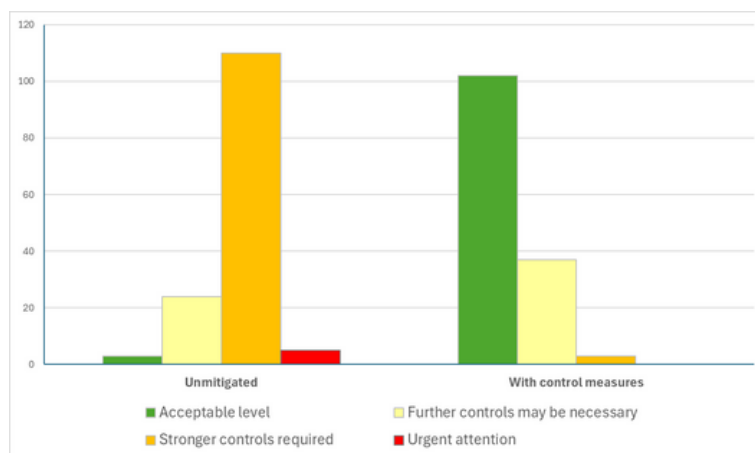


Chart 1. Qualitative Assessment – Impact of Risk Control Measures (August 2024)

Credit Committee Report



**Christine
Telford**

Chair



**Irvin
Surette**

Member



**Yvon
Boudreau**

Member



**Michelle
Amirault**

Member



**Sandra
Ryan**

Member

The Credit Committee is a vital component of Coastal Financial Credit Union, tasked with overseeing and monitoring the lending functions within your credit union.

The committee reviews loans granted to staff, directors, and committee members. It also oversees delinquency over 90 days, unauthorized overdrafts, and foreclosed properties.

Additionally, the committee makes recommendations regarding loan write-offs to the Board of Directors. The committee ensures all lending activities are adhered to within the laws, guidelines and policies, maintaining the financial health and integrity of your credit union.

Marked by some overall operational challenges as a result of the credit union's core banking migration, the credit committee experienced reduced reporting in the last fourth months of the year, leaving the credit union outside of its internal credit reporting policies. However, the credit union has historically been well below the CUDIC delinquency guidelines of 2%, with a delinquency rate of 1.065% as of August 2024.

With respect to the reporting, the committee is pleased with the actions and progress management has taken to rectify these reporting matters as we're well into the next reporting year.



Credit Committee Report

Despite these reporting challenges, Coastal Financial's loan book remains very healthy, with the highlights being:

- The year-end total loan portfolio of 2,403 accounts, totaling \$187,400,592.58
- This represents an increase of 5.64% or \$10,011,254 from the previous year-end
- 363 new loans totaling \$26,027,616 were approved
- A total of \$1,771.78 was written off and \$9,451.78 in loan write-offs was recovered
- A total of 25 loans were referred to Lending Services, including commercial annual loan reviews and requests over the credit union lending limit

In closing, I would like to recognize and thank the members of the Credit Committee for their continuous cooperation, dedication and expertise to the committee and Coastal Financial's membership as a whole.

Respectfully submitted,

Christine Telford

Chair, Credit Committee



Nomination Committee Report



**Joanne
Wallace**

Chair



**Patrick
Dempsey**

Member



**Christine
Telford**

Member



**Michelle
Amirault**

Member

Coastal Financial Credit Union's Nomination Committee oversees the Board of Directors' nomination process. The purpose of this committee is to actively recruit prospective candidates with the necessary skills and experiences, supervise the call for nominations, and approve nominees for participation in your Board election process.

The Call for Nominations period ended on Friday, March 14, 2025. There was a total of four 3-year terms available to be filled. The Nominations Committee received a total of three nomination packages and upon review, is pleased to advise all were accepted. The candidates are Raymond Doucette, Ilona Smith, and Rene Madden, all of whom are currently board members who are re-offering.

With three nominations to fill four positions, there will be no election this year and the Nomination Committee will therefore be recommending to the membership that the candidates be declared elected by acclamation.

I would like to thank committee members Pat Dempsey, Christine Telford, Michelle Amirault, as well as Manager of Human Resources Sonia Ryan for their support, participation, and guidance. I would also like to take this opportunity to thank Charles Pothier who was prepared to act as Returning Officer in the event an election was needed.

Respectfully submitted,

Joanne Wallace

Chair, Nomination Committee



Youth Strategy Committee Report

Coastal Financial Credit Union's Youth Strategy Committee continued to be involved in our local schools' activities. We opened 67 new youth accounts during the 2024 school season at our organization.

We presented four \$1,000 bursaries, one to each of the local high schools that participated. Students must apply and write a short essay. In 2024, students were asked to comment on how "Coastal Financial Credit Union offers banking services to your community. What technology does your financial institution provide that makes banking easier for you?" The winners were Megan Chute from YCMHS, Ally Doucette from Par en Bas, Benjamin Gushue from Drumlin Heights, and Hope Smith from Barrington High. A \$1,000 bursary was also presented to Olivia LeBlanc as she was a graduating student of a current staff member. Congratulations to all our winners!

Once again, we continued our "Play for A's" program in which any graduating student who submitted a bursary application, and had marks over 90, was eligible to participate. For every grade of "A" or better received in either semester, their name was considered for a \$1,500 personal computer system with accessories from Cassa Office Plus. In June 2024, we chose the winners, and they were presented with a certificate for their system on their graduation day. Based on the criteria, we presented two packages to Aleah Mood from YCMHS, and Abigail Gould from Par en Bas.

We had our Each One Teach One volunteers present a basic budgeting workshop to teens at the Shyft House in the Spring of 2024. Thanks to our EOTO volunteers for continuing to do these important presentations in our community.

In 2024, we once again held our time-honoured corporate Christmas card design contest. We had over 2,500 entries with all our elementary schools participating. Rick Doucette, CEO, and Pam LeBlanc, Tuskett Branch Manager, presented our winner Olivia Bower-Smith, a grade 5 student from Drumlin Heights Consolidated School with a Star Saver bag of goodies, including art supplies, a Cineplex certificate, and Credit Union swag. Olivia's Mom and Grandmother, as well as all her classmates were in attendance for the presentation. A presentation was also made by Blake Sandham, Manager of Marketing and Community Engagement, to the school Principal, Jordan Pierce, for \$1,000 to be used at their school as they wish. Olivia's winning design was Coastal Financial Credit Union's corporate Christmas card for 2024 and appealed to the judges because it truly captured the fun and brilliance of the holiday season.

Our Youth Committee looks forward to 2025 as an opportunity to continue to serve all Youth in the communities we serve.

Respectfully submitted,

Pam LeBlanc

Chair, Youth Committee

"EDUCATION IS THE PASSPORT TO THE FUTURE, FOR TOMORROW BELONGS TO THOSE WHO PREPARE FOR IT TODAY."
— MALCOLM X





Coastal Financial
CREDIT UNION

 2 Collins St, Yarmouth, NS

 902.742.7322

 contactus@coastalfinancial.ca

 coastalfinancial.ca