

# Annual General Meetings

## Class A Shareholders:

May 10, 2012 7 PM Town Centre Hotel  
Powell River, BC

## Class E Shareholders:

May 7, 2012 7 PM BICS, Multi-Purpose  
Room, Bowen Island, BC

# Building Strong Communities

At the First Group of Companies (First Credit Union, First Insurance and Westview Agencies) we believe that investing in our community is key. We provide jobs, financial and insurance services and reinvest surpluses locally by way of dividends, patronage, sponsorships and donations. A few of our volunteer initiatives include:

**Success By 6.** First Credit Union continues to be a proud lead partner for the local Success By 6 program which supports early childhood development initiatives and the Orca Bus.

**Movie Under the Stars.** The free Movie Under the Stars event was held again in Powell River, Bowen Island, Comox Valley, Courtenay and Campbell River. Attendance at all events exceeded 12,000 people. Staff from First Credit Union, First Insurance and Westview Agencies volunteered their time to make these events happen.

**Read Program.** First Insurance sponsored the 6th Annual READ program in Powell River schools. This initiative has PR Kings hockey players visiting local schools weekly to read with students. Eight schools and hundreds of students participated in this well-received campaign.

**Secret Santa.** This annual program provides gifts to families in need. In 2011 our Secret Santa program delivered gifts to 887 children in Comox Valley and Campbell River. The program was also introduced to Powell River on a smaller scale and plans for a full program are in the works for 2012.

# Auditors' Report

Auditors' Report on Summarized  
Financial Statements

To the Members of First Credit Union:

The accompanying summarized balance sheet and statements of income and retained earnings and cash flows are derived from the complete financial statements of First Credit Union as at December 31, 2011 and for the year then ended on which we expressed an opinion without reservation in our report dated March 29, 2012. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on First Credit Union's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

**Powell River, BC  
March 29, 2012**

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# Balance Sheet

Summary of the Consolidated Balance Sheet as  
at December 31, 2011

ASSETS	2011	2010
Cash	\$428,933	\$8,067,642
Treasury Deposits	\$13,876,631	\$5,228,598
Accrued Interest	\$273,472	\$234,690
Loans and Notes Receivable (net of allowance)	\$156,069,359	\$145,054,389
Investments and Other Assets	\$3,787,082	\$3,092,832
Property and Equipment	\$5,202,725	\$4,701,103
Income Taxes Recoverable	\$1,530	-
Intangible Assets	\$14,505,413	\$14,538,259
	<b>\$194,145,145</b>	<b>\$180,917,513</b>
LIABILITIES		
Demand Deposits	\$72,353,870	\$64,961,118
Equity Shares	\$5,687,502	\$5,728,708
Term Deposits	\$67,674,446	\$58,589,000
Registered Savings Plan Deposits	\$25,134,399	\$25,083,409
Other Liabilities	\$11,509,372	\$16,181,328
Deferred Income Taxes	\$182,268	\$133,898
Income Taxes Payable	-	\$46,937
	<b>\$182,541,857</b>	<b>\$170,724,398</b>
RETAINED EARNINGS	<b>\$11,603,288</b>	<b>\$10,193,115</b>
	<b>\$194,145,145</b>	<b>\$180,917,513</b>

A complete set of financial statements is available from First Credit Union. Please contact your nearest branch for details.

# Statement of Income

Summary of the Consolidated Statement of  
Income and Retained Earnings for the year  
ended December 31, 2011

	2011	2010
Financial Income	\$7,123,930	\$6,876,461
Financial Expenses	\$2,282,178	\$2,446,978
Provision for Credit Losses	\$138,921	\$157,061
Financial Margin	\$4,702,831	\$4,272,422
Other Income	\$7,937,027	\$7,795,029
Operating Margin	\$12,639,858	\$12,067,451
Operating Expenses	\$10,421,874	\$9,959,941
Loss on Disposal of Assets	-	(\$13,989)
Net Income Before Income Tax	\$2,217,984	\$2,093,521
Provision for Income Tax	\$475,010	\$314,938
Net Income	<b>\$1,742,974</b>	<b>\$1,778,583</b>
Retained Earnings, Beginning of Year	\$10,193,115	\$8,996,754
	<b>\$11,936,089</b>	<b>\$10,775,337</b>
Dividends	(\$332,801)	(\$582,222)
Retained Earnings, End of Year	<b>\$11,603,288</b>	<b>\$10,193,115</b>

