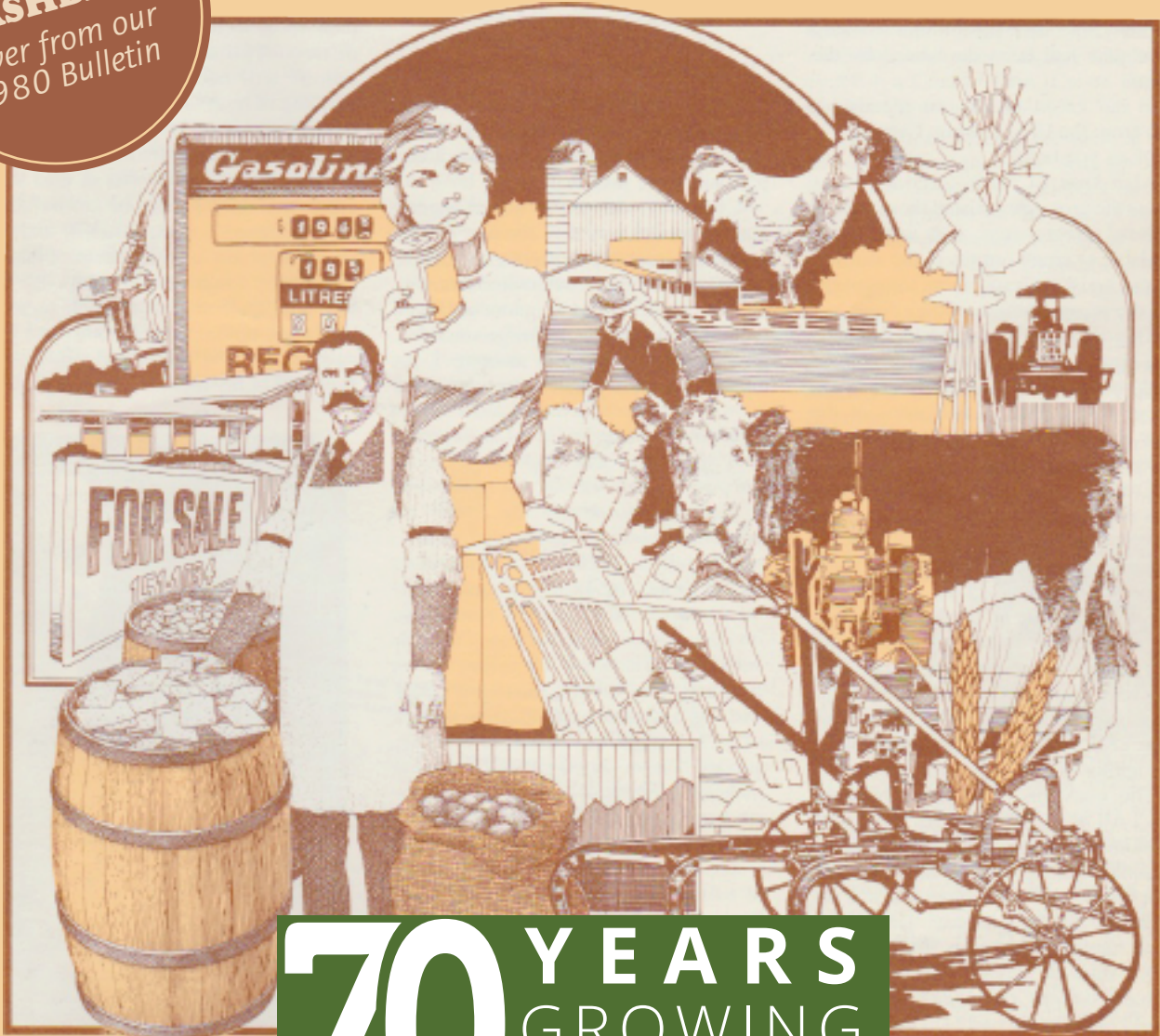


**NCU
FLASHBACK**
Cover from our
1980 Bulletin



70 YEARS
GROWING
TOGETHER

ANNUAL REPORT
2019

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.

