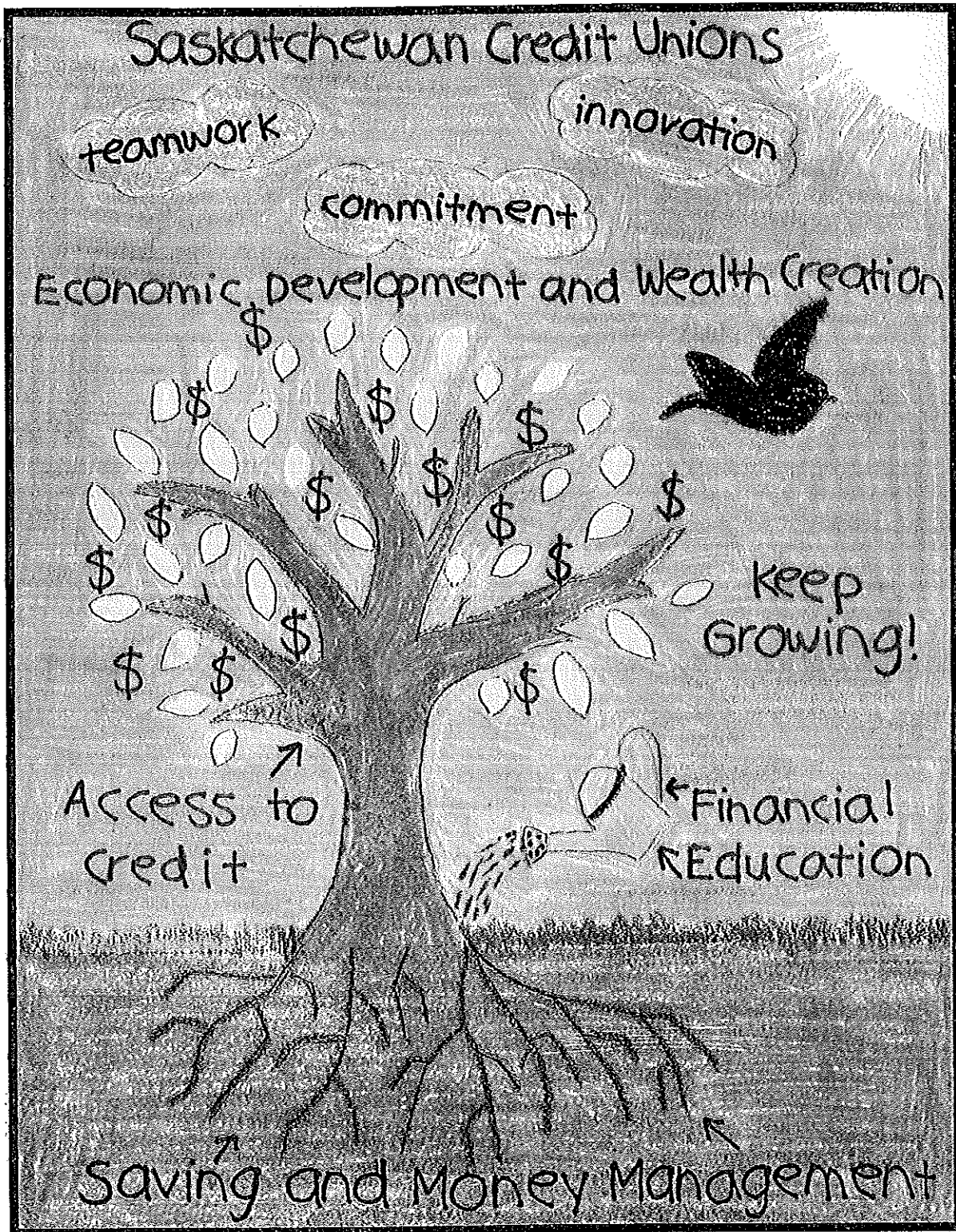


2014 ANNUAL REPORT BRUNO CREDIT UNION



Cover designed by: Breanna Thoms

BRUNO SAVINGS AND CREDIT UNION LIMITED

ANNUAL MEETING

AGENDA

Wednesday, March 25, 2015

Bruno Community Hall

6:30 Supper

7:30 Annual Meeting

- 1. Call to Order*
- 2. President's Opening Remarks*
- 3. Confirmation of Quorum*
- 4. Adoption of Agenda*
- 5. Minutes of the 76th Annual Meeting*
- 6. Board of Directors' Report*
- 7. Auditor's Report*
- 8. Appointment of Auditors*
- 9. New or Unfinished Business*
- 10. Door Prizes*
- 11. Adjournment*
- 12. Presentation by*
Pam Schwann, Executive Director
Saskatchewan Mining Association



Saskatchewan
Credit Unions

Make it Real

Message from the Board

On behalf of the board and staff I would like to welcome you to our 77th Annual General Meeting.

*Mark Kehrig , Chair
On behalf of the
Board of Directors*



Bruno Savings and Credit Union Limited

Vision

To be a local, democratically controlled, responsible and viable financial institution that is responsive to the social and economic needs of current and potential members.

Mission

To provide quality financial services beneficial to our members, community and environment in a manner responsible and accountable to all.

Values

Our goal is to provide a measurable economic and social benefit to members and communities by incorporating the following values in all that we do:

Co-operation and Accountability - We are committed to working together to provide our members with the highest quality service. Our strength and development is enhanced by acting co-operatively as a system. We take into account the effect of our actions on each other.

Service Excellence - We have the highest quality service in the financial community. We provide all credit union members with friendly, knowledgeable and helpful service.

