



First Credit Union Annual Report


2024



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Front cover: Chris Higgins, Sabrina Voerman & Nik Jovicic with the Community Cruiser
Emma Butler on Community Impact Day 2024

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A photograph of Adam Fraser and Charmaine Smith at Community Impact Day 2024. Adam, on the left, is wearing a yellow baseball cap, sunglasses, and a blue t-shirt with the First Credit Union logo. Charmaine, on the right, is wearing sunglasses and a blue t-shirt. They are both smiling and looking at each other. The background is a blurred outdoor setting with trees and a wooden structure.

First Credit Union is a co-operative financial institution with branches in eight communities across the south coast of BC. We are driven by our vision of building financially healthy communities & our purpose to empower through knowledge.

Adam Fraser & Charmaine Smith on Community Impact Day 2024

About us

Our Vision

To build financially healthy communities

We have a responsibility, as a financial institution owned by our members, to ensure that all of our activities help build thriving, vibrant communities. That's why we focus on the financial, social, and environmental well-being of our members and the communities we serve.

Our Purpose

Our Purpose: To empower through knowledge

Increasing financial literacy is core to our existence. A favourite example of this is Ruth Allan—known fondly as the 'Credit Union Lady' — who was the beloved administrator of the First Credit Union (then Powell River Credit Union) School Savings Program from 1957 to 1980. She is still credited by many of our members as the person who taught them the value of saving. Ruth's work is the inspiration for our purpose.

Our Values

First Credit Union's values are grounded in the International Cooperative Association (ICA) values that inform the cooperative principles. Our core values are the deeply ingrained beliefs that guide our actions.

Accountability: We are accountable for our actions

Authenticity: We are authentic and communicate openly & honestly

Better Together: We are better together

We Care: We care for each other, our members, and communities

Inclusivity: We foster an inclusive environment that embraces and celebrates difference

Vision, Purpose & Values



**Dear
Members,**

Linda Bowyer, **CEO**

**Message from the CEO
& Board Chair**

2024 proved to be another challenging year for credit union operations. Economic and system pressures led to significant disruption in the operation of financial institutions across Canada, and we felt the effects of margin compression, slow mortgage and lending growth, cost pressures as a result of inflation, and a challenging labour market. While the environment has been difficult, we admirably navigated these challenges while maintaining some profitability, preserving employment for our teams, and leveraging the collective strength of our organization to be resilient.

Specific to First Credit Union's financials, we experienced minimal growth in 2024, with total assets increasing by approximately 1%. This modest uptick occurred in the context of a difficult economic climate and a sluggish real estate market. Net income remained in positive territory, and total comprehensive income showed a slight improvement over 2023. To navigate ongoing challenges, we focused on controlling expenses and exploring new revenue opportunities—measures that helped maintain profitability, albeit modestly, throughout the year.

Despite showing this modest profitability improvement, to put it into context, 2024's return on equity (ROA) result of 0.05 did not reflect a return to previous ROA averages of 0.41 enjoyed through the 2017 – 2021 period. As well, we have been able to hold essentially a break even pattern over the past two years as a result primarily of significant cost-cutting measures. This has served us in the short term, but it is recognized that significant investments are needed going forward in team, channels, and technology.

2024 marked the final year in our three year strategic planning cycle, which led to Management and the Board working together to develop a new three year plan. The resulting 2025 -2027 strategic plan reflects the challenging operating environment as described above, and includes consideration of sector challenges, for example, the consolidation within the credit union sector, increasing regulatory burdens, uncertainty with respect to support from system partners such as Central 1, and slow changes to the landscape of payment modernization and open banking. This fulsome planning process resulted in us acknowledging the need to seek out potential merger partners to ensure we are vibrant and sustainable well into the future.

Looking back over 2024 we are proud of many accomplishments. On the digital front, we enhanced our online and mobile banking platform, and launched two-factor authentication as well as an Enterprise Resource Planning system to streamline core finance processes. Due to our continued commitment to the wellbeing of our employees, we achieved the Top 100 Employer in BC Award for the fourth year in a row, and saw significant improvement in the results of our employee engagement survey. As part of our 2024 Operating Plan objectives, we focused our business development plans on the Comox Valley and were recognized for our efforts by being awarded the Comox Valley Chamber of Commerce Business of the Year Award.

Through our community impact efforts, we worked toward our vision of financially healthy communities and our mission to empower others through knowledge, showing our commitment to our members and the communities we serve. Employees actively contributed to their communities, volunteering over 1,700 hours collectively. They facilitated financial literacy and peer-networking events and participated in Community Impact Day, supporting 12 community-based projects. We invested in future leaders by participating in the qathet Foundry Leadership Table and supporting youth members to attend the YES Camp, where they built leadership and cooperation skills in an inclusive environment. In addition, we contributed over \$34,000 in member scholarships to support the education and future dreams of our members. Recognizing the importance of housing stability and food security, we partnered with the qathet Housing Table, qathet and Comox Valley Rent Banks, Comox Valley Affordable Housing Society, Comox Valley Farmer's Market, and various members working on local food access and affordable housing solutions.