# Statement of Cash Flows

Summary of the Consolidated Statement of Cash  
Flows, December 31, 2011

	2011	2010
Cash Flows from Operating Activities	\$1,569,380	\$3,489,542
Cash Flows from Financing Activities	\$11,655,181	\$9,673,702
Cash Flows used in Investing Activities	(\$12,215,237)	(\$12,599,215)
Net Increase (Decrease) in Cash and Cash Equivalents	\$1,009,324	\$564,029
Cash and Cash Equivalents, Beginning of Year	\$13,296,240	\$12,732,211
Cash and Cash Equivalents, End of Year	\$14,305,564	\$13,296,240
Interest Paid	\$130,923	\$126,164
Income Taxes Paid	\$475,106	\$144,889



# Board & Management Report

2011 was a very successful year for First Credit Union. The organization continued to focus on 'building successful relationships' with members, staff and our community. Staff provided professional service to members and clients in the areas of financial services, home and auto insurance, life insurance, and wealth management.

July was a very exciting month as it marked the patronage profit share payout for members of First Credit Union. \$360,000 was shared with members, based on the 2010 financial year.

One of First Credit Union's organizational goals is to make a positive difference in the communities it serves. In 2011 the organization supported hundreds of community groups and initiatives through donations, sponsorships, and many volunteer hours. Staff from all of our divisions (First Credit Union, First Insurance and Westview Agencies) are to be commended for their commitment and volunteer hours in order to make these events happen. Donations in excess of \$1,000 included the Comox Valley and Campbell River SPCA, Powell River Family Place, Bowen Island CAWES (Coast Animal Welfare and Education Society) the Powell River United Way, Powell River Youth Resource Centre, Comox Ambulance Bike Squad, Boomer's Legacy and

the Powell River Dragon Boaters. A \$5,000 donation was made to Success By 6. First Credit Union continues to be a proud lead partner for the local Success By 6 program which supports early childhood development. In 2011 First Credit Union provided a Young Leaders scholarship program to four grade 12 students. In exchange for a 60 hour commitment where these students gained valuable leadership and work experience, they each received a \$1,700 scholarship. The very popular free family Movie Under the Stars event was held again in Powell River, Bowen Island, Comox Valley, Courtenay and Campbell River. The events were very gratifying and excellent exposure for First Credit Union and First Insurance Agencies Ltd. and the featured charities.

The audited year end net income for 2011 was \$1.742 million. There will be a 2011 dividend and patronage payment in excess of \$332,000. The loan portfolio saw an increase of \$11.0 million or 7.6%, with the deposit portfolio also experiencing an increase of \$16.5 million or 10.7%. The subsidiaries performed well as they maintained their positive contributions to net income.

Three Directors were re-elected at the 2011 AGM. The Board of Directors take their responsibility as

the members' representatives seriously. In addition to attending Board meetings and monitoring all key aspects of Credit Union operations, they participate in mandatory and optional education sessions. Directors also attend Credit Union regional, provincial and national meetings on our behalf. In the fall of 2011, the Board followed up a comprehensive strategic planning process initiated in 2010 to set the vision and direction for year 2020. This session was an opportunity for the Board, executive and managers to further scenario plan up to the year 2020.

In 2011 First Credit Union continued to build strength and diversity. This strategy proved its ability to endure adversity. The Board wishes to extend its thanks to the CEO, management, and staff for a job well done and is looking forward to the success and achievement of future goals.

  
**Gerry Wray**  
Board Chair

  
**Dave Craigen**  
CEO

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[www.firstcu.ca](http://www.firstcu.ca)



Find out more about the Credit Unions are Helping Here project by visiting [www.creditunionsarehelpinghere.com](http://www.creditunionsarehelpinghere.com)



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**First**  
CREDIT UNION



# 2011 Annual Report & Notice of AGM