

ANNUAL REPORT | **TWENTY SEVENTEEN**



**Niverville**   
CREDIT UNION

*Come on over*



# WHAT WE BELIEVE

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## 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.



# IN MEMORIAM

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## Henry Fehler

*May 13, 1917 - July 05, 2017*

*Founding Director of Niverville Credit Union*



Mr. Fehler was one of the founding directors of Niverville Credit Union back in 1949, with the idea originating from discussions held in his grocery store.

Mr. Fehler, along with a group of local businessmen and farmers, recognized the need for a local financial institution to serve the community and surrounding area, because large national financial institutions were not interested in providing these services.

Mr. Fehler founded the first cold storage and grocery business in Niverville and was an active community volunteer on the Town Board, Community Club Board, and the first Niverville Curling Club Board.

Thanks to the vision of Mr. Fehler and his fellow founding directors, Niverville Credit Union has been able to help realize the financial dreams of many families and businesses in Niverville and Southeastern Manitoba.



# BOARD & CEO REPORT

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The 69th 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.

Our Steinbach location at 15 Penfeld Drive opened in the spring of 2017 and has improved our service to Steinbach area members as well as generating interest and business from area residents that are new to Niverville Credit Union.

We introduced an on line banking feature called Personal Financial Management which allows members to consolidate all of their financial information in one place for budgetary and investment purposes.

Asset growth was 4.4%, deposit growth was 4.09% and loan growth was 4.70%. Our capital ratios improved and net income decreased due to investments related to our Steinbach branch.

A common and surplus share dividend of 3% was declared, reflecting our continued profitability and 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  
Chair



Libby Hanna  
1st Vice Chair



John Schmitke  
2nd Vice Chair



# BOARD & CEO REPORT (CONTINUED)

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We continue to collaborate 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 successfully navigate through increased regulations, information technology changes and a competitive market place, our operating principles set around providing service excellence remain a high priority.

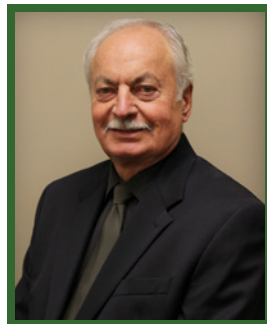
As a board of directors we support our staff with financial encouragement to continually improve their self-development.

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.

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



**Stan Doerksen**  
Director



**Calvin Schellenberg**  
Director



**Don Doerksen**  
Director



**Gordon Kroeker**  
Director



# OUR STAFF

Names listed from left to right

## NIVERVILLE BRANCH



### BACK ROW

Brigitte Simard  
Richard Montgomery  
Richard Pearse  
Darryl Rempel  
Ken Rempel  
Ron Ashcroft  
Lisa Doerksen

### MIDDLE ROW

Cecile Gerardy  
Kayleigh Engstrom  
Lauren Cadieux  
Jamie King  
Talitha Smith  
Kristina Gerbrandt  
Gabi Hiebert

### FRONT ROW

Carmen Giesbrecht  
Gracy Giesbrecht  
Nancy Penner  
Sandy Charette  
Sam Gagne  
Rosemary Johnston

### MISSING

Carrie Theoret  
Carroll Dyck  
Christina Abolade  
Debbie Lamirande  
Dorothy Dyck  
Jackie Rasetti  
Liam Harder  
Marlene Carr  
Stacy Hamm  
Ty Wood

## LANDMARRK BRANCH



Denise McBurney  
Teresa Soper  
Denise Collins  
Leighton Loepky

*Missing:*  
Cynthia Kroeker  
Shari Voth

## STEINBACH BRANCH



Keith Wolbaum  
Lillis Corriveau  
Julie Driedger  
Michelle Van Den Driessche  
Vern Klassen



Photos by Brigitte Simard

# STAFF CONTRIBUTIONS

## Our Staff gave back to the community by volunteering throughout 2017:

Southland Church  
(Sunday School program, Young Adult Group)

Calvary Temple  
(Food for the Hungry concert)

Niverville Fair  
(BBQ, food booth, gate admission, clean up)

Landmark Friendship Festival  
(Committee, collection table)

Samaritan's Purse  
(Operation Christmas Child Shoebox Drive)

Landmark Parent Grad Committee  
JDRF

Niverville Recreation  
Sports Manitoba

Winnipeg Soccer Federation

Word of Life  
(Sunday School program, nursery, Leadership Team)

Niverville Multiplex Residential  
Fundraising Committee

Niverville Heritage Centre  
(flower bed maintenance, nominating committee)

Landmark Minor Hockey  
(canteen, hosting)

Peewee Hockey  
(treasury)

Midget Hockey  
(coaching)

Clipper Ice Sports  
(Board)

Niverville Health  
& Community Foundation Inc.

