

2022

ANNUAL REPORT



COMPASS
CREDIT UNION

Your financial guide.

OUR MISSION

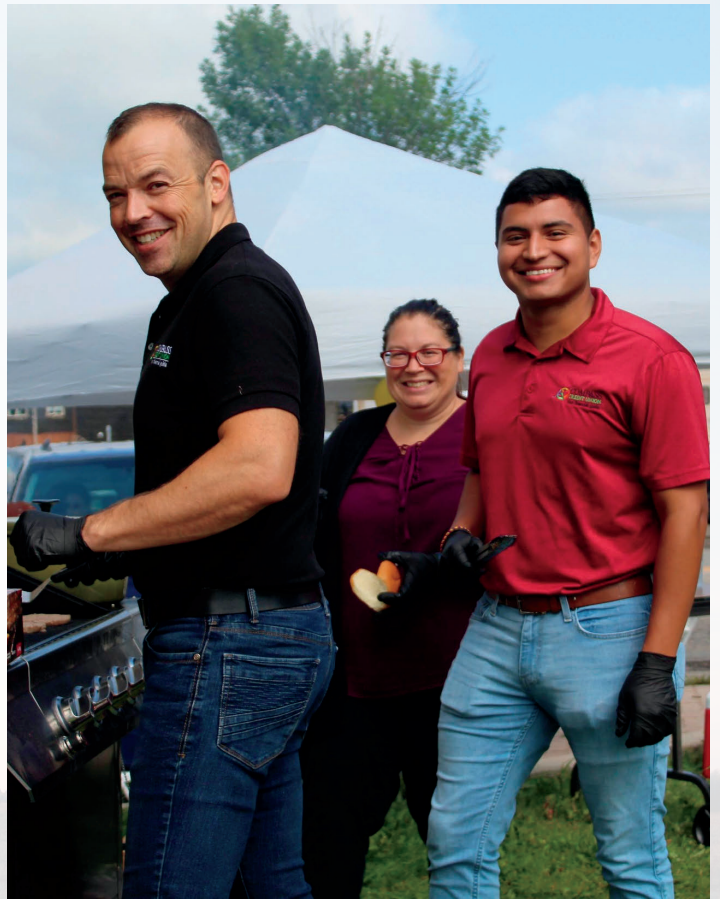
A sustainable, socially responsible cooperative that provides members a lifetime of personal quality financial support, with an ongoing commitment to our communities.

OUR VISION

Your financial partner.

OUR 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.



YOUR FINANCIAL GUIDE

SINCE 1952

MAIN BRANCH

1016 Rosser Avenue
Brandon, Manitoba R7A 0L6
Phone: (204) 729-4800
Mon-Fri 9:00-5:00

ERICKSON BRANCH

24 Main Street, P.O. Box 100
Erickson, Manitoba R0J 0P0
Phone: (204) 636-7771
Mon-Fri 9:30-5:00

THOMAS MALL BRANCH

742-18th Street
Brandon, Manitoba R7A 5B5
Phone: (204) 729-4820
Mon-Fri 10:00-6:00

PHILLIPS INSURANCE AGENCY

B-510 1st Street
Brandon, Manitoba R7A 2X1
Phone: (204) 727-0709
Mon-Fri 8:30-5:30
www.phillipsinsurance.ca

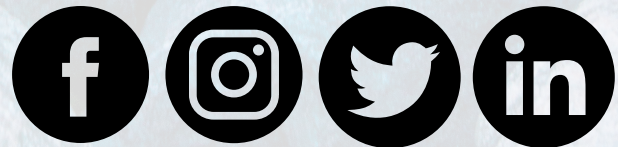
SOCIAL MEDIA

Facebook: Compass Credit Union

Instagram: Compasscu

Twitter: Compasscu

Linkedin: Compass Credit Union



OUR BOARD OF DIRECTORS

	Term expires:		Term expires:
Allan Hall-Chair	2024	Quentin Derhak	2025
Tony DeVliegere-Vice-Chair	2025	Quinn Greavett	2023
D'Arcy Barker-Secretary	2024	Sue Hargreaves	2024
Don Huisman	2023	Sue Palmer	2023
Lon Cullen	2025		



