



CREDIT UNION

DEPOSIT GUARANTEE

CORPORATION

🍁 Alberta

ANNUAL REPORT

2013

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DEPOSIT GUARANTEE STATEMENT

The Credit Union Deposit Guarantee Corporation (the “Corporation”) operates under the authority of the *Credit Union Act*, Chapter C-32, revised Statutes of Alberta, 2000. The Corporation guarantees the repayment of all deposits with Alberta credit unions including accrued interest. *The Credit Union Act* provides that the Province of Alberta will ensure that this obligation of the Corporation is carried out.

MANDATE

To provide risk-based regulatory oversight and a deposit guarantee to enable a safe and sound credit union system in Alberta.

PRIMARY ROLES

- Provide a 100% guarantee of deposits held with Alberta credit unions.
- Regulate credit unions and enforce the *Credit Union Act*.
- Review, advise and direct credit unions on sound business practices.
- Monitor credit union performance and implement appropriate actions to improve performance and reduce risks.
- Establish individual credit union loan approval limits and provide an appropriate adjudication process for loans exceeding these limits.

CORPORATE VALUES

- Integrity
- Respect
- Accountability

CORE OPERATIONS

There are three interrelated core operations that contribute to fulfilling our mandate:

- guaranteeing deposits,
- regulating credit unions, and
- managing our business.

CORPORATE GUIDING PRINCIPLES

GOVERNANCE

- We employ sound business practices in our governance and operations and model these for the credit unions.

OPERATIONS

- We oversee business practices in Alberta credit unions through risk-based management practices to monitor compliance to the *Credit Union Act*.
- We strive to maintain the Deposit Guarantee Fund at a level that will enable us to independently provide the 100% guarantee of credit union deposits.
- We operate efficiently and effectively in achieving our goals through continuous improvement of our processes and practicing prudent fiscal management.

EMPLOYEES

- We treat all employees with fairness and respect.
- We encourage creativity, innovation and individual initiative in our employees in support of continuous improvement and growth.
- We promote wellness and work-life balance.

EXTERNAL STAKEHOLDERS

- We encourage and support credit union autonomy and accountability.
- We maintain open and effective communications with the Department of Treasury Board & Finance, Credit Union Central Alberta Limited and Alberta credit unions to ensure a common understanding of each other's roles.
- We constantly seek ways to improve stakeholder service and satisfaction.

MESSAGE FROM THE CHAIR

On behalf of the Board of Directors and management, it is my pleasure to present the 2013 Annual Report for the Credit Union Deposit Guarantee Corporation.

The Board, in working with the new CEO and the executive, has reconfirmed the Corporation's commitment towards achieving its mandate which is to regulate credit unions and provide a guarantee of member deposits. The credit union system is working towards meeting the new supervisory capital standards. The deposit guarantee fund continues to grow and is currently at 1.13% of credit union deposits and borrowings and is targeted to reach our goal of 1.50% of member deposits and borrowings by the end of 2017. We are pleased in our achievements of stated 2013 strategic goals.

On behalf of my fellow directors, I would like to thank Annette Trimbee (1½ years), David Dominy (3 years), David McDonald (9 years), and Ken Motiuk (10 years including 3 years as Chair) for their dedicated service and significant contributions during their tenure on the Board. We welcome new Board members Lynn Faulder, Ray Gilmour, Kim McConnell, and John Vogelzang. We look forward to the insight and experience they will bring to

our Board. Finally, I would like to acknowledge the significant support and contribution by the other members of the Board, David Field, Ross Goldsworthy, Peter Lindhout, and Loraine Oxley.

Through all of the changes and challenges, the credit union system continues to evolve and grow while providing its members with quality financial service alternatives. The Corporation can assist in the process by building strong and collaborative relationships with all stakeholders, as we work towards our common objective of having a successful credit union system in Alberta. The positive working environment with Department of Treasury Board & Finance, Credit Union Central Alberta Limited, and Alberta credit unions, serves the system well as we move forward in fulfilling our mandate.

I would like to thank the Corporation's employees and management for their support during the CEO transition.

Herb Der

Chair, Board of Directors

MESSAGE FROM THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Credit unions continue to be a viable source of financial services in the province. Total assets for the credit union system grew by almost 6.6% during the 12 months ended October 2013 and approached \$22 billion by the October 31 credit union year end, while deposits were near \$20 billion. At the credit union system level loans experienced their strongest growth in five years at 8.2% totaling \$18.5 billion by the credit union year end. Delinquency and impaired loans are trending downward and are at their lowest level since 2008.

We continue to focus on our mandate as defined by the Government of Alberta. In essence it is our job to provide risk-based regulatory oversight and a deposit guarantee to enable a safe and sound credit union system ensuring all Albertans have access to financial services throughout the province. Like all organizations we need to effectively manage our business through our people, processes, and systems.

We continued to work with the system on implementing new supervisory capital standards with a goal for credit unions to meet the new requirements by the end of 2015. This will strengthen the system's ability to withstand future economic challenges.

Through prudent investments and establishing an appropriate assessment rate we expect to reach our fund size target of 1.50% of credit union deposits and borrowings by the end of 2017. The fund is currently at 1.13%. Investment returns have exceeded our performance objective (rolling 4-year average 0.25% over the market benchmark). We have maintained our assessment rate at 0.14% of deposits and borrowings for the credit union 2013/2014 fiscal year.

Our accomplishments reflect the dedication and pride of our employees and the Board of Directors. I want to thank each employee for the tremendous support they have provided me personally in my first year with the Corporation. I sincerely appreciate their commitment to achieving our goals.

Tim Wiles, FCA

President and Chief Executive Officer

2013 GOALS AND RESULTS

STRATEGIC GOAL: TO BE A HIGH PERFORMING REGULATORY ORGANIZATION

STRATEGIC COMMITMENTS

Objective 1: Enhance risk management and governance practices at credit unions

- Developed and coordinated rollout of supervisory capital buffers, liquidity monitoring, Internal Capital Adequacy Assessment Process, and model policy on credit risk management in collaboration with credit union system
- Commenced credit union transition to new supervisory capital buffers with full adoption by the end of 2015
- Issued guidance documents on credit, investment, and compliance risks
- Incorporated risk appetite and tolerance statements into model policies to assist credit unions

Objective 2: Cultivate a high performance culture

- Performed total compensation review and rolled out new compensation philosophy and program
- Increased emphasis on collaboration throughout organization
- Emphasized leadership development
- Identified improving the management of our people, processes, and systems as priorities going forward

Objective 3: Evolve Enterprise Risk Management (ERM) and finalize Electronic Information Management implementation

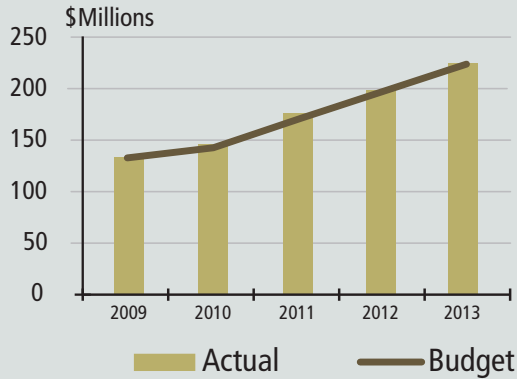
- Completed ERM organizational maturity assessment
- Identified information technology risks and integrated into corporate ERM reporting
- Incorporated ERM processes and principles into corporate business planning process
- Created a new multi-year information management strategy

Objective 4: Ensure fund is strong and secure

- Worked with investment manager to consider Value at Risk approach for managing investment portfolio
- Exceeded investment performance objective (rolling 4-year average 0.25% over the market benchmark)
- Reached fund size of 1.13% of credit union deposits and borrowings (target of 1.50% by the end of 2017)
- Minimized financial assistance accrual amounts

FINANCIAL SUMMARY

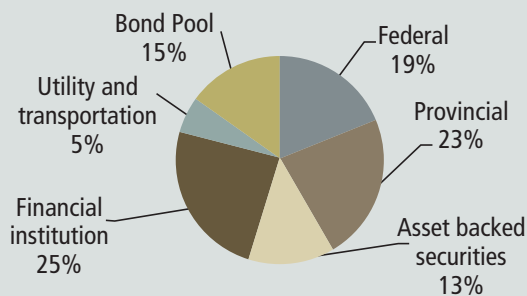
DEPOSIT GUARANTEE FUND



DEPOSIT GUARANTEE FUND

The Deposit Guarantee Fund (“Fund”) is maintained to protect Alberta credit union depositors. In 2013, the Fund grew 13.9% over 2012 as the result of assessments received from the credit union system. The objective for the Fund size is to be maintained at a level to enable the Corporation to meet its obligations. The objective of the Corporation is to reach the fund size target of 1.50% of credit union deposits and borrowings by 2017. As of December 31, 2013, the Fund was at 1.13% of deposits and borrowings.

