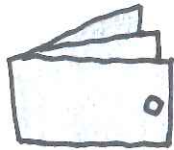


# 2022 ANNUAL REPORT BRUNO CREDIT UNION

Working with you, Making your  
Priorities happen



Accounts



Pay Bills



Transfers



Interact  
e-transfers



Scheduled



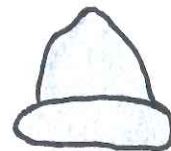
Messages



Contact us



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Alerts

# Bruno Credit Union

Cover designed by: Trinity Shaw

*BRUNO SAVINGS AND CREDIT UNION LIMITED*

*ANNUAL MEETING*

**AGENDA**

*Monday March 27<sup>th</sup>, 2023*

*Bruno Community Hall*

*6:30 Supper*

*7:30 Annual Meeting*

- 1. Call to Order*
- 2. President's Opening Remarks*
- 3. Confirmation of Quorum*
- 4. Adoption of Agenda*
- 5. Minutes of the 84rd Annual Meeting*
- 6. Board of Directors' Report*
- 7. Auditor's Report*
- 8. Appointment of Auditors*
- 9. New or Unfinished Business*
- 10. Door Prizes*
- 11. Adjournment*
- 12. Special Guest – Prud'homme Ukrainian Dance Club*

*BRUNO SAVINGS AND CREDIT UNION LIMITED*  
*INFORMATION MEETING*

## **AGENDA**

*Tuesday March 28<sup>th</sup>, 2023*  
*Silver Age Hall (Prud'homme)*

*6:30 Supper*

*7:30 Information Meeting*

- 1. Call to Order*
- 2. Opening Remarks*
- 3. Board of Directors' Report*
- 4. Auditor's Report*
- 5. Question period*
- 6. Door Prizes*
- 7. Adjournment*
- 8. Special Guest – Prud'homme Ukrainian Dance Club*

**BRUNO SAVINGS AND CREDIT UNION LIMITED**  
**MINUTES OF THE ANNUAL MEMBERSHIP MEETING**

April 5, 2022

Minutes of the 84<sup>th</sup> Annual Meeting as held April 5, 2022 at the Bruno Community Hall. There was a banquet at 6:30 with about \_\_\_78\_\_\_ people present. Chairman for the meeting was President \_Mark Kehrig\_\_\_. The meeting was called to order at \_\_7:26\_\_\_.

The chairman confirmed that there were sufficient numbers in attendance to constitute a quorum.

\_\_\_\_Corrinne Arnold\_\_\_\_ & \_Amenda Basset\_\_\_\_\_ that the agenda be adopted as presented.

\_\_\_\_Alain Basset \_\_\_/ \_\_\_ Amanda Basset\_\_\_ that the minutes of the 83<sup>rd</sup> annual meeting held on March 30, 2021 be approved

Mark Kehrig presented the Directors' Report.

\_\_\_\_Lissette Detillieux \_\_\_ / \_\_\_Melva Weiman \_\_\_\_\_ that the directors report be approved as presented.

Jeff Mark presented the financial statement as prepared by Meyers Norris Penny. The statement showed total assets of \$ \_101,579,937\_ and a net income of \$ \_689,120\_.

\_\_\_\_Ken Weiman \_\_\_ \ \_\_\_Bradley Schlosser \_\_\_ that the financial statement be approved as presented.

\_\_\_\_Kevin Pulvermacher \_\_\_ \ \_\_\_\_\_Jodi Tremel \_\_\_ that the audit firm of Meyers Norris Penny be re-appointed as auditors for 2022.

Other Business: None

Door prize draws were made.

\_\_\_\_Jodi Tremel \_\_\_\_\_ adjourned the meeting at \_\_7:46\_\_\_\_\_

Guest speaker: Jeff Burton gave a presentation about how he started producing the comic book series , The Adventures of Auraman

\_\_\_\_\_  
(President)

\_\_\_\_\_  
(Secretary)



## CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2022

**January 2023**

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Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions. The Corporation is also the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Together, these entities are considered Provincially Regulated Financial Institutions or "PRFIs". The Corporation is mandated through provincial legislation, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016* in performing its duties. Provincial legislation also assigns responsibility for oversight of the Corporation to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan.

The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By promoting responsible governance and prudent management of capital, liquidity and guaranteeing deposits, the Corporation contributes to confidence in Saskatchewan PRFIs.

For more information about the Corporation's responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's web site at [www.cudgc.sk.ca](http://www.cudgc.sk.ca).



Saskatchewan  
Credit Unions

*Make it Real*

## Message from the Board

*On behalf of the board and staff I would like to welcome you to our 85<sup>th</sup> Annual General Meeting.*

**Mark Kehrig** , Chair  
*On behalf of the  
Board of Directors*



# **Bruno Savings and Credit Union Limited**

## **Vision**

To be a local, democratically controlled, responsible and viable financial institution that is responsive to the social and economic needs of current and potential members.

## **Mission**

To provide quality financial services beneficial to our members, community and environment in a manner responsible and accountable to all.

