



2017 Annual Report



swan VALLEY

CREDIT UNION

Voluntary & Open Membership

Democratic Member Control

Member Economic Participation

Autonomy & Independence

Education, Training & Information

Co-operation among Co-operatives

Concern for Community



Table of Contents

Message to Members, CEO Don Pratt & President Brian Cotton.....Page 1

SVCU Board of Directors.....Page 2

Management's Responsibility.....Page 3

SVCU 2017 Summary Consolidated Financial Statements.....Page 4 - 9

Education in our Community.....Page 10

Community Strong.....Page 11 - 12

Our People.....Page 13 - 15

My Community Matters Grants....Page 16



A portrait of Don Pratt, a man with a grey beard and glasses, wearing a blue striped shirt and a dark tie.

Don Pratt
Chief Executive Officer

Message to Members

A portrait of Brian Cotton, a man with glasses, wearing a blue shirt and a dark tie.

Brian Cotton
SVCU Board President

2017 marked a strong year for Swan Valley Credit Union. We are pleased to report that the Credit Union ended the year with a net profit of \$1.3 million and members retained earnings grew to \$14.2 million or 5.2% of assets which now total \$272.6 million. Total capital representing the stability of the Credit Union is now \$17.9 million or 6.55% of assets. The Credit Union continues to exceed both the capital target set for management by the Board and the regulatory requirement mandated by the Deposit Guarantee Corporation of Manitoba.

Our loan portfolio showed growth especially in the later part of the year due to two successful loan campaigns targeting residential and agricultural mortgages.

Our employees continue to be our most valuable asset. Swan Valley Credit Union has a long history of supporting and fostering continuing education to further develop their skills. Throughout the year employees completed over 1,100 hours of training in areas such as member service, credit union products, lending, accounting, financial planning and human resources.

Continuing our long standing commitment to community philanthropy we donated over \$66,000 supporting some 150 organizations, community events and sport programs. Additionally our directors and employees donated over 2426 hours to various organizations throughout the valley.

In 2017 we replaced our two aging ATMs in Swan River with new machines that provide better functionality. We also enhanced our internet banking platform providing members with a money management feature and updated our Mobile App.

We wish to express our thanks to your Board members for the time and dedication they give to the Credit Union and to our employees for their hard work and accomplishments in serving your needs.

In conclusion we thank you – our members for your continued loyalty and ongoing support as we *“Build a better future with you”*.

Board of Directors



Values

Integrity & Honesty

Fairness & Equity

Respect

Trust & Confidentiality

Member Focused

Community Involvement



Ferlin Abrahamson
Director

Member Since: 2007



Elisabeth Archambault
Director

Member Since: 2003



Lorna Bell
Director

Member Since: 1977



David Dayson
Director

Member Since: 1993



Brian Cotton
President

Member Since: 1979



Ken Treasure
1st Vice-President

Member Since: 1971



Barbara Lewis
2nd Vice-President

Member Since: 2001



Greg Logan
Director

Member Since: 2008



Kim Pierce
Director

Member Since: 2011

"Building a better future with you"

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 consolidated 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 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 accountants. The Board is also responsible for recommending the appointment of the Credit Union's external accountants.

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



Chief Executive Officer



Chief Financial Officer

Swan Valley Credit Union Limited
Summary Consolidated Financial Statements
For the year ended December 31, 2017

Independent Auditors' Report

To the Members of Swan Valley Credit Union Limited.

The accompanying summary consolidated financial statements of Swan Valley Credit Union Limited, which comprise the summary consolidated statement of financial position as at December 31, 2017, and the summary consolidated income statement, statements of changes in equity and cash flows for the year then ended. We expressed an unmodified audit opinion on those consolidated financial statements in our audit report dated March 28, 2018.

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these summary consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these summary 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."

Opinion

In our opinion, the summary consolidated financial statements, derived from the audited consolidated financial statements of Swan Valley Credit Union Limited for the year ended December 31, 2017 are a fair summary of those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As at December 31, 2017, 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 Caisse 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 reserve requirements, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2017.

Brandon, Manitoba

February 27, 2018

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, followed by 'LLP' in a smaller, more formal font.


