

2024

ANNUAL REPORT



your path. our purpose.

message from the board

**As we look ahead, we do so with confidence
in our ability to adapt and grow.**

Dear Members:

In 2024, Kootenay Savings Credit Union made meaningful strides in strengthening our organization amidst an increasingly complex financial landscape. While economic headwinds and shifting member needs presented challenges, we remained steadfast in our commitment to resilience and relevance. Through prudent financial management, strategic investments in technology, and an unwavering focus on member service, we reinforced the foundation upon which our credit union thrives.

Our efforts extended beyond operational enhancements—we deepened our engagement with members and communities, fostering financial well-being and trust. By leveraging digital tools and refining our service model, we continued to evolve while staying true to our cooperative principles. Our team's dedication to innovation and adaptability has been instrumental in navigating change, ensuring that Kootenay Savings remains a strong and dependable financial partner.

As we look ahead, we do so with confidence in our ability to adapt and grow. We are grateful for your ongoing support and remain committed to providing you with the trusted financial solutions you deserve. Together, we will continue building a sustainable and member-focused future.

Sincerely,

A handwritten signature in dark ink, reading "Mike Konkin". The signature is fluid and cursive, with the first name "Mike" and last name "Konkin" clearly legible.

Mike Konkin

Kootenay Savings Credit Union Board Chair



message from the CEO

As we reflect on 2024, it's essential to recognize the significant developments and continued transformation within Canada's banking system.

The Canadian financial landscape in 2024 was characterized by a cautiously optimistic recovery following a challenging period of high inflation and economic uncertainty. Inflation, though still elevated, began to moderate, influenced by global economic stabilization and easing supply chain disruptions. However, geopolitical tensions, particularly ongoing instability stemming from conflicts abroad, continued to influence market volatility.

In response to these economic conditions, the Bank of Canada maintained a vigilant approach to monetary policy, carefully managing interest rates to balance economic growth with inflation control. This environment resulted in sustained higher borrowing costs for consumers and businesses, shaping spending and investment behaviors throughout the year.

One of the most pronounced trends in 2024 was the acceleration of digital transformation within the financial services sector. Driven by rapidly evolving consumer expectations and continuous technological advancements, financial institutions, including KSCU, made significant strides in digital infrastructure, with the introduction of KOOTS, our operational platform designed to improve operational efficiency, member experience and staff empowerment.

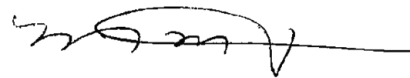
Regulatory landscapes also evolved considerably in 2024, with increased emphasis on areas such as cybersecurity, data privacy, artificial intelligence governance, and sustainable finance. Financial institutions faced heightened regulatory expectations aimed at ensuring robust risk management frameworks, consumer protection, and ethical technology deployment.

Despite these complex dynamics, the Canadian banking system demonstrated remarkable resilience and adaptability. Financial institutions effectively navigated challenges by embracing technology-driven efficiencies, innovation, and enhanced risk management strategies. This adaptability has been crucial in allowing banks and credit unions to continue providing exceptional service to their members and communities.

At KSCU, our commitment to members and communities has remained unwavering. Throughout 2024, we focused intently on fortifying our financial strength, accelerating our digital transformation initiatives, and delivering personalized, responsive service tailored to the evolving needs of our diverse membership.

Reflecting on 2024, I am proud to report that KSCU remains financially robust, strategically agile, and well-positioned for the future. Despite ongoing complexities, we experienced a successful and impactful year, laying a strong foundation for continued growth and member satisfaction.

Sincerely,



Mark McLoughlin
President & CEO

executive leadership team



Mark McLoughlin
President & CEO



Mike Bushore
Chief Risk Officer



Ron Johnston
Chief Financial Officer



Troy Kusy
Chief Operating Officer



Brian Moroney
Chief Credit Officer

2024 director background



**Mike
Konkin**

Board Chair

Tenure: Apr 2010 - Current

Mike is a Business Instructor at Selkirk College, as well as the owner of Mike Konkin, CPA - a tax advisory firm. He is a Chartered Professional Accountant (CPA, CGA), and has a Master of Business Administration degree (MBA).



