

# Union Bay

CREDIT UNION

February 24, 2017

Dear Member:

Re: Notice of Annual General Meeting

The 72nd Annual General Meeting of the Union Bay Credit Union is being held on Wednesday evening, April 12, 2017, at the Union Bay Community Hall. The doors open at 6:30 pm with the business meeting to follow at 7:00 pm.

The purpose of the meeting is to receive our Financial Statements and the Auditors' Report as well as appoint the auditors for 2017. We will also receive reports from the Directors and the Credit Committee. We have attached a copy of our condensed Audited Financial Statements for your review.

We include information regarding the Call for Nominations. The deadline for nominating a candidate for the Board of Directors is 4:00 pm, March 20, 2017. Nomination packages are available online and at the branches or you can call your local branch for more information.

Please join us, we look forward to seeing you.

Sincerely,



Sharon McGarvey, CEO  
On behalf of the Board of Directors

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## Union Bay Branch

t 250.335.2122 | f 250.335.2131  
313 McLeod Road, Union Bay, BC

## Lighthouse Branch

t 250.757.8146 | f 250.757.8185  
101-6996 W Island Hwy, Bowser, BC

## Hornby Island Branch

t 250.335.2326 | f 250.335.2370  
2115 Sollans Road, Hornby Island, BC

[ubcu.ca](http://ubcu.ca)

Union Bay Credit Union is seeking qualified, skilled, and community minded candidates to fill two positions on its Board, each carrying a three year term.

Being a Director demands a significant investment in time, energy and expertise. It is an opportunity to represent the members of your credit union and to contribute to the success of Union Bay Credit Union and the credit union system as a whole.

Candidates should demonstrate the following values and behaviours:

- Integrity and transparency
- Strategic and innovative thinking
- Independence
- Alignment with the cooperative principles and values of the credit union system
- Constructive communication
- Results and decision orientated

Candidates must be knowledgeable in two or more of the following areas:

- Financial literacy
- Legal and regulatory
- Risk management
- Information technology
- Liquidity management

**Potential candidates should express interest by submitting a nomination package. Nomination packages are available on the webpage ([www.ubcu.ca](http://www.ubcu.ca)) or at any branch. The nominations deadline is 4 pm on March 20, 2017.**

Nominations **will not** be accepted from the floor. Elections will only be held if there are more candidates than positions.

Members interested in being nominated to the Board may obtain additional information by contacting any one of the Nomination Committee members listed below:

Chris Weixelbaumer at [cweix@ubcu.ca](mailto:cweix@ubcu.ca)  
Dianne Christensen at [dchristensen@ubcu.ca](mailto:dchristensen@ubcu.ca)  
Fabien Gendron at [fgendron@ubcu.ca](mailto:fgendron@ubcu.ca)

**Nominees who meet the eligibility requirements and the desired nominee profile are required to have a successful interview with our Nomination Committee before they will be recommended to our membership in our election voting materials.**

**Incumbents Seeking Re-Election:**

David Graham  
Sharon Hadden

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed financial statements in this annual report have been prepared by management of the Union Bay Credit Union in accordance with the requirements of the Financial Institutions Act and in conformity with International Financial Reporting Standards. These statements include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

To meet its responsibility for preparing reliable financial information, management maintains and relies on comprehensive internal operating and system controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparing financial statements and for safeguarding the assets of the organization.

The financial statements are approved by the Board of Directors. The Audit Committee, comprised of three Directors of the Board, has reviewed the statements with management and the external auditors in detail.

Chan Nowosad Boates, Chartered Professional Accountants, the external auditors appointed by the Board of Directors, who represent the members at large, have examined the Credit Union's financial statements and attached notes of the Credit Union in accordance with International Financial Reporting Standards. They have had free and full access to the internal staff and other management staff and the Audit Committee of the Board. Their report outlines the scope of their examination and their opinion.



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Sharon McGarvey  
Chief Executive Officer



**AUDITORS'  
REPORT**

To: The Members of the  
Union Bay Credit Union

The accompanying condensed statement of financial position as at December 31, 2016 and condensed statements of income and comprehensive income and cash flows for the year then ended are derived from the complete financial statements of Union Bay Credit Union as at December 31, 2016 and for the year then ended on which we expressed an opinion without reservation in our report dated February 8, 2017. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Professional Accountants, is to report on the condensed financial statements.

