



# 2019 ANNUAL REPORT





*Serving YOU since 1952*

## MAIN BRANCH

1016 Rosser Avenue  
Brandon, Manitoba R7A 0L6  
Phone 729-4800

Open:  
Monday to Thursday 9:00 a.m. to 5:00 p.m.  
Friday 9:00 to 5:30 p.m.  
Saturday 10:00 to 2:00 p.m.  
ATM on-site

## THOMAS MALL BRANCH

742 18th Street  
Brandon, Manitoba R7A 5B5  
Phone 729-4820

Open:  
Monday to Friday 10:00 a.m. to 6:00 p.m.  
ATM on-site

## ERICKSON BRANCH

24 Main Street, P.O. Box 100  
Erickson, Manitoba R0J 0P0  
Phone 636-7771

Open:  
Monday to Friday 9:30 a.m. to 5:00 p.m.  
Saturday 9:30 to 1:00 p.m.  
ATM on-site

## ON-LINE BANKING - MEMBER DIRECT

[www.compasscu.ca](http://www.compasscu.ca)

## PHILLIPS INSURANCE AGENCY LTD.

B - 510 1st Street  
Brandon, Manitoba R7A 2X1  
Phone 727-0709

## BOARD OF DIRECTORS:

*Term expires:*

Allan Hall – <i>President</i>	2021
Tony DeVliegere – <i>Vice-President</i>	2022
D’Arcy Barker – <i>Secretary</i>	2021
Norval Lee	2022
Merrilea Price	2022
Sue Palmer	2023
Don Huisman	2023
Quentin Derhak	2021
Quinn Greavett	2023



## STAFF:

Martina Adams – *Member Service Representative (MSR)*  
Alex Alvarado – *MSR*  
Jamie Antonation, FCUIC – *Manager of Accounting, Technology & Wealth Management*  
Gladys Blakely – *MSR*  
Jeneve Campbell – *MSR*  
Debbie Charles – *Consumer Loans Officer*  
Fernando Chorro – *MSR*  
Luis Chorro Martinez – *Consumer Loans Officer*  
Kristen Comrie – *MSR*  
Marne Cutter – *Administrative Assistant*  
Karlina Gear – *MSR/Clearing Clerk*  
Arnie Guist, FCUIC – *Chief Executive Officer*  
Susan Harris – *Wealth Management Specialist*  
Julie Hutton – *Loans Clerk*  
Lilia Klass – *MSR*  
Maryann Kologinski – *Loans Manager*  
Shirley Kozoroski – *Member Service Supervisor (on leave)*  
Melanie Krauss-Wakely – *Manager of Member Service & Administration*  
Monica Lambourne – *Consumer Loans Officer*  
Apryl Larson – *Member Service Supervisor*  
Patrick Loewen – *Commercial Loans Officer*  
Jennifer Lowe – *Loans Clerk*  
Jennifer Maguire – *Loans Clerk*  
Caralee Marsh – *Manager of Compliance*  
Courtney Millar – *Member Service Supervisor*  
Ingrid Miron de Cruz – *Accounting Clerk*  
Troy Peel – *Loans/Compliance Clerk*  
Corelei Poyser – *Chief Operating Officer*  
Kayla Ritchie – *MSR/Clearing Clerk (on maternity leave)*  
Mandi Percival – *Consumer Loans Officer*  
Debra Smith – *MSR*  
Mike Theriault – *Banking System/System Support Analyst*  
Edwin Urquilla – *Investment Assistant*  
Kerry van Buskirk – *MSR*  
Libby Watkins – *MSR (on maternity leave)*  
Alycia White, ACRML – *Manager of Consumer Credit*



## AGENDA

### 2nd COMPASS CREDIT UNION ANNUAL GENERAL MEETING September 23, 2020

Welcome and Call to Order

1-minute silence in honor of departed Compass members

Motion regarding quorum

Minutes of Previous Meeting (April 30, 2019)

Introduction of Board, Staff & Guests

Door Prizes

Reports: 1) President

2) CEO

3) Audit Committee -motion regarding appointment of auditor

4) Nomination Committee

5) Announcement re: new Board of Directors

Door Prizes

Presentation of Long-term Service Awards

• 5 years: - Corelei Poyser

• 10 years: - Mandi Percival  
-Monica Lambourne

• 20 years: - Jamie Antonation

• 25 years: - D'Arcy Barker

Acknowledgement of retiring Staff

• Arnie Guist

Questions & Answers

Door Prizes

Adjournment

## 2019 PRESIDENT'S REPORT

What a different world we are living in. 2019 seems so far away and so much has changed in the last 9 months. The purpose of this report and meeting tonight is to review 2019, but I feel we should touch on the current year.

