COLUMBIA VALLEY CREDIT UNION

Financial Statements

Year Ended December 31, 2024

COLUMBIA VALLEY CREDIT UNION

Index to Financial Statements

Year Ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Columbia Valley Credit Union have been prepared in accordance with International Financial Reporting Standards (IFRS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Columbia Valley Credit Union's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Adams Wooley, Chartered Professional Accountants, in accordance with Canadian auditing standards.

Signed by: Glen Ewan
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Mr. Glen Ewan, President

DocuSigned by: Rob Parker
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Mr. Rob Parker, CEO

Golden, BC
March 25, 2025

AdamsWooley
CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2024, and the statements of income, retained earnings, comprehensive income and cash flows 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, 2024, and the financial performance and cash flows 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:

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David M.W. Adams, BSc, CPA, CGA, CFP*
James R. Wooley, BPE, CPA, CGA*
Brian F. Adams, FCPA, FCGA* (Associate)

**Denotes Professional Corporation*

- 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
March 25, 2025

Adams Wooley
Chartered Professional Accountants

COLUMBIA VALLEY CREDIT UNION

Statement of Financial Position

December 31, 2024

	2024	2023
ASSETS		
CASH AND TERM DEPOSITS *(Note 5)*	**$ 44,381,585**	$ 42,486,160
INVESTMENTS *(Note 6)*	**89,756**	69,632
MEMBERS' LOANS *(Notes 7 and 8)*	**178,018,234**	170,841,703
PROPERTY, PLANT AND EQUIPMENT *(Note 9)*	**1,183,937**	1,243,940
INTANGIBLE ASSETS *(Note 10)*	**134,949**	107,799
OTHER ASSETS *(Note 11)*	**348,511**	389,428
DEFERRED INCOME TAXES *(Note 12)*	**6,375**	55,140
	$ 224,163,347	$ 215,193,802
LIABILITIES AND MEMBERS' EQUITY		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	**$ 203,789**	$ 288,305
MEMBERS' DEPOSITS *(Note 13)*	**204,514,430**	196,070,912
	204,718,219	196,359,217
MEMBERS' EQUITY		
SHARE CAPITAL *(Note 14)*	**107,990**	107,834
ACCUMULATED OTHER COMPREHENSIVE INCOME	**368,170**	188,866
RETAINED EARNINGS	**18,968,968**	18,537,885
	19,445,128	18,834,585
	$ 224,163,347	$ 215,193,802

APPROVED BY THE DIRECTORS

Signed by:
Nola Milum
B42424F908CE4C3...
Director

Signed by:
Monica Parkinson
982A0C4EFA434A3...
Director

See notes to financial statements

COLUMBIA VALLEY CREDIT UNION

Statement of Income

Year Ended December 31, 2024

	2024	2023
INTEREST INCOME		
Interest from Loans	**$ 7,071,071**	$ 5,979,781
Interest from Investments	**1,878,197**	1,425,183
	8,949,268	7,404,964
INTEREST AND LOAN RELATED EXPENSES	**4,581,090**	3,703,831
FINANCIAL MARGIN	**4,368,178**	3,701,133
OTHER INCOME (EXPENSES)		
Service Fees, Commissions and Rental	**811,899**	850,940
Processing and Handling Fees	**(119,694)**	(122,894)
Recoveries (Losses) on Loans	**12,043**	(8,933)
	704,248	719,113
OPERATING EXPENSES *(Schedule 1)*	**4,394,857**	4,080,847
INCOME BEFORE INCOME TAXES (RECOVERED) AND REWARDS TO MEMBERS	**677,569**	339,399
INCOME TAXES (RECOVERED)		
Current *(Note 15)*	**89,771**	12,278
Deferred *(Note 12)*	**(17,553)**	(44,891)
	72,218	(32,613)
INCOME BEFORE REWARDS TO MEMBERS	**605,351**	372,012
REWARDS TO MEMBERS *(Note 14)*	**(174,268)**	(266,275)
NET INCOME	**$ 431,083**	$ 105,737

See notes to financial statements

COLUMBIA VALLEY CREDIT UNION

Operating Expenses *(Schedule 1)*

Year Ended December 31, 2024

	2024	2023
Administrative		
Staff Salaries	**$ 1,385,795**	$ 1,319,217
Data Processing and Accounting	**904,806**	893,430
Staff Benefits	**424,310**	395,847
Director Remuneration	**52,548**	51,074
Director Costs	**50,943**	44,193
Insurance	**49,918**	29,683
Staff Travel and Training	**47,230**	48,150
Postage	**28,938**	27,997
Stationery and Supplies	**24,674**	17,062
Telephone	**21,933**	22,772
	2,991,095	2,849,425
Building and Occupancy		
Amortization	**143,204**	143,204
Property Taxes	**42,466**	37,589
Janitor	**34,776**	34,619
Repairs and Maintenance	**26,059**	21,203
Utilities	**21,677**	24,192
Insurance	**16,917**	10,752
	285,099	271,559
Other		
Legal and Consulting	**466,926**	240,218
Dues	**183,927**	213,996
Amortization	**113,056**	78,813
Audit and Inspection	**96,815**	134,054
Stabilization Central Assessment Fees	**74,755**	103,382
Promotion and Advertising	**74,421**	91,710
Donations	**67,752**	58,466
Equipment Rental and Maintenance	**29,862**	20,756
Miscellaneous	**11,149**	18,468
	1,118,663	959,863
	$ 4,394,857	$ 4,080,847

See notes to financial statements

COLUMBIA VALLEY CREDIT UNION

Statement of Comprehensive Income

Year Ended December 31, 2024

		2024		2023
NET INCOME	**$**	**431,083**	$	105,737
CHANGES IN COMPREHENSIVE INCOME (net of deferred income tax)				
Unrealized gain/(loss) on Mandatory Liquidity Pool investments		**179,304**		568,683
COMPREHENSIVE INCOME FOR THE YEAR	**$**	**610,387**	$	674,420

See notes to financial statements

COLUMBIA VALLEY CREDIT UNION

Statement of Retained Earnings

Year Ended December 31, 2024

	2024	2023
RETAINED EARNINGS - BEGINNING OF YEAR	**$ 18,537,885**	$ 18,432,148
NET INCOME	**431,083**	105,737
RETAINED EARNINGS - END OF YEAR	**$ 18,968,968**	$ 18,537,885

See notes to financial statements

COLUMBIA VALLEY CREDIT UNION

Statement of Cash Flows

Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Net income	**$ 431,083**	$ 105,737
Items not affecting cash:		
Amortization of building	**143,204**	143,204
Amortization of furniture and equipment	**113,056**	78,813
Deferred income taxes	**(17,553)**	(44,891)
Unrealized gain/(loss) on fair value of MLP investments (net of deferred tax)	**245,622**	779,017
	915,412	1,061,880
Changes in non-cash working capital:		
Other assets	**40,917**	83,039
Accounts payable and accrued liabilities	**(84,516)**	(52,185)
	(43,599)	30,854
Cash flow from operating activities	**871,813**	1,092,734
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(150,095)**	(76,129)
Purchase of intangible assets	**(73,312)**	(66,500)
Members' loans	**(7,176,531)**	(4,465,803)
Investments	**(20,124)**	9,753
Cash flow used by investing activities	**(7,420,062)**	(4,598,679)
FINANCING ACTIVITIES		
Members' deposits	**8,443,518**	8,140,110
Share capital	**156**	1,225
Cash flow from financing activities	**8,443,674**	8,141,335
INCREASE IN CASH FLOW	**1,895,425**	4,635,390
Cash - beginning of year	**42,486,160**	37,850,770
CASH - END OF YEAR *(Note 5)*	**$ 44,381,585**	$ 42,486,160

See notes to financial statements

1. NATURE OF OPERATIONS

Columbia Valley Credit Union (the "Credit Union") is incorporated under the Credit Union Incorporation Act ("the Act") of British Columbia and is a member of Central 1 Limited (Central 1). The credit union operates as one operating segment in the loans and deposit taking industry in British Columbia. Products and services offered to its members include mortgages, personal and commercial loans, chequing and savings accounts, term deposits, RRSPs, RRIFs, RESPs, TFSAs, automated banking machines ("ABMs"), debit and credit cards and Internet banking. The Credit Union head office is located at 511 Main Street, Golden, British Columbia.

