



2020  
**ANNUAL REPORT**  
FORWARD TOGETHER

**Niverville**   
CREDIT UNION

*Come on over*

# WHAT WE BELIEVE

## MISSION

Through lasting relationships and competitive, value-added financial solutions, we help our members realize their goals and dreams while enhancing the communities we serve.

## VISION

To be a neighbourly, people-focused, and financially successful Credit Union.

## VALUES

**People First:** our employees, our members, our communities.

**Leadership:** lead by example in everything we do.

**Integrity and Trust:** strong professionalism and confidentiality.

**Financial Success:** yours and ours.



**Ken Rempel**  
CEO



**Libby Hanna**  
Chair



**John Schmitke**  
1st Vice Chair



**Marlene Stott**  
2nd Vice Chair



**Alexander Wallace**  
Director



**Stan Doerksen**  
Director



**Gord Kroeker**  
Director



**Dennis Loeppky**  
Director

# BOARD REPORT

The board of directors welcomed new board member Dennis Loeppky this past year. He joins our board of seven and has been an asset to our team.

As directors, we take part in operating under the two organizations that guide our credit union: Credit Union Central of Manitoba (CUCM) which is our trade organization and service provider, and Deposit Guarantee Corporation of Manitoba (DGCM) which is mandated by the provincial government to guarantee all deposits of credit unions in Manitoba. They promote and ensure that credit unions operate under sound business practices to make certain this guarantee is protected and safe guarded from any loss.

Board members attend CUCM system meetings and take part in information webinars regarding important 'matters of the day'. Our relationship with DGCM is more involved, as there are audits that evaluate safety, soundness, and regulatory compliance, and ensure that the credit union operates under sound and appropriate business practices. We had such an audit this past year. Board members are involved in oversight on the process, findings and results of the audit as well as individual interviews.

In addition to these activities, the board has been involved in a training session on Cybersecurity Awareness and Preparedness, Emerging High Risk Stakes for 2020, as well as individual training on Executive Compensation & Covid 19, Board Leadership, and the Anti-money Laundering courses required bi-annually. We generally meet once a month as a board, and sit on sub committees of the Audit Committee and Governance Committee.

On top of these activities, we get to have a part in giving back to the communities we serve. This past year some of the projects that we have chosen to support are the CRRC in Niverville, the upcoming Heritage Wall, and the new Legacy Children's Centre being constructed in Landmark. Projects like these will help to build and strengthen our communities by offering facilities to engage in activity for families, celebrating those connected to our lands and communities past and present, and offering child care opportunities for families. We missed serving you hot dogs at our community fairs this year, but look forward to being back out again as soon as possible!

On behalf of the board of directors, I would like to commend our CEO in particular, our management team, and our staff, especially those on the front lines, for their commitment to personal service and safety to every member this past year, in spite of the challenges we faced.

Our credit union is important to our communities and we are here to serve our members. We all look forward to a time when we can again be together in person again.

Thank you,  
Libby Hanna  
Chair

# CEO REPORT

Fiscal 2020 will long be remembered as one of the most unique and challenging years in Niverville Credit Union's 71 year history.

The Covid-19 health pandemic and resulting economic downturn and lockdown disruptions required that management, staff and the board adapt to rapidly changing circumstances in order to deliver service to our members.

Previous investments in technology ensured that members could conduct transactions online and that NCU staff could interact with members remotely as needed.

Government relief programs such as the CEBA small business loan program were delivered to members in a timely manner as well as a payment deferral program. Branch operations were re-tooled to comply with public health directives, and the remote work capacity of NCU staff was increased.

Credit Union Central of Manitoba was a great resource for our Credit Union as they assisted us in the delivery of the CEBA program as well as provided numerous updates on various aspects of the pandemic such as changing human resources legislation, government regulations, and public health initiatives.

Despite these additional challenges and resulting financial margin impacts, we are pleased with our financial results for fiscal 2020.

In fiscal 2020, asset growth was 10.42%, deposit growth was 9.68% and loan growth was 8.13%. This growth was achieved while maintaining compliance with regulatory capital requirements.

A common and surplus share dividend of 3.00% was declared, reflecting our continued profitability and commitment to paying our members a steady, competitive dividend.