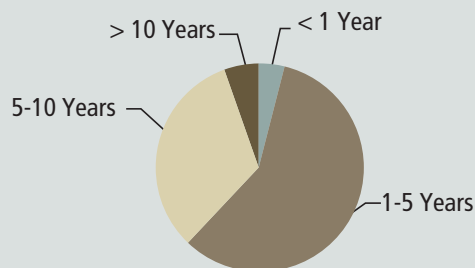
INVESTMENTS – MARKET VALUE



INVESTMENTS – MARKET VALUE

The investment portfolio represents 94% of total assets for the Corporation. Of the investments, 100% of the portfolio (excluding the Universe Fixed Income Pool (“Bond Pool”)) is investment grade, while 98% of the Bond Pool is investment grade. The portfolio is invested in the categories as shown in the chart. All asset backed securities are rated AAA.

INVESTMENTS – TERM TO MATURITY

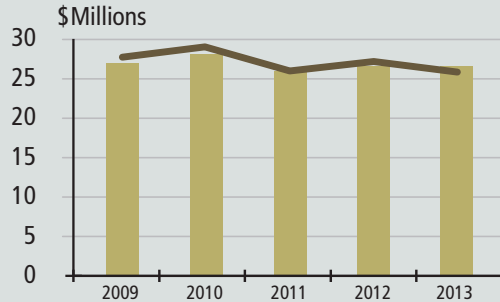


INVESTMENTS – TERM TO MATURITY

The portfolio term to maturity is being maintained within policy benchmark levels. Approximately 63% of the portfolio is in the less than one year to five year term. With the expectation that interest rates will edge higher over the next few years, the portfolio will be maintained on a short duration bias and it will be actively managed around this position.

FINANCIAL SUMMARY

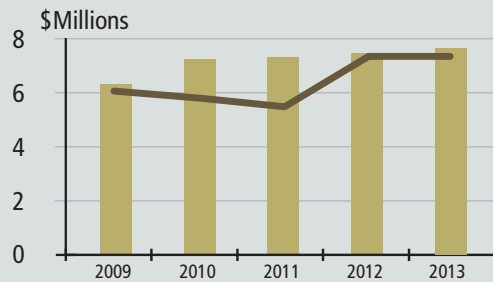
ASSESSMENT REVENUE



ASSESSMENT REVENUE

Assessment revenue is based on credit union deposits and borrowings multiplied by the assessment rate. The assessment rate is reviewed annually and a rate is established to enable the Corporation to reach a fund target of 1.50% by 2017. The annual assessment rate has been maintained at 0.14% of credit union deposits and borrowings since November 2012.

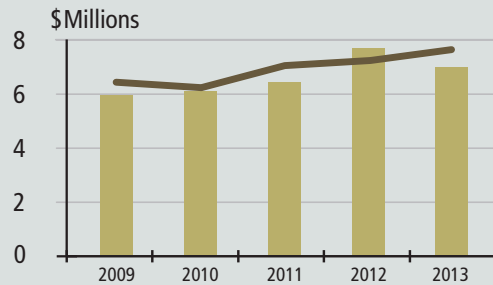
INVESTMENT INCOME



INVESTMENT INCOME

Investment income for the year is marginally higher than the budgeted amount as a result of higher net gains on sale. As of December 31, 2013, the average effective yield for securities held in the segregated portfolio was 2.4% (2012: 1.9%) and in the Bond Pool was 3.4% (2012: 4.1%).

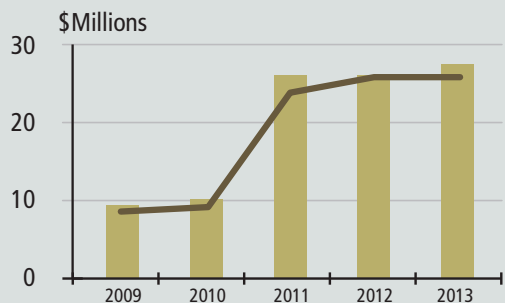
ADMINISTRATION EXPENSES



ADMINISTRATION EXPENSES

The 2013 administration expenses are lower than budget mainly due to lower than planned personnel costs as the result of the timing of filling vacant positions.

NET INCOME



NET INCOME

Net income for 2013 is higher than the budgeted amount as a result of lower than planned administration expenses, higher than expected assessment revenue and unbudgeted net gains on sale of the investments.

Actual Budget

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Credit Union Deposit Guarantee Corporation ("Corporation"), and all other information contained in the annual report, have been prepared and presented by management, who are responsible for the integrity and fair presentation of the information therein. The financial statements have been prepared in accordance with International Financial Reporting Standards.

Other financial information presented in this annual report is consistent with that in the financial statements. The financial statements and related financial information presented in this annual report reflect amounts determined by management based on informed judgments and estimates as to the expected future effects of current events and transactions with appropriate consideration to materiality.

Management is responsible for the design and maintenance of an accounting and financial reporting system along with supporting systems of internal controls designed to provide reasonable assurance that financial information is reliable, transactions are properly authorized and recorded, liabilities are recognized, and the Corporation's assets are appropriately safeguarded. These controls include written policies and procedures, the selection and training of qualified employees, a code of conduct and ethics and the establishment of an organizational structure with appropriate delegations of authority.

The Board of Directors, acting through the Audit & Finance Committee, oversees management's responsibilities for the Corporation's financial reporting and systems of

internal control. The Audit & Finance Committee reviews the financial statements and other financial information presented in the annual report, as well as any issues related to them, with both management and the external auditors before recommending the financial statements for approval to the Board. Their review of the financial statements includes an assessment of key management estimates and judgments material to the financial results. The internal and external auditors have free access to the Audit & Finance Committee of the Board, which oversees Management's responsibilities for maintaining adequate control systems and the quality of financial reporting and which recommends the financial statements to the Board of Directors.

The Auditor General of Alberta has been engaged to perform an independent, external audit of these financial statements in accordance with Canadian generally accepted auditing standards and has expressed his opinion in the report following. The Auditor General has full and unrestricted access to the Audit & Finance Committee and meets with them periodically, both in the presence and absence of management, to discuss their audit, including any findings as to the integrity of the Corporation's financial reporting processes and the adequacy of the systems of internal controls.

Tim Wiles, FCA

President & Chief Executive Officer

Elaine Friedrich, CA, ICD.D

Vice President, Finance, Governance & Human Resources

INDEPENDENT AUDITOR'S REPORT



To the Directors of the Credit Union Deposit Guarantee Corporation

Report on the Financial Statements

I have audited the accompanying financial statements of the Credit Union Deposit Guarantee Corporation, which comprise the statements of financial position as at December 31, 2013, and the statements of net income and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Credit Union Deposit Guarantee Corporation as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

[Original signed by Merwan N. Saher, FCA]
Auditor General

March 5, 2014
Edmonton, Alberta

STATEMENTS OF FINANCIAL POSITION

As at December 31

<i>(thousands of dollars)</i>	Notes	2013	2012
ASSETS			
Current Assets			
Cash and cash equivalents	4	\$ 7,509	\$ 8,519
Accrued interest receivable		1,078	1,063
Assessments receivable	6	4,600	4,274
Prepaid expenses		35	59
Tax receivable		-	141
Total Current Assets		13,222	14,056
Non Current Assets			
Investments	5	216,446	194,062
Property and equipment	8	412	581
Intangible assets	8	171	116
Total Non Current Assets		217,029	194,759
TOTAL ASSETS		\$ 230,251	\$ 208,815
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	9	\$ 690	\$ 884
Provision for financial assistance	11	-	238
Tax liability		155	-
Deferred lease inducements	10	100	100
Total Current Liabilities		945	1,222
Non Current Liabilities			
Long-term unclaimed credit union balances		1,361	998
Deferred tax liability		312	1,606
Deferred lease inducements	10	166	265
Total Non Current Liabilities		1,839	2,869
TOTAL LIABILITIES		\$ 2,784	\$ 4,091
Commitments	12		
EQUITY			
Deposit guarantee fund		\$ 226,267	\$ 198,665
Accumulated other comprehensive income		1,200	6,059
TOTAL EQUITY		\$ 227,467	\$ 204,724
TOTAL LIABILITIES AND EQUITY		\$ 230,251	\$ 208,815

The accompanying notes are part of these financial statements.

