



We are...Swan Valley Credit Union

2018 Annual Report

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We Are Swan Valley Credit Union

**Swan Valley Credit Union Limited**  
**Summary Consolidated Financial Statements**  
*For the year ended December 31, 2018*

# Management's Responsibility

To the Members of Swan Valley Credit Union Limited:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

February 26, 2019



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Chief Financial Officer



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Chief Executive Officer

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

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To the Members of Swan Valley Credit Union Limited:

## **Opinion**

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at December 31, 2018, and the summary consolidated income statement, summary statements of changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Swan Valley Credit Union Limited (the "Credit Union") for the year ended December 31, 2018.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of Swan Valley Credit Union Limited for the year ended December 31, 2018.

## **Report on Other Legal and Regulatory Requirements**

As at December 31, 2018 the Credit Union met the capital and liquidity reserve requirements established by Sections 15, 21 and 21(1) of 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 reserve requirements, the reader must refer to the audited financial statements and notes for the year ended December 31, 2018.

## **Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited 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 February 26, 2019.

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

Management is responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards.

## **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.

Brandon, Manitoba

February 26, 2019

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, with 'LLP' in a smaller, sans-serif font to the right.


Chartered Professional Accountants

**Swan Valley Credit Union Limited**  
**Summary Consolidated Statement of Financial Position**  
*As at December 31, 2018*

	2018	2017
<b>Assets</b>		
Cash & cash equivalents	6,343,420	3,674,341
Accounts receivable	1,126,312	593,783
Investments & accrued interest	65,557,680	75,573,418
Members' loans receivable & accrued interest	199,207,732	183,240,424
Prepaid & other assets	186,299	162,583
Property & equipment	7,111,225	7,388,126
Goodwill	1,975,595	1,975,595
	<b>281,508,263</b>	<b>272,608,270</b>
<b>Liabilities</b>		
Member deposits & accrued interest	260,935,319	253,290,905
Income taxes payable	15,196	92,720
Accounts payable	1,581,748	1,261,758
Deferred tax	99,000	99,000
	<b>262,631,263</b>	<b>254,744,383</b>
<b>Members' equity</b>		
Member shares	3,387,723	3,699,806
Retained earnings	15,489,277	14,164,081
	<b>18,877,000</b>	<b>17,863,887</b>
	<b>281,508,263</b>	<b>272,608,270</b>

Approved on behalf of the Board

  
 \_\_\_\_\_  
 Director

  
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 Director

**Swan Valley Credit Union Limited**  
**Summary Consolidated Income Statement**  
*For the year ended December 31, 2018*

	2018	2017
<b>Interest income</b>		
Member loans	7,252,302	6,745,206
Investments	1,596,105	1,698,479
	<b>8,848,407</b>	<b>8,443,685</b>
<b>Interest expense</b>		
Member deposits	3,165,254	2,813,267
Borrowing	1,752	3,579
	<b>3,167,006</b>	<b>2,816,846</b>
<b>Net interest income</b>	<b>5,681,401</b>	<b>5,626,839</b>
<b>Operating expenses</b>		
Administration	1,514,622	1,460,367
Amortization & impairment	417,874	462,916
Member security	232,442	232,085
Occupancy	406,847	398,173
Organizational	241,796	215,370
Personnel	3,547,688	3,403,381
	<b>6,361,269</b>	<b>6,172,292</b>
<b>Net operating expenses</b>	<b>(679,868)</b>	<b>(545,453)</b>
<b>Other income</b>	<b>2,444,030</b>	<b>2,306,665</b>
<b>Income before provision for impaired loans and income taxes</b>	<b>1,764,162</b>	<b>1,761,212</b>
<b>Provision for impaired loans</b>	<b>145,878</b>	<b>151,505</b>
<b>Income before income taxes</b>	<b>1,618,284</b>	<b>1,609,707</b>
<b>Provision for income taxes</b>		
Current	291,626	293,664
Deferred	-	15,000
	<b>291,626</b>	<b>308,664</b>
<b>Net income</b>	<b>1,326,658</b>	<b>1,301,043</b>

**Swan Valley Credit Union Limited**  
**Consolidated Statement of Changes in Members' Equity**  
*For the year ended December 31, 2018*