Product Excellence - Our continuous innovation ensures members receive added value. We provide access to a full range of financial products tailored to meet or exceed member needs.

Financial Performance - Our strong financial performance allows us to fulfill our co-operative principles. We balance our need for financial results with the needs of our members and communities. We earn the confidence of our members and ensure our continued growth and development by providing an unlimited guarantee on member deposits and adhering to sound business practices.

Community Impact - We actively support the development of our communities locally, provincially and beyond. Our communities are stronger because of the credit union system.

Professional Conduct - Members' financial affairs are conducted with integrity in a professional manner. Our ethical principles are rooted in the concern for the individual. Confidentiality is integral to the way we do business.

Employee Satisfaction - We respect our employees and their contribution to our success. We encourage employee involvement and participation. We recognize and reward them for their creativity, team work and for achieving objectives. We support their development by providing training and educational opportunities. We respect their need to balance personal and professional lives.

Co-operative Principles

As a true co-operative financial institution, Bruno Savings and Credit Union Limited acts in accordance with internationally recognized principles of co-operation:

Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operatives.

Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Credit Union Market Code

Bruno Savings and Credit Union Limited voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee to ensure the protection of credit union members. The code sets forth guidelines for the following areas:

- Complaint handling, which outlines the process for dealing with all complaints regarding the service, products, fees or charges of Bruno Savings and Credit Union Limited.
- Fair sales by outlining the roles and relationship of staff to all members and in accordance with the financial services agreement.
- Financial planning process to advise members on the risks and benefits associated with financial planning services.
- Privacy to protect the interests of those who do business with Bruno Savings and Credit Union Limited. Privacy is the practice to ensure all member information is kept confidential and used only for the purpose for which it was gathered.
- Professional standards to preserve a positive image of Bruno Savings and Credit Union Limited among our members and communities.
- Capital management to ensure our capital structure aligns with our risk philosophy.
- Financial reporting to adhere to business and industry standards.
- Governance practices to adhere to the intent and stipulation of our corporate bylaws, which are approved by the membership of Bruno Savings and Credit Union Limited.
- Risk management to ensure all risks are measured and managed in an acceptable fashion.

Management Discussion and Analysis

Introduction

Bruno Savings and Credit Union Limited is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Bruno Savings and Credit Union Limited is able to provide financial services to members and non-members. As at December 31, 2014 we had 1313 members and 399 non-members. Non-members do not participate in the democratic processes of the credit union nor the patronage program.

Our credit union serves the communities of Bruno and Prud'homme and their surrounding areas through 2 branches, one located in Bruno and one in Prud'homme. In these communities we provide a broad range of financial services including deposit and lending services. The lending is done out of the Bruno office.

Strategy

The mission of Bruno Savings and Credit Union Limited is to provide quality financial services beneficial to our members and communities.

In order to meet this mission, some of our objectives are:

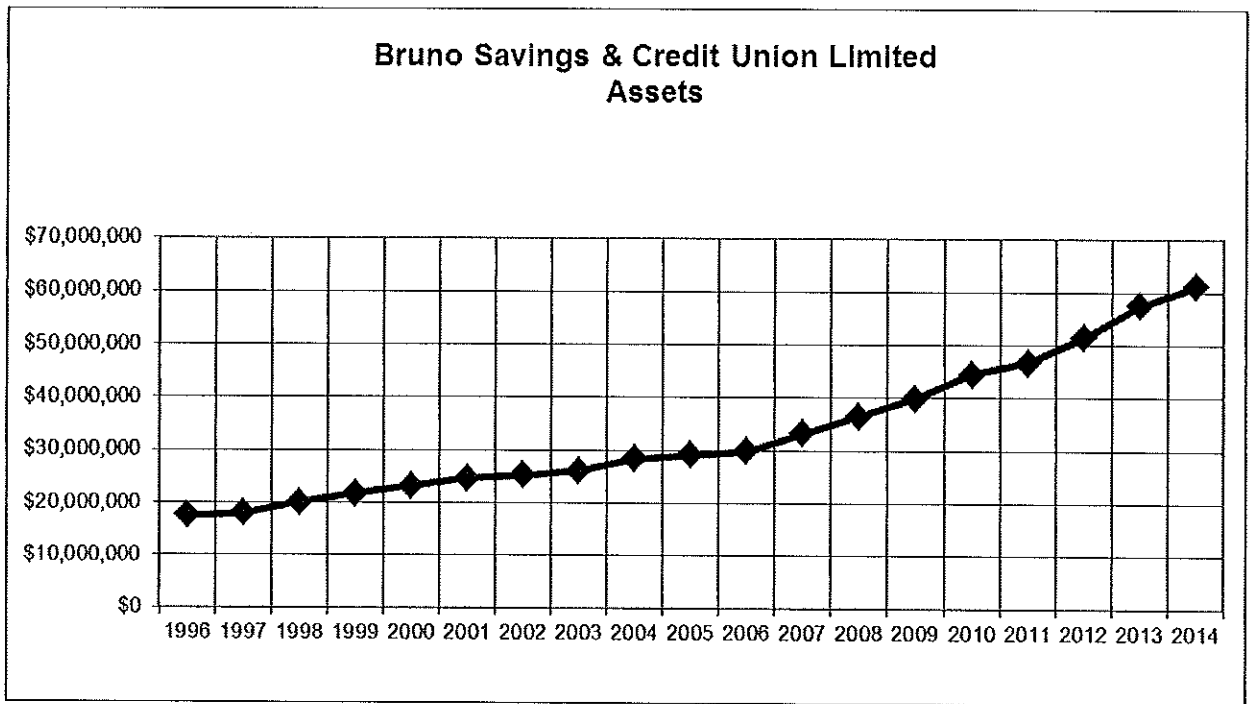
- to have professional, dedicated and motivated management, staff and board of directors that are contributing to the success of the community.
- to have strong governance, management and staff resources through effective succession planning, recruitment strategies and board/employee personal and professional development.
- to have a fully satisfied membership
- to provide access to a broad range of products and services that best meet members' needs
- to attract and retain new members and business
- to exceed member expectations
- to be a financially viable organization
- to be compliant with all legislation and regulatory requirements
- to have technology in place to meet our members' needs and the needs of our credit union.

