

# 2023 ANNUAL REPORT BRUNO CREDIT UNION



Cover designed by: *McKenna* Edwards

*BRUNO SAVINGS AND CREDIT UNION LIMITED*

*ANNUAL MEETING*

**AGENDA**

*Wednesday April 3<sup>d</sup> , 2024*

*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 86th 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 Speaker – Barry Bundus*  
*Topic – General Scam Awareness*

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

## **AGENDA**

*Thursday April 4<sup>th</sup>, 2024*  
*Prud'homme Community Hall*

*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 Speaker - Barry Bundus*  
*Topic – General Scam Awareness*

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

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

Minutes of the 85<sup>th</sup> Annual Meeting as held March 27<sup>th</sup>, 2023 at the Bruno Community Hall. There was a banquet at 6:30 with about 112 people present. Chairman for the meeting was Secretary – Marcel Gauthier. The meeting was called to order at 7:31.

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

Amanda Basset & Kristina Weiman that the agenda be adopted as presented.

Alain Basset / Daniel Detillieux that the minutes of the 84<sup>th</sup> annual meeting held on April 5<sup>th</sup>, 2022 be approved

Elaine Urban presented the Directors' Report.

Jodi Tremel / Peter Pulvermacher that the directors report be approved as presented.

Marcel Gauthier presented the financial statement as prepared by Meyers Norris Penny. The statement showed total assets of \$ 109,930,604 and a net income of \$ 1,960,599.

Ken Weiman \ Jean Tremel that the financial statement be approved as presented.

Justin Tremel \ Darnell Weiman that the audit firm of Meyers Norris Penny be re-appointed as auditors for 2023.

Other Business: None

Door prize draws were made.

Jodi Tremel adjourned the meeting at 7:51PM

Guest Speaker or Event : Prud'homme Ukrainian Dance Club

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

\_\_\_\_\_  
(Secreta



## CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2023

**January 2024**

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Credit Union Deposit Guarantee Corporation (the Corporation) functions as the deposit guarantor for Saskatchewan credit unions and serves as the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Collectively, these entities are referred to as Provincially Regulated Financial Institutions or “PRFIs”. The Corporation operates under provincial legislation, namely, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016*. The responsibility for overseeing the Corporation is assigned to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan as stipulated by provincial legislation.

Established in 1953, the Corporation holds the distinction of being the first deposit guarantor in Canada, ensuring the successful guarantee of deposits. Through the promoting of responsible governance and prudent management of capital, liquidity, and guaranteeing deposits, the Corporation plays a crucial role in fostering 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 86<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, 2023 we had 1129 members and 498 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:

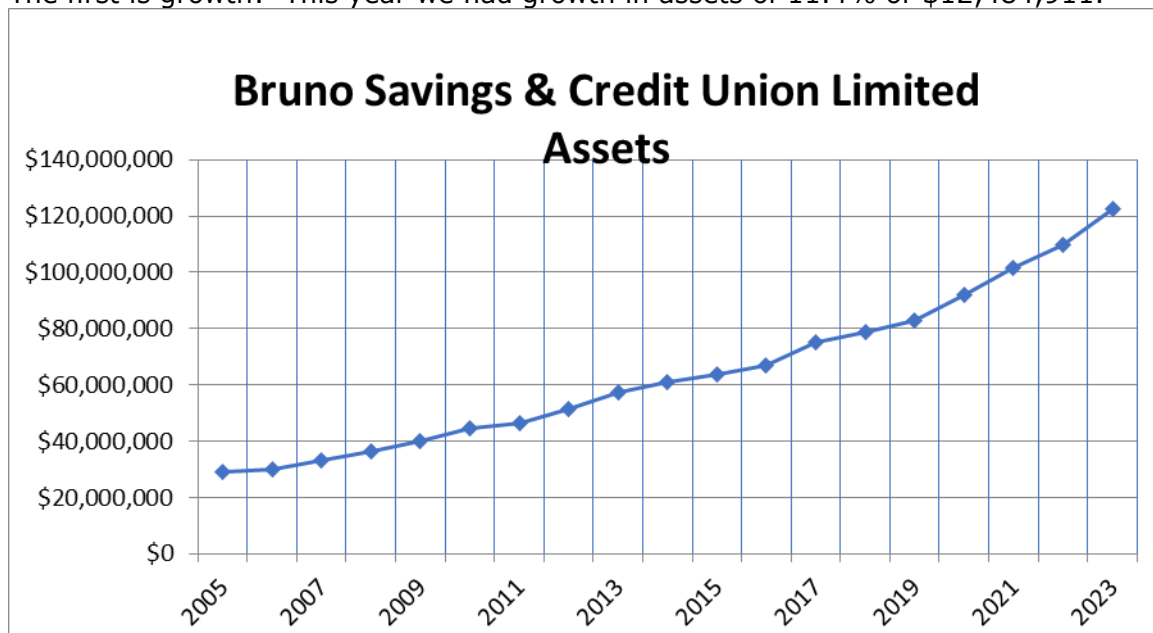
- to have professional, dedicated and motivated management, staff and board of directors that are contributing to the success of the community.
- to have strong governance, management and staff resources through effective succession planning, recruitment strategies and board/employee personal and professional 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

