



## Annual Report **2023**

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## JOINT MESSAGE FROM THE CHAIR & CEO



**Joanne Mercier**  
CHAIR, BOARD OF DIRECTORS



**Martin Trudeau**  
CHIEF EXECUTIVE OFFICER

# Rapid pace of change

Our industry continues to witness an elevated pace of change; one that requires a substantial increase in resources, expertise, and time. Most of the major initiatives being undertaken by your credit union are not at the request of its members, its Board, or its staff but rather by industry partners and regulators who make such requests. As a small financial institution, we are proud to acknowledge that we have coped and adapted very well to these stringent standards over the last decade; however, this comes at a cost. Being a small financial institution requires enhanced focus in certain areas to fulfill these requests, taking attention away from our most cherished assets: our members.

Your Board and Senior Leadership Team have created a comprehensive Strategic Plan called *Vision 2025* that plans for growth to allow an increase in resources to help tackle the projects yet to come. We believe the framework is sound; however, we must ensure your credit union grows to allow a larger asset base to help offset increased costs. The task is great as is the need.

In 2023, we witnessed very strong profitability as the result of increased interest rates and a strict adherence to maintaining our costs that remained in line with those in 2022. We did so even as inflation was at a level not seen in decades. As we look ahead to 2024, we do not anticipate these historical profit levels to continue due to the anticipated lowering of interest rates coupled with the repricing of our deposit portfolio which were on a shorter duration. As evidenced by most financial institutions, members Guaranteed

## JOINT MESSAGE FROM THE CHAIR & CEO

Investment Certificates (GIC) were generally placed in shorter terms, whereas mortgages were placed into longer terms resulting in a deposit portfolio repricing much sooner than the lending portfolio. This will have an impact on our results in 2024, the scope of which will depend on rate decisions being administered by the Bank of Canada. We had planned for such events by modelling dynamic interest forecasts; however, no expert had expected the rates to increase as quickly as they have in such a short period of time.

That being said, BACU will remain profitable in the new year; however, it is not projected to remain at the same level. Given the excellent results in 2023, your Board has yet again decided to refund over 10% of BACU's net profit, \$80,000 by way of patronage allocations, plus a further \$32,000 in dividends. As a cooperative that has always remained true to its roots, returning profit to its members is a key milestone for all we do. Putting people before profits is why credit unions were created.

As we close off the year, we would like to say thank you to all our staff who have accomplished tremendous success in many areas. BACU has expanded its wealth management offering, having a second Financial Advisor to help you and your loved ones plan for your retirement, registered savings account (RESP), Home Buyers Plan (HBP), and other plans. We highly encourage all members to use these services that are provided at no cost and no obligation to you and your loved ones. We believe proper planning is the key to ensuring success. Additionally, BACU's highly trained and engaged Financial Services Officers and Managers are available to help you work through all of life's responsibilities and milestones as they relate to the world of finance. You are in excellent hands!

You will notice certain changes to our staffing and the roles within our branches as we work towards achieving a better level of service and advice to our members in their financial journey. All BACU front line staff have dedicated career paths and detailed educational opportunities to allow them to advance their careers with this organization. We care about our staff and believe in them greatly, as we support them in their career journey, and we strive to be an employer of choice.

As it relates to technology, Belgian-Alliance Credit Union has implemented Interac Instant providing faster receipt of e-transfers and, therefore, quicker access to funds, installed new fibre optic communication lines at all branches along with next generation firewalls and enhanced cyber mitigation protocols to ensure a faster and safer experience for all our members. The potential for online banking cyber threats was reduced as

## JOINT MESSAGE FROM THE CHAIR & CEO

we increase layers of authentication and security; while we recognize the need to do so, we always try to do as much as possible behind the scenes to minimize any direct impact to our members.

The year also saw a renovation of our Portage Branch that rejuvenated the main floor layout to provide an enhanced member experience offering more privacy for our members. While the renovations stemmed from the need to lock the ATM vestibule when the branch was closed due to vandalism, loitering, and unsafe conditions for our members and staff, they also aligned to our strategic plan core principle of Branch Optimization. We are proud to note that these improvements have had a very positive impact, to not only this goal, but several others. Our walk-up ATM is now available 24 hours a day, seven days a week. In 2024, minor renovations will be undertaken at our Jefferson Branch to modernize its look as well!

