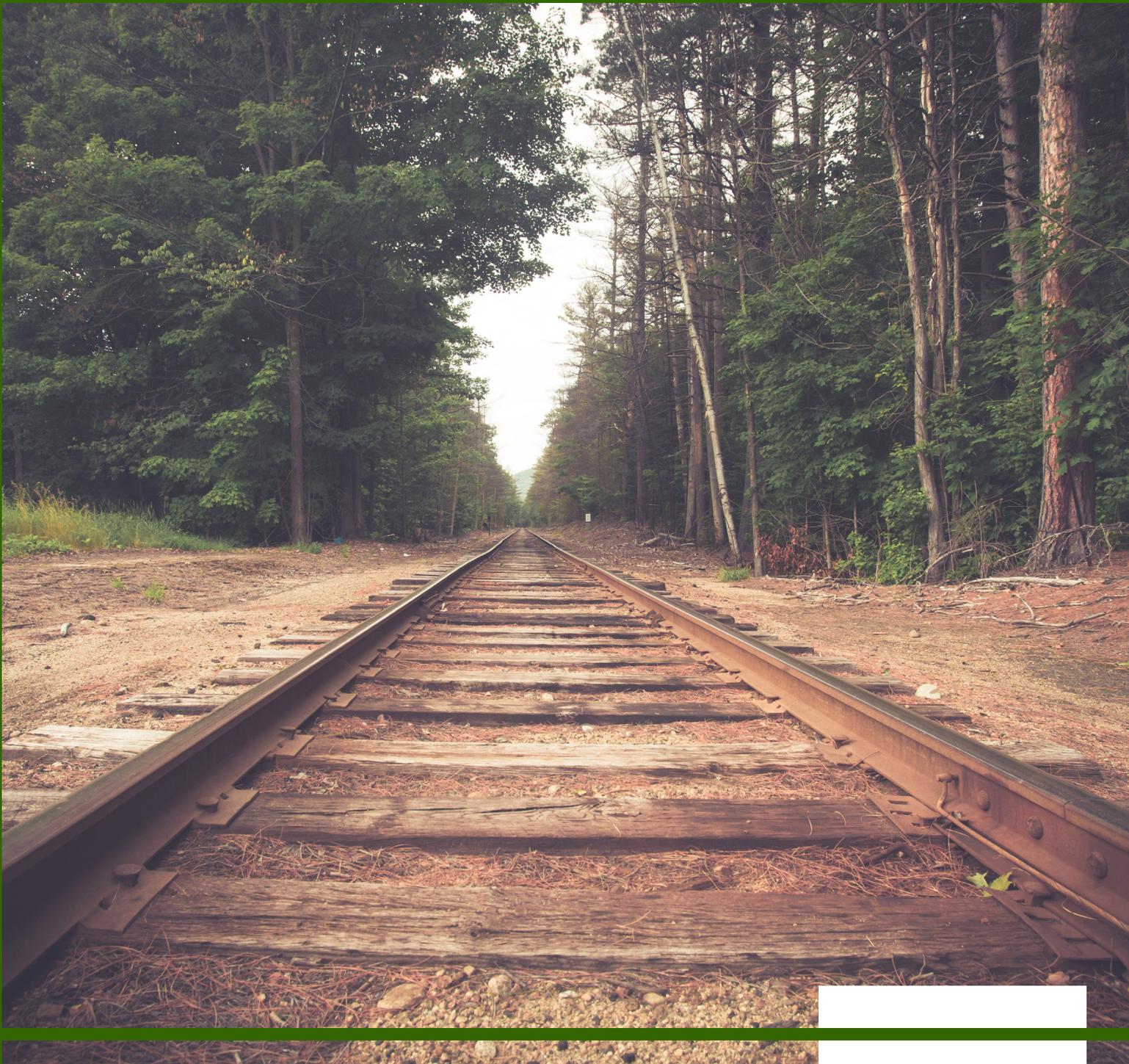


Niverville 

CREDIT UNION



ANNUAL REPORT 2015

WHAT WE BELIEVE

MISSION

Through lasting relationships and competitive, value-added financial solutions, we help our members realize their goals and dreams while enhancing the communities we serve.

VISION

To be a neighbourly, people-focused, and financially successful Credit Union.

VALUES

People First: our employees, our members, our communities.

Leadership: lead by example in everything we do.

Integrity and Trust: strong professionalism and confidentiality.

Financial Success: yours and ours.