These financial statements have been authorized for issue by the Board of Directors on March 25, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (the IASB).

These financial statements were prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets measured at fair value.

The Credit Union's functional and presentation currency is the Canadian dollar. The financial statements are presented in Canadian dollars.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Credit Union's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in *Note 4*.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less; and for the purpose of the statement of cash flows, bank overdrafts that are repayable on demand.

Cash and cash equivalents are carried at amortized cost, which is equivalent to fair value.

Investments - Central 1 deposits

These deposit instruments are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently they are carried at amortized cost, adjusted to recognize other than a temporary impairment in the underlying value. If investments are available for sale, they are reported at fair value.

Mandatory Liquidity Pool (MLP)

The MLP investments are held to collect cashflows and to sell if an opportunity to benefit arises. They are initially measured at fair value, plus transaction costs. Subsequently they are carried at fair value through other comprehensive income, adjusted for the portion of premium paid or discount received on purchase. Expected credit loss is calculated on an ongoing basis.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equity instruments

These instruments are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently they are carried at fair value, unless they do not have a quoted market price in an active market and fair market value is not reliably determinable in which case they are carried at cost.

Changes in fair value, except for those arising from interest calculated using the effective interest rate, are recognized as a separate component of other comprehensive income.

Where there is a significant or prolonged decline in the fair value of an equity instrument (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in equity.

Purchases and sales of equity instruments are recognized on settlement date with any change in fair value between trade date and settlement date being recognized in accumulated other comprehensive income.

On sale, the amount held in accumulated other comprehensive income associated with that instrument is recognized in equity.

Members' loans

All member loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Member loans are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred.

Member loans are subsequently measured at amortized cost, using the effective interest rate method, less any impairment (losses).

Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans plus accrued interest. Interest is accounted for on the accrual basis for all loans.

If there is objective evidence that an impairment loss on member loans carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the loans carrying amount and the present value of expected cash flows discounted at the original effective interest rate, short-term balances are not discounted.

The Credit Union first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The expected future cash outflows for a group of financial assets with similar credit risk characteristics are estimated based on historical loss experience.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in net income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Bad debts written off

Bad debts are written off from time to time as determined by management and approved by the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the provisions for impairment, if a provision of impairment had previously been recognized. If no provision had been recognized, the write-offs are recognized as expenses in net income.

Loan securitization

Loans will be derecognized only when the contractual rights to receive the cash flows from these assets have ceased to exist, or substantially all the risk and rewards of the loans have been transferred. If the criteria for derecognition has not been met, the securitization will be reflected as a financing transaction and the related liability initially recorded at fair value and subsequently measured at amortized costs, using the effective interest rate method.

Property, plant and equipment

Property, plant and equipment is initially recorded at cost and subsequently measured at cost less accumulated amortization and any accumulated impairment (losses), with the exception of land which is not amortized and was written up as provided in *Note 9.* Amortization is recognized in net income and is provided on a straight-line basis over the estimated useful life of the assets as follows:

Building	40 years
Furniture and equipment	3 - 5 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if necessary.

Intangible assets

Intangible assets consist of computer software which are not integral to the computer hardware owned by the Credit Union. Software is initially recorded at cost and subsequently measured at cost less accumulated amortization and any accumulated impairment (losses). Software is amortized on a straight-line basis over its estimated useful life, unless it is deemed to have an indefinite life, and tested for impairment annually.

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows.

Impairment changes are included in net income, except to the extent they reverse gains previously recognized in other comprehensive income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax (losses), tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available which allow the deferred tax asset to be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date and are expected to apply when the liabilities/(assets) are settled/(recovered).

Members' deposits

All member deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument.

Member deposits are subsequently measured at amortized cost, using the effective interest rate method.

Pension plan

The Credit Union participates in a defined benefit pension plan administered by Central 1. The Credit Union accounts for the plan by recognizing contributions as an expense in the year to which they relate.

Accounts payable and other payables

Liabilities for trade creditors and other payables are classified as other financial liabilities and initially measured at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method.

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Members' shares

Members' shares issued by the Credit Union are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Patronage distributions

Patronage distributions are recognized in net income when circumstances indicate the Credit Union has a constructive obligation it has little or no direction to avoid, and it can make a reasonable estimate of the amount required to settle the obligation.

Revenue recognition

Revenue from the provision of services to members is recognized when earned, specifically when amounts are fixed or can be determined and the ability to collect is reasonably assured.

Leased assets

For any new contracts entered into on or after January 1, 2019, the Credit Union considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the Credit Union assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Credit Union
- the Credit Union has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Credit Union has the right to direct the use of the identified asset throughout the period of use. The Credit Union assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use

Measurement and recognition of leases as a lessee

At lease commencement date, the Credit Union recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Credit Union, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Credit Union depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Credit Union also assesses the right-of-use asset for impairment when such indicators exist.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

At the commencement date, the Credit Union measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Credit Union's incremental borrowing rate, which has been deemed to be the prime rate, since the Credit Union does not currently borrow.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Credit Union has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, there is an option to include right-of-use assets in property and equipment and lease liabilities in trade and other payables.

The Credit Union as a lessor

The Credit Union's accounting policy under IFRS 16 has not changed from the comparative period.

As a lessor the Credit Union classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Foreign currency translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at the date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and (losses) arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net income. Exchange gains and (losses) on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive income consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment;
- the estimated useful lives of assets;
- the allowance for losses on loans;
- the recoverability of long-term investments;
- the recoverability of intangible assets;
- the amount and composition of income tax assets and income tax liabilities, including the amount of unrecognized tax benefits;
- certain actuarial and economic assumptions used in determining present value of future lease obligations; and
- IFRS 16 requires entities to make certain judgements and estimations, and those that are significant should be disclosed here or within the asset and liability notes within the financial statements. Critical judgements are often required when an entity is, for example:
  - determining whether or not a contract contains a lease.
  - establishing whether or not it is reasonably certain that an extension option will be exercised.
  - considering whether or not it is reasonably certain that a termination option will not be exercised.
  - determining whether or not variable leased payments are truly variable, or in-substance fixed.
  - for lessors, determining whether the lease should be classified as an operating or finance lease.
  - Examples of key sources of estimation and uncertainty include:
    - calculating the appropriate discount rate to use.
    - estimating the lease term.
    - estimating variable lease payments dependant on an index or rate.

3. IFRSs ISSUED BUT NOT YET EFFECTIVE

Following is a listing of amendments, revisions and new International Financial Reporting Standards (IFRSs) issued that may impact future accounting policies and the effective date. Unless otherwise indicated, earlier application is permitted. The credit union is currently evaluating the impact of adopting the changes, which it intends to do when required.