Masks, social distancing, hand sanitizer and not shaking hands have become the norm. We have seen our staff behind Plexiglas and have had limits put on our access to our branches. Loan deferral programs, CERB and mandated quarantines have changed the financial outlook for some of our members. Through all of this, our staff and managers have worked tirelessly to ensure we are all safe, and our financial needs met. They have done an amazing job, and I am proud of the work they have done on your behalf.

While still only partway through 2020, our financial health is strong, and we are weathering this storm well. We will be OK.

The initial hard work of merging two credit unions together in 2018, was followed up with another year of more of the same. The staff and management have worked very hard to blend the two legacy organizations into one. They have made great progress. 2018 was a year of excitement, while 2019 was the year of heavy lifting.

Staff were busy with the introduction of the “tap” member cards, service charge review, and initial discussions on choosing a new banking system. Tasks that may seem quite monotonous, and humdrum, but vital to the long term success and profitability of our Credit Union.

Our financial results continue to be strong. We have various financial targets that are either suggested or imposed on us by our regulators. We continue to meet or exceed these measures, and have received positive reports from the Deposit Guarantee Corporation as well as our Auditor.

So as we are most of the way through 2020 thanks to all of the newness that comes with a pandemic, tonight we close out a positive and successful year and move into our 3rd year of Compass Credit Union. I would like to thank our members for their support in choosing Compass CU as their financial institution and urge you to speak well of your CU. You are our best ambassadors. To the staff, thank you for all of your hard work and dedication. Your hard work and positivity make me proud to be a part of Compass Credit Union.

**Allan Hall**

*Chairman of the Board*

## MISSION, VISION AND VALUES OF COMPASS CREDIT UNION LIMITED:

**Mission:** To be a sustainable, dynamic, socially responsible cooperative that provides a lifetime of personal, quality and meaningful support to our members and their communities

**Vision:** To provide exceptional member value where people are excited to be a part of what we represent and provide.

**Values:**

- Our actions will be of the highest integrity. We will listen to member needs delivering an exceptional experience that generates member confidence.
- Our members will benefit from our guidance. We will be leaders in assisting them to achieve financial success by delivering personable and knowledgeable solutions.
- Our employees and our members are our champions. Our credit union will grow through the engagement of our members and our employees demonstrated through positive attitudes, interactions and learning.
- Our services are convenient to access and easy to use. Banking is stressful, Compass Credit Union is not.
- Our leadership will be seen through the values-based decisions that we make that are in the long-term best interests of our members and the credit union. We have over 67 years of success on which to build

## DIRECTORS & OFFICERS DISCLOSURE

Statutory provisions of the Credit Unions and Caisses Populaires Act of Manitoba require the disclosure of the aggregate remuneration paid to all Directors; the aggregate amount paid to Directors for reimbursement of expenses and the details of any loans made to Directors or Officers which do not conform to the Credit Union's ordinary lending practices.

The following is the disclosure of remuneration and expenses for the Board of Directors and Officers for the year ending December 31, 2019:

Aggregate amount of Board of Directors honoraria and per diems	\$22,725
Aggregate amount of Board of Directors related expenses	\$ 2,631
Aggregate amount of Board of Directors meeting, training & conference costs	\$14,719
Aggregate amount of benefits in loan interest foregone or discounted to Board of Directors	0.00
	TOTAL \$40,075

There were no loans advanced to Directors or Officers that did not conform to the Credit Union's ordinary lending practices.

