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**TURTLEFORD CREDIT UNION LIMITED**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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**Vantage**  
CHARTERED PROFESSIONAL ACCOUNTANTS

# TURTLEFORD CREDIT UNION LIMITED

## FINANCIAL STATEMENTS

DECEMBER 31, 2015

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## MANAGEMENT REPORT

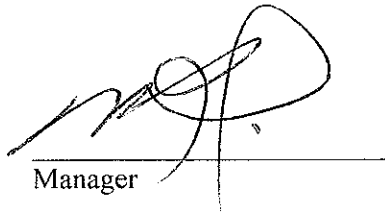
Turtleford Credit Union Limited  
Report of Management

Management has the responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles in making objective judgments and estimates in accordance with International Financial Reporting Standards.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained.

Ultimate responsibility for the financial statements to members lies with the board of directors.

External auditors appointed by the board audit the financial statements. The external auditors report directly to the board and their report follows. The external auditors have full and free access to the board of directors to discuss their audit and their findings as to the integrity of the credit union's financial reporting and the adequacy of the system of internal controls.



Manager

March 21, 2016



## INDEPENDENT AUDITORS' REPORT

The Members  
Turtleford Credit Union Limited  
Turtleford, Saskatchewan

We have audited the accompanying financial statements of Turtleford Credit Union Limited, which comprise the statement of financial position as at December 31, 2015, the statements of profit, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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, the financial statements present fairly, in all material respects, the financial position of Turtleford Credit Union Limited as at December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Professional Accountants

North Battleford, Saskatchewan  
March 21, 2016


# TURTLEFORD CREDIT UNION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 4)	\$ 2,353,280	\$ 1,652,215
Investments (Note 5)	23,162,235	24,833,720
Loans (Note 6)	49,362,991	46,289,457
Other assets (Note 8)	16,862	2,828
Income taxes recoverable	32,607	
Future income taxes	14,413	14,134
Property, plant and equipment (Note 7)	<u>1,032,854</u>	<u>1,046,429</u>
	<u>\$ 75,975,242</u>	<u>\$ 73,838,783</u>
<b>LIABILITIES</b>		
Deposits (Note 9)	\$ 70,202,835	\$ 68,535,627
Current income tax payable		45,386
Other liabilities	23,375	25,428
Membership shares (Note 11)	<u>630,753</u>	<u>647,735</u>
	70,856,963	69,254,176
<b>EQUITY</b>		
Retained earnings	<u>5,118,279</u>	<u>4,584,607</u>
	<u>\$ 75,975,242</u>	<u>\$ 73,838,783</u>

APPROVED ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See accompanying notes

# TURTLEFORD CREDIT UNION LIMITED

## STATEMENT OF PROFIT FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b>INTEREST INCOME</b>		
Loan and lease interest	\$ 2,360,130	\$ 2,316,356
Investments	<u>301,239</u>	<u>277,860</u>
	<u>2,661,369</u>	<u>2,594,216</u>
<b>INTEREST EXPENSE</b>		
Borrowed money	9,024	7,247
Deposits	<u>559,645</u>	<u>518,867</u>
	<u>568,669</u>	<u>526,114</u>
<b>NET INTEREST INCOME</b>	2,092,700	2,068,102
Provision for credit losses	<u>(30,000)</u>	<u>(30,000)</u>
<b>NET INTEREST MARGIN</b>	<u>2,062,700</u>	<u>2,038,102</u>
<b>NON - INTEREST INCOME</b>	<u>324,120</u>	<u>373,341</u>
<b>OPERATING EXPENSES</b>		
Personnel	902,674	835,614
Security	77,006	73,358
Organizational	54,089	48,779
Occupancy	100,584	105,383
General business	<u>615,073</u>	<u>571,841</u>
	<u>1,749,426</u>	<u>1,634,975</u>
<b>PROFIT BEFORE PROVISION FOR INCOME TAX</b>	637,394	776,468
Income tax expense (Note 17)	<u>103,722</u>	<u>136,072</u>
<b>PROFIT FOR THE YEAR</b>	<u>\$ 533,672</u>	<u>\$ 640,396</u>

See accompanying notes

# TURTLEFORD CREDIT UNION LIMITED

## STATEMENT OF RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
RETAINED EARNINGS at beginning of year	\$ 4,584,607	\$ 3,944,211
Profit for the year	<u>533,672</u>	<u>640,396</u>
RETAINED EARNINGS at end of year	<u>\$ 5,118,279</u>	<u>\$ 4,584,607</u>

See accompanying notes

# TURTLEFORD CREDIT UNION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Profit for the year	\$ 533,672	\$ 640,396
Items not requiring cash		
Provision for credit losses	30,000	30,000
Amortization	<u>78,580</u>	<u>65,260</u>
	<u>642,252</u>	<u>735,656</u>
Net change in non-cash working capital		
Decrease (increase) in other assets	(46,920)	81
Increase (decrease) in other liabilities	<u>(47,439)</u>	<u>14,896</u>
	<u>(94,359)</u>	<u>14,977</u>
Cash flows provided by operating activities	<u>547,893</u>	<u>750,633</u>
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Decrease (increase) in investments	1,671,487	(6,102,418)
Increase in loans	(3,103,535)	(2,432,450)
Additions to property, plant and equipment	<u>(65,005)</u>	<u>(30,922)</u>
Cash flows used by investing activities	<u>(1,497,053)</u>	<u>(8,565,790)</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Increase in deposits	1,667,207	7,216,068
Decrease in membership shares	<u>(16,982)</u>	<u>(13,961)</u>
Cash flows provided by financing activities	<u>1,650,225</u>	<u>7,202,107</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	701,065	(613,050)
<b>CASH AND CASH EQUIVALENTS at beginning of year</b>	<u>1,652,215</u>	<u>2,265,265</u>
<b>CASH AND CASH EQUIVALENTS at end of year</b>	<u>\$ 2,353,280</u>	<u>\$ 1,652,215</u>

See accompanying notes



# TURTLEFORD CREDIT UNION LIMITED

## SCHEDULE OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b>PERSONNEL</b>		
Salaries	\$ 589,297	\$ 548,632
Employee benefits	124,692	112,312
Other	<u>188,685</u>	<u>174,670</u>
	<u>902,674</u>	<u>835,614</u>
<b>SECURITY</b>		
CUDGC assessment	61,467	54,977
Other	<u>15,539</u>	<u>18,381</u>
	<u>77,006</u>	<u>73,358</u>
<b>ORGANIZATIONAL</b>		
SaskCentral dues	22,768	22,781
Officials development and travel	21,212	17,848
Other	<u>10,109</u>	<u>8,150</u>
	<u>54,089</u>	<u>48,779</u>
<b>OCCUPANCY</b>		
Building amortization	47,019	54,050
Building maintenance and insurance	13,534	13,995
Other	<u>40,031</u>	<u>37,338</u>
	<u>100,584</u>	<u>105,383</u>
<b>GENERAL BUSINESS</b>		
Advertising and member education	42,213	39,978
Audit fees	35,397	33,904
Clearing fees and service charges	52,865	50,912
Courier	12,584	37,726
Data processing	113,788	89,242
Equipment amortization	31,561	11,211
Equipment maintenance and insurance	2,151	4,164
Office supplies	22,931	23,676
Other	249,600	233,297
Research and development	20,819	20,347
Telephone and postage	<u>31,164</u>	<u>27,384</u>
	<u>615,073</u>	<u>571,841</u>
	<u>\$ 1,749,426</u>	<u>\$ 1,634,975</u>

See accompanying notes