

LAKE VIEW CREDIT UNION

2016

ANNUAL REPORT



lakeviewcreditunion.com

TABLE OF CONTENTS

CEO/BOARD PRESIDENT REPORT	3
BOARD ACCOUNTABILITY REPORT	8
CEO COMPENSATION STATEMENT	11
FINANCIAL STATEMENT	12

MESSAGE FROM THE CEO AND BOARD CHAIR

COMMUNITY SUPPORT

In 2016, Lake View Credit Union (LVCU) changed the way it gives back to our communities. Once in the spring and once in the fall, applications were accepted from non-profit groups and organizations within our communities. The Community Social Responsibility Fund (CSR) was set to accept applications for funds up to \$10,000. The Committee consists of both LVCU Directors and Staff Members. The goal is to support community programs or projects that are related to LVCU's mission of enriching our members' lives and improving the social benefit and well-being of our communities. The groups are asked to do a short presentation to the committee to explain their project and why they should receive funding. Over the year, the CSR had over 40 applications submitted for a total amount of over \$220,000! It was a new way to engage our membership in the community giving aspect and it was a tremendous success.

LVCU is proud to have donated \$49,500 to these following groups in 2016:

South Peace Historical Society -----	\$10000	Ark Christian Youth Centre -----	\$2000
Chetwynd Electric Eels Swim Club -----	\$4000	Chetwynd Harvest Fest Association -----	\$2000
Chetwynd & District Rod & Gun Club -----	\$3000	South Peace Arts Society -----	\$2000
Bonanza & District Agricultural Society -----	\$2500	Chetwynd Public Library -----	\$1500
Dawson Creek Literacy Society -----	\$2500	Community Futures – B2B Conference -----	\$1500
Dawson Creek Music Festival – Dare to Dream Society --	\$2500	Dawson Creek Municipal Library -----	\$1500
Dawson Creek Secondary School - Athletic Fund -----	\$2500	Dawson Creek Triathlon Committee -----	\$1500
Obair Economic Society -----	\$2500	South Peace Child Development Centre -----	\$1500
Spirit of the Peace Pow-Wow -----	\$2500	Wolverine Nordic MT Society – Emperor's Run -----	\$1500
Tumbler Ridge Children's Centre Society -----	\$2500		

Every year, Lake View Credit Union puts up a giant Christmas stocking in every branch that is filled with gifts for all ages. All of the branches sell tickets for their Stocking at \$1 each. All together, the Stockings raised \$9,698 with all funds being donated back into the community! Chetwynd branch sold out their tickets and raised \$5006, which was split between the Chetwynd Christmas Bureau and Royal Canadian Legion Branch 258 – Chetwynd each receiving \$2503. The Tumbler Ridge branch successfully sold \$2000 worth of tickets, which was split between three groups United Way-Tumbler Ridge, Tumbler Ridge Health Centre Foundation and TR CARES each receiving \$667.67. The Dawson Creek branch raised \$2692 that was split between the Nawican Friendship Centre-Hot Meal Program and St. Mark's Food Bank/Soup Kitchen with each receiving \$1346.

For the past 10+ years, Lake View Credit Union has helped to support the Canadian Cancer Tour de North Cops 4 Cancer event that is in association with the local RCMP detachment. Every year the money raised is donated to help children with cancer by sending them to Camp Goodtimes with their families. In July 2016, the Jail N Bail event raised roughly \$18,000.

Throughout the year, LVCU staff participated in community engagement and information sessions. This is when our staff holds educational sessions on financial issues for our members in each of the communities. In 2016 we held over 27 seminars throughout our communities focusing on various topics, examples are financial literacy for high school students, mortgage seminars for realtors, education savings plans for young parents and a variety of others. These sessions will be held throughout 2017, please see your local branch for more information.

