

Sunrise Credit Union Limited

Summary Consolidated Financial Statements

For the year ended December 31, 2013

Independent Auditors' Report

To the Members of Sunrise Credit Union Limited:

The accompanying summary consolidated financial statements of Sunrise Credit Union Limited and its subsidiaries, which comprise the summary consolidated statement of financial position as at December 31, 2013, and the summary consolidated income statement, statements of changes in members equity for the year then ended are derived from the audited consolidated financial statements of Sunrise Credit Union Limited for the year ended December 31, 2013. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 17, 2014.

The summary consolidated 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 Sunrise Credit Union Limited.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these summary consolidated 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 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."

Opinion

In our opinion, these summary consolidated financial statements, derived from the audited consolidated financial statements of Sunrise Credit Union Limited for the year ended December 31, 2013 are a fair summary of those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As at December 31, 2013, 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 December 31, 2013.

Brandon, Manitoba
March 17, 2014

MNP LLP
Chartered Accountants

Sunrise Credit Union Limited

Summary Consolidated Statement of Financial Position

As at December 31, 2013

	2013	2012
Assets		
Cash and cash equivalents	33,109,072	4,888,661
Accounts receivable	198,208	680,675
Investments and accrued interest	55,488,757	71,129,804
Members' loans receivable and accrued interest	668,470,362	646,466,037
Prepaid expenses	952,157	729,909
Property and equipment	11,396,541	12,047,841
Intangible assets	6,132,211	10,296,111
Goodwill	-	2,512,579
Deferred tax	27,000	-
	<u>775,774,308</u>	<u>748,751,617</u>
Liabilities		
Member deposits and accrued interest	720,969,943	695,991,588
Current tax payable	100,703	67,875
Accounts payable	5,558,949	7,462,082
Deferred tax	-	53,000
	<u>726,629,595</u>	<u>703,574,545</u>
Members' equity		
Member shares	10,958,544	10,968,033
Retained earnings	38,186,169	34,209,039
	<u>49,144,713</u>	<u>45,177,072</u>
	<u>775,774,308</u>	<u>748,751,617</u>

Approved on behalf of the board


Director


Director

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

Sunrise Credit Union Limited

Summary Consolidated Income Statement

For the year ended December 31, 2013

	2013	2012
Financial income		
Member loans	28,092,171	26,376,661
Investments	1,689,858	2,436,637
	<u>29,782,029</u>	<u>28,813,298</u>
Interest expense		
Deposits	11,028,645	10,865,608
Interest on borrowed money	139,905	305,837
	<u>11,168,550</u>	<u>11,171,445</u>
Gross financial margin	<u>18,613,479</u>	<u>17,641,853</u>
Operating expenses		
Administration	7,751,693	7,430,851
Amortization	2,370,020	1,188,215
Member security	787,815	687,819
Occupancy	1,394,763	1,355,640
Organizational	646,997	617,748
Personnel	12,127,651	12,193,382
	<u>25,078,939</u>	<u>23,473,655</u>
Net operating expenses	<u>(6,465,460)</u>	<u>(5,831,802)</u>
Other income	<u>10,878,029</u>	<u>10,118,647</u>
Income before provision for (recovery of) impaired loans, interest rate swaps and income taxes	4,412,569	4,286,845
Provision for (recovery of)		
Impaired loans	(295,601)	198,611
Property held for resale	258,235	-
	<u>(37,366)</u>	<u>198,611</u>
Net income before income taxes	4,449,935	4,088,234
Fair value adjustment on interest rate swap	524,943	(30,882)
Income before income taxes	<u>4,974,878</u>	<u>4,057,352</u>
Income taxes		
Current	918,997	695,085
Future	(80,000)	-
	<u>838,997</u>	<u>695,085</u>
Net income	<u>4,135,881</u>	<u>3,362,267</u>

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

Sunrise Credit Union Limited

Consolidated Statement of Changes in Equity

For the year ended December 31, 2013

	Share capital	Retained earnings	Total equity
Balance December 31, 2011	7,609,781	30,917,159	38,526,940
Net income	-	3,362,267	3,362,267
Issuance of member shares	3,649,880	-	3,649,880
Redemption of member shares	(291,628)	-	(291,628)
Dividends on preference shares, net of tax recovery	-	(70,387)	(70,387)
Balance December 31, 2012	10,968,033	34,209,039	45,177,072
Net income	-	4,135,881	4,135,881
Issuance of member shares	2,394,705	-	2,394,705
Redemption of member shares	(2,404,194)	-	(2,404,194)
Dividend on preference shares, net of tax recovery	-	(158,751)	(158,751)
Balance December 31, 2013	10,958,544	38,186,169	49,144,713

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