Board & CEO Report

From our humble start 70 years ago in the local BA service station, Niverville Credit Union continued its tradition of success and neighbourly member service in Fiscal 2019.

Asset growth was 10%, with deposits growing at 10.60% and loans growing at 7.45%. This growth was achieved while maintaining compliance with regulatory capital requirements.

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.

A common and surplus share dividend of 4.00% was declared, reflecting our continued profitability and commitment to paying our members a steady, competitive dividend.

To enhance member services, we continued to make investments in IT infrastructure and member facing technology to fulfill our strategy of being a fast follower with respect to technology. Our online account opening product became operational in 2019. Members from outside of our trading area can open up membership accounts without visiting a branch.

Credit Union directors had a busy year with committee meetings, board training sessions, and attendance at credit union system events such as the National Credit Union Conference which was held in Winnipeg this past spring.

We would also like to thank Don Doerksen for his years of service as a director and wish him well in his future endeavors.

In the event you have any concerns or compliments please do not hesitate to share them with our staff and directors. We can assure you that they will all be dealt with in confidence.

As our 70th year comes to a close, we remain committed to facing the challenges and opportunities of a rapidly changing world by staying true to the values of community, integrity and service that our founders had in 1949.

In closing we want to thank our staff for their contributions this year and you, our members for your continued support.

-Ken Rempel, CEO



Ken Rempel
CEO



Alexander Wallace
Chair



Libby Hanna
1st Vice Chair



John Schmitke
2nd Vice Chair



Stan Doerksen
Director



Marlene Stott
Director



Don Doerksen
Director



Gordon Kroeker
Director



Our Staff

Names listed from left to right

Niverville Branch



Back Row

Shelley Arason
Sherise Falk
Carrie Theoret
Gracy Giesbrecht
Richard Pearse
Ken Rempel
Ty Wood
Christina Abolade
Ron Ashcroft

Middle Row

Kayleigh Engstrom
Jamie King
Rosemary Johnston
Jackie Rasetti
Sandy Charette
Nancy Penner
Bryanne Tottle
Amber Spence

Front Row

Nicole English
Cecile Gerardy
Marlene Carr
Gina Lemon
Sarah Peterson
Gabi Hiebert

Missing

Dakotah Cable
Debbie Lamirande
Liam Harder
Richard Montgomery
Darryl Rempel
Carmen Giesbrecht
Talitha Smith
Samantha Gagne
Lauren Neufeld-Cadieux

Landmark Branch



Cynthia Kroeker, Teresa Soper, Denise Collins,
Denise McBurney, Kyla Kastes, Shari Voth

Steinbach Branch



Keith Wolbaum, Lillis Corriveau, Shaun Clarke, Brigitte Simard,
Michelle Van Den Driessche, Vern Klassen



Photos by Brigitte Simard

Staff Contributions



Our Staff Gave Back to the Community Through Volunteering in 2019:

Niverville Recreation
Niverville Soccer Club
Winnipeg Youth Soccer
Federation
Sport for Kids
Junior Achievement
program-“Dollars with Sense”
Niverville Co-operative Play
Group Board Member
Niverville Community
Resource & Recreation
Centre

Assistant Coach for Oxford
Heights Basketball U11Niverville
Helping Hands
Niverville Health Foundation
Lagimodiere PC Association
Linden Christian School Board
Word Of Life Church (Niverville)
Ride for Refuge
Town of Niverville 50th
Anniversary
Youth For Christ- Steinbach

Southeast Helping Hands
Landmark Shoe Drive
Eastman Minor Hockey
Clipper Ice Sports
NCI Varsity Baseball Team
Niverville Community Fellowship
Landmark Friendship Festival
Juvenile Diabetes Research
Foundation
Growing Minds Child Care
Centre Board Member

Jean Day

Donations were collected throughout the year at all Niverville Credit Union Branches on the last Friday of every month. A total of \$388 was collected. Niverville proceeds went to Niverville Helping Hands, Landmark proceeds went to Landmark Collegiate Music Association and Steinbach proceeds went to Steinbach Helping Hands.