Approved by the Board: March 5, 2014

Original signed by
Herb Der, Director

Original signed by
Loraine Oxley, Director

STATEMENTS OF NET INCOME AND OTHER COMPREHENSIVE INCOME

For the Years Ended December 31

(thousands of dollars)	Notes	2013	2012
NET INCOME			
Revenues:			
Assessment revenue	14	\$ 27,043	\$ 26,706
Investment income	5	7,230	7,006
Net gain on disposal of investments	5	444	400
		34,717	34,112
Expenses:			
Recovery of financial assistance	11	(10)	(11)
Administration expenses	18	6,952	7,653
		6,942	7,642
Income before income taxes		27,775	26,470
Income taxes (recovery)	13	173	(32)
NET INCOME		27,602	26,502
OTHER COMPREHENSIVE LOSS			
Items that will be reclassified subsequently to net income			
Net unrealized loss on available-for-sale financial instruments			
Other comprehensive loss, net of tax of \$1,198 [2012: \$25]		(4,508)	(86)
Reclassification of net gain on available-for-sale financial instruments, net of tax of \$93 [2012: \$84]		(351)	(316)
OTHER COMPREHENSIVE LOSS, NET OF TAX		(4,859)	(402)
COMPREHENSIVE INCOME		\$ 22,743	\$ 26,100

The accompanying notes are part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31

<i>(thousands of dollars)</i>	Accumulated Other Comprehensive Income	Deposit Guarantee Fund	Total Equity
Balance as at December 31, 2011	\$ 6,461	\$ 172,163	\$ 178,624
Net income	-	26,502	26,502
Other comprehensive loss, net of tax	(402)	-	(402)
Balance as at December 31, 2012	6,059	198,665	204,724
Net income	-	27,602	27,602
Other comprehensive loss, net of tax	(4,859)	-	(4,859)
Balance as at December 31, 2013	\$ 1,200	\$ 226,267	\$ 227,467

The accompanying notes are part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31

<i>(thousands of dollars)</i>	2013	2012
Operating activities:		
Assessments received	\$ 26,717	\$ 26,734
Investment income received	6,670	5,966
Financial assistance paid	(228)	(720)
Interest and bank charges paid	(2)	(1)
Income taxes recovered (paid)	120	(59)
Paid to suppliers and employees	(6,649)	(7,505)
Net cash flows from operating activities	26,628	24,415
Investing activities:		
Purchase of investments, net	(27,547)	(29,556)
Purchase of property and equipment	(23)	(42)
Purchase of intangible assets, net	(68)	(2)
Net cash flows used in investing activities	(27,638)	(29,600)
Decrease in cash	(1,010)	(5,185)
Cash and cash equivalents at beginning of year	8,519	13,704
Cash and cash equivalents at end of year	\$ 7,509	\$ 8,519

The accompanying notes are part of these financial statements.



NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 1 NATURE OF ORGANIZATION

The Credit Union Deposit Guarantee Corporation ("Corporation") operates under the authority of the *Credit Union Act*, Chapter C-32, revised Statutes of Alberta, 2000. The primary purpose of the Corporation is to focus all of its operational activities on achieving its legislated objectives including:

- Provide a 100% guarantee of deposits held with Alberta credit unions.
- Regulate credit unions and enforce the *Credit Union Act*.
- Review, advise and direct on credit union sound business practices.
- Monitor credit union performance and implement appropriate actions to improve performance and reduce risks.
- Establish individual credit union loan approval limits and provide an appropriate adjudication process for loans exceeding these limits.

The *Credit Union Act* provides that the Government of Alberta ("Province") will ensure that this obligation of the Corporation is carried out. As at December 31, 2013, credit unions in Alberta held deposits, including accrued interest, totaling \$19.9 billion (2012: \$18.3 billion).

To meet its primary purposes, the Corporation undertakes functions set out in the *Credit Union Act* and maintains the Deposit Guarantee Fund. The Corporation assesses credit unions to support the Deposit Guarantee Fund.

The amount, timing and form of financial assistance that may be required for credit unions are dependent on future events and outcomes. Outcomes that may require financial assistance are stabilization, amalgamation, arrangements, liquidation or dissolution. Supervised credit unions receive assistance, support and direction in planning, policy and operational matters from the Corporation.

NOTE 2 BASIS OF PRESENTATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and were approved by the Board of

Directors on March 5, 2014.

The historical cost basis of measurement, except for available-for-sale financial assets that are measured at fair value in the Statements of Financial Position, has been used in preparation of the financial statements. Statements and notes are in Canadian dollars and rounded to the nearest thousand.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The Corporation's financial statements include estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The most significant areas requiring the use of estimates are the provision for (recovery of) financial assistance (Note 11: Provision for Financial Assistance), assessment revenue (Note 6: Assessments Receivable), and the fair value of investments (Note 5: Investments). Actual results may differ from these estimates depending upon certain future events and uncertainties.

Financial Instruments

The Corporation's investments are non-derivative financial assets and are classified, based on management's intentions, as available-for-sale. Investments are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, they are measured at fair value. Changes, other than impairment losses, are recognized in other comprehensive income and presented within equity. When an investment is derecognized/sold, the cumulative gain or loss in other comprehensive income is transferred to net income.

Property and Equipment and Intangible Assets

Property and equipment and intangible assets are stated in the Statements of Financial Position at historical cost, less accumulated depreciation, amortization and impairment losses.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Intangible Assets

(Continued)

Cost includes the expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property and equipment have materially different useful lives, they are accounted for as separate items (major components) of property and equipment. Assets which are fully depreciated are maintained on the books at original cost less accumulated depreciation and show zero net book value.

The useful life has been revised for software (included in intangible assets). The amortization was modified from one year straight line to three years straight line for software purchased without a maintenance agreement and to five years straight line for software purchased with a maintenance agreement. Management determined that the expected life of software should be increased because in recent years, software has been utilized for several years before being replaced. Software purchased with a maintenance agreement, based on experience, have an extended life due to the upgrades facilitated by the regular maintenance. This change is reflected as a change in accounting estimate and is accounted for prospectively. There was no material impact on the financial results of the Corporation and it is not expected to have a material effect in subsequent periods.

Depreciation, amortization and impairment losses are recognized in net income. Depreciation and amortization have been calculated on the following basis:

Furniture and equipment	Five year straight line
Computer equipment	Three year straight line
Leasehold improvements	Straight line over lease term
Intangible assets ⁽¹⁾	
Software without maintenance agreement	Three year straight line
Software with maintenance agreement	Five year straight line

⁽¹⁾Intangible assets include the purchase of computer software

Gains and losses on disposal of property and equipment and intangible assets are determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and intangible assets, and are recognized net of depreciation and amortization as part of administration expenses.

Income Taxes

The Corporation records income taxes based on the tax liability method which is the amount expected to be paid to or recovered from the taxation authorities.

Current Tax

The current tax liability is based on taxable income for the year. Taxable income differs from net income as reported in the Statements of Net Income and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

Provision for Financial Assistance

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that the outflow of economic benefits will be required to settle the obligation. To meet the obligation for financial assistance described in Note 1: Nature of Organization, the Corporation provides for a provision for financial assistance based on three main components, as follows:

1. Where the need for financial assistance becomes likely and the amount for specific credit unions can reasonably be estimated.
2. Where the amount can be reasonably estimated and arises from an indemnity agreement that has been entered into with a credit union due to outcomes described in Note 1: Nature of Organization.
3. Where the Corporation has determined there is the potential for financial assistance based on an analysis of the inherent risk in the credit union system.

Revenue Recognition

Assessment Revenue

Credit union deposit guarantee assessments and special assessments are classified as revenue and are recognized when:

- The amount of revenue can be measured reliably; and
- It is probable that the economic benefit will flow to the Corporation.

Credit union deposit guarantee assessments are recognized when earned. These regular assessments are determined quarterly, and accrued monthly. Credit union payments are received four times per year.

Special assessments are recognized when earned. Special assessments would be charged only if, in the opinion of the Corporation's Board, the deposit guarantee fund is, or is about to be, significantly below the target level. Special assessments require Ministerial approval prior to being charged.

Investment and Dividend Income

Investment and dividend income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Investment income is accrued on a time basis, by reference to principal outstanding at the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is recognized when it is known that a dividend has been declared or upon receipt of payment.

Financial Instruments

Classification

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below.

Classification depends on the purpose for which the financial instruments were acquired or issued, characteristics and the Corporation's designation of such instruments.

Classifications are described below:

Cash and cash equivalents	Loans and receivables
Accrued interest receivable and assessments receivable	Loans and receivables
Investments	Available-for-sale
Provision for financial assistance	Financial liabilities
Accounts payable and accrued liabilities	Financial liabilities
Long-term unclaimed credit union balances	Financial liabilities

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or fair value through net income investments. Available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized when the cumulative gain or loss is transferred to net income.

For available-for-sale financial assets that do not have quoted market prices, cost represents reasonable fair value for these assets.

Loans and Receivables

Loans and receivables are accounted for at amortized cost. Interest received is accounted for using the effective interest method.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment on a quarterly basis. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present

value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

When a financial asset is considered to be impaired, cumulative losses previously recognized in other comprehensive income are reclassified to net income in the period. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through net income. The carrying amount of the investment at the date the impairment is reversed will not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities

Accounts payable and accrued liabilities, provision for financial assistance and long-term unclaimed credit union balances have been classified as financial liabilities and have been recorded at amortized cost. Amortized cost is a reasonable estimate of the fair value of these instruments.

Effective Interest Method

The Corporation uses the effective interest method to recognize investment income or expense which includes premiums or discounts earned on or incurred for financial instruments.

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating investment income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Transaction Costs

Transaction costs related to financial assets and liabilities are expensed as incurred as these do not represent material amounts.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Corporation does not have finance leases. Operating lease payments, net of any lease inducements, are recognized on a straight-line basis over the lease term.

