



Annual Report 2012



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 a.m. to 5:30 p.m.

Saturday 10:00 a.m. to 2:00 p.m.

ATM onsite

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.

Drive-Thru ATM

832 18th Street, Brandon, Manitoba

On-Line Banking – MemberDirect

www.crocuscu.mb.ca

Telephone Banking – CU by Phone

Phone 1-877-523-1949



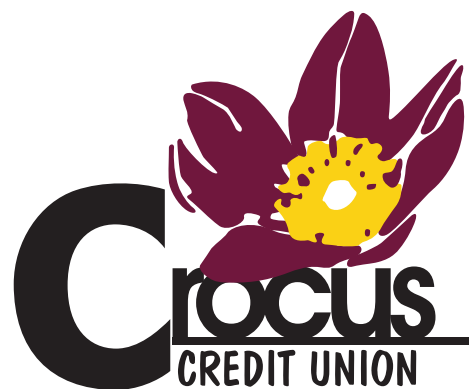


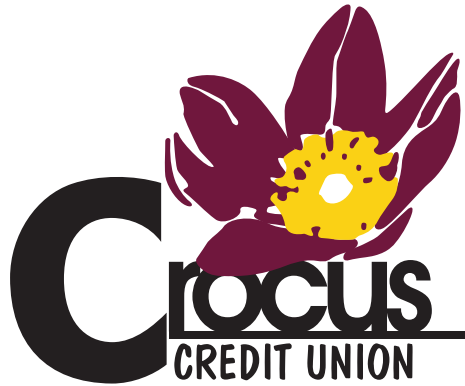
Board of Directors:

	Term expires
Doug Crookshanks – President	2012
Sharon Maguire – Vice-president	2013
D’Arcy Barker – Secretary	2012
Rod Ficek	2013
Jason Gobeil	2012
Jonathan Richert	2014
Quentin Derhak	2014
Rae Smith	2013
Tony DeVliegere	2014
Alf Kennedy (Member-At-Large)	2012

Staff:

Heather Aeichele – Casual MSR
Jamie Antonation, ACUIC – Manager of Accounting
Morgan Belcher, Accounting Clerk
Courtney Boak, Loans/Clearing Clerk
Neal Boyce, FCUIC, CFP – Investment Account Manager
Amanda Branigan – Loans Clerk
Narinder Brar – Part-time MSR
Arlene Cairns – Consumer Loans Officer
Luis Chorro Martinez – Business Development Officer, Ethnic Market
Sharon Figol – Team Lead, Member Service
Arnie Guist, FCUIC – Chief Executive Officer
Susan Harris – Member Service Supervisor
Clare Hoggins – Commercial Loans Officer
Courtney Jewar – Casual MSR
Shirley Kozoroski – MSR
Melanie Krauss-Wakely – MSR/Receptionist (temporary)
Claudine Lambert - MSR
Shirley Laursen – Part-time MSR
Caralee Marsh – Office Manager
Tom Maxwell – Loans Manager
Glenda Ross - MSR
Mandi Shaw – Consumer Loans Officer
Darlene Smith – MSR/Receptionist
Alycia White – Consumer Loans Officer





Agenda

Crocus Credit Union Annual Meeting – December 5, 2012

Welcome & Call to Order

1 minute of silence in honor of departed Crocus members

Motion regarding quorum

Minutes of Previous Meeting

Introduction of Board, Staff & Guests

Door prizes

Reports: 1) President
 2) CEO
 3) Audit Committee - motion re: appointment of auditor
 4) Nomination Committee

