



**ACU** 2016 Annual Report







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***Money doing more*** isn't just the line that appears along with our logo. It's the guiding statement that represents the way we do business, what our business means to our members, and how it impacts the communities in which they live. *Money doing more* guides our actions and influences the products we create and the experience we provide our members and business partners. It helps us focus on developing opportunities that allow us to accomplish more as we invest in our community.

This year's annual report highlights stories from actual ACU members. Their stories demonstrate what *money doing more* means to them, and how they turn their membership and partnership with ACU into success stories for the communities and people around them.

ACU is built on a long and rich tradition of doing more for our members and the communities in which we all live. Now, like never before, we have the opportunity to share our values and our passion for doing more. Celebrate all that it means to be part of ACU. Discover your own *money doing more* stories and share them with us as we continue to create positive impact in our credit union and our community.



## Message from the Chair of the Board



With my second year as Chair of the Board complete, I am excited to say that 2016 was a successful year on many fronts for ACU. As a financial co-operative we continued to use our financial success to add value to our services for our members and to create positive impact in our community.

This past year saw the creation of a new corporate strategic plan for 2017 – 2020. This plan is a great example of the vision the Board has set for ACU, providing goals, objectives and strategies for the coming years as we navigate through these ever-changing times in our industry.

A personal highlight for me was when ACU made a public commitment to reconciliation at a national reconciliation gathering in Winnipeg. Part of this commitment is our participation in a collaborative research project led by the Aboriginal Council of Winnipeg, designed to help make the co-operative model more meaningful to Indigenous people. We are also contributing a grant of \$50,000 over three years to support the Merchant's Corner project, which includes educational programs and affordable housing in Winnipeg's North End.

In 2016, our commitment to values-based banking continued, stronger than ever. As part of our membership in the Global Alliance for Banking on Values (GABV), I was able to attend its annual general meeting in Amsterdam via conference call. I heard many examples of what other members of this global organization are doing to promote values-based banking in their part of the world. This sharing of ideas has proven invaluable to ACU as we move ahead with our own efforts to develop a stronger co-operative through our commitment to values-based banking, and become an even greater positive influence in our local communities.

At last year's ACU annual meeting, one new Board member was elected. We welcome James Magnus-Johnston to our Board. He brings years of experience in economics and finance, as well as vast experience with community-based and international organizations. Leaving us was long-time Board member and former Chair, Margaret Day. We thank Margaret for her dedicated work providing steady leadership and guidance during her tenure.



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*The creation of affordable housing will remain a priority for us as we seek projects that strengthen our communities by providing homes for people who are most in need.*

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Looking forward, 2017 promises to be very exciting. As your Board, we will continue to deliver financial services to as many as possible. We will strengthen our commitment to reconciliation through continued participation in various programs and initiatives. The creation of affordable housing will remain a priority for us as we seek projects that strengthen our communities by providing homes for people who are most in need.

As Chair of the Board, I work with a dedicated group of people who are passionate about serving ACU members. We get to know you not only by meeting and talking to you as neighbours and business associates, but also through visiting our branches, volunteering at community events, and networking with you throughout the year and at our annual meeting. Please know that we remain dedicated and focused on maintaining this personal engagement with you as we go forward.

On behalf of your Board of Directors, thank you to all our members for your trust in us as we guide your financial co-operative into the future. Thank you to my fellow Directors for their dedicated service on the various committees that keep our credit union focused and on track. Thank you as well to our Executive Management team, management and all employees as they work hard to ensure we remain a strong, growing credit union. I'm looking forward to 2017 and all the excitement it brings.