## **Values**

### **People are our strength**

Our credit union fosters personal growth and development

### **Sound fiscal management practices**

We manage revenue and expenses in order to maximize financial benefits to members.

### **A positive presence in the community**

Our decisions have a significant impact on the strength of our community.

We take a leadership role in promoting social and economic community development

### **Careful investment in technology and innovation**

Our credit union is committed to providing a broad range of affordable and competitively priced products and services with consideration for the value that may be realized in return for the investment.

### **Excellence in everything we do**

We recognize the importance of protecting our reputation capital and strive to provide excellent service to those we serve.

## ***Credit Union Market Code***

Bruno Savings and Credit Union Limited voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee to ensure the protection of credit union members. The code sets forth guidelines for the following areas:

- Complaint handling, which outlines the process for dealing with all complaints regarding the service, products, fees or charges of Bruno Savings and Credit Union Limited.
- Fair sales by outlining the roles and relationship of staff to all members and in accordance with the financial services agreement.
- Financial planning process to advise members on the risks and benefits associated with financial planning services.
- Privacy to protect the interests of those who do business with Bruno Savings and Credit Union Limited. Privacy is the practice to ensure all member information is kept confidential and used only for the purpose for which it was gathered.
- Professional standards to preserve a positive image of Bruno Savings and Credit Union Limited among our members and communities.
- Capital management to ensure our capital structure aligns with our risk philosophy.
- Financial reporting to adhere to business and industry standards.
- Governance practices to adhere to the intent and stipulation of our corporate bylaws, which are approved by the membership of Bruno Savings and Credit Union Limited.
- Risk management to ensure all risks are measured and managed in an acceptable fashion.

# **Management Discussion and Analysis**

## ***Introduction***

Bruno Savings and Credit Union Limited is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Bruno Savings and Credit Union Limited is able to provide financial services to members and non-members. As at December 31, 2022 we had 1111 members and 465 non-members. Non-members do not participate in the democratic processes of the credit union nor the patronage program.

Our credit union serves the communities of Bruno and Prud'homme and their surrounding areas through 2 branches, one located in Bruno and one in Prud'homme. In these communities we provide a broad range of financial services including deposit and lending services. The lending is done out of the Bruno office.



## Strategy

The mission of Bruno Savings and Credit Union Limited is to provide quality financial services beneficial to our members and communities and environment in a manner responsible and accountable to all.

In order to meet this mission, some of our objectives are:

- to have professional, dedicated and motivated management, staff and board of directors that are contributing to the success of the community.
- to have strong governance, management and staff resources through effective succession planning, recruitment strategies and board/employee personal and professional development.
- to have a fully satisfied membership
- to provide access to a broad range of products and services that best meet members' needs
- to attract new members and businesses and to develop deeper relationships with our existing membership.
- to exceed member expectations
- to follow a balanced approach to ensure sustainability
- to be compliant with all legislation and regulatory requirements
- to make careful investments in technology to balance meeting member needs and credit union sustainability.

