



# 2008 Annual Report



# Discover the Difference. Come Home to Revelstoke Credit Union.





# CEO Report

“I can assure our membership that we are in excellent shape.”

Revelstoke Credit Union saw great bottom-line results in 2008 in spite of the looming difficulties in the world economy. We were able to facilitate our staff Profit-Share program, Member Rewards and still contribute a significant sum to our Retained Earnings. Our success in 2008 can be attributed to a solid business base, the dedicated work of our staff, a clear Strategic Plan from our Board of Directors and the loyalty of our Membership.

Our subsidiary, RCU Insurance Services Ltd continues to grow as more residents become aware of their services. (Commercial, home, auto and travel insurance) Our two Certified Financial Planners have been busy helping members with their investments, as well as life insurance and estate planning needs.

The future will be challenging. Revelstoke Credit Union has taken a very conservative approach to growth in 2009. Unemployment is on the rise and our financial margin continues to be squeezed with interest rates at historical lows and competition fierce for mortgages and deposits. We appreciate our Member's cooperation while we exercise all due diligence managing in this environment.

Our capital base is strong, our loan portfolio safely margined, delinquency low, and I can assure our membership that we are in excellent shape.

As has always been our practice, Revelstoke Credit Union is taking an active role in helping our members who have been faced with lay-off. We are offering relief by way of reduced payments, mortgage advances for cash flow and advice on how to make it through. We invite our members to take full advantage of the benefit of being a Credit Union member/owner of their financial institution.

Thank you to the Management Team and Staff for their valuable contributions, to the Board of Directors for their leadership, and especially to our Membership for making Revelstoke Credit Union their financial institution of choice.

Best regards,

Roberta Bobicki  
CEO

## **Mission Statement**

Revelstoke Credit Union is in the business of providing solutions to our member's financial needs. We will do this by delivering financial products and services in a manner that exceeds our member's expectations.

## **Value Statement**

Revelstoke Credit Union will be the leading provider of financial services in our market area. We will maintain profitability while being sensitive to the needs of our members. We will be recognized as a community partner and a progressive, responsible employer.

# Board of Directors



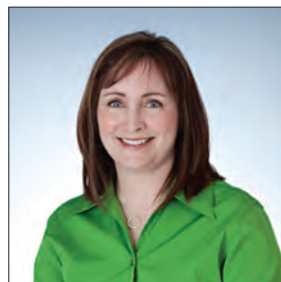
Bob Holland  
Chair



Dave Raven  
Vice Chair



Malcolm Bott  
Director



Maryjean LeBuke  
Director



Grainger Wilson  
Director



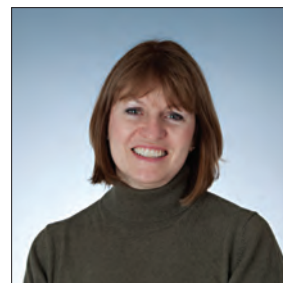
Bryan Dubasov  
Director



Chris Swayze  
Director



Bill MacFarlene  
Director



Pat Mckee  
Director

# Board Chair Report

*I*t is difficult to report on the results of our Credit Union without commenting on the upheaval in the global financial markets that started last summer / fall with the collapse of the credit market when trading of Asset Backed Commercial Paper halted, creating a global credit crisis.

Since then many American financial institutions have either received financial aid from the US Government or have been taken over by larger US Banks or their regulator. At time of writing this report, the stock value for Citigroup, at one time one of worlds largest banks, has been reduced to penny status. Globally we have witnessed the failure of banks and the tremendous effort by governments to stabilize their national financial systems.

With this upheaval financial terms such as Hedge Funds, ABCP, Capital, Liquidity, Ponzi Scheme have become part of the daily newswire and our conversations.

By comparison, in 2008 our Assets grew by 13.3%, Retained Earnings by 13%, Deposits by 13.6% , Loans by 12.6% and at year end our liquidity was over 17%.

In addition we returned \$276,000 to our members through dividends and patronage rebates. In all respects and despite the international financial crisis an excellent

year for Revelstoke Credit Union. Roberta and David, in their reports will provide additional detail.

Our most recent Board Strategic Planning sessions have placed incremental emphasis and focus on Staff Development and Training, Succession Planning, Career Planning and Development and Management by Objectives. I am pleased to report to you that Management and Staff have made significant progress on all these strategic objectives.

During 2008 considerable progress was made by the Board and Management team to address Enterprise Risk Management. This is a process of analyzing Governance or Management Risks that could impact the Credit Unions operations and then as appropriate developing action plans to reduce or mitigate a risk.

In addition to the Enterprise Risk Management Committee our other Board committees, Executive and Compensation, Audit, Conduct Review, Investment and Lending, Credit, Nominating, and Member and Public Relations were very active this past year.