We look to 2024 as a year of opportunity. Belgian-Alliance Credit Union is part of a joint venture known as FUSION Resources that works with two other smaller Manitoba based credit unions to help increase scale and efficiency. We are happy to note that a fourth will be joining us soon. We believe strongly in collaboration and working with our peers to achieve a satisfactory outcome as it relates to back office and administrative functions; this in fact aligns with the co-operative principles of co-ops helping co-ops. While this collaboration is helpful, we do note that many Manitoba credit unions have decided to merge rather than collaborate in an effort to find the efficiency needed to meet the ongoing changes to technology, regulations, payment modernization, anti-money laundering laws, and member expectations. At present, there are only 16 credit unions and the Caisse that remain with two larger credit unions having publicly announced their intention to review a potential merger with a much larger one to create a credit union that would be more than thirty times that of BACU, and on par in scale to Manitoba's current largest three credit unions. The times are changing quickly; however, at BACU, we believe that our members appreciate what we do and look forward to serving them in the years to come.

In closing, we thank our members for their commitment to our credit union. We ask that you share the good word and refer those whom you believe would appreciate our personalized one on one approach.

"What's important to *YOU*, matters to *US*!"

**Joanne Mercier**  
CHAIR

**Martin Trudeau**  
CHIEF EXECUTIVE OFFICER

## BOARD OF DIRECTORS



**Joanne Mercier**  
CHAIR



**John Vandewater**  
VICE-CHAIR



**Marc Lemoine**  
CORPORATE SECRETARY



**Bohdana Bashuk**  
DIRECTOR



**Remi Brengman**  
DIRECTOR



**Tom Daeninck**  
DIRECTOR



**Ian Dunne**  
DIRECTOR



**Rachelle Needham**  
DIRECTOR





**Ron Wersch**  
DIRECTOR

### HONORARY DIRECTORS

Jim Beaulieu · Richard Gregoire · Bob Seys · Casey Van Corp

BOARD OF DIRECTORS • MEETING ATTENDANCE

		Board Meetings	Executive Committee	Audit & Risk Management Committee	Governance Committee	Term Expires
	<b>Joanne Mercier</b> CHAIR	7/7	4/4			2024
	<b>John Vandewater</b> VICE-CHAIR	6/7	4/4	5/5		2025
	<b>Marc Lemoine</b> CORPORATE SECRETARY	7/7	4/4		2/2	2025
	<b>Bohdana Bashuk</b> DIRECTOR	5/7			2/2	2025
	<b>Remi Brengman</b> DIRECTOR	7/7		2/2	2/2	2026
	<b>Tom Daeninck</b> DIRECTOR	6/7		2/3		2024
	<b>Ian Dunne</b> DIRECTOR	7/7		2/2	2/2	2026
	<b>Rachelle Needham</b> DIRECTOR	4/7		5/5		2026
	<b>Ron Wersch</b> DIRECTOR	7/7		3/3		2024

Board spending in 2023 on honoraria, per diems, conferences, and training totaled \$30,421





## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit and Risk Management Committee are composed of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit and Risk Management Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

**Martin Trudeau**

CHIEF EXECUTIVE OFFICER





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

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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, 2023, 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, 2023.

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 20, 2024.

### 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 20, 2024

*MNP* **LLP**  
Chartered Professional Accountants

### MNP LLP

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

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MNP.ca



**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Financial Position**

*As at December 31, 2023*

	2023	2022
<b>Assets</b>		
Funds on hand and on deposit	38,257,263	23,232,458
Income taxes recoverable	71,477	-
Investments	2,549,765	6,975,855
Members' loans receivable	186,868,241	187,498,917
Prepaid expenses and other assets	221,225	162,116
Property, equipment and intangible assets	2,676,126	2,358,172
	<b>230,644,097</b>	<b>220,227,518</b>
<b>Liabilities</b>		
Members' savings and deposits	212,911,028	203,011,708
Accounts payable	1,468,622	1,704,778
Income taxes payable	-	38,079
Lease liability	107,102	157,924
Deferred taxes	106,000	137,000
	<b>214,592,752</b>	<b>205,049,489</b>
<b>Members' equity</b>		
Member shares	1,260,910	1,194,689
Provision for issue of surplus shares	80,000	80,000
Retained surplus	14,710,435	13,903,340
	<b>16,051,345</b>	<b>15,178,029</b>
	<b>230,644,097</b>	<b>220,227,518</b>

Approved on behalf of the Board of Directors

Signed "Joanne Mercier"