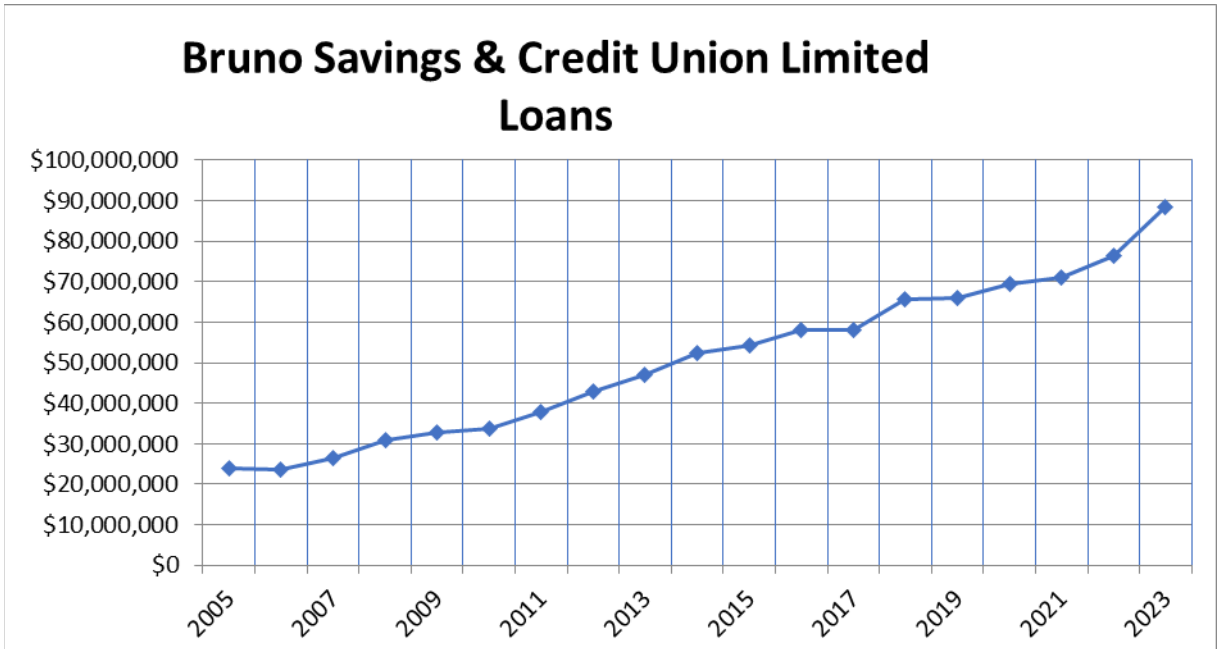
### Financial Performance

Following this report is the audited financial statements which give much more detail. The following are some highlights.

