



**ANNUAL REPORT  
TWENTY SIXTEEN**



# OUR STAFF

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## Niverville Branch Staff



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### BACK ROW

Liam Harder  
Richard Montgomery  
Richard Pearse  
Darryl Rempel  
Leighton Reimer  
Ty Wood  
Ken Rempel  
Ron Ashcroft  
Dorothy Dyck  
Brigitte Simard

### MIDDLE ROW

Cecile Gerardy  
Stacy Hamm  
Carrie Theoret  
Marlene Carr  
Gracy Giesbrecht  
Christina Abolade  
Debbie Lamirande  
Jamie King  
Kristina Gerbrandt  
Carmen Giesbrecht

### FRONT ROW

Carroll Dyck  
Rosemary Johnston  
Talitha Smith  
Sandy Charette  
Samantha Gagne  
Gabi Hiebert  
Norma Toews

### MISSING

Kayleigh Engstrom  
Ashley Link  
Nancy Penner  
Jackie Rasetti

### BACK ROW

Shari Voth, Keith Wolbaum, Katherine Andres,  
Cynthia Kroeker, Leona Gerbrandt

### FRONT ROW

Teresa Soper, Denise McBurney, Denise Collins

## Landmark Branch Staff



Photos by Brigitte Simard



# BOARD & CEO REPORT

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The 68th year of operations for the Niverville Credit Union was a successful year. Continued profitability allows us to remain current with changes in technology and to provide financial assistance to the communities we serve.

We were and are excited to announce that Niverville Credit Union will be opening a branch in Steinbach in the spring of 2017, located at 150 Penfeld Drive. This new branch will enable us to better serve our members in Steinbach and South Eastern Manitoba and to participate in the continued growth of these areas.

Niverville Credit Union was the proud recipient of the Niverville Chamber of Commerce Alex Fast Sr. Memorial Award. Mr. Fast was a long time community builder in both the commercial and civic life of Niverville. The award recognizes businesses who promote employee and business involvement in community activities.

Technology improvements that we implemented for our members included, the NCU Mobile App, Deposit Anywhere, Member Direct Small Business, and an Online Foreign Exchange Program.

Although asset growth and loan growth were similar to 2015 financial results, income before taxes increased by 9%. Local deposits grew by 6.18% and our capital ratios improved. A common and surplus share dividend of 3% was declared, reflecting our commitment to paying our members a steady, competitive dividend.

During the past year Directors have completed numerous governance, financial management and human resource courses to ensure we remain compliant with Federal and Provincial regulations.



**Ken Rempel**  
CEO



**Alexander Wallace**  
President



**Calvin Schellenberg**  
1st Vice President



**Libby Hanna**  
2nd Vice President



# BOARD & CEO REPORT (CONTINUED)

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We believe in collaborating with other credit unions to explore opportunities for cost savings and improving service deliveries. Our senior management is actively involved in this process with other like-minded credit unions.

While we continue to be challenged by increased compliance and regulations, information technology changes and a competitive market place, our operating principles set around providing service excellence, financial and social support to our communities and to our members remains our highest priority.

We would also like to recognize our team of employees, who along with providing great member service, also volunteered for 32 different community organizations this past year.

And to you, our members, we always appreciate and respect your thoughts and comments about how we can better serve you. Feel free to approach a staff member or a Director with any suggestions you may have (positive or negative) and give us your thoughts on how we can better serve you, our most important asset.

So again, on behalf of the board and management, we want to thank you for your continued support and for choosing us as your financial services provider.

Alexander Wallace

Ken Rempel



**Stan Doerksen**  
Director



**John Schmitke**  
Director



**Don Doerksen**  
Director



**Gordon Kroeker**  
Director



# STAFF CONTRIBUTIONS

## Niverville Credit Union Staff Focus On What Matters...

Our Staff gave back to the community by volunteering throughout 2016:

Niverville Helping Hands	Crow Wing Toastmasters Club	Landmark Arena
Winnipeg Youth Soccer	Group Edge Business Solutions	Landmark Christian Fellowship
Sport for Kids	National Mentorship Program	Christmas Cheer Board
United Way of Winnipeg	Ronald McDonald House of Winnipeg	Niverville Community Fellowship
Landmark Friendship Festival Committee	Residential Fundraising Committee for the Niverville Multiplex	Clipper Ice Sports
Operation Christmas Child	PCH	Eastman Minor Hockey
Landmark YFC	Heritage Centre	Niverville Minor Baseball
Southland Church	Word of Life	Niverville Old Tyme Country Fair
Fourth Avenue Bible Church	Niverville Fair	Imagine
Edge Business Expo	House of Hesus	Town of Niverville
South East Home Inspiration Show		Southland Church

## JEAN DAY

Donations were collected throughout the year at both Niverville and Landmark branches on the last Friday of every month. Landmark proceeds went to the Landmark Christmas Hamper charity and Niverville proceeds went to Niverville Helping Hands and Niverville Youth for Christ.

