2018 was a year of highs and lows. The Bank of Canada increased interest rates three times again to normalize levels and at the same time global trade disruptions created greater uncertainty in global economic forecasts.

At a local level, the forestry industry suffered another devastating blow as sawmills in the region were forced to close or significantly reduce their workforce due to falling prices and an uncertain economic outlook. This created a ripple effect throughout the community, impacting everything from local businesses to homes and properties.

In spite of this uncertainty, Bulkley Valley Credit Union had one of its strongest years financially serving and meeting the financial needs of over 14,300 members. During 2018, total assets grew over 10% which equals over $35 Million. This was driven by significant growth in deposit accounts, dominated by a 17% increase in demand accounts as members continued to choose the Credit Union as their primary financial institution. With regard to the loan portfolio, we continued to see strong growth in residential mortgages with an increase of over 6% by the year’s end. Member’s continued to look to the Credit Union for their mortgage needs as the market rates remained low.

We also continued to see strong growth in our small business lending, with increases in our Business Lines of Credit, Business Term Loans, Business Lines of Credit, and Business Term Loans. The Bank of Canada increased interest rates three times again in 2018 which affected our ability to lend in this area but during the wildfires it became very frustrating for staff and clients alike as insurance providers declined to underwrite new insurance policies for properties that were within the fire zone. This resulted in the creation of the Bulkley Valley Wildfire Relief Fund which eliminated writing any insurance policies to the communities of Burns Lake and Onoway. Our priority was to help ensure this area received the support they needed in the post wildfire season. Staff helped clients through this difficult time by refunding the fire insurance proceeds that were already processed, allowing us to cover our clients in these trying times.

We are optimistic going into 2019 because of the recent announcement of the Bank of Canada’s decision to keep rates at the same level. We are looking forward to working with our clients as they continue to rebuild their lives and businesses. We continue to be earned every day. However, our organization continues to improve the trust that we have earned over the years with the membership has to continue to be ready to provide additional assistance to help solve these going concerns. We are committed to supporting our members through difficult times and we are always available to discuss these matters at any time to the members that find themselves in personally challenging situations. People helping people has always been a mantra of the Credit Union. The low delinquency level and low losses were achieved through the year and the years that we were able to take back over $300,000 from insurance. For our members who were affected by the wildfires, the insurance proceeds were low due to the low market value of their properties.

Our local financial service included a variety of financial services that fit their personal investment needs. But this bank of business continued to grow despite the downturn in the market. Our personal and business loans also increased during the year driven by credit card activity during the winter season. We are committed to ensuring that our members have access to the financial services they need to succeed. We are committed to providing our members with the tools they need to make informed decisions about their financial future. We are committed to providing our members with the tools they need to make informed decisions about their financial future. We are committed to providing our members with the tools they need to make informed decisions about their financial future. We are committed to providing our members with the tools they need to make informed decisions about their financial future. We are committed to providing our members with the tools they need to make informed decisions about their financial future. We are committed to providing our members with the tools they need to make informed decisions about their financial future.
notice of annual general meeting

The 77th Annual General Meeting of Bulkley Valley Credit Union will be held on Monday, April 29, 2019 at 7:00PM (Registration begins at 6:45 p.m.)

Prestige Hudson Bay Lodge - Ferguson Room
Highway 16, Smithers, BC

Director Elections for 2019

Nomination forms for election of Bulkley Valley Credit Union closed on February 15, 2019. The Nominations Committee received two nominations from the Smithers representative region and one nomination from the Houston and District representative region. All three nominees were elected by acclamation for three-year terms. They are:

Mrs. Denise Fisher, Smithers representation region
Mr Simon Franklin, Smithers representation region
Ms. Susan Jones, Houston District representation region

agenda

1. Call to Order
2. Declaration of Quorum
3. Appointment of Recording Secretary and Parliamentarian
4. Adoption of Agenda
5. Approval of Minutes for April 23, 2018 Annual General Meeting
6. Presentation of Statement of Minutes
7. Reports of the Directors
8. Report of Management
9. Presentation of Financial Statements
10. Report of the Auditor
11. Approval of Auditor’s Report
12. Adoption of Election Results
13. Appointment of Auditor
14. Unfinished Business
15. Good and Welfare
16. Adjournment

report of independent auditors on the summary of consolidated financial statements

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2018, summary statement of changes in Members’ Equity and summary cash flow statement for the year then ended, are derived from the audited consolidated financial statements of Bulkley Valley Credit Union for the year ended December 31, 2018.

In our opinion, the accompanying summary financial statements are a fair summary of the audited consolidated financial statements, in accordance with International Reporting Standards.

Summary Financial Statements

The summary financial statements do not contain all disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Management’s Responsibility for Summary Financial Statements

Management is responsible for the presentation of the summary financial statements on the basis as described in Note 1.

Auditor’s Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 60. Engagements to Report on Summary Financial Statements

Edmison Mehr Chartered Professional Accountants – Smithers BC, February 27, 2019

summary consolidated statement of financial position

As at December 31, 2018

<table>
<thead>
<tr>
<th>assets</th>
<th>Dec 31, 2018</th>
<th>Dec 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Term Deposits</td>
<td>$97,799,622</td>
<td>$92,067,033</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>$297,520,540</td>
<td>$292,861,400</td>
</tr>
<tr>
<td>Investments &amp; Other Assets</td>
<td>$2,416,035</td>
<td>$2,394,364</td>
</tr>
<tr>
<td>Property &amp; Equipment (net)</td>
<td>$3,074,960</td>
<td>$3,084,044</td>
</tr>
<tr>
<td>Intangibles (net)</td>
<td>$2,973,855</td>
<td>$3,073,935</td>
</tr>
</tbody>
</table>

Total Liabilities & Equity: $383,856,685

Deposits | $303,699,660 | $307,307,894 |

Payables & Accruals | $2,439,990 | $2,767,897 |

Total Liabilities | $306,139,650 | $320,075,792 |

Equity Shares | $1,367,176 | $1,476,413 |

Retained Earnings | $24,920,889 | $24,357,492 |

Accumulated Other Comprehensive Income | $27,017,905 | $25,833,905 |

Total Members’ Equity | $165,365,784 | $152,595,000 |

Approved by the Directors:

Patty Peterson director

Dean Daly director

summary consolidated statement of cash flows

Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings</td>
<td>$24,357,492</td>
</tr>
</tbody>
</table>

Retained Earnings & Accumulated Comprehensive Income, beginning of year | $26,249,013 | $24,577,492 |

Net earnings for the year, net of tax | $24,920,889 | $24,267,269 |

Retained Earnings & Accumulated Comprehensive Income, end of year | $26,249,013 | $24,577,492 |

Cash flows provided by (used in):

Operating activities | $7,059,791 | ($18,249,856)

Financing activities | $35,544,605 | $15,947,048 |

Investing activities | $(15,535,034) | $4,617,398 |

Net increase in cash and equivalents | $24,455,461 | $14,022,511 |

Cash and equivalents, beginning of year | $23,843,051 | $3,009,930 |

Cash and equivalents, end of year | $48,354,015 | $14,022,511 |

Note 1:
These summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management’s overall direction, the consolidated financial statements for the year ended December 31, 2018 have been prepared in accordance with International Financial Reporting Standards.

*Term expires at the 2019 Annual General Meeting.

2018 board of directors

Denise Fisher* | Kyle Thomson* | Randy Brandvold*

Dean Daly | Klaus Mueter | Tom Havard

Wendy Hunt Secretary | Patty Peterson Chair | Richard Vossen Vice Chair

2019 Annual General Meeting.