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**BACU**  
**Belgian-Alliance  
Credit Union**

Annual Report **2021**

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## JOINT MESSAGE FROM THE CHAIR & CEO



**Remi Brengman**  
CHAIR, BOARD OF DIRECTORS



**Martin Trudeau**  
CHIEF EXECUTIVE OFFICER

# Planning for the Future

As we continue to navigate through another year of extraordinary times, Belgian-Alliance Credit Union (BACU) remains committed to helping both our membership and the local communities we serve by offering personalized solutions, expert advice, and competitive products and pricing.

We are proud of our history and remain true to our roots, ensuring all decisions are made with our members' best interest in mind. Whether you're buying your first home or contributing to an investment portfolio, we understand that your financial institution should be your partner throughout the process, providing the sound advice you need to fulfill your financial goals.

In 2021, our members were given an opportunity to tell their stories of how BACU helped them with their financial needs and share memorable experiences of what it means to be a member of our credit union. The number of responses received was overwhelming, and we were both humbled and honoured to read through each and every one of them. We strive to be a niche player in the financial services industry that prides itself on getting to know our members by name. It is important to the Board of Directors and our staff to establish meaningful relationships with our members, where they never feel like "just a number."

The financial services industry is changing rapidly, and it is imperative that our credit union continues to evolve along with it. With that in mind, to continue strengthening our organization, BACU has developed a strategic framework known as Vision 2025, which includes several major initiatives that are set to take place in the near future.

## JOINT MESSAGE FROM THE CHAIR & CEO

With digital transformation being at the forefront of change, coupled with our members' desire to do more of their banking from home and on the go, we are pleased to share that BACU's website will be refreshed with a new look, providing an enhanced browsing experience and a modernized online banking platform. The new website is expected to "go live" in late 2022, with online banking and mobile apps to follow in 2023.

There are multiple industry-wide financial initiatives that BACU is required to participate in. An example of this is a federally mandated change led by Payments Canada to streamline the processing of financial transactions. Rest assured that BACU will be actively working through and participating in initiatives such as this and, while we anticipate this to have a limited impact on the day-to-day operation of your accounts, we are committed to keeping you informed along the way.

Financially, 2021 was the most profitable year our credit union has experienced in the last decade, closing with a net income of \$1,058,867 before patronage refund and provision for income taxes. BACU remains well positioned for future growth, adding \$778,839 to our capital during the year, which will allow us to address inflationary pressures, adapt to the ever-changing credit union landscape, and remain dynamic for the years to come.

In recognition of the continuous support of our members throughout the year, the Board of Directors declared a patronage refund in the amount of \$80,000 to reward our member-owners, bringing the cumulative total of patronage paid to \$1,220,000 since the Belgian-Alliance Credit Union's creation in 2008. Additionally, we are proud to share that BACU has declared and paid dividends of 2.10% on all eligible surplus shares held at our credit union. It pays to be a member!

At the onset of 2021, BACU's plan for the year was to reallocate a large portion of excess liquidity into various lending products, growing our consumer and commercial portfolios. We have successfully accomplished this goal, increasing our total loans by almost 13 million dollars. Additionally, we have divested our credit union of a number of out-of-province assets in the form of brokered deposits, most of which were replaced with local member deposits.

In closing, we wish to thank you, our members, for placing your trust in us, your local credit union. We do not take this lightly. It is because of your patronage that we are able to celebrate another successful year.

We would also like to extend our sincere appreciation to the Board of Directors and BACU staff, who work tirelessly to ensure that our members receive trusted advice and competitive products and services.

We wish you a safe, healthy, and successful 2022.