Employee Benefits

The Corporation has a defined contribution plan and pays fixed contributions to a separate entity with no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense on the Statements of Net Income and Other Comprehensive Income in the periods during which services are rendered by employees.

Termination Benefits

The Corporation recognizes termination benefits only when there is evidence that the employee is leaving the Corporation. Termination amounts are either paid with the final pay or are accrued to be paid at the appropriate time.

Short-term Employee Benefits

Short-term employee benefit obligations are measured at cost on an undiscounted basis and are expensed as the related service is provided.

Comprehensive Income and Accumulated Other Comprehensive Income ("AOCI")

Comprehensive income is comprised of net income and other comprehensive income. For the Corporation, other comprehensive income includes net unrealized gains and losses on segregated and pooled funds classified as available-for-sale.

Amounts recognized in other comprehensive income will eventually be reclassified to the Statements of Net Income and Other Comprehensive Income and reflected

in net income as gains or losses once securities, classified as available-for-sale, are realized.

Comprehensive income and its components are disclosed in the Statements of Net Income and Other Comprehensive Income. The Statements of Changes in Equity present the continuity of AOCI. The cumulative amount of other comprehensive income recognized, AOCI, represents a component of equity on the Statements of Financial Position.

Changes in Accounting Policies

There are a number of IFRS changes that impacted the Corporation in 2013.

IAS 1 – Presentation of Financial Statements

The Corporation has adopted the guidance of the amended International Accounting Standard ("IAS") 1, Presentation of Financial Statements. Under the amended standard, Other Comprehensive Income ("OCI") is classified by nature and discloses items that will be transferred subsequently to net income (when specific conditions are met) and those that will not be transferred. It also requires presentation of a single statement of OCI and net income. This revised standard relates only to presentation and has not impacted the financial results of the Corporation.

IFRS 13 – Fair Value Measurement

The Corporation has adopted the guidance of IFRS 13, Fair Value Measurement to increase consistency and comparability of fair value measurements through the use of a "fair value hierarchy". The inputs used in valuation techniques are categorized into three levels giving the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The adoption of this standard relates primarily to disclosure and has not impacted the financial results of the Corporation.

New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2013, and have not been applied in preparing these financial statements.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Standards and Interpretations Not Yet Adopted (Continued)

Standards that may impact the Corporation include:

IFRS 9 – Financial Instruments

This standard defines how to classify and measure financial assets and liabilities and will replace IAS 39, Financial Instruments: Recognition and Measurement. Under this standard financial assets will be classified into one of two categories (amortized cost and fair value) based on the contractual cash flow characteristics of the financial assets. On November 19, 2013, the International Accounting Standards Board (“IASB”) issued amendments to IFRS 9 to include a new general hedge accounting model, allow adoption of the treatment of fair value changes due to own credit on liabilities designated at fair value through profit and loss and to remove the January 1, 2015 mandatory effective date. The IASB tentatively decided that the mandatory effective date would be no earlier than annual periods beginning on or after January 1, 2017. The impact of the adoption of this standard on the Corporation’s financial statements has not been determined at this time.

IAS 32 – Financial Instruments: Presentation, Offsetting Financial Assets and Financial Liabilities

This standard establishes principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. The IASB issued Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) in December 2011 clarifying the offsetting criteria. The amendments to IAS 32 are effective for annual periods beginning on or after

January 1, 2014 and are to be applied retrospectively. The Corporation does not have financial instruments presented net under the current requirements of IAS 32. Whether the offsetting criteria set out in the amendment affect the Corporation has not been determined at this time.

IAS 36 – Impairment of Assets

This standard ensures that assets are carried at no more than their recoverable amount, and defines how recoverable amount is determined. On May 29, 2013, the IASB issued Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) to clarify that the scope of the disclosure of information is limited to the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2014. The effect of the amendments, which relates primarily to disclosure, has not been determined at this time.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are on deposit in the Consolidated Cash Investment Trust Fund (“CCITF”) of the Province which is managed with the objective of providing competitive interest income while maintaining appropriate security and liquidity of capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at December 31, 2013, securities held in CCITF have a rate of return of 1.2% per annum (2012: 1.3%). For purposes of the fair value hierarchy (see Note 5: Investments), the cash balance in the CCITF classified as Level 1 is \$849 and as Level 2 is \$6,676.

NOTE 5 INVESTMENTS

The Corporation has classified all investments, including units in the Universe Fixed Income Pool (“Bond Pool”), as available-for-sale. These investments are measured on the Statements of Financial Position at fair value.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 5 INVESTMENTS (Continued)

Fair Value

The fair value of the Corporation's financial instruments is summarized below:

(thousands of dollars)	December 31, 2013		December 31, 2012	
	Fair Value ¹	Cost	Fair Value ¹	Cost
Directly held:				
Securities issued or guaranteed by:				
Canada	\$ 40,820	\$ 41,122	\$ 40,355	\$ 38,694
Provinces	49,552	48,567	46,822	43,989
Financial institutions	53,319	52,535	53,221	51,807
Utility and transportation	12,053	12,176	-	-
Asset backed securities and other ²	27,904	27,615	21,068	20,517
Bond Pool	32,798	32,913	32,596	31,387
Total	\$ 216,446	\$ 214,928	\$ 194,062	\$ 186,394

¹ Fair value is calculated using independent pricing sources and Canadian investment dealers. The calculation of fair value is based on market conditions or estimates at a point in time and may not be reflective of future fair value. Fair value is an estimated amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Investment in bonds and units in the Bond Pool are valued at year end quoted prices where available. For those investments where quoted market prices are not available, estimated fair values are calculated using discounted cash flows that reflect current market yields.

² Other securities total \$115 (2012: \$115) and are shares of Credit Union Central Alberta Limited (\$100, 2012: \$100) and Concentra Financial Services Association (\$15, 2012: \$15). These securities have no specified maturity and are classified as available-for-sale. As there is no market for the shares, the fair value is estimated at amortized cost.

Fair Value Hierarchy

The table below provides a summary of management's best estimate of the relative reliability of data or inputs used to measure the fair value of the Corporation's investments. The measure of reliability is determined based on the following three levels:

Level 1:	The fair value is based on quoted prices in active markets.
Level 2:	The fair value is based on inputs other than quoted prices that are observable market data. Generally included in this category would be Government of Canada bonds, provincial government bonds, municipal bonds and chartered bank deposit notes.
Level 3:	The fair value is based on inputs that are not based on observable market data.

(thousands of dollars)	Level 1	Level 2	Level 3	Total
Investment:				
Fixed income securities, directly held	\$ 40,820	\$ 142,713	\$ 115	\$ 183,648
Bond Pool	-	32,798	-	32,798
December 31, 2013 – Total	40,820	175,511	115	216,446
Percent	19%	81%	0%	100%
December 31, 2012 – Total	15,074	178,873	115	194,062
Percent	8%	92%	0%	100%
Increase/(decrease) during the year	\$ 25,746	\$ (3,362)	\$ -	\$ 22,384

There were no transfers between Level 1 and 2 in the period.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 5 INVESTMENTS (Continued)

Valuation Technique and Inputs

The valuation technique and key inputs used for Level 2 securities for fixed income securities and the Bond Pool are based on a vendor hierarchy:

- Using either spread pricing or curve pricing when direct quotes are not available. Spread pricing involves using interpolated spreads from liquid bonds and applying those to the valuation of illiquid bonds. Curve pricing involves using a variety of different generic quotes and terms to maturity to generate a curve of data points that would then be used to value securities using a linear interpolation.
- Using market observations to calculate evaluated prices for a variety of security types with a 3-pronged approach in the valuation algorithms: direct observations, historical tracking and observed comparables. The results are then weighted and aggregated based on the reliability of each input to arrive at a final evaluated price for that security.

Fair Value Classification of Bond Pool

The Corporation owns units in the Bond Pool and is considered to have exposure to the risks and benefits of those units in the pool and not the underlying investments. The classification of the Bond Pool is therefore determined based on the level that represents the most significant portion of the underlying investments in the entire pool. As a result, the value of all the units in the Bond Pool is categorized as Level 2.

Fair Value Measurement of Shares

The shares in Credit Union Alberta Central Limited (\$100) and Concentra Financial Services Association (\$15) are not quoted nor traded in an active market, the shares are issued and redeemed at par value, and there is no observable market data with which to reliably measure a fair value. On this basis, the shares are classified as Level 3 and the cost (i.e. par value) is considered to be the fair market value of the shares. There are no identifiable observable inputs and thus no inputs from which to determine the relationship to or sensitivity of fair market value to changes in unobservable inputs. During the year, there were no changes to the valuation of the shares (i.e. profit, loss, purchase, sales or transfers).