OUR STAFF

Martina Adams

-Member Service Supervisor

Sohana Akter

-MSR (Bengali)

Leo Alas

-MSR (Spanish)

Alex Alvarado

-Marketing/Social Media Coordinator (Spanish)

Desiree Ansell

-MSR

Jamie Antonation

-Manager of Accounting & Technology

Kian Bell

-Investment Assistant

Gladys Blakely

-MSR

Buck Bright

-Chief Executive Officer

Debbie Charles

-Consumer Loans Officer

Fernando Chorro

-Loans Clerk (Spanish)

Gerardo Chorro

-MSR (Spanish)

Luis Chorro

-Consumer Loans Officer (Spanish)

Jerry Egemba

-MSR (Igbo)

Susan Harris

-Wealth Management Specialist (Understands French)

Aman Kaur

-MSR/Loans Clerk (Punjabi, Hindi)

Maryann Kologinski

-Loans Manager

Melanie Krauss-Wakely

-Manager of Member Service & Administration

Monica Lambourne

-Consumer Loans Officer

Patrick Loewen

-Commercial Loans Officer

Jennifer Lowe

-Loans Clerk

Caralee Marsh

-Manager of Compliance

Jennifer Melanson

-Accounting Clerk

Courtney Millar

-Member Service Supervisor

Ingrid Miron de Cruz

-Accounting Clerk (Spanish)

Abhavya Misra

-Clearing Clerk (Hindi, Turkish)

Valeria Morales

-MSR (Spanish)

Troy Peel

-Loans/Compliance Clerk

Mandi Percival

-Consumer Loans Officer

Corelei Poyser

-Chief Operating Officer

Debra Smith

-MSR

Mike Theriault

-Banking System/System Support Analyst

Meleena Thompson

-Member Service Supervisor

Julia Usick

-MSR (Basic French)

Kerry Van Buskirk

-MSR (Sign Language, Spanish)

Alycia White

-Manager of Consumer Credit

AGENDA

5TH ANNUAL COMPASS CREDIT UNION
GENERAL MEETING

APRIL 20, 2023

1. Welcome and Call to Order
2. 1 minute of silence in honor of departed Compass Credit Union members
3. Motion Regarding Quorum
4. Adoption of Agenda
5. Minutes of Previous Meeting (April 13, 2022)
6. Introduction of Board, Staff and Guests
7. Door Prizes
8. Reports
 - Chair
 - CEO
 - Audit Committee
 - Motion regarding auditor
 - Nominating Committee
 - Elected and/or Returning Directors
9. Financial Statement(s) Presentation
10. Credit Union Bylaw Amendments
11. Door Prizes
12. Recognition of Long-Term Service Awards:
 - 10 Years
 - Caralee Marsh
 - Luis Chorro Martinez
 - 5 Years
 - Patrick Loewen
 - Troy Peel
13. Acknowledgement of Retiring Staff/Board Members
 - Quinn Greavett
 - Sue Palmer
14. Questions and Answers
15. Door Prizes
16. Adjournment

CHAIR'S REPORT

Another year has come and gone, and life feels like it has returned to “normal”. We have moved away from the pandemic cloud only to face new challenges and opportunities. Increasing interest rates, economic uncertainty and a political landscape that feels more fractured than ever. All of this reinforces the message that change is ever-present.

With the ongoing talk of change we sometimes feel the need to “embrace change” just so we can keep up! I think we all can agree that as an organization we need to stay current or with the times! I have three guiding principles I will share with you that the Board and Management will use to guide our decision-making regarding change:

- Speed vs direction. We will not randomly chase the newest “thing”. We will always take a measured approach and ensure the change matches our strategic directions.
- Change with purpose. We will discuss and articulate the purpose of a change to ensure we have a clear understanding of why we would make a change, and what our goals are.
- Purpose is strategic. Our changes will be strategic in that they will help to meet the goals set out in our strategic plan and ensure the financial health of our Credit Union.