LVCU allocated \$7,000 to bursaries for local post-secondary students and Grade 12 students going on to post-secondary education. Education is one of the “Seven Cooperative Principles”, and forms one of the values directing our investment in community. Throughout the year, LVCU also donates funds and in-kind sponsorships to multiple groups throughout our communities and directly donated approximately \$90,000 to our community groups. The list of groups that received funding are as follows:

Canadian Cancer Society
Chetwynd Air Cadets
Chetwynd Chainsaw Carving Event
Chetwynd Chamber of Commerce
Chetwynd Christmas Bureau
Chetwynd Curling Club
Chetwynd Social Planning Society
Chetwynd Trade Show
Dawson Creek Curling Club
Dawson Creek Fall Fair & Exhibition
Dawson Creek Female Midget Canucks
Dawson Creek Golf Club
Dawson Creek Hospital Foundation
Dawson Creek Oilmen’s Association
Dawson Creek Old-timers Hockey
Dawson Creek Rotary Auction
Dawson Creek Ski Hill Association
Dawson Creek Senior’ Association
Ducks Unlimited – Tumbler Ridge
Mile Zero Cruisers
Nawican Friendship Centre
North Peace Wolverines Hockey Club
Northern BC Regional Science Fair
Northern BC Cancer Lodge
Pouce Coupe Library
Royal Canadian Legion – Chetwynd
Royal Canadian Legion – Dawson Creek
Royal Canadian Legion – Tumbler Ridge
SARS
South Peace Art Gallery
South Peace Art Society
South Peace Community Resources Society
South Peace Historical Society
St. Marks Food Bank – Hot Meal Program
Success by 6/Children’s First
Tumbler Ridge CARES
Tumbler Ridge Days Society

Tumbler Ridge Grizfest Society
Tumbler Ridge Health Centre Foundation
United Way of BC

STAFF

The year 2016 proved to be a difficult year for LVCU. With the slowdown in the economy, the number of members looking for loans and mortgages fell by over 50% compared to previous years. In order to respond to the slowdown in activity, LVCU restructured some of the staffing positions. The Tumbler Ridge branch saw a change in its hours from five days a week down to three days a week open to the membership during the hours 12:00 – 4:00 Monday, Wednesday and Friday. Management worked with the union ensuring any staff affected because of the restructure had the appropriate options available to them.

The collective agreement between LVCU and the union (BCGEU) representing the staff in Tumbler Ridge and Dawson Creek branches expired on July 1, 2016. Management and the union worked diligently to negotiate a deal that was fair to the employees and the employer. A new collective agreement was ratified in July 2016 and both sides agreed to a three-year agreement, expiring on July 1, 2019.

We continue to invest in staff through training and educational opportunities. Our various staff members participate in product knowledge meetings on a weekly basis. Our retail branch staff hold bi-weekly Aspire training that assists in the development of our staff’s skills and abilities to have discussions with members on their financial dealings. The goals of LVCU is to increase the amount of business our existing members do with us. We provide opportunities for staff to take external training through Credit Union partner companies like CUSource training. Annually all staff and directors are involved in Anti-Money Laundering and Terrorist Financing training as well as privacy training. This is required by regulation to ensure our staff maintain their knowledge in dealing with our members in their financial transactions. The on-going commitment of staff and management for continuous learning and development will help LVCU support our mission statement of enriching our member’s lives.

REGULATORY

The Financial Institutions Commission of British Columbia (FICOM) is a Vancouver-based regulatory agency of the British Columbia Government. Their five pillars of responsibility are pension plans, real estate, mortgage brokers, financial institutions (including credit unions, insurance and trust companies) and the Credit Union Deposit Insurance Corporation. Their risk-based approach to financial services supervision has ensured that their primary focus has remained consistent - to safeguard the interests of depositors, policyholders, beneficiaries and pension plan members.