Investment Income

Investment income is as follows:

<i>(thousands of dollars)</i>	2013	2012
Investment and dividend income	\$ 7,230	\$ 7,006
Gain on sale of investments	593	614
Loss on sale of investments	(149)	(214)
Net gain on sale of investments	444	400
Total Investment Income	\$ 7,674	\$ 7,406

For 2013, no adjustments for impairment losses (2012: Nil) were required.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 5 INVESTMENTS (Continued)

Investment Risk Management

The Corporation's investment policy permits investments in fixed income securities on a segregated basis and units of a bond pool. Investments are independently managed by the Alberta Investment Management Corporation ("AIMCo"), an experienced independent fund manager. AIMCo is a provincial corporation responsible to the President of Treasury Board and Minister of Finance. The Corporation classified all investments in fixed income securities and the units in the Bond Pool as available-for-sale.

In accordance with the Corporate Investment Policy, the Corporation manages investment risk by maintaining a conservative portfolio, and engages AIMCo to manage the portfolio. The Corporation's management is responsible for monitoring performance, recommending changes to the Corporate Investment Policy and fund manager. The Board of Directors is responsible for governance and strategic direction of the investment portfolio through its annual review and approval of the Corporate Investment Policy.

Per the investment policy, the Corporation's investment portfolio is managed with the objective of providing 25 basis points greater than the average investment return over a rolling four year period on the aggregate portfolio based on market benchmarks comprised of 41.5% DEX Short Term *All Government Index*, 41.5% DEX Mid Term *All Government Index* and 17.0% on the DEX Universe Bond Index.

While the majority of funds are invested in high quality Canadian fixed income and debt related investments, a portion of the investments are maintained in a Bond Pool. Included in the Bond Pool are certain derivative contracts. Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. Derivative contracts held indirectly through pooled funds

are used to enhance return, manage exposure to interest rate risk and foreign currency risk and for asset mix management purposes.

The Corporation is exposed to risks of varying degrees of significance which could affect its ability to meet its obligation to guarantee deposits at credit unions. The main objectives of the Corporation's risk management processes are to properly identify risks and maintain adequate capital in relation to these risks. The principal investment risks to which the income and financial returns of the Corporation are exposed are described below.

Capital Risk

The Corporation is not subject to externally imposed regulatory capital requirements. The capital of the corporation consists of equity in the Deposit Guarantee Fund. Accumulated other comprehensive income is not included in the calculation of capital. The Corporation's capital target is for the Deposit Guarantee Fund to reach 1.5% of total credit union deposits and borrowings. This target is to be achieved by December 31, 2017. As at December 31, 2013, the fund is at 1.13% (2012: 1.07%) of total credit union deposits and borrowings. The Corporation manages equity through the following: quarterly reporting to the Board of Directors through its committees on financial results and equity, setting budgets and reporting variances to those budgets, establishing the Corporate Investment Policy, monitoring and reporting, and reviewing the adequacy of the Deposit Guarantee Fund annually in conjunction with the review of assessment rates for credit unions.

Credit Risk

Credit risk related to securities arises from the possibility that the counter-party to an instrument fails to discharge its contractual obligation to the Corporation or the possibility of a decline in the value of a debt security following a rating downgrade.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 5 INVESTMENTS (Continued)

Credit Risk (Continued)

To mitigate credit risk, the Corporation has established specific rules with respect to the credit ratings of counter-parties so that they do not fall below an acceptable threshold. The Corporation only invests in issuers of debt instruments with a credit rating of A for federal and provincial investments, AA for financial institutions, AAA

for asset backed securities and A for utility and transportation from recognized credit rating agencies: Standard & Poors ("S&P") or Dominion Bond Rating Service ("DBRS"). DBRS is used to rate most fixed income investments, followed by S&P. The Bond Pool continues to limit its credit exposure to counter-parties with a credit standing of A plus unless there is a Credit Support Annex in place. In that instance, counter parties with a rating of A minus may be accepted.

The table below shows the credit risk exposure, by bond rating, at the end of the reporting period.

<i>(thousands of dollars)</i>						
Bond Rating	Fair Value	2013 Book Value	% of Total	Fair Value	2012 Book Value	% of Total
A	\$ 3,332	\$ 3,417	1.6%	\$ -	\$ -	-
AA	50,253	49,536	23.2%	-	-	-
AAA	71,675	71,622	33.1%	61,308	59,096	31.6%
AAM	-	-	-	53,221	51,807	27.4%
AAL	18,653	18,992	8.6%	17,896	17,304	9.2%
AH	39,620	38,333	18.3%	28,926	26,685	14.9%
Bond Pool	32,798	32,913	15.2%	32,596	31,387	16.8%
Total	\$ 216,331	\$ 214,813	100.0%	\$ 193,947	\$ 186,279	100.0%

Note: Excludes Credit Union Alberta Central Limited (\$100) and Concentra Financial Services Association (\$15) shares as there is no credit risk associated with these equities.

Liquidity Risk

Liquidity risk is the risk of having insufficient financial resources to meet the Corporation's cash and funding requirements in support of the guarantee of deposits at credit unions. Management expects that the Corporation's principal sources of funds will be cash generated from credit union deposit guarantee assessments and interest earned on its investments to meet its financial obligation to guarantee deposits at the credit unions. The Corporation's Investment Policy provides for a minimum of \$3 million (2012: \$3 million) of investments to be held in cash or financial instruments maturing within one year. All the Corporation's investments are classified as available-for-sale and can readily be sold should the need arise.

Market Risk

Market risk relates to the possibility that investments will change in value due to future fluctuations in market prices. Investments are carried on the Statements of Financial Position at fair value and are exposed to fluctuations in fair value. Changes in unrealized gains (losses) to the value of investments are recorded as other comprehensive income, net of any impairment which is recognized immediately in net income.

The Corporation is exposed to interest rate fluctuation as a result of normal market risk. This can affect cash flows, term deposits and fixed income securities at the time of maturity and re-investment of individual instruments. The Corporation's portfolio is positioned defensively on interest rates with shorter duration relative to its benchmark with

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 5 INVESTMENTS (Continued)

Market Risk (Continued)

a view that the current low yield environment is not sustainable, especially in Canada. A one percent increase or decrease is used when reporting interest rates to represent management's assessment of a possible reasonable change in interest rates. Any changes would impact cash flow, term deposits and fixed income securities at the time of maturity and re-investment of individual instruments. An increase or decrease of one percent would result in a decrease or increase of \$10,014 (2012: \$9,000) in the fair value of total investments.

As at December 31, 2013, securities directly held (excluding the Bond Pool) have an average effective yield of 2.4% based on fair value (2012: 1.9%). These securities have the following term structure: under one year: 3% (2012: 3%), over one year and under five years: 55% (2012: 53%), and over five years and under ten years: 42% (2012: 44%).

The Corporation owns units in the Bond Pool representing approximately 0.5% of the Bond Pool's outstanding units. The Bond Pool is comprised of Canadian fixed-income instruments and debt related derivatives. As at December 31, 2013, securities held by the Bond Pool have an average effective market yield of 3.4% per annum (2012: 4.1% per annum) and the following term structure based on principal amount, net of obligations under repurchase agreements: under one year: (3)% (2012: 3%), one to five years: 42% (2012: 41%) and over five years: 61% (2012: 56%). The Bond Pool includes derivative contracts with a total net positive fair value of \$133 (2012: \$169). The investment in units of the Bond Pool can be liquidated with one week's notice.

NOTE 6 ASSESSMENTS RECEIVABLE

Assessments receivable are classified as 'loans and receivables' and are, therefore, measured at amortized cost.

Assessments receivable refer to an accrued balance that will be owed by credit unions for the fourth quarter assessment to be charged by the Corporation. Since November 1, 2012, the annual assessment rate has been 0.14% of total credit union deposits and borrowings. Assessments are based on credit union quarter ends with the December receivable being an accrual based on October results. Invoices are not issued until February of the following year. Variances between the accruals made and actual billed are minimal. The majority of invoices are paid within a week of processing as payment is done via electronic fund transfers.

NOTE 7 RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with AIMCo, an Alberta Crown Corporation, and departments related to the Corporation by virtue of common control or influence by the Province. Routine operating transactions and outstanding balances with any related parties, which are settled at prevailing market prices under normal trade terms and conditions, no more or less favorable than with non-government parties dealing with arm's length, are incidental and not disclosed.

The Board of Directors, senior management and their immediate family members, are also deemed to be related parties. The Board Chair for the Corporation reports directly to the President of Treasury Board and Minister of Finance. As at the reporting date, there were no business relationships or transactions, other than compensation, between the Corporation, Board members and its senior management that require disclosure in these financial statements (Note 15: Directors' and Management Remuneration). As at December 31, 2013, the balance of compensation payable was \$128 (2012: \$112).