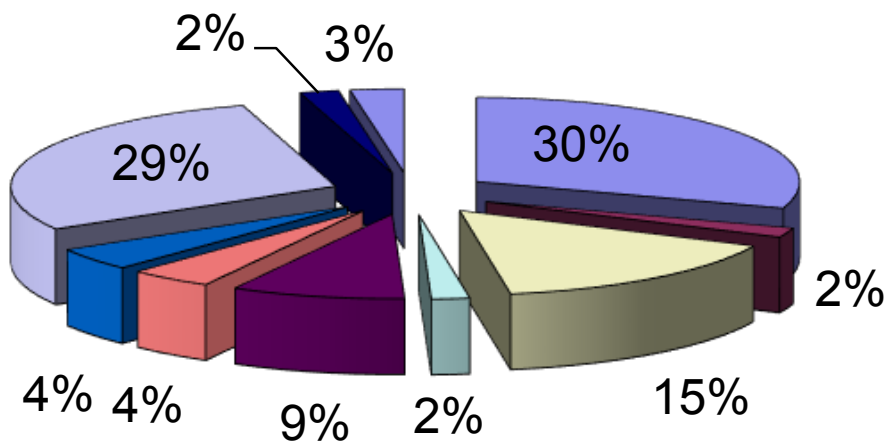


## BOARD OF DIRECTORS' ATTENDANCE – JANUARY 1, 2019 TO DECEMBER 31, 2019

Director	Board Meetings	Audit Committee	Nominating Committee	Strategic Planning
Allan Hall, Chair	11/12		1/1	1/1
Tony DeVliegere, Vice-President	12/12	2/2		1/1
D'Arcy Barker, Secretary	10/12		1/1	1/1
Merrilea Price	10/12			1/1
Norval Lee	11/12			1/1
Sue Palmer	10/12	2/2		1/1
Kerrie Butler	8/12	2/2		1/1
Quentin Derhak	10/12		1/1	1/1
Jack Coulson	5/8 *		1/1	

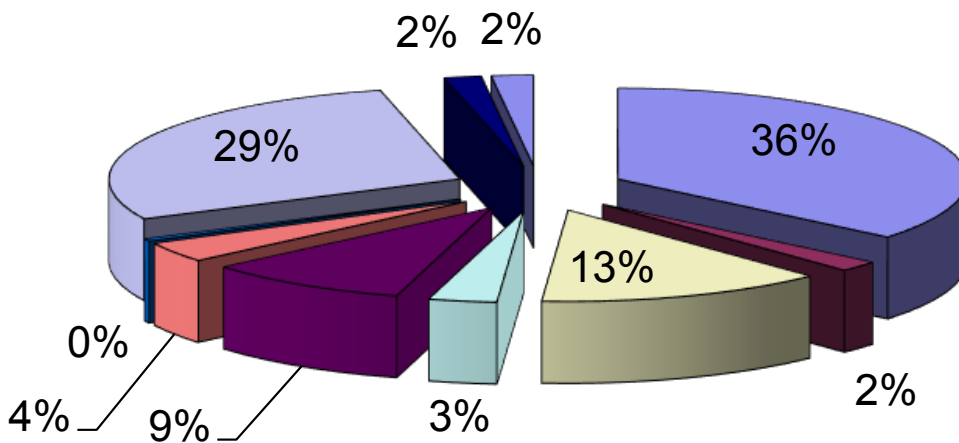
*\*Jack Coulson resigned on Sept. 4/19*

### 2018 FINANCIAL PIE



- Cost of Funds
- Security
- Administration
- Income Tax
- Net Income
- Occupancy
- Bad Debts
- Personnel
- Organizational
- Amortization

### 2019 FINANCIAL PIE



- Cost of Funds
- Security
- Administration
- Income Tax
- Net Income
- Occupancy
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- Organizational
- Amortization



**Compass Credit Union Limited**  
**Summary Consolidated Financial Statements**  
*December 31, 2019*

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

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To the Members of Compass Credit Union Limited:

## Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at December 31, 2019, and the summary consolidated income statement, summary consolidated statements of changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Compass Credit Union (the "Credit Union") for the year ended December 31, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited consolidated financial statements of Compass Credit Union Limited.

## Report on Other Legal and Regulatory Requirements

As at December 31, 2019 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, 2019.

## 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 audited consolidated 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 April 14, 2020.

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

Management is responsible for the preparation of the summary consolidated 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

April 14, 2020

*MNP LLP*

Chartered Professional Accountants

# Compass Credit Union Limited

## Summary Consolidated Statement of Financial Position

*As at December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash and cash equivalents	4,651,000	5,519,393
Accounts receivable	97,187	100,411
Investments and accrued interest	31,097,061	14,896,636
Members' loans receivable and accrued interest	154,156,594	156,712,938
Prepaid expenses	260,158	80,879
Property and equipment	1,597,172	1,711,877
Intangible assets and goodwill	1,343,356	1,240,240
	<b>193,202,528</b>	<b>180,262,374</b>
<b>Liabilities</b>		
Member deposits and accrued interest	177,275,479	165,312,710
Income taxes payable	109,548	39,760
Accounts payable	781,531	480,593
Deferred tax	137,000	127,000
	<b>178,303,558</b>	<b>165,960,063</b>
<b>Members' equity</b>		
Member shares	1,282,555	1,429,327
Retained earnings	9,888,100	9,117,077
Contributed surplus	3,728,315	3,728,315
Non-controlling interest	-	27,592
	<b>14,898,970</b>	<b>14,302,311</b>
	<b>193,202,528</b>	<b>180,262,374</b>

