

Minnedosa Credit Union Limited
Summary Financial Statements
For the year ended December 31, 2016

Independent Auditors' Report

To the Members of Minnedosa Credit Union Limited:

The accompanying summary financial statements of Minnedosa Credit Union Limited, which comprise the summary statement of financial position as at December 31, 2016, and the summary income statement, statements of changes in members' equity and cash flows for the year then ended are derived from the audited financial statements of Minnedosa Credit Union Limited for the year ended December 31, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated March 13, 2017.

The Summary statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Minnedosa Credit Union Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation and fair presentation of these summary financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these summary financial statements based on procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, these summary financial statements, derived from the audited financial statements of Minnedosa Credit Union Limited for the year ended December 31, 2016 are a fair summary of those financial statements.

Report on Other Legal and Regulatory Requirements

As at December 31, 2016, the Credit Union met the capital and liquidity reserve requirements established by Sections 15, 21, and 21(1) of 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 reserve requirements, the reader must refer to the audited financial statements and notes for the year ended December 31, 2016.

Brandon, Manitoba

March 13, 2017

MNP LLP

Chartered Professional Accountants

Minnedosa Credit Union Limited

Summary Statement of Financial Position

As at December 31, 2016

	2016	2015
Assets		
Cash and cash equivalents	5,073,750	4,537,288
Accounts receivable	1,057	6,175
Investments and accrued interest	38,132,434	31,590,134
Members' loans receivable and accrued interest	83,135,780	79,342,625
Income taxes recoverable	-	19,557
Prepaid expenses	245,119	186,604
Property and equipment	353,413	325,562
Deferred tax	10,000	10,000
	126,951,553	116,017,945
Liabilities		
Member deposits and accrued interest	114,705,633	104,456,394
Income taxes payable	41,454	-
Accounts payable	828,269	769,517
	115,575,356	105,225,911
Members' equity		
Member shares	2,063,681	2,072,819
Retained earnings	9,312,516	8,719,215
	11,376,197	10,792,034
	126,951,553	116,017,945

Approved on behalf of the Board

Signed "Dan Mendrikis"

Director

Signed "Bjarni Walterson"

Director

Minnedosa Credit Union Limited
Summary Income Statement
For the year ended December 31, 2016

	2016	2015
Interest income		
Member loans	3,319,973	3,214,869
Investments	712,319	858,217
	4,032,292	4,073,086
Interest expense		
Cost of funds	1,194,282	1,216,399
	2,838,010	2,856,687
Gross financial margin		
Operating Expenses		
Administration	506,714	525,305
Amortization	72,211	50,974
Member security	113,130	105,365
Occupancy	133,749	154,568
Organizational	117,124	96,001
Personnel	1,257,001	1,267,352
	2,199,929	2,199,565
Net operating income	638,081	657,122
Other income	422,381	209,274
Income before provision for (recovery of) impaired loans, patronage refund and income taxes	1,060,462	866,396
Provision for (recovery of) impaired loans	57,056	(3,860)
Income before patronage refund and income taxes	1,003,406	870,256
Patronage refund	260,000	300,000
Income before income taxes	743,406	570,256
Income taxes		
Current	150,105	82,089
Deferred	-	(1,000)
	150,105	81,089
Net income	593,301	489,167

Minnedosa Credit Union Limited
Summary Statement of Changes in Members Equity
For the year ended December 31, 2016

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2014	2,038,767	8,230,048	10,268,815
Net income	-	489,167	489,167
Patronage refund	300,000	-	300,000
Issuance of member shares	765	-	765
Redemption of member shares	(266,713)	-	(266,713)
Balance December 31, 2015	2,072,819	8,719,215	10,792,034
Net income	-	593,301	593,301
Patronage refund	260,000	-	260,000
Issuance of member shares	950	-	950
Redemption of member shares	(270,088)	-	(270,088)
Balance December 31, 2016	2,063,681	9,312,516	11,376,197

Minnedosa Credit Union Limited
Summary Statement of Cash Flows
For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	3,321,808	3,252,910
Interest and dividends received from investments	723,216	871,940
Service charges and other income received	427,499	205,921
Payments to suppliers and employees	(2,127,481)	(2,368,400)
Interest paid to members	(1,207,381)	(1,206,442)
Income taxes paid	(89,094)	(43,398)
	1,048,567	712,531
Financing activities		
Net change in member deposits	10,262,338	(2,738,219)
Issuance of member shares	950	765
Redemption of member shares	(270,088)	(266,713)
	9,993,200	(3,004,167)
Investing activities		
Net change in members' loans receivable	(3,852,046)	(4,920,506)
Purchases of investments	(6,553,197)	-
Proceeds on disposal investments	-	6,978,868
Purchases of property and equipment	(100,062)	(64,806)
	(10,505,305)	1,993,556
Increase (decrease) in cash and cash equivalents	536,462	(298,080)
Cash and cash equivalents, beginning of year	4,537,288	4,835,368
Cash and cash equivalents, end of year	5,073,750	4,537,288