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 8 CAPITAL ASSETS

Property and Equipment

<i>(thousands of dollars)</i>	2013	2012
Cost	\$ 1,391	\$ 1,386
Accumulated depreciation	(979)	(805)
Net Book Value	412	581
Furniture and equipment	45	61
Computer equipment	42	76
Leasehold improvements	325	444
Net Book Value	\$ 412	\$ 581

<i>(thousands of dollars)</i>	Furniture & Equipment	Computer Hardware	Leasehold Improvements	Total
Cost				
Balance at December 31, 2012	\$ 431	\$ 309	\$ 646	\$ 1,386
Additions	2	19	2	23
Disposals	(18)	-	-	(18)
Balance at December 31, 2013	415	328	648	1,391
Accumulated Depreciation				
Balance at December 31, 2012	370	233	202	805
Disposals	(17)	-	-	(17)
Depreciation and amortization expense	17	53	121	191
Balance at December 31, 2013	370	286	323	979
Net Book Value	\$ 45	\$ 42	\$ 325	\$ 412

As at December 31, 2013, the cost of fully depreciated capital assets that are still in use are as below:

<i>(thousands of dollars)</i>	2013	2012
Furniture and equipment	\$ 331	\$ 307
Computer equipment	195	141
Total Fully Depreciated Capital Assets	\$ 526	\$ 448

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 8 CAPITAL ASSETS (continued)

Intangible Assets

(thousands of dollars)	2013	2012
Cost	\$ 441	\$ 400
Accumulated amortization	(270)	(284)
Net Book Value	\$ 171	\$ 116

As at December 31, 2013, the cost of fully amortized intangible assets is \$258 (2012: \$283).

NOTE 9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are classified as 'financial liabilities' and therefore measured at amortized cost.

Accounts payable refers to trade payables. Trade payables are outstanding invoices to vendors, payable upon receipt. Accrued liabilities refer to obligations to employees or vendors where no invoice has been received.

(thousands of dollars)	2013	2012
Accounts payable	\$ 21	\$ 36
Accrued liabilities	669	848
Total accounts payable and accrued liabilities	\$ 690	\$ 884

NOTE 10 DEFERRED LEASE INDUCEMENTS

Deferred lease inducements consist of tenant improvements and four months free rent received at the commencement of the current lease for the office

premises. The amount is recorded at amortized cost and is recognized as an offset against monthly rental lease payments over the term of the lease.

(thousands of dollars)	2013	2012
Tenant improvements	\$ 213	\$ 292
Free rent	53	73
Total lease inducements	\$ 266	\$ 365
Less current portion	(100)	(100)
Deferred lease inducements	\$ 166	\$ 265

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 11 PROVISION FOR FINANCIAL ASSISTANCE

To fulfill the mandate described in Note 1: Nature of Organization and as described in Note 3: Provision for Financial Assistance, the Corporation assists Alberta credit unions experiencing financial difficulties when, and as required. The Corporation monitors credit unions experiencing financial difficulty and has a contingent responsibility to provide financial assistance in the outcomes referred to in Note 1: Nature of Organization.

The provision for financial assistance is based on potential payments that are established to include the probability and estimated amount of financial assistance payments for an individual credit union or, if deemed necessary by management, an assessment of the aggregate risk for the system.

A contingent liability for financial assistance arises from a liability of sufficient uncertainty with respect to the probability and amount of the expected outflows such that it does not qualify for recognition as a provision. Depending on the probability of loss occurring, contingent liabilities may be disclosed in the notes to the financial statements. Contingent liabilities may be established based on potential individual credit union assistance payments and/or an assessment of the aggregate risk in the credit union system.

Provisions and contingencies for financial assistance consist of the calculation of potential liabilities and contingencies to meet the IFRS standards. Calculations include management's judgment based on historical information and other factors. Credit union analysis includes a review of all credit unions based on key financial and risk information:

- Aggregate score and individual components of capital, asset quality, management, earnings and liquidity; and composite risk ratings;
- The credit union's financial strength, including capital strength to absorb potential losses and earnings trends;
- Whether the credit union appears to have appropriately valued assets;
- Loans in the Borrower Risk Rating ("BRR") that fall into categories 6 (Watch List), 7 (Unacceptable Risk – Non Performing), 8 (Impaired Risk Performing), and 9 (Impaired Risk Non Performing);
- Impaired loans by category and Loan Transaction Review ("LTR") results;
- Whether allowances for impairment appear reasonable compared to total impaired loans and loans in the BRR 8 and 9 categories; and
- Provisions and contingencies related to amalgamations or arrangements and any indemnity agreements.

<i>(thousands of dollars)</i>	Balance
Provision for financial assistance – December 31, 2011	\$ 969
Change in provision for financial assistance	(731)
Provision for financial assistance – December 31, 2012	\$ 238
Change in provision for financial assistance	(238)
Provision for financial assistance – December 31, 2013	\$ -

<i>(thousands of dollars)</i>	2013	2012
Recovery of financial assistance		
Change in financial assistance provision	\$ (238)	\$ (731)
Financial assistance payments	238	724
Recoveries	(10)	(4)
Recovery of financial assistance	\$ (10)	\$ (11)

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 12 COMMITMENTS

The Corporation is a lessee under an operating lease related to a five-year agreement for office space commencing September 2011 with an option to renew for an additional five years.

The following represents the minimum payments over the next five years.

Not later than one year	\$584
Later than one year and not later than 5 years	\$974
Later than 5 years	\$ -

NOTE 13 INCOME TAXES (RECOVERY)

The Corporation is a deposit insurance corporation for income tax purposes and pays income taxes on its taxable income at the statutory rate prescribed for deposit insurance corporations. Its taxable income excludes deposit guarantee assessments and financial assistance recoveries and no deduction may be made for financial assistance payments.

The Corporation's statutory income tax rate is 21% (2012: 21%). Income taxes differ from the expected result that would have been obtained by applying the combined federal and provincial tax rate to income before taxes for the following reasons:

(thousands of dollars)	2013	2012
Expected income tax expense on pre-tax net income at the statutory rate	\$ 5,834	\$ 5,559
Add (deduct) tax effect of:		
Non-taxable assessments	(5,679)	(5,609)
Non-deductible provision for financial assistance	(2)	(2)
Other	\$ (2)	\$ 10
Current Tax	\$ 151	\$ (42)
Adjustments	22	10
Total Income Tax Expense (Recovery)	\$ 173	\$ (32)

At December 31, 2013, the non-depreciated property and equipment values for income tax purposes are lower than the related book values by approximately \$21 (2012: \$53). The resulting deferred tax liability is reflected in the Statements of Financial Position. The Corporation's future effective income tax rate is 21% (2012: 21%).

NOTE 14 ASSESSMENT REVENUE

The Corporation charges quarterly deposit guarantee assessments to credit unions to carry out its legislated mandate. In 2013, the Corporation earned \$27,043 (2012: \$26,706) from deposit guarantee assessments charged to credit unions. Assessments received by the Corporation from the largest credit union represent 60.1% of the total assessments received.

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 15 DIRECTORS' AND MANAGEMENT REMUNERATION

2013				
(thousands of dollars)	Salary ¹	Other Cash Benefits ³	Other Non Cash Benefits ⁴	Total
Chair ^{5,6}	\$ 41	\$ -	\$ -	\$ 41
Board members ^{5,6}	135	-	-	135
Current senior management:				
President & Chief Executive Officer ²	250	50	13	313
Executive Vice President, Regulation & Risk Assessment	200	53	24	277
Vice President, Finance, Governance & Human Resources	183	50	26	259
Vice President, Strategy, Analysis & Information Technology	171	47	22	240
Total Remuneration	\$ 980	\$ 200	\$ 85	\$ 1,265

2012				
(thousands of dollars)	Salary ¹	Other Cash Benefits ³	Other Non Cash Benefits ⁴	Total
Chair ^{5,6}	\$ 38	\$ -	\$ -	\$ 38
Board members ^{5,6}	191	-	-	191
Current senior management:				
President & Chief Executive Officer ²	270	825	18	1,113
Executive Vice President, Regulation & Risk Assessment	198	52	23	273
Vice President, Finance, Governance & Human Resources	183	50	25	258
Vice President, Strategy, Analysis & Information Technology	170	47	22	239
Total Remuneration	\$ 1,050	\$ 974	\$ 88	\$ 2,112

¹ Salary includes regular base pay.

² The President & Chief Executive Officer commenced in March 2013. The Chair for the Board of Directors retired and a new Chair and three new Directors were appointed in the second quarter of 2013. The total value of the retirement allowance included in Other Cash Benefits paid to the retired President & Chief Executive Officer in 2012 was \$800.

³ Other cash benefits include bonus, computer grant and other allowances.

⁴ Employer's share of all employee benefits and contributions or payments made on behalf of employees including Canada Pension Plan, Employment Insurance, group Registered Retirement Savings Plan, dental coverage, medical benefits, group life insurance, accidental disability and dismemberment insurance, professional memberships and staff fund. The total amount contributed to senior management RRSPs in the defined contribution plan was \$34 (2012: \$44).

⁵ The Chair receives a \$10 annual retainer which was paid to the retired Chair and his successor. The Chair and Board members are paid on a per diem basis for preparation and meeting time. The Deputy Minister of Treasury Board & Finance of the Province is a Board member but receives no remuneration from the Corporation.

⁶ The minimum and maximum amounts paid to directors were \$4 (2012: \$6) and \$34 (2012: \$51) respectively. The average amount paid to directors was \$18 (2012: \$29).