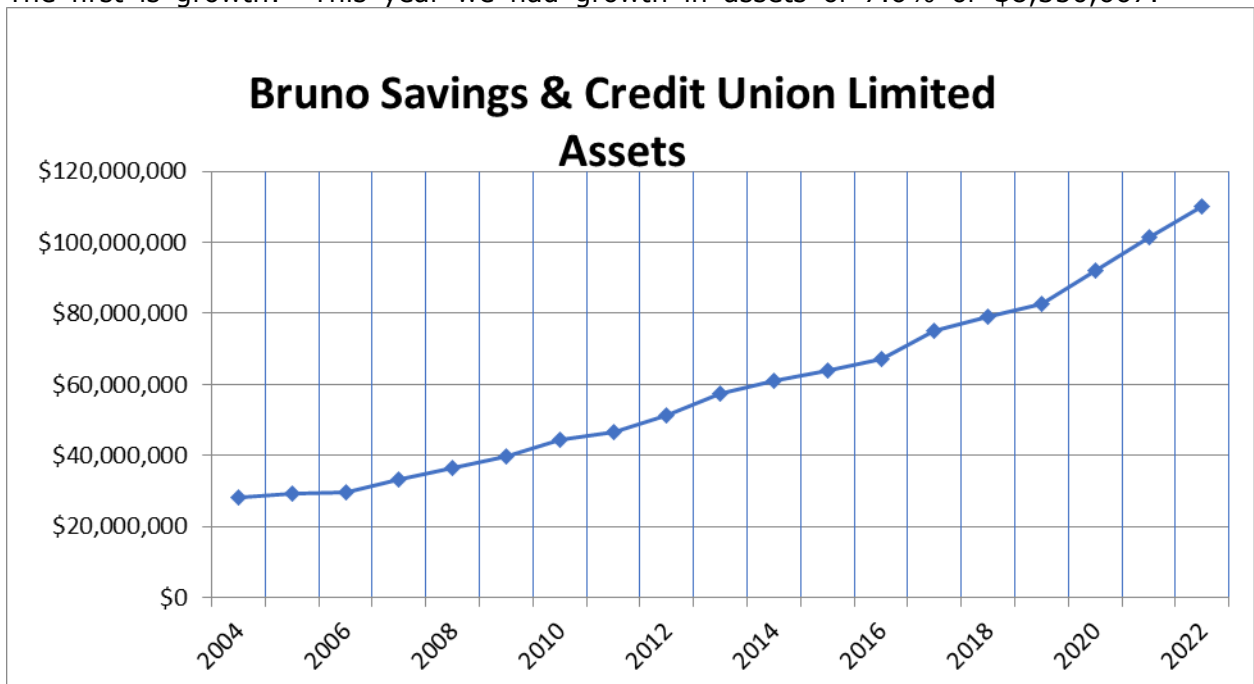
## Results

### Financial Performance

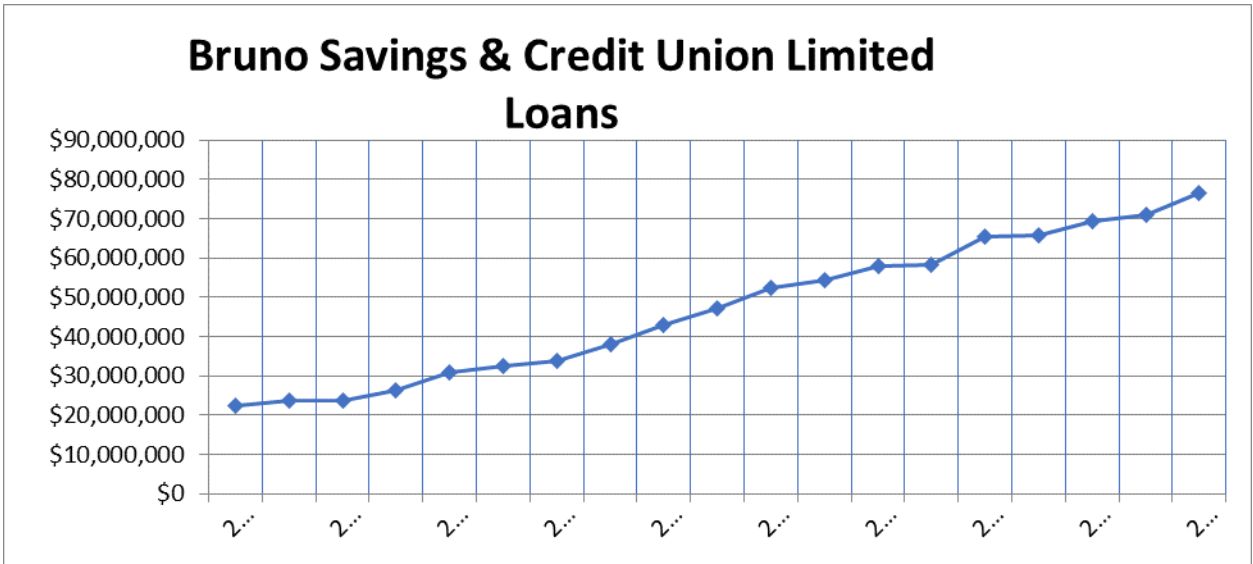
Following this report is the audited financial statements which give much more detail.

The following are some highlights.

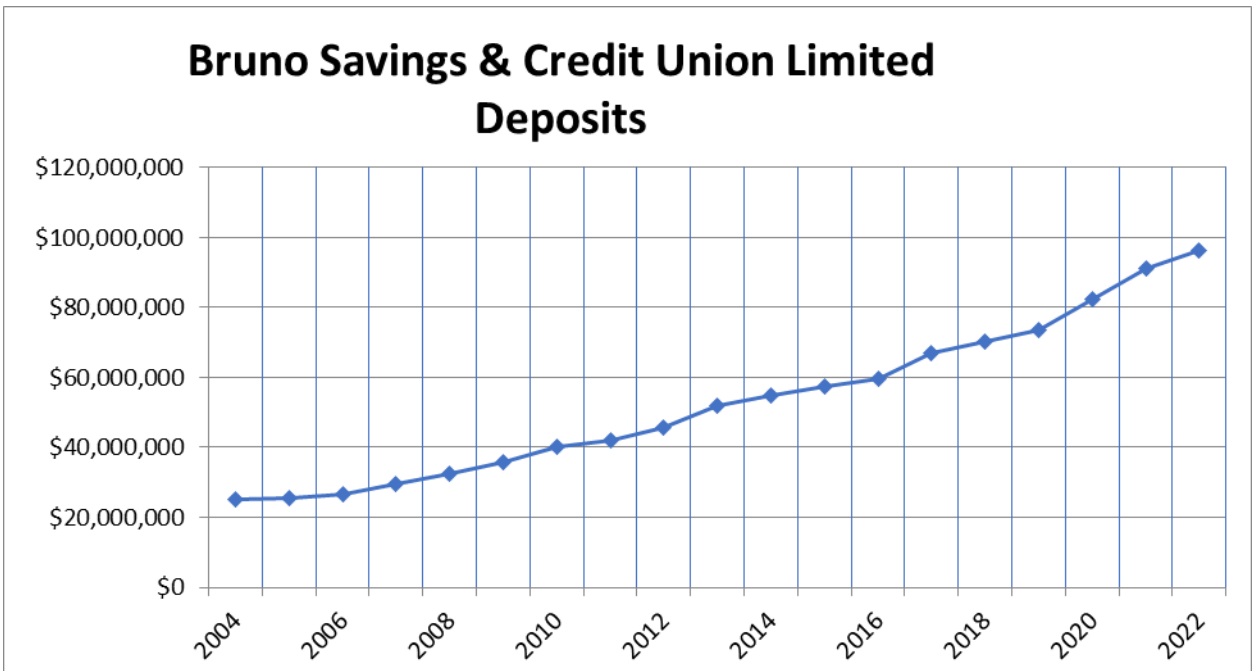
The first is growth: This year we had growth in assets of 7.6% or \$8,350,667.