Midget Baseball  
(coaching)

Linden Christian School  
(Board)

## JEAN DAY

Niverville Credit Union staff participate in Jean Day Fridays where staff are allowed to wear jeans to work on the last Friday of every month in exchange for a \$2 donation to a local charity. This year, Niverville raised over \$450 for Niverville Helping Hands.

## GOING PAPERLESS SUPPORTS COMMUNITY

Niverville Credit Union Gives Back \$1,225.00 to local charities with their Opt out Statement Campaign that ran from December 1, 2016 to November 30, 2017



## 2017 HIGHLIGHTS

- Opening of new NCU branch in Steinbach June 22nd, 2017
- Donation from the proceeds raised at the hot dog lunch at the Grand Opening for our new Steinbach Branch. We presented the \$500 cheque to Vicki Olatundun, the Executive Director at the Steinbach Family Resource Centre (formerly Anna's House.)
- Landmark hosts a Samaritan's Purse shoe box store in the Landmark Christian Fellowship Church. We Filled several shoe boxes for families in need.
- Congratulations to Lucien Berard, the winner from our door prize at the Southeast Home Inspirations Show!
- Launch of Personal Financial Management Tool (PFM) for online banking. A new tool used to help budget your money.
- Another fun season of playing Niverville adult Slo-pitch as the NCU 'Loaners'.
- Imagine in Color fundraiser in support of mental health with a BBQ in NCU parking lot to help raise money for awareness.
- Dorothy's retirement after 21 years of service at NCU. Congratulation's Dorothy!
- NCU staff Christmas party donates to Niverville Helping Hands.



SEE PHOTOS ON NEXT PAGE



# 2017 HIGHLIGHTS



## TAKE CHARGE OF YOUR MONEY

**Bigger Picture.  
Smarter Features.  
Better Living.**

Take everything you know about yourself financially and put it where you can see it all at once. What do you have? A bigger picture. Smart new online banking features let you see and understand your money like never before. Spending and budgeting tools show you how you spend, save and live today so that you can make decisions that are right for you tomorrow.

[Watch the video to see what's new >](#)



### SEE IT FOR YOURSELF.

Online banking has changed. Log in to experience your new enhanced spending and budgeting tools. [Go now >](#)

**NOT BANKING ONLINE YET?**

[Sign up now >](#)

**GET THE BIGGER PICTURE**



**SEE YOUR SPENDING**

**BETTER BUDGETING**



**SAFE & SECURE**

**GO MOBILE**



# NEW BRANCH OPENS

On April 18, 2017 Niverville Credit Union opened our new branch in Steinbach. Since our opening, we have gained a very steady pace of traffic coming in leading from new accounts, to Loans, to business accounts.

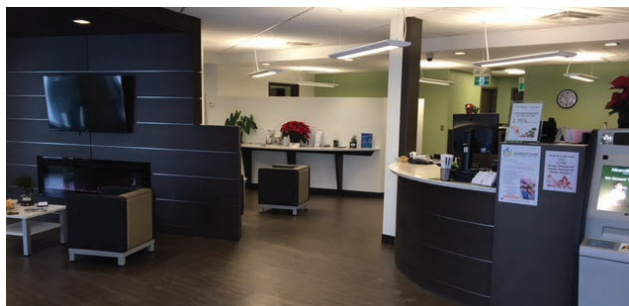
Our Grand opening for the Steinbach branch was on June 22, 2017. It was a very successful day, and we had the pleasure of receiving a plaque from Ted Falk, Member of Parliament for Provencher, welcoming us to the community.

MIX 96 and 107.7 Country Radio Station hosted our special day and the Lions Club provided a BBQ lunch for our members, and all proceeds were donated to Steinbach Family Resource Center. We had various gifts as door prizes for our members and we gave away a BBQ as a grand prize, which were all well received.

