

Prairie Mountain



Credit Union



1941 - 2016

From Yesterday until Today - 75 Years of Excellence



September 30, 2016 Summary Financial Statements

Building Relationships Today For A Better Future Tomorrow

Independent Auditors' Report

To the Members of Prairie Mountain Credit Union Ltd.:

The accompanying summary financial statements of Prairie Mountain Credit Union Ltd., which comprise the summary statement of financial position as at September 30, 2016, and the summary income statement and summary statement of changes in members equity and cash flows for the year then ended 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 date November 10, 2016.

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 summary 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 our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these summary financial statements, derived from the audited financial statements of Prairie Mountain Credit Union Ltd. for the year ended September 30, 2016 are a fair summary of those financial statements.

Report on Other Legal and Regulatory Requirements

As at September 30, 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 consolidated 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 consolidated financial statements and notes for the year ended September 30, 2016.

Brandon, Manitoba

November 10, 2016

MNP LLP

Chartered Professional Accountants

Prairie Mountain Credit Union Ltd.
Summary Statement of Financial Position

As at September 30, 2016

	2016	2015
Assets		
Cash and cash equivalents	10,656,215	5,615,863
Investments and accrued interest	5,778,531	6,857,221
Members' loans receivable and accrued interest	50,743,620	54,047,157
Property and equipment	3,635,694	3,762,152
Prepaid expenses	78,816	72,081
	70,892,876	70,354,474
Liabilities		
Member deposits and accrued interest	65,358,048	62,331,170
Income tax payable	23,051	1,770
Accounts payable	481,124	392,942
Term loan payable and accrued interest	-	3,000,219
Deferred tax liabilities	27,000	23,000
	65,889,223	65,749,101
Members' equity		
Member shares	824,744	831,452
Retained earnings	4,178,909	3,773,921
	5,003,653	4,605,373
	70,892,876	70,354,474

Approved on behalf of the Board

Signed by "Bernard Plessis"
Director

Signed by "Robert Killam"
Director

Prairie Mountain Credit Union Ltd.
Summary Income Statement
For the year ended September 30, 2016

	2016	2015
Interest income		
Member loans	2,177,144	2,214,706
Investments	241,160	173,699
	2,418,304	2,388,405
Interest expense		
Deposits	974,929	1,010,961
Interest on borrowed money	1,812	219
	976,741	1,011,180
Gross financial margin	1,441,563	1,377,225
Operating Expenses		
Administration	427,801	433,962
Amortization	151,704	146,997
Member security	65,684	65,212
Occupancy	143,436	152,013
Organizational	27,755	22,167
Personnel	573,747	564,127
	1,390,127	1,384,478
Net operating income (loss)	51,436	(7,253)
Other income	374,497	344,666
Income before provision for (recovery of) impaired loans and income taxes	425,933	337,413
Provision for (recovery of) impaired loans	(28,106)	1,432
Income before income taxes	454,039	335,981
Provision for income taxes		
Current	45,051	25,770
Deferred	4,000	12,000
	49,051	37,770
Net income	404,988	298,211

Prairie Mountain Credit Union Ltd.
Summary Statement of Changes in Equity
For the year ended September 30, 2016

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance September 30, 2014	833,547	3,475,710	4,309,257
Net income	-	298,211	298,211
Issuance of member shares	645	-	645
Redemption of member shares	(2,740)	-	(2,740)
Balance September 30, 2015	831,452	3,773,921	4,605,373
Net income	-	404,988	404,988
Issuance of member shares	695	-	695
Redemption of member shares	(7,403)	-	(7,403)
Balance September 30, 2016	824,744	4,178,909	5,003,653

Prairie Mountain Credit Union Ltd.
Summary Statement of Cash Flows
For the year ended September 30, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	2,190,011	2,179,858
Interest and dividends received from investments	245,616	178,879
Service charges and other income received	374,497	344,666
Operating expenses paid	(1,158,734)	(1,121,381)
Interest paid to members	(949,621)	(1,034,324)
Interest paid on borrowed money	(1,812)	(219)
Income taxes paid	(23,770)	(16,841)
	676,187	530,638
Financing activities		
Net change in member deposits	3,001,570	4,300,092
Proceeds from issuance of member shares	695	645
Payments for redemption of member shares	(7,403)	(2,740)
Term loan advanced	-	3,000,000
Repayments of term loan payable	(3,000,000)	-
	(5,138)	7,297,997
Investing activities		
Net change in members' loans receivable	3,318,776	(4,121,031)
Purchases of investments and accrued interest	-	(4,202,635)
Proceeds on disposal investments and accrued interest	1,075,773	-
Purchases of property and equipment	(25,246)	(135,810)
	4,369,303	(8,459,476)
Increase (decrease) in cash resources	5,040,352	(630,841)
Cash resources, beginning of year	5,615,863	6,246,704
Cash resources, end of year	10,656,215	5,615,863