

Serving YOU since 1952

MAIN BRANCH

1016 Rosser Avenue
Brandon, Manitoba R7A 0L6
Phone 729-4800

Open:
Monday to Thursday 9:00 a.m. to 5:00 p.m.
Friday 9:00 to 5:30 p.m.
Saturday 10:00 to 2:00 p.m.

ATM on-site

ON-LINE BANKING – MEMBER DIRECT

www.crocuscu.mb.ca

PHILLIPS INSURANCE AGENCY LTD.

B - 510 1st Street
Brandon, Manitoba R7A 2X1
Phone 727-0709

THOMAS MALL BRANCH

742 18th Street
Brandon, Manitoba R7A 5B5
Phone 729-4820

Open:
Monday to Friday 10:00 a.m. to 6:00 p.m.

ATM on-site

BOARD OF DIRECTORS:

Term expires:

D'Arcy Barker – President	2018
Tony DeVliegere – Vice-President	2017
Todd Burton – Secretary	2018
Sharon Maguire	2016
Rod Ficek	2016
Rae Smith	2016
Quentin Derhak	2017
JoAnn Pasklivich	2018



STAFF:

Martina Adams – Member Service Representative (MSR)
Jamie Antonation, ACUIC – Manager of Accounting, Technology & Wealth Management
Morgan Belcher, Accounting Clerk
Neal Boyce, FCUIC, CFP – Manager of Wealth Management
Arlene Cairns – Consumer Loans Officer
Luis Chorro Martinez - Business Development Officer, Ethnic Market
Krista Corrigan – MSR
Amanda Ellis – Loans Clerk
Arnie Guist, FCUIC – Chief Executive Officer
Susan Harris – Wealth Management Specialist
Courtney Jewar – Loans Clerk (on maternity leave)
Shirley Kozoroski – MSR/Receptionist
Melanie Krauss-Wakely – Member Service Supervisor
Chevon Laylor – MSR
Kelsey Levandoski – Investment Assistant
Jennifer Lowe – Loans Clerk
Jennifer Maguire – Loans/Clearing Clerk
Caralee Marsh – Manager of Member Service & Administration
Tom Maxwell - Loans Manager
Courtney Millar – MSR (on maternity leave)
Ingrid Miron de Cruz – Loans Clerk
Darcie Monk - MSR
Corelei Poyser – Commercial Loans Officer
Glenda Ross – Team Lead, Member Services
Mandi Shaw – Consumer Loans Officer
Debra Smith – MSR
Kerry van Buskirk - MSR
Alycia White – Consumer Loans Officer (on maternity leave)



AGENDA

CROCUS CREDIT UNION ANNUAL GENERAL MEETING DECEMBER 14, 2016

Welcome and Call to Order

1 minute silence in honor of departed Crocus members

Motion regarding quorum

Minutes of Previous Meeting (December 10, 2015)

Introduction of Board, Staff & Guests

Introduction of parliamentarian and legal counsel

Door Prizes

- Reports:
- 1) President
 - 2) CEO
 - 3) Audit Committee -motion regarding appointment of auditor
 - 4) Nomination Committee
 - 5) Announcement re: new Board of Directors

Door Prizes

Presentation of Long-term Service Awards

Acknowledgement of retiring Staff & Directors

Questions & Answers

Door Prizes

Adjournment

PRESIDENT'S REPORT

“Not the biggest. Simply the best.” is more than a tagline for Crocus Credit Union. The average credit union in Manitoba is \$782 million in asset size. This is over 6.5 times the size of Crocus, so that means our Crocus staff have to work harder in the face of competitive challenges in order to provide our members with maximum benefits

The Board of Directors, together with our staff, are constantly investigating and modeling how best to deliver value to our members. We're consistently analyzing new product developments of the “Large Credit Union Group”, the 10 largest credit unions in the entire country, to see how best to cost-effectively deliver their new offerings to our own members. At Crocus, we don't believe our size should ever stand in the way of offering our members everything they can reasonably get anywhere else.