MESSAGE FROM THE MANAGEMENT TEAM

The 2015 year end results reflect the dedication of NCU staff, board, and loyal members to the ongoing success of Niverville Credit Union. Despite continued financial margin compression due to Bank of Canada interest rate decreases, Niverville Credit Union's assets grew by 11.3% to \$298,459,854 and net income increased by 9.4%. Strong organic growth occurred in both the loan and deposit portfolios.

A dividend of 3% was declared on all outstanding common and surplus shares, a rate that supports our goals of paying a competitive dividend and improving our capital base.

A number of new product offerings were made available to our members, such as a Redeemable GIC, RRSP Line of Credit, and a Student Chequing account. The introduction of title insurance and an additional mortgage insurance company enhanced our residential mortgage offerings. Member use of our technology continues to increase as evidenced by increased online banking activity, e-Statement selection, and increased usage of e-Transfer and mobile alert features.

A new website implementation was the major technology initiative completed this year. The new website provides the foundation for further technology enhancements planned in the upcoming years. A new phone system was implemented as well as Branch Remote Deposit Capture; they are both items that improve our operational efficiency.

Staff invested time in both further training and education as well as volunteering in the communities in which we do business.

CEO



Ken Rempel
CEO

Board Members



Alexander Wallace
President



Calvin Schellenberg
1st Vice President



Libby Hanna
2nd Vice President



From a board governance perspective, training and collaboration were key themes in 2015. Some group training sessions were held along with individual director training. The board is committed to using Gap Analysis to ensure that required competencies are present at the board level as we move forward.

Niverville Credit Union is participating in a Credit Union Collaboration Group facilitated by Credit Union Central of Manitoba. This group explores collaboration opportunities among credit unions to both lower operating costs and increase services available to credit union members. This approach will help our credit union deal with challenges such as increased regulation, increased operating costs, and continued financial margin compression.

In the area of risk management, the board and management participated in sessions with Sask-Central which resulted in the development of a comprehensive Enterprise Risk Management Plan, which covers all facets of Niverville Credit Union operations. This will ensure that both potential emerging opportunities and emerging risks are reviewed under an established framework.

On behalf of the board and management, we would like to thank our staff for their commitment this past year, and thank you, our members, for your continuing support.

Ken Rempel & Alexander Wallace



Stan Doerksen
Director



Patricia Lewis
Director



John Schmitke
Director



Don Doerksen
Director



OUR STAFF

Niverville Branch Staff



Back Row

Brigitte Simard, Ron Ashcroft,
Richard Montgomery, Ken
Rempel, Richard Pearse,
Ty Wood, Darryl Rempel,
Leighton Reimer, Dorothy Dyck

Middle Row

Kayleigh Callow, Stacy Hamm,
Ashley Link, Gracy Giesbrecht,
Cecile Gerardy, Christina Abolade,
Carmen Giesbrecht, Kristina
Gerbrandt, Nancy Penner

Front Row

Gabi Hiebert, Rosemary
Johnston, Sandy
Charette, Norma Toews,
Samantha Rouire, Jackie
Rasetti, Talitha Smith

Missing

Carroll Dyck, Debbie
Lamirande, Marlene
Carr, Carrie Theoret,
Sarah Johnson

Back Row

Leona Gerbrandt, Cynthia Kroeker, Keith Wolbaum

Front Row

Denise Collins, Denise McBurney, Teresa Soper

Missing

Katherine Andres, Shari Voth

Landmark Branch Staff



Photos by Brigitte Simard



STAFF CONTRIBUTIONS

Our Staff Contributions to the Communities We Live and Work In for 2015

JEAN DAY

Donations were collected throughout the year at both Niverville and Landmark branches on the last Friday of every month. Landmark proceeds went to a local charity and Niverville proceeds went to Helping Hands, Youth for Christ, and the Breast Cancer Foundation.