## GOING PAPERLESS SUPPORTS COMMUNITY

Niverville Credit Union Gives Back \$3,470.00 to local charities with their Opt Out Statement Campaign that ran from December 1, 2015 to November 30, 2016.



## 2016 HIGHLIGHTS

- Support local community sports teams in both Niverville and Landmark
- Hosted a BBQ in Niverville on Fair weekend and our float was a hit in the parade!
- Hosted a BBQ in Landmark for the Friendship Festival, what a great looking float!
- Volunteered at Heritage Gardens - Staff volunteered keeping the Heritage Gardens weed-free
- Niverville Christmas Party donated Tin for the Bin to Tache Food Hamper
- Toy Wrapping for the Niverville Helping Hands Toy Drive



SEE PHOTOS ON NEXT PAGE



# HIGHLIGHTS OF 2016



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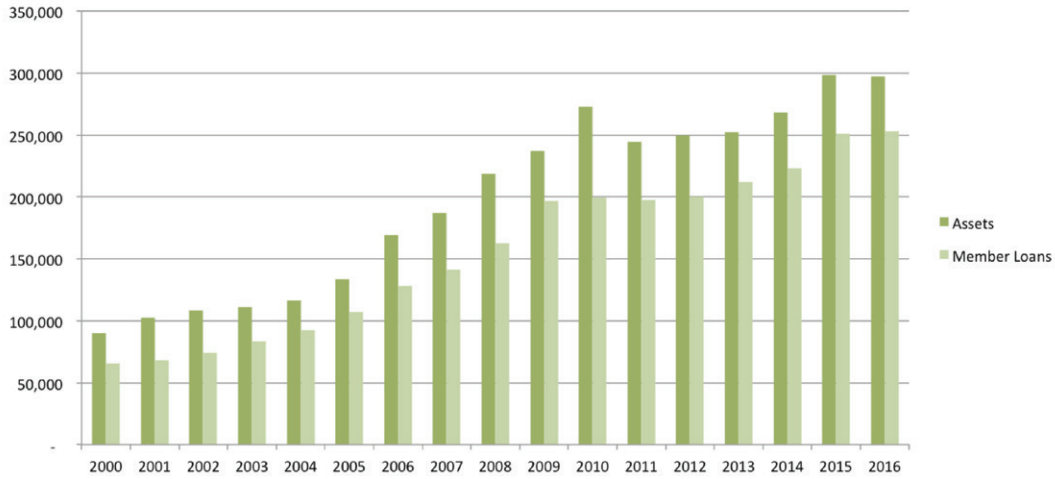
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**Ask us how.**

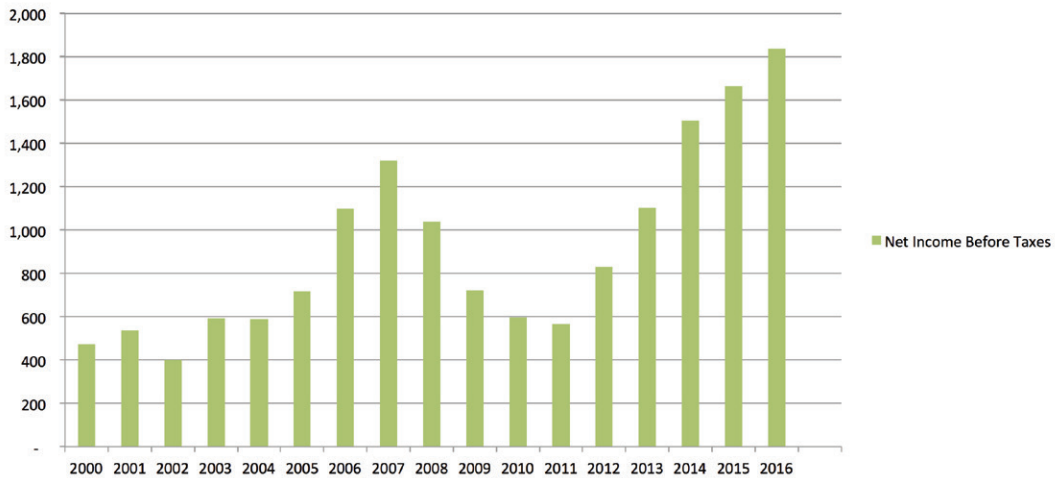


# NIVERVILLE CREDIT UNION GROWTH

**Assets & Loans (in thousands)**



**Net Income Before Taxes**



**Equity as % of Assets**







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Winnipeg MB R3C 4L5 Canada

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

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### To the Members of NIVERVILLE CREDIT UNION LIMITED

The accompanying summary financial statements, which comprise the summary consolidated balance sheet as at September 30, 2016 and the summary consolidated statement of comprehensive income, summary consolidated statement of changes in members' equity and summary consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of **Niverville Credit Union Limited** for the year ended September 30, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated December 19, 2016.