In alignment with our commitment to environmental stewardship—and building on the 25% reduction in our operational greenhouse gas emissions achieved in 2023—we continued to measure and reduce our emissions while fostering an internal culture of sustainability. We have maintained our carbon-neutral status since 2022, and have gone a step further by supporting members engaged in environmental initiatives and partnering with BC Green Business to certify our branches under the new province-wide program.

During 2024, the Board also focused on enhancing their governance capability. An extensive independent governance review was undertaken to ensure policies and practices are at the sophistication level necessary to support a credit union approaching \$1 Billion in assets. Recommendations were made around committee structure, Board assessments, endorsement of candidates by Directors, and our approach to Director term limits. Much work was done to meet these recommendations, ultimately improving our governance practices.

Looking ahead to 2025, we anticipate continued pressure on financial margin and operating income. Any optimistic forecasts have now been dampened by the unpredictability of tariff threats and the potential for a recession. Given these conditions, we anticipate another challenging year for our members and communities. As your local community credit union, we are honored to serve you during these trying times and deeply appreciate our employees for their dedication, resilience, and hard work.



Guy Chartier, **Board Chair**

B Corp Certification

B Corp Certification is based on **three essential pillars: verified social and environmental performance, legal accountability and public transparency**. It's the combination of all three that makes the B Corp Certification unique, credible, and significant.



For more detailed information about First Credit Union's B Corp assessment, **visit firstcu.ca or load the QR code.**