NOTES TO FINANCIAL STATEMENTS

(Thousands of dollars)

NOTE 16 RETIREMENT BENEFIT PLANS

The Corporation maintains a defined contribution plan for its employees where the cost is charged to net income or expenses when recognized. The Corporation contributes 6% of the employees' gross salary including any paid vacation pay to each employee's RRSP on a matching basis, and participation is compulsory for all employees. The RRSP deductions are remitted monthly to the administrator of the group plan.

The total expense recognized in the Statements of Net Income and Other Comprehensive Income of \$213

(2012: \$212) represents contributions payable to these plans by the Corporation. As at December 31, 2013, no contributions (2012: Nil) were due in respect of the 2013 reporting period.

The Corporation does not have any defined benefit plans nor are there any post-retirement benefits.

NOTE 17 2013 BUDGET

The 2013 budget was approved by the Board of Directors on December 5, 2012.

NOTE 18 ADMINISTRATION EXPENSES

<i>(thousands of dollars)</i>	2013	2012
Salaries and benefits	\$ 5,040	\$ 5,612
Lease payments	487	449
Professional fees	347	364
Office	242	192
Depreciation and amortization	204	212
Other	186	341
Board and committee fees	176	229
Staff travel	144	169
Board and committee expenses	126	85
Total administration expenses	\$ 6,952	\$ 7,653

NOTE 19 COMPARATIVE FIGURES

Certain 2012 figures have been reclassified, where necessary, to conform to 2013 presentation.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors (“Board”) and management have established governance practices that are consistent with the Guidelines for Improved Corporate Governance in Canada adopted by the Toronto Stock Exchange. Our governance practices are also consistent with the National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices. While we are not required to follow these guidelines, the Corporation will continue to follow best practices guidelines on governance as these come into effect and consider amendments to our practices, as appropriate. We reviewed the Canadian Securities Administrators CSA Staff Notice 58-306, 2010 Corporate Governance Disclosure Compliance Review and are in compliance with the report’s guidance for corporate disclosure.

The Agency Governance Secretariat was established to provide agencies, boards and commissions of the Alberta government with a Public Agencies Governance Framework. This framework applies to the Corporation and we reviewed enhancements to our current practices to add value and to continue to contribute to organizational effectiveness and performance.

The Board oversees the business and affairs of the Corporation and operates under formal Terms of Reference. The Board makes all major policy decisions for the Corporation. Many Board functions are carried out by the three committees of the Board, with committee recommendations debated and voted on by the Board.

The Board has a “Code of Conduct and Ethics Policy for Directors” that is acknowledged on an annual basis. The effectiveness of the Board and the committees is assessed annually by each director with the objective of continually improving corporate governance practices.

Board Mandate

The Board is responsible for the stewardship of the Corporation and ensures its purposes and business activities as outlined in the *Credit Union Act* are fulfilled, as per its Terms of Reference.

- the Board holds a planning meeting annually for the development of a strategic plan. In accordance with the Bylaws, the final plan is approved by the Board and submitted to the President of Treasury Board and Minister of Finance for approval.
- the risks of the Corporation are identified on a regular basis through the strategic planning process and at Board and committee meetings. The Corporation has adopted an Enterprise Risk Management Framework.
- the Governance & Human Resources Committee reports to the Board regarding senior management succession planning and staff training. The Board evaluates and approves the appointment of the President & CEO position.
- the Board approves the communications policy for the Corporation.
- the integrity of internal controls and management information systems are reviewed at Audit & Finance Committee meetings.
- the Board administers the Mandate and Roles Document, between the President of Treasury Board and Minister of Finance and the Corporation.
- the Board reviews committee memberships and Terms of Reference annually.
- the Board approves and monitors the bylaws, policies and practices of the Corporation.
- the Audit & Finance Committee reviews quarterly financial reports and performance and recommends the approval of annual audited financial statements to the Board.
- the Board reviews recommendations from the committees and establishes ad hoc task forces of the Board as needed.
- the Board establishes appropriate deposit guarantee rates assessed to the credit unions.
- the Board approves the Annual Report.

Composition of the Board

All the directors are appointed by the Lieutenant Governor in Council and are “unrelated” and independent of management, except for the Deputy Minister of Treasury

CORPORATE GOVERNANCE PRACTICES

Board & Finance. Credit Union Central Alberta Limited provides names of two nominated representatives. The President of Treasury Board and Minister of Finance appoints the Chair and Vice Chair. The Board annually reviews its composition to determine that a majority of directors are “unrelated” (independent). The size of the Board is up to nine members as specified in the *Credit Union Act*. A process exists for the Corporation to make recommendations to amend the *Credit Union Act*.

Committees of the Board

The Committees of the Board are composed of outside directors who are unrelated. There are three committees of the Board; the Audit & Finance Committee, the Governance & Human Resources Committee, and the Risk Management Committee. Some of the functions of the Audit & Finance Committee and the Risk Management Committee are legislated under the *Credit Union Act*. Each of the committees consists of a majority of directors who are independent and free from any relationship that may interfere with the exercise of independent judgment.

The roles of the Audit & Finance Committee are clearly defined in the *Credit Union Act* and in its Terms of Reference which is approved by the Board. The duties of the Audit & Finance Committee include the oversight for management reporting on internal control, financial reporting content and the independent audit processes. The Audit & Finance Committee meets at least annually with external auditors, without management present, to discuss and review specific issues. In addition, this Committee oversees the Whistleblower Policy and any related concerns. The Audit & Finance Committee reports on the financial performance of the Corporation and reviews and recommends financial policies when required. The Governance & Human Resources Committee operates under its Terms of Reference. This committee is responsible to oversee matters of Board governance and human resources and to recommend changes to the Board as appropriate. The duties of the Risk Management Committee are to monitor and report to the Board on significant risks within the credit union system, provide

oversight on the credit and risk management functions of the Corporation and to assume the duties, functions and powers of a special loans committee.

The Terms of Reference for the Board and committees were reviewed. All Board and committee activities for 2013 were completed. Work plans for 2014 outlining planned activities for the Board and committees were developed.

Nomination of Directors

The interview panel, consisting of representatives from the Board, the Department of Treasury Board & Finance and an independent third party, will review prospective candidates. The Governance & Human Resources Committee reviews the skill sets of the Board and develops and maintains a Board Competency Matrix and a Board Succession Plan. New candidates for Board nomination are identified through the annual review of the Board Succession Plan.

In preparation for the search and selection process, the Governance & Human Resources Committee will set clear recruiting priorities. This will include:

- Review of the Board’s Competency Matrix and identification of gaps between skills and knowledge required,
- Review of the current Director Recruitment Profile document,
- Review of the Corporation’s Strategic Plan,
- Review of current composition of the Board and the competencies required, with diversity as a consideration.

Based on the work of the review panel, the Board will put forward a short-list for consideration by the President of Treasury Board and Minister of Finance. The President of Treasury Board and Minister of Finance will make a decision on the Director appointment, advise the Board Chair and make this recommendation to the Lieutenant Governor in Council. The Board recognizes that the ultimate responsibility for developing and posting job profiles and making Board appointments rests with the Government of Alberta.

CORPORATE GOVERNANCE PRACTICES

Meetings of Independent Directors

The Board does not have any directors who are members of management; therefore the Board functions independent of management. The Chair ensures the Board carries out its responsibilities effectively. The Board has made a provision for individual directors to engage an outside adviser at the expense of the Corporation when appropriate. The engagement is subject to approval by the Board. An in-camera session (without management present) is held at least at the quarterly meeting. There were 4 Board meetings held during 2013.

Position Descriptions

The Governance & Human Resources Committee reviews the position description for the Chair, Vice Chair, Board members, and the President & CEO on an annual basis. This committee also makes recommendations to the Board regarding the annual objectives and targets and the annual performance assessment for the President & CEO.

Compensation

The Corporation is a Provincial corporation according to the *Financial Administration Act*. Compensation for directors of the Corporation is established by the *Committee Remuneration Order* which is approved by the Lieutenant Governor in Council. The Chair of the Board also receives an annual retainer.

The Governance & Human Resources Committee reviews corporate human resource matters, personnel policies and overall employee compensation arrangements as outlined in its Terms of Reference. Recommendations are made to the Board with respect to compensation, incentive compensation plans and overall employee compensation arrangements. The Corporation has a Succession Planning Policy, a General Recruitment Policy and an Executive Recruitment Policy.

Orientation and Continuing Education

The Governance & Human Resources Committee oversees the orientation and education program which is provided to new Board members. The committee reviews the Board Governance Handbook which outlines the role of the Board,

its committees and directors, the Corporation Bylaws and Policies and an overview of the Corporation's business and the nature and operation of each department. The Board Governance Handbook and the Board Orientation Handbook were reviewed, updated and merged to create one reference handbook. The Governance & Human Resources Committee oversees the education for all directors. The orientation for new directors was enhanced in 2013. The Chair approves all educational requests for directors. Educational opportunities are provided at Board meetings.