**Wendy
Booth**

Board Vice Chair

Credit & Market Risk Committee Chair

Tenure: Apr 2022 - Current

Wendy has been a part of many boards, in various sectors, including the Regional District of East Kootenay for 10 years and Vice Chair for 6 years, Columbia Basin Trust, both as a Director and Vice Chair, past President and Executive member of the Union of British Columbia Municipalities, Director of Columbia Basin Broadband Corporation, and appointed Public Director of the Fish and Wildlife Compensation Program. Volunteer board positions include Chair of the Columbia Valley Community Foundation, Treasurer of Community Futures East Kootenay, and Director and Chair of the Governance Committee of the Fraser Basin Council. She currently works as a consultant, providing guidance and direction to non-profits and community development projects.



**John
Brand**

Tenure: Apr 2022 - Current

John, a Nelson, North Shore resident of 40+ years, was a former Branch Manager of Kootenay Savings Credit Union and had a banking career of 45 years. John has served directorships with the Nelson and District Chamber of Commerce, the Nelson Civic Theatre, and continues to serve as a Nelson Rotarian. John and partner Ellie have two sons and four grandchildren that reside in the Kootenays.



**Forrest
Drinnan**

Nominations & Elections Chair

Tenure: Apr 1997 - Current

Retired from West Kootenay Power in 2000, Forrest has been a KSCU Director for 28 years. He is a past Peer Group 3 representative on the Central 1 Credit Union Board. He is also past President of Rotary, Trail Retirees Curling, Rossland Trail Country Club, as well as past Chair of the LeRoi Community Foundation and Kootenay Boundary Regional Hospital Foundation. He is presently Chair of Kootenay Insurance Services

2024 director background



**Linda
MacDermid**

Tenure: Apr 2011 - May 2024

Linda has retired as a Commercial and Residential Property Manager after more than 30 years in the Trail - Okanagan area. As a director in the credit union system for 28 years, she has been actively promoting credit unions and the communities in the Kootenay area that they support.



**Owen
Morris**

Conduct Review Chair
Tenure: Apr 2019 - Current

Owen has been a resident of the Kootenays and a member of KSCU for over 30 years. He has a Master's degree in Business Administration and an undergraduate degree in Theology. As a younger person he flew jets in the Canadian Armed Forces and was a volunteer fire fighter with the Robson Fire Hall. He has taught business, marketing and budgeting at Selkirk College. He enjoys serving his community and working on his hobby farm.



**Am
Naqvi**

Audit & Operational Risk Chair
Tenure: Jan 2021 - Current
2010-2019

Am has been a Chartered Professional Accountant (FCPA, FCA) for 39 years. He has served as President and Board Chair on the Hospital and Library boards as well as a Director on the Board of the Columbia Basin Trust. Am is past Chair of BC Chartered Professional Accountants Institute, Vice President of the Kootenay Coop Store and the Vice Chair of the Police Boards for BC. Am currently serves as the Chair of the Community Futures Central Kootenay, Chair of the Nelson and Area Economic Development, Director of the Rural and Northern Immigration Pilot Program and President of the Granite Pointe Golf and Country Club.



**Clara
Reinhardt**

Tenure: May 2024 - Current

Clara is just completing her first year on the KSCU Board. Her history includes Mayor Radium Hot Springs, Vice Chair Regional District of East Kootenay, Chair Local Government Advisory Committee for Ktunaxa Kinbasket Treaty, President Association of Kootenay Boundary Local Governments and most recently Director for the Columbia Valley Hospice Society Board of Directors. While raising 3 children, she had the opportunity to live and work in 3 territories and 4 provinces. Work life was mostly as a trainer in the aquatics and first aid fields and included coordination and collection of national drowning data used to write reports and inform the direction of the Red Cross Swim Program.