- Supported local sports teams in both Niverville and Landmark
- Hosted a BBQ in Niverville on Fair weekend
- Christmas hampers for two families in need
- Volunteered at water station for Imagine Run
- Toy donations for Niverville Helping Hands as well as helping with the wrapping of these toys



2015 HIGHLIGHTS

- Imagine Radiothon - coffee and cinnamon buns were sold in support of mental health
- Dinner in a Field
- \$5,000 donation to Niverville Firefighters Association to help with the purchase of a compressed air fill station so they can fill their self-contained breathing apparatus
- Launched Mobile App for Apple & Android devices including Deposit Anywhere™
- Launch of our new website which provides better communication and tools to our members in one website



Our staff gave back to the community by volunteering throughout 2015:

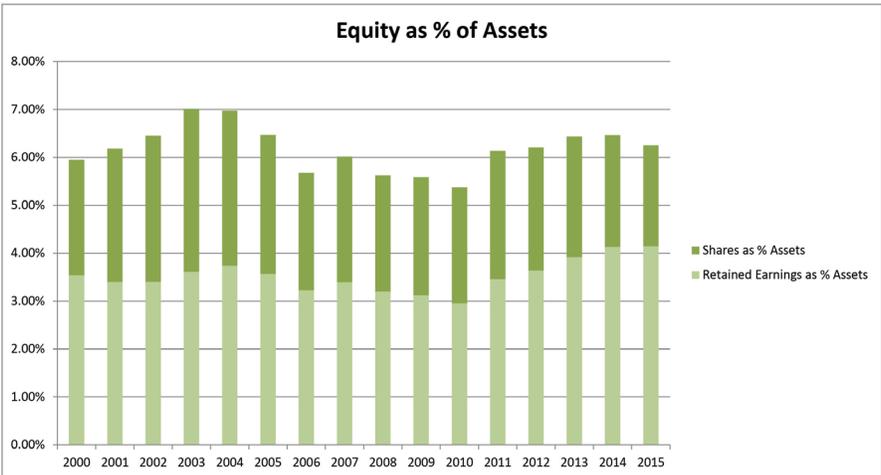
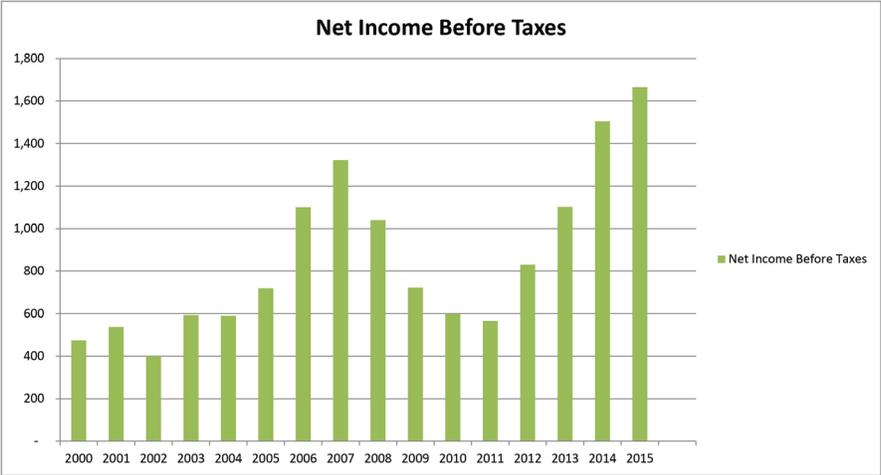
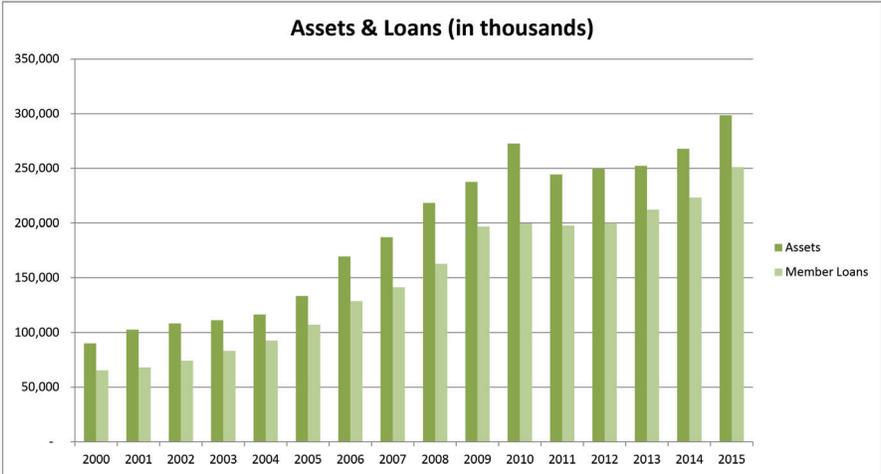
Fourth Avenue Bible Church
Niverville Helping Hands
Church of the Rock
Crow Wing Toastmasters
House of Hesusd
Winnipeg Word of Life
Mission Church
Imagine Run
Junior Achievement