**Vera Goussaert** | Chair of the ACU Board of Directors



# 2016 ACU Board of Directors



**Vera Goussaert** | *Chair*



**Nicole Ritchot** | *Vice Chair*



**Dennis Anderson** | *Director*



**Wilbur Coates** | *Director*



**Kevin Freedman** | *Director*



**Crystal Laborero** | *Director*



**Paul Lecap** | *Director*



**Garry Loewen** | *Director*



**James Magnus-Johnston** | *Director*



**Alain Molgat** | *Director*



## ACU Governance Report Summary

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*By engaging in discussions on strategic topics, the Board is ensuring a strong understanding of issues that may impact ACU and our stakeholders in the future.*

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ACU is a values-based financial co-operative committed to doing business in a way that is financially sound and socially, environmentally and ethically responsible. Our democratically elected Board of Directors is accountable to our over 115,000 members and is committed to governing ethically and transparently. The ACU Board takes great care to consider the impact of business decisions on members, employees, the environment and the communities ACU serves, while using its expertise and resources to help foster self-reliant and sustainable communities.

In 2016, the Board developed a strategic plan that sets the direction for the next four years. It also increased and strengthened dialogue with members of the community through visits to ACU branches, attendance at community events and active involvement in social media. The Board also oversaw the successful implementation of the governance roadmap for integrating values-based banking throughout ACU. By engaging in discussions on strategic topics, the Board gained a strong understanding of issues that may impact ACU and our stakeholders now, and in the future.

2017 will be just as busy. In the coming year the Board will continue its commitment to strong governance by: participating in an annual planning session; overseeing the ACU enterprise risk management system; participating in credit union system initiatives through leadership and insight; and continuing to assess its own performance as your Board.

With solid governance leading the way, ACU is able to achieve its vision, and demonstrate in a tangible way what *money doing more* is all about.



[Click here to view 2016 detailed information.](#)



MEMBER STORY

## *Urban Circle Training Centre*



## *The wellness of one is the wellness of all.*

In 1990, a small group of women from Winnipeg's North End were volunteering at a second-hand clothing outlet and wanted to get training that would lead to full-time employment. Together with the help of the volunteer coordinator, they put together a proposal for funding and the first 6-month training program for 12 women was launched. From that very modest beginning grew Urban Circle Training Centre, now one of the most successful Indigenous training programs in Manitoba.

Eleanor Thompson, founder and Director of Finance and Development of Urban Circle, and Haven Stumpf, Director of Operations, have no doubt about the positive impact the organization creates in the community. "Accessible education is key to social transformation and is the foundation upon which communities can build," says Thompson. "Kids see their parents' pride in identity and their accomplishment in getting an education and they want expect the same thing for themselves. The positive ripple effect is undeniable," says Stumpf. Urban Circle now has over 150 students enrolled annually in certified training programs and over 85% of these students graduate successfully and secure full time employment or go on to post-secondary education. The teachings of the Elders are at the heart of Urban Circle's holistic educational model and graduates point to this as the reason for their success.

Urban Circle offers grade 12 completion, Red River College certified courses in Nursing Assistant, Educational Assistant and Family Support Worker, as well as training in the trades, providing Indigenous people with the starting point to access Red Seal certified apprenticeship programs. An Indigenous perspective is offered, grounded in the seven sacred teachings – Truth, Humility, Love, Wisdom, Respect, Courage and Honesty. An on-site day care allows families to remain close and parents to feel less stress knowing their kids are being cared for while they attend classes. An intergenerational model offers parents, grandparents, children and Elders an opportunity to learn Indigenous language together and to celebrate life in community.

But it wasn't always an easy road. When it came to two major capital projects to build a permanent home on Selkirk Avenue, the organizers discovered that no financial institution was willing to help them get started... until they met with ACU. "All this could not have happened without ACU," says Thompson. "They recognized the wealth of human resources in the Indigenous community; and if you invest in the Indigenous community, it will have a positive effect on all of society."

ACU stepped in and worked with Urban Circle, gave them the original loan needed for their first capital project, set up a flexible account to run their business, and established the business relationship that is still thriving today. Now Urban Circle invests with ACU, and its students not only learn money management skills in the Financial Savings Circle program, but they bank with ACU as well.