FICOM supervises and regulates credit unions to determine whether they are in sound financial condition and are complying with their governing laws and supervisory standards. FICOM uses a risk-based supervisory framework to identify imprudent or unsafe business practices at credit unions and intervenes on a timely basis, as required. FICOM uses the following six categories to assess inherent risk: credit risk; market risk; insurance risk; operational risk; regulatory compliance risk; and strategic risk. For each significant activity, the key inherent risks are identified and their levels are assessed as low, moderate, above average, or high.

There is a continuum of supervisory work that ranges from monitoring credit unions, to limited off-site reviews, to extensive on-site reviews, including testing or sampling where necessary. In the fall of 2016, FICOM completed an onsite review of LVCU. Their onsite review observed LVCU's credit risk, market risk, technology risk, governance risk and people risk. There were items identified in the review that are being addressed in 2017. The board and management are working on the areas of improvement for completion by the end of 2017. We are happy to report to the membership that LVCU's risk rating continues to be the lowest risk rating that can be achieved by credit unions in BC. This is a great achievement for LVCU board, management and employees. There are other credit unions in BC with similar type of economic struggles who have had their risk ratings increased in the past year.

TECHNOLOGY

FX Notes Plus, a web-based platform offered through Central1's Secure Site for the purchase and sale of

foreign currency was launched in 2016. This will allow our credit union to facilitate buying and selling up to over 80 foreign currencies from and to our members, an ideal product for members needing pocket cash for vacations or business trips in foreign countries.

LVCU introduced a Mobile App in midyear 2016. LVCU members are a tap away from a great banking experience. Members who have downloaded the app are able to stay on top of their accounts and do daily banking directly from their Smartphone all while on the go and at their convenience. Key features include: View account balances & account details, pay bills immediately and with an added flexibility they will also have the ability to view and manage scheduled bill payments, transfer funds immediately and they will also have the ability to view and manage transfers, find a nearby branch or ATM. For more information, please visit your local branch.

In September of 2016, LVCU underwent a conversion of their electronic switch provider from DC Payments to Everlink. With this switch, LVCU was able to test new technology for our members through debit cards. As of now, the changes to the debit cards will allow members to utilize the flash technology for smaller purchases where merchants have the flash technology. For those members with who would like to switch their debit cards to include Flash technology, please see your closest branch to do so.

Lake View's members will have access to the Deposit Anywhere by mid-2017. This feature allows members to simply tap the "deposit" button on the Mobile App, select the desired account, and take a photo of the front and back of the cheque. From there they will be able to confirm the deposit and immediately see that cheque deposited to their account. Key features include: flexible CAD Deposits where members can securely deposit any CAD cheque into their CAD accounts with LVCU, real-time account updates – members will be able to see their deposit immediately, multiple account options – members will have access to a list of their accounts to make a deposit, duplicate detection security – prevents the same cheque from being deposited twice, handwriting recognition – built in security to detect mismatches between the amount entered by the member and the amount on the cheque during the deposit process.

LOANS

In 2016, we funded just over \$18 million in consolidated retail loans and achieved a negative portfolio growth of less than 1% for a total of -\$426,808. There was growth in our mortgage portfolio of \$399,936 in mortgages with personal loan run-off of \$826,744. Our 2016 growth target for retail loans and mortgages were not met. The main contributor to this was the impact of the slowdown in the economy in the communities we serve.

Commercial Loan advanced for 2016 were \$28,077,616; this was up \$7,098,325 from loans advanced in 2015 of \$20,979,291. With the increased amount in advanced loans, net growth in commercial lending for 2016 was \$18,535,891. The main reason we saw growth in our portfolio was due to the increase in participation in syndication loans in 2016. LVCU collaborated with many other credit unions and system partners and wrote a total of \$22,868,981 in syndication loans. Due to the slow economy in our trading area, management was able to invest the liquidity in other loans originated through these partners, diversifying our risk across the Provinces of BC and Alberta.