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total equity</i>
<b>Balance December 31, 2016</b>	<b>3,926,595</b>	<b>12,864,500</b>	<b>16,791,095</b>
Net income	-	<b>1,301,043</b>	<b>1,301,043</b>
Issuance of member shares	<b>1,050</b>	-	<b>1,050</b>
Redemption of member shares	<b>(227,839)</b>	-	<b>(227,839)</b>
Dividend on preference shares, net of tax recovery	-	<b>(1,462)</b>	<b>(1,462)</b>
<b>Balance December 31, 2017</b>	<b>3,699,806</b>	<b>14,164,081</b>	<b>17,863,887</b>
Net income	-	<b>1,326,658</b>	<b>1,326,658</b>
Issuance of member shares	<b>750</b>	-	<b>750</b>
Redemption of member shares	<b>(312,833)</b>	-	<b>(312,833)</b>
Dividend on preference shares, net of tax recovery	-	<b>(1,462)</b>	<b>(1,462)</b>
<b>Balance December 31, 2018</b>	<b>3,387,723</b>	<b>15,489,277</b>	<b>18,877,000</b>



**Swan Valley Credit Union Limited**  
**Summary Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2018*

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from member loans	7,173,844	6,764,374
Interest and dividends received from investments	1,618,817	1,725,754
Other income received	2,444,030	2,199,472
Cash paid to suppliers and employees	(5,646,935)	(5,842,840)
Interest paid on deposits	(2,909,567)	(2,972,286)
Interest paid on borrowed money	(1,752)	(3,579)
Income taxes paid	(369,150)	(196,269)
	<b>2,309,287</b>	<b>1,674,626</b>
<b>Financing activities</b>		
Net change in member deposits	7,388,727	4,769,257
Issuance of member shares	750	1,050
Redemption of member shares	(312,833)	(227,839)
	<b>7,076,644</b>	<b>4,542,468</b>
<b>Investing activities</b>		
Net change in members' loans receivable	(16,034,728)	(7,300,202)
Purchases of investments	-	(1,213,671)
Proceeds on disposal investments and accrued interest	9,458,849	-
Purchases of property and equipment	(140,973)	(113,513)
	<b>(6,716,852)</b>	<b>(8,627,386)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>2,669,079</b>	<b>(2,410,292)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>3,674,341</b>	<b>6,084,633</b>
<b>Cash and cash equivalents, end of year</b>	<b>6,343,420</b>	<b>3,674,341</b>

# We are...Community

"The Community Hall" is without a doubt the heartbeat of many communities. For generations, we have gathered to celebrate, mourn and support each other. It is the center of volunteerism, shining a spotlight on friendship and solidarity in the ongoing fight to keep our communities vibrant and connected. In 2018 SVCU reinforced our support of these very symbolic and important venues in our communities. Congratulations once again to our 2018 "My Community Matters Grant" recipients.

## Kenville Hall



On April 25th, 1945, 50 Kenville residents came together to discuss the probability of building a Memorial Hall in memory of those who laid down their lives and those who served in the second world war. The motion was carried unanimously. 74 years later this hall still stands as a testament to the commitment and perseverance of Kenville's founding families. *\$850.00 for the purchase of a new dishwasher.*

# "My Community Matters" Grant

Benito Ladies Auxiliary  
Benito Hall Renovations  
\$3,500



Swan River Kinsmen Nursery  
School - Pergola  
\$2,500



Thunderhill Courts Tenant  
Association - Furnishings  
\$1,000



SVCU's commitment to supporting our local community is the foundation of who we are. For over 65 years we have been giving back to local youth through activities and education. We have provided continuous support to the economic development of the valley and offered resources to the charitable organizations and volunteers that help make our communities prosper.

DARC  
Windy Hill Repeater Station  
\$650



Ukrainian Catholic Hall  
Renovations  
\$1,500



Annually we renew our commitment to local communities by offering grants totalling \$10,000. Eligible groups and organizations looking to develop or improve new and existing programs, facilities that support education, the economic development of the valley, and our local trading area are welcome to apply.





SVCU has been proudly operating our annual Beef on a Bun for over 25 years. Each year we get the opportunity to highlight a group, organization or team looking for the funds to further their activities. With their participation we feed between 400-500 valley residents and return 100% of the funds received back into local community groups. In the last 10 years SVCU has raised and donated over \$20,000 back into our communities through Beef on a Bun.