"ACU cares about the community and has helped grow the financial self-sufficiency not only of Urban Circle, but of the people in the community we serve," says Stumpf.

“*ACU cares about the community and has helped grow the financial self-sufficiency of not only Urban Circle, but of the people in the community we serve.*”

MEMBER STORY

# Manitoba Green Retrofit



## *Stability leads to change for the better.*

In 2011, Lucas Stewart started a movement in Winnipeg's North End; a movement that is not only still alive, but is now stronger than ever. That year, he started Manitoba Green Retrofit, a not for profit social enterprise that, on the surface, renovates and repairs where people live, but actually helps repair and build people's lives.

While in a previous job with Child and Family Services, Stewart recognized that life would be hard for the kids he saw on a daily basis and wondered what he could do to help. What would it take to help the parents of these kids and maybe help put families back together.

"What provides stability in people's lives?" asked Stewart. "Jobs; they provide confidence and success, and dramatically increase a person's self worth." Stewart recognized that without jobs, people wondered where they fit in, and that's when they would begin to lose hope and perhaps succumb to the lure of gang life.

Stewart saw an opportunity and through MGR, he began providing an entry into the labour market that would not otherwise be available. Over 35 workers are now trained and employed in construction and renovation skills, providing key services to clients like Manitoba Housing. MGR offers a range of services that are designed to meet market conditions and demands. Most employees have children, so the jobs MGR takes on are generally Monday to Friday, 9 to 5, in order to support maintaining a strong family life.

Assiniboine Credit Union has been there since day one. "ACU has the same values that we have here," said Stewart. "We went to them first, and we've been with them every step of the way." ACU supplied the mortgage for the office space and continues to supply a line of credit based on monthly receivables.

Stewart has created a supportive, empathetic and mentoring environment. MGR is like a family to its employees and has a support system that includes marriage counselling and financial literacy training. "We provide adult jobs and our employees are treated like adults, sometimes for the first time in their lives," says Stewart. "They get a handshake

and a personal 'thank-you' with every paycheque. We treat them with respect, but we expect them to do the job," he adds. "People noticeably change when they work here. They behave differently, they dress differently, they talk differently. It's quite a thing to witness."

Over the years, MGR has helped train many workers who then move on to the private sector, working with contractors in all areas of construction trades. "What we've created here is a variation of what the typical social enterprise looks like," says Stewart. "And what we provide definitely has a dollar value to society. By helping people, training them and giving them work, we help make a very real and positive impact on Winnipeg neighbourhoods and on society as a whole."

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*What provides stability in people's lives?  
Jobs; they provide confidence and success, and dramatically increase a person's self-worth.*

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## Message from the President and Chief Executive Officer



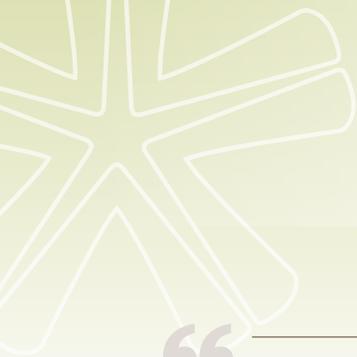
*Money doing more.* This simple statement began to come into sharper focus at Assiniboine Credit Union in 2016. As a financial co-operative we're here to deliver financial services to our members; provide a mortgage, help start a business, help save for the future. But what more can we do for our members and the communities where we all live? I'm proud to say that this past year, ACU embodied the message behind *money doing more* by creating more positive impact in your communities than ever before. This year's annual report highlights a few inspirational member stories that demonstrate in a real way what *money doing more* is all about.

To no one's surprise, 2016 saw significant changes in the financial services industry. Continued pressure from a low interest rate environment, changes to Canada Mortgage and Housing Corporation (CMHC) regulations, constant technological advances, and ever-shrinking financial margins meant we had to work harder than ever to meet your needs and operate a successful co-operative. Through it all we kept pace, enhanced the banking experience for our members, and increased our efficiency in using your resources.