Chartered Professional Accountants

Swan Valley Credit Union Limited
Summary Consolidated Statement of Financial Position
As at December 31, 2017

	2017	2016
Assets		
Cash & cash equivalents	3,674,341	6,084,633
Accounts receivable	593,783	486,590
Investments & accrued interest	75,573,418	74,387,022
Members' loans receivable & accrued interest	183,240,424	176,110,895
Income taxes recoverable	-	4,675
Prepaid & other assets	162,583	175,613
Property & equipment	7,388,126	7,689,652
Goodwill	1,975,595	2,023,472
	272,608,270	266,962,552
Liabilities		
Member deposits & accrued interest	253,290,905	248,680,667
Income taxes payable	92,720	-
Accounts payable	1,261,758	1,406,790
Deferred tax	99,000	84,000
	254,744,383	250,171,457
Members' equity		
Member shares	3,699,806	3,926,595
Retained earnings	14,164,081	12,864,500
	17,863,887	16,791,095
	272,608,270	266,962,552

Approved on behalf of the Board


 Director


 Director

Swan Valley Credit Union Limited
Summary Consolidated Income Statement
For the year ended December 31, 2017

	2017	2016
Interest income		
Member loans	6,745,206	7,051,339
Investments	1,698,479	1,436,924
	8,443,685	8,488,263
Interest expense		
Member deposits	2,813,267	3,134,498
Borrowing	3,579	-
	2,816,846	3,134,498
Gross financial margin	5,626,839	5,353,765
Operating expenses		
Administration	1,460,367	1,467,663
Amortization & impairment	462,916	491,078
Member security	232,085	228,388
Occupancy	398,173	380,501
Organizational	215,370	214,997
Personnel	3,403,381	3,447,948
	6,172,292	6,230,575
Net operating expenses	(545,453)	(876,810)
Other income	2,306,665	2,261,299
Income before provision for impaired loans & property held for resale & income taxes	1,761,212	1,384,489
Provision for		
Impaired loans	151,505	165,030
Property held for resale	-	206,775
	151,505	371,805
Income before income taxes	1,609,707	1,012,684
Provision for income taxes		
Current	293,664	198,842
Deferred	15,000	-
	308,664	198,842
Net income	1,301,043	813,842

A full set of audited financial statements is available from the Credit Union

Swan Valley Credit Union Limited
Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2017

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2015	3,990,447	12,052,120	16,042,567
Net income	-	813,842	813,842
Issuance of member shares	1,000	-	1,000
Redemption of member shares	(64,852)	-	(64,852)
Dividends on preference shares, net of tax recovery	-	(1,462)	(1,462)
Balance December 31, 2016	3,926,595	12,864,500	16,791,095
Net income	-	1,301,043	1,301,043
Issuance of member shares	1,050	-	1,050
Redemption of member shares	(227,839)	-	(227,839)
Dividend on preference shares, net of tax recovery	-	(1,462)	(1,462)
Balance December 31, 2017	3,699,806	14,164,081	17,863,887

Swan Valley Credit Union Limited
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Interest received from member loans	6,764,374	7,088,648
Interest and dividends received from investments	1,725,754	1,403,852
Interest paid on deposits	(2,972,286)	(3,266,965)
Cash paid to suppliers and employees	(5,842,840)	(5,715,954)
Service charges and other income received	2,199,472	2,484,788
Interest paid on borrowed money	(3,579)	-
Income taxes paid	(196,269)	(257,361)
	1,674,626	1,737,008
Financing activities		
Net change in member deposits	4,769,257	5,836,152
Issuance of member shares	1,050	1,000
Redemption of member shares	(227,839)	(64,852)
	4,542,468	5,772,300
Investing activities		
Net change in members' loans receivable	(7,300,202)	2,372,392)
Purchases of investments	(1,213,671)	(19,286,091)
Purchases of property and equipment	(113,513)	(54,835)
Proceeds on disposal of property held for resale	-	785,000
	(8,627,386)	(16,183,534)
Decrease in cash and cash equivalents	(2,410,292)	(8,674,226)
Cash and cash equivalents, beginning of year	6,084,633	14,758,859
Cash and cash equivalents, end of year	3,674,341	6,084,633

Education in our community.