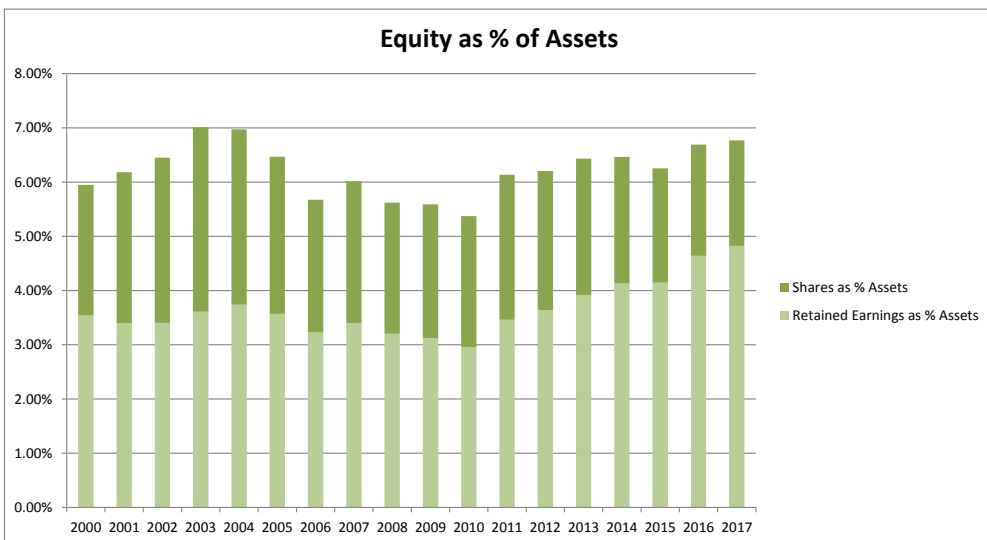
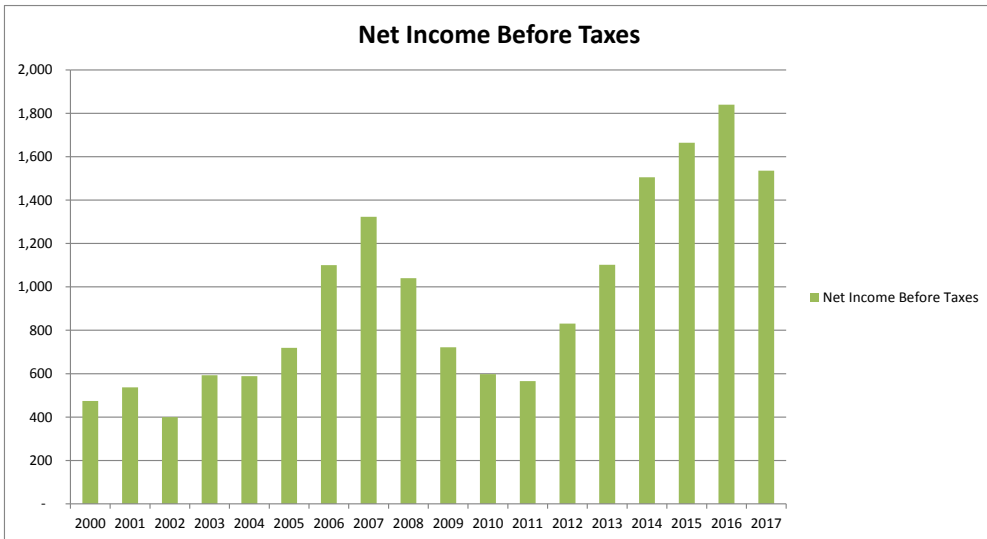
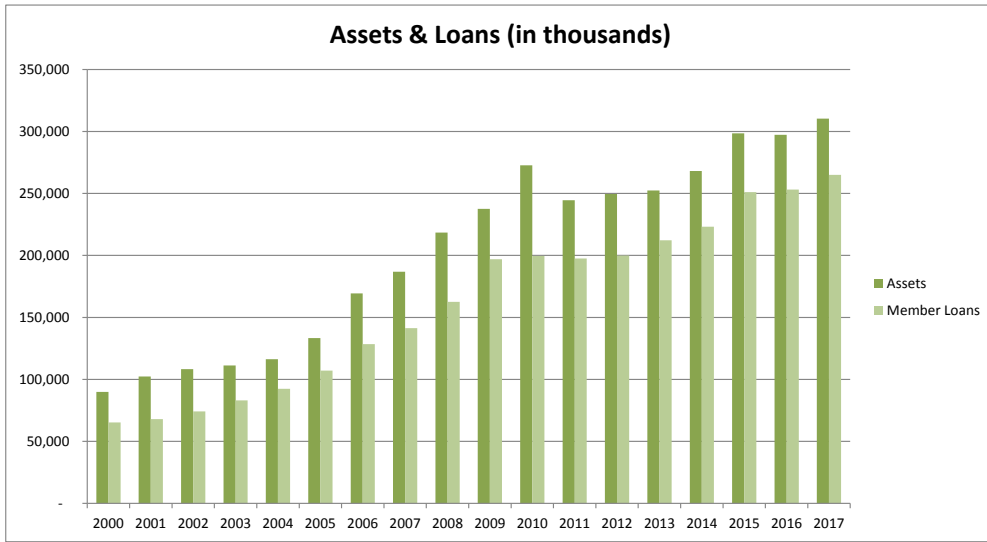
One of Steinbach new features is that our Branch is a virtual branch. We started with two ATM machines new to Niverville Credit Union. They are state-of-the-art machines with abilities to deposit without envelopes, and are enhanced with different denominations and USA cash availability which is open 24 hours a day, seven days a week.

