

Annual General Meeting

Class A Shareholders:

May 12, 2016 at 7 pm
Town Centre Hotel
Powell River, BC

Auditors' Report

Summary Consolidated Financial Statements

To the Members of First Credit Union:

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at December 31, 2015 and the summary consolidated statements of income and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of First Credit Union for the year ended December 31, 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 22, 2016. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of First Credit Union.

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditors' Responsibility

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

Opinion

In our opinion, the summary consolidated financial statements, derived from the audited consolidated financial statements of First Credit Union for the year ended December 31, 2015 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

Powell River, BC March 22, 2016

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Building Community Since 1939

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Van Anda, BC
V0N 3K0
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426 – 8th Street
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www.firstcu.ca



Balance Sheet

Summary of the Consolidated Balance Sheet as at December 31, 2015

ASSETS	2015	2014
Cash	\$23,022,157	\$4,084,149
Treasury Deposits	\$11,260,932	\$15,919,900
Income Taxes Recoverable	\$148,495	-
Investments and Other Assets	\$4,150,367	\$3,957,868
Loans and Notes Receivable (net of allowance)	\$266,060,895	\$231,876,874
Property, Plant and Equipment (net of amortization)	\$5,019,473	\$5,271,474
Intangible Assets (net of amortization)	\$1,026,698	\$971,522
Goodwill	\$12,370,036	\$12,370,036
	\$323,059,053	\$274,451,823
LIABILITIES		
Accounts Payable	\$2,194,568	\$2,033,097
Demand Deposits	\$148,312,987	\$130,003,216
Accrued Interest and Dividends	\$1,264,553	\$1,369,156
Deferred Income	\$72,654	\$68,937
Income Taxes Payable	-	\$74,600
Deferred Income Taxes	\$127,432	\$213,297
Term Deposits	\$74,957,133	\$67,094,236
Registered Savings Plan Deposits	\$54,267,717	\$43,333,640
Secured Loans Payable	\$19,443,958	-
Loan from Central1	-	\$7,800,000
Capital Lease Obligations	\$23,954	\$46,036
Non Equity Shares	-	\$697,101
	\$300,664,956	\$252,733,316
MEMBERS' EQUITY	\$22,394,097	\$21,718,507
	\$323,059,053	\$274,451,823

Statement of Net and Comprehensive Income

Summary of the Consolidated Statement of Income and Retained Earnings for the year ended December 31, 2015

	2015	2014
Financial Income	\$9,081,786	\$8,525,603
Financial Expenses	\$3,279,218	\$3,194,975
Provision for Credit Losses	\$234,234	\$138,488
Financial Margin	\$5,568,334	\$5,192,140
Other Income	\$7,737,546	\$7,959,227
Operating Margin	\$13,305,880	\$13,151,367
Operating Expenses	\$12,119,720	\$11,412,346
Loss on Disposal of Assets	\$1,428	(\$98,690)
Net Income Before Income Tax	\$1,187,588	\$1,640,331
Provision for Income Tax	\$63,078	\$240,647
NET AND COMPREHENSIVE INCOME	\$1,124,510	\$1,399,684
Retained Earnings, Beginning of Year	\$15,136,734	\$14,002,848
	\$16,261,244	\$15,402,532
Dividends	(\$299,782)	(\$273,055)
Amortization of Contributed Surplus	\$7,257	\$7,257
RETAINED EARNINGS, END OF YEAR	\$15,968,719	\$15,136,734

Statement of Cash Flows

Summary of the Consolidated Statement of Cash Flows, December 31, 2015

	2015	2014
Cash Flows From (Used In) Operating Activities	\$3,541,465	(\$15,392,257)
Cash Flows From Financing Activities	\$11,200,229	\$7,193,767
Cash Flows Used In Investing Activities	(\$462,654)	(\$537,527)
Net Increase (Decrease) in Cash and Cash Equivalents	\$14,279,040	(\$8,736,017)
Cash and Cash Equivalents, Beginning of Year	\$20,004,049	\$28,740,066
CASH AND CASH EQUIVALENTS, END OF YEAR	\$34,283,089	\$20,004,049



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