IFRS 7 **-** *Financial Instruments* **-** *Disclosures (annual periods beginning on or after January 1, 2024)*

The amendments affect disclosures related to Supplier Finance Arrangements.

IFRS 10 **-** *Consolidated Financial Statements (annual periods beginning on or after January 1, 2025)*

The amendments affect the sale or contribution of assets between an investor and its associate or joint venture.

IFRS 16 **-** *Leases (annual periods beginning on or after January 1, 2024)*

The amendments affect reporting on lease liabilities in a sale and leaseback arrangement.

IAS 7 **-** *Statement of cash flows (annual periods beginning on or after January 1, 2024)*

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk.

IAS 28 **-** *Investments in associates and joint ventures (annual periods beginning on or after January 1, 2025)*

The amendments affect the sale or contribution of assets between an investor and its associate or joint venture.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Credit Union makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experiences may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in other comprehensive income, or current income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial instruments

The Credit Union determines the fair value of financial instruments that are not quoted in an active market, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods and assumptions applied, and the valuation techniques used, for financial instruments that are not quoted in an active market are disclosed in *Note 6*.

Member loan loss provision

In determining whether an impairment loss should be recorded in the statement of income the Credit Union makes its judgment on whether objective evidence of impairment exists individually for financial assets that are individually significant. Where this does not exist the Credit Union uses its judgment to group member loans with similar credit risk characteristics to allow a collective assessment of the group to determine any impairment loss.

In determining a collective loan loss provision, management used estimates based on the understanding of possible risks in the economy and objective evidence of impairment. The Credit Union has employed a collective loan loss provision in 2024 of $312,369 (2023 - $360,040).

Income taxes

The Credit Union periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Credit Union records its best estimate for the tax liability including the related interest and penalties in the current tax provision. Management believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

5. CASH AND TERM DEPOSITS

The Credit Union's cash and current accounts are held with Central 1. The average yield in the accounts at December 31, 2024 is 4.82 % (2023 - 5.52%).

	2024	2023
Central 1 deposits		
Discount deposits - Canadian	**$ 5,158,171**	$ 1,736,928
Central 1 custody account deposit	**1,356,540**	1,278,957
Liquidity reserve deposits	**865,809**	791,547
Discount deposits - US	**866,504**	411,942
Accrued interest	**20,085**	47,395
Total Central 1 deposits	**8,267,109**	4,266,769
Mandatory Liquidity Pool (MLP)		
MLP	**22,626,525**	28,845,173
Accrued interest	**67,647**	104,860
Total MLP	**22,694,172**	28,950,033
Other deposits		
Credential Securities	**12,833,189**	8,577,245
Accrued interest	**106,190**	56,882
Total other deposits	**12,939,379**	8,634,127
Other cash and deposit accounts	**480,925**	635,231
	$ 44,381,585	$ 42,486,160

The Credit Union must maintain liquidity reserves at 8% of total assets at December 31, for regulatory purposes. The deposits can be withdrawn only if there is a sufficient reduction in the Credit Union's total assets or upon withdrawal of membership from Central 1.

The Liquidity Requirement Regulation (“LRR”) under the Financial Institutions Act (“FIA”) was amended effective January 1, 2021, to enable the legal segregation of the credit unions’ statutory liquidity into a bare trust structure (referred to as the Mandatory Liquidity Pool (“MLP”) segregation). The former requirement for a credit union to place its statutory liquidity as a deposit in Central 1 Credit Union (“Central 1”) was replaced with the requirement for a credit union to hold its statutory liquidity as unencumbered assets in trust with Central 1. A credit union has adequate liquid assets if it holds unencumbered assets placed in trust with Central 1 that are at least equal to 8% of the credit union’s aggregate deposit and other debt liabilities.

The permitted liquid assets placed in trust with Central 1 include the following:

- Assets held in the trust that are High Quality Liquid Assets (“HQLA”) as defined by the Office of the Superintendent of Financial Institutions (Canada) (“OSFI”) or by BCFSA rules;
- Specified short term bankers’ acceptances held in the trust;
- Cash deposits held in the trust; and
- Cash on hand held by the credit union.

(continues)

5. CASH AND TERM DEPOSITS *(continued)*

Total cash deposits and bankers' acceptances held in the trust and cash on hand held by the credit union is limited to 2% of the credit union's aggregate deposit and other debt liabilities. Cash deposits and bankers' acceptances held in trust with Central 1 do not qualify as HQLA, in order to ensure that the credit union holds 6% HQLA for statutory liquidity, not including cash on hand held by the credit union.

(a) Initial measurement

Liquidity deposits and MLP assets are initially measured at fair value plus transaction costs that are directly attributable to their acquisition.

(b) Classification and subsequent measurement

Liquidity deposits are classified and subsequently measured at amortized cost because they meet the solely payments of principal and interest criterion and are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. Liquidity deposits are subsequently reduced by a loss allowance, if any. Liquidity deposits were disposed of in early 2021 and transferred to the MLP at fair value.

The MLP assets are classified and subsequently measured at fair value, because they are predominantly derivative instruments that do not meet the criteria of being solely payments of principal and interest. MLP assets are subsequently reduced by a loss allowance, if any. The credit union holds the investments to collect cashflows, but also sells the bonds before maturity, if there is an opportunity to meet its objectives. At December 31, the MLP portfolio has an average yield to maturity of 4.18%, including the amortization of the premium paid on acquisition, and an average duration to maturity of less than one year.

(c) Credit risk

The Credit Union holds cash held on deposit with Central 1. Liquidity deposits and MLP assets have been determined to have low credit risk and therefore the loss allowances for liquidity deposits is measured at an amount equal to 12-month ECL. MLP assets have been measured to have an expected credit loss of approximately 0.01% of the nominal value of the government bonds and 0.02% of the nominal value of the corporate bonds in the portfolio.

(d) Fair value measurement

The carrying amounts of liquidity deposits and cash held on deposit with Central approximate fair value due to having similar characteristics as cash and equivalents.

Discount deposits at Central 1 are due within one year.

MLP assets are measured at fair value through other comprehensive income since the objectives are achieved through a mix of interest earned and realized gains on sales.

6. INVESTMENTS

The following tables provide information on the investments by type of security and issuer. The maximum exposure to credit risk would be the fair value as detailed below.

		2024		2023
Equity instruments				
Central 1 Credit Union - Class A Shares	**$**	**56,677**	$	56,686
Central 1 Credit Union - Class E Shares		**54**		54
Kootenay Risk Services Ltd.		**32,854**		12,721
Stabilization Central Shares		**171**		171
	$	**89,756**	$	69,632

a) Recognition and initial measurement

The Credit Union recognizes equity instruments on the settlement date, which is the date that the asset is received by the Credit Union. The instruments are initially measured at fair value. Any change in fair value between trade date and settlement date is recognized in net income.

b) Classification and subsequent measurement

The Credit Union classifies its equity instruments as FVTOCI. The equity instruments are subsequently measured at fair value with changes in fair value recognized in OCI. Gains and losses are never reclassified to profit or loss and no impairment is recognized in profit or loss. Dividends are recognized in profit or loss, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI.

c) Derecognition

The Credit Union derecognizes investments when the contractual rights to the cash flows from the investment expires or the Credit Union transfers the investment. On derecognition, any cumulative gain or loss recognized in OCI is not recognized in profit or loss.

d) Fair value measurement

The carrying amounts of investments approximate fair value. The table above provides information on the investments by type of security and issuer.