MARKET

Unemployment in the Peace Region District hit an all-time high at the end of 2016 sitting at 10.5%. This, along with the historical low interest rate environment, is continuing to have a negative impact on financial margins for LVCU, and it is no exception for credit unions in BC. The economic environment, low interest rate environment and minimal local growth have slowed down our growth of Tier 1 capital and affected net income. Although there has been optimism in the coal industry in Tumbler Ridge and a pickup in the local oil and gas sector, we are still facing uncertainty in the future. The result of a slow economy in 2016 shows a combined retail and commercial Delinquency of \$3,579,888, which has fallen from a high of \$4,375,383 (2% of total Portfolio) December 31, 2015. In 2014, 2015 and 2016, LVCU has had to add over \$2.1 million in loan allowance to deal with loans that are impaired and unlikely to be recovered. This line item comes right off of net income and has a negative impact to LVCU. LVCU wrote off \$662,345 in uncollectable loans in 2016, another impact to the bottom line of the credit union. We will continue to monitor our loans to ensure collectability but also recognize the amount of expense that needs to be allocated for future loan allowances. LVCU will continue to work with its members who have been impacted by this economic slowdown.

2017

Over the past year, the board and executive management have been working with Stabilization Central and external consultants to determine the best strategy moving forward for LVCU and its membership. Based on factors that LVCU deals with on a daily basis that include: the reliance on coal, oil, gas, forestry, the current economic environment, the declining margins, increased regulation, increased competition from another credit union, increased competition from new entrants in the financial services market and lack of growth in the communities we serve, the board has identified that merger with a likeminded organization may be in the best interests of the credit union and its members. While our credit union is currently financially strong, we are exploring strategic opportunities that could result from a merger with another credit union that shares our vision of the future.

To this end, our Board and Management have identified the following guiding principles as requirements to be addressed to ensure our member support of any proposed partnership proposal:

- Enhanced service offerings
- Diversification of operational and strategic risks
- Local decision-making
- Partner promotes co-operatives principles
- Senior management presence in new organization
- Corporate social responsibility and community support
- Complimentary balance sheet
- Insurance & Wealth Management services
- Technology compatibility

The board has identified a credit union that shares the same vision as LVCU. They are currently working on a Memorandum of Understanding to be signed with the other credit union. As soon as this is completed, communication will be shared with both organizations memberships to outline the strategic reasoning behind the decision.

Kelly Longley
CEO, Lake View Credit Union

Everett Beaulne
Chair, Lake View Credit Union Board of Directors

LAKE VIEW CREDIT UNION BOARD ACCOUNTABILITY REPORT

EVERETT BEAULNE – CHAIR

My name is Everett Beaulne. I was born and raised in Pouce Coupe, graduating high school in Dawson Creek. I have my BA in English from the University of Vitoria. My working life was in retail, the last thirty-five years was as owner operator of a retail store in Pouce Coupe, the family business. I have been married for forty-two years. I have two sons, a daughter-in-law and two grandchildren. I have served on a number of local boards and committees over the past forty years. I am just completing my eighth year on Lake View Credit Union's board. My focus on LVCU's board is on maintaining profitability and being a good employer.

BOARD MEETINGS ATTENDED	Regular - 9/9 Special - 3/3
COMMITTEES & ATTENDANCE	Governance - 5/6 Audit & Risk - 3/4 Investment & Lending-1/1 Nominating - 1/1
DIRECTOR SINCE	2009

CURRENT TERM	2015 - 2018
BOARD CHAIR STIPEND	\$750.00
TOTAL ANNUAL REMUNERATION	\$8,000.00
TOTAL ANNUAL EXPENSES	\$339.58