Junior Achievement

Business ownership:
Sole Proprietor,
Partnership & Corporation

Class:

Mr. Stock, Grade 5
Taylor Elementary
School

Presenting:

Nicole Vestby, SVCU
Account Manager



SVCU School Tour - ESRSS

Mrs. Buchanan, Grade 1 French Immersion
Money - Different Careers - Technology
Keeping it green!

Presentation to the community of Swan River

Topic: Fall Wealth Management Seminar

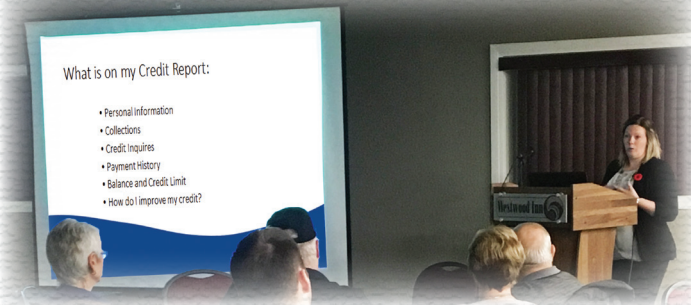
Presenting: Kandace Hart, Mutual Funds Investment Specialist



Presentation to the Swan Valley School Division:

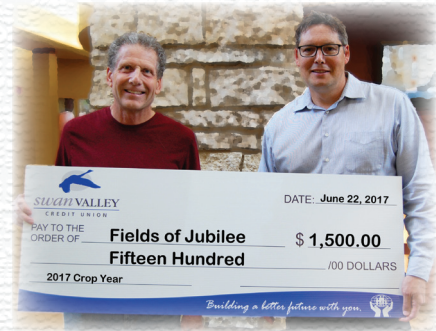
Topic: Personal Finance / Investment Planning

Presenting: Katlyn Patzer, Mutual Funds Investment Specialist



Community Strong "Building a better future with you"

We invested \$66,490 back into our community, supporting over 150 organizations, community events & sport programs.



Partnerships Partnerships Partnerships

SVCU in partnership with Kinsmen Club of SR & the SV High School Rodeo Association, brought in 185 students from 4 elementary schools to participate in a day of rodeo events & hands on displays on how to be a "cowboy/girl" during the 2017 High School Rodeo Finals.



Community Strong

"Building a better future with you"

Northwest Round Up & Exhibition Parade



SVRSS Basketball

International
Credit Union Day
\$200 prize pack winner
SVCU Member
Allan Facundo
Presenting: Pam Froese



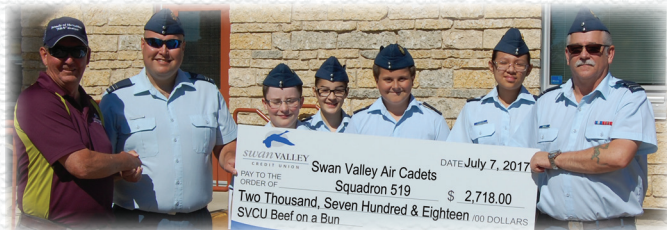
SVCU Talent Stage Grand Finale Winner of \$1,500
Zack Richards of Brandon MB. Presenting Lynda
Parsons, Marketing Coordinator, GX Personality Evan
Montgomery & GX Star Seach Winner Julianna Moore



Tigers Credit Union
New member, iPad
Winner, Jeremy Snider



Stamps Shoot to Win
Youth Draw Winner
Stamps Autographed
Hockey Stick - Ava Pidskalny
Presenting: Jackie Mullin
Financial Services Officer



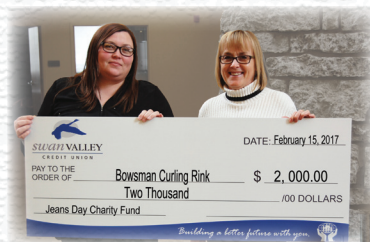
SVCU Ladies Curling Team - U21 Provincials & MB Games



Our people

We are Wearing Jeans for Charity!