Results

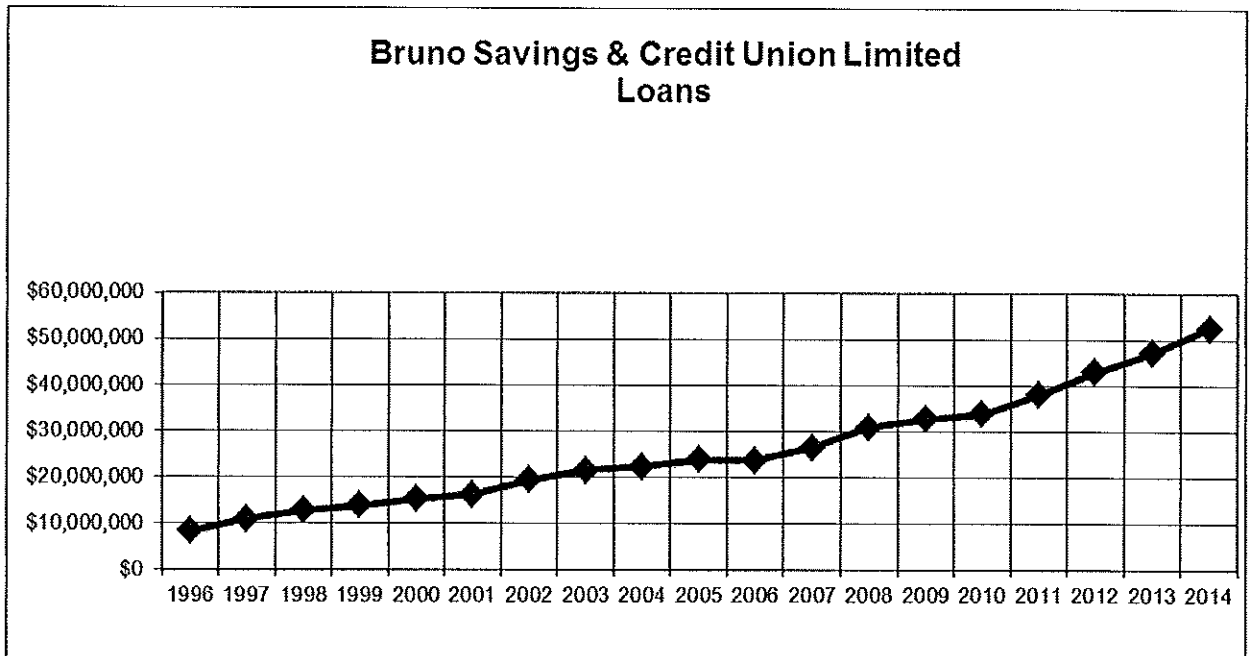
Financial Performance

Following this report is the audited financial statements which give much more detail. The following are some highlights.

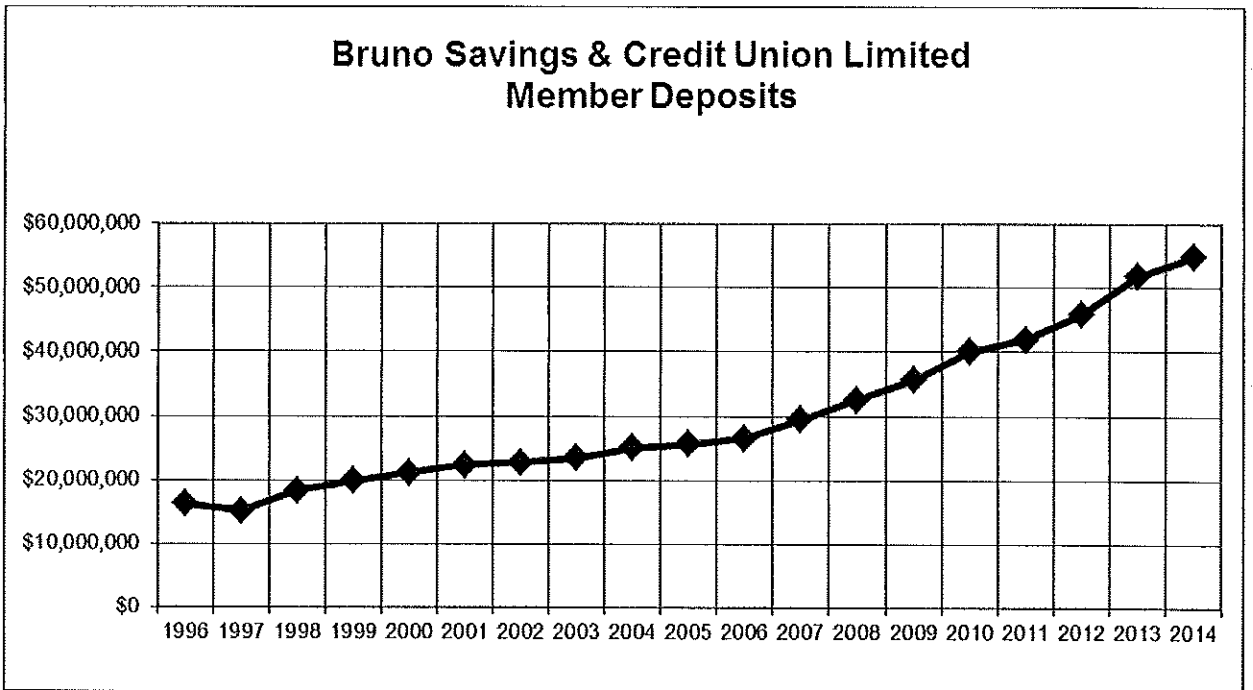
The first is growth: This year we had growth in assets of 6.45% or \$3,701,182.