We are fortunate to operate in Southeastern Manitoba, a trading area with favorable demographics, a robust entrepreneurial tradition, and strong support for social and community initiatives from governments, faith communities and businesses, as these factors assist in reducing the negative economic and social impacts of Covid-19.

On behalf of board and management we extend a big thank you to our staff for their efforts and our members for their loyalty during this very challenging year.

Ken Rempel  
CEO

# STAFF CONTRIBUTIONS



## OUR STAFF GAVE BACK TO THE COMMUNITY THROUGH VOLUNTEERING IN 2020:

Niverville Helping Hands

Niverville Co-operative Playgroup Inc

Niverville Community Resource & Recreation Centre

Parent Council Board for Niverville Middle School

Youth for Christ Steinbach (Golf tournament)

Southeast Helping hands

Bibliotheque Tache

The Centre of Canada Committee

Landmark Chamber of Commerce

Oxford Heights Community Club – 12A Boys Basketball

Small Town Kids Daycare Inc.

Word of Life Missions Church

Mary Mother of the Church

Niverville Health and Community Foundation Inc.

Linden Christian School Finance Committee

Lagimodiere PC Association

Growing Minds Child Care Centre

Wildlife Haven

Tache Community Development Committee

Niverville Chamber Business

Clipper Ice Sports

Executive Board of the 2022 Manitoba Winter Games

NCU Shredding day

## JEAN DAY

Donations were collected throughout the year at all Niverville Credit Union branches on the last Friday of every month. A total of \$775.00 was collected. Niverville proceeds were donated to Niverville Helping Hands, Landmark proceeds were donated to Landmark Baby Blessing and Steinbach proceeds went to Soup's On Inc. in Steinbach.

## GOING PAPERLESS SUPPORTS COMMUNITY

Niverville Credit Union gives back \$1,655.00 to local charities with their opt-out statement campaign that ran from December 1st, 2019 to November 30, 2020. Charities that benefited from this campaign:

