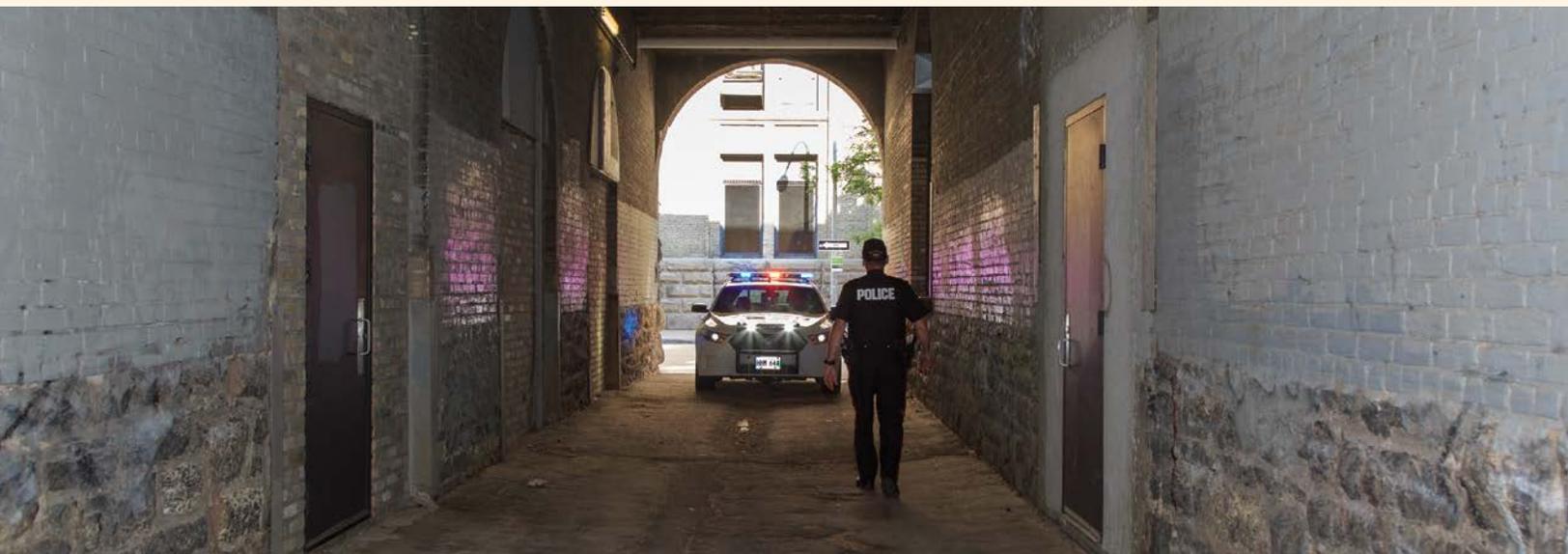


2023 Annual Report



WINNIPEG POLICE
CREDIT UNION

Protecting You and Your Money.

CORPORATE VISION

“To be the financial institution of choice to employees in the law enforcement community, their families and associates.”

CORPORATE MISSION

“To be a leader in providing a superior and professional level of financial products and services to employees of the law enforcement community, their families and associates.”

CORPORATE VALUES

Honesty and integrity

Member focused

Competitive products and superior service and advice

Innovative spirit Commitment to community – police community and credit union system

Commitment to business ethics and standards

Professional conduct in all dealings with members and suppliers

Commitment to co-operative principles

CO-OPERATIVE PRINCIPLES

Open and voluntary membership

Democratic member control

Member economic participation

Autonomy and independence

Education, training, and information

Co-operation among co-operatives

Concern for Community



**Winnipeg Police Credit Union Annual Meeting Agenda
January 24th, 2024 7:00 P.M.**

Call to order by the President
Establishment of a quorum
Welcoming of guests
Tribute to deceased members
Election of directors
Reading of the minutes of the 73rd annual meeting
Business arising out of the minutes
Director's report (President)
Chief Executive Officer's report and Auditor's report & financial statements
Service awards presentation
Appointment of auditors for 2024
Other business
Adjournment

Winnipeg Police Credit Union – Board of Directors

Maurice Sabourin, <i>President</i> (2024)	Michael Sinaisky (2025)
Andrew Zurawsky, <i>Vice Pres.</i> (2023)	Ron Smolik (2024)
David Kroeker, <i>Secretary</i> (2025)	Fred Thomas (2023)
Adam Cheadle (2024)	
Gordon Gold (2025)	

Dates in brackets indicate the year in which term of office expires.