In 2016, we saw loan growth of 7.7% and total asset growth of \$187 million or 4.5%. This growth resulted in increased revenues and, combined with reasonable expense management, enabled ACU to improve profitability. This increased profitability helped to strengthen our equity levels, which is a core regulatory requirement.

As well, I'm very proud to report that in 2016, ACU was the highest ranked credit union in customer service rankings for Canadian financial institutions and brokerage firms, according to the Surviscor Service Level Assessment review. This is testament not only to the level of service ACU is committed to as an organization, but speaks directly to the dedication of each and every employee.

Our commitment to values-based banking influences every fibre of our business; from how we interact with our members, to the products we offer, to the decisions we make regarding community support. Through that commitment we continue to fund local initiatives like Merchant's Corner, affordable housing through Habitat for Humanity and the Old Grace Housing Co-operative project, financial literacy programs, and hundreds of hours volunteered by our employees. We led the way in providing banking services



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*We led the way in providing banking services to those underserved by any other financial institution, and in providing loans to foreign-trained professionals helping them get their credentials recognized here in Canada.*

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to those underserved by any other financial institution, and in providing loans to foreign-trained professionals helping them get their credentials recognized here in Canada.

In 2016, ACU was recognized as a Manitoba Top Employer; we were awarded Manitoba Start Partner of the Year in recognition for our role in employing new Canadians; and we were acknowledged as one of Canada’s greenest employers. In 2016, ACU also received the National Community Economic Development Award for opening a branch in the North End of Winnipeg. The prestigious award focuses national attention on the leadership role credit unions play in inspiring others to shape promising futures within their communities.

Going forward, we have many new initiatives being launched. For our members, we will be introducing mobile pay to enable more convenient, secure digital options to access their money, and we are simplifying and enhancing our chequing and saving account packages. From an employee point of view, we’re excited to launch the comprehensive Being Assiniboine program. This is an immersive three-day session designed to instill the ACU mission, vision and values in order to provide a more powerful and positive experience for our members, our business partners and our communities. All of this is meant to enhance our capabilities to serve you better, while maintaining significant investment in our neighbourhoods.

On behalf of the ACU Executive Management team, I thank all our members, our Board, the management team and all employees for your continued support and trust. 2017 will undoubtedly be another challenging year of change and increased competition. I’m excited to face it head on and I look forward to the opportunity to increase our shared success.

**Kevin Sitka** | *President and Chief Executive Officer*



**ACU  
Executive  
Management  
Team**



**Kevin Sitka**  
*President and Chief Executive Officer*



**Allan Godfrey**  
*Executive VP and Chief Financial  
and Risk Officer*



**Jennifer Mullen-Berube**  
*Executive VP and Chief Brand and  
Innovation Officer*



**Diane Bourns**  
*VP Sales and Service*



**Kim Champion Taylor**  
*VP People Solutions*



**Audrey Maeren**  
*VP Governance and Strategic  
Initiatives*



**Craig Peel**  
*VP Sales and Service*



**Brendan Reimer**  
*Strategic Partner, Values-Based  
Banking*



**Michael Taylor**  
*VP Finance and Administration*



## ACU Operations Report Summary

Operating one of the largest credit unions in Manitoba is no small task. The day-to-day management of our business as a financial co-operative requires a dedicated leadership team that guides the services we provide to our members. Our triple bottom line of people, planet and prosperity is at the heart of how we do business as we actively use financial services for the benefit of our members, employees, communities, the environment, and our own business success.

We work hard to attract and retain quality people who build and nurture trusting relationships with our members, and foster strong, self-reliant communities. We employ sound environmental practices because we recognize that our long-term social and economic well-being depends on the well-being of the entire ecosystem, and we actively encourage members, employees and other partners to support these efforts. We also strive to remain competitive in the marketplace, leveraging our prosperity to benefit our members and the community at large.