Going Paperless Supports Community

Niverville Credit Union gives back \$2,482.50 to local charities with their opt-out statement campaign that ran from December 1st, 2018 to November 30, 2019.



2019 Highlights

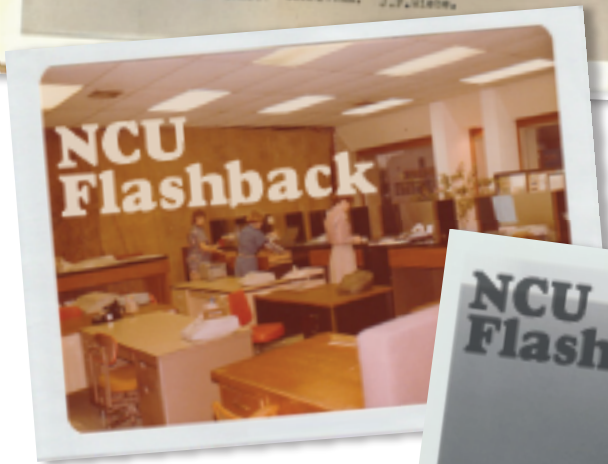


- Hosted BBQ in Landmark Festival
- Hosted BBQ in Niverville Fair Weekend
- Operation Christmas Child-Landmark Shoe Box
- \$500 Cash Donation and Swag to the Tache Firefighters for their pancake breakfast
- \$250 GIC winner for the referral program drawn quarterly
- NEGASH coffee member appreciation
- Niverville Happy Kidz Stay & Play new bouncy house
- \$75000 donation to Niverville Community Resource Centre
- Colouring Contest