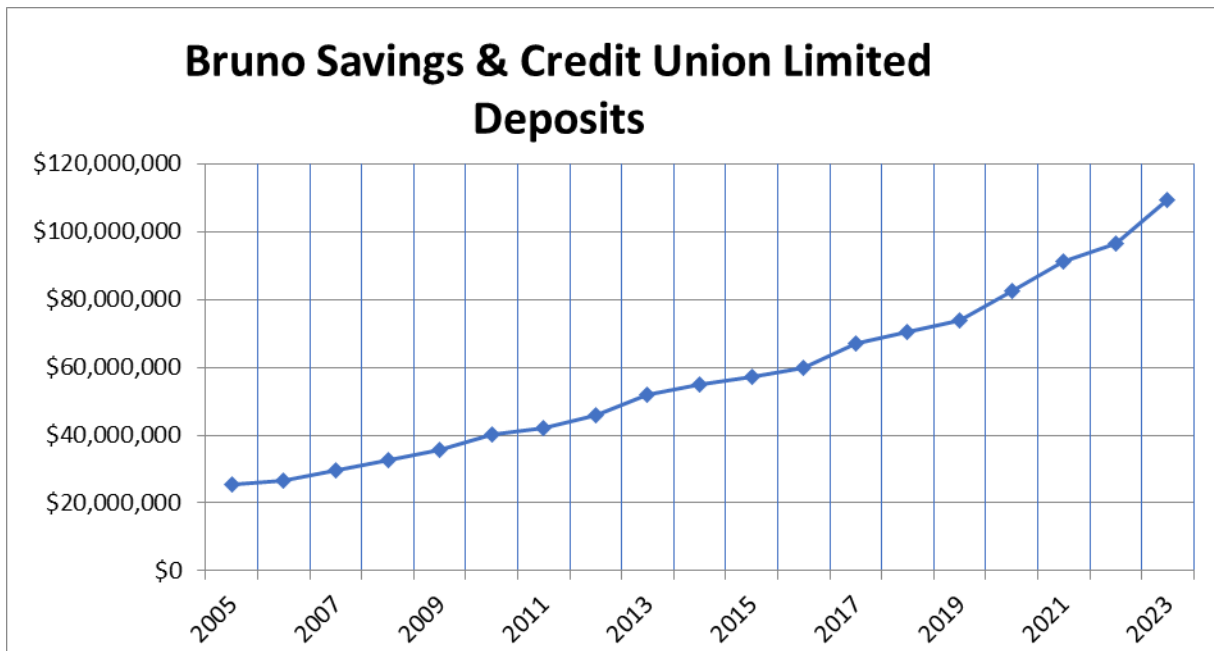
The first is growth: This year we had growth in assets of 11.4% or \$12,484,911.



Loans increased by \$12,044,682 or 15.7% and ended the year at 72.3% 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 2023 with an increase of approximately 13.1% or \$12,694,734.



## **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. \$4,663.09 of loans or lines of credit were written off in 2023. (\$0.00 in 2022) We have a specific allowance of \$40,850 and a general allowance of \$75,000 set up for possible further losses on loans. We ended the year with \$40,850 of impaired loans. (compared to \$16,850 last year). There were \$356,946 of loans that were in arrears over 90 days at Dec 31, 2023. (compared to the \$147,642 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 \$28,872,330 for residential mortgages. \$3,032,663 or 10.8% of these are insured by CMHC; \$316,548 or 1.1% are Home Equity Lines of Credits (HELCOs) and the remaining \$25,523,119 or 88.4% 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.