We also have installed a 24 hour night deposit drop box for our business members and added new staff for even better service to our personal and business members.

We have grown into our space very well and look forward to what the future brings for our new Steinbach branch!



# NIVERVILLE CREDIT UNION **GROWTH**





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BDO Canada LLP  
700 - 200 Graham Avenue  
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, 2017 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, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated December 20, 2017.

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 20, 2017

## NIVERVILLE CREDIT UNION LIMITED Summary Consolidated Balance Sheet

September 30

2017

2016

### Assets

Funds on hand and on deposit	\$ 11,513,219	\$ 3,051,366
Other assets	239,344	260,073
Investments	29,993,566	37,779,786
Deferred income tax asset	21,000	-
Loans to members	265,074,134	253,167,048
Property, plant and equipment	3,186,830	2,598,342
Intangible assets	180,861	255,968
Investment property	221,521	233,649
	<b>\$ 310,430,475</b>	<b>\$ 297,346,232</b>

### Liabilities and Members' Equity

Income taxes payable	\$ 17,067	\$ 57,233
Other liabilities	1,584,169	839,969
Members' deposits	287,646,795	276,321,271
Insurance reserve	170,450	191,293
Deferred income tax liability	-	43,800
Members' shares	-	149,164
	<b>289,418,481</b>	<b>277,602,730</b>
<b>Commitments</b>		
<b>Members' Equity</b>		
Members' shares	5,864,468	5,771,925
Provision for issue of shares	174,700	175,000
Retained earnings	14,972,826	13,796,577
	<b>21,011,994</b>	<b>19,743,502</b>
	<b>\$ 310,430,475</b>	<b>\$ 297,346,232</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>2017</b>	<b>2016</b>
<b>Revenue</b>		
Interest on loans to members	\$ 8,946,261	\$ 8,988,925
Investment Income		
Liquidity deposits	535,834	562,919
Shares	138,730	151,127
Debentures	-	5,300
	<b>9,620,825</b>	<b>9,708,271</b>
<b>Cost of funds</b>	<b>4,574,562</b>	<b>4,847,648</b>
<b>Gross financial margin</b>	<b>5,046,263</b>	<b>4,860,623</b>
<b>Operating Expenses</b>		
Personnel	2,331,091	2,191,131
Administrative	1,457,156	1,307,985
Occupancy	657,484	553,439
Members' security	252,850	252,489
Organizational	185,463	176,269
<b>Gross operating expenses</b>	<b>4,884,044</b>	<b>4,481,313</b>
<b>Less other income</b>	<b>1,403,706</b>	<b>1,515,028</b>
	<b>3,480,338</b>	<b>2,966,285</b>
<b>Gross operating income</b>	<b>1,565,925</b>	<b>1,894,338</b>
<b>Provision for impaired loans</b>	<b>29,585</b>	<b>50,261</b>
	<b>1,536,340</b>	<b>1,844,077</b>
<b>Distributions to members</b>	<b>-</b>	<b>4,223</b>
<b>Income before income taxes</b>	<b>1,536,340</b>	<b>1,839,854</b>
<b>Provision for Income Taxes</b>		
Current	250,855	247,063
Deferred	(64,800)	(6,600)
	<b>186,055</b>	<b>240,463</b>
<b>Net and total comprehensive income for the year</b>	<b>\$ 1,350,285</b>	<b>\$ 1,599,391</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, 2017**