2024 director background



**Roberta
Schnider**

Member & Community Relations Chair

Tenure: Apr 2013 – Current

Roberta has a diploma in Business Administration and has owned and operated Full View Curtains for over 20 years. She has been an active volunteer in her community and has served on the Board of Education SD#6, the Columbia Valley Community Foundation Board, the Edgewater Recreation Society and has participated on many committees throughout the community and Regional District. Currently, Roberta sits as the Area G Director for the RDEK.



**Keith
Smyth**

Tenure: Apr 2002 - Current

Long term community volunteer and former school administrator, Keith, a Trail citizen, has served KSCU members for 20+ years. Along with continual learning, in depth experiences and serving on numerous committees, Keith has developed a sound awareness of financial matters relevant to KSCU. He states that a most satisfying contribution is being involved with the KSCU Foundation and its long standing beneficial contributions to our local Kootenay communities.



**John
Stephens**

Governance & Human Resources Chair

Apr 2022 - Current

John Stephens has been a KSCU member for over 40 years. He owned and operated an engineering firm, Kootenay Columbia Ventures Corporation, from 2011 to 2021, providing specialized engineering services to industries in the Kootenays and abroad. John is active in his community having spent many years volunteering with Scouts Canada, Red Mountain Racers, Rossland Co-operative Transportation Society, Rossland Fall Fair, Friends of the Rossland Range and as a snow host at Red Mountain Resort. He has also been actively involved in various volunteer roles for Engineers and Geoscientists of BC and was the West Kootenay Branch Chair for several years. John has completed the Directors Education Program from the Institute of Corporate Directors, is a current member of that organization, and is the Board Chair of the Columbia Power Corporation.

committee meeting table

n/a - not a committee member

	GOVERNANCE & HUMAN RESOURCES	AUDIT & OPERATIONAL RISK	CONDUCT REVIEW	CREDIT & MARKET RISK	NOMINATING & ELECTIONS	MEMBER & COMMUNITY RELATIONS
Konkin, Mike	10 of 11	n/a	n/a	3 of 3	2 of 2	n/a
Booth, Wendy	5 of 8	1 of 2	n/a	6 of 7	2 of 2	2 of 2
Brand, John	n/a	3 of 3	1 of 3	n/a	0 of 5	4 of 5
Drinnan, Forrest	11 of 11	3 of 3	n/a	7 of 7	5 of 5	3 of 3
MacDermid, Linda	2 of 3	n/a	2 of 2	n/a	n/a	n/a
Morris, Owen	n/a	2 of 2	5 of 5	n/a	2 of 2	5 of 5
Naqvi, Am	n/a	5 of 5	5 of 5	n/a	4 of 4	n/a
Reinhardt, Clara	n/a	n/a	n/a	2 of 3	4 of 4	1 of 3
Schnider, Roberta	11 of 11	n/a	n/a	6 of 7	1 of 2	5 of 5
Smyth, Keith	n/a	5 of 5	n/a	4 of 4	4 of 4	n/a
Stephens, John	11 of 11	4 of 5	n/a	4 of 4	5 of 5	n/a

directors' fees and expenses

Amounts are rounded to the nearest thousand.

	TOTAL MEETINGS	MEETINGS ATTENDED	STIPEND	EXPENSE REIMBURSEMET
Konkin, Mike	12	12	\$19,000	\$5,000
Booth, Wendy	12	11	\$12,000	\$4,000
Brand, John	12	10	\$12,000	\$2,000
Drinnan, Forrest	12	12	\$12,000	\$2,000
MacDermid, Linda	5	5	\$7,000	\$2,000
Morris, Owen	12	12	\$12,000	\$2,000
Naqvi, Am	12	9	\$12,000	\$3,000
Reinhardt, Clara	8	7	\$4,000	\$4,000
Schnider, Roberta	12	12	\$13,000	\$5,000
Smyth, Keith	12	12	\$12,000	\$2,000
Stephens, John	12	12	\$12,000	\$2,000
Other expenses				\$22,000
TOTAL			\$125,000	\$54,000



financial statements

report of the independent auditor on the summary consolidated financial statements

To the Members of Kootenay Savings Credit Union:

OPINION

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2024, and the summary consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Kootenay Savings Credit Union (the "Credit Union") for the year ended December 31, 2024.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 5, 2025.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

AUDITOR'S RESPONSIBILITY

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



The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized font, with 'LLP' in a smaller font to the right.