- Steinbach Community Outreach
- Agape House
- Niverville Senior Services

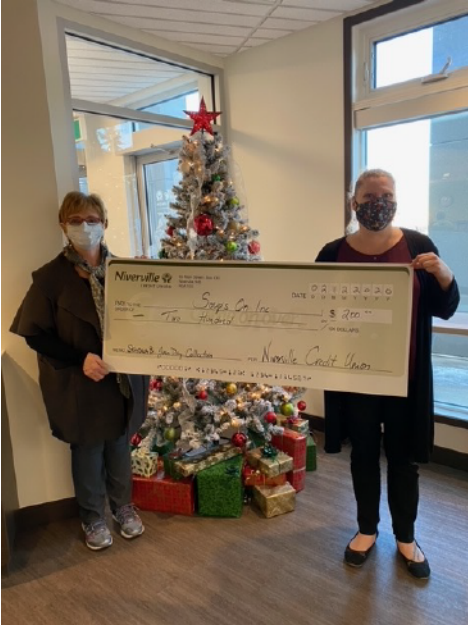
# 2020 HIGHLIGHTS



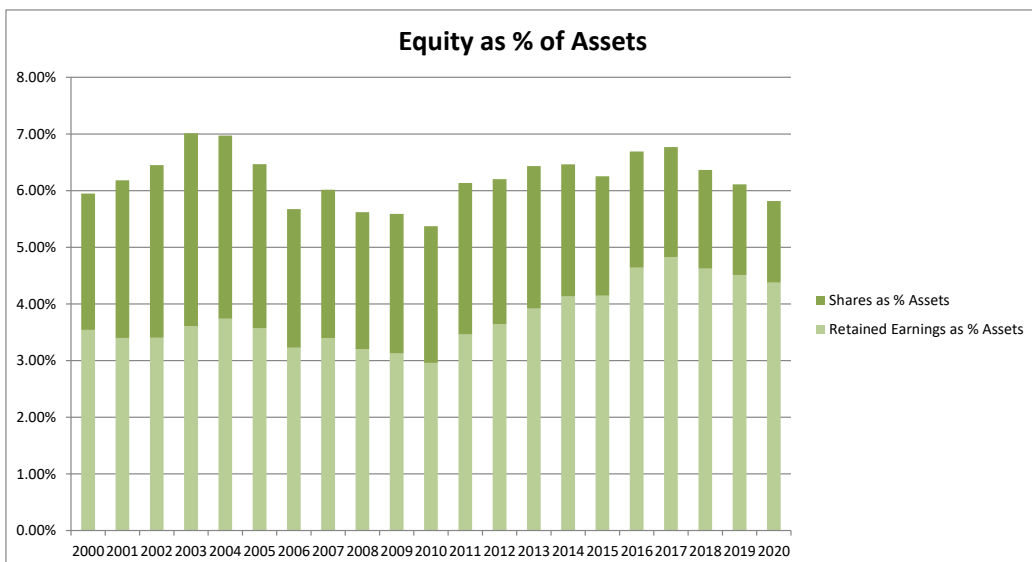
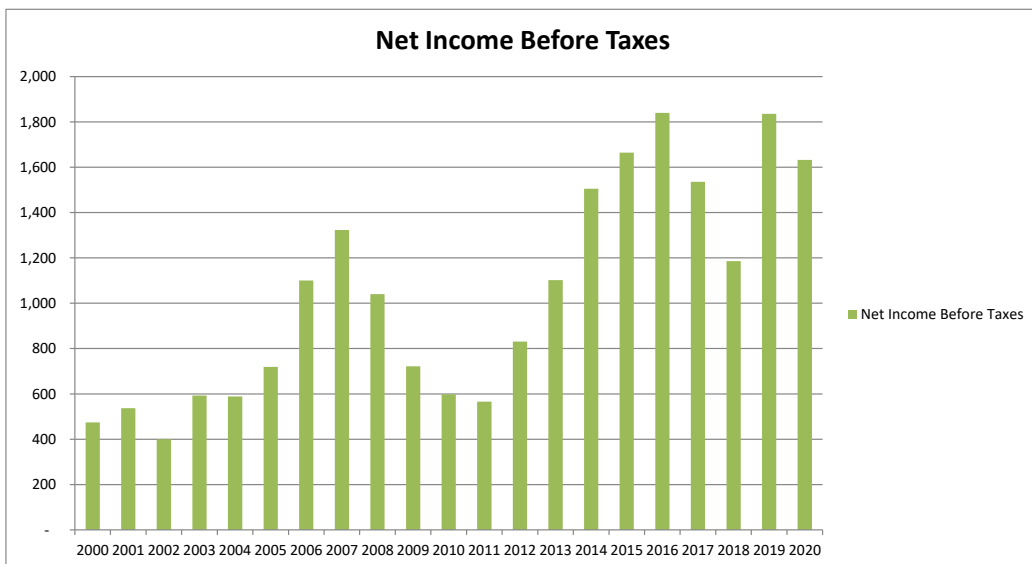
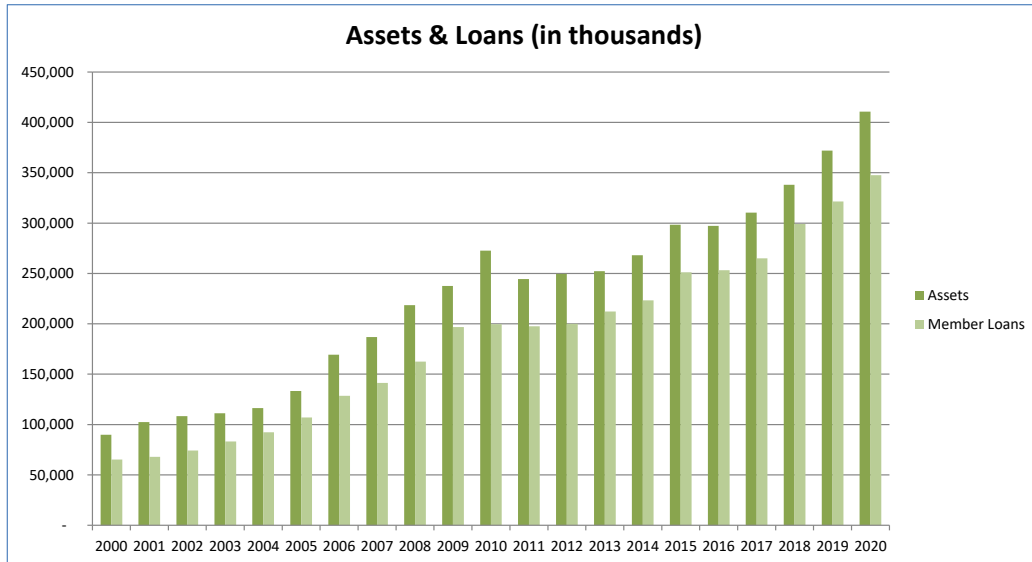
- Operation Christmas Child-Landmark Shoe Box Donation
- \$250 GIC winner for the referral program drawn quarterly
- Colouring Contest
- Community Paper Shredding Event
- Helping Hands Donation
- Donation to Soups On in Steinbach
- Donation to Communities in Bloom for the mural that will be outside of the branch in Niverville
- Presented Customer Service Award to Viet House through the Steinbach Chamber of Commerce
- Partnered with Steinbach Cultural Arts Centre's for the "After School Art's Program"
- Donation to Southern Health Care Facilities
- Niverville accounting department has been working on changing their daily routines to be as paperless as possible. They estimate saving 2 packs of paper per month between 6 staff.

