

2019 Annual Report



WINNIPEG POLICE
CREDIT UNION

You Serve the Community. We Serve You.

CORPORATE VISION

“To be the financial institution of choice to employees in the law enforcement community, their families and associates.”

CORPORATE MISSION

“To be a leader in providing a superior and professional level of financial products and services to employees of the law enforcement community, their families and associates.”

CORPORATE VALUES

Honesty and integrity
Member focused
Competitive products and superior service and advice
Innovative spirit
Commitment to community – police community and credit union system
Commitment to business ethics and standards
Professional conduct in all dealings with members and suppliers
Commitment to co-operative principles

CO-OPERATIVE PRINCIPLES

Open and voluntary membership
Democratic member control
Member economic participation
Autonomy and independence
Education, training and information
Co-operation among co-operatives
Concern for Community



**Winnipeg Police Credit Union Annual Meeting Agenda
November 27th, 2019 7:00 P.M.**

Call to order by the President
Establishment of a quorum
Welcoming of guests
Tribute to deceased members
Reading of the minutes of the 69th annual meeting
Business arising out of the minutes
Directors report (President)
Chief Executive Officer's report and Auditor's report & financial statements
Election of directors
Service awards presentation
Appointment of auditors for 2020
Other business
Adjournment

Winnipeg Police Credit Union – Board of Directors

Gordon Gold, <i>President</i> (2019)	Lawrence Klippenstein (2019)
Andrew Zurawsky, <i>Vice Pres.</i> (2020)	Ron Smolik (2021)
Maurice Sabourin, <i>Secretary</i> (2021)	Fred Thomas (2020)
Adam Cheadle (2021)	Cory Wiles (2020)
Joe Gallagher (2019)	

Dates in brackets indicate the year in which term of office expires.

Winnipeg Police Credit Union – Management and Staff

Management

Cal Berzuk, *Chief Executive Officer*
Brandy Elliott, FSCI, CFP, *Chief Operating Officer*
Heather Kozubski, C.I.M., C.Mgr., FCUIC, *Chief Governance & Administration Officer*
Kimberly Caetano, *Manager, Member Relationship & Growth*

Staff – 300 William Ave

Shaunna Asselstine, *Senior Loan Administrator*
Pamela Carreon, *Internal Audit & Compliance Officer*
Cody Dalzell, *Member Service Representative*
Kerri Doepker, *Financial Service Representative*
Laurissa Dyck, *Financial Service Advisor*
Serena Goebel, *Senior Financial Advisor*
Diane Hammerling, *Digital Marketing and Member Communications Officer*
Seepinder Kaur, *Member Service Representative*
Tega Osivwenu, *Controller*
Stephanie Patrick, *Member Service Representative*
Leon Pfingstl, *Wealth Advisor*
Dawn Piche, *Wealth Management Administrator*
Irene Sallee, *Loan Administrator*
Jill Sinclair, *Member Service Co-ordinator*

HQ Branch – 230-266 Graham Ave

Tyarra Braun, *Financial Advisor*
Quinn Romaniuk, *Business Advisor*
Joasia Tawkin, *Member Service Representative*

BOARD OF DIRECTORS REPORT

The main role of the Board of Directors is to ensure the service needs and assets of the members are met and protected respectively, to approve operating policies and procedures, to set the future direction for the Credit Union through the establishment of a strategic plan, and to help facilitate the organization is successful by selecting the CEO to lead the operation of the Credit Union en route to achieving its stated goals and objectives.

In 2019 the Winnipeg Police Credit Union has experienced a year of challenges and change including the high cost of improved technology and compliance with regulatory systems and examinations, all in a very competitive market place. The low interest rates and decreasing financial margin environment has contributed to additional mergers within the Credit Union System with ours being one of only twenty-three operational Provincial Credit Unions. It is not currently an easy environment for any business to find success yet alone growth.

Still here we stand, able to report fiscal successes with the growth of our equity position, and an improvement in our gross financial margin following several years of decline. We are establishing a firm fiscal foundation for future growth.

Our Credit Union has attracted excellent new staff members and management dedicated with the genuine desire to provide the best service and advice to our members. We work for you and in your best interests at all times. Your success is our success. We thank you for allowing us to assist you with those endeavours.

Our future continued success will depend upon attracting new members, increasing avenues for us to provide superior service to you in different fiscal aspects of your lives, and expanding our commercial member base.

We are pleased that our Headquarters Branch is proving convenient and helpful to those stationed in the Downtown Headquarters Building. Our founding objective of police personnel helping other police personnel remains as fully established today as it was on Day One of our existence.

The Board wishes to acknowledge and thank our management and staff for their continued dedication and loyal efforts on behalf of serving our members.

Change is also affecting our Board of Directors with long time Board members Lawrence Klippenstein (30 years' service with 13 years as President) and Joe Gallagher (12 years' service) choosing to retire from the Board. Both have served with distinction regarding their leadership roles on the Board, their solid advice and opinions, and with their dedication to the goals of this Credit Union to help others. Their guidance on the Board will surely be missed. From all Board members I say thank you and wish you both continued success in your future endeavours.

Gordon Gold
President

Andrew Zurawsky, Vice President
Adam Cheadle, Director
Joe Gallagher, Director
Lawrence Klippenstein, Director

Maurice Sabourin, Secretary
Ron Smolik, Director
Fred Thomas, Director
Cory Wiles, Director

CEO'S REPORT

The 2019 fiscal year for WPCU would be best described as a transformative one. There were many changes necessary to maintain currency in our processes. Moreover, an equal number of adjustments were required to meet the challenges that arose within the financial industry as a whole. What is most satisfying was how our Board and staff dealt with each obstacle, ultimately resulting in overall improvements to our systems, and well-positioning us for the future.