The matrix that identifies competencies required for the Chair and members of the Board and the current competencies of existing members is reviewed annually. The Board reviewed the Director Orientation and Professional Development Policy and reviewed Director Training opportunities for 2013.

Regular Board Assessments

The Governance & Human Resources Committee is responsible for developing and administering performance questionnaires to evaluate performance and effectiveness of the Board, its committees, the Chair and individual Board members. The performance questionnaires are completed annually. The results are analyzed and reviewed by the Governance & Human Resources Committee and the Board, who consider whether any changes to the Board's processes, composition or committee structure are appropriate to improve Board effectiveness. The contribution and performance of individual directors will be considered in determining opportunities to improve competencies and in the re-appointment process.

Code of Business Conduct and Ethics

The Board has adopted a written Code of Conduct and Ethics for Directors and for officers and employees. The Code addresses the following:

- conflicts of interest, including transactions or agreements where a director has a material interest,
- protection and proper use of corporate assets and opportunities,

CORPORATE GOVERNANCE PRACTICES

- confidentiality of corporate information,
- fair dealing with customers, suppliers and employees,
- compliance with laws, rules and regulations,
- reporting of any illegal or unethical behaviour.

The Governance & Human Resources Committee monitors compliance with the Code on an annual basis. All directors and employees are required to annually acknowledge the Code and compliance with it. No departures from the Code have been identified. If a director has a material interest relating to a transaction,

this is to be disclosed to the Chair and that director must be excused from the discussion and voting on this matter. The Board encourages and promotes a culture of ethical business conduct by emphasizing good governance practices through the Governance & Human Resources Committee's regular review of the Mandate and Roles Document and Board Governance Handbook. The Code of Conduct & Ethics, the Mandate and Roles Document and the Director Recruitment Process are available on our website at www.cudgc.ab.ca.

BOARD AND COMMITTEES

Members	Meetings Attended ³	Responsibilities
Board		
Herb Der (Chair) ¹	4	<p>The Board of Directors operates under formal Terms of Reference and has fulfilled its functions during 2013.</p> <p>The main functions of the Board are to:</p> <ul style="list-style-type: none">• Establish and monitor strategic direction of the Corporation• Approve and monitor the Corporation’s current business plan• Oversee the risks of the Alberta credit unions and the Corporation• Establish the appropriate deposit guarantee rate assessed to Alberta credit unions• CEO selection, evaluation and compensation• Review Board membership annually• Report to the President of Treasury Board and Minister of Finance and other parties as required by the <i>Credit Union Act</i> and Regulations.
Lynn Faulder ⁴	3	
David Field	4	
Ray Gilmour ⁵	1	
Ross Goldsworthy	4	
Peter Lindhout	4	
Kim McConnell ⁴	2	
Loraine Oxley	4	
John Vogelzang ⁴	3	
Risk Management		
David Field (Chair) ²	2	<p>The Risk Management Committee operates under formal Terms of Reference and has fulfilled its functions during 2013.</p> <p>The main functions of the committee are to:</p> <ul style="list-style-type: none">• Provide oversight for all credit union risks• Monitor the lending approval processes to ensure sound lending principles are maintained• Approve loans that exceed the CEO limits, when necessary• Give objective feedback to management on approved loan transactions.
Lynn Faulder ⁴	2	
Peter Lindhout	4	
Kim McConnell ⁴	2	
Loraine Oxley	4	
Herb Der ¹	4	
Audit & Finance		
Loraine Oxley (Chair)	4	<p>Functions of the Audit & Finance Committee are set out in section 81 and 87 of the <i>Credit Union Act</i> and it operates under formal Terms of Reference. This committee has fulfilled its functions during 2013 and acts as a bridge between the Board of Directors and the auditors, and</p> <ul style="list-style-type: none">• Monitors the financial performance of the Corporation• Recommends financial policies of the Corporation• Approves the Quarterly Report provided to the President of Treasury Board and Minister of Finance <p>Oversees:</p> <ul style="list-style-type: none">• Financial reporting content and processes• Systems of internal control and compliance with legal, ethical and regulatory requirements• Independent audit processes and reviews reports from internal and external auditors• Whistleblower policy and any reported concerns.
David Field ²	2	
Ross Goldsworthy	4	
Kim McConnell ⁴	2	
John Vogelzang ⁴	2	
Herb Der ¹	4	
Governance & Human Resources		
Ross Goldsworthy (Chair)	4	<p>The Governance & Human Resources Committee operates under formal Terms of Reference and has fulfilled its functions during 2013.</p> <p>The main functions of the committee are to:</p> <ul style="list-style-type: none">• Oversee matters of Board governance and evaluation• Maintain Board Governance Handbook, Corporate Bylaws and Policies• Develop and maintain Board Succession Plan• Oversee orientation and education plan for directors• Monitor compliance with Code of Conduct and Ethics, Terms of Reference and Mandate and Roles Document with the President of Treasury Board and Minister of Finance• Review corporate human resource matters• Evaluate the performance of the President & CEO• Review succession planning and compensation for executive• Review personnel policies and overall employee compensation arrangements.
Lynn Faulder ⁴	3	
David Field	4	
Peter Lindhout	4	
John Vogelzang ⁴	3	
Herb Der ¹	3	

¹ Chair is an ex-officio member of all committees of the Corporation.

² Appointed Chair of Risk Management Committee effective June 25, 2013.

³ Does not include conference call meetings.

⁴ Appointed May 29, 2013.

⁵ Appointed Deputy Minister of Treasury Board & Finance on September 6, 2013. Invited to attend meetings commencing September 2013. (appointment pending).

¹ Chair is an ex-officio member of all committees of the Corporation.

² Appointed Chair of Risk Management Committee effective June 25, 2013.

³ Does not include conference call meetings.

⁴ Appointed May 29, 2013.

⁵ Appointed Deputy Minister of Treasury Board & Finance on September 6, 2013. Invited to attend meetings commencing September 2013. (appointment pending).

THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The Credit Union Deposit Guarantee Corporation as a provincial corporation of the Government of Alberta must adhere to the *Public Interest Disclosure (Whistleblower Protection) Act*. The Act requires that government bodies disclose, in their annual reports, any activities regulated by this legislation.

The *Public Interest Disclosure (Whistleblower Protection) Act* came into effect in June, 2013. This law gives employees a clear process for disclosing concerns about

significant and serious matters (wrongdoing) in the Alberta public service sector, and strengthens protection from reprisal. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in the Corporation's annual report in accordance with Section 32 of the Act.

The following is a summary of disclosures received by Credit Union Deposit Guarantee Corporation for the fiscal year ended December 31, 2013:

Information Required Annually (Per Section 32 of the Act)	Fiscal Year 2013
The number of disclosures received, and the number acted on and not acted on.	Nil
The number of investigations commenced as a result of a disclosure.	Nil
In the case of an investigation that results in a finding or wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.	Nil

BOARD OF DIRECTORS

The Corporation is administered by a Board of Directors appointed by the Lieutenant Governor in Council of Alberta.

Herb Der, Chair

A nominated representative from the credit union system
Red Deer, Alberta

Ross Goldsworthy, CGA, CPA (Delaware, USA), ICD.D, MBA, Vice Chair

President, R. Goldsworthy Consulting Ltd.
A corporate director
Calgary, Alberta

Lynn Faulder, ICD.D

A corporate director
Edmonton, Alberta

David Field, QC, ICD.D

A corporate director
Calgary, Alberta

Ray Gilmour, MBA, CMA, ICD.D, BSA

Deputy Minister of Treasury Board & Finance
Government of Alberta
Edmonton, Alberta

Peter Lindhout, FICB, FCCUI

A nominated representative from the credit union system
St. Albert, Alberta

Kim McConnell

Founder and former CEO of AdFarm
A corporate director
Okotoks, Alberta

Lorraine Oxley, CA, ICD.D

A corporate director
Edmonton, Alberta

John Vogelzang

Former President and CEO of David Thompson Health region
A corporate director
Lacombe, Alberta

EXECUTIVE & MANAGEMENT TEAM

Tim Wiles, FCA

President & Chief Executive Officer

Joel Borlé, MBA, ICD.D

Vice President, Strategy, Analysis & Information Technology

Elaine Friedrich, CA, ICD.D

Vice President, Finance, Governance & Human Resources

Walker Rogers, AICB, ICD.D

Executive Vice President, Regulation & Risk Assessment

John Dawson

Assistant Vice President, Regulation & Risk Assessment

Monica Fenton

Assistant Vice President, Governance & Human Resources

Vania Hebert, CA

Interim Assistant Vice President, Finance

Sue McCall

Assistant Vice President, Regulation & Credit Risk Assessment

Sofie McCook

Assistant Vice President, Regulation & Risk Assessment

Chris Merriman

Assistant Vice President, Regulation & Risk Assessment

Kent Pudlowski, CGEIT

Assistant Vice President, Information Technology

Vacant – Recruitment underway

Assistant Vice President, Planning & Analysis



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