



COLUMBIA VALLEY
CREDIT UNION

2022 ANNUAL REPORT





BOARD CHAIR REPORT

Looking back on 2022, I reflect on the fact that Columbia Valley Credit Union had another strong year where we supported our members, gave back to the community, and played an instrumental role in helping our local and regional economy grow and thrive.

Your Board of Directors experienced some change in 2022. We welcomed two new Directors to the Board – Monica Parkinson and Scott Weir – who were elected by our members in April. We also said farewell to Nola Milum after ten years on the Board. I'd like to thank Nola for her longstanding service on the CVCU Board of Directors, and her unwavering commitment to our community. I am proud to be Chair of such a cohesive and dedicated group of leaders. I thank each Director for their dedication and service.

The credit union is community. We continue to find ways to support progress and innovation in Golden and the Columbia Valley. We also continue to make it easier for you to do business with us so you can bank with us anytime and from anywhere. Last year alone, we gave back \$65,500 to many worthy initiatives, non-profit organizations and students.

The Board of Directors is grateful for our employees and our members. Without our employees, we could not be the credit union we are today. We are also grateful for the 4,677 members who choose Columbia Valley Credit Union and look to us to support their banking needs and help them achieve their financial goals. Thank you.



Paul Ricard
Board Chair



CEO REPORT

Thanks to the trust of our members and the dedication our employees, Columbia Valley Credit Union experienced another exceptional year.

CVCU delivered strong financial results in 2022. The move from a low interest rate environment to a high interest rate environment and increasing inflation rates have been challenging for many. Despite these challenges, we continued to offer competitive rates on loans and deposits and shared more of our profits with members and the community.

Your credit union strives to make a difference in our community each and every day. In 2022, we returned \$170,200 in dividends and \$332,149 in loan rebates to our members. The loan rebates represent a 7.5% return to our personal and business borrowing members. We also gave back to our youngest members, giving each youth member \$50 for a grand total of \$9,875 in 2022. When you combine all of these figures with our community donations and student bursaries, CVCU shared \$581,626 with our members and our community in 2022. This is the credit union difference.

I am excited about the opportunities ahead. We learned a lot during the pandemic, and one of the takeaways from that challenging time is that we must continue to make it easier for you to do business with us. Early in 2023, members and those new to the credit union will be able to open accounts and access credit and investment products online, from anywhere and at any time.

When I look back on the past year, the dedication and hard work of our employees is the key reason for our continued success. When you come into the branch, you'll be greeted with a smile and be treated to exceptional and highly personalized service. I am proud of the CVCU team and I thank each and every CVCU employee for the heart you bring to your credit union and community.

In closing, we know you have options when it comes to banking and achieving your financial goals. I thank you for choosing to bank with us.



Rob Parker
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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, 2022, 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, 2022, and the results of its operations 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

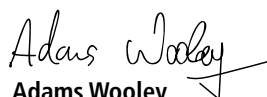
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

- 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
Chartered Professional Accountants

Cranbrook, BC
February 21, 2023

Summary Statement of Financial Position

December 31, 2022

	2022	2021
ASSETS		
Cash and Term Deposits	\$ 37,850,770	\$ 56,986,807
Investments	79,385	191,822
Members' Loans	166,375,900	151,794,440
Property, Plant and Equipment	1,341,405	1,496,976
Intangible Assets	89,721	72,948
Other	472,467	498,044
Deferred Income Taxes	220,584	98,080
Property Held for Resale	—	80,929
	\$ 206,430,232	\$ 211,220,046
LIABILITIES AND MEMBERS' EQUITY		
Accounts Payable and Accrued Liabilities	\$ 340,490	\$ 247,108
Members' Deposits	187,930,802	192,758,678
	188,271,292	193,005,786
Members' Equity		
Share Capital	106,609	106,403
Accumulated Other Comprehensive Income	(379,817)	(90,018)
Retained Earnings	18,432,148	18,197,875
	18,158,940	18,214,260
	\$ 206,430,232	\$ 211,220,046

On behalf of the board,



Paul Ricard
 Director



Glen Ewan
 Director

Statement of Income and Retained Earnings

Year Ended December 31, 2022

	2022	2021
INTEREST INCOME		
Interest from Loans	\$ 5,036,585	\$ 4,970,470
Interest from Investments	588,041	292,116
	5,624,626	5,262,586
Interest and Loan Related Expenses	1,846,753	1,624,957
Financial Margin	3,777,873	3,637,629
OTHER INCOME (EXPENSES)		
Service Fees, Commissions and Rental Processing and Handling Fees	772,850	1,066,361
Losses on Loans Expense	(127,255)	(175,181)
	(19,353)	(86,093)
	626,242	805,087
OPERATING EXPENSES		
Income Before Income Taxes and Rewards to Members	3,741,968	3,481,489
Income Taxes		
Current	662,147	961,227
Deferred	107,183	192,477
	(15,318)	(23,355)
	91,865	169,122
Income Before Rewards to Members	570,282	792,105
Rewards to Members	(336,009)	340,802
NET INCOME	234,273	451,303
Retained Earnings — Beginning of Year	18,197,875	17,746,572
Net Income	234,273	451,303
RETAINED EARNINGS — END OF YEAR	\$ 18,432,148	\$ 18,197,875

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

YOUR BOARD OF DIRECTORS

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

Paul Ricard
Board Chair

Lyle Johnson
Vice Chair

Glen Ewan
Corporate Secretary

Connie Barlow
Director

Scott King
Director

Monica Parkinson
Director

Scott Weir
Director



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