Announcement regarding results of November 19-23 in-branch Election of Directors

Door Prizes

Presentation of Long-term service awards

Questions & Answers

Door prizes

Adjournment

President's Report

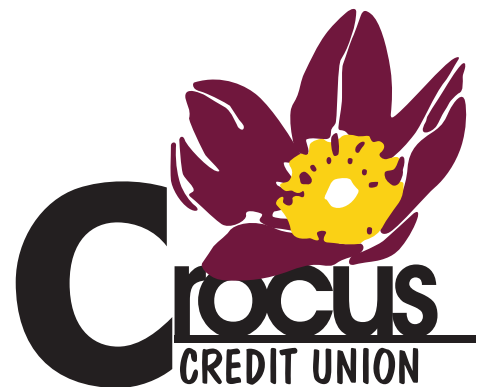
On behalf of the Board of Directors of Crocus Credit Union, it is again my pleasure to present to the members the Annual Report, this time for the year ending September 30, 2012.

Once again, Crocus has ended the year in a surplus position. As a consequence, your Board has approved a total payment of \$130,000 in patronage allocation and surplus share dividends. The allocation has been divided as outlined in the letters attached to your patronage cheques.

As in past years, your Board has focused on a variety of activities at the local, provincial and national level. Within Crocus, Board members have in addition to regular monthly business been involved on a number of committees that address current renovations to the Main Branch, internal and external audits, corporate donations, and nominations. The Board as a whole met to set a strategic direction for the coming years and also reviewed the previous plan on a quarterly basis. Policies were reviewed and updated as needed. New Board members availed themselves of training opportunities. A new Employment Contract was signed with our CEO. Crocus delegates participated in District and provincial annual meetings as well as the provincial convention. The President again represented Crocus on the Executive Forum and Order of Merit committees. Once again, Board members attended the national Convention and AGM. With regard to ensuring performance standards, an action plan was established and implemented based on recommendations made by the Deposit Guarantee Corporation of Manitoba. In order to more clearly measure how Crocus is functioning as an organization, the Board began to develop a Balanced Scorecard approach to evaluating progress in meeting corporate goals.

We again thank Arnie and the staff of Crocus for their efforts and skills in maintaining Crocus as a very viable organization. I also thank the Board for their interest and involvement during the past year. There is a role with considerable responsibility. Both staff and Board do make a difference in ensuring that the vision of Crocus is maintained on behalf of our members.

Respectfully submitted,
Doug Crookshanks, President



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, 2012:

Aggregate amount of Board of Directors honoraria and per diems	\$13,350
Aggregate amount of Board of Directors related expenses	\$ 223
Aggregate amount of Board of Directors meeting, training & conference costs	\$ 6,021
Aggregate amount of benefits in loan interest foregone or discounted to Board of Directors	0.00
TOTAL	19,594

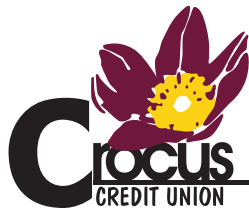
There were no loans advanced to Directors or Officers that did not conform to the Credit Union's ordinary lending practices.