## **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%.

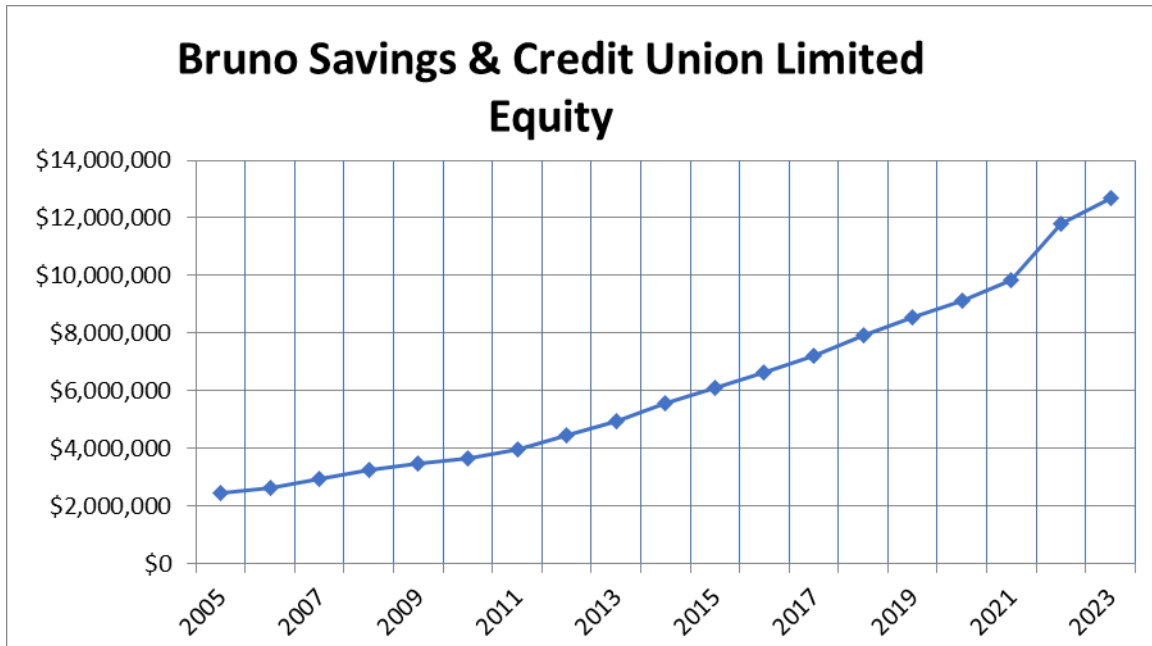
As at December 31, 2023 we had a LCR of 70% which was below the minimum of 100% and slightly over our target range of 120 to 400%. The 70% was only for a few days until deferred grain cheques were deposited at which time our LCR 92% at the end of January 2024 followed by being in target range shortly afterwards.

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 \$12,694,717 or 10.37% compared to \$11,780,018 or 10.71% last year. There is also an additional \$423,455 or 0.35% 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 10.59%. We also monitor our total eligible capital to risk-weighted assets. The minimum required amount is 10.50% and we have 15.99%. Another requirement is Tier 1 capital to risk weighted assets of 8.50%. At Dec 31, 2023 we had 15.40% of capital in this category.



A strong equity position comes from good profitability. This year our profitability was strong. Profit after tax was \$914,699 compared to \$1,960,599 last year. In 2022, we received a one time dividend from SaskCentral from the sale of an asset.

## **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 affect 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, Daniel Detillieux, Mark Kehrig and Elaine Urban, have had their terms of office expire this year.

Nominations were held from Feb 7th to February 21st , 2024. At the time nominations ceased, there were three nominations for the Bruno District. They were Daniel Detillieux,

Mark Kehrig and Elaine Urban. 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. Daniel Detillieux, Mark Kehrig and Elaine Urban. There was no positions up for expiry in the Prud'homme district. 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 two times , the Risk Committee, the conduct review committee and the credit committee each met once in 2023. In addition to the regular board and committee meetings, directors take online and other training during the year.

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 2023 members of the committee were: Mark Kehrig, President , Deborah Kramer, 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. 2023 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. 2023 members of this committee were Jodi Tremel, Jenny Glessman and Andre Lafreniere.

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. 2023 members of this committee were: Elaine Urban, Mark Kehrig, Andre Lafreniere, Jodi Tremel and Debora Kramer.

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. 2023 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

Larissa Reaser had been on maternity leave and returned in April 2023 and left the to be on maternity leave in December 2023. Congratulations Larissa, we are anxious to see you return.

Jeff Mark retired from his GM role in April 2022 from the Credit Union. 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 was away on maternity leave. Jeff officially retired at the end of April 2023.