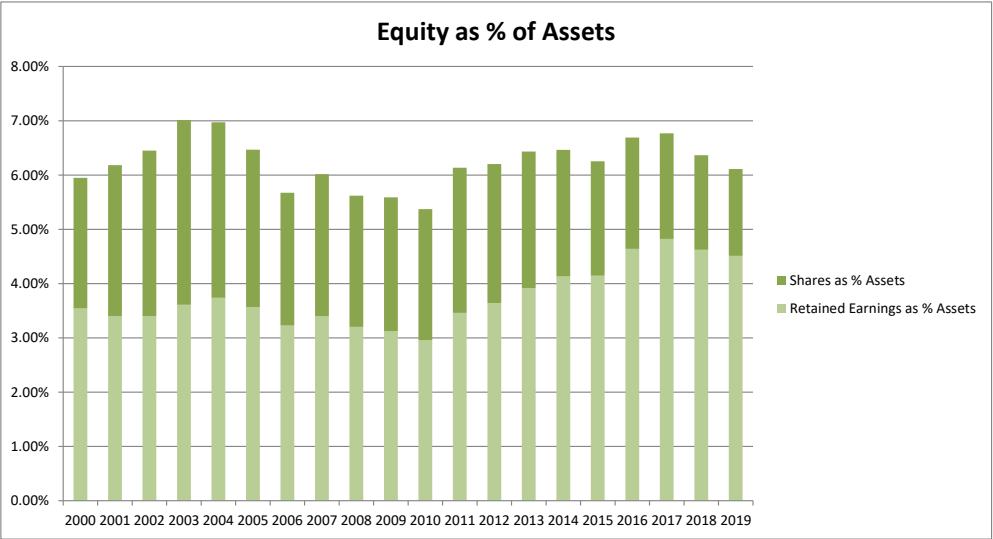
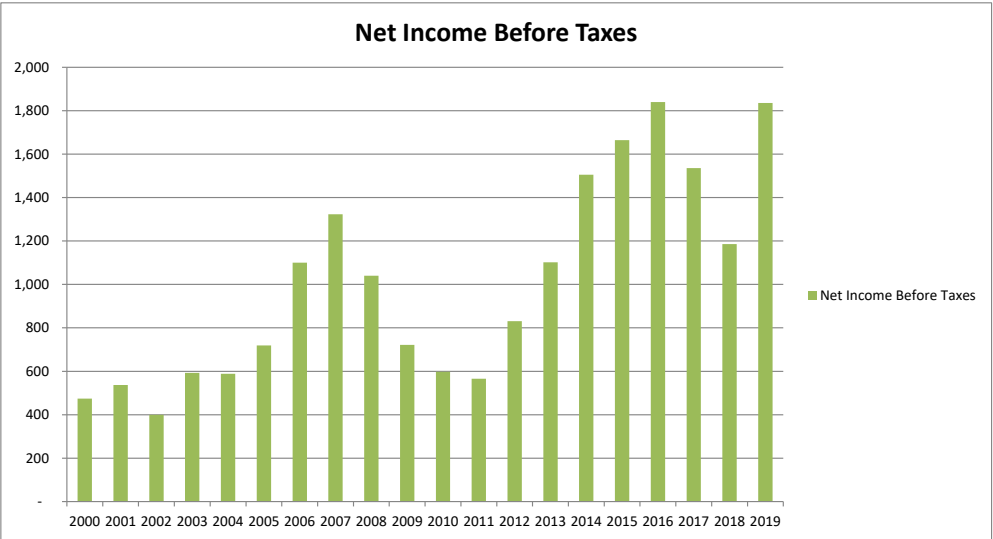
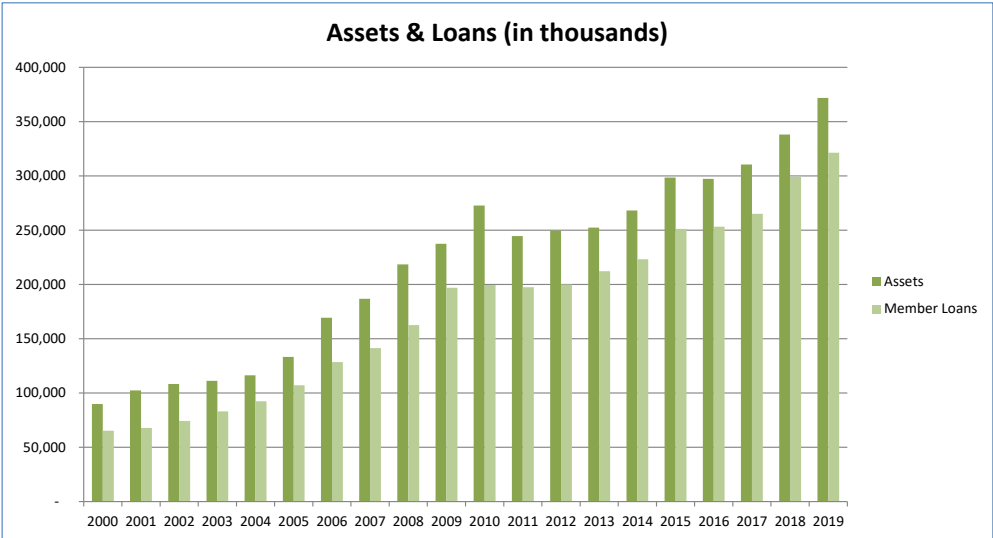
- FatCat account winner of Gold Eyes tickets
- \$250 GIC winner from golf tournament
- Community Paper Shredding Event
- 70th Anniversary Annual Meeting Matt Falk Performance
- Bethesda Hospital Foundation golf tournament
- Back to School winners
- Helping Hands Donation
- Supported local Community sports teams in Niverville
- \$500 Steinbach Christian High School History awards
- Sponsorship in the Mennonite Heritage Museum
- Sponsored 3 Students to the Cooperative Camp



NCU Flashback



Niverville Credit Union Growth





Tel: 204-956-7200
Fax: 204-926-7201
Toll-Free: 866-863-6601
www.bdo.ca

BDO Canada LLP
700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Niverville Credit Union Limited

Opinion

The summary consolidated financial statements, which comprise the summary consolidated balance sheet as at September 30, 2019, and the summary consolidated statement of comprehensive income, and the summary consolidated statement of changes in members' equity for the year then ended, and related notes, are derived from the audited financial statements of Niverville Credit Union Limited ("the Credit Union") for the year ended September 30, 2019.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the consolidated financial statements, in accordance with the criteria disclosed in Note 1.