The credit union is a member of a national financial services entity named Central 1 Credit Union.

The shares in Central 1 are required as a condition of membership and are redeemable upon withdrawal of membership or at the direction of the Board of Directors of Central 1. The Credit Union is not intending to dispose of any Central 1 shares as the services supplied by Central 1 are relevant to the day-to-day activities of the Credit Union. Dividends on these shares are at the discretion of the Board of Directors of Central 1. The member credit unions were previously subject to additional capital calls at the discretion of the Board of Directors, but was amended at the May 5, 2022 Annual General Meeting, as follows:

- elimination of certain provisions providing for a mandatory capital call by way of required subscriptions for shares
- addition of provisions for a voluntary capital call by way of subscriptions for shares,
- amendments providing for redemptions of Class E shares to occur over an extended period after a member leaves the membership of Central 1,

(continues)

6. INVESTMENTS *(continued)*

- provisions permitting a member to transfer to a different class of membership, subject to certain terms and conditions, and
- elimination of further annual determinations of the Class A shares subscribed by Class A members (share rebalancing), effective following a voluntary capital call.

Class A Central 1 shares were previously subject to an annual rebalancing mechanism, which were issued and redeemable at par value. This provision has been eliminated, as provided above. There is no separately quoted market value for these shares; however, fair value is determined to be equivalent to the par value due to the fact transactions occur at par value on a regular and recurring basis.

Class E Central 1 shares are redeemable at $100 per share. The Credit Union accounts for the 5,389 Class E shares at cost, as redemption of the shares at the shares' stated redemption value is uncertain.

The Credit Union holds 33.33% of the voting shares of Kootenay Risk Services Ltd. and the investment is recorded using the equity method.

7. MEMBERS' LOANS

	2024	2023
Residential Mortgages	**$ 136,085,167**	$ 133,011,020
Commercial Mortgages and Loans	**32,655,699**	29,918,900
Personal Loans	**8,207,290**	7,327,806
Commercial Revolving Credits	**1,037,742**	654,730
Accrued Interest Receivable	**344,705**	289,287
Subtotal	**178,330,603**	171,201,743
Deduct: Allowance for Impaired Loans *(Note 8)*	**(312,369)**	(360,040)
	$ 178,018,234	$ 170,841,703

Terms and conditions

Member loans can have either a variable or fixed rate of interest and they mature within five years.

Variable rate loans are based on a "prime rate" formula, ranging from prime to prime plus 6.5%. The rate is determined by the type of security offered and the members' credit worthiness. At December 31, 2024, the credit union's prime rate was 5.45% (2023 - 7.20%).

The interest rate offered on fixed rate loans being advanced at December 31, 2024 ranges from 1.00% to 21.00%. The rate offered to a member varies with the type of security offered and the member's credit worthiness.

Residential mortgages are loans and lines of credit secured by residential property and are generally repayable monthly with blended payments of principal and interest only.

Personal loans consist of term loans and lines of credit that are non real estate secured and, as such, have various repayment terms. Some of the personal loans are secured by promissory notes and personal property or investments, and others are secured by promissory notes only.

Commercial loans consist of term loans, operating lines of credit and mortgages to individuals, partnerships and corporations, and have various repayment terms. They are secured by various types of collateral, including mortgages on real property, general security agreements, charges on specific equipment, investments and personal guarantees.

Average yields to maturity

Loans bear interest at both variable and fixed rates with the following average yields at:

	2024	2023
Variable rate	**4.90%**	6.13%
Fixed rate due less than one year	**4.55%**	4.12%
Fixed rate due between one and five years	**4.03%**	3.46%

a) Recognition and initial measurement

The Credit Union initially recognizes member loans on the date on which they are originated. Member loans are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred

(continues)

7. MEMBERS' LOANS *(continued)*

b) Classification and subsequent measurement

Member loans are classified and subsequently measured at amortized cost, using the effective interest rate method, because they meet the solely payments of principal and interest criterion and are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. Member loans are subsequently reduced by any allowance for loan losses.

c) Derecognition and contract modifications

The Credit Union derecognizes member loans when the contractual rights to the cash flows from the member loans expire, or the Credit Union transfers the member loans.

On derecognition, the difference between the carrying amount at the date of derecognition and the consideration received is recognized in profit or loss.

If the terms of a member loan are modified, then the Credit Union evaluates whether the cash flows of the modified member loan are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original member loan are deemed to have expired and are derecognized and a new member loan recognized at fair value.

If the terms of a member loan are modified but not substantially, then the member loan is not derecognized. If the member loan is not derecognized, then the Credit Union recalculates the gross carrying amount of the member loan by discounting the modified contractual cash flows at the original effective interest rate and recognizes the resulting adjustment to the gross carrying amount as a modification gain or loss in profit or loss and presented as interest revenue. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with the provision for credit loss on member loans.

d) Credit risk

Credit risk is the risk of financial loss to the Credit Union if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Credit Union’s member loans.

i) Credit risk management

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Credit Union takes into consideration the member's character, ability to pay, and value of collateral available to secure the loan.

The Credit Union's credit risk management principles are guided by its overall risk management principles. The Board of Directors ensures that management has a framework, and policies, processes and procedures in place to manage credit risks and that the overall credit risk policies are complied with at the business and transaction level.

The Credit Union's credit risk policies set out the minimum requirements for management of credit risk in a variety of transactional and portfolio management contexts. Its credit risk policies comprise the following:

- General loan policy statements including approval of lending policies, eligibility for loans, exceptions to policy, policy violations, liquidity, and loan administration;
- Loan lending limits including Board of Director limits, schedule of assigned limits and exemptions from aggregate indebtedness;

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7. MEMBERS' LOANS *(continued)*

- Loan collateral security classifications which set loan classifications, advance ratios and amortization periods;
- Procedures outlining loan overdrafts, release or substitution of collateral, temporary suspension of payments and loan renegotiations;
- Loan delinquency controls regarding procedures followed for loans in arrears;
- Maintaining the Credit Union’s watch list for loans whose credit risk has increased since origination with appropriate follow-up and risk mitigation techniques;
- Developing and maintaining the Credit Union’s internal credit risk grading system; and
- Audit procedures and processes are in existence for the Credit Union's lending activities.

The Credit Union allocates a credit risk grade at initial recognition based on available information about the borrower. Under this system, the credit risk grades are defined as follows:

1 - undoubted - assigned to undoubted member loans with virtually no risk

2 - low - assigned to member loans that have minimal risk of any loss

3 - moderate - assigned to member loans that have normal risk of any loss

4 - cautionary - assigned to member loans that are higher risk and that should be placed on a watch list for increased monitoring

5 - unsatisfactory - assigned to member loans that are impaired and require immediate action

6 - unacceptable - assigned to member loans where there is little or no likelihood of repayment

The Credit Union does not have any member loans that originate in a credit risk grade of 4. Member loans are subject to ongoing monitoring, which may result in the member loan being moved to a different credit risk grade. The monitoring typically involves the use of information obtained during periodic review of customer files, for example, audited financial statements, data from credit reference agencies, actual and expected significant changes in the regulatory and technological environment of the borrower or in its business activities, payment record including overdue status and existing and forecast changes in business, financial and economic conditions.

The Credit Union monitors personal loans primarily by delinquency status.

With respect to credit risk, the Board of Directors receives monthly reports summarizing new loans, delinquent loans and overdraft utilization. The Board of Directors also receives an analysis of the provision for credit losses on member loans and allowance for loan losses quarterly.