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



**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Comprehensive Income**  
*For the year ended December 31, 2023*

	2023	2022
<b>Financial income</b>		
Interest from members' loans	7,286,316	6,046,220
Investment income	2,352,525	793,653
	<b>9,638,841</b>	<b>6,839,873</b>
<b>Cost of funds</b>	<b>6,107,383</b>	<b>3,401,523</b>
<b>Financial margin</b>	<b>3,531,458</b>	<b>3,438,350</b>
<b>Operating expenses</b>		
Administration	767,479	740,740
Member security	210,490	192,440
Occupancy	576,468	519,756
Organizational	129,537	138,761
Personnel	1,669,479	1,521,105
<b>Gross operating expenses</b>	<b>3,353,453</b>	<b>3,112,802</b>
<b>Other income</b>	<b>(866,982)</b>	<b>(890,986)</b>
<b>Net operating expenses</b>	<b>2,486,471</b>	<b>2,221,816</b>
<b>Income from operations before provision for (recovery of) loan losses, patronage refund and income taxes</b>	<b>1,044,987</b>	<b>1,216,534</b>
Provision for (recovery of) loan losses	(12,597)	76,644
<b>Income before patronage refund and provision for income taxes</b>	<b>1,057,584</b>	<b>1,139,890</b>
Patronage refund	80,000	80,000
<b>Income before provision for income taxes</b>	<b>977,584</b>	<b>1,059,890</b>
<b>Provision for income taxes</b>	<b>142,655</b>	<b>273,935</b>
<b>Income and comprehensive income for the year</b>	<b>834,929</b>	<b>785,955</b>

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



**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Changes in Members' Equity**  
*For the year ended December 31, 2023*

	<i>Member shares</i>	<i>Provision for issue of surplus shares</i>	<i>Retained surplus</i>	<i>Total equity</i>
<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>
Income and comprehensive income for the year	-	-	785,955	785,955
Patronage refund	-	80,000	-	80,000
Dividend on surplus shares, net of tax savings of \$8,210	-	-	(24,577)	(24,577)
Issuance of member shares	106,032	(80,000)	-	26,032
Redemption of member shares	(39,719)	-	-	(39,719)
<b>Balance December 31, 2022</b>	<b>1,194,689</b>	<b>80,000</b>	<b>13,903,340</b>	<b>15,178,029</b>
Income and comprehensive income for the year	-	-	834,929	834,929
Patronage refund	-	80,000	-	80,000
Dividend on surplus shares, net of tax savings of \$6,307	-	-	(27,834)	(27,834)
Issuance of member shares	115,561	(80,000)	-	35,561
Redemption of member shares	(49,340)	-	-	(49,340)
<b>Balance December 31, 2023</b>	<b>1,260,910</b>	<b>80,000</b>	<b>14,710,435</b>	<b>16,051,345</b>

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**Belgian-Alliance Credit Union Ltd.**  
**Summary Statement of Cash Flows**  
*For the year ended December 31, 2023*

	2023	2022
<b>Operating activities</b>		
Interest received from members' loans	7,265,667	5,979,745
Interest received from investments	2,337,685	766,216
Other income received	866,982	890,986
Income taxes paid	(276,904)	(329,337)
Interest paid on borrowed money	(4,563,777)	(3,218,877)
Operating expenses paid	(3,384,173)	(2,133,962)
	<b>2,245,480</b>	<b>1,954,771</b>
<b>Financing activities</b>		
Net change in members' savings and deposits	8,355,714	(4,085,465)
Issuance of member shares	1,420	1,455
Redemption of member shares	(49,340)	(39,719)
	<b>8,307,794</b>	<b>(4,123,729)</b>
<b>Investing activities</b>		
Net change in investments	4,440,930	(5,015,825)
Net change in members' loans receivable	663,922	5,328,576
Purchases of property, equipment and intangible assets	(582,499)	(71,310)
Net lease payments	(50,822)	(49,704)
	<b>4,471,531</b>	<b>191,737</b>
<b>Increase (decrease) in funds on hand and on deposit</b>	<b>15,024,805</b>	<b>(1,977,221)</b>
<b>Funds on hand and on deposit, beginning of year</b>	<b>23,232,458</b>	<b>25,209,679</b>
<b>Funds on hand and on deposit, end of year</b>	<b>38,257,263</b>	<b>23,232,458</b>

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



**Belgian-Alliance Credit Union Ltd.**  
**Notes to the Summary Financial Statements**  
*For the year ended December 31, 2023*

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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, 2023 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**

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2023 established by the Deposit Guarantee Corporation of Manitoba in its Standards of Sound Business Practice.

Readers of the summary financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity compliance, the reader must refer to the audited financial statements and notes for the year ended December 31, 2023, 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 [mybacu.ca](http://mybacu.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 85 years.

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

What's important to *YOU*, matters to *US!*



387 Provencher Boulevard  
204.982.3400

1177 Portage Avenue  
204.927.0460

101-930 Jefferson Avenue  
204.927.0450

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