In closing, thanks to our staff and board members for their continued diligence and to you the members for continually supporting your local financial institution.

Robert A. Holland  
Chair, Board of Directors

# We Are Here To See You Through...

Through publication in local paper and radio appeal, RCU wants their membership to know that they have options.



Revelstoke Credit Union is very aware of the financial challenges facing our members as a result of the upheaval of the world economy.

We understand that some of our members may face lay-offs, a reduction in the value of investments, and overall uncertainty of the future.

I am writing this letter to be sure that you take full advantage of being a member of the Revelstoke Credit Union during these difficult times.

Our intent is to do everything in our power to see our members through. If you have been subject to a lay-off or anticipate that it may occur, please reach out to us. There are numerous options that we can offer you for relief. It is important to make these arrangements before you fall behind. We want to help you protect your credit rating and have some peace of mind. Sincerely,

REVELSTOKE CREDIT UNION

Roberta Bobicki  
CEO

# Auditor's Report

The accompanying condensed consolidated balance sheet as at December 31, 2008 and the condensed consolidated statements of earnings and retained earnings and cash flow for the year then ended are derived from the complete financial statements of Revelstoke Credit Union as at December 31, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated January 28, 2009. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of the Canadian Institute of Chartered Accountants is to report on the condensed financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These condensed financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the Credit Union's financial position, results of operations and cash flow, reference should be made to the related complete financial statements.

Cranbrook, BC, January 28, 2009

*Adams Redding Woolley*  
Adams Redding Woolley  
Certified General Accountants

## Condensed Consolidated Balance Sheet

	2008	2007
<b>Assets</b>		
Cash and term deposits	\$ 25,823,709	\$ 21,454,387
Members' loans	124,227,811	110,349,223
Other	179,566	213,061
Investments	742,615	687,559
Property, plant and equipment	3,111,593	3,268,929
	<b>\$ 154,085,294</b>	<b>\$ 135,973,159</b>
<b>Liability and Members Equity</b>		
Members' deposits	\$ 145,025,310	\$ 127,702,513
Members' shares	878,747	820,475
Accounts payable and accrued liabilities	487,528	643,744
	<b>146,391,585</b>	<b>129,166,732</b>
Retained Earnings	7,693,709	6,806,427
	<b>\$ 154,085,294</b>	<b>\$ 135,973,159</b>

On behalf of the board

*R. Skelland*  
Chair Person

*[Signature]*  
Director

## Condensed Consolidated Statement of Earnings and Retained Earnings

	2008	2007
Financial income	\$ 7,516,203	\$ 6,797,857
Financial expenses	4,074,197	3,792,462
Financial margin	3,442,006	3,005,395
Other income	1,393,073	1,265,154
Operating margin	4,835,079	4,270,549
Operating Expenses	3,519,024	3,276,092
Earnings before income taxes and rewards to members	1,316,055	994,457
Income taxes	152,559	139,802
Earnings before rewards to members	1,163,496	854,655
Rewards to members	276,214	281,343
Net earnings	\$ 887,282	\$ 573,312
Retained earnings beginning of year	6,806,427	6,233,115
Retained earnings end of year	\$ 7,693,709	\$ 6,806,427

## Condensed Consolidated Statement of Cash Flow

	2008	2007
Cash flow from (used by) operating activities	\$ 919,886	\$ (4,844,981)
Cash flow used by investing activities	(13,931,632)	(20,218,568)
Cash flow from financing activities	17,381,068	38,546,092
Increased cash flow	4,369,322	13,482,543
Cash beginning of year	21,454,387	7,971,844
Cash end of year	\$ 25,823,709	\$ 21,454,387

A complete set of financial statements is available  
from the Credit Union.

# Members Rewards 2008

*T*hank you to all our members who helped make 2008 one of the most successful years for Revelstoke Credit Union and RCU Insurance Services Ltd! In recognition of your valuable membership we have contributed back to our members and the community in the following ways:

**Member Rewards: \$261,000.00**  
(December 17, 2008)

Qualified members receive a patronage refund on deposits and loans which are paid by way of deposits to member's account.

**2008 Declared Share Dividends: \$28,556.36**  
(Paid Jan. 1, 2009)

Membership Class A Shares @ 1% = \$1,744.41  
Equity Class B Shares @ 4% = \$25,919.21  
Expired Class D Shares @ 2% = \$892.74

**MEMBERSHIP HAS IT'S REWARDS!**



# Contributions to Community Groups and Organizations

A few of the community groups and organizations we supported financially or in other ways.