Loans increased by \$5.45 million or 11.59% and ended the year at 85.99% of assets (last year end loans totalled 82.03% of assets). This ratio is calculated on loans and leases and includes accrued interest on the loans outstanding to these members. This is higher than our target of 80%.



Member deposits increased by approximately 5.88% or \$3.04 million.



Investments decreased by \$2.73 million since loan demand exceeded deposit growth in 2014.

Credit Risk

Credit risk is the risk of loss arising from a borrower not fulfilling their contractual payment obligations.

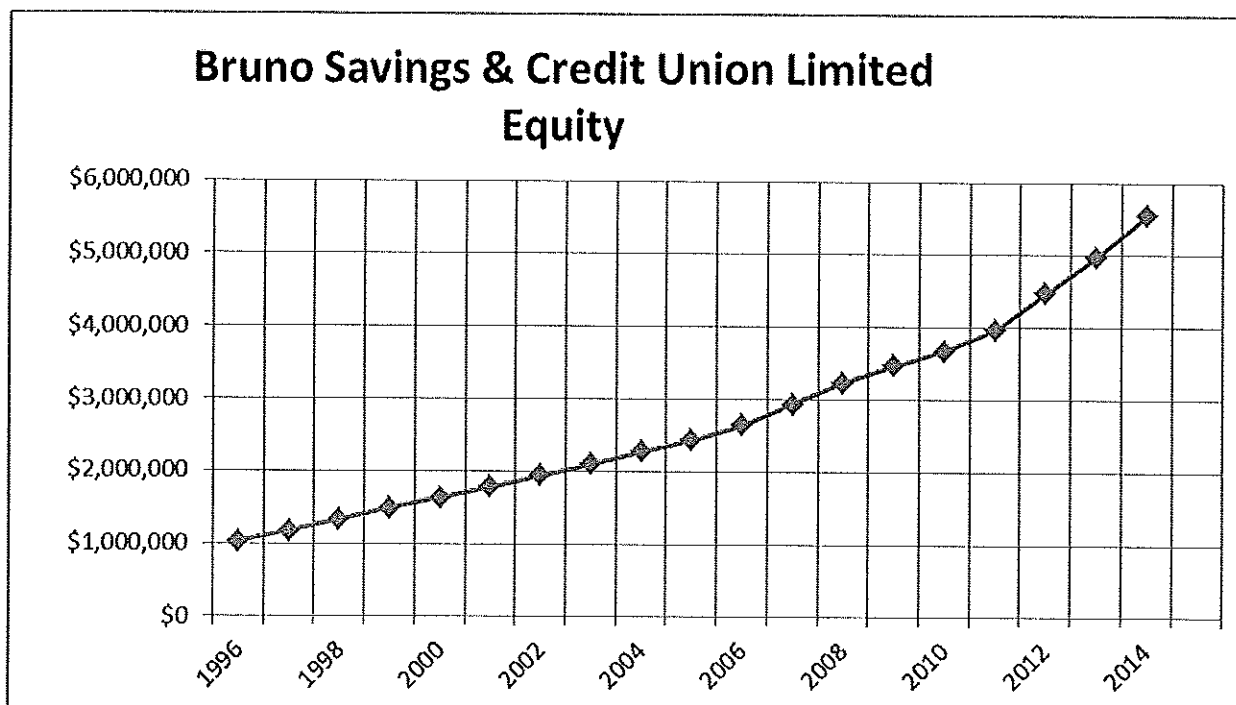
The primary type of risk is associated with loans. No loans were written off in 2014 and no allowances were set up. We ended the year with \$0.00 of impaired loans. (compared to \$0.00 last year). There were \$3,469,513 of loans that were in arrears 1 day or more at Dec 31, 2014. (compared to \$2,611,262 the prior year end) Our lending staff work with all borrowers, with loan arrears, to make suitable arrangements for repayment. In the rare situations where suitable arrangements can't be made, legal action is taken.

Liquidity Risk

Liquidity is yet another factor which we monitor. Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. We completed the year in a negative liquidity position: -\$1,073,741 compared to negative -\$803,977 last year. We can sell loans, purchase deposit through a broker or borrow funds from Concentra Financial to help deal with a liquidity shortfall if needed.