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

### Management's Responsibility for the Summary 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 Audit Standard (CAS) 810, 'Engagements to Report on Summary Financial Statements'.

### Opinion

In our opinion, the summary financial statements derived from the audited consolidated financial statements of **Niverville Credit Union Limited** for the year ended are a fair summary of those financial statements, on the basis described in Note 1.

*BDO Canada LLP*

Chartered Professional Accountants



Winnipeg, Manitoba  
December 19, 2016

## NIVERVILLE CREDIT UNION LIMITED

### Summary Consolidated Balance Sheet

September 30	2016	2015
<b>Assets</b>		
Funds on hand and on deposit	\$ 3,051,366	\$ 8,424,834
Other assets	260,073	207,497
Investments	37,779,786	35,554,917
Loans to members	253,167,048	251,123,740
Property, plant and equipment	2,598,342	2,668,259
Intangible assets	255,968	234,830
Investment property	233,649	245,777
	<b>\$ 297,346,232</b>	<b>\$ 298,459,854</b>
<b>Liabilities and Members' Equity</b>		
Income taxes payable	\$ 57,233	\$ 36,305
Other liabilities	839,969	1,009,362
Members' deposits	276,321,271	278,500,548
Insurance reserve	191,293	207,049
Deferred income tax liability	43,800	50,400
Members' shares	149,164	321,426
	<b>277,602,730</b>	<b>280,125,090</b>
<b>Commitments</b>		
<b>Members' Equity</b>		
Members' shares	5,771,925	5,787,198
Provision for issue of shares	175,000	182,000
Retained earnings	13,796,577	12,365,566
	<b>19,743,502</b>	<b>18,334,764</b>
	<b>\$ 297,346,232</b>	<b>\$ 298,459,854</b>

Approved on behalf of the Board of Directors:

	Director
	Director

The accompanying notes are an integral part of these summary consolidated financial statements.

**NIVERVILLE CREDIT UNION LIMITED**  
**Summary Consolidated Statement of Comprehensive Income**

<b>For the year ended September 30</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Interest on loans to members	\$ 8,988,925	\$ 9,015,399
Investment Income		
Liquidity deposits	562,919	788,547
Shares	151,127	70,679
Debentures	5,300	30,142
	<b>9,708,271</b>	<b>9,904,767</b>
<b>Cost of funds</b>	<b>4,847,648</b>	<b>4,982,753</b>
<b>Gross financial margin</b>	<b>4,860,623</b>	<b>4,922,014</b>
<b>Operating Expenses</b>		
Personnel	2,191,131	2,151,442
Administrative	1,307,985	1,232,267
Occupancy	553,439	560,050
Members' security	252,489	241,053
Organizational	176,269	162,597
<b>Gross operating expenses</b>	<b>4,481,313</b>	<b>4,347,409</b>
<b>Less other income</b>	<b>1,515,028</b>	<b>1,075,162</b>
	<b>2,966,285</b>	<b>3,272,247</b>
<b>Gross operating income</b>	<b>1,894,338</b>	<b>1,649,767</b>
<b>Provision for (recovery of) impaired loans</b>	<b>50,261</b>	<b>(24,138)</b>
	<b>1,844,077</b>	<b>1,673,905</b>
<b>Distributions to members</b>	<b>4,223</b>	<b>9,244</b>
<b>Income before income taxes</b>	<b>1,839,854</b>	<b>1,664,661</b>
<b>Provision for Income Taxes</b>		
Current	247,063	199,211
Deferred	(6,600)	(1,400)
	<b>240,463</b>	<b>197,811</b>
<b>Net and total comprehensive income for the year</b>	<b>\$ 1,599,391</b>	<b>\$ 1,466,850</b>

The accompanying notes are an integral part of these summary consolidated financial statements.