- BC Interior Forestry Museum Society
- Revelstoke Curling Club
- Canadian Avalanche Centre
- Revelstoke Golf Club
- Community Connections
- Revelstoke Grizzlies Junior Hockey
- Ducks Unlimited Canada
- Revelstoke Minor Hockey Association
- Eggstravaganza
- Revelstoke Minor Lacrosse Association
- High Stride Runners
- Revelstoke Museum and Archives
- Miss Revelstoke Ambassador Program
- Revelstoke Rod and Gun Club
- Railway Museum Endowment Fund
- Revelstoke Skating Club
- Revelstoke Aquaducks
- Revelstoke Timber Days
- Revelstoke Bear Aware Society
- Revelstoke Snowmobile Society
- Revelstoke Chamber of Commerce
- Welcome Wagon
- Revelstoke Community Foundation
- Youth Excellence Society – Camp Rainbow
- Revelstoke Community Musical Productions

“We make a living by what we get, we make a life by what we give.” Sir Winston Churchill

# RCU Staff



**Roberta Bobicki**  
CEO

Michelle Hardy  
Anna Podstawka

Accountant  
Executive Secretary



**Kashmir Dhillon**  
Manager,  
Commercial Loans

Cailleih Beerling  
Debbie Morabito  
Mort Rafuse

Commercial Loan Assistant  
Commercial Loan Officer  
Commercial Loan Officer



**Katherine Parkhill**  
Manager,  
Consumer Loans

Sharon Kohlman  
Kim McKinnon  
Sandra Wallach  
Barb Tetrault

Consumer Loan Officer  
Consumer Loan Officer  
Loan Admin Clerk  
Loan Reception Clerk



**Martin Ralph**  
Manager I/T,  
Security & Risk

Miya Hayman

Systems Administrator



**Todd Webber**  
**Manager,**  
**Member Services & HR**

Dawn Cowley	MSR Supervisor
Kelly Degerness	Account Services Rep
Bobbi Doebert	Account Clearing Officer
Shelly Fifield	Account Services Rep
Wendy Fischer	Account Services Rep
Leah Dillman	Cash Control Officer
Renee Howe	Member Services Rep
Angela Kernaghan	Member Services Rep (mat)
Herb Marcolli	Member Services Rep
Jennifer Ollenberger	Member Services Rep
Tracey Peluso	Member Services Rep
Amanda Rota	Member Services Rep
Gisela Rota	Member Services Rep
Crystal Speidel	Member Services Rep
Eliisa Tennant	Member Services Rep
Margie Dean	Investment Assistant
Kristine Howe	Investment Assistant (mat)
Tracey McKinney	Investment Assistant
Donna Smit	Investment Assistant
Danielle Fenrich	General Reception
Tannis Kungl	General Reception (mat)

## RCU Insurance Services Ltd.



**Randy Driediger**  
**GM,**  
**RCU Insurance Services Ltd.**

Angela Bergman	Insurance Broker
Sandy Blake	Insurance Broker
Bob Devlin	Insurance Broker
Sue Holdener	Administrative Assistant
Tyler Maki	Insurance Broker
Tanya Roche	Insurance Broker (mat)



**Melodie Kindret**  
**Manager,**  
**Wealth Management CFP**

Jan Morehouse                      CFP, Insurance Advisor

# Highlights of 2008

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## JANUARY

- One of the first CU's to launch Mobile Banking
- Introduced new career/educational opportunities to all staff

## FEBRUARY

- Board of Directors appointed Roberta Bobicki CEO of RCU

## APRIL

- Robert Holland appointed Chair of the Board of Directors
- Welcomed Grainger Wilson to the Board of Directors

## MAY

- Hosted Women's Financial Fitness evening – 90 women attended an informational evening about Wills, Taxes, Credit Ratings, Financial Planning, Importance of Insurance and Other Investment Options

## JULY

- Welcomed Melodie Kindret to the RCU Insurance Services Ltd Management team as Manager, Wealth Management Services
- Hosted "Movie in the Park" for the community. 100 attendees enjoyed Horton Hears a Who on a BIG screen, under the stars at Centennial Park

## SEPTEMBER

- Preparation began for the new Tax-Free Savings Account. Introduced by the Federal Government to allow taxpayers to earn investment income "tax-free". Launched Jan 1, 2009.

## OCTOBER

- Proudly accepted the Chamber of Commerce "Business Excellence" Award
- Welcomed Kashmir Dhillon to the RCU Management team as Manager, Commercial Loans
- Welcomed Katherine Parkhill to the RCU Management team as Manager, Consumer Loans
- Relocated the Wealth Management department to the second floor of RCU

## NOVEMBER

- In the fall of 2008, the BC Government amended legislation to change the Deposit Guarantee to "UNLIMITED" for BC Credit Unions!

## DECEMBER

- Celebrated employee Martin Ralph's 25th year with RCU

# RCU Insurance Services Ltd

A wholly owned subsidiary of Revelstoke Credit Union





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