MNP LLP
Chartered Professional Accountants
Kelowna, BC
March 6, 2025

Summary Consolidated Statement of Financial Position

KOOTENAY SAVINGS CREDIT UNION

As at December 31 2024

	2024	2023
Approved on behalf of the Board		
		
Mike Konkin Board Chair		
		
Am Naqvi Chair, Audit & Operational Risk Committee		
Assets		
Cash and interest-bearing deposits	65,323	32,810
Member loans receivable	1,439,967	1,336,798
Property, plant and equipment	14,333	14,033
Intangible assets	2,057	1,789
Investment property	7,001	7,000
Other assets	23,208	24,069
Investment in associates	4,412	4,110
Other investments	150,982	176,192
	1,707,283	1,596,801
Liabilities		
Member deposits	1,558,787	1,435,425
Borrowings	43,117	59,663
Deferred tax liabilities	460	434
Other liabilities	19,533	18,420
Patronage payable	250	254
Member shares	2,385	2,564
	1,624,532	1,516,760
Members' equity		
Member equity shares	10,361	11,076
Retained earnings	71,489	69,785
Accumulated other comprehensive loss	901	(820)
	82,751	80,041
	1,707,283	1,596,801

Summary Consolidated Statement of Comprehensive Income

KOOTENAY SAVINGS CREDIT UNION <i>For the year ended December 31 2024</i>	2024	2023
Interest income	66,514	58,355
Interest expense	41,227	31,646
Net interest income	25,287	26,709
Provision for impaired loans	97	322
Net interest income after provision for (recovery of) impaired loans	25,190	26,387
Securitized loan income	(329)	(312)
Other income	9,103	8,661
Net interest and other income	33,964	34,736
Operating expenses	(31,541)	(31,984)
Other items	(228)	300
Discontinued operations, net of tax	-	(618)
Net income, before taxes	2,195	2,434
Income taxes		
Current	381	(385)
Deferred	26	321
	407	(64)
Net income	1,788	2,498
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss	1,721	1,613
Total comprehensive income	3,509	4,111

Summary Consolidated Statement of Changes in Members' Equity

KOOTENAY SAVINGS CREDIT UNION <i>For the year ended December 31 2024</i>	2024	2023
Balance, beginning of year	80,041	76,943
Total comprehensive income	3,509	4,111
Patronage, net of tax	(84)	(90)
Net redemption of member shares	(715)	(923)
Balance, end of year	82,751	80,041

Summary Consolidated Statement of Cash Flows

KOOTENAY SAVINGS CREDIT UNION For the year ended December 31 2024

2024

2023

Cash generated (used) from		
Operating activities	9,243	8,754
Investing activities	(82,508)	(149,344)
Financing activities	105,837	91,739
Net change in cash and equivalents	32,572	(48,851)
Cash and equivalents, beginning of year	32,883	81,734
Cash and equivalents, end of year	65,455	32,883
Cash resources are composed of:		
Cash and interest-bearing deposits	65,318	32,810
Mandatory liquidity pool cash	137	73
	65,455	32,883

Note to the Summary Consolidated Financial Statements

KOOTENAY SAVINGS CREDIT UNION For the year ended December 31 2024

1. Basis of the Summary Consolidated Financial Statements

Management has prepared the summary consolidated financial statements from the December 31, 2024 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited consolidated financial statements is available from the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summary consolidated financial statements is in agreement with the related information in the consolidated financial statements, and that the summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

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