The overarching goal of your Board of Directors is to ensure we are providing top quality financial services to our members.

I have three items or events over the past year that I would like to highlight.

Our financial position has improved significantly over the past year. Our loans to members have seen strong growth, allowing our Credit Union to put more of member's deposits to use earning interest to offset the costs of our business. The rise in interest rates brings both risks and rewards to Compass CU. While allowing for increased revenue from loans, it may also put some loans at risk. Delinquency will be a matter that receives scrutiny from both staff and the Board.

The staff have implemented a new banking system during 2022. This was a very time-consuming task and did create some disruptions to members. These disruptions are behind us, and I apologize for any hardship they may have caused. This change in technology has already started to show benefits. The new system is simpler to operate, giving staff more time to spend meeting member's needs. The new system will also cost the CU less to operate and therefore strengthen our financial position.

Compass CU completed a Member Survey in 2022. The results of the survey were very positive and will help to provide direction to Board and Staff. This survey will be conducted on a regular basis to ensure members have a method of providing feedback and direction to the CU.

Thank you for your continued support of Compass and your dedication to our purpose of being “Your Financial Guide.”



Allan Hall
Board Chair

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, 2022:

Aggregate amount of Board of Directors honoraria and per diems	\$32,326
Aggregate amount of Board of Directors related expenses	\$ 5,104
Aggregate amount of Board of Directors meeting, training & conference costs	\$44,439
Aggregate amount of benefits in loan interest foregone or discounted to Board of Directors	0.00
	<hr/>
TOTAL	\$81,869

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

BOARD OF DIRECTOR'S ATTENDANCE

JANUARY 1, 2022 - DECEMBER 31, 2022

	Board Meetings	Audit Committee	Nominating Committee	Education Committee	Executive Committee	Policy Committee	Strategic Planning
Allan Hall, Chair	11/12		1/1		3/3	1/1	1/1
Tony DeVliegere, Vice Chair	11/12	3/3	1/1		3/3	1/1	1/1
D'Arcy Barker, Secretary	11/12		1/1		3/3	1/1	1/1
Merrilea Price	4/4	1/1					
Norval Lee	4/4						
Sue Palmer	12/12	3/3				1/1	1/1
Quentin Derhak	8/8			1/2		1/1	1/1
Quinn Greavett	11/12	3/3	1/1			1/1	1/1
Don Huisman	12/12		1/1	1/2		1/1	1/1
Sue Hargreaves	12/12		2/2	2/2		1/1	1/1
Lon Cullen	8/8		1/1	2/2		1/1	0/1

COMPASS IN OUR COMMUNITIES



COMPASS IN OUR COMMUNITIES PT2



Compass Credit Union Limited

Summary Consolidated Financial Statements

December 31, 2022

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Compass Credit Union Limited:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2022, 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 consolidated financial statements of Compass Credit Union Limited (the "Credit Union") for the year ended December 31, 2022.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements of Compass Credit Union Limited for the year ended December 31, 2022.

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 5, 2023.

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 5, 2023



Chartered Professional Accountants

MNP LLP

1401 Princess Avenue, Brandon MB, R7A 7L7

1.800.446.0890 T: 204.727.0661 F: 204.726.1543



MNP.ca

Compass Credit Union Limited
Summary Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
Assets		
Cash and cash equivalents	9,036,657	4,984,322
Accounts receivable	66,858	58,052
Investments and accrued interest	15,898,351	39,687,673
Members' loans receivable and accrued interest	186,198,364	170,414,862
Current tax receivable	-	109,767
Prepaid expenses	80,435	67,212
Property and equipment	1,747,472	1,524,569
Intangible assets and goodwill	1,343,356	1,343,356
	214,371,493	218,189,813
Liabilities		
Member deposits and accrued interest	196,278,959	201,110,925
Income taxes payable	197,827	-
Accounts payable	557,018	694,071
Deferred tax	80,000	116,000
	197,113,804	201,920,996
Members' equity		
Member shares	1,150,977	1,217,974
Retained earnings	12,378,397	11,322,528
Contributed surplus	3,728,315	3,728,315
	17,257,689	16,268,817
	214,371,493	218,189,813

