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

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To the Members of Casera Credit Union Limited

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2020 and the summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Casera Credit Union Limited for the year ended December 31, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on 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 March 30, 2021.

### 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.

### 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 Standard (CAS) 810, 'Engagements to Report on Summary Financial Statements'.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
March 30, 2021

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**Casera Credit Union Limited**  
**Summary Statement of Financial Position**

**December 31** **2020** **2019**

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**Assets**

Funds on hand and on deposit	\$ 21,688,515	\$ 8,472,112
Other assets	1,311,394	1,202,895
Investments	33,716,120	31,905,419
Deferred income tax asset	18,000	-
Loans to members	391,642,833	377,410,593
Property and equipment	887,423	872,398
Intangible assets	254,595	330,844
Right-of-use assets	1,504,690	1,725,756
	<u>\$ 451,023,570</u>	<u>\$ 421,920,017</u>

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**Liabilities and Members' Equity**

Income taxes payable	\$ 13,252	\$ 2,270
Other liabilities	483,895	494,379
Members' deposits	420,011,881	391,553,410
Lease liabilities	1,599,132	1,774,905
Deferred income tax liability	-	39,000
Members' shares	230,571	236,630
	<u>422,338,731</u>	<u>394,100,594</u>
<b>Members' Equity</b>		
Members' shares	3,841,395	3,932,836
Retained earnings	24,843,444	23,886,587
	<u>28,684,839</u>	<u>27,819,423</u>
	<u>\$ 451,023,570</u>	<u>\$ 421,920,017</u>

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Approved on behalf of the Board of Directors:

  
\_\_\_\_\_ Director

  
\_\_\_\_\_ Director

**Casera Credit Union Limited**  
**Summary Statement of Comprehensive Income**

For the year ended December 31	2020	2019
<b>Revenue</b>		
Interest on loans to members		
Lines of credit	\$ 673,166	\$ 992,113
Term loans	1,167,478	1,458,496
Real estate	10,711,284	10,188,933
Investment income		
Liquidity deposits	689,618	978,302
CUCM shares	75,485	80,782
Concentra shares	46,000	46,000
	<b>13,363,031</b>	<b>13,744,626</b>
<b>Cost of Funds</b>		
Interest paid to members	7,589,878	7,895,986
Interest on borrowings	-	7,985
	<b>7,589,878</b>	<b>7,903,971</b>
<b>Gross financial margin</b>	<b>5,773,153</b>	<b>5,840,655</b>
<b>Operating Expenses</b>		
Personnel	2,609,686	2,781,105
Administrative	2,348,731	2,351,814
Occupancy	957,034	1,049,484
Members' security	373,737	345,036
Organizational	225,416	242,596
Distributions to members	4,326	5,487
<b>Gross operating expenses</b>	<b>6,518,930</b>	<b>6,775,522</b>
<b>Less other income</b>	<b>2,144,968</b>	<b>2,564,622</b>
	<b>4,373,962</b>	<b>4,210,900</b>
<b>Gross operating income</b>	<b>1,399,191</b>	<b>1,629,755</b>
<b>Provision for impaired loans</b>	<b>96,408</b>	<b>12,047</b>
<b>Income before income taxes</b>	<b>1,302,783</b>	<b>1,617,708</b>
<b>Provision for income taxes</b>	<b>276,252</b>	<b>234,643</b>
<b>Net and total comprehensive income for the year</b>	<b>\$ 1,026,531</b>	<b>\$ 1,383,065</b>

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

**For the year ended December 31, 2020**

	<b>Members' Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance on December 31, 2018	\$ 4,035,903	\$ 22,591,035	\$ 26,626,938
Net income for the year	-	1,383,065	1,383,065
Distributions to members	-	(87,513)	(87,513)
Issue of members' shares	260,777	-	260,777
Redemption of members' shares	(369,469)	-	(369,469)
Transfer to liabilities	5,625	-	5,625
<b>Balance on December 31, 2019</b>	<b>3,932,836</b>	<b>23,886,587</b>	<b>27,819,423</b>
<b>Net income for the year</b>	<b>-</b>	<b>1,026,531</b>	<b>1,026,531</b>
<b>Distributions to members</b>	<b>-</b>	<b>(69,674)</b>	<b>(69,674)</b>
<b>Issue of members' shares</b>	<b>146,390</b>	<b>-</b>	<b>146,390</b>
<b>Redemption of members' shares</b>	<b>(243,890)</b>	<b>-</b>	<b>(243,890)</b>
<b>Transfer to liabilities</b>	<b>6,059</b>	<b>-</b>	<b>6,059</b>
<b>Balance on December 31, 2020</b>	<b>\$ 3,841,395</b>	<b>\$ 24,843,444</b>	<b>\$ 28,684,839</b>

