

Report of the Independent Auditor on the Summarized Financial Statements

To the Members of Compensation Employees Credit Union:

The accompanying summarized financial statements, which comprise the summarized statement of financial position as at December 31, 2017 and the summarized statements of comprehensive income and changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements, prepared in accordance with the International Financial Reporting Standards, of Compensation Employees Credit Union for the year ended December 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated February 27, 2018.

The summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited financial statements of Compensation Employees Credit Union. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of Compensation Employees Credit Union.

Managers' Responsibility for the Summarized Financial Statements

Management is responsible for the fair summarization of the complete audited financial statements of Compensation Employees Credit Union.

Auditors' Responsibility for the Summarized Financial Statements

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of Compensation Employees Credit Union for the year ended December 31, 2017 are a fair summary of those financial statements.

Abbotsford, BC
February 27, 2018


Chartered Professional Accountants

Compensation Employees Credit Union Summarized Statement of Financial Position December 31, 2017

	2017	2016
Assets		
Cash and equivalents	1,146,020	211,957
Investments	2,534,655	2,537,046
Member loans receivable	28,443,396	28,750,549
Income taxes receivable	376	1,090
Equipment	-	14,234
Deferred tax asset	12,000	9,000
	32,136,447	31,523,876
Liabilities		
Member deposits	28,704,412	28,656,540
Borrowings	1,000,000	500,000
Accounts payable and accrued liabilities	36,368	40,803
	29,740,780	29,197,343
Members' equity		
Equity shares	660,198	650,389
Retained earnings	1,735,469	1,676,144
	2,395,667	2,326,533
	32,136,447	31,523,876

Approved on behalf of the Board of Directors



Compensation Employees Credit Union
Summarized Statements of Comprehensive Income and Changes in Members' Equity
December 31, 2017

	2017	2016
Interest income	1,022,274	1,025,168
Interest expense	450,465	443,953
Financial margin	571,809	581,215
Other income	29,463	45,104
Operating margin	601,272	626,319
Operating expenses	500,880	514,599
Income before income taxes	100,392	111,720
Income taxes	8,624	10,103
Comprehensive Income	91,768	101,617
Members' equity, beginning of year	2,326,533	2,249,308
Equity share dividends	(32,443)	(31,911)
Net issuance of equity shares	9,809	7,519
Members' equity, end of year	2,395,667	2,326,533

Compensation Employees Credit Union
Summarized Statement of Cash Flows
December 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities	105,801	80,752
Financing activities	516,369	459,589
Investing activities	311,893	(2,655,002)
Increase (decrease) in cash and cash equivalents	934,063	(2,114,661)
Cash and cash equivalents, beginning of year	211,957	2,326,618
Cash and cash equivalents, end of year	1,146,020	211,957

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