Equity

Equity, the difference of assets and liabilities which is the measure of ownership, remained strong this year. Equity can be measured both as a percentage of assets or as a dollar amount. This year we completed the year with \$ 5,547,480 or 9.08% compared to \$4,964,479 or 8.65% last year. There is also an additional \$585,323 or 0.96% in member allocated equity accounts. CUDGC sets standards for the Credit Unions to follow, one of the standards being that we must have 5% equity in our organization or we become subject to supervision by CUDGC. We also rate our equity under the Bank of International Standards. Under BIS standards we are required to hold 8% equity of risk rated assets, we presently hold 12.84% compared to the peer group average of 12.79% and system average of 12.69%. Regulatory standards also require the Credit Union to maintain a minimum leverage ratio of 5%. This ratio is calculated by dividing eligible capital by total assets less deductions from capital plus specified off-balance sheet exposures. Our leverage ratio is 9.86%



A strong equity position comes from good profitability. This year our profitability was a bit higher than last year. Profit after tax allocation was \$583,001 compared to \$492,209 last year.

Finally we will look at Productivity. Productivity remains competitive with other Credit Unions.

The following chart will show our productivity compared to peer group (like size) and the provincial average.

PRODUCTIVITY

	BRUNO	LIKE SIZE	PROVINCIAL AVERAGE
Assets/Staff	\$ 6,264,925	\$ 4,926,704	\$ 5,669,386
Deposits/Staff	\$ 5,603,808	\$ 4,475,055	\$ 4,901,075
Loans/Staff	\$5,350,475	\$ 3,486,356	\$ 4,552,080
Membership/Staff	175	160	162
Personnel costs/Staff	\$ 66,900	\$ 68,963	\$ 81,895

Like size or peer group credit unions are the 16 smallest credit unions in the province ranging in size from \$18 million to \$61 million. There are 18 out of 51 Credit Unions in Saskatchewan in this category.

Enterprise Risk Management

Each year our credit union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our communities now and in the future. This process is called **Enterprise Risk Management** or **ERM** for short, and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation.

The Board, Management, and Staff annually review and update a strategic plan and an Annual review of our ERM is completed.

Through this process, the following risks along with **Credit Risk** and **Liquidity Risk** previously listed in the Financial performance section have been identified risks according to their potential impact on the Bruno Savings and Credit Union Limited.

Strategic Risk

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, customer preferences, product obsolescence or resource allocation will impact our ability to meet our objectives. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve these goals, the resources deployed against these goals and the quality of implementation.

Market Risk

Market risk is the exposure to potential loss from changes in market prices or rates. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement.

Legal and Regulatory Risk

Legal and regulatory risk is the risk arising from potential violation of, or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards.

The main legal & regulatory risk identified by Bruno Savings and Credit Union Limited is:

- The risk of potential violations of, or non-conformance with applicable laws, rules, regulations, prescribed practices, or ethical standards.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposures to this risk arise from deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters. Operational risks are looked at by the board regularly throughout the year as they effect the day to day operations. They include risks such as:

- The risk of not being able to offer/ afford all the technology related solutions for internal and / or member needs.
- The risk of not being able to retain key positions in our Credit Union
- The risk of not being profitable
- The risk of not providing certain/ specialized products/ services that members might need and become dissatisfied enough to lose business.
- The risk of losing business because of referring to outside sources

Regulatory

Regulatory matters are an ongoing concern of the Bruno Savings and Credit Union Limited. Presently there are many Regulatory bodies in which the Bruno Savings and Credit Union Limited has to comply with. To mention a few of the more important would include: The Registrar of Credit Unions, The Credit Union Deposit Guarantee Corporation (CUDGC), Office of the Superintendent of Financial Institutions (OSFI), Financial Transactions & Reports Analysis Center of Canada (FINTRAC) and Canada Revenue Agency (CRA).

Corporate Structure and Governance

The governance of the Bruno Savings and Credit Union Limited is anchored in the cooperative principle of democratic member control.

Board Of Directors

Mandate and Responsibilities

The board is responsible for the strategic oversight, business direction and supervision of management of the Bruno Savings and Credit Union Limited. In acting in the best interests of the credit union and its members, the board's actions adhere to the standards set out in *The Credit Union Act 1998*, the *Standards of Sound Business Practice* and other applicable legislation.

Board Composition

The board is composed of 9 individuals elected on a regional basis. Terms are for 3 years. Nominations are made by district . Voting (if needed) is by paper ballot and election results are announced at the Bruno Savings and Credit Union Limited's annual general meeting. As you will note from the list of the Staff and Directors attached, Philip Lepage, Mark Kehrig and Elaine Urban, have had their terms of office expire this year.

Nominations were held from Feb 6th, 2015 to Feb 20th, 2015. At the time nominations ceased, there were three nominations for the Bruno District. They were Philip Lepage, Mark Kehrig and Elaine Urban. Since the number of nominations equalled the number of vacancies, elections did not need to take place, and by acclamation the following directors were elected for 3 year terms: Philip Lepage, Mark Kehrig and Elaine Urban. A big thank you to the directors for leaving their names stand for re-election.

Board Compensation

Bruno Savings and Credit Union Limited is fortunate to have competent guidance through the dedication of Management and the Board of Directors.

As in past years the Board of Directors was very busy with regular and committee meetings throughout the year. 10 regular meetings were held as well as other meetings, consisting of a Strategic Planning meeting and a meeting to do the general manager's annual performance review. The audit committee met 4 times, the conduct review committee and the credit committee each met once in 2014.

Directors and committee members are compensated with a per diem for meetings attended. Out of pocket expenses such as mileage and meal costs are also reimbursed to directors for

expenses incurred from attending meetings and training. Directors attended various meetings and training throughout the year. Some of these included Governance training and attendance at a CUDGC informational meeting.