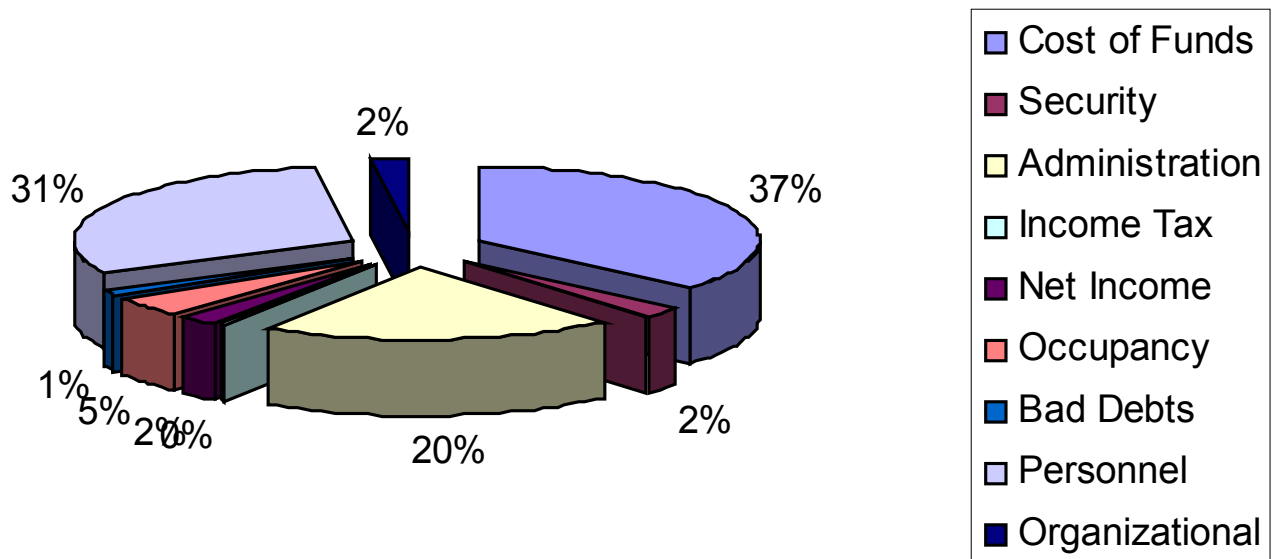
CROCUS CREDIT UNION'S MISSION STATEMENT:

To be a dynamic, socially responsible, co-operative financial organization that provides personal, quality service to our membership and community.

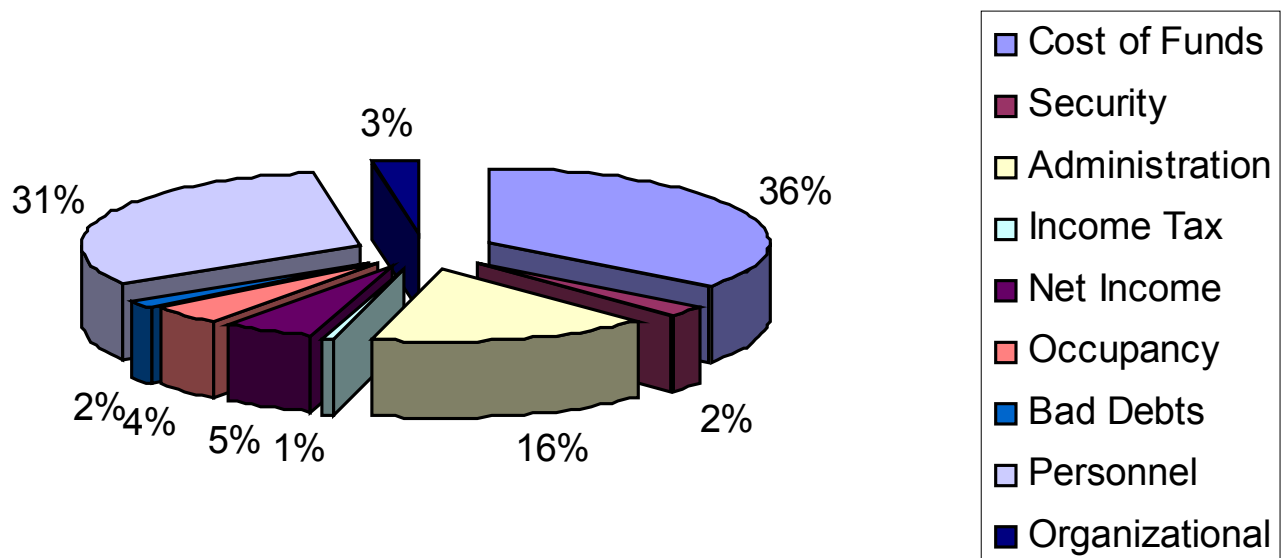
Not the biggest; simply the best!