SVCU Employees
donate \$2.00 every
Friday for the
opportunity.....



to wear *Jeans*
to work!



Those funds will then
be matched in part by
SVCU and donated
back into our
Community.



Front Row: Stacey Mullin (*MSR*), Katlyn Patzer (*Mutual Funds Investment Specialist*), Yvonne Brelinski (*Member Services Supervisor*), 2nd Row: Stephanie Chez (*MSR*), Kandace Hart (*Mutual Funds Investment Specialist*), Caroline Willis (*Credit Administration Supervisor*), Roxanne Schneider (*Manager, Personal Financial Services*), Jackie Mullin (*Financial Services Officer*), Back Row: Ryan Hofford (*Network & Systems Administrator*), Scott Beehler (*Account Manager*), Blaine Campbell (*Chief Lending Officer*), Deana Williamson (*Manager, Member Services*), Karen Schure (*Administration Clerk*)

Our people



Front Row: Candice Bradley (*Manager, Human Resources & Compliance*), Gayle Branconnier (*Administration Supervisor*), Denise Comeau-Ward (*Credit Administration Officer*), Amanda Gray (*MSR*), Kelsie Parthenay (*Administration Clerk*) **2nd Row:** Karlene Stanley (*Member Services Reception*), Miranda Storoschuk (*MSR*), Melissa Sollis (*Financial Services Officer*), Rhonda Lukey (*Accountant*) **Back Row:** Lynda Parsons (*Marketing Coordinator*), Kira Lasuik (*Administration Clerk*), Craig Zamzow (*Chief Operations Officer*), Cheryl Sherrer (*Credit Administration Officer*), Stephen Tanner (*Chief Information Officer*), Michele Doverspike (*Call Centre Associate*)

Benito



Holly Kushniryk (*MSR*) & Judy Schneider (*MSR*)

SVCU employees volunteered a total of 2426 hours to over 43 different groups, events, non-profit organizations and sport teams in 2017.

Not available for pictures



Gwen Colbert
Account Manager



Pam Froese
Exec. Secretary/
Credit Admin Officer



Cheryl Gorski
MSR



Jeanine Humphreys
MSR



Melodie Hunt
Administration Clerk



Kimberley Knowles
MSR



Tracey Kowall
Senior MSR



Carrie Kruk-Lylyk
Chief Financial Officer



Angie Meyn
MSR



Jennifer Mosiondz
Compliance &
Human Resources Officer



Joel Peters
MSR



Don Pratt
Chief Executive Officer



Rachael Stober
MSR



Nicole Vestby
Account Manager

Our people



Co-op Marketplace, 811 Main St.
Sheila Sawchuk (*Sales Associate*) &
Ron Betcher (*Insurance Manager*)



Donna Tait
Assistant
Insurance Manager



Janel Hart
Sales Associate



Credit Union Building, 913 Main St.
Kim Munro (*Sales Associate*) &
Amanda Lucan (*Sales Associate*)



swan valley **INSURANCE GROUP**

“Insuring your Peace of Mind”

RgFast Insurance

The Pas, MB



RG Fast Insurance, The Pas, Manitoba

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

My Community Matters Grants

SVCU annually offers a \$10,000 grant program available to all groups, organizations, programs or projects that meet the criteria. The granting committee selected the following recipients in 2017:



Presenting:
Greg Logan, SVCU Director
Accepting: Chelsea Cook, Public Relations Coordinator



Presenting:
Ferlin Abrahamson, SVCU Director
Accepting: John Clemenson, Volunteer



Presenting:
Ken Treasure, SVCU Director
Accepting: Jordan Genaille, Co-Director & Roxanne McCullough Co-Director



Presenting:
Barb Lewis, SVCU Director
Accepting: Evelyn Immerkar, President & Brent Williamson, Vice-President



Presenting:
Elisabeth Archambault, SVCU Director
Accepting: Tracy Maksymchuk, Volunteer



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

Tigers Credit Union - Student Operated Branch
Swan Valley Regional Secondary School
1483, 3rd Street North - Swan River, Manitoba

www.svcu.mb.ca