Respectfully submitted,



Remi Brengman  
CHAIR



Martin Trudeau  
CHIEF EXECUTIVE OFFICER



## BOARD OF DIRECTORS



**Remi Brengman**  
CHAIR



**John Vandewater**  
VICE-CHAIR



**Joanne Mercier**  
CORPORATE SECRETARY



**Bohdana Bashuk**  
DIRECTOR



**Tom Daeninck**  
DIRECTOR



**Ian Dunne**  
DIRECTOR



**Marc Lemoine**  
DIRECTOR



**Rachelle Needham**  
DIRECTOR



**Ron Wersch**  
DIRECTOR

### HONORARY DIRECTORS

Richard Gregoire · Alfred Huyghe · Casey Van Gorp

BOARD OF DIRECTORS • MEETING ATTENDANCE

		Board Meetings	Executive Committee	Audit & Risk Management Committee	Governance Committee	Term Expires
	<b>Remi Brengman</b> CHAIR	10/10	6/6			2023
	<b>John Vandewater</b> VICE-CHAIR	10/10	6/6	5/5		2022
	<b>Joanne Mercier</b> CORPORATE SECRETARY	10/10	6/6	2/2	5/5	2024
	<b>Bohdana Bashuk</b> DIRECTOR	8/10		3/3	1/1	2022
	<b>Tom Daeninck</b> DIRECTOR	6/7			4/5	2024
	<b>Ian Dunne</b> DIRECTOR	10/10			6/6	2023
	<b>Marc Lemoine</b> DIRECTOR	9/10		4/5		2022
	<b>Rachelle Needham</b> DIRECTOR	10/10		3/3	1/1	2023
	<b>Ron Wersch</b> DIRECTOR	7/7			5/5	2024

*Board spending in 2021 on honoraria, per diems, conferences, and training totalled \$40,210*





## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying summary financial statements of BELGIAN-ALLIANCE CREDIT UNION LTD. and all the information in this annual report are the responsibility of management and have been approved by the Audit and Risk Management Committee of BELGIAN-ALLIANCE CREDIT UNION LTD.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial statements include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The BELGIAN-ALLIANCE CREDIT UNION LTD. Audit and Risk Management Committee is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by MNP LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. MNP LLP has full and free access to the Audit and Risk Management Committee.

A handwritten signature in blue ink, appearing to read "Martin Trudeau". The signature is fluid and cursive, with a large loop at the end.

Martin Trudeau  
CHIEF EXECUTIVE OFFICER



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

To the Members of Belgian-Alliance Credit Union Ltd.:

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2021, and the summary statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Belgian-Alliance Credit Union Ltd. (the "Credit Union") for the year ended December 31, 2021.

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

### 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 March 23, 2022.

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

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

### 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.

Winnipeg, Manitoba

March 23, 2022

*MNP* LLP  
Chartered Professional Accountants



ACCOUNTING > CONSULTING > TAX  
TRUE NORTH SQUARE  
242 HARGRAVE STREET, SUITE 1200, WINNIPEG MB, R3C 0T8  
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**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Financial Position**

*As at December 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Funds on hand and on deposit	25,209,679	38,985,830
Income taxes recoverable	-	8,942
Investments	1,932,593	2,173,155
Members' loans receivable	192,837,662	179,877,878
Prepaid expenses and other assets	112,301	147,816
Property, equipment and intangible assets	2,531,768	2,641,791
	<b>222,624,003</b>	<b>223,835,412</b>
<b>Liabilities</b>		
Members' savings and deposits	206,914,527	208,688,146
Accounts payable	921,029	1,236,408
Income taxes payable	120,481	-
Lease liability	207,628	256,359
Deferred taxes	110,000	83,000
	<b>208,273,665</b>	<b>210,263,913</b>
<b>Members' equity</b>		
Member shares	1,128,376	1,120,400
Provision for issue of surplus shares	80,000	40,000
Retained surplus	13,141,962	12,411,099
	<b>14,350,338</b>	<b>13,571,499</b>
	<b>222,624,003</b>	<b>223,835,412</b>

Approved on behalf of the Board of Directors

*Signed "Remi Brengman"* \_\_\_\_\_

*Signed "John Vandewater"* \_\_\_\_\_

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at [www.belgianalliancecu.mb.ca](http://www.belgianalliancecu.mb.ca).





