



# ANNUAL REPORT 20 19



# Rosenort Credit Union Limited

## Summary Consolidated Statement of Financial Position

As at September 30, 2019

	2019	2018
<b>Assets</b>		
Funds on hand and on deposit	11,722,345	14,729,459
Investments	75,398,062	61,719,559
Loans to members	480,639,216	441,050,551
Investment in joint arrangement	598,256	494,509
Prepaid expenses and deposits	102,304	98,264
Property, equipment and intangible assets	745,554	846,191
Deferred tax assets	160,232	53,600
	<b>569,365,969</b>	<b>518,992,133</b>
<b>Liabilities</b>		
Members' savings and deposits	533,479,096	486,974,698
Income taxes payable	209,603	185,327
Accounts payable	311,885	336,960
Members' shares	576,340	372,976
	<b>534,576,924</b>	<b>487,869,961</b>
<b>Members' equity</b>		
Members' shares	7,356,680	7,707,683
Provision for issue of surplus shares	64,977	65,762
Provision for issue of preference shares	186,128	190,528
Retained surplus	27,181,260	23,048,370
Accumulated other comprehensive income	-	109,829
	<b>34,789,045</b>	<b>31,122,172</b>
	<b>569,365,969</b>	<b>518,992,133</b>

### Approved on behalf of the Board

Signed "Marcus Enns", Director

Signed "Mike Wolfe", Director

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

**Rosenort Credit Union Limited**  
**Summary Consolidated Statement of Comprehensive Income**  
*For the Year Ended September 30, 2019*

	2019	2018
<b>Financial income</b>		
Interest from loans to members	17,586,100	14,484,666
Investment income	2,005,920	1,547,466
	<b>19,592,020</b>	16,032,132
<b>Cost of funds</b>	<b>11,684,257</b>	9,081,048
<b>Financial margin</b>	<b>7,907,763</b>	6,951,084
<b>Operating expenses</b>		
Administration	916,504	869,007
Member security	434,960	389,244
Occupancy	491,767	490,659
Organizational	208,802	205,591
Personnel	2,083,052	2,048,741
<b>Gross operating expenses</b>	<b>4,135,085</b>	4,003,242
<b>Other income</b>	<b>(1,440,820)</b>	(1,455,734)
<b>Income from operations before provision for loan losses, distribution to members and income taxes</b>	<b>5,213,498</b>	4,403,576
Provision for loan losses	60,000	48,000
<b>Income before distribution to members and income taxes</b>	<b>5,153,498</b>	4,355,576
Distribution to members	11,527	7,460
<b>Income before provision for income taxes</b>	<b>5,141,971</b>	4,348,116
<b>Provision for income taxes</b>	<b>813,403</b>	675,435
<b>Income for the year</b>	<b>4,328,568</b>	3,672,681
<b>Other comprehensive income, net of tax</b>		
Change in unrealized gains on available for sale investments, net of deferred taxes of \$nil (2018 - \$10,700)	-	(71,026)
<b>Total comprehensive income for the year</b>	<b>4,328,568</b>	3,601,655

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**Rosenort Credit Union Limited**  
**Summary Consolidated Statement of Changes in Members' Equity**

*For the Year Ended September 30, 2019*

	<i>Members' shares</i>	<i>Provision for issue of Surplus Shares</i>	<i>Provision for issue of Preference Shares</i>	<i>Retained surplus</i>	<i>Accumulated other comprehensive income</i>	<i>Total equity</i>
<b>Balance September 30, 2017</b>	<b>7,953,011</b>	<b>66,713</b>	<b>189,066</b>	<b>19,587,519</b>	<b>180,855</b>	<b>27,977,164</b>
Net income for the year	-	-	-	3,672,681	-	3,672,681
Distribution to members	-	65,762	190,528	(211,830)	-	44,460
Issue of members' shares	68,863	(66,713)	(189,066)	-	-	(186,916)
Redemption of members' shares	(261,876)	-	-	-	-	(261,876)
Transfer to liabilities	(52,315)	-	-	-	-	(52,315)
Change in unrealized gains on available-for-sale-investments	-	-	-	-	(71,026)	(71,026)
<b>Balance September 30, 2018</b>	<b>7,707,683</b>	<b>65,762</b>	<b>190,528</b>	<b>23,048,370</b>	<b>109,829</b>	<b>31,122,172</b>
Net income for the year	-	-	-	4,328,568	-	4,328,568
Distribution to members	-	64,977	186,128	(195,678)	-	55,427
Issue of members' shares	67,367	(65,762)	(190,528)	-	-	(188,923)
Redemption of members' shares	(215,006)	-	-	-	-	(215,006)
Transfer to liabilities	(203,364)	-	-	-	-	(203,364)
Transfer of accumulated other comprehensive income to retained surplus	-	-	-	-	(109,829)	(109,829)
<b>Balance September 30, 2019</b>	<b>7,356,680</b>	<b>64,977</b>	<b>186,128</b>	<b>27,181,260</b>	<b>-</b>	<b>34,789,045</b>

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# Rosenort Credit Union Limited

## Summary Consolidated Statement of Cash Flows

*For the Year Ended September 30, 2019*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from loans to members	17,411,030	14,188,965
Interest received from investments	2,030,526	1,476,720
Other income received	1,337,073	1,326,225
Operating expenses paid	(3,904,082)	(3,303,913)
Interest paid on deposits	(9,770,038)	(7,425,382)
Income taxes paid	(795,727)	(615,902)
	<b>6,308,782</b>	<b>5,646,713</b>
<b>Financing activities</b>		
Net change in members' savings and deposits	44,590,179	55,299,110
Issuance of members' shares	2,880	2,150
Redemption of members' shares	(216,281)	(261,876)
Distribution to members	(190,528)	(189,066)
	<b>44,186,250</b>	<b>54,850,318</b>
<b>Investing activities</b>		
Net change in loans to members	(39,473,595)	(44,670,932)
Net change in investments	(13,869,070)	(12,367,411)
Investment in joint arrangement	-	(365,000)
Purchases of property, equipment and intangible assets	(159,481)	(152,504)
	<b>(53,502,146)</b>	<b>(57,555,847)</b>
<b>Increase (decrease) in cash resources</b>	<b>(3,007,114)</b>	<b>2,941,184</b>
<b>Cash resources, beginning of year</b>	<b>14,729,459</b>	<b>11,788,275</b>
<b>Cash resources, end of year</b>	<b>11,722,345</b>	<b>14,729,459</b>

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# Rosenort Credit Union Limited

## Notes to the Summary Consolidated Financial Statements

*For the Year Ended September 30, 2019*

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

Management has prepared the summary consolidated financial statements from the Credit Union's September 30, 2019 audited consolidated financial statements which can be obtained at the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

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

The Credit Union is in compliance with the capital and liquidity reserve requirements at September 30, 2019 established by the Regulations to The Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity, the reader must refer to the audited consolidated financial statements and notes for the year ended September 30, 2019, which contain the information detailing the calculation.