A sizeable portfolio of the loan book is secured by residential property in Golden, BC. Therefore, the Credit Union is exposed to the risks in reduction of the loan to valuation ratio (LTV) cover should the property market be subject to a decline. The risk of (losses) from loans undertaken is primarily reduced by the nature and quality of the security taken.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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7. MEMBERS' LOANS *(continued)*

ii) Amounts arising from ECL

The Credit Union recognizes allowance for loan losses for ECL on member loans.

The Credit Union measures allowance for loan losses at each reporting period date according to a three-stage ECL model as follows:

Stage	**1 – No Significant Increase in Credit Risk Since Initial Recognition**	**2 – Significant Increase in Credit Risk Since Initial Recognition**	**3 – Credit-Impaired**
Definition	From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition.	Following a significant increase in credit risk (SICR) relative to the initial recognition of the financial asset.	When a financial asset is considered to be credit impaired (i.e. when credit default has occurred).
Criteria for movement	At origination, all member loans are categorized into stage 1. A commercial or agricultural loan that has experienced a SICR or default may migrate back to stage 1 if the increase in credit risk and/or default is cured and the movement in the credit risk grading is approved by credit managers. For personal loans, migration back to stage 1 may occur upon approval of loan officers if all signs of previous credit deterioration are remedied and the member has 6 months of principal and interest payments made with no delinquency.	The Credit Union determines a SICR has occurred when: • the loan moves to the Credit Union's watch list; • the member migrates to a credit risk grade of 4; or • a contractual payment is more than 30 days past due. Additionally, the Credit Union incorporates forward looking information into its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition.	A member loan is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the member loan have occurred: • a breach of contract such as a default or delinquency in interest or principal payments; • significant financial difficulty of the borrower; • the restructuring of a loan by the Credit Union on terms that the Credit Union would not consider otherwise; • payment on a loan is overdue 90 days or more; or • it is becoming probable that the borrower will enter bankruptcy or other financial reorganization. A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

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7. MEMBERS' LOANS *(continued)*

Stage	1 – No Significant Increase in Credit Risk Since Initial Recognition	2 – Significant Increase in Credit Risk Since Initial Recognition	3 – Credit-Impaired
ECL methodology	Impairment is estimated based on the expected losses over the expected life of member loans arising from default events occurring in the next 12 months (12-month expected credit loss).	Impairment is estimated based on the expected losses over the expected life of member loans arising from default events occurring in the lifetime of the instrument (lifetime expected credit loss)	
Collective or individual assessment	Collective assessment of member loans grouped on the basis of similar risk characteristics based on loan type, industry, geographical location, type of loan security, the length of time the loans are past due and the historical loss experience. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.		Each credit-impaired member loan is individually assessed.
Application of ECL methodology	Expected credit loss on a group of member loans is measured on the basis of a loss rate approach. The Credit Union develops loss rates for member loans in stage 1 and loss rates for member loans stage 2, based on historical default and loss experiences for those types of member loans, adjusted for current economic conditions and forecasts of future economic conditions. The loss rates are also applied to the estimate of drawdown for undrawn loan commitments (unadvanced loans, unused lines of credit, letters of credit). For member loans in stage 1 with undrawn loan commitments, the estimate of drawdown within 12 months of the reporting date is based on historical drawdown information. For member loans in stage 2 with undrawn loan commitments, the estimate of drawdown over the life of the loan commitment is also based on historical drawdown information.		The probability of default on credit-impaired member loans is 100%, therefore, the key estimation relates to the amount of the default. Expected credit loss on a credit-impaired member loan is measured based on the Credit Union's best estimate of the difference between the loan's carrying value and the present value of expected cash flows discounted at the loan's original effective interest rate.
Key forward looking information	Local unemployment rates, local economic outlook, credit environment, and other relevant economic variables impacting subsets of the Credit Union's members.		

e) Fair value measurement

The fair value of member loans at December 31, 2024 was $176,313,932 (December 31, 2023 - $163,170,852).

The estimated fair value of the variable rate loans is assumed to be equal to the book value as the interest rates on these loans re-price to market on a periodic basis. The estimated fair value of fixed rate loans is determined by discounting the expected future cash flows at current market rates for products with similar terms and credit risks.

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7. MEMBERS' LOANS *(continued)*

Credit quality of loans

It is not practical to value all collateral as at the year end date due to the variety of assets and conditions.

	2024				2023
	12-month Expected Credit Loss	Lifetime Expected Credit Loss (not credit-impaired)	Lifetime Expected Credit Loss (credit-impaired)	Total	Total
Residential Mortgages and Personal Loans					
Current	$ 144,210,590	$ 81,867	$ -	$ 144,292,457	$ 139,242,897
> 30 days past due	-	-	-	-	587,978
> 90 days past due	-	-	-	-	507,951
Otherwise defaulted	-	-	-	-	-
	144,210,590	81,867	-	144,292,457	140,338,826
Allowance for loan loss	-	(81,867)	-	(81,867)	(149,097)
Carrying amount	$ 144,210,590	$ -	$ -	$ 144,210,590	$ 140,189,729
Commercial Loans					
1 - undoubted	$ 233,421	$ 1,579	$ -	$ 235,000	$ -
2 - low	39,731	269	-	40,000	40,000
3 - moderate	31,465,480	216,989	-	31,682,469	29,666,857
4 - cautionary	1,724,307	11,666	-	1,735,973	866,773
5 - unsatisfactory	-	-	-	-	-
6 - unacceptable	-	-	-	-	-
	33,462,939	230,503	-	33,693,442	30,573,630
Allowance for loan loss	-	(230,503)	-	(230,503)	(210,943)
Carrying amount	$ 33,462,939	$ -	$ -	$ 33,462,939	$ 30,362,687
Balance at December 31	$ 177,673,529	$ -	$ -	$ 177,673,529	$ 170,552,416

Concentration of risk

The Credit Union has an exposure to groupings of individual loans which concentrate risk and create exposure to particular segments.

The majority of member loans are with members located in and around Golden, British Columbia.

8. ALLOWANCE FOR IMPAIRED LOANS

Total allowance for impaired loan provision is comprised of a collective provision at December 31, 2024 of $312,369 (2023 - $360,040) and an individual specific provision at December 31, 2024 of NIL (2023 - NIL).

Movement in individual specific provision and collective provision for impairment:

	2024	2023
Balance at January 1	**$ 360,040**	$ 350,775
Recoveries of loans previously written off	**(27,708)**	-
Provision (recovery) charged to net income	**(19,963)**	9,265
Balance at December 31	**$ 312,369**	$ 360,040

Analysis of individual loans that are impaired or potentially impaired based on age of repayments outstanding at December 31.

