



COLUMBIA VALLEY
CREDIT UNION

2021 ANNUAL REPORT





BOARD CHAIR REPORT

2021 was another strong year for Columbia Valley Credit Union, and a busy year for your Board of Directors.

Columbia Valley Credit Union has been exploring a merger with five other credit unions in the region. In mid 2021, the credit unions involved decided to no longer pursue a merger or amalgamation. While CVCU will be charting a different path forward, we will continue to explore opportunities to collaborate with our partner credit unions to better serve our members and community.

In April 2021, your Board of Directors appointed Rob Parker as our new CEO. After a robust and competitive search process completed by the Board, Rob was selected for his proven track record of leadership at CVCU, his dedication to our members and community, and his ideas and plans for the future.

The credit union needs to make it easy for you to do business with us. Your Board is committed to finding more ways to deliver products and services to our members online through digital platforms so you can bank with us anytime and from anywhere.

I'd like to thank Janice Englehart for her longstanding service on the CVCU Board of Directors. Janice is retiring from the Board in 2022, making way for at least one new director. Your Board of Directors is a cohesive and high performing group of leaders, dedicated to making a difference. I thank each Director for their commitment and service.

On behalf of the entire Board of Directors for Columbia Valley Credit Union, I thank our employees for making the credit union what it is today – a force in our community and local economy. I would also like to thank our members for trusting Columbia Valley Credit Union for your banking needs.



Paul Ricard
Board Chair





CEO REPORT

It was another extraordinary year for Columbia Valley Credit Union and our members. The COVID-19 pandemic continued to impact our lives and livelihoods throughout the year. Our members persevered and remained strong throughout the pandemic, enabling Golden and the Columbia Valley to thrive. We hope you and your loved ones continue to stay healthy and safe.

CVCU entered the pandemic with a strong operational and financial foundation, which allowed us to deliver strong financial results in 2021. While the low interest rate environment continued to be challenging, we offered competitive rates on loans and deposits and shared more of our profits with members and the community.

We conducted a member satisfaction survey in 2021 to find out more about the experience our members have when they bank with us. We learned that you value our local presence and perspective, but want greater convenience when it comes to your banking, with more online and digital ways of accessing our products and services.

Our credit union is known for making a difference in our community. In 2021, we returned \$104,000 in dividends and \$338,000 in loan rebates to our members. The loan rebates represented a 7.5% return to our personal and business borrowing members. More than \$44,000 was donated to many non-profit organizations and local youth pursuing post-secondary education.

This is my first message as your CEO, having been appointed to this position in April 2021. I am excited by the opportunity to be your CEO and to bring growth and opportunity to our members, employees and community.

When I look back on 2021, it is the commitment and dedication of our employees that stands out as the principal reason for our success. Our team supported our members and community throughout the pandemic, and were quick to adapt and evolve our service so we could all feel comfortable and be safe. I would like to personally thank each and every CVCU employee for the professionalism and heart you bring to your credit union and community.

Finally, a thank you to our members. You trust us to help you with your financial needs and goals. You make our community vibrant and strong. Thank you for choosing to bank local.



Rob Parker
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Columbia Valley Credit Union

Opinion

We have audited the financial statements of Columbia Valley Credit Union (the Credit Union), which comprise the statement of financial position as at December 31, 2021, and the statements of income, retained earnings, comprehensive income and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2021, and the financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Financial Statements section of our report. We are independent of the Credit Union in accordance with ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the 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 Financial Statements

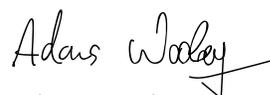
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Adams Wooley
Cranbrook, BC

Chartered Professional Accountants
March 1, 2022

Summary Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
Cash and Term Deposits	\$ 56,986,807	\$ 44,425,140
Investments	191,822	850,779
Members' Loans	151,794,440	146,819,470
Property, Plant and Equipment	1,496,976	1,665,362
Intangible Assets	72,948	84,014
Other Assets	498,044	105,683
Deferred Income Taxes	98,080	4,160
Property Held for Resale	80,929	0
	\$ 211,220,046	\$ 193,954,608
LIABILITIES AND MEMBERS' EQUITY		
Accounts Payable and Accrued Liabilities	\$ 247,108	\$ 350,958
Members' Deposits	192,758,678	175,650,193
	193,005,786	176,001,151
Members' Equity		
Share Capital	106,403	106,115
Accumulated Other Comprehensive Income	(90,018)	100,770
Retained Earnings	18,197,875	17,746,572
	18,214,260	17,953,457
	\$ 211,220,046	\$ 193,954,608

On behalf of the board,



Paul Ricard
 Director



Glen Ewan
 Director

Statement of Income and Retained Earnings

Year Ended December 31, 2021

	2021	2020
INTEREST INCOME		
Interest from Loans	\$ 4,970,470	\$ 5,220,826
Interest from Investments	292,116	378,796
	5,262,586	5,599,622
Interest and Loan Related Expenses	1,624,957	1,910,000
Financial Margin	3,637,629	3,689,622
OTHER INCOME (EXPENSES)		
Service Fees, Commissions and Rental Processing and Handling Fees	1,066,361	731,096
Losses on Loans Expense	(175,181)	(80,702)
	(86,093)	(88,358)
	805,087	562,036
OPERATING EXPENSES	3,481,489	3,227,972
Income Before Income Taxes and Rewards to Members	961,227	1,023,686
Income Taxes		
Current	192,477	208,034
Deferred	(23,355)	(7,667)
	169,122	200,367
Income Before Rewards to Members	792,105	823,319
Rewards to Members	340,802	288,390
NET INCOME	451,303	534,929
Retained Earnings — Beginning of Year	17,746,572	17,211,643
Net Income	451,303	534,929
RETAINED EARNINGS — END OF YEAR	\$ 18,197,875	\$ 17,746,572

Full financial statements with accompanying notes, and a comprehensive annual report are available in branch or upon request.

YOUR BOARD OF DIRECTORS

Thank you to the Board of Directors for their time, experience and wise counsel during this past year.

Paul Ricard

Board Chair

Glen Ewan

Corporate Secretary

Lyle Johnson

Director

Nola Milum

Vice Chair

Connie Barlow

Director

Scott King

Director

Janice Englehart

Director

Janice Englehart is retiring from the Board at the 2022 AGM. We thank her for her 9 years of service to the credit union, our members and community. Thank you, Janice!



COLUMBIA VALLEY
CREDIT UNION

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