**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Comprehensive Income**

*For the year ended December 31, 2021*

	2021	2020
<b>Financial income</b>		
Interest from members' loans	5,942,128	6,554,200
Investment income	395,213	546,726
	<b>6,337,341</b>	7,100,926
<b>Cost of funds</b>	<b>3,327,042</b>	4,325,333
<b>Financial margin</b>	<b>3,010,299</b>	2,775,593
<b>Operating expenses</b>		
Administration	678,247	739,255
Member security	197,076	198,106
Occupancy	517,206	425,863
Organizational	119,694	115,254
Personnel	1,457,895	1,575,400
<b>Gross operating expenses</b>	<b>2,970,118</b>	3,053,878
<b>Other income</b>	<b>(1,050,747)</b>	(1,041,926)
<b>Net operating expenses</b>	<b>1,919,371</b>	2,011,952
<b>Income from operations before provision for loan losses, patronage refund and income taxes</b>	<b>1,090,928</b>	763,641
Provision for loan losses	32,061	103,928
<b>Income before patronage refund and provision for income taxes</b>	<b>1,058,867</b>	659,713
Patronage refund	80,000	40,000
<b>Income before provision for income taxes</b>	<b>978,867</b>	619,713
<b>Provision for income taxes</b>	<b>230,322</b>	115,263
<b>Income and comprehensive income for the year</b>	<b>748,545</b>	504,450

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**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Changes in Members' Equity**  
*For the year ended December 31, 2021*

	<i>Member shares</i>	<i>Provision for issue of surplus shares</i>	<i>Retained surplus</i>	<i>Total equity</i>
<b>Balance December 31, 2019</b>	<b>1,118,927</b>	<b>40,000</b>	<b>11,921,266</b>	<b>13,080,193</b>
Income and comprehensive income for the year	-	-	504,450	504,450
Patronage refund	-	40,000	-	40,000
Dividend on surplus shares, net of tax savings of \$3,608	-	-	(14,617)	(14,617)
Issuance of member shares	59,930	(40,000)	-	19,930
Redemption of member shares	(58,457)	-	-	(58,457)
<b>Balance December 31, 2020</b>	<b>1,120,400</b>	<b>40,000</b>	<b>12,411,099</b>	<b>13,571,499</b>
Income and comprehensive income for the year	-	-	748,545	748,545
Patronage refund	-	80,000	-	80,000
Dividend on surplus shares, net of tax savings of \$5,045	-	-	(17,682)	(17,682)
Issuance of member shares	64,442	(40,000)	-	24,442
Redemption of member shares	(56,466)	-	-	(56,466)
<b>Balance December 31, 2021</b>	<b>1,128,376</b>	<b>80,000</b>	<b>13,141,962</b>	<b>14,350,338</b>

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**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Cash Flows**

*For the year ended December 31, 2021*

	2021	2020
<b>Operating activities</b>		
Interest received from members' loans	6,066,233	6,457,319
Interest received from investments	396,490	560,262
Other income received	1,050,747	1,041,926
Income taxes paid	(68,853)	(79,997)
Interest paid on borrowed money	(3,815,415)	(4,561,149)
Operating expenses paid	(3,006,064)	(2,167,761)
	<b>623,138</b>	<b>1,250,600</b>
<b>Financing activities</b>		
Net change in members' savings and deposits	(1,285,246)	1,181,893
Issuance of member shares	1,715	1,705
Redemption of member shares	(56,466)	(58,457)
	<b>(1,339,997)</b>	<b>1,125,141</b>
<b>Investing activities</b>		
Net change in investments	239,285	19,876,110
Net change in members' loans receivable	(13,115,950)	8,374,667
Purchases of property, equipment and intangible assets	(133,896)	(401,374)
Net lease payments	(48,731)	(52,865)
	<b>(13,059,292)</b>	<b>27,796,538</b>
<b>Increase (decrease) in funds on hand and on deposit</b>	<b>(13,776,151)</b>	<b>30,172,279</b>
<b>Funds on hand and on deposit, beginning of year</b>	<b>38,985,830</b>	<b>8,813,551</b>
<b>Funds on hand and on deposit, end of year</b>	<b>25,209,679</b>	<b>38,985,830</b>