- We would like to recognize the new employees that were hired in 2020: Vanessa, Ashley, Marisa, Brett and Amber M
- We want to highlight our staff in all branches adapting to the change and challenges this year has brought. Staff came to the workplace with positivity, assisting in changing the way we do business with Covid19, from the planning of signage, plexi-glass work stations, doing daily cleaning duties, and protecting staff and members with mask wearing prior to the code red mandate. In addition, NCU played a major role in supporting hundreds of members with deferred payment programs, skip payments and CEBA business loans which kept many current and doing business in this unprecedented time.

# 2020 HIGHLIGHTS (CONTINUED)



# NCU GROWTH





**Niverville Credit Union Limited**  
**Summary Consolidated Financial Statements**  
*For the Year Ended September 30, 2020*



## Report of the Independent Auditor on the Summary Consolidated Financial Statements

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To the Members of Niverville Credit Union Limited:

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at September 30, 2020, and the summary consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Niverville Credit Union Limited (the "Credit Union") for the year ended September 30, 2020.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements, on the basis described in Note 1 to the summary consolidated financial statements.

### Other Matter

The comparative figures as at September 30, 2019 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion in their report dated December 18, 2019.

### Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated December 16, 2020.

### Management's Responsibility for the Summary Consolidated Financial Statements

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

### Auditor's Responsibility

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

Winnipeg, Manitoba

December 15, 2020

*MNP* LLP

Chartered Professional Accountants



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**Niverville Credit Union Limited**  
**Summary Consolidated Statement of Financial Position**  
*As at September 30, 2020*

	2020	2019
<b>Assets</b>		
Funds on hand and on deposit	5,347,625	6,432,908
Investments	53,979,996	40,596,986
Loans to members	347,557,178	321,410,965
Prepaid expenses and deposits	408,503	250,784
Property, equipment and intangible assets	3,080,646	2,951,264
Investment property	291,894	272,555
	<b>410,665,842</b>	<b>371,915,462</b>
<b>Liabilities</b>		
Members' savings and deposits	385,135,719	347,844,373
Income taxes payable	67,933	58,175
Accounts payable	1,141,934	1,075,936
Lease liabilities	296,397	-
Deferred tax liability	10,100	71,100
Insurance reserve	128,453	141,470
	<b>386,780,536</b>	<b>349,191,054</b>
<b>Members' equity</b>		
Member shares	5,748,652	5,715,253
Provision for issue of surplus shares	171,100	226,880
Retained surplus	17,965,554	16,782,275
	<b>23,885,306</b>	<b>22,724,408</b>
	<b>410,665,842</b>	<b>371,915,462</b>

**Approved on behalf of the Board**

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*Signed "John Schmitke"*, Director

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*Signed "Libby Hanna"*, Director

**Niverville Credit Union Limited**  
**Summary Consolidated Statement of Comprehensive Income**  
*For the Year Ended September 30, 2020*