Loans increased by \$5,431,558 or 7.1% and ended the year at 70% of assets (last year end loans totalled 70% of assets). This ratio is calculated on loans and leases and includes accrued interest on the loans outstanding to these members. The board has a target range of 70 to 85% for loans to assets. We are at the low end of our target.



We had good growth in member deposits again in 2022 with an increase of approximately 5.5% or \$5,314,397.



## **Credit Risk**

Credit risk is the risk of loss arising from a borrower not fulfilling their contractual payment obligations.

The primary type of risk is associated with loans. \$0 of loans or lines of credit were written off in 2022. (\$90,258 in 2021) We have a specific allowance of \$16,850 and a general allowance of \$59,126 set up for possible further losses on loans. We ended the year with \$16,850 of impaired loans. (compared to \$18,650 last year). There were \$147,642 of loans that were in arrears over 90 days at Dec 31, 2022. (compared to the \$162,180 prior year end ) Our lending staff work with all borrowers, with loan arrears, to make suitable arrangements for repayment. If suitable arrangements can't be made, legal action is taken to recover as much as possible.

Our lending portfolio contains \$22,417,023 for residential mortgages. \$2,429,518 or 10.8% of these are insured by CMHC; \$299,654 or 1.3% are Home Equity Lines of Credits (HELCOs) and the remaining \$19,687,850 or 87.9% are conventional mortgages. In the event of an economic downturn it is reasonable to assume that delinquency would increase and the value of houses could decline. We feel that any negative effect to this Credit Union of such an event would not be material. This assumption proved correct in 2020-2022 as the Covid 19 pandemic did not have a material effect on our mortgage portfolio.

## **Liquidity Risk**

Liquidity is yet another factor which we monitor. Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. In 2017 your board contracted Sask Central to prepare a Liquidity Management Plan for us. This plan is reviewed and updated annually by the Risk Committee .

The purpose of the liquidity management plan (LMP) is to ensure the optimal level of liquidity is maintained to meet regulatory and operational needs. Holding inadequate liquidity may result in Bruno Credit Union (BCU) not being able to meet member loan demand or demands for withdrawal of their deposits. Holding surplus liquidity means BCU may not be generating sufficient returns on its funds to achieve an optimum return to its members or depositors.

The objective of the Liquidity Coverage Ratio (LCR) is to ensure that the Credit Union has an adequate stock of unencumbered high-quality liquid assets (HQLA) that:

- consist of cash or assets that can be converted into cash at little or no loss of value and

- meets liquidity needs for a 30 calendar day stress test scenario, by which time it is assumed corrective actions have been taken by the Credit Union.

The LCR is calculated as the value of the stock in HQLA in stressed conditions divided by the total net cash outflows over the next 30 calendar days.

The plan requires us to have a minimum liquidity coverage ratio (LCR) of 100% and we have set a target of 120 to 400% and a maximum of 500%.