In our opinion, the accompanying condensed financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the Credit Union's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

*Chan Nowosad Boates*

Chartered Professional Accountants  
Campbell River, BC

February 8, 2017

# UNION BAY CREDIT UNION

## Condensed Statement of Financial Position

December 31, 2016

2016

2015

\$

\$

### ASSETS

Cash	4,745,330	1,777,304
Investments	11,715,045	11,332,785
Loans to Members	67,187,113	66,311,784
Income Taxes Recoverable	26,000	4,632
Other Assets	131,923	134,720
Property and Equipment	821,290	893,846
Intangible Assets	<u>941,488</u>	<u>910,071</u>
	<u>85,568,189</u>	<u>81,365,142</u>

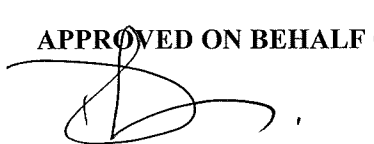
### LIABILITIES

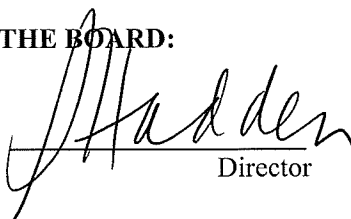
Members' Deposits	77,140,199	73,217,506
Accounts Payable	219,157	258,823
Deferred Income Tax Liability	13,526	13,526
Dividends Payable	42,072	57,444
Members' Shares	<u>3,672,289</u>	<u>3,513,590</u>
	81,087,243	77,060,889

### MEMBERS' EQUITY

Retained Earnings	<u>4,480,946</u>	<u>4,304,253</u>
	<u>85,568,189</u>	<u>81,365,142</u>

APPROVED ON BEHALF OF THE BOARD:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# UNION BAY CREDIT UNION

## Condensed Statement of Income and Comprehensive Income

Year Ended December 31, 2016

	2016	2015
	\$	\$
<b>Financial Income</b>		
Loan Interest	2,583,687	2,646,194
Investments	<u>217,722</u>	<u>229,158</u>
	<u>2,801,409</u>	<u>2,875,352</u>
<b>Financial Expenses</b>		
Interest on Deposits	872,342	920,548
Interest on Borrowed Funds	356	4,826
	<u>872,698</u>	<u>925,374</u>
<b>Financial Margin - 69% (2015 - 68%)</b>	1,928,711	1,949,978
<b>Other Income</b>	<u>304,493</u>	<u>296,952</u>
<b>Earnings Before Operating Expenses</b>	<u>2,233,204</u>	<u>2,246,930</u>
<b>Operating Expenses</b>		
Depreciation	196,972	146,229
Operating Expense	754,335	757,213
Wages and Benefits	<u>1,064,065</u>	<u>1,126,652</u>
	<u>2,015,372</u>	<u>2,030,094</u>
<b>Net Earnings from Operations Before Distributions and Tax</b>	217,832	216,836
<b>Distributions to Members</b>	<u>41,139</u>	<u>57,444</u>
<b>Net Earnings from Operations Before Tax</b>	176,693	159,392
<b>Provision for Income Taxes</b>	<u>-</u>	<u>27,000</u>
<b>Net Income and Total Comprehensive Income</b>	<u>176,693</u>	<u>132,392</u>

# UNION BAY CREDIT UNION

## Condensed Statement of Cash Flows

Year Ended December 31, 2016

	2016	2015
	\$	\$
<b>Cash Flows From Operating Activities:</b>		
Interest Received from Loans and Investments	2,801,409	2,875,352
Interest Paid on Deposits and Borrowed Funds	(872,698)	(925,374)
Increase in Members Deposits and Shares	4,081,392	4,768,019
Loans to Members	(875,329)	(2,086,566)
Cash Paid to Suppliers and Employees	(1,550,749)	(1,418,564)
Dividends Paid to Members	(56,511)	(57,442)
Income Taxes Paid	(21,368)	(16,817)
	<u>3,506,146</u>	<u>3,138,608</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Equipment	(155,860)	(749,927)
Net Sales (Purchases) of Investments	(382,260)	(1,933,824)
	<u>(538,120)</u>	<u>(2,683,751)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	2,968,026	454,857
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>1,777,304</u>	<u>1,322,447</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>4,745,330</u>	<u>1,777,304</u>
<b>Cash and Cash Equivalents are Represented by:</b>		
Cash Resources	<u>4,745,330</u>	<u>1,777,304</u>