	Provision for Issue of Shares	Members' Shares	Retained Earnings	Total
Balance at September 30, 2016	\$ 182,000	\$ 5,787,198	\$ 12,365,566	\$ 18,334,764
Net income for the year	-	-	1,599,391	1,599,391
Distributions to members	172,603	-	(168,380)	4,223
Issue of members' shares	(179,603)	182,278	-	2,675
Redemption of members' shares	-	(369,813)	-	(369,813)
Transfer 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>
<b>Net income for the year</b>	<b>-</b>	<b>-</b>	<b>1,350,285</b>	<b>1,350,285</b>
<b>Distributions to members</b>	<b>(174,636)</b>	<b>-</b>	<b>(174,036)</b>	<b>(348,672)</b>
<b>Issue members' shares</b>	<b>174,336</b>	<b>177,791</b>	<b>-</b>	<b>352,127</b>
<b>Redemption of members' shares</b>	<b>-</b>	<b>(234,412)</b>	<b>-</b>	<b>(234,412)</b>
<b>Transfer from liabilities</b>	<b>-</b>	<b>149,164</b>	<b>-</b>	<b>149,164</b>
<b>Balance at September 30, 2017</b>	<b>\$ 174,700</b>	<b>\$ 5,864,468</b>	<b>\$ 14,972,826</b>	<b>\$ 21,011,994</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	2017	2016
<b>Cash Flows from Operating Activities</b>		
Net income for the year	\$ 1,350,285	\$ 1,599,391
Adjustments for		
Interest and investment revenue	(9,620,825)	(9,708,271)
Interest expense	4,574,562	4,847,648
Depreciation expense	317,123	277,034
Provision for impaired loans	29,585	50,261
Loss on disposal of property, plant and equipment	970	-
Deferred income taxes	(64,800)	(6,600)
Insurance reserve	(20,843)	(15,756)
Distribution to members	-	4,223
	<u>(3,433,943)</u>	<u>(2,952,070)</u>
Change in other assets and liabilities	764,929	(221,969)
Change in income taxes payable	<u>(40,166)</u>	<u>20,928</u>
	<u>724,763</u>	<u>(201,041)</u>
Changes in member activities (net)		
Change in loans to members	(11,895,572)	(2,318,828)
Change in members' deposits	<u>11,516,381</u>	<u>(2,103,784)</u>
	<u>(379,191)</u>	<u>(4,422,612)</u>
Cash flows related to interest, dividends, and income taxes		
Interest received on loans to members	8,905,165	9,214,186
Interest received on investments	687,284	787,197
Interest paid on members' deposits	<u>(4,765,419)</u>	<u>(4,923,142)</u>
	<u>4,827,030</u>	<u>5,078,241</u>
<b>Total cash flows from (used in) operating activities</b>	<u>1,738,659</u>	<u>(2,497,482)</u>
<b>Cash Flows from Investing Activities</b>		
Change in investments	209,400	480,680
Redemption of investments	1,000,000	-
Purchase of property and equipment	(798,074)	(110,324)
Purchase of intangibles	<u>(21,275)</u>	<u>(105,804)</u>
<b>Total cash flows from investing activities</b>	<u>390,051</u>	<u>264,552</u>
<b>Cash Flows from Financing Activities</b>		
Issue of common and surplus shares	3,455	2,675
Redemption of common and surplus shares	<u>(234,412)</u>	<u>(369,813)</u>
<b>Total cash flows from financing activities</b>	<u>(230,957)</u>	<u>(367,138)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>1,897,753</u>	<u>(2,600,068)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>35,862,966</u>	<u>38,463,034</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 37,760,719</u>	<u>\$ 35,862,966</u>
<b>Comprised of the following</b>		
Funds on hand and on deposit	\$ 11,513,219	\$ 3,051,366
Credit Union Central of Manitoba term deposits	<u>26,247,500</u>	<u>32,811,600</u>
	<u>\$ 37,760,719</u>	<u>\$ 35,862,966</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, 2017**

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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, 2017 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, 2017 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, 2017, which contain the information detailing the calculations.





A hand reaches out from the right side of the frame, gently touching a stalk of wheat in a vast field. The scene is bathed in the warm, golden light of a sunset, with the sun low on the horizon, creating a soft glow and long shadows. The sky is filled with wispy clouds, and the overall atmosphere is peaceful and serene.

**NIVERVILLECU.MB.CA**

**Niverville Branch**

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Fax: 204 326 5360  
Toll Free: 1 855 500 6593

**Landmark Branch**

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Landmark, MB R0A 0X0  
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