

# **Report of the Independent Auditor on the Summarized Financial Statements**

To the Members of Spruce Credit Union:

## **Opinion**

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2019, and the summary statements of comprehensive income and changes in members' equity and cash flows for the year then ended are derived from the audited financial statements of Spruce Credit Union (the "Credit Union") for the year ended December 31, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements.

## **Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

## **The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 24, 2020.

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

Management is responsible for the preparation of the summary financial statements.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

March 24, 2020

Abbotsford, BC

*MNP LLP*

Chartered Professional Accountants

**Spruce Credit Union**  
**Summary Statement of Financial Position**

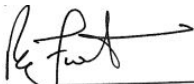
*As at December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash and cash equivalents	3,735,678	10,163,957
Investments	19,951,035	25,639,979
Loans to members	146,546,812	139,486,732
Income taxes recoverable	9,036	-
Property and equipment	2,291,866	1,607,362
Intangible assets	1,143,981	1,304,602
Other assets	220,124	178,701
	<b>173,898,532</b>	178,381,333
<b>Liabilities</b>		
Deposits from members	158,656,586	167,419,546
Income taxes payable	-	18,127
Borrowings	4,500,000	-
Accounts payable and accrued liabilities	733,194	865,604
Lease liability	294,085	-
Deferred income tax liability	137,000	148,000
Membership shares	217,954	772,555
	<b>164,538,819</b>	169,223,832
<b>Members' equity</b>		
Retained earnings	9,359,713	9,157,501
	<b>173,898,532</b>	178,381,333

**Approved on behalf of the Board**



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 Director



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 Director

**Spruce Credit Union**  
**Summary Statement of Comprehensive Income and Members' Equity**  
*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Interest income</b>	<b>6,524,370</b>	5,885,587
<b>Interest expense</b>	<b>2,391,802</b>	1,995,097
<b>Net interest margin</b>	<b>4,132,568</b>	3,890,490
<b>Provision for (recovery of) credit losses</b>	<b>192,818</b>	(76,118)
<b>Net interest income</b>	<b>3,939,750</b>	3,966,608
<b>Other operating income</b>	<b>1,084,083</b>	1,311,834
<b>Total operating income</b>	<b>5,023,833</b>	5,278,442
<b>Total operating expenses</b>	<b>4,823,645</b>	4,540,750
<b>Income before income taxes</b>	<b>200,188</b>	737,692
<b>Income tax expense (recovery)</b>	<b>(2,024)</b>	120,874
<b>Net income and total comprehensive income</b>	<b>202,212</b>	616,818
<b>Members' equity, beginning of year</b>	<b>9,157,501</b>	8,540,683
<b>Members' equity, end of year</b>	<b>9,359,713</b>	9,157,501

**Spruce Credit Union**  
**Summary Statement of Cash Flows**  
*For the year ended December 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
Operating activities	<b>595,984</b>	1,255,483
Financing activities	<b>(4,852,078)</b>	22,357,845
Investing activities	<b>(2,172,185)</b>	(20,146,610)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6,428,279)</b>	3,466,718
<b>Cash and cash equivalents, beginning of year</b>	<b>10,163,957</b>	6,697,239
<b>Cash and cash equivalents, end of year</b>	<b>3,735,678</b>	10,163,957

*Note: Readers are cautioned that these summarized financial statements do not include all the disclosures required for complete and fair presentation*