As we go forward into 2017, we will continue to promote additional ways for our members to actively engage with ACU, we will work to enhance the member experience whether in-branch or through digital channels, and we will continue to promote the values of ACU and truly showcase what *money doing more* is all about.



[Click here to view 2016 detailed information.](#)

*Money doing more.*



**Assiniboine**™

CREDIT UNION

MEMBERSHIP

***True North  
Sports + Entertainment***



***“As with a number of founding stakeholders, MTS Centre would not exist without ACU and their leadership role.” - John Olfert, True North Sports + Entertainment.***

Back in 2001, the seed of a dream was planted. That’s when Winnipeg-based True North Sports + Entertainment decided to take a bold step and begin the long process of building a new downtown arena. The owners of the Manitoba Moose had formed a partnership with the owners of a prime piece of downtown real estate. They had secured additional private investment capital, and convinced the three levels of government to get on Board. But to get the project off the ground, they still needed a major lender at the table.

“In the beginning, we met with a variety of financial institutions from Canada and the U.S., but the best fit was with ACU,” said John Olfert, Executive Vice President and Chief Operating Officer of True North Sports + Entertainment. “People may have forgotten how challenging it was back then. Lending was tight. But at the time, ACU was not only willing to listen, they were willing to take a chance on what was largely an unproven business model,” he added.

In the face of skepticism regarding the project and the fear of the unknown expressed by many, ACU made a strong business case for getting involved. The private and public partnership saw the completion of the MTS Centre in 2004, a structure that is now viewed by many as the anchor of the ongoing downtown redevelopment Winnipeg is currently experiencing. The venue not only houses two professional hockey teams, but hosts dozens of world-class concerts and events, and is consistently rated as one of the best venues in North America from a customer experience point of view. Right from the start, True North and ACU developed a mutual trust and loyalty that remains to this day. “As with a number of founding stakeholders, MTS Centre would not exist without ACU and their leadership role,” adds Olfert.

In 2010, after two years of development and construction, True North opened the MTS Iceplex, a facility that added four NHL regulation size rinks, 177,000 square feet of year-round multipurpose area, and 12,000 hours of ice annually to the community. Once again, ACU was there providing the lending to build the vital infrastructure for this community project. “The True North vision includes the phrase ‘to be a consistent source of pride in our community’, and over the years, ACU has shown that it shares this vision,” said Olfert.

“  
*We met with a variety of financial institutions from Canada and the U.S., but the best fit was with ACU.*  
”

The positive economic and social impact created by these two projects alone is undeniable. Winnipeg’s downtown has undergone and continues to enjoy a revitalization not seen in decades. And the MTS Iceplex is fulfilling its role as a hub of community activity and sport. When asked to comment on ACU forging a relationship with True North back in 2001, Mark Chipman, Executive Chairman of True North, had this to say, “The relationship [with ACU] since, has been phenomenal. They were wonderful to deal with in the development phase and continue to be in the operational phase.” As True North continues to invest in the community, ACU remains a strong and committed partner.



MEMBER STORY

## *Southeast Collegiate*



*It's not about a high school education. It's about the future of people.*

On the surface, Southeast Collegiate (SEC) is a place of learning that provides an excellent high school education for Indigenous students from all over Manitoba who choose SEC for its programming. But upon closer inspection, you quickly discover it is so much more.

“Students increase their self-esteem and develop the courage to do what they want to do,” says Sheryl McCorrister, Director/Principal of Southeast Collegiate.

The school, located on the southern edge of Winnipeg, is a fully-contained campus that is home to just over 160 students in grades 10 – 12. For 10 months of the year, Southeast Collegiate is their home, providing them with a place to live, an education, recreation, SEC Teen Clinic, extra-curricular activities and a social network. “The students are leaving home when they come here. That’s a big step for a 14 year old,” adds McCorrister. “This school is really their surrogate family.”