	2024	2023
Period of delinquency		
Less than 30 days	**$ 2,037,006**	$ 5,632,800
30 to 90 days	**-**	627,223
Over 90 days	**-**	507,950
Total loans in arrears	**2,037,006**	6,767,973
Total loans not in arrears	**175,948,892**	164,144,483
Total loans (excluding accrued interest)	**$ 177,985,898**	$ 170,912,456

Key assumptions in determining the allowance for impaired loans collective provision

The Credit Union has determined the likely impairment loss on loans which have not maintained loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as industrial restructuring, job losses or economic circumstances. In identifying the impairment likely from these events the Credit Union estimates the potential impairment using the loan type, industry, geographical location, type of loan security, the length of time the loans are past due and the historical loss experience. The circumstances may vary for each loan over time, resulting in higher or lower impairment (losses). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

9. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	**2024 Net book value**	2023 Net book value
Land	$ 386,500	$ -	**$ 386,500**	$ 386,500
Building	3,278,121	2,626,088	**652,033**	795,237
Furniture and equipment	1,485,203	1,339,799	**145,404**	62,203
	$ 5,149,824	$ 3,965,887	**$ 1,183,937**	$ 1,243,940

As a result of an appraisal prepared by Corrie Appraisals Ltd. on January 21, 2010 the carrying value of the land owned by the credit union was increased to fair value as at January 1, 2010 in accordance with the provisions of IFRS 1 and IAS 16. The credit union owns the land on which the building and parking lot are located in Golden, B.C., with an historical cost of $108,309. The fair value of the land, as determined from the appraisal prepared by Corrie Appraisals Ltd. on January 21, 2010 is $386,500. No impairment in the fair value has accrued in 2024.

10. INTANGIBLE ASSETS

	2024	2023
Computer software		
Cost	**$ 772,375**	$ 699,063
Accumulated amortization	**(637,426)**	(591,264)
	$ 134,949	$ 107,799

11. OTHER ASSETS

	2024	2023
Prepaid expenses and accounts receivable	**$ 348,511**	$ 389,428

12. DEFERRED INCOME TAXES

Deferred income taxes are calculated on timing differences between amounts claimed as expenses or revenues on the financial statements and the corporation income tax return. Such differences may include claims for amortization of property, plant and equipment being different from rates of capital cost allowance allowed under the Income Tax Act and amounts that have been amortized over an expected useful life that are allowable for full write off in the year of acquisition under the Income Tax Act.

The adoption of IFRS allowed the Credit Union to increase the carrying value of its land to fair value. Those increases also gave rise to deferred income tax that was calculated on the income that would otherwise be taxable if those assets were sold at the fair value. In addition, the change in fair value of available-for-sale liquidity assets reflected in the Statement of Other Comprehensive Income is shown net of deferred income taxes, with an offset to deferred income tax liability or asset.

The deferred income taxes reflected on the Statement of Financial Position include both of the above components as follows:

	2024	2023
Arising from timing differences, accounted for in operations	**$ (142,548)**	$ (124,995)
Arising from fair values, accounted for in retained earnings and accumulated other comprehensive income	**136,173**	69,855
	$ (6,375)	$ (55,140)

13. MEMBERS' DEPOSITS

	2024	2023
Chequing	**$ 51,908,295**	$ 50,531,559
Savings	**40,780,840**	40,310,842
Special savings	**2,066,982**	3,264,102
Term deposits	**61,700,330**	54,377,484
Registered retirement savings plans	**15,370,303**	15,323,560
Registered retirement income funds	**7,550,168**	7,709,484
Registered education savings plans	**1,381,523**	1,233,300
Registered disability savings plans	**76,412**	59,608
First home savings accounts	**49,384**	-
Tax-free savings accounts	**13,045,996**	11,447,163
Class "D" non-equity shares *(Note 14)*	**8,477,061**	10,174,172
	202,407,294	194,431,274
Accrued interest payable	**2,107,136**	1,639,638
	$ 204,514,430	$ 196,070,912

Terms and conditions

Chequing deposits are due on demand and bear interest depending on deposit balance.

Demand deposits are due on demand and bear interest at a variable rate up to 0.25% at December 31, 2024. Interest is paid on the accounts monthly.

Savings and special savings deposits bear interest at 0.10%. Interest is calculated daily and paid monthly.

The Elite High Interest Savings deposits bear interest at 0.80%. Interest is calculated daily and paid semi-annually.

Term deposits bear fixed rates of interest for terms of up to five years. Interest can be paid annually or upon maturity. The interest rates offered on term deposits issued on December 31, 2024 range from 0.50% to 3.50%.

The registered retirement savings plan (RRSP) accounts can be fixed or variable rate. The fixed rate RRSPs have terms similar to the term deposit accounts described above. The interest rates offered on RRSPs issued on December 31, 2024 range from 3.30% to 3.50%. The variable rate RRSPs bear interest at rates up to 0.10% at December 31, 2024.

Registered retirement income funds (RRIFs) consist of both fixed and variable rate products with terms and conditions similar to those of the RRSPs described above. Members may make withdrawals from a RRIF account on a monthly, semiannual, or annual basis. The regular withdrawal amount vary according to individual needs and statutory requirements.

The registered education and disability savings plans, first home savings accounts and tax-free savings accounts can be fixed or variable rate with terms and conditions similar to those of the RRSPs described above.

Included in chequing deposits is an amount of $1,234,303 denominated in US dollars (December 31, 2023 - $1,294,522).

(continues)

13. MEMBERS' DEPOSITS *(continued)*

Average yield to maturity

Members' deposits bear interest at both variable and fixed rates with an average yield of 2.19% at December 31, 2024 (2023 - 2.06%).

a) Recognition and initial measurement

All member deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument.

b) Classification and subsequent measurement

Member deposits are classified and subsequently measured at amortized cost, using the effective interest rate method.

c) Concentration of risk

The Credit Union has an exposure to groupings of individual deposits which concentrate risk and create exposure to particular segments.

Individual or related groups of member deposits which exceed 5% of member deposits:

	2024	2023
Term	**$ 61,700,330**	$ 54,377,484
Chequing	**51,908,295**	50,531,559
Demand	**42,847,822**	43,574,944
Registered savings plans	**24,427,790**	24,325,952
Tax free savings accounts	**13,045,996**	11,447,163
	$ 193,930,233	$ 184,257,102

The majority of member deposits are with members located in and around Golden, British Columbia.

d) Liquidity risk

Liquidity risk is the risk that the Credit Union will not be able to meet all cash outflow obligations as they come due. Liquidity risk primarily arises from the Credit Union’s members’ deposits, which are its most significant financial liability.

The Credit Union's liquidity management framework is designed to ensure that adequate sources of reliable and cost effective cash or its equivalents are continually available to satisfy its current and prospective financial commitments under normal and contemplated stress conditions.

Governing legislation requires the Credit Union to maintain a prudent amount of liquid assets in order to meet member withdrawals. The credit union has set a minimum liquidity ratio of 10%, which is 2% greater than the statutory minimum liquidity of 8%.

(continues)

13. MEMBERS' DEPOSITS *(continued)*

The Credit Union manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and liabilities;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- Monitoring the liquidity ratios monthly.

The Board of Directors receives monthly liquidity reports as well as information regarding cash balances in order for it to monitor the Credit Union's liquidity framework. The Credit Union was in compliance with the liquidity requirements throughout the fiscal year.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

e) Fair value measurement

The fair value of members deposits and shares at December 31, 2024 was $212,551,003 (2023 - $194,947,178)

The estimated fair value of the demand deposits and variable rate deposits are assumed to be equal to book value as the interest rates on these loans and deposits re-price to market on a periodic basis. The estimated fair value of fixed rate deposits is determined by discounting the expected future cash flows of these deposits at current market rates for products with similar terms and credit risks.

Concentration of risk

The credit union has an exposure to groupings of individual deposits which concentrate risk and create exposure to particular segments.

14. MEMBERS' SHARES

At the Annual General Meeting held on April 3, 1990 the membership of the Columbia Valley Credit Union authorized the establishment of three classes of shares:

"A" Equity Membership

"C" Voluntary Equity Shares

"D" Non Equity Shares

Rights and privileges attached to the various classes are set out in Credit Union Rules 1.1 to 2.16.