## Casera Credit Union Limited

### Summary Statement of Cash Flows

For the year ended December 31	2020	2019
<b>Cash Flows from Operating Activities</b>		
Net income for the year	\$ 1,026,531	\$ 1,383,065
Adjustments for		
Interest and investment revenue	(13,363,031)	(13,744,626)
Interest expense	7,660,701	7,976,382
Depreciation expense	539,780	654,652
Provision for impaired loans	96,408	12,047
Gain on disposal of property and equipment	-	(30)
Deferred income taxes	(57,000)	(84,600)
	<u>(4,096,611)</u>	<u>(3,803,110)</u>
Change in other assets and liabilities	(118,983)	(139,719)
Change in income taxes payable	<u>306,225</u>	<u>278,067</u>
	<u>187,242</u>	<u>138,348</u>
Changes in member activities (net)		
Change in loans to members	(14,320,861)	(26,411,778)
Change in members' deposits	<u>28,871,184</u>	<u>29,342,076</u>
	<u>14,550,323</u>	<u>2,930,298</u>
Cash flows related to interest, dividends, and income taxes		
Interest received on loans to members	12,544,141	12,592,833
Interest received on investments	834,342	1,076,640
Interest paid on lease liabilities	(70,283)	(72,411)
Interest paid on members' deposits	(8,002,591)	(7,006,089)
Interest paid on borrowings	-	(7,985)
Income taxes paid	<u>(295,243)</u>	<u>(322,266)</u>
	<u>5,010,366</u>	<u>6,260,722</u>
<b>Total cash flows from operating activities</b>	<u>15,651,320</u>	<u>5,526,258</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	166,060	(586,945)
Purchase of property and equipment	(216,844)	(34,941)
Purchase of intangible assets	<u>(40,645)</u>	<u>(78,425)</u>
<b>Total cash flows used in investing activities</b>	<u>(91,429)</u>	<u>(700,311)</u>
<b>Cash Flows from Financing Activities</b>		
Issue of common, surplus and preference shares	146,390	260,777
Redemption of common and surplus shares	(243,890)	(369,469)
Dividends on shares	(69,674)	(87,513)
Principal paid on lease liabilities	<u>(176,314)</u>	<u>(171,920)</u>
<b>Total cash flows used in financing activities</b>	<u>(343,488)</u>	<u>(368,125)</u>
<b>Net increase in cash and cash equivalents</b>	<u>15,216,403</u>	<u>4,457,822</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>36,472,112</u>	<u>32,014,290</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 51,688,515</u>	<u>\$ 36,472,112</u>
<b>Comprised of the following:</b>		
Funds on hand and on deposit	\$ 21,688,515	\$ 8,472,112
Credit Union Central of Manitoba liquidity deposits	<u>30,000,000</u>	<u>28,000,000</u>
	<u>\$ 51,688,515</u>	<u>\$ 36,472,112</u>

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# **Casera Credit Union Limited**

## **Notes to Summary Financial Statements**

**For the year ended December 31, 2020**

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### **1. Basis of Presentation**

Management is responsible for the preparation of summary financial statements. The summary presented includes only the summary balance sheet, summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows. It does not include any notes to the financial statements. The summary balance sheet, summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

Copies of the December 31, 2020 audited financial statements are available at the Credit Union's head office at 1300 Plessis Road, Winnipeg Manitoba or online at [www.caseracu.ca](http://www.caseracu.ca).

### **2. Compliance with Minimum Capital and Liquidity Requirements**

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2020 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 including notes for the year ended December 31, 2020, which contain the information detailing the calculations.