Winnipeg Police Credit Union – Management and Staff

Executive

Cal Berzuk, MBA, *Chief Executive Officer*
Heather Kozubski, CPHR Candidate, C.I.M., C.Mgr., FCUIC, *Chief Risk Officer*

Management

Serena Goebel, *Director of Advice and Service Experience*

Staff – 300 William Ave

Pamela Carreon, *Manager, Member Services*
Karian Afanasieva-Bashmur, *Member Service Representative*
Shaunna Asselstine, *Senior Loan Administrator*
Elvira Attazada, *Senior Financial Advisor*
Efi Dimakou, *Member Service Representative*
Lorie Gregorchuck, *Controller*
Mackenzie Hamm, *Financial Service Representative*
Diane Hammerling, *Internal Audit & Compliance Officer*
Maria Jamora, *Member Communications & Administration Officer*
Paige Keen, *Loan Administrator*
Zaneta Milan, *Wealth & Commercial Relationship Advisor*
Dawn Piche, *Wealth Management Administrator*
Susanne Wilson Oko, *Financial Advisor*

HQ Branch – 230-266 Graham Ave

Kimberly Caetano, *Senior Financial Advisor*
Sharon Hrycyk, *Member Service Representative*
Wanru Wang, *Financial Service Advisor*

BOARD OF DIRECTORS REPORT

The Board of Directors' role is one of governance and we ensure that the vision, mission and values of the organization continue to be met. In addition, The Board of Directors ensure the service needs and assets of the members are met and protected, through approval of operating policies and procedures. As well, to guide the future direction for the Winnipeg Police Credit Union through the establishment of a strategic plan, and to help facilitate the organization is successful by working with the Chief Executive Officer to lead the operations of the WPCU.

This year, after 15 years on the Board, I was honoured to be selected by my peers to lead the board as the new Chair. Past Chair Gordon Gold decided not to let his name stand for the Chair position, however remained on the Board as a valued member of our team. This position has presented new challenges for me and I know I have big shoes to fill following Gordon Gold and Lawrence Klippenstein. I must thank both for their experience and mentoring over the years.

In 2023, the economic concerns not only in Canada but around the world continue to present challenges for the Credit Union. Higher interest rates combined with inflation have made everyday necessities such as food and fuel more expensive, leaving people with less expendable income. This trend has caused other financial institutions to become more competitive. The WPCU was very responsive and made numerous adjustments throughout the year to remain competitive and to supply top notch services to the members.

On top of an already busy year due to the world economics, Management and staff were kept extra busy by a routine audit conducted by the Deposit Guarantee Corporation of Manitoba. DGCM, which is a Provincial entity, oversees all credit unions to ensure they remain viable as they have a vested interest by guaranteeing all deposits. At the time of this report the results were not received, however we are confident that if any recommendations come out of the audit, they will be minor and easily addressed.

This year we are happy to report that the WPCU saw an increase in membership with quite a few of the new members coming from referrals by current members. This is very encouraging to see that current members are referring family, friends, and co-workers to become part of our family at the WPCU. The entire Board thanks you, the members, for continuing to allow the WPCU to be your trusted and experienced financial institution of choice.

Finally, The Board of Directors would like to acknowledge and thank our Chief Executive Officer Cal Berzuk, his excellent management team and staff members for their dedication and service to our members.

Maurice Sabourin
Chair
WPCU Board of Directors

On behalf of:

Vice-Chair Andy Zurawsky
Secretary David Kroeker
Director Adam Cheadle
Director Gordon Gold
Director Ron Smolik
Director Michael Sinasky
Director Fred Thomas

CEO'S REPORT

The continuation of rising interest rates throughout 2023 had a profound negative impact on 2023's financial performance. The five interest rate increases totaling 1.75% rapidly increased WPCU's cost of funds by more than thirteen percent in just three months. By contrast, over the same period the interest rates paid to WPCU members rose by less than three percent. The Bank of Canada made a total of ten increases since March 2022 with an overall interest rate increase of 4.75% in just eighteen months. The effect of this has on a financial institution is profound. While many might think that a financial institution would immediately benefit from rising interest rates, it is the opposite that occurs. As interest rates rise, so too do deposit costs. This is because of a prolonged period of historically low interest rates and a minimal spread between the one- and five-year deposit yields. Consequently, most investors maintained their cash in variable and short-term fixed instruments. As most investors have maintained a short-term investment horizon because of historically low interest rates, this means an immediate rise in deposit yields. This is a good thing for depositors but very costly for the institution. On the other side of the ledger mortgage rates were also historically low for many years and this meant borrowers have been locking in their mortgage rates for as long as possible. Again, this is good for borrowers but for the financial institution the effect poses a significant challenge.