Board Committees

The Board of Directors organizes itself into several committees to ensure that oversight of various aspects of our operations and governance can be dealt with most effectively. The committees of the board are as follows:

> **Executive Committee:** acts on behalf of the board of directors between regular or special board meetings on all board matters except those which the board may not, in compliance with legislative requirements, delegate. The 2014 members of the committee were: Mark Kehrig, President , Andre Lafreniere, Vice-president and Jeff Mark, General Manager.

The executive committee comprised of the president, vice president and the general manager.

> **Conduct Review Committee:** ensures related party transaction comply with legislation, standards of sound business practice and with credit union or committee policies and procedures. They also ensure that all proposed related party transactions are fair to the credit union and that the exercise of the best judgment of the credit union has not been compromised as a result of real or perceived conflict of interest. 2014 members of this committee were: Corrine Doetzel, Kurtis Ellis, Bentley Carberry and alternates were Philip Lepage and Elaine Urban.

The conduct review committee is appointed annually at the re-organization meeting.

> **Nominating Committee:** oversees the nomination and election processes for the elections of credit union directors. 2014 members of this committee were Ryan Hering, Kurtis Ellis and Andre Lafreniere.

The nominating committee is appointed annually at the re-organization meeting.

> **Audit Committee:** ensures an independent review of the credit union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to relevant legislation, regulations and standards. 2014 members of this committee were: Elaine Urban, Ryan Hering, Mark Kehrig and Andre Lafreniere.

The Audit committee is appointed annually at the re-organization meeting.

> **Credit Committee:** To analyze and make decisions on credit applications within the provision of policy and legislation on any loans brought to them for approval. To review loans granted by management that are exceptions to loans policy and monitor if the exceptions are reasonable. 2014 members of this committee were: Philip Lepage; Peter Krebs, Jeff Mark and Joan Manderscheid.

The credit committee is appointed annually at the re-organization meeting.

Andre Lafreniere remains as the Delegate for the Bruno Savings and Credit Union Limited to Sask Central where he meets with other credit union delegates on a quarterly basis.

Executive Management

The Executive Management consist of the General Manager, Branch Supervisor , Office Supervisor and Loans officer. As you can see by the attached chart the Executive Management team has OVER 70 years of combined Credit union experience. Constant updates and meetings keep the management busy, both attending and reporting back to directors and staff.

Staff\Employees

Larissa Tremel worked as our summer student at the Bruno office in 2014 and will be working for us again this summer.

At our Prud'homme office, Candice Regush took over as the Branch Supervisor on Jan 1st and Doris continues to work on a part time basis.

We are fortunate to have many long time employees who are very committed to providing **excellent service to our members.**

WE WOULD NOT BE WHERE WE ARE TODAY WITHOUT OUR DEDICATED MANAGEMENT & STAFF.

Employees take required and optional training on an ongoing basis. Some of the training that is required on an annual basis is Anti-Money Laundering & Terrorist Financing as well as Privacy and Code of Conduct training.



QUICK FACTS

(as of Dec 31, 2014)

- Today there are 49 credit unions in Saskatchewan serving 251 communities through 283 service outlets
- Saskatchewan credit union assets reached \$19.6 billion with revenue of over \$882 million.
- Credit Union lending amounts to \$15.7 billion
- Almost 500 board members are locally elected by members of each credit union to provide strategic direction to their management teams.
- Credit unions are a major contributor to Saskatchewan's economy, employing almost 3500 people.
- As independent financial institutions owned and controlled by their members, credit unions are shaped by community needs. Saskatchewan credit unions range in asset size from \$18 million to more than \$5 billion.
- Funds held on deposit in Saskatchewan Credit Unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention.

BRUNO SAVINGS AND CREDIT UNION LIMITED

BRUNO , SASKATCHEWAN

INCORPORATED: April 7, 1938

CREDIT UNION CHARTER NO. 13

OFFICERS:

PRESIDENT – MARK KEHRIG

VICE-PRESIDENT – ANDRE LAFRENIERE

SECRETARY-TREASURER – JEFF MARK

DIRECTORS

NAME	YEARS of SERVICE	OCCUPATION	ADDRESS	TERM EXPIRES	Reg Meeting Attendance Rate
Bentley Carberry	22	Sales manager	Bruno	2017	90%
Peter Krebs	10	Administrator	Prud'homme	2017	90%
Corrine Doetzel	4	Education Assistant	Bruno	2017	90%
Philip Lepage	9	Farmer	Bruno	2015	90%
Mark Kehrig	15	Farmer	Bruno	2015	100%
Elaine Urban	10	Farmer	Bruno	2015	90%
Ryan Hering	5	Farmer	Bruno	2016	90%
Kurtis Ellis	5	Electrician	Bruno	2016	50%
Andre Lafreniere	20	Farmer	Prud'homme	2016	90%

STAFF

NAME	POSITION	YEARS OF CO-OPERATIVE SERVICE	
Jeff Mark	General Manager	34	
Joan Manderscheid	Loans Officer	27	
Cheryl Solar	Office Supervisor	9	
Shannon Weiman	Loans clerk	17	
Colleen Niebrugge	Member Service Rep	26	
Susan Corbett	Member Service Rep	6	
Brandy Moritz	Member Service Rep	16	
Lisa Weiman	Member Service Rep	2	
Candice Regush	Branch Supervisor	3	
Doris Hounjet	Member Service Rep	37	Part time
Heike Fink	Member Service Rep	4	Part time

EXECUTIVE COMMITTEE

*Mark Kehrig
Andre Lafreniere
Jeff Mark – secretary*

AUDIT COMMITTEE

*Elaine Urban
Mark Kehrig
Andre Lafreniere
Ryan Hering
Jeff Mark – secretary*

CREDIT COMMITTEE

*Philip Lepage
Peter Krebs
Jeff Mark
Joan Manderscheid*

CONDUCT REVIEW COMMITTEE

*Corrine Doetzel Alternates:
Kurtis Ellis
Bentley Carberry Secretary:*

*Philip Lepage
Elaine Urban
Jeff Mark*

Corporate Social Responsibility (CSR)

- The Bruno Saving and Credit Union Limited has always contributed to the well-being of the communities that it serves above and beyond the financial and economic role that financial institutions play.