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**Belgian-Alliance Credit Union Ltd.**  
**Notes to the Summary Financial Statements**  
*For the year ended December 31, 2021*

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**1. Basis of presentation of the summary financial statements**

Management has prepared the summary financial statements from the Credit Union's December 31, 2021 audited financial statements which can be obtained at the Credit Union. The detailed notes included in the audited financial statements are not included in these summary financial statements.

**2. Compliance with minimum capital and liquidity requirements**

Belgian-Alliance Credit Union Ltd. (the "Credit Union") is in compliance with the capital and liquidity reserve requirements at December 31, 2021 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 financial statements and notes for the year ended December 31, 2021, which contain the information detailing the calculation.

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at [www.belgianalliancecu.mb.ca](http://www.belgianalliancecu.mb.ca).



## Our History

Belgian-Alliance Credit Union lays claim to a proud tradition of dedicated member service and trust by virtue of its presence in the Manitoba Credit Union landscape over several decades. While our Credit Union continues to evolve with respect to changes in product lines, service channels and new technologies, our roots go back to the very beginnings of the credit union movement in our province.

The following chronology outlines key historical events and highlights the founding credit unions that formed the Belgian-Alliance Credit Union of today.

1943

**The Amalgamated Civil Servants of Canada (Winnipeg) Credit Union Society** (A.C.S. of C.) is incorporated to serve the financial needs of Federal Government employees working at Deer Lodge Hospital, with much of the original credit union's business conducted within the hospital building itself. A.C.S. of C. later becomes **Adanac Credit Union**.

1955

The **CBC Winnipeg Employees Credit Union** is incorporated by a group of employees at the Canadian Broadcasting Corporation. Initially located within the CBC building on Portage Avenue, it later moves to the Spence Street side of the building to allow for a separate entrance for its members. In 1994, the credit union moves to Balmoral Street and is re-named **Communicators Credit Union**.

2001

**Adanac, Communicators** and **Progress-Vera** credit unions merge to form **Alliance Credit Union** with membership opened to all. The Progress-Vera branch is moved from 627 Selkirk Avenue to its current location at 101-930 Jefferson Avenue in the Maples.

1950

**Vera Credit Union** is formed to meet the financial needs of Ukrainian-Canadians living in Winnipeg's north end. 'Vera' means to have 'belief' or 'faith' (in the credit union movement and its ideals).

1958

**Progress Credit Union** is formed. Progress and Vera credit unions amalgamate in 1981 to create the new **Progress-Vera Credit Union**.

2018

**Belgian-Alliance Credit Union** celebrates 10 years.

1939

A new financial cooperative, **Belgian Sacred Hearts Society**, is founded by Reverend Father Damas-Van Dyck to serve the financial needs of local parishioners. In 1949, the bond of association is expanded to include all peoples of Belgian or Dutch origin — and further broadened from time to time until, in 1970, it is opened up to all Manitobans. The name was changed to **Belgian Credit Union** in 1974, the same year the operation moved to a new building at 387 Provencher Boulevard.

2008

**Belgian** and **Alliance** credit unions merge to form the new **Belgian-Alliance Credit Union**, creating a stronger, unified credit union that is well poised to serve its members into the future.

## Today

Belgian-Alliance Credit Union is pleased to continue in the spirit of quality member service adhered to by each of the legacy credit unions that served members so well for 80 years.

Think of us as old friends with a fresh, new approach to the business of credit union-ing.





387 Provencher Boulevard  
204.982.3400

1177 Portage Avenue  
204.927.0460

101-930 Jefferson Avenue  
204.927.0450

[mybacu.ca](http://mybacu.ca)

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