JOHN KURJATA – VICE CHAIR

I am a Chartered Professional Accountant and partner in the accounting firm of SKK Chartered Professional Accountants, a public accounting firm with an office in Dawson Creek, BC. Before studying to become a CPA, my wife and I owned and operated a trucking company for 12 years and I was also involved in a truck parts and repair business as managing partner. Involved in the community, I was a board member of Community Futures Peace Liard for 15 years, including being part of the self-employment and loans committees, and was a past Chair. I was appointed to the board of directors for Northern Lights College in 2011, elected Vice Chair in 2012 and elected Chair in 2015. I am an active member of Rotary and have taken on many roles within the club including as President in 2004/05. I coached minor hockey rep teams for a number of years and now enjoy watching our grandchildren begin their fun in organized sports. Married to Shari, we have called Dawson Creek home for most of my life and all of Shari's. Our marriage has spanned more than 34 years producing 5 children and a growing number of grandchildren – 11 at last count! When there's time for fun, we love to travel, golf, go camping and hang out with our grandchildren.

BOARD MEETINGS ATTENDED	Regular - 8/9 Special - 2/3
COMMITTEES & ATTENDANCE	Audit & Risk - 1/1 Governance - 4/4 Nominating - 1/1
DIRECTOR SINCE	2015

CURRENT TERM	2016 – 2019
TOTAL ANNUAL REMUNERATION	\$6,000.00
TOTAL ANNUAL EXPENSES	\$1,465.06

MYLES MOWAT – BOARD SECRETARY

I completed my post-secondary studies at McMaster, University of Toronto and the University of Oregon, in teacher training. I began my professional career in Dawson Creek in 1974. At South Peace Secondary School (SPSS), I taught Physical Education, Social Studies, Construction, Mathematics & English. I coached teams and was the staff sponsor for Student Council for several years, and coordinated the extracurricular activities and scholarships at the school. As a senior staff member, I chaired the Accreditation Team at South Peace. I continued to work into positions where leadership was a more significant component – Counselor & Vice Principal (at SPSS & Central). I retired recently as the Principal of Central Middle School. I have worked on several School District committees such as District #59's Outdoor Education Committee, where, as a founding member, I participated in the development of our permanent facility at Gwillim Lake. I represented my colleagues as a Director on the Board of the British Columbia Principal and Vice Principal's Association for the final three years of my career, and am a founding member of the Dawson Creek Sunrise Rotary Club, I've held the position of Chair of RYPEN – we focus on the development of youth leadership skills, and Chair of the Rotary TV Auction in 2010.

BOARD MEETINGS ATTENDED	Regular - 9/9 Special - 3/3
COMMITTEES & ATTENDANCE	Audit & Risk - 4/4 Investment & Lending - 1/1
DIRECTOR SINCE	2011

CURRENT TERM	2014 - 2017
TOTAL ANNUAL REMUNERATION	\$5,550.00
TOTAL ANNUAL EXPENSES	\$0

DARREN HAMRE - DIRECTOR

My name is Darren Hamre I moved along with my family to Dawson Creek in 1966. I was raised here, where I went to school and Northern Lights College. I worked as a student at Harv's Shell our Carwash which is now the LVCU parking lot. I spent a year at Simon Fraser University but didn't complete my degree. I then managed one of the family businesses, Work Wear World that is now Mark's. Timberline Pontiac Buick hired me where I did a variety of jobs in sales. It led me into real estate where I'm still active. I work at Re/max, own Brother John's Wine Cellar, I'm a commercial landlord and have a small farm along the Peace River. My son Luke is currently living in Edmonton. I enjoy golf and spending time in the country but there's also time for volunteering. I have served on several Boards, including Dawson Creek Minor Hockey, South Peace Community Resources and Northern Lights Real Estate Board. I've completed the Foundations of Governance course which is a requirement for being a Credit Union director.