**Approved on behalf of the Board**

Signed "Tony DeVliegere"  
Director

Signed "Sue Palmer"  
Director

**Compass Credit Union Limited**  
**Summary Consolidated Income Statement**  
*For the year ended December 31, 2019*

	2019	2018
<b>Interest income</b>		
Member loans	6,197,019	5,686,387
Investments	710,270	541,424
	<b>6,907,289</b>	<b>6,227,811</b>
<b>Interest expense</b>		
Deposits	2,955,885	2,255,194
Interest on borrowed money	-	14,111
	<b>2,955,885</b>	<b>2,269,305</b>
<b>Gross financial margin</b>	<b>3,951,404</b>	<b>3,958,506</b>
<b>Operating Expenses</b>		
Administration	1,094,020	1,172,096
Amortization	158,400	201,365
Member security	154,964	136,006
Occupancy	292,531	311,638
Organizational	140,501	145,503
Personnel	2,347,110	2,177,188
	<b>4,187,526</b>	<b>4,143,796</b>
<b>Net operating expenses</b>	<b>(236,122)</b>	<b>(185,290)</b>
<b>Other income</b>	<b>1,233,673</b>	<b>1,312,593</b>
<b>Income before provision for (recovery of) impaired loans, patronage refund and income taxes</b>	<b>997,551</b>	<b>1,127,303</b>
<b>Provision for (recovery of) impaired loans</b>	<b>(35,112)</b>	<b>326,869</b>
<b>Income before patronage refund and income taxes</b>	<b>1,032,663</b>	<b>800,434</b>
<b>Provision for patronage refund</b>	<b>-</b>	<b>6,700</b>
<b>Income before income taxes</b>	<b>1,032,663</b>	<b>793,734</b>
<b>Income taxes</b>		
Current	257,051	143,050
<b>Net income</b>	<b>775,612</b>	<b>650,684</b>
<b>Net income attributable to:</b>		
Members of the Credit Union	771,023	642,305
Non-controlling interest	4,589	8,379
	<b>775,612</b>	<b>650,684</b>

**Compass Credit Union Limited**  
**Summary Consolidated Statement of Changes in Members' Equity**  
*For the year ended December 31, 2019*

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Attributable to members of the Credit Union</i>	<i>Non- controlling interest</i>	<i>Total equity</i>
<b>Balance December 31, 2017</b>	<b>1,132,090</b>	<b>8,474,772</b>	-	<b>9,606,862</b>	<b>47,610</b>	<b>9,654,472</b>
Net income (loss)	-	<b>642,305</b>	-	<b>642,305</b>	<b>8,379</b>	<b>650,684</b>
Acquired through business combination	<b>329,880</b>	-	<b>3,728,315</b>	<b>4,058,195</b>	<b>(28,397)</b>	<b>4,029,798</b>
Patronage refund	<b>6,700</b>	-	-	<b>6,700</b>	-	<b>6,700</b>
Issuance of member shares	<b>9,045</b>	-	-	<b>9,045</b>	-	<b>9,045</b>
Redemption of member shares	<b>(48,388)</b>	-	-	<b>(48,388)</b>	-	<b>(48,388)</b>
<b>Balance December 31, 2018</b>	<b>1,429,327</b>	<b>9,117,077</b>	<b>3,728,315</b>	<b>14,274,719</b>	<b>27,592</b>	<b>14,302,311</b>
Net income (loss)	-	<b>771,023</b>	-	<b>771,023</b>	<b>4,589</b>	<b>775,612</b>
Acquired through business combination	-	-	-	-	<b>(32,181)</b>	<b>(32,181)</b>
Issuance of member shares	<b>13,250</b>	-	-	<b>13,250</b>	-	<b>13,250</b>
Redemption of member shares	<b>(160,022)</b>	-	-	<b>(160,022)</b>	-	<b>(160,022)</b>
<b>Balance December 31, 2019</b>	<b>1,282,555</b>	<b>9,888,100</b>	<b>3,728,315</b>	<b>14,898,970</b>	-	<b>14,898,970</b>