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 Credit Union's audited consolidated financial statements and the auditor's report thereon.

The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unqualified audit opinion on the audited consolidated financial statements in our report dated December 18, 2019.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criteria disclosed in Note 1.

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 Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
December 18, 2019

Niverville Credit Union Limited
Summary Consolidated Balance Sheet

As at September 30	2019	2018
Assets		
Funds on hand and on deposit	\$ 6,432,908	\$ 11,231,284
Income taxes recoverable	-	40,370
Other assets	250,784	243,712
Investments	40,596,986	24,097,832
Loans to members	321,410,965	299,107,920
Property and equipment	2,932,879	3,028,273
Intangible assets	18,385	94,177
Investment property	272,555	244,068
	<u>\$ 371,915,462</u>	<u>\$ 338,087,636</u>

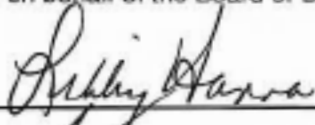
Liabilities and Members' Equity


Income taxes payable	\$ 58,175	\$ -
Other liabilities	1,075,936	1,907,353
Members' deposits	347,844,373	314,437,235
Insurance reserve	141,470	150,542
Deferred income tax liability	71,100	77,900
	<u>349,191,054</u>	<u>316,573,030</u>

Commitments

Members' Equity		
Members' shares	5,715,253	5,864,474
Provision for issue of shares	226,880	238,290
Retained earnings	16,782,275	15,627,842
	<u>22,724,408</u>	<u>21,730,606</u>
	<u>\$ 371,915,462</u>	<u>\$ 338,303,636</u>

Approved on behalf of the Board of Directors:


 _____ Director


 _____ Director

Niverville Credit Union Limited
Summary Consolidated Statement of Comprehensive Income

For the year ended September 30	2019	2018
Revenue		
Interest on loans to members	\$ 11,763,081	\$ 10,390,567
Investment Income		
Liquidity deposits	1,018,868	523,207
Shares	133,854	125,264
	<u>12,915,803</u>	<u>11,039,038</u>
Cost of funds	<u>6,985,871</u>	<u>5,336,362</u>
Gross financial margin	<u>5,929,932</u>	<u>5,702,676</u>
Operating Expenses		
Personnel	2,521,382	2,384,652
Administrative	1,642,062	1,531,622
Occupancy	806,481	752,443
Members' security	298,939	269,696
Organizational	188,418	174,419
	<u>5,457,282</u>	<u>5,112,832</u>
Gross operating expenses	<u>5,457,282</u>	<u>5,112,832</u>
Less other income	<u>1,422,155</u>	<u>1,495,054</u>
	<u>4,035,127</u>	<u>3,617,778</u>
Gross operating income	<u>1,894,805</u>	<u>2,084,898</u>
Provision for impaired loans	<u>58,115</u>	<u>898,881</u>
Income before income taxes	<u>1,836,690</u>	<u>1,186,017</u>
Provision for Income Taxes		
Current	300,124	197,635
Deferred	21,853	98,900
	<u>321,977</u>	<u>296,535</u>
Net and total comprehensive income for the year	<u>\$ 1,514,713</u>	<u>\$ 889,482</u>