	2020	2019
<b>Financial income</b>		
Interest from loans to members	11,973,927	11,763,081
Investment income	933,895	1,152,722
	<b>12,907,822</b>	12,915,803
<b>Cost of funds</b>	<b>7,121,270</b>	6,985,871
<b>Financial margin</b>	<b>5,786,552</b>	5,929,932
<b>Operating expenses</b>		
Administration	1,739,204	1,642,062
Member security	327,846	298,939
Occupancy	744,211	806,481
Organizational	168,837	188,418
Personnel	2,617,749	2,521,382
<b>Gross operating expenses</b>	<b>5,597,847</b>	5,457,282
<b>Other income</b>	<b>(1,498,340)</b>	(1,422,155)
<b>Income from operations before provision for loan losses and income taxes</b>	<b>1,687,045</b>	1,894,805
Provision for loan losses	54,719	58,115
<b>Income before provision for income taxes</b>	<b>1,632,326</b>	1,836,690
<b>Provision for income taxes</b>	<b>280,010</b>	321,977
<b>Total comprehensive income for the year</b>	<b>1,352,316</b>	1,514,713

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at [www.nivervillecu.mb.ca](http://www.nivervillecu.mb.ca).

**Niverville Credit Union Limited**  
**Summary Consolidated Statement of Changes in Members' Equity**  
*For the Year Ended September 30, 2020*

	<i>Member shares</i>	<i>Provision for issue of Shares</i>	<i>Retained surplus</i>	<i>Total equity</i>
<b>Balance October 1, 2018</b>	<b>5,648,474</b>	<b>238,290</b>	<b>15,627,842</b>	<b>21,514,606</b>
Net income for the year	-	-	1,514,713	1,514,713
IFRS 9 transition adjustment on October 1, 2018	-	-	(136,022)	(136,022)
Distribution to members	-	224,258	(224,258)	-
Issue of members' shares	241,012	(235,668)	-	5,344
Redemption of members' shares	(174,233)	-	-	(174,233)
<b>Balance September 30, 2019</b>	<b>5,715,253</b>	<b>226,880</b>	<b>16,782,275</b>	<b>22,724,408</b>
Net income for the year	-	-	1,352,316	1,352,316
Distribution to members	-	169,037	(169,037)	-
Issue of members' shares	229,135	(224,817)	-	4,318
Redemption of members' shares	(195,736)	-	-	(195,736)
<b>Balance September 30, 2020</b>	<b>5,748,652</b>	<b>171,100</b>	<b>17,965,554</b>	<b>23,885,306</b>

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**Niverville Credit Union Limited**  
**Summary Consolidated Statement of Cash Flows**  
*For the Year Ended September 30, 2020*

	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from loans to members	11,695,117	11,691,696
Interest received from investments	1,033,092	958,956
Other income received	1,498,340	1,422,155
Operating expenses paid	(5,319,418)	(5,989,301)
Interest paid on deposits	(7,156,580)	(6,380,830)
Income taxes paid	(331,252)	(230,232)
	<b>1,419,299</b>	<b>1,472,444</b>
<b>Financing activities</b>		
Net change in members' savings and deposits	37,326,656	32,802,097
Net change in insurance reserve	(13,017)	(9,072)
Lease liability payments	(55,140)	-
Issuance of members' shares	4,110	5,125
Redemption of members' shares	(195,528)	(174,232)
	<b>37,067,081</b>	<b>32,623,918</b>
<b>Investing activities</b>		
Net change in loans to members	(25,922,122)	(22,289,775)
Net change in investments	(13,482,207)	(16,442,103)
Purchases of property, equipment and intangible assets	(129,683)	(119,754)
Purchases of investment property	(37,651)	(43,106)
	<b>(39,571,663)</b>	<b>(38,894,738)</b>
<b>Decrease in cash resources</b>	<b>(1,085,283)</b>	<b>(4,798,376)</b>
<b>Cash resources, beginning of year</b>	<b>6,432,908</b>	<b>11,231,284</b>
<b>Cash resources, end of year</b>	<b>5,347,625</b>	<b>6,432,908</b>

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at [www.nivervillecu.mb.ca](http://www.nivervillecu.mb.ca).

**1. Basis of presentation of the summary consolidated financial statements**

Management has prepared the summary consolidated financial statements from the Credit Union's September 30, 2020 audited consolidated financial statements which can be obtained at the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

**2. Compliance with minimum capital and liquidity requirements**

The Credit Union is in compliance with the capital and liquidity reserve requirements at September 30, 2020 established by the Regulations to The Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity, the reader must refer to the audited consolidated financial statements and notes for the year ended September 30, 2020, which contain the information detailing the calculation.