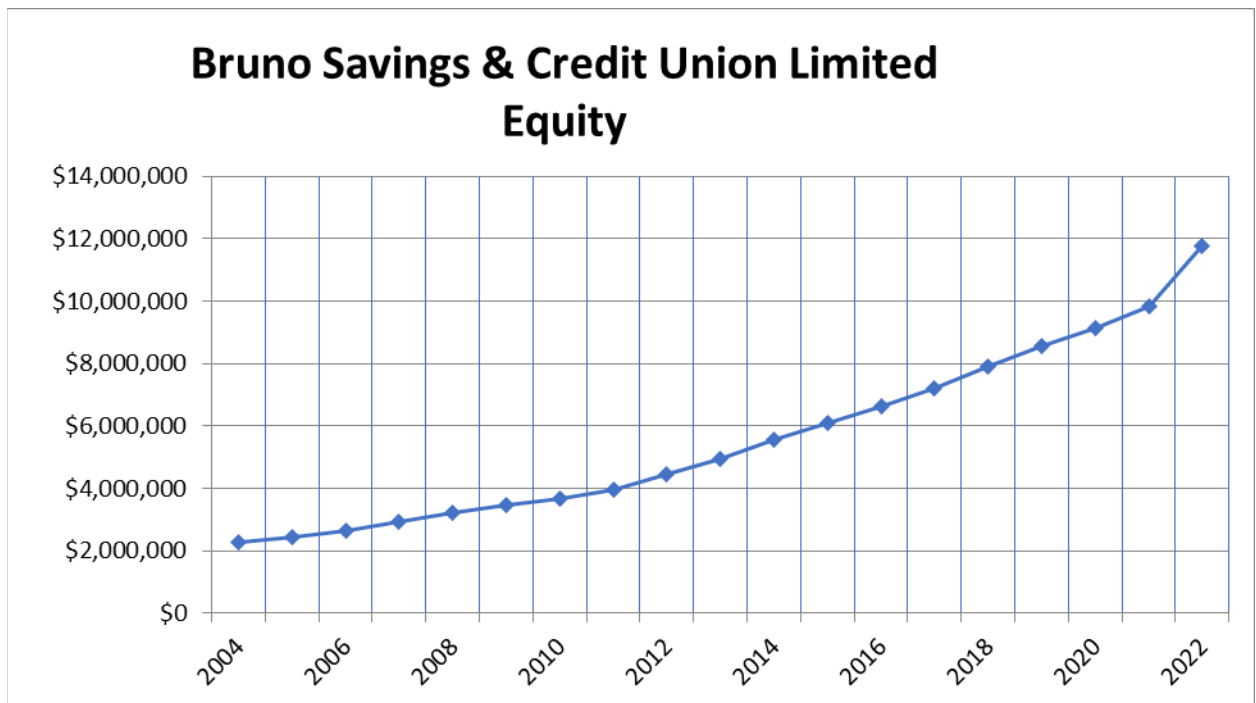
As at December 31, 2022 we had a LCR of 122% which was well above the minimum of 100% and slightly over our target range of 120 to 400%.

Management monitors liquidity on a daily basis and reports the LCR to the board on a quarterly basis.

### Equity

Equity, the difference of assets and liabilities which is the measure of ownership, remained strong this year. Equity can be measured both as a percentage of assets or as a dollar amount. This year we completed the year with \$11,780,018 or 10.71% compared to \$9,819,419 or 9.67% last year. There is also an additional \$446,825 or 0.40% in member allocated equity accounts.

CUDGC sets standards for the Credit Unions to follow. Regulatory standards require that the Credit Union maintain a minimum leverage ratio of 5%. This ratio is calculated by dividing eligible capital by total assets less deductions from capital plus specified off-balance sheet exposures. Our leverage ratio is 10.89%. We also monitor our total eligible capital to risk-weighted assets. The minimum required amount is 10.50% and we have 16.18%. Another requirement is Tier 1 capital to risk weighted assets of 8.50%. At Dec 31, 2022 we had 15.45% of capital in this category.



A strong equity position comes from good profitability. This year our profitability was high largely due to a one time dividend payment from SaskCentral following the sale of assets. Profit after tax was \$1,960,599 compared to \$689,120 last year.

### ***Enterprise Risk Management***

Each year our credit union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our communities now and in the future. This process is called **Enterprise Risk Management** or **ERM** for short, and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation.

The Board, Management, and Staff annually review and update a strategic plan and an Annual review of our ERM is completed.

Through this process, the following risks along with **Credit Risk** and **Liquidity Risk** previously listed in the Financial performance section have been identified risks according to their potential impact on the Bruno Savings and Credit Union Limited.

### **Strategic Risk**

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, customer preferences, product obsolescence or resource allocation will impact our ability to meet our objectives. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve these goals, the resources deployed against these goals and the quality of implementation

### **Market Risk**

Market risk is the exposure to potential loss from changes in market prices or rates. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement.

### **Legal and Regulatory Risk**

Legal and regulatory risk is the risk arising from potential violation of, or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards.

The main legal & regulatory risk identified by Bruno Savings and Credit Union Limited is:

- The risk of potential violations of, or non-conformance with applicable laws, rules, regulations, prescribed practices, or ethical standards.

## **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposures to this risk arise from deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters.

Operational risks are looked at by the board regularly throughout the year as they effect the day to day operations. They include risks such as:

- The risk of not being able to offer/ afford all the technology related solutions for internal and / or member needs.
- The risk of not being able to retain key positions in our Credit Union
- The risk of not being profitable
- The risk of not providing certain/ specialized products/ services that members might need and become dissatisfied enough to lose business.
- The risk of losing business because of referring to outside sources

## ***Regulatory***

Regulatory matters are an ongoing concern of the Bruno Savings and Credit Union Limited. Presently there are many Regulatory bodies in which the Bruno Savings and Credit Union Limited has to comply with. To mention a few of the more important would include: The Registrar of Credit Unions, The Credit Union Deposit Guarantee Corporation (CUDGC), Office of the Superintendent of Financial Institutions (OSFI), Financial Transactions & Reports Analysis Center of Canada (FINTRAC) and Canada Revenue Agency (CRA).

## ***Corporate Structure and Governance***

The governance of the Bruno Savings and Credit Union Limited is anchored in the co-operative principle of democratic member control.