Our youth are our future and SVCU has been focused on providing the support necessary to advance their education and opportunities through creative programming, sports activities, and the development or upgrading of local infrastructure. In addition we continue to offer products and services that meet the needs of our non-profit and community based organizations. SVCU supported 105 youth based organizations and events in 2018, donating over \$19,000.

# We are Committed...



SVCU celebrated 30 years of Talent Stage this year, showcasing the talents of 30 contestants from across the prairies as they vied for \$3,000 in prize money. This talent filled event would not be possible without our long term partners GX94 radio and the Swan River Valley Agricultural Society who have been with us since the beginning.

In 2018 SVCU contributed \$6,800 to the fine arts in our community.

Being active at all ages is a huge part of our community. SVCU donated over \$9,900 to tournaments, teams, provincial competitions and the development of infrastructure for sport activities in 2018.

*Photo Credit - Danielle Gordon-Broome Star & Times*

**not just for today but for tomorrow too.**



# We are...7,300 Members Strong

Youth are more educated than ever, with enrollment in University, College or Trade increasing by almost 30% over the last 20 years

3434 SVCU Members use our Mobile Banking App

94% of 15-34 year olds own a smart phone

The fastest growing demographic on facebook 65+

The largest segment of our membership, 1828 members, are 65+

SVCU has paid \$11.25 Million cash in dividends to members

294 New Members joined SVCU in 2018

For the first time in 20 years, homeownership has declined for ages 35-54





All  
SVCU deposits  
(Savings, RRSP, RRIF, Term  
Deposits & Foreign Currency)  
are guaranteed by the  
Deposit Guarantee  
Corporation of Manitoba,  
without limit

43% of  
SVCU members  
have chosen  
e-statements over  
paper

43% of  
SVCU Loans,  
Mortgages & Lines  
of Credit are held  
by members  
aged 30-50

Manitoba has  
the 3rd highest  
internet usage in  
the country for  
ages 15-24

2,992  
SVCU Members  
do their banking  
on-line

Over 100  
students tour  
SVCU each year  
to learn about  
Credit Unions

40% of  
Canadians aged  
15 to 19 years old  
are employed

# We are...shaping the future

Through our members continued support and loyalty coupled with the efforts of a dedicated staff Swan Valley Credit Union had another very successful year. Your credit union ended the year with a net profit of \$1.3 million increasing our retained earnings to \$15.5 million. Assets grew 3.2% from \$272.6 million to \$281.5 million in 2018. Our capital position remains strong and at year end exceeded the targets set by the Deposit Guarantee Corporation of Manitoba. A strong capital position allows the credit union to continue to invest in projects that provide value to our members.

During 2018 our loan campaigns targeting residential and agricultural mortgages contributed to an 8.7% growth in our loan portfolio.

Commitment to our community continues to be one of our core values. This past year we donated over \$65,000 in support of numerous organizations and community events. Additionally our staff spent over 2000 hours in various volunteer activities.

Three of our longer term employees, Caroline Willis, Judy Schneider and Terry Grandfield retired in 2018 and we wish them all the best in this next phase of their life.

Each year in the fall, your Board of Directors and senior management hold a strategic planning session where the goals and strategic focus of the credit union are determined. Sound governance is a strength of your credit union and we appreciate their dedication and commitment.

Your staff undertook some 2000 hours of training activities in 2018 and we applaud them for their continuing commitment to the members and the credit union.



*Don Pratt*  
Chief Executive Officer

*Brian Cotton*  
President

We look forward to the year ahead and on behalf of the Board and the 55 employees of the credit union and our insurance division we thank you for being members as we *"Build a better future with you"*





## SVCU Board of Directors

L to R Front: Brian Cotton, President - David Dayson, Director - Lorna Bell, Director - Barb Lewis, 2nd Vice-President - Greg Logan, Director

L to R Back: Elisabeth Archambault, Director - Ferlin Abrahamson, Director - Ken Treasure, 1st Vice-President