2011 Financial Pie



2012 Financial Pie



Crocus Credit Union Limited
Summary Financial Statements
For the year ended September 30, 2012

To the Members of Crocus Credit Union Limited:

The accompanying financial statements of Crocus Credit Union Limited, which comprise the summary statement of financial position as at September 30, 2012 and September 30, 2011 and October 1, 2010 and the summary statement of income, changes in members' equity and cash flows for the years ended September 30, 2012 and September 30, 2011, and supporting schedules are derived from the audited financial statements of Crocus Credit Union Limited for the year ended September 30, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated November 15, 2012.

The Summary 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 Crocus Credit Union Limited.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements, derived from the audited financial statements of Crocus Credit Union Limited for the year ended September 30, 2012 are a fair summary of those financial statements.

Brandon, Manitoba

November 12, 2012

MNP LLP

Chartered Accountants

Summary Statement of Financial Position

As at September 30, 2012

	2012	2011	October 1, 2010
Assets			
Cash and cash equivalents	1,884,512	5,157,550	3,336,769
Investments and accrued interest	8,279,231	7,263,860	7,053,339
Members' loans receivable and accrued interest	76,801,846	72,957,076	67,550,878
Current tax receivable	-	23,575	30,554
Property and equipment	976,172	978,220	1,029,108
Prepaid expenses	40,433	27,176	29,077
	87,982,194	86,407,457	79,029,725
Liabilities			
Member deposits and accrued interest	79,391,977	77,922,249	70,542,568
Accounts payable	285,902	377,871	459,147
Current tax payable	7,098	-	-
Deferred tax	18,000	20,000	20,000
	79,702,977	78,320,120	71,021,715
Members' equity			
Member shares	1,663,505	1,674,912	1,687,670
Retained earnings	6,615,712	6,412,425	6,320,340
	8,279,217	8,087,337	8,008,010
	87,982,194	86,407,457	79,029,725

Approved on behalf of the board

Signed "Tony DeVlieghe", Director

Signed "Sharon Maguire", Director

Signed "Rod Ficek", Director

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

Crocus Credit Union Limited
Summary Income Statement
For the year ended September 30, 2012

	2012	2011
Interest income		
Member loans	3,258,991	3,127,044
Investments	291,128	168,242
	3,550,119	3,295,286
Interest expense		
Deposits	1,394,531	1,349,830
Interest on borrowed money	7,675	2,610
	1,402,206	1,352,440
Gross financial margin	2,147,913	1,942,846
Operating expenses		
Administration	646,647	757,819
Amortization	88,478	91,461
Member security	85,400	79,805
Occupancy	170,500	171,078
Organizational	104,948	78,460
Personnel	1,229,487	1,125,386
	2,325,460	2,304,009
Net operating income	(177,547)	(361,163)
Other income	616,374	603,907
Income before provision for impaired loans, patronage refund and income taxes	438,827	242,744
Provision for impaired loans	75,042	41,434
Income before patronage refund and income taxes	363,785	201,310
Patronage refund	130,000	100,000
Income before income taxes	233,785	101,310
Income taxes		
Current	32,498	9,225
Deferred tax	(2,000)	-
	30,498	9,225
Net income	203,287	92,085

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

Crocus Credit Union Limited
Summary Statement of Changes in Members' Equity
For the year ended September 30, 2012

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total</i>
Balance, October 1, 2010	1,687,670	6,320,340	8,008,010
Net income	-	92,085	92,085
Issuance of member shares	113,055	-	113,055
Redemption of member shares	(125,813)	-	(125,813)
Balance, September 30, 2011	1,674,912	6,412,425	8,087,337
Net income	-	203,287	203,287
Issuance of member shares	91,848	-	91,848
Redemption of member shares	(103,255)	-	(103,255)
Balance, September 30, 2012	1,663,505	6,615,712	8,279,217

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Crocus Credit Union Limited
Summary Statement of Cash Flows
For the year ended September 30, 2012