## **Board Of Directors**

### *Mandate and Responsibilities*

The board is responsible for the strategic oversight, business direction and supervision of management of the Bruno Savings and Credit Union Limited. In acting in the best interests of the credit union and its members, the board's actions adhere to the standards set out in *The Credit Union Act 1998*, the *Standards of Sound Business Practice* and other applicable legislation.

### *Board Composition*

The board is composed of 9 individuals elected on a regional basis. Terms are for 3 years. Nominations are made by district . Voting (if needed) is by paper ballot and election results are announced at the Bruno Savings and Credit Union Limited's annual general meeting.

As you will note from the list of the Staff and Directors attached, Debora Kramer, Kristina Weiman and Wesley Sielski, have had their terms of office expire this year.

Nominations were held from Feb 7th to February 21st , 2023. At the time nominations ceased, there were two nominations for the Bruno District and one for the Prudhomme district. They were Debora Kramer, Kristina Weiman and Wesley Sielski. Since the number of nominations equalled the number of vacancies, elections did not need to take place, and by acclamation the following members were elected to the board of directors. Debora Kramer, Kristina Weiman and Wesley Sielski. A big thank for leaving your names stand .

### *Board Compensation*

Bruno Savings and Credit Union Limited is fortunate to have competent guidance through the dedication of Management and the Board of Directors.

In the past year the Board of Directors was again very busy with regular and committee meetings throughout the year. 12 regular meetings were held as well as other meetings, consisting of a Strategic Planning meeting and a meeting to do the general manager's annual performance review . The audit committee met three times , the conduct review committee and the credit committee each met once in 2022. In addition to the regular board and committee meetings, directors take online and other training during the year.

Due to the Covid 19 pandemic, many of these meetings, early in the year, took place electronically .

Directors and committee members are compensated with a per diem for meetings attended and training taken. Out of pocket expenses such as mileage and meal costs are also reimbursed to directors for expenses incurred while attending meetings and training.

### *Board Committees*

The Board of Directors organizes itself into several committees to ensure that oversight of various aspects of our operations and governance can be dealt with most effectively. The committees of the board are as follows:

> **Executive Committee:** acts on behalf of the board of directors between regular or special board meetings on all board matters except those which the board may not, in compliance with legislative requirements, delegate. The 2022 members of the committee were: Mark Kehrig, President , Elaine Urban , Vice-president and Marcel Gauthier, General Manager.

The executive committee comprised of the president, vice president and the general manager.

> **Conduct Review Committee:** ensures related party transaction comply with legislation, Standards of Sound Business Practice and with credit union or committee policies and procedures. They also ensure that all proposed related party transactions are fair to the credit union and that the exercise of the best judgment of the credit union has not been compromised as a result of real or perceived conflict of interest. 2022 members of this committee were: Kristina Weiman, Jodi Tremel and Daniel Detillieux and alternates were Jenny Glessman and Wesley Sielski. The conduct review committee is appointed annually at the re-organization meeting.

> **Nominating Committee:** oversees the nomination and election processes for the elections of credit union directors. 2022 members of this committee were Mark Kehrig, Elaine Urban and Daniel Detillieux. The nominating committee is appointed annually at the re-organization meeting.

> **Audit Committee:** ensures an independent review of the credit union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to relevant legislation, regulations and standards. 2022 members of this committee were: Elaine Urban, Debora Kramer, Mark Kehrig and Andre Lafreniere. The Audit committee is appointed annually at the re-organization meeting.

> **Risk Committee:** ensures the credit union's enterprise risk management framework and risk appetite statement are appropriate to optimize liquidity, market/ interest rate, credit/concentration, legal and regulatory, operational, strategic risk, and emerging/reputational risk for the protection and creation of shareholder value. The Risk Committee is comprised of the entire board.

> **Credit Committee:** To analyze and make decisions on credit applications within the provision of policy and legislation on any loans brought to them for approval. To review loans granted by management that are exceptions to loans policy and monitor if the exceptions are reasonable. 2022 members of this committee were: Jenny Glessman; Wesley Sielski, Marcel Gauthier and Joan Manderscheid. The credit committee is appointed annually at the re-organization meeting.

Andre Lafreniere remains as our representative for the Bruno Savings and Credit Union Limited to attend system meetings and vote on our behalf at Sask Central's annual meeting.



## Executive Management

The Executive Management consist of the General Manager, Branch Supervisor , Office Supervisor and Loans officer. As you can see by the attached chart the Executive Management team have 80 years of combined Credit union experience. Constant updates and meetings keep the management busy, both attending and reporting back to directors and staff.

## Staff\Employees

Megan Ollenberg had been on maternity leave since March 2021 and left the organization in of Spring 2022. We wish Meagan well with the new family member addition.

Kaitlyn Doetzel was hired in Feb 2021 as a Member Service Rep at the Bruno office and moved out of the area in Fall 2022 to continue her career in the credit union system.

Larissa Reaser has been on maternity leave since March 2022 and we look forward to her return sometime in Spring of 2023.