In 2023, WPCU felt the full impact of the rapidly rising interest rates and managed through a difficult year. Costs were kept to the bare minimum, forcing some planned technology and capital projects to be put on hold until margins returned. The overall effect of the changes resulted in a slim but still positive year. This is a true testament to the strong liquidity and capital position that WPCU has always been known for. WPCU welcomed 104 new members through its doors and was therefore able to increase its financial support for WPS-related charities, fund raisers and events. WPCU is proud of its close association with the WPS sworn and civilian members. Our WPCU staff and Board members work hard to build on this trusted position to cement its place as the financial institution of choice for Winnipeg Police officers, civilian staff, their families, friends, and proud supporters.

In closing, I would like to thank the WPCU staff for their exceptional commitment, the dedicated Board of Directors for their tireless work and leadership, and mostly you, our members, for your continued loyalty. It is our pleasure to serve you.

Sincerely,
Cal Berzuk, CEO

Independent Auditors' Report

To the Members of Winnipeg Police Credit Union Limited:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at September 30, 2023, and the summary statement of comprehensive income for the year then ended, are derived from the audited financial statements of Winnipeg Police Credit Union Limited (the "Credit Union") for the year ended September 30, 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 December 20, 2023.

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

December 20, 2023


Chartered Professional Accountants

MNP LLP

True North Square

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

1.877.500.0795 T: 204.775.4531 F: 204.783.8329

Winnipeg Police Credit Union Limited

Summary Statement of Financial Position

As at September 30, 2023

	2023	2022
Assets		
Funds on hand and on deposit	7,953,986	5,626,680
Investments	27,813,531	24,464,206
Members' loans	172,857,006	180,250,421
Prepaid expenses and deposits	49,398	113,927
Income taxes recoverable	59,184	-
Property, equipment and intangible assets	2,948,014	3,153,671
	211,681,119	213,608,905
Liabilities		
Members' savings and deposits	195,863,127	198,634,323
Income taxes payable	-	1,651
Accounts payable	1,328,274	447,068
Deferred taxes	80,000	265,000
Lease liability	322,275	339,683
	197,593,676	199,687,725
Members' equity		
Members' shares	1,694,982	1,759,076
Retained surplus	12,392,461	12,162,104
	14,087,443	13,921,180
	211,681,119	213,608,905

Approved on behalf of the Board

Signed by Andrew Zurawsky

Signed David Kroeker

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at www.wpcu.ca.

Winnipeg Police Credit Union Limited

Summary Statement of Comprehensive Income

For the Year Ended September 30, 2023

	2023	2022
Financial income		
Interest from members' loans	5,743,972	5,164,271
Investment income	1,605,703	649,649
	7,349,675	5,813,920
Cost of funds	5,033,807	3,190,627
Financial margin	2,315,868	2,623,293
Operating expenses		
Administration	546,082	522,930
Member security	178,879	172,922
Occupancy	583,152	512,217
Organizational	89,539	79,116
Personnel	1,628,827	1,599,349
Gross operating expenses	3,026,479	2,886,534
Other revenue	(815,516)	(719,566)
Income from operations before provision for loan losses, patronage refund and income taxes	104,905	456,325
Provision for loan losses	30,000	27,500
Income before patronage refund and income taxes	74,905	428,825
Patronage refund	16,404	33,925
Income before provision for income taxes	58,501	394,900
Provision for income (recovery of) taxes		
Current	13,144	72,313
Deferred	(185,000)	47,000
	(171,856)	119,313
Income and comprehensive income for the year	230,357	275,587

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union or at www.wpcu.ca.

Winnipeg Police Credit Union Limited

Notes to the Summary Financial Statements

For the Year Ended September 30, 2023

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

Management has prepared the summary financial statements from the Credit Union's September 30, 2023 audited financial statements which can be obtained at the Credit Union. The statement of changes in members' equity, statement of cash flows and 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 September 30, 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, the reader must refer to the audited financial statements and notes for the year ended September 30, 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 www.wpcu.ca.



In Memoriam

Bill Bergen
Elmer Blanchard
Michelle Bourgeois
Kenneth Britton
Edna Burr
Alfonso A Carboni
Jovita De Guzman Gutierrez-Perey
Sharon Degroot
Philip Fricker
Hildegard Gowler
Howard Hicks
Doris Hogue
Danny Hutch
Jason Janz
Doris Marie Kodak
Walter Kohut
Patrica Land
William James Macdiarmid
Robert (Jack) MacDonald
Atishchandra Maniar
Maragret Milton-Penner
Carole Antoinette Naaykens
Dean Nicolson
Kenneth Owens
Edward Paulishyn
Cecil Frank Richardson
Stanley Smyth
Doreen Whitwell



WINNIPEG POLICE CREDIT UNION

Protecting You and Your Money.

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www.wpcu.ca