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

**Brandy Moritz 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, 2023, unless otherwise indicated)**

- There are 32 provincial credit unions and one federal credit union in communities across Saskatchewan.
- Provincial credit unions offer financial products and services to close to 445,000 members.
- Saskatchewan provincial credit union assets reached \$26.4 billion with revenue of more than \$1.3 billion.
- Provincial credit union lending amounts were more than \$19.7 billion.
- There are more than 300 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 provincial credit unions range in asset size from \$50.48 million to more than \$7.7 billion.
- In 2023, Saskatchewan provincial credit unions returned over \$7 million to their members in the form of patronage equity contribution and dividends.
- Provincial credit unions are a major contributor to Saskatchewan's economy, employing close to 3,000 people.
- Funds held on deposit in Saskatchewan provincial 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. You can read more on the Credit Union Deposit Guarantee Corporation at [www.cudgc.sk.ca](http://www.cudgc.sk.ca)

**BRUNO SAVINGS AND CREDIT UNION LIMITED**

INCORPORATED: April 7, 1938

**OFFICERS:**

**PRESIDENT – MARK KEHRIG**

**VICE-PRESIDENT – DEBORAH KRAMER**

**SECRETARY-TREASURER – MARCEL GAUTHIER**

**DIRECTORS**

<b>NAME</b>	<b>YEARS of SERVICE</b>	<b>OCCUPATION</b>	<b>ADDRESS</b>	<b>TERM EXPIRES</b>	<b>Reg Meeting Attendance Rate</b>
Debora Kramer	7	Retired- Logistics Mgr	Bruno	2026	100%
Kristina Weiman	7	Business woman	Bruno	2026	93%
Wesley Sielski	7	Maintenance Scheduler	Prud'homme	2026	65%
Daniel Detillieux	6	Farmer	Bruno	2027	72%
Mark Kehrig	24	Farmer	Bruno	2027	86%
Elaine Urban	19	Farmer	Bruno	2027	100%
Jodi Tremel	5	Grain buyer	Bruno	2025	72%
Jenny Glessman	5	Business owner	Bruno	2025	86%
Andre Lafreniere	28	Farmer	Prud'homme	2025	72%

**STAFF**

<b>NAME</b>	<b>POSITION</b>	<b>YEARS OF SERVICE</b>
Marcel Gauthier	General Manager	21
Joan Manderscheid	Loans Officer	35
Shannon Weiman	Compliance/Credit support	25
Cheryl Solar	Payroll / Admin Support	18
Brandy Moritz	Member Service Rep	24
Susan Corbett	Office Supervisor	15
Candice Regush	Branch Supervisor	12
Larissa Reaser	Loans Officer	5
Michelle Grimard	Member Service Rep	4
Tara Cluney	Member Service Rep	3
Tracy Picouye	Snr. Member Service Rep	1
Gayle Hood	Member Service Rep	1
Jeff Mark	Loans Officer	43 (Retired in April 2023)
Lisa Weiman	Member Service Rep	Casual
Irene Cusson	Member Service Rep	Casual

**EXECUTIVE COMMITTEE**

*Mark Kehrig  
Debora Kramer  
Marcel Gauthier – Secretary*

**AUDIT COMMITTEE**

*Elaine Urban  
Mark Kehrig  
Andre Lafreniere  
Debora Kramer  
Jodi Tremel  
Marcel Gauthier – Secretary*

**CREDIT COMMITTEE**

*Jenny Glessman  
Wesley Sielski  
Marcel Gauthier  
Joan Manderscheid*

**CONDUCT REVIEW COMMITTEE**

*Kristina Weiman      Alternates:  
Jodi Tremel  
Daniel Detillieux      Secretary:*

*Jenny Glessman  
Wesley Sielski  
Marcel Gauthier*

## ***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 2023, over \$115,000 was spent on local sponsorships. Some of the groups and events that we provided support to were:

- Aberdeen School Grad Award
- Bruno School Grad Award
- Bruno Cherry Sunday
- Bruno Golf Club
- Bruno Fire Department
- Bruno Childcare Centre Inc.
- Bruno Home & School Committee
- Bruno Bible Camp
- Bruno Show & Shine
- Cudworth Childcare
- Prud'homme Community Centre
- Prud'homme Ukrainian Dance Club
- Prud'homme Fire Department
- Town of Bruno
- Vonda Ecole Providence
- Vonda School Awards
- 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 15.99%.

For tier 1 capital to risk-weighted assets the regulatory standard is 8.50%. Our board policy minimum is 9.00 and we were 15.40%.

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 15.40%.

The minimum leverage ratio is 5.00%, our board policy minimum is 6.50% and we were 10.59%.

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, 2023*

# 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, 2023, 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, 2023.

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 15, 2024.

## 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 15, 2024

The signature of MNP LLP, written in a stylized, handwritten font.