Aside from the standard provincial curriculum, Southeast Collegiate teaches life skills. Indigenous and truth and reconciliation studies have been implemented across the curriculum. Courses in power mechanics and auto CAD and digital film, as well as their main courses are all delivered in a nurturing and supportive environment. Indigenous culture is used in virtually every course offered and traditional ceremonies and visits from elders are essential for the growth and development of the students.

ACU has been a financial partner of the school since its early stages. Initial funding and on-going financing has brought the two partners closer together. ACU has provided students with bank accounts which helps them prepare for post-secondary life outside SEC. “ACU has always helped us when we needed it. They are dedicated and there for us, and that means a lot,” adds McCorrister.

Currently, ACU is helping to finance a brand new school being built on the campus grounds. It is set to open in January, 2018 and will feature larger more modern dormitories; new classrooms including life skills classrooms that will provide evening programming for the students; and a new regulation size gym.

The success of Southeast Collegiate is undeniable. Its graduation rate is 97% with an average grade of 83%. It boasts a retention rate of over 80% with an average graduating class size of 35 students. What are they doing right? “We continually ask the students what they want out of their school,” says McCorrister. “We work in teams and teach the kids about the importance of teamwork in daily life. Our goal is to make learning fun. We want the students to want to be here,” she adds. All indications are that Southeast Collegiate is succeeding, and ACU is proud to be involved.

“*ACU has always helped us when we needed it. They are dedicated and there for us, and that means a lot.*”



## ACU Non-Financial Results Summary

Non-financial results are important measures of our business success and include key social and environmental data that provide a meaningful and transparent picture of our overall performance as a financial co-operative. Each year, we strive to improve on every level, from limiting our environmental impact to creating a diverse and inclusive workplace. The level of support given to the community by businesses has a direct influence on how vibrant that community will be. That's why we look out for the financial well-being of our members and their communities, and why we invest in the other aspects of life that contribute to their overall well-being. We made significant contributions to community grants and sponsorships (see detail below); we added over 700 new members through community partnerships; and we grew financial services that created positive social or environmental impact by up to \$345 million. In doing this, we know we can continue to create a credit union that is strong, vibrant and personifies what *money doing more* is all about.

In 2016, ACU contributed nearly a half-million dollars towards sponsorships and grants:

2016 Category	Grants	Sponsorships	Total
Community Renewal	\$197,500	\$78,650	\$276,150
Environmental Sustainability	\$32,800	\$4,150	\$36,950
Community Enterprise Development	\$66,500	\$10,500	\$77,000
Leadership in Corporate Social Responsibility (CSR) and Values-Based Banking (VBB)	\$47,000	\$12,050	\$59,050
<b>TOTALS</b>	<b>\$343,800</b>	<b>\$105,350</b>	<b>\$449,150</b>



[Click here to view 2016 detailed information.](#)

# ACU 2016 Financial Highlights

In 2016, ACU experienced both loan and deposit growth. With the increased loan growth came increased revenues. Operating expenses decreased in the year and when coupled with increased revenues, an improvement in both profitability and efficiency ratios was achieved.

## Growth

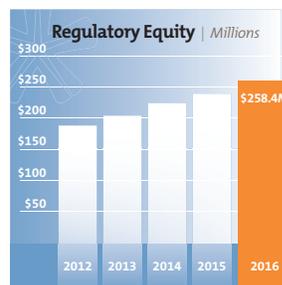
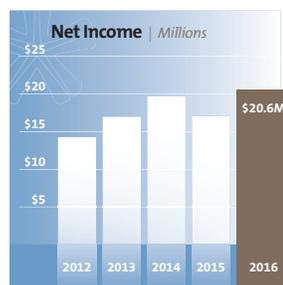
ACU ended the year with assets totaling \$4.4 billion, which is an increase of \$187 million or 4.5% over the prior year. The loan portfolio grew \$266 million or 7.7%. Loan growth was achieved in both the consumer and commercial lending categories. Consumer lending increased \$101 million or 3.4% with the growth driven by consumer mortgages. Commercial lending increased \$165 million or 25.6% and was driven by mortgage growth. The deposit portfolio grew to \$3.9 billion, an increase of \$98 million or 2.6% over the previous year. Deposit growth was primarily realized in savings deposits. Growth was achieved from personal members, businesses, organizations and Outlook Financial, the virtual division of ACU.