Heritage Life Personal Care Home
Niverville Old Tyme Country Fair
Southeast Home Inspirations Show
United Way Winnipeg
Edge Lifestyles Show
Autism Society of MB
Niverville Community Fellowship
Clipper Ice Sports

Niverville Minor Hockey
Eastman Minor Hockey
Friends of the Plex
Siloam Mission
Southland Church Food & Clothing Drive
Edge Business Expo
Group Edge Business Solutions
Landmark Arena/Landmark Minor Hockey



NIVERVILLE CREDIT UNION GROWTH





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Fax: 204 926 7201
Toll-Free: 800 268 3337
www.bdo.ca

BDO Canada LLP/s.r.l.
700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

Report of the Independent Auditor on the Summary Financial Statements

To the Members of NIVERVILLE CREDIT UNION LIMITED

The accompanying summary financial statements, which comprise the summary consolidated balance sheet as at September 30, 2015 and the summary consolidated statement of comprehensive income, summary consolidated statement of changes in members' equity and summary consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of Niverville Credit Union Limited for the year ended September 30, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated December 15, 2015.

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

Management's Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Audit Standard (CAS) 810, 'Engagements to Report on Summary Financial Statements'.

Opinion

In our opinion, the summary financial statements derived from the audited consolidated financial statements of Niverville Credit Union Limited for the year ended are a fair summary of those financial statements, on the basis described in Note 1.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
December 15, 2015

NIVERVILLE CREDIT UNION LIMITED Summary Consolidated Balance Sheet

September 30	2015	2014
Assets		
Funds on hand and on deposit	\$ 8,424,834	\$ 6,579,597
Other assets	207,497	199,180
Investments	35,554,917	34,825,477
Loans to members	251,123,740	223,206,413
Property, plant and equipment	2,668,259	2,741,200
Intangible assets	234,830	277,576
Investment property	245,777	231,301
	\$ 298,459,854	\$ 268,060,744
Liabilities and Members' Equity		
Income taxes payable	\$ 36,305	\$ 58,354
Other liabilities	1,009,362	1,226,336
Members' deposits	278,500,548	249,178,295
Insurance reserve	207,049	218,357
Deferred income tax liability	50,400	51,800
Members' shares	321,426	715,053
	280,125,090	251,448,195
Commitments		
Members' Equity		
Members' shares	5,787,198	5,361,215
Provision for issue of shares	182,000	181,000
Retained earnings	12,365,566	11,070,334
	18,334,764	16,612,549
	\$ 298,459,854	\$ 268,060,744

Approved on behalf of the Board of Directors:


 _____ Director


 _____ Director

NIVERVILLE CREDIT UNION LIMITED
Summary Consolidated Statement of Comprehensive Income

For the year ended September 30	2015	2014
Revenue		
Interest on loans to members	\$ 9,015,399	\$ 8,944,529
Investment Income		
Liquidity deposits	788,547	636,754
CUCM shares	70,679	43,228
Debentures	30,142	30,225
	9,904,767	9,654,736
Cost of funds	4,982,753	4,803,416
Gross financial margin	4,922,014	4,851,320
Operating Expenses		
Personnel	2,151,442	2,029,522
Administrative	1,220,132	1,227,665
Occupancy	557,930	541,317
Members' security	241,053	254,112
Organizational	162,597	163,600
Gross operating expenses	4,333,154	4,216,216
Less other income	1,075,162	1,023,400
	3,257,992	3,192,816
Gross operating income	1,664,022	1,658,504
Provision for (recovery of) impaired loans	(24,138)	112,940
	1,688,160	1,545,564
Other Items		
Donations	14,255	18,995
Distributions to members	9,244	21,179
Income before income taxes	1,664,661	1,505,390
Provision for Income Taxes		
Current	199,211	172,244
Deferred	(1,400)	(7,400)
	197,811	164,844
Net and total comprehensive income for the year	\$ 1,466,850	\$ 1,340,546

The accompanying notes are an integral part of these summary consolidated financial statements.