Unavailable: Kim Pierce, Director

# We are...Swan Valley Credit Union

Scott Beehler, *Account Manager*  
Yvonne Brelinski, *Member Services Supervisor*  
Candice Bradley, *Manager Human Resources & Compliance*  
Gayle Brannonier, *Administration Supervisor*  
Blaine Campbell, *Chief Lending Officer*  
Rory Campbell, *Call Centre Associate*  
Stephanie Chez, *Member Services Representative*  
Denise Comeau-Ward, *Credit Administration Officer*  
Linaya Davis, *Member Services Representative*  
Michele Doverspike, *Member Services Reception*  
Pam Froese, *Executive Secretary/Credit Admin Officer*  
Amanda Gray, *Member Services Representative*  
Cheryl Gorski, *Member Services Representative*  
Kandace Hart, *Investment Specialist*  
Ryan Hofford, *Network & Systems Administrator*  
Jeanine Humphreys, *Member Services Representative*  
Melodie Hunt, *Administration Clerk*  
Kimberley Knowles, *Member Services Representative*  
Tracey Kowall, *Senior Member Services Representative*  
Carrie Kruk-Lylyk, *Chief Financial Officer*  
Holly Kushniryk, *Member Services Representative*  
Madison LaChance, *Member Services Representative*  
Kira Lasiuk, *Administration Clerk*  
Rhonda Lukey, *Accountant*  
Angie Meyn, *Member Services Representative*  
Pat Morden, *Account Manager*  
Jennifer Mosiondz, *Compliance & Human Resources Officer*  
Jackie Mullin, *Financial Services Officer*  
Stacey Mullin, *Account Manager*

Lynda Parsons, *Marketing Coordinator*  
Kelsie Parthenay, *Administration Clerk*  
Don Pratt, *Chief Executive Officer*  
Angelika Sasota, *Member Services Representative*  
Roxanne Schneider, *Manager, Personal Financial Services*  
Karen Schure, *Administration Clerk*  
Shelley Schure, *Member Services Representative (Casual)*  
Cheryl Sherrer, *Credit Administration Supervisor*  
Melissa Sollis, *Financial Services Officer*  
Karlene Stanley, *Member Services Reception*  
Rachael Stober, *Member Services Representative*  
Miranda Storoschuk, *Credit Administration Officer*  
Stephen Tanner, *Chief Information Officer*  
Nicole Vestby, *Account Manager*  
Deana Williamson, *Manager, Member Services*  
Caroline Willis, *Credit Administration Supervisor (Casual)*  
Craig Zamzow, *Chief Operations Officer*

## Swan Valley Insurance Group

Ron Betcher, *Insurance Manager*  
Janel Hart, *Sales Associate*  
Amanda Lucan, *Sales Associate*  
Kim Munro, *Sales Associate*  
Sheila Sawchuk, *Sales Associate*  
Donna Tait, *Assistant Insurance Manager*

## RG Fast Insurance - The Pas, MB

Lisa Asham, *Office Manager*  
Kerri Huculak, *Insurance Broker*  
Jonie Snyder, *Insurance Broker*

# We are...Retired!



Terry Grandfield  
Assistant Manager  
Swan Valley Insurance Group  
15 Years of service with SVIG, formerly  
Betcher's Agencies



**Judy Retirement Farewell**



**Caroline Retirement Farewell**



**SVCU Shoot to Win Stamps Night**



**SVCU AGM Registration Ladies**



**SVCU Staff Car Rally**



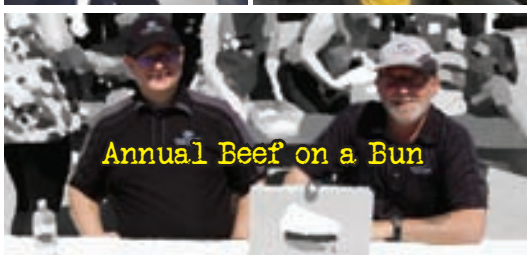
**NWR&E Parade**



**High School Rodeo**



**Talent Stage 30 Years**



**Annual Beef on a Bun**



**SVCU Kids - Presents to Seniors**



**Judy Schneider**  
Member Services Representative, Benito Swan Valley Credit Union  
34 Years in the Financial Industry,  
18 years of service with SVCU



**Caroline Willis**  
Credit Administration Supervisor  
Swan Valley Credit Union  
43 Years of service with SVCU





Main Branch Swan River

913 Main Street East - Swan River, Manitoba - Tel. 204.734.7828

Benito Branch

103 Main Street - Benito, Manitoba - Tel. 204.539.2400

Minitonas Agency

Minitonas General Store, 267, 2nd Avenue - Minitonas, Manitoba

Tel. 204.525.2623

[www.svcu.mb.ca](http://www.svcu.mb.ca)