## Profitability

ACU generated net income of \$20.6 million. This profitability was positively impacted by an increase in financial margin and other income of 4.2%, while operating expenses decreased 1.3%. As a result of increased revenue and reduced operating expenses, our efficiency ratio improved to 70.7%.

## Equity

ACU ended 2016 with regulatory equity of \$258 million, which represents an increase of \$19 million or 8.1% over 2015. Regulatory equity, which includes total equity and member shares, now equates to 5.9% of assets. These equity measures are all in excess of regulatory requirements. A strong equity position ensures ACU has the financial strength and capacity to support growth and to make the necessary investments to meet the needs of our members and our communities.



March 30, 2017

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

To the Members of  
Assiniboine Credit Union Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2016 and the summary consolidated statements of net income and comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Assiniboine Credit Union Limited for the year ended December 31, 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 30, 2017.

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

### **Management's Responsibility for the Summary Consolidated Financial Statements**

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Note 1.

### **Auditor's Responsibility**

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

### **Opinion**

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Assiniboine Credit Union Limited for the year ended December 31, 2016 are a fair summary of those consolidated financial statements, on the basis described in Note 1.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

PricewaterhouseCoopers LLP  
One Lombard Place, Suite 2300  
Winnipeg, MB, Canada R3B 0X6  
T: +1 204 926 2400  
F: +1 204 944 1020

"PwC" refers to PricewaterhouseCoopers LLP,  
an Ontario limited liability partnership.

## Summary Consolidated Statement of Financial Position

As at December 31, 2016 (in thousands of dollars)

	2016 \$	2015 \$
<b>Assets</b>		
Cash on hand and on deposit	97,083	114,180
Investments	511,400	573,117
Loans to members	3,719,497	3,453,965
Other assets	16,902	15,179
Property, equipment and intangible assets	17,723	19,512
Deferred income tax asset	966	825
	<hr/>	<hr/>
Total assets	4,363,571	4,176,778
<b>Liabilities</b>		
Members' deposits	3,930,610	3,832,555
Accounts payable	13,763	11,563
Mortgage securitization liabilities	159,894	93,421
Income tax payable	886	233
Members' shares	11,001	11,392
Shares to be issued	124	129
	<hr/>	<hr/>
Total liabilities	4,116,278	3,949,293
<b>Members' Equity</b>		
Members' shares	16,315	16,588
Shares to be issued	571	581
Contributed surplus	35,633	35,633
Retained surplus	194,774	174,683
	<hr/>	<hr/>
Total equity	247,293	227,485
	<hr/>	<hr/>
<b>Total liabilities and equity</b>	<b>4,363,571</b>	<b>4,176,778</b>

Approved by the Board of Directors

 Director

 Director

# Summary Consolidated Statement of Net Income and Comprehensive Income

For the year ended December 31, 2016 (in thousands of dollars)

	2016 \$	2015 \$
<b>Revenues</b>		
Interest from loans to members	118,789	118,364
Investment income	10,670	8,818
	129,459	127,182
<b>Cost of funds</b>		
Interest paid to members and other	67,269	66,398
<b>Financial margin</b>	62,190	60,784
<b>Other income</b>	28,942	26,708
<b>Financial margin and other income</b>	91,132	87,492
<b>Operating expenses</b>		
Administration	17,268	19,268
Member security	3,389	3,227
Occupancy	8,512	8,906
Organizational	2,235	2,034
Personnel	33,019	31,814
	64,423	65,249
<b>Gross operating margin</b>	26,709	22,243
<b>Allowance for loan loss</b>	(2,167)	(1,799)
<b>Dividends on surplus shares</b>	(124)	(129)
<b>Net income before income taxes</b>	24,418	20,315
<b>Provision for (recovery of) income taxes</b>		
Current	3,984	3,230
Deferred	(141)	(121)
	3,843	3,109
<b>Net income and comprehensive income for the year</b>	20,575	17,206