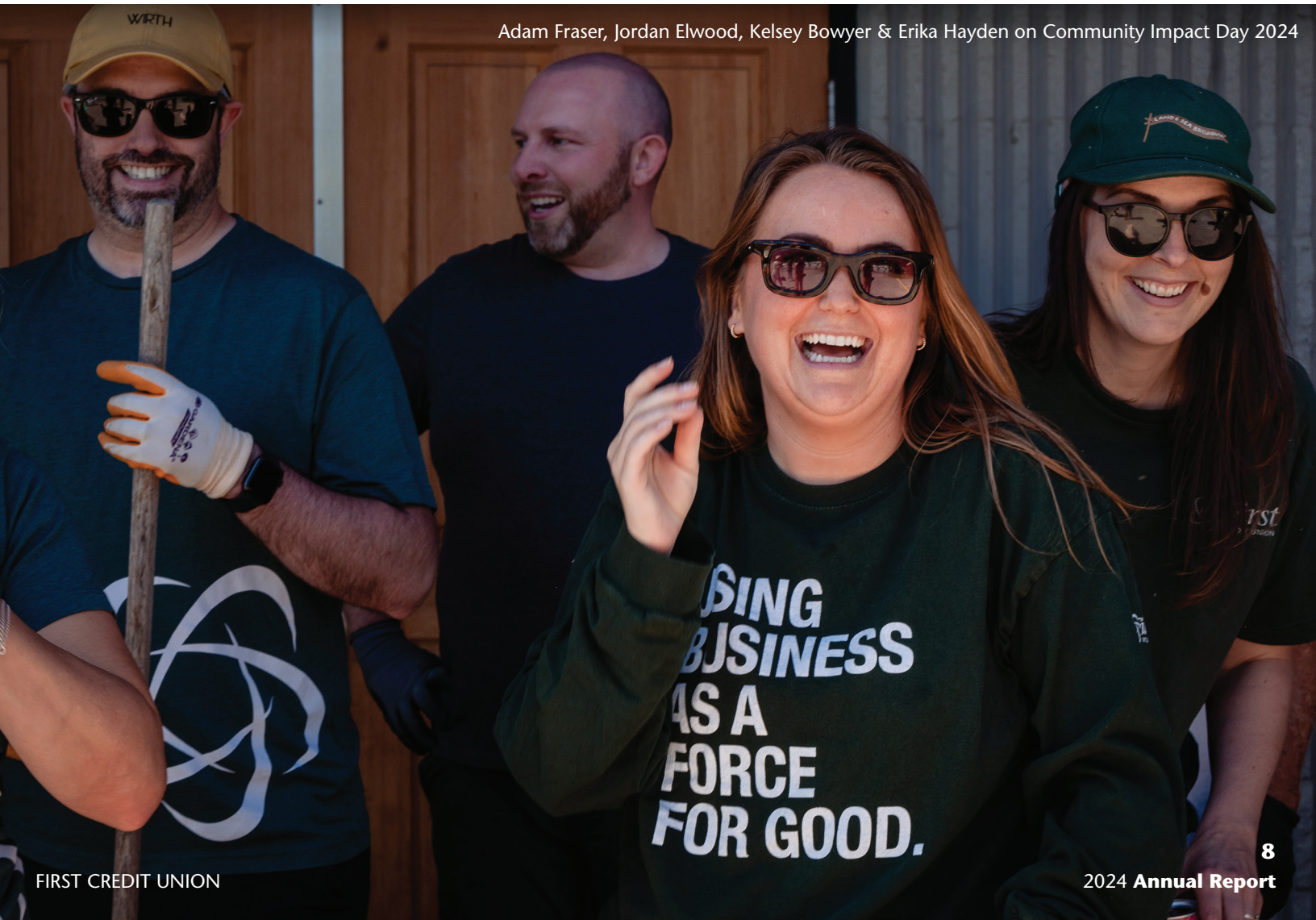
Proud to be a B Corp

We're a Living Wage Employer!

A Living Wage is defined as the hourly wage a worker needs to earn to cover their basic expenses within their community. It's a wage that lifts working families out of poverty and allows employees not just to subsist, but to have access to the types of things that make for a decent quality of life: the ability to contribute to communities, and be healthy and active social citizens. Our competitive salaries go well beyond the Living Wage, which aligns with our vision of building financially healthy communities. It means strong local economies, sustainability, and fostering a dedicated, skilled, and healthy workforce. We believe our members would expect nothing less of us in caring for our employees.



Adam Fraser, Jordan Elwood, Kelsey Bowyer & Erika Hayden on Community Impact Day 2024





Comox Valley employees volunteering with Habitat for Humanity for Community Impact Day 2024

Giving Back

Impact at a glance

Impact programs are available to non-profits, charities, social enterprises, and cooperatives. Impact focus areas are **diversity, equity and inclusion, local economy, and environmental sustainability.**



\$34,500

Awarded in post-secondary member scholarships



1,700+ hours

volunteered by employees

Collectively to organizations in the communities we serve



\$19,865 invested

Into community development partnerships



12 community-based activities supported

During Community Impact Day while employees volunteered



\$10,000 in sponsorships

For youth members to attend YES Camp



\$19,637

Invested in capacity-building programming



\$113,881 in donations

Impact, Employee Impact, Strategic & Branch Donations



Continued to maintain our carbon neutral status (since 2022)

Operational Greenhouse Gas (GHG) emissions down 0.64% from 2023

In 2024, First Credit Union supported members and their communities, advancing our vision of financially healthy communities and our purpose to empower through knowledge.

Support for the qathet and North Island Rent Banks, including a housing roundtable and affordable housing initiatives, contributed to housing stability, while financial literacy seminars, governance training, and strategic planning support empowered individuals and organizations with knowledge. Supported Indigenous-led community events saw hundreds of community members come together for Indigenous Peoples Day and the National Day for Truth and Reconciliation in the Comox Valley and qathet region. Investments in community justice initiatives engaged citizens in circle-based conflict resolution and trained youth in restorative justice principals. The strengthening of food security and the evolving of food systems were strengthened through investing in cooperative farming initiatives, farmers' markets, shared meal events, and low-income coupon programs and food boxes offered in collaboration with non-profits and local farmers.

Local economic health was advanced by supporting local business chambers, entrepreneurs, and women-in-business initiatives to host business events, expand peer networks, and offer bursaries. Scholarships for post-secondary studies and tailored support for strategic planning, branding, and e-commerce helped members build long-term plans and sustainability.

At the same time, our commitment to environmental sustainability drove local action, funding the transition to electric tools and low-emission public transit to supporting citizen-led climate initiatives that enhanced salmon preservation and protected local ecosystems.

Through these efforts, First Credit Union empowered members and organizations to build stronger, more inclusive, and more sustainable communities.

Giving Back

Jacki Wolfe, Ashley Panek, Valerie Carlsen, Cindy-Lou Patrucco & Janna Jones volunteering with the Powell River Brain Injury Society for Community Impact Day 2024



Powell River employees volunteering with the Chain Gang for Community Impact Day 2024



On an island, adaptability isn't just a nice-to-have—it's essential. For the Denman Island Community Education Society (DICES), it's a way of life. DICES has long supported residents with everything from school programs and food bank services to recreation and wellness initiatives. Now, they're bringing a long-awaited dream to life: a Covered Recreation Space.

This open-air gathering place will host sports, concerts, markets, and more—providing shelter from rain and heat while strengthening community resilience. The project, years in the making, gained momentum thanks to dedicated partners, local builders, and a \$5,000 contribution from First Credit Union at a critical moment.

"This project is going to be a really useful piece of infrastructure for our community," says Project Coordinator, Dylan Gale.

How did the community come together to make it happen? Read our blog to find this story and more. <https://www.firstcu.ca/blog/DICES>

Cheque presentation for the Denman Island Community Education Society (DICES) open air gathering place project.