Approved on behalf of the Board

Signed "Tony De Vliegere"
Director

Signed "Sue Palmer"
Director

Compass Credit Union Limited
Summary Consolidated Income Statement
For the year ended December 31, 2022

	2022	2021
Interest income		
Member loans	6,190,036	5,691,711
Investments	963,530	635,480
	7,153,566	6,327,191
Interest expense		
Deposits	2,114,293	2,201,737
Interest on borrowed money	156	-
	2,114,449	2,201,737
Gross financial margin	5,039,117	4,125,454
Operating Expenses		
Administration	1,109,907	1,079,672
Amortization	125,408	126,103
Member security	181,839	179,317
Occupancy	353,811	340,919
Organizational	156,502	139,294
Personnel	2,776,775	2,549,233
	4,704,242	4,414,538
Net operating income (loss)	334,875	(289,084)
Other income	1,518,209	1,692,096
Income before provision for impaired loans and income taxes	1,853,084	1,403,012
Provision for impaired loans	381,737	178,467
Income before income taxes	1,471,347	1,224,545
Income taxes (recovery of)		
Current	451,478	275,222
Deferred	(36,000)	(21,000)
Net income	1,055,869	970,323

Compass Credit Union Limited
Summary Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2022

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Total equity</i>
Balance December 31, 2020	1,237,637	10,352,205	3,728,315	15,318,157
Net income	-	970,323	-	970,323
Issuance of member shares	1,675	-	-	1,675
Redemption of member shares	(21,338)	-	-	(21,338)
Balance December 31, 2021	1,217,974	11,322,528	3,728,315	16,268,817
Net income	-	1,055,869	-	970,323
Issuance of member shares	2,690	-	-	2,690
Redemption of member shares	(69,687)	-	-	(69,687)
Balance December 31, 2022	1,150,977	12,378,397	3,728,315	17,172,143

Compass Credit Union Limited
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	6,027,866	5,804,803
Interest and dividends received from investments	963,530	635,480
Other income received	1,509,403	1,718,800
Cash paid to suppliers and employees	(4,842,026)	(4,060,291)
Interest paid on deposits	(2,125,257)	(2,647,000)
Interest paid on borrowed money	(156)	-
Income taxes paid	(110,633)	(398,639)
	1,422,727	1,053,153
Financing activities		
Net change in member deposits	(4,821,002)	4,300,859
Proceeds from issuance of member shares	2,690	1,675
Payments for redemption of member shares	(69,687)	(21,338)
	(4,887,999)	4,281,196
Investing activities		
Net change in members' loans receivable	(16,003,069)	(13,472,710)
Proceeds on disposal investments and accrued interest	23,868,987	8,396,455
Purchases of property and equipment	(348,311)	(59,260)
	7,517,607	(5,135,515)
Increase in cash resources	4,052,335	198,834
Cash resources, beginning of year	4,984,322	4,785,488
Cash resources, end of year	9,036,657	4,984,322

Compass Credit Union Limited
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

1. Basis of the summary consolidated financial statement

Management has prepared the summary consolidated financial statements from the Credit Union's December 31, 2022 audited consolidated financial statements which can be obtained at the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

2. Statement of compliance

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2022 established by the Standards of Sound Business Practice Regulation to The Credit Unions and Caisses 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, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2022, which contain the information detailing the calculation.

LOOKING FORWARD TO A GREAT 2023