BOARD MEETINGS ATTENDED	Regular - 9/9 Special - 3/3
COMMITTEES & ATTENDANCE	Governance - 6/6 Nominating - 1/1
DIRECTOR SINCE	2015

CURRENT TERM	2016 - 2019
TOTAL ANNUAL REMUNERATION	\$6,600.00
TOTAL ANNUAL EXPENSES	\$116.17

JOE JUDGE - DIRECTOR

I am retired for almost 2 years after having sold the retail businesses that my wife and I started 22 years ago. I was the manager but was involved in all the roles that owning a business requires. Previous to that, I worked with Shell Canada in retail and in safety training where I was able to take many management courses that helped in my business. I also have experience in construction and as a First Aid Attendant and volunteer Ambulance attendant. I have served on a Hospital board, and was Mayor of Pouce Coupe for 10 years. During that time, I also chaired the Peace River Regional District for several years and represented all the small communities under 5000 on the Union of BC Municipalities executive. I am very involved in our Rotary Club, having actively served as president, various committee chair and current director. I have taught governance and service courses at the college and am currently involved in other community groups. I have also been a Credit Union Director at Lake View for over 12 years (10 as chair) and appointed for 1 year. I have done many credit union courses and received the Accredited Credit Union Director achievement.

BOARD MEETINGS ATTENDED	Regular - 6/6 Special - 2/2
COMMITTEES & ATTENDANCE	Governance - 3/4
DIRECTOR SINCE	2003-2015, 2016

CURRENT TERM	2016 - 2017
TOTAL ANNUAL REMUNERATION	\$3,250.00
TOTAL ANNUAL EXPENSES	\$425.00

JEAN HICKS - DIRECTOR

Jean was raised in Dawson Creek and trained as a pharmacist in Vancouver. She returned to the Peace River area in 1979, when she and her husband moved to Chetwynd and opened a pharmacy. The pharmacy, which they owned for over twenty-five years, was part of a retail banner program founded by independent pharmacy owners and Jean credits much of the success of her business to the advantages of working co-operatively. She is firmly convinced of the importance both of local ownership and of co-operative values. Jean has been active on many community groups and was president of the committee that brought a leisure swimming pool to Chetwynd in 1991. Jean was first elected to the board of Lake View Credit Union in 2011. During her tenure, she has been the Board Chair as well as on the Audit & Risk Committee, Human Resources Committee, Building Committee, and Governance Committee.

BOARD MEETINGS ATTENDED	Regular - 9/9 Special - 3/3
COMMITTEES & ATTENDANCE	Governance - 2/2 Audit & Risk - 3/3 Investment & Lending 1/1
DIRECTOR SINCE	2011

CURRENT TERM	2014 - 2017
BOARD CHAIR STIPEND	\$375.00
TOTAL ANNUAL REMUNERATION	\$7,245.00
TOTAL ANNUAL EXPENSES	\$2,328.08

DALE ROSE - DIRECTOR

My name is Dale Rose. I was born in Dawson Creek on October 21, 1960. Upon completion of high school in 1978, I started employment with Dawson Bandag Ltd as a Tire Retreading Technician for six years, shop foreman for two years and manager for nine years. Between 1985 and 1997, I successfully completed a Business Management Certificate through Northern Lights College and participated in several Dale Carnegie courses. In 1995 I made the decision to obtain my Chartered Accountant designation and completed the remaining seven university courses required in order to be accepted into the School of Chartered Accountants, in 1997 I began employment as an Article Student with Sander Woolf & Downie, Chartered Accountants. In July of 2000, I was awarded my Chartered Accountant designation and in January of 2003, I become a partner of what is now Sander Rose Bone Grindle LLP, Chartered Professional Accountants. Over the last 30 years, I spent 7 years as manager or assistant coach in Minor Hockey, was involved in the Parent Advisory / District Parent Advisory Council and have been a Rotarian for the last 15 years, including recently finishing a term as president.