For instance, Crocus Credit Union has an advanced Wealth Management division, including top external Asset Managers through Credential Asset Management. With some of our anticipated staffing changes in this area, Crocus will expand the accommodation of asset management and financial planning needs of our full membership.

In July 2016, Crocus Credit Union also expanded its membership offering by creating a subsidiary that purchased the majority interest of Phillips Insurance Agency Ltd. (Unit B- 510 1st Street, Brandon; corner of Victoria Ave. and 1st Street). That means our full membership will now benefit from full general insurance services, including Autopac, home and commercial insurance, and travel insurance. Phillips Insurance represents a strategic direction for diversification and provides our members excellent shareholder value.

Crocus continues to examine our interest rates for both our depositors and borrowers in a continued low-interest environment. While the election of Donald Trump in the United States may cause some short-term interest rate increases south of the border, it remains unseen whether that will translate to much change in Canada. Also, the recent Federal mortgage rule changes (stress-testing to ensure borrowers can withstand interest rate increases) will also not affect Crocus members because for the last 3 decades, Crocus Loans Officers have actually been applying this stress-testing to all of our borrowers as part of their loans and mortgages. Truth be told, the Federal Government likely copied us!

How is Crocus' equity? The key word is: stable. We are mindful of the new financial ratios that Crocus must follow, and how that will affect our competitiveness in the market. But one thing is certain; Crocus will continue to deliver maximum member shareholder value while honoring our required commitments to our deposit guarantor, Deposit Guarantee Corporation of Manitoba.

On behalf of the Board of Directors and our amazing staff, I thank you, our member, for growing with us, investing with us, borrowing from us, and now, insuring with us. Your ownership in Crocus allows all of this to happen. We thrive because of you.

Respectfully,

D'Arcy E. Barker, B.Sc., REBC

President, Crocus Credit Union Limited

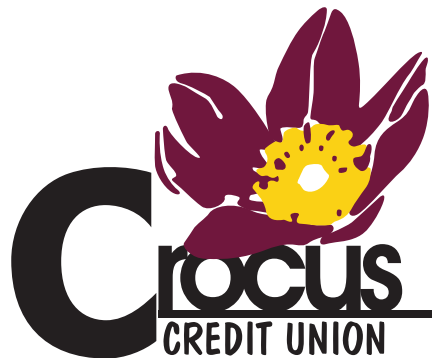
DIRECTORS & OFFICERS DISCLOSURE

Statutory provisions of the Credit Unions and Caisses Populaires Act of Manitoba require the disclosure of the aggregate remuneration paid to all Directors; the aggregate amount paid to Directors for reimbursement of expenses and the details of any loans made to Directors or Officers which do not conform to the Credit Union's ordinary lending practices.

The following is the disclosure of remuneration and expenses for the Board of Directors and Officers for the year ending September 30, 2016:

Aggregate amount of Board of Directors honoraria and per diems	\$13,500
Aggregate amount of Board of Directors related expenses	\$ 1,642
Aggregate amount of Board of Directors meeting, training & conference costs	\$11,685
Aggregate amount of benefits in loan interest foregone or discounted to Board of Directors	0.00
TOTAL	\$26,827

There were no loans advanced to Directors or Officers that did not conform to the Credit Union's ordinary lending practices.



MISSION STATEMENT

To be a dynamic, socially responsible, co-operative financial organization that provides personal, quality service to our membership and community. Not the biggest; simply the best!