**NIVERVILLE CREDIT UNION LIMITED**  
**Summary Consolidated Statement of Changes in Members' Equity**

**For the year ended September 30**

**2016**

	<b>Provision for Issue of Shares</b>	<b>Members' Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at September 30, 2014	\$ 181,000	\$ 5,361,215	\$ 11,070,334	\$ 16,612,549
Net income for the year	-	-	1,466,850	1,466,850
Distributions to members	180,862	-	(171,618)	9,244
Issue of members' shares	(179,862)	185,686	-	5,824
Redemption of members' shares	-	(153,330)	-	(153,330)
Transfer (to) from liabilities	-	393,627	-	393,627
<b>Balance at September 30, 2015</b>	<b>\$ 182,000</b>	<b>\$ 5,787,198</b>	<b>\$ 12,365,566</b>	<b>\$ 18,334,764</b>
Net income for the year	-	-	1,599,391	1,599,391
Distributions to members	172,603	-	(168,380)	4,223
Issue members' shares	(179,603)	182,278	-	2,675
Redemption of members' shares	-	(369,813)	-	(369,813)
Transfer (to) from liabilities	-	172,262	-	172,262
<b>Balance at September 30, 2016</b>	<b>\$ 175,000</b>	<b>\$ 5,771,925</b>	<b>\$ 13,796,577</b>	<b>\$ 19,743,502</b>

The accompanying notes are an integral part of these summary consolidated financial statements.

# NIVERVILLE CREDIT UNION LIMITED

## Summary Consolidated Statement of Cash Flows

For the year ended September 30	2016	2015
<b>Cash Flows from Operating Activities</b>		
Net income for the year	\$ 1,599,391	\$ 1,466,850
Adjustments for		
Interest and investment revenue	(9,708,271)	(9,904,767)
Interest expense	4,847,648	4,982,753
Depreciation expense	277,034	246,159
Provision for (recovery of) impaired loans	50,261	(24,138)
Loss on disposal of property, plant and equipment	-	309
Deferred income taxes	(6,600)	(1,400)
Insurance reserve	(15,756)	(11,308)
Distribution to members	4,223	9,244
	<u>(2,952,070)</u>	<u>(3,236,298)</u>
Change in other assets and liabilities	(221,969)	(225,291)
Change in income taxes payable	<u>20,928</u>	<u>(22,049)</u>
	<u>(201,041)</u>	<u>(247,340)</u>
Changes in member activities (net)		
Change in loans to members	(2,318,828)	(27,762,576)
Change in members' deposits	<u>(2,103,784)</u>	<u>29,238,812</u>
	<u>(4,422,612)</u>	<u>1,476,236</u>
Cash flows related to interest, dividends, and income taxes		
Interest received on loans to members	9,214,186	8,884,786
Interest received on investments	787,197	868,087
Interest paid on members' deposits	<u>(4,923,142)</u>	<u>(4,899,313)</u>
	<u>5,078,241</u>	<u>4,853,560</u>
<b>Total cash flows from operating activities</b>	<u>(2,497,482)</u>	<u>2,846,158</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investment property	-	(26,603)
Change in investments	480,680	(3,068,585)
Purchase of property, plant and equipment	(110,324)	(105,258)
Purchase of intangibles	<u>(105,804)</u>	<u>(13,394)</u>
<b>Total cash flows from investing activities</b>	<u>264,552</u>	<u>(3,213,840)</u>
<b>Cash Flows from Financing Activities</b>		
Issue of common and surplus shares	2,675	5,824
Redemption of common and surplus shares	<u>(369,813)</u>	<u>(153,330)</u>
<b>Total cash flows from financing activities</b>	<u>(367,138)</u>	<u>(147,506)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2,600,068)</u>	<u>(515,188)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>38,463,034</u>	<u>38,978,222</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 35,862,966</u>	<u>\$ 38,463,034</u>
<b>Comprised of the following</b>		
Funds on hand and on deposit	\$ 3,051,366	\$ 8,424,834
Credit Union Central of Manitoba term deposits	<u>32,811,600</u>	<u>30,038,200</u>
	<u>\$ 35,862,966</u>	<u>\$ 38,463,034</u>

The accompanying notes are an integral part of these summary consolidated financial statements.

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# NIVERVILLE CREDIT UNION LIMITED

## Notes to Summary Consolidated Financial Statements

**For the year ended September 30, 2016**

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### **1. Basis of Presentation**

Management is responsible for the preparation of summary financial statements. The summary presented includes only the summary consolidated balance sheet and the summary consolidated statement of comprehensive income, summary consolidated statement of changes in members' equity and summary consolidated statement of cash flows. It does not include any other schedules or the notes to the financial statements. The summary consolidated balance sheet and summary consolidated statement of comprehensive income, summary consolidated statement of changes in members' equity and summary statement of consolidated cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

Copies of the September 30, 2016 audited consolidated financial statements are available at the Credit Union's head office at 62 Main Street, Niverville Manitoba and online at [www.nivervillecu.mb.ca](http://www.nivervillecu.mb.ca).

### **2. Compliance with Minimum Capital and Liquidity Requirements**

The Credit Union is in compliance with the capital and liquidity reserve requirements at September 30, 2016 established by the Regulations to The Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary 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 including notes for the year ended September 30, 2016, which contain the information detailing the calculations.



# N I V E R V I L L E C U . M B . C A

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