NIVERVILLE CREDIT UNION LIMITED
Summary Consolidated Statement of Changes in Members' Equity

For the year ended September 30

2015

	Provision for Issue of Shares	Members' Shares	Retained Earnings	Total
Balance at September 30, 2013	\$ 183,500	\$ 5,047,022	\$ 9,888,580	\$ 15,119,102
Net income for the year	-	-	1,340,546	1,340,546
Distributions to members	179,971	-	(158,792)	21,179
Issue of members' shares	(182,471)	194,317	-	11,846
Redemption of members' shares	-	(279,350)	-	(279,350)
Transfer (to) from liabilities	-	399,226	-	399,226
Balance at September 30, 2014	\$ 181,000	\$ 5,361,215	\$ 11,070,334	\$ 16,612,549
Net income for the year	-	-	1,466,850	1,466,850
Distributions to members	180,862	-	(171,618)	9,244
Issue members' shares	(179,862)	185,686	-	5,824
Redemption of members' shares	-	(153,330)	-	(153,330)
Transfer (to) from liabilities	-	393,627	-	393,627
Balance at September 30, 2015	\$ 182,000	\$ 5,787,198	\$ 12,365,566	\$ 18,334,764

The accompanying notes are an integral part of these summary consolidated financial statements.

NIVERVILLE CREDIT UNION LIMITED

Summary Consolidated Statement of Cash Flows

For the year ended September 30

2015

2014

Cash Flows from Operating Activities

Net income for the year	\$	1,466,850	\$	1,340,546
Adjustments for				
Interest and investment revenue		(9,904,767)		(9,654,736)
Interest expense		4,982,753		4,803,416
Depreciation expense		246,159		255,439
Provision for (recovery of) impaired loans		(24,138)		112,940
Loss on disposal of property, plant and equipment		309		28,091
Deferred income taxes		(1,400)		(7,400)
Insurance reserve		(11,308)		(21,215)
Distribution to members		9,244		21,179

(3,236,298) (3,121,740)

Change in other assets and liabilities	(225,291)	(1,100,595)
Change in income taxes payable	(22,049)	48,452

(247,340) (1,052,143)

Changes in member activities (net)				
Change in loans to members	(27,762,576)	(11,211,198)		
Change in members' deposits	29,238,812	15,946,444		

1,476,236 4,735,246

Cash flows related to interest, dividends, and income taxes				
Interest received on loans to members	8,884,786	8,758,448		
Interest received on investments	868,087	695,524		
Interest paid on members' deposits	(4,899,313)	(4,993,458)		

4,853,560 4,460,514

Total cash flows from operating activities

2,846,158 5,021,877

Cash Flows from Investing Activities

Purchase of investment property	(26,603)	-
Purchase of investments	(3,068,585)	-
Redemption of investments	-	306,885
Purchase of property, plant and equipment	(105,258)	(280,862)
Purchase of intangibles	(13,394)	(12,816)

(3,213,840) 13,207

Cash Flows from Financing Activities

Issue of common and surplus shares	5,824	11,846
Redemption of common and surplus shares	(153,330)	(279,350)

Total cash flows from financing activities

(147,506) (267,504)

Net increase (decrease) in cash and cash equivalents

(515,188) 4,767,580

Cash and cash equivalents, beginning of year

38,978,222 34,210,642

Cash and cash equivalents, end of year

\$ 38,463,034 \$ 38,978,222

Comprised of the following

Funds on hand and on deposit	\$	8,424,834	\$	6,579,597
Credit Union Central of Manitoba term deposits		30,038,200		32,398,625

\$ 38,463,034 \$ 38,978,222

The accompanying notes are an integral part of these summary consolidated financial statements.

NIVERVILLE CREDIT UNION LIMITED

Notes to Summary Consolidated Financial Statements

For the year ended September 30, 2015

1. Basis of Presentation

Management is responsible for the preparation of summary financial statements. The summary presented includes only the summary consolidated balance sheet and the summary consolidated statement of comprehensive income, summary consolidated statement of changes in members' equity and summary consolidated statement of cash flows. It does not include any other schedules or the notes to the financial statements. The summary consolidated balance sheet and summary consolidated statement of comprehensive income, summary consolidated statement of changes in members' equity and summary statement of consolidated cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

Copies of the September 30, 2015 audited consolidated financial statements are available at the Credit Union's head office at 62 Main Street, Niverville Manitoba and online at www.nivervillecu.mb.ca.

2. Compliance with Minimum Capital and Liquidity Requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at September 30, 2015 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 consolidated financial statements including notes for the year ended September 30, 2015, which contain the information detailing the calculations.



IT'S YOUR JOURNEY



We're here to help

NivervilleCU.mb.ca

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