Jeff Mark retired in May 2022 from his General Manager position. He stayed on afterwards to assist with the transition of the new General Manager and also to cover Larissa Reaser's Loans Officer position while she is away on maternity leave.

In 2022, we welcomed Tracy Picouye to the team and we recently hired Gayle Hood in early 2023.

The Board of Directors and the staff wish to congratulate and thank the following employees achieving a milestone period:

**Joan Mandersheid for 35 years of service** and **Shannon Weiman for 25 years of service.**

We are fortunate to have employees who are committed to providing **excellent service to our members.**

Employees take required and optional training on an ongoing basis. Some of the training that is required on an annual basis is Anti-Money Laundering & Terrorist Financing as well as Privacy and Code of Conduct training.

WE WOULD NOT BE WHERE WE ARE TODAY WITHOUT OUR DEDICATED MANAGEMENT & STAFF.



## Quick Facts

### **(as of December 31, 2022, unless otherwise indicated)**

- As of January 1, 2023, there are 33 credit unions in Saskatchewan serving 197 communities through 224 service outlets.
- Credit unions offer financial products and services to more than 497,000 members.
- Saskatchewan credit union assets reached \$28.6 billion with revenue of more than \$1.43 billion.
- Credit union lending amounts were more than \$21 billion.
- There are 317 board members who are locally elected by members of each credit union to provide strategic direction to their management teams.
- As independent financial institutions owned and controlled by their members, credit unions are shaped by community needs. Saskatchewan credit unions range in asset size from \$40.85 million to more than \$7.2 billion.
- In 2022, Saskatchewan credit unions returned over \$18.86 million to their members in the form of patronage equity contribution and dividends.
- Credit unions are a major contributor to Saskatchewan's economy, employing over 3,400 people.
- Funds held on deposit in Saskatchewan credit unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention.



## ***Corporate Social Responsibility (CSR)***

- The Bruno Saving and Credit Union Limited has always contributed to the well-being of the communities that it serves above and beyond the financial and economic role that financial institutions play.

In 2022, over \$21,000 was spent on local sponsorships. Some of the groups and events that we provided support to were:

- Bruno School Grad Award
- Bruno Cherry Sunday
- Bruno Golf Club
- Bruno Bowling Alley
- Bruno Fire Department
- Bruno Daycare Committee
- Bruno Bible Camp
- Bruno Car Show
- Prud'homme Community Centre
- Prud'homme Ukrainian Dance Club
- Prud'homme Museum
- Prud'homme Fire Department
- Aberdeen School Grad Award
- Town of Aberdeen Annual Dance Festival
- Vonda School Awards
- Vonda Parks and Recreation Committee
- Viscount 4 H Beef Club
- Various Minor Sports

## **Capital Management**

Our Regulator, The Credit Union Deposit Guarantee Corporation has set out minimum Standards for Credit Unions to follow with regards to capital limits. Credit Unions are expected to hold Capital in excess of these minimums and therefore are required to develop an **internal capital adequacy assessment process ( ICAAP)**.

The following compares CUDGC regulatory standards to our Credit Union's numbers at year end:

For total eligible capital to risk weighted assets the regulatory standard is 10.5% . Our board policy minimum is 11.50 and we were at 16.12%.

For tier 1 capital to risk-weighted assets the regulatory standard is 8.50%. Our board policy minimum is 9.00 and we were 15.45%.

For Common equity tier 1 capital to risk-weighted assets the regulatory standard is 7.00% , our board policy minimum is 7.50% and we were 15.45%.

The minimum leverage ratio is 5.00%, our board policy minimum is 6.50% and we were 10.89%.

Equity is a reflection of the past success of your credit union. It also serves as the financial cushion that allows your credit union to expand product lines and develop new services.

Capital management can be very complex and includes 6 areas. These areas are:

- ▶ **Board and Management oversight**
  - Policies are developed
  - i.e. desired capital levels, risk tolerance, capital expenditures
- ▶ **Sound capital assessment and planning**
  - Capital Plans are developed by management and board and reviewed ongoing
- ▶ **Comprehensive assessment of risks**
  - Risks to capital are assessed through processes such as Enterprise Risk Management (ERM)
  - i.e. where is the largest concentration of risk to capital ( credit/loans)
- ▶ **Stress Testing**
  - On a quarterly basis capital levels are tested for possible erosion
  - Stress testing programs are used to test the ability of the credit union to absorb losses
  - i.e. How would rising interest rates effect our capital level or a large increase or decrease in deposits
- ▶ **Monitoring and Reporting**
  - Regular reports are prepared for the directors and Credit Union Deposit Guarantee Corporation.
- ▶ **Internal Control Review**
  - Ongoing internal controls and functions along with scheduled internal audits and CUDGC reviews

**Bruno Savings and Credit Union Limited**  
**Summary Financial Statements**  
*December 31, 2022*

# Report of the Independent Auditor on the Summary Financial Statements



To the Members of Bruno Savings and Credit Union Limited:

## Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022, and the summary statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Bruno Savings and Credit Union Limited (the "Credit Union") for the year ended December 31, 2022.

