

# ANNUAL GENERAL MEETING

May 11, 2019 at 1:30 pm  
Dwight Hall, Powell River, BC

## Independent Auditor's Report

*On the Summarized Financial Statements*

*To the Members of First Credit Union:*

### Opinion

The summary consolidated financial statements of First Credit Union (the "Credit Union"), which comprise the summary consolidated statement of financial position as at December 31, 2018, and the summary consolidated statements of comprehensive income and cash flows for the year then ended are derived from the audited consolidated financial statements for the year ended December 31, 2018.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements.

### Other Matter

The summary consolidated financial statements of First Credit Union for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those summary consolidated financial statements on March 27, 2018.

### Summary 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 and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 19, 2019.

### Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

**MNP**  
LLP

*Chartered Professional Accountants*

Kelowna, BC  
March 19, 2019



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**2019**  
**Notice of AGM**  
*Building Financially Healthy Communities*

## Consolidated Statement of Financial Position

Summary of the Consolidated Statement of Financial Position as at December 31, 2018

ASSETS	2018	2017
Cash and interest-bearing deposits	\$37,647,543	\$30,418,515
Investments	\$6,910,281	\$5,517,348
Members' loans receivable	\$378,096,897	\$329,094,825
Income taxes recoverable	-	\$116,696
Property, plant and equipment	\$4,500,041	\$4,802,822
Intangible assets	\$608,314	\$518,733
Other assets	\$5,715,294	\$5,400,910
Deferred tax assets	\$123,147	-
Derivative assets held for risk management	\$535,045	\$680,842
Investment in associates	\$8,271,774	\$9,186,675
	<b>\$442,408,336</b>	<b>\$385,737,366</b>
LIABILITIES		
Member deposits and accrued interest	\$369,040,289	\$320,240,096
Income taxes payable	\$225,255	-
Trade payables and accrued liabilities	\$1,525,380	\$1,419,279
Secured borrowings	\$39,323,621	\$31,648,415
Finance lease payable	-	\$4,311
Deferred tax liabilities	-	\$153,135
Patronage dividends payable	\$360,000	\$393,870
	<b>\$410,474,547</b>	<b>\$353,859,109</b>
MEMBERS' EQUITY		
Member shares	\$2,441,242	\$2,914,290
Retained earnings	\$27,896,951	\$27,378,164
Contributed surplus	\$1,595,596	\$1,585,803
	<b>\$31,933,789</b>	<b>\$31,878,257</b>
	<b>\$442,408,336</b>	<b>\$385,737,366</b>

## Consolidated Statement of Income

Summary of the Consolidated Statement of Income for the year ended December 31, 2018

	2018	2017
Interest income	\$13,123,532	\$10,770,294
Interest expense	(\$4,794,987)	(\$3,399,972)
Provision for credit losses	(\$80,141)	(\$116,221)
Net interest income after provision for credit losses	\$8,248,404	\$7,254,101
Other income	\$3,293,795	\$3,689,589
Net interest and other income, after provision	\$11,542,199	\$10,943,690
Operating expenses	(\$9,600,475)	(\$9,113,439)
Distribution to members	(\$385,453)	(\$321,392)
Other items	(\$756,792)	(\$148,377)
Net income before income taxes	\$799,479	\$1,360,482
Income taxes	(\$240,581)	(\$309,662)
Net income	<b>\$558,898</b>	<b>\$1,050,820</b>

## Consolidated Statement of Cash Flows

Summary of the Consolidated Statement of Cash Flows, December 31, 2018

	2018	2017
Cash provided by Operating activities	\$3,732,418	\$2,087,429
Cash provided by Financing activities	\$55,896,933	\$21,677,922
Cash provided by Investing activities	(\$52,400,323)	(\$42,491,220)
Increase (decrease) in cash and interest-bearing deposits	\$7,229,028	(\$18,725,869)
Cash and interest-bearing deposits, beginning of year	\$30,418,515	\$49,144,384
Cash and interest-bearing deposits, end of year	<b>\$37,647,543</b>	<b>\$30,418,515</b>



**Purpose: Empower Through Knowledge**

**Vision: To build financially healthy communities**

**A complete set of financial statements is available from [FirstCU.ca](http://FirstCU.ca)**

**Please contact your nearest branch for details.**