BOARD MEETINGS ATTENDED	Regular - 6/6 Special - 2/2
COMMITTEES & ATTENDANCE	Audit & Risk - 3/3 Investment & Lending - 1/1
DIRECTOR SINCE	2016

CURRENT TERM	2016 - 2019
TOTAL ANNUAL REMUNERATION	\$4,600.00
TOTAL ANNUAL EXPENSES	\$632.34

WAYNE PLENERT – DIRECTOR

BOARD MEETINGS ATTENDED	Regular - 3/3 Special - 1/1
COMMITTEES & ATTENDANCE	Audit & Risk 1/1
DIRECTOR SINCE	2007

CURRENT TERM	2013 - 2016
TOTAL ANNUAL REMUNERATION	\$1,400.00
TOTAL ANNUAL EXPENSES	0

DENNIS ARMITAGE - DIRECTOR

BOARD MEETINGS ATTENDED	Regular - 3/3 Special - 1/1
COMMITTEES & ATTENDANCE	Governance - 2/2
DIRECTOR SINCE	2007

CURRENT TERM	2013 - 2016
TOTAL ANNUAL REMUNERATION	\$1,600.00
TOTAL ANNUAL EXPENSES	\$0

CEO COMPENSATION STATEMENT

Full disclosure of the CEO compensation is available in the Notes section of Lake View Credit Union's full Financial Statements.

**REPORT OF THE INDEPENDENT AUDITOR
SUMMARY FINANCIAL STATEMENTS**

To the Members of Lake View Credit Union

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2016, the summary statement of comprehensive income and summary statement of changes in members' equity for the year then ended, are derived from the audited financial statements of Lake View Credit Union for the year ended December 31, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated February 28, 2017.

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

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 Lake View Credit Union for the year ended December 31, 2016 are a fair summary of those financial statements, in accordance with criteria described in Article 128 of the Financial Institutions Act of British Columbia.

Prince George, BC
February 28, 2017

Deloitte LLP
Chartered Professional Accountants

LAKE VIEW CREDIT UNION SUMMARY STATEMENT OF FINANCIAL POSITION as at December 31, 2016	2 0 1 6	2 0 1 5
ASSETS		
Cash and cash equivalents	\$ 12,366,458	\$ 7,983,888
Investments	54,890,193	89,959,444
Loans and advances to members	242,061,421	223,902,873
Property and equipment	4,122,658	3,718,179
Other intangible asset	437,239	70,393
Other assets	2,411,928	2,607,813
	\$ 316,289,897	\$ 328,242,590
LIABILITIES		
Deposits from members	\$ 295,241,517	\$ 302,930,691
Term loan	-	5,000,000
Other liabilities	1,865,631	1,451,980
Membership shares	131,222	133,936
	297,238,370	309,516,607
MEMBERS' EQUITY		
Membership shares	1,180,997	1,205,415
Retained earnings	17,675,786	17,123,721
Accumulated other comprehensive income	194,744	396,847
	19,051,527	18,725,983
	\$ 316,289,897	\$ 328,242,590

APPROVED BY THE BOARD

Director

Director

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

LAKE VIEW CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
year ended December 31, 2016

	2 0 1 6	2 0 1 5
Total interest income	\$ 10,069,758	\$ 10,128,642
Total interest expense	<u>2,670,774</u>	2,511,078
Net interest margin	7,398,984	7,617,564
Allowance for credit losses	<u>582,517</u>	738,098
Net interest income	6,816,467	6,879,466
Other operating income	<u>1,752,156</u>	2,099,216
Total operating income	8,568,623	8,978,682
Total operating expenses	7,871,616	7,684,152
Dividends on membership shares	<u>4,291</u>	6,000
Income before income taxes	692,716	1,288,530
Income tax expense	<u>108,476</u>	144,818
Net income	584,240	1,143,712
Other comprehensive loss, net of income taxes	<u>(202,103)</u>	(57,517)
Total comprehensive income	\$ 382,137	\$ 1,086,195

LAKE VIEW CREDIT UNION
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY
year ended December 31, 2016

	Total
As at December 31, 2015	\$ 18,725,983
Total comprehensive income	382,137
Dividends on membership shares	6,451
Membership shares issued (redeemed) - net	(65,757)
Transfers from membership shares - liability portion	<u>2,713</u>
As at December 31, 2016	\$ 19,051,527

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