BOARD OF DIRECTORS' ATTENDANCE – OCTOBER 1, 2015 TO SEPTEMBER 30, 2016

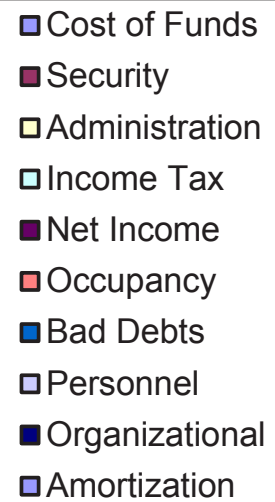
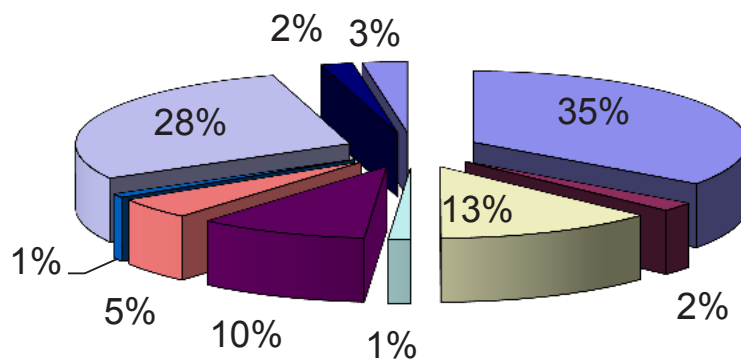
Director	Board Meetings	Audit Committee	Nominating Committee	CEO Performance Appraisal Meeting	Strategic Planning
D'Arcy Barker, Chair	9/12		3/3	1/1	1/1
Tony DeVliegere, Vice-President	12/12	1/1	3/3	0/1	1/1
Todd Burton, Secretary	10/12	1/1	3/3	1/1	0/1
Sharon Maguire (1)	12/12	1/1		1/1	1/1
Rod Ficek (1)	9/12			0/1	1/1
Rae Smith (1)	9/12	1/1		0/1	0/1
Jonathan Richert (1)(2)	3/7			0/1	
Quentin Derhak (1)	10/12			1/1	0/1
JoAnn Pasklivich (1)(3)	10/10		2/3	1/1	1/1

(1) Director

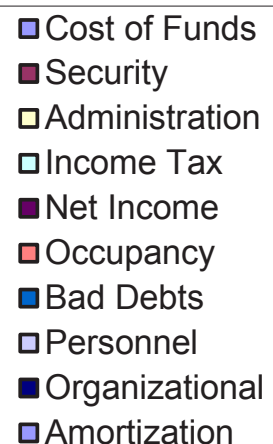
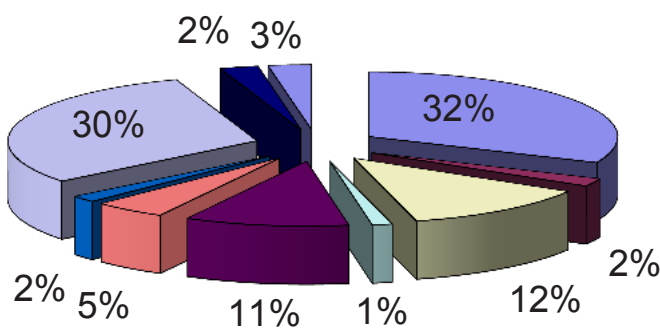
(2) Resigned April/16

(3) Joined the Board Dec/15

2015 FINANCIAL PIE



2016 FINANCIAL PIE



Crocus Credit Union Limited
Consolidated Summary Financial Statements
For the year ended September 30, 2016

Independent Auditors' Report

To the Members of Crocus Credit Union Limited:

The accompanying consolidated summary financial statements of Crocus Credit Union Limited, which comprise the consolidated summary statement of financial position as at September 30, 2016, and the consolidated summary income statement, consolidated statements of changes in members' equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Crocus Credit Union Limited for the year ended September 30, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated December 1, 2016.

Management's Responsibility for the Consolidated Summary Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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, the consolidated summary financial statements, derived from the audited consolidated financial statements of Crocus Credit Union Limited for the year ended September 30, 2016 are a fair summary of those consolidated 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

