

Minnedosa Credit Union Limited
Summary Financial Statements
For the year ended December 31, 2017

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, 2017, 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, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated March 14, 2018.

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, 2017 are a fair summary of those financial statements.

Report on Other Legal and Regulatory Requirements

As at December 31, 2017, 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, 2017.

Brandon, Manitoba

April 3, 2018

MNP LLP

Chartered Professional Accountants

Minnedosa Credit Union Limited
Summary Statement of Financial Position

As at December 31, 2017

	2017	2016
Assets		
Cash and cash equivalents	1,534,324	5,073,750
Accounts receivable	23,028	1,057
Investments and accrued interest	38,285,797	38,132,434
Members' loans receivable and accrued interest	89,367,023	83,135,780
Income taxes recoverable	33,313	-
Prepaid expenses	287,686	245,119
Property and equipment	341,678	353,413
Deferred tax	10,000	10,000
	129,882,849	126,951,553
Liabilities		
Member deposits and accrued interest	117,139,312	114,705,633
Income taxes payable	-	41,454
Accounts payable	883,548	828,269
	118,022,860	115,575,356
Members' equity		
Member shares	2,028,708	2,063,681
Retained earnings	9,831,281	9,312,516
	11,859,989	11,376,197
	129,882,849	126,951,553

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, 2017

	2017	2016
Interest income		
Member loans	3,320,008	3,319,973
Investments	802,302	712,319
	4,122,310	4,032,292
Interest expense		
Cost of funds	1,363,517	1,194,282
	2,758,793	2,838,010
Gross financial margin		
Operating Expenses		
Administration	554,926	506,714
Amortization	74,595	72,211
Member security	102,948	113,130
Occupancy	147,472	133,749
Organizational	130,028	117,124
Personnel	1,259,686	1,257,001
	2,269,655	2,199,929
Net operating income	489,138	638,081
Other income	357,728	422,381
Income before provision for impaired loans, patronage refund and income taxes	846,866	1,060,462
Provision for impaired loans	17,308	57,056
Income before patronage refund and income taxes	829,558	1,003,406
Patronage refund	220,000	260,000
Income before income taxes	609,558	743,406
Income taxes		
Current	90,793	150,105
Net income	518,765	593,301

A full set of audited financial statements is available from the Credit Union

Minnedosa Credit Union Limited
Summary Statement of Changes in Members Equity
For the year ended December 31, 2017

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total equity</i>
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
Net income	-	518,765	518,765
Patronage refund	220,000	-	220,000
Issuance of member shares	750	-	750
Redemption of member shares	(255,723)	-	(255,723)
Balance December 31, 2017	2,028,708	9,831,281	11,859,989

Minnedosa Credit Union Limited
Summary Statement of Cash Flows
For the year ended December 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	3,306,768	3,321,808
Interest and dividends received from investments	765,354	723,216
Service charges and other income received	335,757	427,499
Payments to suppliers and employees	(2,172,808)	(2,127,481)
Interest paid to members	(1,373,993)	(1,207,381)
Income taxes paid	(165,560)	(89,094)
	695,518	1,048,567
Financing activities		
Net change in member deposits	2,444,155	10,262,338
Issuance of member shares	750	950
Redemption of member shares	(255,723)	(270,088)
	2,189,182	9,993,200
Investing activities		
Net change in members' loans receivable	(6,235,397)	(3,852,046)
Purchases of investments	(116,415)	(6,553,197)
Purchases of property and equipment	(72,314)	(100,062)
	(6,424,126)	(10,505,305)
Increase (decrease) in cash and cash equivalents	(3,539,426)	536,462
Cash and cash equivalents, beginning of year	5,073,750	4,537,288
Cash and cash equivalents, end of year	1,534,324	5,073,750