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, 2019

	Provision for Issue of Shares	Members' Shares	Retained Earnings	Total
Balance at September 30, 2017	\$ 174,700	\$ 5,864,468	\$ 14,972,826	\$ 21,011,994
Net income for the year	-	-	889,482	889,482
Distributions to members	234,468	-	(234,468)	-
Issue of members' shares	(170,876)	174,916	-	4,040
Redemption of members' shares	-	(390,910)	-	(390,910)
	-	-	-	-
Balance at September 30, 2018	\$ 238,290	\$ 5,648,474	\$ 15,627,842	\$ 21,514,606
Net income for the year	-	-	1,514,713	1,514,713
IFRS 9 transition adjustment on October 1, 2018	-	-	(136,022)	(136,022)
Distributions to members	224,258	-	(224,258)	-
Issue members' shares	(235,668)	241,012	-	5,344
Redemption of members' shares	-	(174,233)	-	(174,233)
Balance at September 30, 2019	\$ 226,880	\$ 5,715,253	\$ 16,782,275	\$ 22,724,408

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	2019	2018
Cash Flows from Operating Activities		
Net income for the year	\$ 1,514,713	\$ 889,482
Adjustments for		
Interest and investment revenue	(12,915,803)	(11,039,038)
Interest expense	6,985,871	5,336,362
Depreciation expense	376,770	356,502
Provision for impaired loans	58,115	898,881
Loss on disposal of property and equipment	13,629	-
Deferred income taxes	21,853	98,900
Insurance reserve	(9,072)	(19,908)
	<u>(3,953,924)</u>	<u>(3,478,819)</u>
Change in other assets and liabilities	(838,489)	318,816
Change in income taxes recoverable	40,370	(40,370)
Change in income taxes payable	58,175	(17,067)
	<u>(739,944)</u>	<u>261,379</u>
Changes in member activities, net		
Change in loans to members	(22,458,708)	(34,731,015)
Change in members' deposits	32,802,097	26,436,291
	<u>10,343,389</u>	<u>(8,294,724)</u>
Cash flows related to interest, dividends, and income taxes		
Interest received on loans to members	11,691,696	10,188,918
Interest received on investments	958,956	679,435
Interest paid on members' deposits	(6,380,830)	(4,982,213)
	<u>6,269,822</u>	<u>5,886,140</u>
Total cash flows from (used in) operating activities	<u>11,919,343</u>	<u>(5,626,024)</u>
Cash Flows from Investing Activities		
Change in investments	(1,064,300)	109,260
Purchase of property and equipment	(192,356)	(113,290)
Purchase of intangibles	(51,086)	(20,521)
Total cash flows used in investing activities	<u>(1,307,742)</u>	<u>(24,531)</u>
Cash Flows from Financing Activities		
Issue of common and surplus shares	5,344	4,040
Redemption of common and surplus shares	(174,233)	(390,910)
Total cash flows used in financing activities	<u>(168,889)</u>	<u>(386,870)</u>
Net increase (decrease) in cash and cash equivalents	10,442,712	(6,037,425)
Cash and cash equivalents, beginning of year	31,723,294	37,760,719
Cash and cash equivalents, end of year	\$ 42,166,006	\$ 31,723,294
Comprised of the following		
Funds on hand and on deposit	\$ 6,432,908	\$ 11,231,284
Credit Union Central of Manitoba term deposits	35,733,098	20,492,010
	<u>\$ 42,166,006</u>	<u>\$ 31,723,294</u>

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

Niverville Credit Union Limited

Notes to Summary Consolidated Financial Statements

For the year ended September 30, 2019

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, 2019 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.

2. Compliance with Minimum Capital and Liquidity Requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at September 30, 2019 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 including notes for the year ended September 30, 2019, which contain the information detailing the calculations.



Come on over

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

Niverville Branch

62 Main Street, Box 430
Niverville, MB R0A 1E0
Ph: 204-388-4747
Fax: 204-388-9970
Toll Free: 1-855-500-6593

Steinbach Branch

103 - 150 Penfeld Drive
Steinbach, MB R5G 1V7
Ph: 204-326-3925
Fax: 204 326 5360
Toll Free: 1 855 500 6593

Landmark Branch

207 Main Street, Box 57
Landmark, MB R0A 0X0
Ph: 204-355-4035
Fax: 204-355-4800
Toll Free: 1-855-500-6593