December 1, 2016

MNP LLP

Chartered Professional Accountants

Crocus Credit Union Limited

Consolidated Summary Statement of Financial Position

As at September 30, 2016

	2016	2015
Assets		
Cash and cash equivalents	5,741,747	3,281,226
Investments and accrued interest	12,537,071	19,349,988
Members' loans receivable and accrued interest	103,040,745	93,566,182
Trade and other receivables	157,013	-
Current tax receivable	10,536	-
Prepaid expenses	62,805	52,949
Property and equipment	1,405,796	1,532,798
Intangible assets and goodwill	1,016,629	-
	123,972,342	117,783,143
Liabilities		
Member deposits and accrued interest	113,624,165	108,408,224
Accounts payable	880,125	465,185
Current tax payable	-	18,270
Deferred tax	99,000	18,000
	114,603,290	108,909,679
Members' equity		
Member shares	1,309,123	1,417,823
Retained earnings	7,987,959	7,455,641
Non-controlling interest	71,970	-
	9,369,052	8,873,464
	123,972,342	117,783,143

Approved on behalf of the board

Signed by "Rae Smith"
Director

Signed by "Sharon Maguire"
Director

Crocus Credit Union Limited
Consolidated Summary Income Statement
For the year ended September 30, 2016

	2016	2015
Interest income		
Member loans	3,738,291	3,815,265
Investments	345,775	326,061
	4,084,066	4,141,326
Interest expense		
Deposits	1,595,044	1,724,764
	2,489,022	2,416,562
Gross financial margin		
Operating expenses		
Administration	625,035	642,244
Amortization	140,255	130,811
Member security	100,180	102,412
Occupancy	238,280	235,264
Organizational	125,329	92,740
Personnel	1,536,672	1,409,961
	2,765,751	2,613,432
Net operating expenses	(276,729)	(196,870)
Other income	968,922	806,530
Income before provision for impaired loans, patronage refund and income taxes	692,193	609,660
Provision for impaired loans	83,745	43,630
Income before patronage refund and income taxes	608,448	566,030
Provision for patronage refund	6,000	6,600
Net income before income taxes	602,448	559,430
Provision for income taxes		
Current	64,760	65,270
Deferred	1,000	-
	65,760	65,270
Net income	536,688	494,160
Net income attributable to:		
Members of the Credit Union	532,318	494,160
Non-controlling interest	4,370	-
	536,688	494,160

Crocus Credit Union Limited
Consolidated Summary Statement of Changes in Members' Equity
For the year ended September 30, 2016

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Attributable to members of the Credit Union</i>	<i>Non- controlling interest</i>	<i>Total equity</i>
Balance September 30, 2014	1,488,577	6,961,481	8,450,058	-	8,450,058
Net income	-	494,160	494,160	-	494,160
Issuance of member shares	162,149	-	162,149	-	162,149
Redemption of member shares	(232,903)	-	(232,903)	-	(232,903)
Balance September 30, 2015	1,417,823	7,455,641	8,873,464	-	8,873,464
Net income	-	532,318	532,318	4,370	536,688
Acquired through business combination	-	-	-	67,600	67,600
Issuance of member shares	31,488	-	31,488	-	31,488
Redemption of member shares	(140,188)	-	(140,188)	-	(140,188)
Balance September 30, 2016	1,309,123	7,987,959	9,297,082	71,970	9,369,052

Crocus Credit Union Limited
Consolidated 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	3,734,500	3,834,845
Interest and dividends received from investments	359,957	328,552
Other income received	811,909	806,530
Payments to suppliers and employees	(2,423,529)	(2,427,025)
Interest paid to members	(1,668,133)	(1,706,117)
Income taxes paid	(90,410)	(52,489)
	724,294	784,296
Financing activities		
Net change in member deposits	5,289,030	4,552,437
Issuance of member shares	31,488	162,149
Redemption of member shares	(140,188)	(232,903)
	5,180,330	4,481,683
Investing activities		
Net change in members' loans receivable	(9,554,517)	2,525,883
Net purchases of investments	-	(8,009,135)
Proceeds on disposal of investments	6,798,735	-
Purchases of property and equipment	(41,283)	(105,204)
Proceeds from disposal of property and equipment	225,631	-
Cash acquired on business combination	11,317	-
Purchases of intangible assets	(883,986)	-
	(3,444,103)	(5,588,456)
Increase (decrease) in cash and cash equivalents	2,460,521	(322,477)
Cash and cash equivalents, beginning of year	3,281,226	3,603,703
Cash and cash equivalents, end of year	5,741,747	3,281,226