Chartered Professional Accountants

MNP LLP

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

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# Bruno Savings and Credit Union Limited

## Summary Statement of Financial Position

*As at December 31, 2023*

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	6,562,545	2,376,483
Investments	27,247,644	29,887,437
Member loans receivable	88,467,720	76,423,038
Other assets	49,691	1,159,857
Property, plant and equipment	87,915	83,789
	<b>122,415,515</b>	<b>109,930,604</b>
<b>Liabilities</b>		
Line of credit	-	1,081,093
Member deposits	109,139,919	96,445,185
Other liabilities	151,779	171,928
Membership shares	5,645	5,555
Equity accounts	423,455	446,825
	<b>109,720,798</b>	<b>98,150,586</b>
<b>Members' equity</b>		
Retained earnings	12,694,717	11,780,018
	<b>122,415,515</b>	<b>109,930,604</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, 2023*

	<b>2023</b>	<b>2022</b>
<b>Interest income</b>		
Member loans	4,214,299	3,085,332
Investments	1,960,094	1,785,207
	<b>6,174,393</b>	4,870,539
<b>Interest expense</b>		
Member deposits	3,278,116	1,300,238
Borrowed money	4,093	3,920
	<b>3,282,209</b>	1,304,158
<b>Net interest income</b>	<b>2,892,184</b>	3,566,381
<b>Provision for impaired loans</b>	<b>45,518</b>	18,183
<b>Net interest income after provision for impaired loans</b>	<b>2,846,666</b>	3,548,198
<b>Other income</b>	<b>152,844</b>	150,275
<b>Net interest and other income</b>	<b>2,999,510</b>	3,698,473
<b>Operating expenses</b>		
Personnel	985,277	927,417
Member security	109,153	92,445
Organizational	39,623	43,167
Occupancy	43,484	40,105
General business	695,530	462,060
	<b>1,873,067</b>	1,565,194
<b>Income before provision for income taxes</b>	<b>1,126,443</b>	2,133,279
<b>Provision for income taxes</b>		
Current	211,744	172,680
<b>Comprehensive income</b>	<b>914,699</b>	1,960,599

**Bruno Savings and Credit Union Limited**  
**Summary Statement of Changes in Members' Equity**  
*For the year ended December 31, 2023*

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	<i>Retained earnings</i>	<i>Total equity</i>
<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>
Comprehensive income	<b>914,699</b>	<b>914,699</b>
<b>Balance December 31, 2023</b>	<b>12,694,717</b>	<b>12,694,717</b>

**Bruno Savings and Credit Union Limited**  
**Summary Statement of Cash Flows**  
*For the year ended December 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from member loans	4,019,079	2,987,557
Interest received from investments	3,028,858	529,998
Other income received	152,844	150,275
Interest paid on deposits	(2,609,689)	(1,264,496)
Cash paid to suppliers and employees	(1,871,693)	(1,569,267)
Interest paid on borrowed money	(4,093)	(3,920)
Income taxes paid	(226,276)	(149,324)
	<b>2,489,030</b>	<b>680,823</b>
<b>Financing activities</b>		
Line of credit advances (repayments)	(1,081,093)	1,081,093
Net change in member deposits	12,026,307	5,278,653
Net change in membership shares	90	30
Net change in equity accounts	(23,370)	(9,067)
	<b>10,921,934</b>	<b>6,350,709</b>
<b>Investing activities</b>		
Net change in member loans receivable	(11,894,980)	(5,351,966)
Purchases of investments	-	(8,372,645)
Proceeds on disposal of investments	2,689,063	-
Purchases of property, plant and equipment	(18,985)	(27,879)
Advance to National Consulting Ltd.	-	(40,000)
	<b>(9,224,902)</b>	<b>(13,792,490)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>4,186,062</b>	<b>(6,760,958)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,376,483</b>	<b>9,137,441</b>
<b>Cash and cash equivalents, end of year</b>	<b>6,562,545</b>	<b>2,376,483</b>

# Bruno Savings and Credit Union Limited

## Note to the Summary Financial Statements

*For the year ended December 31, 2023*

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### 1. Basis of the Summary Financial Statements

Management has prepared the summary financial statements from the December 31, 2023 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.