As at December 31, there were no Class "C" shares issued. The remaining two classes of shares consisted of the following issued and fully paid shares:

	2024	2023
Class "A" membership equity shares	**$ 107,990**	$ 107,834
Class "D" non-equity shares	**$ 8,477,061**	$ 10,174,172

Investment shares are recognized as a liability, equity or compound instrument based on the terms and in accordance with IAS 32, Financial Instrument Presentation and IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments. If they are classified as equity, they are recognized at cost. If they are recognized as liability, they are initially recognized at fair value net of any transactions costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method.

Membership shares

As a condition of membership, which is required to use the services of the Credit Union, each member is required to hold $25 in membership shares. These membership shares are redeemable at par only when a membership is withdrawn. Dividends are at the discretion of the Board of Directors.

Funds invested by members in "A" shares are not insured by Credit Union Deposit Insurance Corporation of British Columbia. The withdrawal of member shares is subject to the Credit Union maintaining adequate regulatory capital, as is the payment of any dividends on these shares. Membership shares that are available for redemption are classified as equity.

Distributions to members

	2024	2023
Patronage distributions	**$ 174,268**	$ 266,275

15. INCOME TAXES

The Credit Union incurs tax at the general corporate rate of 27.0% for taxable income that exceeds the $500,000 Business Limit. The Business Limit is reduced by a formula when the Taxable Capital of the associated companies exceeds $10,000,000 in the previous year, and is completely eliminated when the Taxable Capital of the associated companies exceeds $50,000,000 (2023 - $15,000,000).

The Taxable Capital at December 31, 2024 was $20,572,159 (2023: $19,966,539).

British Columbia has a preferred tax rate available for credit unions that meet certain criteria, which can reduce the British Columbia portion of the tax by up to 10%.

	2024	2023
Income before income taxes	**$ 503,301**	$ 73,124
Increase (decrease) resulting from:		
Non-deductible expenses	**5,849**	6,592
Capital cost allowance in excess of amortization	**70,707**	26,242
Adjustment to reserve for allowance for losses on loans	**(4,767)**	926
Equity (income) loss from subsidiary	**(20,133)**	4,728
Taxable income	**$ 554,957**	$ 111,612
Income taxes	**$ 89,771**	$ 12,278
Income tax rate	**16.18 %**	11.00 %

16. RELATED PARTY TRANSACTIONS

The Credit Union entered into the following transactions with key management personnel, which are defined by IAS 24, Related Party Disclosures, as those persons having authority and responsibility for planning, directing and controlling the activities of the Credit Union, including directors and management.

	2024	2023
Compensation		
Salaries and other short-term benefits	**$ 601,506**	$ 572,909
Other long term benefits	**66,440**	64,550
	$ 667,946	$ 637,459
Loans to key management personnel		
Aggregate value of loans advanced	**$ 4,467,369**	$ 4,143,662
Total value of lines of credit advanced	**341,000**	183,000
Unused value of lines of credit	**196,777**	148,571
	$ 5,005,146	$ 4,475,233
Interest		
Interest received on loans advanced	**$ 125,774**	$ 121,692
Deposits		
Deposits from key management personnel	**$ 1,258,409**	$ 882,098

Loans to key management personnel

The Credit Union's policy for lending to key management personnel is that the loans are approved and deposits accepted on the same terms and conditions which apply to Members for each class of loan or deposit; however, as part of its remuneration and benefit package the Credit Union offers key management personnel a reduction from current interest rates subject to specific maximum amounts as approved by the Board of Directors.

Deposits from key management personnel

The Credit Union's policy for receiving deposits from key management personnel is that all transactions are approved and deposits accepted on the same terms and conditions which apply to Members for each type of deposit. There are no benefits or concessional terms and conditions applicable to key management personnel or close family members.

17. FINANCIAL INSTRUMENT CLASSIFICATION AND FAIR VALUE

The following table represents the carrying amount by classification.

	2024	2023
Cash and term deposits	**$ 44,381,585**	$ 42,486,160
Investments	**89,756**	69,632
Members' loans	**178,018,234**	170,841,703
Other	**348,511**	389,428
	222,838,086	213,786,923
Members' deposits	**(204,514,430)**	(196,070,912)
Members' shares	**(107,990)**	(107,834)
	$ 18,215,666	$ 17,608,177

An analysis of instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level of input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of three levels.

All of the investments are classified under level 2. See *Note 6* for investments.

There were no transfers between level 1 and level 2 for the years ended December 31, 2024 and 2023.

18. FINANCIAL INSTRUMENT RISK MANAGEMENT

General objectives, policies and processes

The Board of Directors has overall responsibility for determination of the Credit Union's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing the operating processes that ensure effective implementation of the objectives and policies to the Credit Union's finance function. The Board of Directors receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Credit risk

Credit risk is the risk of financial loss to the Credit Union if a counterparty to a financial instrument fails to make payments of interest and principal when due. The Credit Union is exposed to credit risk from claims against a debtor or indirectly from claims against a guarantor or credit obligations.

Risk measurement

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Credit Union takes into consideration the member's character, ability to pay, and value of collateral available to secure the loan.

Objectives, policies and procedures

The Credit Union's credit risk management principles are guided by its overall risk management principles. The Board of Directors ensures that management has a framework, and policies, processes and procedures in place to manage credit risks and that the overall credit risk policies are complied with at the business and transaction level.

The Credit Union's credit risk policies set out the minimum requirements for management of credit risk in a variety of transactional and portfolio management contexts. Its credit risk policies comprise the following:

- General loan policy statements including approval of lending policies, eligibility for loans, exceptions to policy, policy violations, liquidity, and loan administration;
- Loan lending limits include Board of Directors limits, schedule of assigned limits and exemptions from aggregate indebtedness;
- Loan collateral security classifications which set loan classifications, advance ratios and amortization periods;
- Procedures outlining loan overdrafts, release or substitution of collateral, temporary suspension of payments and loan renegotiations;
- Loan delinquency controls regarding procedures followed for loans in arrears; and
- Audit procedures and processes are in existence for the Credit Union's lending activities.

With respect to credit risk, the Board of Directors receives quarterly reports summarizing new loans, delinquent loans and overdraft utilization. The Board of Directors also receives an analysis of bad debts and allowance for doubtful loans quarterly.

For the current year, the amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is NIL (2023 - NIL).

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18. FINANCIAL INSTRUMENT RISK MANAGEMENT *(continued)*

A sizeable portfolio of the loan book is secured by residential property in Golden, British Columbia. Therefore, the Credit Union is exposed to the risks in reduction of the loan to valuation ratio (LVR) cover should the property market be subject to a decline. The risk of (losses) from loans undertaken is primarily reduced by the nature and quality of the security taken.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the Credit Union will not be able to meet all cash outflow obligations as they come due. The Credit Union mitigates this risk by monitoring cash activities and expected outflows so as to meet all cash outflow obligations as they fall due.

Risk measurement

The assessment of the Credit Union's liquidity position reflects management's estimates, assumptions and judgments pertaining to current and prospective firm specific market conditions and the related behaviour of its members and counterparties.

Objectives, policies and procedures

The Credit Union's liquidity management framework is designed to ensure that adequate sources of reliable and cost effective cash or its equivalents are continually available to satisfy its current and prospective financial commitments under normal and contemplated stress conditions.