In 2014 over \$22,000 was spent on local sponsorships. Some of the groups and events that we provided support to were:

- Viscount 4-H Beef Club
- Bruno Skating Rink (Hot Chocolate dispenser)
- Bruno Bombshells Broomball team (Jerseys)
- Bruno T Birds Sr Hockey
- Vonda School Grad award
- Bruno School Grad Award
- Sask Co-operative Youth Program
- Bruno Jr Boys Broomball
- Bruno Car Show
- Bruno Bowling Alley
- Prud'homme Fire Department
- Bruno Fire Department
- Bruno Golf Course (towards mower)
- Aberdeen Novice Hockey
- Bruno School (5 Mini I-pads)
- Bruno Home and School (towards score clock)
- Bruno Minor Hockey (treat bags for tournament)
- Bruno Merchants fast ball
- Bruno Jr. Girls Broomball (towards Jerseys)

Canadian Co-operative Association – Women's Mentorship Program

The CCA's Women's Mentorship Program is an annual training program that provides women credit union managers from African and Asian financial co-operatives with a unique opportunity for professional development; it is also a mutual learning opportunity for Canadians and international co-operators.

The women spent one month in Canada, of which 10 days were spent in a Credit Union somewhere in Canada. From May 22 to May 31, 2014 this Credit Union was the host Credit Union for Dinah Acayo. Dinah is the manager of the Payango Savings and Cooperative Society in Uganda. This Co-operative was started just 8 years ago and Dinah was looking for ideas on how to better manage and grow her Credit Co-operative.

Capital Management

Our Regulator, The Credit Union Deposit Guarantee Corporation has set out minimum Standards for Credit Unions to follow with regards to capital limits. Credit Unions are expected to hold Capital in excess of these minimums and therefore are required to develop an **internal capital adequacy assessment process (ICAAP)**.

The following compares CUDGC regulatory standards to our Credit Union's numbers at year end:

For total eligible capital to risk weighted assets the regulatory standard is 8.00% and we were 12.84%.

For tier 1 capital to risk-weighted assets the regulatory standard is 6.00% and we were 11.60%.

For Common equity tier 1 capital to risk-weighted assets the regulatory standard is 4.50% and we were 11.60%.

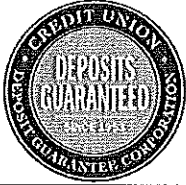
The minimum leverage ratio is 5.00% and we were 9.86%.

In addition to the minimum capital ratios, the Credit Union will be required to hold a capital conservation buffer of 2.50% effective January 1, 2016.

Equity is a reflection of the past success of your credit union. It also serves as the financial cushion that allows your credit union to expand product lines and develop new services.

Capital management can be very complex and includes 6 areas. These areas are:

- ▶ **Board and Management oversight**
 - Policies are developed
 - i.e desired capital levels, risk tolerance, capital expenditures
- ▶ **Sound capital assessment and planning**
 - Capital Plans are developed by management and board and reviewed ongoing
- ▶ **Comprehensive assessment of risks**
 - Risks to capital are assessed through processes such as Enterprise Risk management (ERM)
 - i.e where is the largest concentration of risk to capital (credit/loans)
- ▶ **Stress Testing**
 - On a quarterly basis capital levels are tested for possible erosion
 - Stress testing programs are used to test the ability of the credit union to absorb losses
 - i.e How would rising interest rates effect our capital level or a large increase in deposit
- ▶ **Monitoring and Reporting**
 - Regular reports are prepared for the directors and Credit Union Deposit Guarantee Corporation.
- ▶ **Internal Control Review**
 - Ongoing internal controls and functions along with scheduled internal audits and CUDGC reviews



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2014

January 2015

Deposits Fully Guaranteed

Credit Union Deposit Guarantee Corporation is the primary regulator for Saskatchewan credit unions. The Corporation is given its mandate through provincial legislation, *The Credit Union Act, 1998*, for the main purpose of guaranteeing the full repayment of deposits held in Saskatchewan credit unions. The Corporation has successfully guaranteed the repayment of deposits held in Saskatchewan credit unions for over 60 years. By guaranteeing deposits and promoting responsible governance, the Corporation contributes to confidence in Saskatchewan credit unions.

The Corporation will continue research and development to respond to regulatory changes at the international and federal levels such as those for liquidity and capital requirements, and accounting standards changes. We will engage with stakeholders and inter-jurisdictional regulators to promote and advocate for common approaches to liquidity in support of a strong and stable provincial credit union system.

In 2014 the Corporation completed a multi-year project to revise its supervisory framework. The revised framework aligns with industry best practices and regulatory expectations, including methodology to assess a credit union's risks, risk management practices and corporate governance. In 2015 credit unions will see the Supervisory Framework implemented along with re-designed tools that correspond with the revised framework and methodology.