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

## 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 February 16, 2023.

## Management's Responsibility for the Summary Financial Statements

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

## 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.

Humboldt, Saskatchewan

February 16, 2023

Chartered Professional Accountants

MNP LLP

PO Box 2590, 2424 Westwood Drive, Humboldt SK, S0K 2A0

1.877.500.0789 T: 306.682.2673 F: 306.682.5910

## Bruno Savings and Credit Union Limited

### Summary Statement of Financial Position

As at December 31, 2022

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	2,376,483	9,137,441
Investments	29,887,437	21,377,617
Member loans receivable	76,423,038	70,991,480
Other assets	1,159,857	1,641
Property, plant and equipment	83,789	71,758
	<b>109,930,604</b>	<b>101,579,937</b>
<b>Liabilities</b>		
Line of credit	1,081,093	-
Member deposits	96,445,185	91,130,788
Other liabilities	171,928	168,313
Membership shares	5,555	5,525
Equity accounts	446,825	455,892
	<b>98,150,586</b>	<b>91,760,518</b>
<b>Members' equity</b>		
Retained earnings	11,780,018	9,819,419
	<b>109,930,604</b>	<b>101,579,937</b>

Approved on behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Bruno Savings and Credit Union Limited Summary Statement of Comprehensive Income

*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Interest income</b>		
Member loans	3,085,332	2,634,127
Investments	1,785,207	263,360
	4,870,539	2,897,487
<b>Interest expense</b>		
Member deposits	1,300,238	754,177
Borrowed money	3,920	209
	1,304,158	754,386
<b>Net interest income</b>	<b>3,566,381</b>	<b>2,143,101</b>
<b>Provision for impaired loans</b>	<b>18,183</b>	<b>6,904</b>
<b>Net interest income after provision for impaired loans</b>	<b>3,548,198</b>	<b>2,136,197</b>
<b>Other income</b>	<b>150,275</b>	<b>151,970</b>
<b>Net interest and other income</b>	<b>3,698,473</b>	<b>2,288,167</b>
<b>Operating expenses</b>		
Personnel	927,417	852,251
Member security	92,445	83,527
Organizational	43,167	31,250
Occupancy	40,105	37,587
General business	462,060	480,304
	1,565,194	1,484,919
<b>Income before provision for income taxes</b>	<b>2,133,279</b>	<b>803,248</b>
<b>Provision for income taxes</b>		
Current	172,680	114,128
<b>Comprehensive income</b>	<b>1,960,599</b>	<b>689,120</b>

**Bruno Savings and Credit Union Limited**  
**Summary Statement of Changes in Members' Equity**  
*For the year ended December 31, 2022*

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	<i>Retained earnings</i>	<i>Total equity</i>
<b>Balance December 31, 2020</b>	<b>9,130,299</b>	<b>9,130,299</b>
Comprehensive income	<b>689,120</b>	<b>689,120</b>
<b>Balance December 31, 2021</b>	<b>9,819,419</b>	<b>9,819,419</b>
Comprehensive income	<b>1,960,599</b>	<b>1,960,599</b>
<b>Balance December 31, 2022</b>	<b>11,780,018</b>	<b>11,780,018</b>

**Bruno Savings and Credit Union Limited**  
**Summary Statement of Cash Flows**  
*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from member loans	2,987,557	2,720,774
Interest received from investments	529,998	254,193
Other income received	150,275	151,970
Interest paid on deposits	(1,264,496)	(861,643)
Cash paid to suppliers and employees	(1,569,267)	(1,467,543)
Interest paid on borrowed money	(3,920)	(209)
Income taxes paid	(149,324)	(58,000)
	<b>680,823</b>	<b>739,542</b>
<b>Financing activities</b>		
Line of credit advances	1,081,093	-
Net change in member deposits	5,278,653	8,886,260
Net change in membership shares	30	(170)
Net change in equity accounts	(9,067)	(20,123)
	<b>6,350,709</b>	<b>8,865,967</b>
<b>Investing activities</b>		
Net change in member loans receivable	(5,351,966)	(1,727,259)
Purchases of investments	(8,372,645)	(9,812,220)
Purchases of property, plant and equipment	(27,879)	(4,978)
Advance to National Consulting Ltd.	(40,000)	-
	<b>(13,792,490)</b>	<b>(11,544,457)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(6,760,958)</b>	<b>(1,938,948)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>9,137,441</b>	<b>11,076,389</b>
<b>Cash and cash equivalents, end of year</b>	<b>2,376,483</b>	<b>9,137,441</b>

**Bruno Savings and Credit Union Limited**  
**Note to the Financial Statements**  
*For the year ended December 31, 2022*

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**1. Basis of the Summary Financial Statements**

Management has prepared the summary financial statements from the December 31, 2022 audited financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited financial statements is available from the Credit Union. The detailed notes included in the audited financial statements are not included in these summary financial statements.

The criteria developed by management for the preparation of the summary financial statements is as follows: that the information included in the summary financial statements is in agreement with the related information in the financial statements, and that the financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto, in all material respects.