Provisions of the Credit Unions Act require the Credit Union to maintain a prudent amount of liquid assets in order to meet member withdrawals. The Credit Union has set a minimum pooled liquidity ratio of 8.9% and a minimum core liquidity ratio of 13.0%.

The Credit Union manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and liabilities;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- Monitoring the liquidity ratios on a regular basis.

The Credit Union is required to measure its capital adequacy based on the BC Financial Services Authority ("BCFSA") regulations. Based on the credit risk of each type of asset, the book value of each asset is multiplied by a risk weighting factor. The regulatory ratio is computed and must meet a minimum capital to risk-weighted ratio of 8%. The Credit Union manages its capital based on the statutory requirements applied to its assets on a monthly basis and reported to the Board. There have been no significant changes from the previous year in the exposure to risk, or policies, procedures and the methods used to measure the risk and/or capital adequacy.

As at the year end date, the position of the Credit Union is as follows:

	2024	2023
• Risk weighted assets	$99,496,141	$91,990,659
• Capital adequacy ratio	20.99%	19.55%
• Risk weighted asset ratio	44.34	42.66

(continues)

18. FINANCIAL INSTRUMENT RISK MANAGEMENT *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Credit Union is exposed to this risk through traditional banking activities, such as deposit taking and lending.

The Credit Union's goal is to manage the interest rate risk of the statement of financial position to a target level. The Credit Union continually monitors the effectiveness of its interest rate mitigation activities.

Risk measurement

The Credit Union's position is measured monthly. Measurement of risk is based on rates charged to clients as well as funds transfer price rates.

Objectives, policies and procedures

The Credit Union's major source of income is financial margin, the difference between interest earned on investments and members loans and interest paid on member deposits. The objective of asset / liability management is to match interest sensitive assets with interest sensitive liabilities as to amount and as to term to their interest rate repricing dates, thus minimizing fluctuations of income during periods of changing interest rates.

Schedules of matching and interest rate vulnerability are regularly prepared and monitored by Credit Union management and reported to the regulatory bodies in accordance with the Credit Union's policy. This policy has been approved by the Board of Directors and filed with the Deposit Insurance Corporation of British Columbia as required by Credit Union regulations. For the year-ended 2024, the Credit Union was in compliance with this policy.

The following schedule shows the Credit Union's sensitivity to interest changes. A significant amount of loans and deposits can be settled before maturity on payment of a penalty, but no adjustment has been made for repayments that may occur prior to maturity. Amounts that are not interest sensitive have not been included in this chart.

Maturity dates	Assets	Yield (%)	Liabilities	Cost (%)	Asset / Liability Gap
Variable rate	$ 24,618,411	5.46	$ 43,260,980	0.95	$ (18,642,569)
Interest sensitive					
0 - 3 months	$ 10,568,038	4.09	$ 24,250,489	4.21	$ (13,682,451)
4 - 6 months	13,169,305	4.04	10,008,972	4.11	3,160,333
7 - 12 months	41,617,982	3.99	36,020,050	3.99	5,597,932
1 - 2 years	65,996,156	4.34	9,760,950	3.90	56,235,206
2 - 3 years	43,923,907	5.08	8,258,477	4.01	35,665,430
3 - 4 years	12,694,533	5.44	3,859,431	3.89	8,835,102
Over 4 years	9,766,649	5.43	3,704,731	3.00	6,061,918
Non-interest sensitive	2,018,482	-	85,249,383		(83,230,901)
	$ 224,373,463		$ 224,373,463		$ -

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18. FINANCIAL INSTRUMENT RISK MANAGEMENT *(continued)*

Interest sensitive assets and liabilities cannot normally be perfectly matched by amount and term to maturity. One of the roles of the Credit Union is to intermediate between the expectations of borrowers and depositors.

An analysis of the Credit Union's risk due to changes in interest rates determined that an increase in interest rate of 1% could result in an increase to net income of $21,000 (2023 - increase of $174,000) while a decrease in interest rates of 1% could result in an increase to net income of $16,000 (2023 - decrease of $88,000).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Currency risk

Currency risk relates to the Credit Union operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

The Credit Union's foreign exchange risk is related to United States dollar deposits and loans denominated in United States dollars. Foreign currency changes are monitored by the Credit Union for effectiveness of its foreign exchange mitigation activities and holdings are adjusted from time to time.

Risk measurement

The Credit Union's position is measured on an ongoing basis. Measurement of risk is based on rates charged to clients as well as currency purchase costs. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

19. COMMITMENTS

Credit Facilities

The Credit Union has authorized lines of credit with Central 1 totaling $3,000,000 (2023 - $3,000,000). These credit facilities are secured by a registered assignment of book debts and a general security agreement covering all assets of the Credit Union.

Member loans

The Credit Union has the following commitments to its members at the year-end date on account of loans, unused lines of credit and letters of credit:

	2024	2023
Consumer		
Unadvanced loans	**$ 2,035,000**	$ 1,435,378
Unused lines of credit	**2,643,111**	2,677,494
	$ 4,678,111	$ 4,112,872
Commercial		
Unadvanced loans	**$ 412,000**	$ -
Unused lines of credit	**3,394,330**	2,726,049
Letters of credit	**269,778**	350,778
	$ 4,076,108	$ 3,076,827

Contractual obligations

The Credit Union has an agreement with FISERV Canada which provides the Credit Union with data processing services and access to various automated banking machines and electronic funds transfer at point of sale networks. An amendment to the agreement was signed June, 2022 to extend the agreement an additional 84 months. Therefore, the agreement continues in effect from January 1, 2023 through December 31, 2029.

The Credit Union has an agreement with ASAPP Financial Technology Inc. which provides the Credit Union with customer experience software and platform strategy and software support services. The agreement is in effect from April 1, 2022 through March 31, 2027.

Capital

The Credit Union has no material commitments for capital expenditures.

20. PENSION PLAN

Columbia Valley Credit Union is one of several employers participating in the 1.75% Defined Benefit Division of the BC Credit Union Employees' Pension Plan. The BC Credit Union employees' Pension Plan is a contributory, multiemployer, multidivisional registered pension plan governed by a Board of Trustees which is responsible for overseeing the management of the Plan, including the investment of the assets and administration of the benefits. Based on the fourth quarter's information for 2024, this Plan Division covers about 3,200 active members, 2,000 inactive members and 1,700 retired plan members for a total membership count of 6,900, with reported assets estimated at $1.25 billion (as of November 2024).

Under IFRS, an employer is required to account for its participation in a multi-employer plan in respect of the proportionate share of assets, liabilities, and costs, in the same fashion as for any other defined benefit plan except in the circumstances where the information is not available to the employer, as follows:

1. The entity does not have sufficient information to enable the employer to use defined benefit accounting.

2. The Plan exposes the participating employers to actuarial risks associated with the current and former employees of the entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to the individual entities participating in the Plan.

At least once every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of the funding levels. The most recent actuarial valuation of the 1.75% Division of the Plan was conducted as at December 31, 2021. This latest actuarial valuation indicated a going concern surplus of $112.5M and a solvency deficiency of $10.4M. The next formally scheduled actuarial valuation date will be performed as at December 31, 2024. The results of the 2024 valuation are expected to be finalized by the end of September 2025.

Employer contributions to the Plan are established by the Trustees upon advice from the Plan's actuary. The employer contribution rate schedule as determined under the 2021 valuation will continue to remain the same in 2025, as it was in 2024.

Columbia Valley Credit Union paid $144,088 (2023: $134,353) in employer contributions to the plan in fiscal year 2024.