**Compass Credit Union Limited**  
**Summary Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from members' loans	6,138,793	5,614,993
Interest and dividends received from investments	683,820	536,121
Service charges and other income received	1,236,897	1,358,700
Cash paid to suppliers and employees	(3,916,882)	(4,072,759)
Interest paid to members	(2,668,254)	(1,875,869)
Interest paid on borrowed money	-	(14,111)
Income taxes (paid) recovered	(177,848)	(97,284)
	<b>1,296,526</b>	<b>1,449,791</b>
<b>Financing activities</b>		
Net change in member deposits	11,675,138	5,977,471
Proceeds from issuance of member shares	7,285	9,045
Payments for redemption of member shares	(154,057)	(48,388)
	<b>11,528,366</b>	<b>5,938,128</b>
<b>Investing activities</b>		
Net change in members' loans receivable	2,649,682	(15,224,392)
Purchases of investments and accrued interest	(16,173,975)	-
Proceeds on disposal investments and accrued interest	-	6,538,626
Purchases of property and equipment	(43,695)	(67,197)
Purchases of intangible assets	(125,297)	(125,000)
Cash acquired on business combination	-	3,303,975
	<b>(13,693,285)</b>	<b>(5,573,988)</b>
<b>Increase (decrease) in cash resources</b>	<b>(868,393)</b>	<b>1,813,931</b>
<b>Cash resources, beginning of year</b>	<b>5,519,393</b>	<b>3,705,462</b>
<b>Cash resources, end of year</b>	<b>4,651,000</b>	<b>5,519,393</b>



# DEPOSIT GUARANTEE CORPORATION OF MANITOBA

## DEPOSIT GUARANTEE IS A LEGAL RESPONSIBILITY OF THE DEPOSIT GUARANTEE CORPORATION OF MANITOBA

Manitoba provincial law requires the Corporation to guarantee credit union deposits. The exact wording under Section 143 of The Credit Unions and Caisses Populaires Act is:

“Purposes of a deposit guarantee corporation:

The purposes of a guarantee corporation are to guarantee the deposits of members of credit unions and to ensure and promote the development of sound financial procedures and controls to protect credit unions against financial losses and, without limiting the generality of the foregoing, a guarantee corporation shall do such things as are necessary to enable a credit union assigned to it to satisfy the claims of the members of the credit union for withdrawals of deposits.”

### What is the Corporation?

Formed in 1965 as The Credit Union Stabilization Fund, the Corporation was originally created by initiative of the Manitoba credit union system. Since 1970, the role of the Corporation has been set out in legislation in The Credit Unions and Caisses Populaires Act.

### How does it Work?

As the ultimate guarantor of your deposits, the Corporation continually monitors critical practices and procedures throughout the Manitoba credit union system. Corporation staff regularly inspect and analyze lending practices, financial performance, and operating procedures of each credit union in the Province.

Any issues identified are brought to the attention of the credit union’s Board and management. The Corporation has authority under the Credit Unions and Caisses Populaires Act, to require prompt resolution of any issues it raises with a credit union.

### Mission Statement

To guarantee deposits in Manitoba credit unions and promote sound business practices through the authority provided in The Credit Unions and Caisses Populaires Act, and by working cooperatively with Credit Unions, Credit Union Central and the Government of Manitoba.

### Guiding Principles

In all that it does, the Credit Union Deposit Guarantee Corporation will strive to:

- Act in a prudent and ethical manner.
- Consider the needs and viewpoints of Credit Unions, Credit Union Central and Government
- Recognize and acknowledge the value of individuals by relating to them fairly, honestly and respectfully.
- Seek proactive, innovative and equitable solutions to issues and problems.
- Employ balanced, common-sense measures which will minimize undue risk.
- Communicate clearly with individuals and stakeholder organizations.





# COMPASS CREDIT UNION

Your financial guide.

## SERVICES AND MORE

### DEPOSITS

- Maximizer Chequing / Savings
- US \$ Chequing
- Golden Accounts
- Plan 24 – Daily Savings
- Regular Chequing
- RRSP; RRIF & RESP
- Special Savings
- Term Deposits
- Full-Package Service Plan
- Transaction 30 Service Plan
- Transaction 60 Service Plan
- Tax Free Savings Accounts
- Deposit Anywhere (Coming Soon)



### LOANS

- Commercial Lines of Credit
- Commercial Loans
- Interim financing
- Mortgages
- Overdraft Protection
- Personal / Equity Lines of Credit
- Personal Loans
- Student Loans
- Mortgages of Lease

### OTHER

- Automated Teller Machine- in Branch
- Automatic Transfers
- Commissioner for Oaths
- Credit Union MasterCard®
- Credential Securities®
- MemberDirect – internet banking
- Tap 'N' Go (Interac Flash)
- Direct Payroll / Pension Deposits
- Electronic Statements
- Extended Hours of Operation
- Insurance: Travel, Home , Life, Mortgage, Disability & Critical Illness
- MemberCard® Debit Card
- Mobile Banking
- Money Orders & Drafts
- Mutual Funds
- Night Depository
- Interac E-Transfers
- Qtrade® Investor Brokerage Service
- Safety Deposit Boxes / Safe Keeping
- Utility Bill Payments & Transfers by Phone & Internet
- Website – [www.compasscu.ca](http://www.compasscu.ca)