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at [assiniboine.mb.ca](http://assiniboine.mb.ca)

## Summary Consolidated Statement of Changes in Members' Equity

For the year ended December 31, 2016 (in thousands of dollars)

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
<b>Balance at January 1, 2016</b>	16,588	581	35,633	174,683	227,485
Net income and comprehensive income for the year	—	—	—	20,575	20,575
Dividends on preference shares	—	571	—	(484)	87
Members' shares					
Issued	581	(581)	—	—	—
Redeemed	(854)	—	—	—	(854)
<b>Balance at December 31, 2016</b>	16,315	571	35,633	194,774	247,293

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
<b>Balance at January 1, 2015</b>	16,729	669	35,633	157,975	211,006
Net income and comprehensive income for the year	—	—	—	17,206	17,206
Dividends on preference shares	—	581	—	(498)	83
Members' shares					
Issued	669	(669)	—	—	—
Redeemed	(810)	—	—	—	(810)
<b>Balance at December 31, 2015</b>	16,588	581	35,633	174,683	227,485

## Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2016 (in thousands of dollars)

	2016 \$	2015 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income and comprehensive income for the year	20,575	17,206
Items not affecting cash		
Depreciation	2,746	3,124
Allowance for loan loss	2,167	1,799
Loss on disposal of property and equipment	–	101
Gain on disposal of property held for sale	–	(500)
Deferred income taxes	(141)	(121)
Dividends on surplus shares	124	129
Impairment of intangible asset	–	2,592
	25,471	24,330
Net change in non-cash working capital items		
Investments – accrued interest	34	(106)
Loans to members – accrued interest	(238)	222
Other assets	(1,723)	(1,853)
Income taxes	653	(428)
Members' deposits – accrued interest	(1,384)	335
Accounts payable	2,200	(867)
	(458)	(2,697)
Loans to members – net of repayments	(267,461)	(107,945)
Members' deposits – net of withdrawals	99,439	304,509
Net change in investments	61,683	(273,803)
	(106,339)	(77,239)
	(81,326)	(55,606)
<b>Investing activities</b>		
Purchase of property and equipment and intangibles	(957)	(549)
Proceeds on disposal of property held for sale	–	910
Proceeds on disposal of property and equipment	–	16
	(957)	377
<b>Financing activities</b>		
Net increase in mortgage securitization	66,473	62,097
Net increase (decrease) in common shares	(15)	6
Redemption of surplus shares	(505)	(513)
Redemption of preference shares, net of taxes	(767)	(727)
	65,186	60,863
<b>Net increase (decrease) in cash on hand and on deposit</b>	(17,097)	5,634
<b>Cash on hand and on deposit – Beginning of year</b>	114,180	108,546
<b>Cash on hand and on deposit – End of year</b>	97,083	114,180

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at [assiniboine.mb.ca](http://assiniboine.mb.ca)



# Notes to the Summary Consolidated Financial Statements

December 31, 2016

## 1 Basis of the summary consolidated financial statements

Management has prepared the summary consolidated financial statements from the December 31, 2016 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards (“IFRS”). The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summarized consolidated financial statements is in agreement with the related information in the complete consolidated financial statements and that the summarized consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

## 2 Compliance with minimum capital and liquidity requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2016 established by 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, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2016, which contain the information detailing the calculation.



*Urban Circle Training Centre is now  
one of the most successful Indigenous  
training programs in Manitoba.*



*The MTS Iceplex provides 12,000 hours of ice time annually to the community.*