Throughout the year our commitment to providing outstanding service to our membership remained paramount while focusing on growing our membership base with individuals seeking the concierge-centric service we offer. WPCU staff are devoted to meeting the unique needs of each and every one of our members.

Financially, WPCU enjoyed a profitable year and improved its already strong equity base. While profitability remained on par with 2018 results, overall asset growth and loan growth declined. This negative growth was largely attributable to aggressive pricing in the residential mortgage market that WPCU elected to resist, instead choosing to focus on strong relationships and adherence to its "best rate" policy.

Highlights of the year include:

- The credit union's equity position increased to \$12.95 million, or 6.63%, of total assets.
- Net income improved as a percentage of assets at 0.25% or \$486 thousand.
- Total assets decreased by \$1.2 million to \$195.2 million.
- Member loans decreased by \$4.1 million to \$163.5 million.
- Member deposits decreased by \$1.95 million to \$180.8 million.

For 2020, a summary of our plans include the following:

- Converting to our new banking system CGI Information Systems and Management Consultants Inc.
- Rolling out new WPCU radio ads on 94.3 FM and QX 104 FM
- Continue to grow and expand our membership base with the focus on including individuals supportive of the primary target membership audience of the WPCU, Winnipeg Police personnel.

In closing, I would like to thank the WPCU staff for their exceptional commitment, the dedicated Board of Directors for their tireless hard work and leadership, and mostly, you, our members, for your continued loyalty. It is our pleasure to serve you.

Sincerely,

Cal Berzuk, CEO

Independent Auditors' Report

To the Members of Winnipeg Police Credit Union Limited:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at September 30, 2019, and the summary statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Winnipeg Police Credit Union Ltd. (the "Credit Union") for the year ended September 30, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1 to the summary financial statements.

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 Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated November 18, 2019.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1 to the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Winnipeg, Manitoba

November 18, 2019

MNP LLP
Chartered Professional Accountants

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at www.wpcu.ca.

Winnipeg Police Credit Union Limited

Summary Statement of Financial Position

As at September 30, 2019

	2019	2018
Assets		
Funds on hand and on deposit	5,497,749	3,910,915
Investments	18,753,428	16,936,388
Members' loans	168,383,221	172,896,522
Prepaid expenses and deposits	232,789	202,974
Income taxes recoverable	29,871	-
Property, equipment and intangible assets	2,327,580	2,448,161
	195,224,638	196,394,960
Liabilities		
Members' savings and deposits	180,785,869	182,740,416
Income taxes payable	-	48,836
Accounts payable	1,418,817	1,052,093
Deferred taxes	128,000	64,976
	182,332,686	183,906,321
Members' equity		
Members' shares	1,932,581	1,961,640
Retained surplus	10,959,371	10,526,999
	12,891,952	12,488,639
	195,224,638	196,394,960

Approved on behalf of the Board

signed "Andrew Zurawsky"

signed "Ron Smolik"

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at www.wpcu.ca.

Winnipeg Police Credit Union Limited

Summary Statement of Comprehensive Income

For the Year Ended September 30, 2019

	2019	2018
Financial income		
Interest from members' loans	5,814,738	5,283,299
Investment income	626,587	633,457
	6,441,325	5,916,756
Cost of funds	3,681,329	3,223,697
Financial margin	2,759,996	2,693,059
Operating expenses		
Administration	568,325	571,732
Member security	176,431	175,840
Occupancy	423,351	414,682
Organizational	101,745	99,319
Personnel	1,522,889	1,468,463
Gross operating expenses	2,792,741	2,730,036
Other revenue	(657,989)	(628,084)
Income from operations before provision for loan losses, patronage refund and income taxes	625,244	591,107
Provision (recovery) for loan losses	43,299	(46,633)
Income before patronage refund and income taxes	581,945	637,740
Patronage refund	49,000	57,000
Income before provision for income taxes	532,945	580,244
Provision for income taxes		
Current	37,549	87,486
Deferred	63,024	(443)
	100,573	87,043
Income and comprehensive income for the year	432,372	483,697

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at www.wpcu.ca.

Winnipeg Police Credit Union Limited

Notes to the Summary Financial Statements

For the Year Ended September 30, 2019

1. Basis of the summary financial statements

Management has prepared the summary financial statements from the Credit Union's September 30, 2019 audited financial statements which can be obtained at the Credit Union. The detailed notes included in the audited financial statements are not included in these summary financial statements.

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 financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity, the reader must refer to the audited financial statements and notes for the year ended September 30, 2019, which contain the information detailing the calculation.

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at www.wpcu.ca.



In Memoriam

Arend "Harry" Bakema
Robert James Bell
Clifford Bohn
Roberta Cheadle
Robert Costello
Ivan Csath
Wendy Dovzuk
Gladys Drewniak
William Firman
Ken Hansell
Richard Hebert
Douglas Hicks
Margaret Holliday
Clarence Jacyk
Jim Kiezik
Bernard Koley
Ken Kulbaba
Robert Leech
Vihelmina Leitold
Roy McGaw
Jacqueline Mclvor
Eileen Milne
Marion Moore
Paul Perrick
Stanley Scarr
Gerhard Schmidt
David Scott
David Edward Taylor
Robert Victoruk
Katherine Wood
William Young



WINNIPEG POLICE CREDIT UNION

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www.wpcu.ca