Building Resilience for Remote Island Communities



Bowen Island team members Annie Arbuckle, Katrina Tichopad, Kevin Manning & Kristen Helssen volunteering on a beach cleanup for Community Impact Day 2024

Environmental Responsibility

In 2024, FCU's operational GHG emissions totaled 102.772 tonnes, **marking a 0.64% reduction from 2023**. Since 2022, we have partnered with BC's Great Bear Carbon Project—the largest Indigenous-owned forest-based carbon initiative in Canada—to offset our emissions and maintain carbon-neutral status. While our focus remains on tracking and reducing emissions, supporting a project that protects one of the world's last intact rainforests strengthens BC's environmental resilience for future generations.

This year, we deepened our commitment by partnering with BC Green Business, a nonprofit that has been helping businesses raise the bar for environmental and social responsibility since 2013. Through one-on-one collaboration, we identified practical, cost-effective ways to reduce our footprint. As a result, FCU branches earned certifications of Green, Gold, and Ocean Friendly, providing a detailed look at branch-level emissions and engaging employees and managers in sustainability efforts.

Caitlin Bryant & Helen Theilmann on Bowen Island.





Financial Performance

Auditor's Report & Consolidated Financials

To the Members of First Credit Union:

Opinion

We have audited the consolidated financial statements of First Credit Union (the “Credit Union”), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of income (loss), comprehensive income, changes in members’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Credit Union as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Credit Union’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Credit Union as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Chartered Professional Accountants
Kelowna, BC March 11, 2025

MNP
LLP

A complete set of financial statements is available at firstcu.ca

Consolidated Statement of Financial Position

Summary of the Consolidated Statement of Financial Position as at December 31, 2024

ASSETS	2024	2023
Cash and cash equivalents	\$30,222,225	\$18,738,170
Investments	\$53,965,972	\$51,373,575
Member loans receivable	\$570,959,800	\$575,845,098
Income taxes recoverable	-	\$76,647
Property, plant and equipment	\$7,629,402	\$9,945,814
Long-lived assets held for sale	\$1,614,158	-
Intangible Assets	\$1,366,648	\$1,301,020
Other assets	\$6,874,588	\$ 9,346,254
	\$672,632,793	\$666,626,578
LIABILITIES		
Member deposits	\$587,558,976	\$596,570,078
Income taxes payable	\$329,309	-
Trade payables & accrued liabilities	\$1,884,096	\$1,543,134
Secured borrowings	\$37,998,064	\$24,220,376
Borrowings	-	-
Lease liabilities	\$919,841	\$779,709
Deferred tax liabilities	\$221,390	\$857,236
Dividends payable	\$46,692	\$52,967
	\$628,958,368	\$624,023,500
MEMBERS' EQUITY		
Member shares	\$1,764,290	\$1,853,273
Retained earnings	\$34,780,526	\$33,625,348
Contributed surplus	\$7,139,737	\$7,814,972
Accumulated other comprehensive income (loss)	(\$10,128)	(\$690,515)
	\$43,674,425	\$42,603,078
	\$672,632,793	\$666,626,578

Consolidated Statement of Comprehensive Income

Summary of Consolidated Statement of Comprehensive Income for the year ended December 31, 2024

	2024	2023
Interest income	\$27,136,021	\$24,224,748
Interest expense	\$14,745,977	\$12,661,783
Net interest income	\$12,390,044	\$11,562,965
Provisions for (recovery of) credit losses	(\$131,107)	(\$823)
Other income	\$3,479,300	\$3,417,799
Net interest & other income, after recovery of credit losses	\$16,000,451	\$14,981,587
Operating expenses	\$15,642,329	\$15,474,288
Operating income (loss)	\$358,122	(\$492,701)
Other items	-	\$472,582
Net income (loss) before income taxes	\$358,122	(\$20,119)
Provision for (recovery of) income taxes	(\$164,819)	\$594,947
Net income (loss)	\$522,941	(\$615,066)
Unrealized fair value gain (loss) on investments, net of tax	\$680,387	\$917,241
Total comprehensive income	\$1,203,328	\$302,175

Consolidated Statement of Cash Flows

Summary of the Consolidated Statement of Cash Flows for the year ended December 31, 2024

	2024	2023
Cash provided by operating activities	\$4,003,938	\$3,533,020
Cash provided by (used for) financing activities	\$5,528,812	(\$3,968,943)
Cash provided by (used for) investing activities	\$1,951,305	\$3,180,995
Increase (decrease) in cash & cash equivalents	\$11,484,055	\$2,745,072
Cash & cash equivalents, beginning of year	\$18,738,170	\$15,993,098
Cash & cash equivalents, end of year	\$30,222,225	\$18,738,170

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about what we do**

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