	2012	2011
Cash provided by (used for) the following activities		
Operating activities		
Interest received from member loans	3,248,540	3,146,525
Interest and dividends received from investments	267,101	157,721
Service charges and other income received	616,374	603,907
Income taxes paid	(1,825)	(2,246)
Interest paid to members	(1,367,261)	(1,283,788)
Interest paid on borrowed money	(7,675)	(2,610)
Payments to suppliers and employees	(2,342,208)	(2,291,923)
	413,046	327,586
Investing activities		
Net change in members' loans receivable and accrued interest	(3,909,361)	(5,467,113)
Purchase of investments	(991,344)	(200,000)
Purchase of property and equipment	(86,430)	(40,573)
	(4,987,135)	(5,707,686)
Financing activities		
Net change in member deposits and accrued interest	1,442,458	7,313,639
Issuance of member shares	500	13,055
Redemption of member shares	(141,907)	(125,813)
	1,301,051	7,200,881
Increase (decrease) in cash and cash equivalents	(3,273,038)	1,820,781
Cash and cash equivalents, beginning of year	5,157,550	3,336,769
Cash and cash equivalents, end of year	1,884,512	5,157,550

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Crocus Credit Union Limited
First Time Adoption of IFRS – Schedule 1
For the year ended September 30, 2012

Reconciliation of Financial Position at October 1, 2010

	Canadian GAAP	Adjustment(s)	IFRS
Cash and cash equivalents	3,336,769	-	3,336,769
Investments and accrued interest	7,053,339	-	7,053,339
Members' loans receivable and accrued interest	67,435,216	115,662	67,550,878
Property and equipment	1,029,108	-	1,029,108
Current tax receivable	30,554	-	30,554
Prepaid expenses	29,077	-	29,077
Total assets	78,914,063	115,662	79,029,725
Member deposits and accrued interest	70,542,568	-	70,542,568
Accounts payable	459,147	-	459,147
Deferred tax payable	-	20,000	20,000
Total liabilities	71,001,715	20,000	71,021,715
Member shares	1,687,670	-	1,687,670
Retained earnings	6,224,678	95,662	6,320,340
Total members' equity	7,912,348	95,662	8,008,010
Total liabilities and members' equity	78,914,063	115,662	79,029,725

Reconciliation of Financial Position at September 30, 2011

	Canadian GAAP	Adjustment(s)	IFRS
Cash and cash equivalents	5,157,550	-	5,157,550
Investments and accrued interest	7,263,860	-	7,263,860
Members' loans receivable and accrued interest	72,881,133	75,943	72,957,076
Property and equipment	978,220	-	978,220
Current tax receivable	23,575	-	23,575
Prepaid expenses	27,176	-	27,176
Total assets	86,331,514	75,943	86,407,457
Member deposits and accrued interest	77,922,249	-	77,922,249
Accounts payable	377,871	-	377,871
Deferred tax	-	20,000	20,000
Total liabilities	78,300,120	20,000	78,320,120
Member shares	1,674,912	-	1,674,912
Retained earnings	6,356,482	55,943	6,412,425
Total members' equity	8,031,394	55,943	8,087,337
Total liabilities and members' equity	86,331,514	75,943	86,407,457

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

Crocus Credit Union Limited
First Time Adoption of IFRS – Schedule 2
For the year ended September 30, 2012

Reconciliation of income for the year ended September 30, 2011

	Canadian GAAP	Adjustment(s)	IFRS
Total financial income	3,295,286	-	3,295,286
Interest expense	1,352,440	-	1,352,440
Gross financial margin	1,942,846	-	1,942,846
Operating expenses			
Administration	757,819	-	757,819
Amortization	91,461	-	91,461
Member security	79,805	-	79,805
Occupancy	171,078	-	171,078
Organizational	78,460	-	78,460
Personnel	1,125,386	-	1,125,386
	2,304,009	-	2,304,009
Other income	603,907	-	603,907
Provision for impaired loans	1,715	39,719	41,434
Patronage refund	100,000	-	100,000
Provision for income taxes	9,225	-	9,225
Net income	131,804	39,719	92,085