The Corporation acknowledges that Saskatchewan credit unions have a long history of holding themselves to high standards, and have demonstrated their willingness to adopt credible, industry-based standards. This helps to ensure Saskatchewan credit unions can successfully meet the challenges of a rapidly changing financial services industry and increasing regulatory requirements.

For more information about deposit protection, the Corporation's regulatory responsibilities and its role in promoting the strength and stability of Saskatchewan credit unions, talk to a representative at the credit union or visit the Corporation's web site at www.cudgc.sk.ca.

Management's Responsibility

To the Members of Bruno Savings and Credit Union Limited:

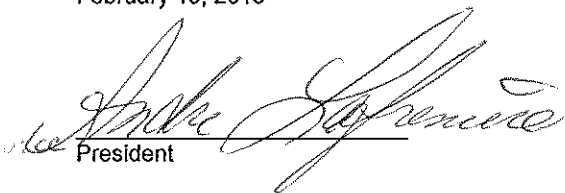
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

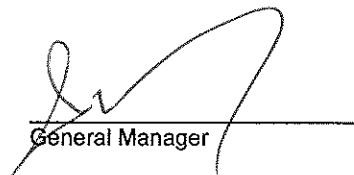
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit and Risk Committee are composed entirely of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit and Risk Committee has the responsibility of meeting with management, internal auditors, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

February 19, 2015


President


General Manager

Bruno Savings and Credit Union Limited
Summary Financial Statements
December 31, 2014

Report of the Independent Auditors' on the Summary Financial Statements

To the Members of Bruno Savings and Credit Union Limited:

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2014, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended, are derived from the audited financial statements of Bruno Savings and Credit Union Limited for the year ended December 31, 2014. We expressed an unmodified opinion on those financial statements in our report dated February 19, 2015.

The summary financial 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 Bruno Savings and Credit Union Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary 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, the summary financial statements derived from the audited financial statements of Bruno Savings and Credit Union Limited for the year ended December 31, 2014 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

Humboldt, Saskatchewan
February 19, 2015

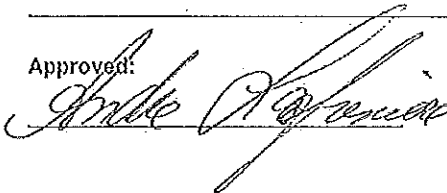
MNP LLP
Chartered Accountants

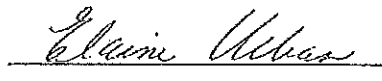
Bruno Savings and Credit Union Limited
Summary Statement of Financial Position

As at December 31, 2014

	2014	2013
Assets		
Cash and cash equivalents	2,496,766	1,543,070
Investments	5,948,364	8,686,949
Loans	52,526,828	47,071,007
Other assets	8,260	9,442
Property, plant and equipment	103,818	71,366
	61,083,016	57,381,834
Liabilities		
Deposits	54,817,373	51,772,934
Other liabilities	126,275	40,415
Membership shares	6,565	6,565
Equity accounts	585,323	597,441
	55,536,536	52,417,355
Commitment		
Equity		
Retained earnings	5,547,480	4,964,479
	61,083,016	57,381,834

Approved:

 Director

 Director

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

Bruno Savings and Credit Union Limited
Summary Statement of Comprehensive Income

For the year ended December 31, 2014

	2014	2013
Interest income		
Loan interest	2,167,717	1,931,116
Investments	133,265	197,887
	2,300,982	2,129,003
Interest expense		
Deposits	553,693	525,711
Borrowed money	3,483	1,752
	557,176	527,463
Net interest income	1,743,806	1,601,540
Recovery of credit losses	-	267
Net interest income before other income	1,743,806	1,601,807
Other income	161,136	116,745
Net interest and other income	1,904,942	1,718,552
Operating expenses		
Personnel	652,275	630,854
Security	58,117	52,169
Organizational	41,167	39,679
Occupancy	49,243	30,891
General business	403,215	397,471
	1,204,017	1,151,064
Income before provision for income taxes	700,925	567,488
Provision for income taxes	117,924	75,279
Total comprehensive income	583,001	492,209

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

Bruno Savings and Credit Union Limited
Summary Statement of Changes in Equity
For the year ended December 31, 2014

	2014	2013
Retained earnings, beginning of year	4,964,479	4,472,270
Add:		
Total comprehensive income	583,001	492,209
Retained earnings, end of year	5,547,480	4,964,479

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

Bruno Savings and Credit Union Limited
Summary Statement of Cash Flows
For the year ended December 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating		
Interest received from loans	2,115,012	1,927,616
Interest received from investments	171,408	186,230
Other income received	161,134	116,745
Income taxes paid	(74,287)	(96,163)
Interest paid to members	(534,052)	(510,762)
Interest paid on borrowed money	(3,483)	(1,752)
Cash payments to suppliers and employees	(1,142,542)	(1,130,472)
	693,190	491,442
Financing		
Line of credit repayments	-	(358,200)
Net change in deposits	3,024,800	5,974,147
Redemption of membership shares	-	(45)
Reduction of equity accounts	(12,118)	(24,446)
	3,012,682	5,591,456
Investing		
Net change in loans	(5,403,116)	(4,113,710)
Net change in investments	2,700,442	(644,730)
Purchase of property, plant and equipment	(50,512)	(45,365)
	(2,753,186)	(4,803,805)
Increase in cash and cash equivalents	952,686	1,279,093
Cash and cash equivalents, beginning of year	1,543,070	263,977
Cash and cash equivalents, end of year	2,495,756	1,543,070

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