

**Prairie Mountain Credit Union Ltd.**  
**Summary Financial Statements**

*September 30, 2011*

## Report of the Independent Auditors' on the Summary Financial Statements

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To the Members of Prairie Mountain Credit Union Ltd.:

The accompanying summary financial statements of Prairie Mountain Credit Union Ltd., which comprise the summary balance sheet as at September 30, 2011 and the summary statements of income and retained surplus and cash flows, are derived from the audited financial statements of Prairie Mountain Credit Union Ltd. for the year then ended. We expressed an unmodified audit opinion on those financial statements in our report dated December 21, 2011.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Prairie Mountain Credit Union Ltd.

### *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 Canadian generally accepted accounting principles.

### *Auditors' Responsibility*

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

### *Opinion*

In our opinion, the summary financial statements derived from the audited financial statements of Prairie Mountain Credit Union Ltd. for the year ended September 30, 2011 are a fair summary of those financial statements, in accordance with Canadian generally accepted accounting principles.

Brandon, Manitoba  
December 21, 2011

*MNP LLP*

Chartered Accountants

**Prairie Mountain Credit Union Ltd.**  
**Summary Balance Sheet**  
*As at September 30, 2011*

	<i>2011</i>	<i>2010</i>
<b>Assets</b>		
Funds on hand and on deposit	7,163,953	5,612,394
Investments and accrued interest	7,043,651	7,047,997
Member loans receivable and accrued interest	33,594,555	28,804,332
Other assets	33,657	31,562
Property and equipment	286,709	216,311
	<b>48,122,525</b>	41,712,596
<b>Liabilities</b>		
Member deposits and accrued interest	44,894,648	38,904,416
Accounts payable and accrued liabilities	283,931	258,068
	<b>45,178,579</b>	39,162,484
<b>Retained surplus and members' equity</b>		
Member shares	845,695	848,202
Retained surplus	2,098,251	1,701,910
	<b>2,943,946</b>	2,550,112
	<b>48,122,525</b>	41,712,596

Approved on behalf of the Board



Director



Director

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

**Prairie Mountain Credit Union Ltd.**  
**Summary Statement of Income and Retained Surplus**

*For the year ended September 30, 2011*

	2011	2010
<b>Financial income</b>		
Member loans	1,780,517	1,604,521
Investments	312,025	289,959
	<b>2,092,542</b>	<b>1,894,480</b>
<b>Cost of funds</b>		
Deposits	929,035	844,034
Borrowed money	158	1,202
	<b>929,193</b>	<b>845,236</b>
<b>Financial margin</b>	<b>1,163,349</b>	<b>1,049,244</b>
<b>Operating expenses</b>		
Administration	367,290	340,359
Member security	86,316	101,993
Occupancy	103,515	94,436
Organizational	40,077	79,436
Personnel	479,937	493,973
	<b>1,077,135</b>	<b>1,110,197</b>
<b>Other revenue</b>	<b>363,584</b>	429,991
<b>Income from operations before patronage refund</b>	<b>449,798</b>	369,038
<b>Patronage refund</b>	-	100,000
<b>Income before income taxes</b>	<b>449,798</b>	269,038
<b>Provision for income taxes</b>	<b>53,457</b>	42,691
<b>Net income</b>	<b>396,341</b>	226,347
<b>Retained surplus, beginning of year</b>	<b>1,701,910</b>	1,475,563
<b>Retained surplus, end of year</b>	<b>2,098,251</b>	1,701,910

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**Prairie Mountain Credit Union Ltd.**  
**Summary Statement of Cash Flows**

*For the year ended September 30, 2011*

	<b>2011</b>	<b>2010</b>
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<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Interest received from member loans	1,756,040	1,629,872
Interest received from investments	316,371	334,350
Service charges and other income received	363,661	437,157
Income taxes paid	(52,591)	(35,093)
Interest paid to members	(886,452)	(864,924)
Interest paid on borrowed money	(158)	(1,202)
Operating expenses paid	(1,030,549)	(1,052,042)
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	<b>466,322</b>	<b>448,118</b>
<b>Financing</b>		
Net change in member deposits	5,947,649	4,457,094
Issuance of member shares	940	655
Redemption of member shares	(3,447)	(7,435)
	<hr/>	<hr/>
	<b>5,945,142</b>	<b>4,450,314</b>
<b>Investing</b>		
Net change in loans receivable	(4,765,746)	(3,094,037)
Proceeds on disposal of investments	-	897,848
Purchase of property and equipment	(102,126)	(19,132)
Proceeds on disposal of property and equipment	7,967	-
	<hr/>	<hr/>
	<b>(4,859,905)</b>	<b>(2,215,321)</b>
<b>Increase in cash resources</b>	<hr/>	<hr/>
	<b>1,551,559</b>	<b>2,683,111</b>
<b>Cash resources, beginning of year</b>	<hr/>	<hr/>
	<b>5,612,394</b>	<b>2,929,283</b>
<b>Cash resources, end of year</b>	<hr/>	<hr/>
	<b>7,163,953</b>	<b>5,612,394</b>

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