The following table outlines the adjustments to retained earnings:

	September 30, 2011	October 1, 2010
Retained earnings are previously reported	6,356,482	6,224,678
Adjustments:		
Allowance for impaired loans	75,943	115,662
Deferred tax	(20,000)	(20,000)
Retained earnings, restated	6,412,425	6,320,340

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



Deposit Guarantee Corporation of Manitoba

DEPOSIT GUARANTEE IS A LEGAL RESPONSIBILITY OF THE DEPOSIT GUARANTEE CORPORATION OF MANITOBA

Manitoba provincial law requires the Corporation to guarantee credit union deposits. The exact wording under Section 143 of *The Credit Unions and Caisses Populaires Act* is:

"Purposes of a deposit guarantee corporation:

The purposes of a guarantee corporation are to guarantee the deposits of members of credit unions and to ensure and promote the development of sound financial procedures and controls to protect credit unions against financial losses and, without limiting the generality of the foregoing, a guarantee corporation shall do such things as are necessary to enable a credit union assigned to it to satisfy the claims of the members of the credit union for withdrawals of deposits."

What is the Corporation?

Formed in 1965 as The Credit Union Stabilization Fund, the Corporation was originally created by initiative of the Manitoba credit union system. Since 1970, the role of the Corporation has been set out in legislation in *The Credit Unions and Caisses Populaires Act*.

How does it Work?

As the ultimate guarantor of your deposits, the Corporation continually monitors critical practices and procedures throughout the Manitoba credit union system. Corporation staff regularly inspect and analyze lending practices, financial performance, and operating procedures of each credit union in the Province. Any issues identified are brought to the attention of the credit union's Board and management. The Corporation has authority under *The Credit Unions and Caisses Populaires Act* to require prompt resolution of any issues it raises with a credit union.

Mission Statement

To guarantee deposits in Manitoba credit unions and promote sound business practices through the authority provided in *The Credit Unions and Caisses Populaires Act*, and by working cooperatively with Credit Unions, Credit Union Central and the Government of Manitoba.

Guiding Principles

In all that it does, the Credit Union Deposit Guarantee Corporation will strive to:

- ☒ Act in a prudent and ethical manner.
- ☒ Consider the needs and viewpoints of Credit Unions, Credit Union Central and Government.
- ☒ Recognize and acknowledge the value of individuals by relating to them fairly, honestly and respectfully.
- ☒ Seek proactive, innovative and equitable solutions to issues and problems.
- ☒ Employ balanced, common-sense measures which will minimize undue risk.
- ☒ Communicate clearly with individuals and stakeholder organizations.

Service & More



DEPOSITS:

- Maximizer Chequing/Savings
- US \$ Chequing
- Golden Accounts
- Plan 24 - Daily Savings
- Regular Chequing
- RRSP; RRIF & RESP
- Special Savings
- Term Deposits
- Full Package Service Plan
- Tax Free Savings Accounts



LOANS:

- Commercial Lines of Credit
- Commercial Loans
- Interim Financing
- Mortgages
- Overdraft Protection
- Personal/Equity Lines of Credit
- Personal Loans
- Student Loans

OTHER:

- Automated Teller Machine
- in Branch & Drive Thru
- Automatic Transfers
- Commissioner for Oaths
- Certified Financial Planner
- Credit Union MasterCard®
- Credential Securities®
- CU by Phone - telephone banking
- CU @ Home - Internet banking
- Direct Payroll/Pension Deposit
- Extended Hours of Operation
- Insurance: Travel, Home, Life,
Mortgage and Disability
- MemberCard® Debit Card
- Money Orders & Drafts
- Mutual Funds
- Night Depository
- Point of Sale Machines
- Qtrade® Investor Brokerage Service
- Safety Deposit Boxes /Safe Keeping
- Travellers Cheques
- Utility Bill Payment & Transfers by
Phone and Internet
- Web Site - www.crocuscu.mb.ca

