



# 2009 Annual Report



# Going Green

**Revelstoke Credit Union and RCU Insurance Services are committed to making a more sustainable world. We understand that action is required and we are beginning to take the steps to reduce our environmental footprint. By taking small steps we are doing our part to make the future safe for the coming generations such as:**

- recycling non-confidential paper
- going paperless with RCU Insurance documents
- some staff walking and riding bikes to work
- installing a bike rack for community use
- printing this Annual Report on recycled paper
- using washable office mugs
- initiating "electronic statements"



**"You must be the change you wish to see in the world."**

**- Mahatma Gandhi**

### **MISSION STATEMENT**

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

### **VISION 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.**

**RCU is the financial institution of choice in our community.**

### **VALUE PROPOSITION**

**RCU is in the business of providing banking, insurance and wealth management services to our members.**

**We will conduct ourselves in a manner that instills confidence, loyalty, and trust. When our member's need exceeds our capacity, we will endeavour to find a solution.**

# CEO Report

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Thank you to our valued and loyal members for making 2009 a successful year!

In 2009, historically low interest rates and world economic challenges made it necessary for us to exercise caution and carefully manage our finances. The year ended with RCU in good fiscal condition and we were able to pay \$200,000 back to our members by way of the Member Rewards program.

Last year we activated a public Wi-Fi, free wireless internet access, outside of our building. In addition, we are initiating the next phase of Mobile Banking with additional banking features such as Bill Payments, Fund Transfers, ATM Locator and more through your Blackberry or iPhone. In 2010, we are excited to report that we are enhancing our website and we are taking further steps toward "Going Green" by adding a second bike rack in our parking lot and utilizing electronic statements.

RCU Insurance Services Ltd. continues to be an integral part of our product line-up including Property, Casualty, Commercial, Travel and Autoplan. Each year there is a greater awareness of the convenience of these services being offered on site at the Credit Union.

One of my personal goals for 2010 is to increase public awareness of the high-level Wealth Management service that we offer. Years ago the Credit Union System lagged in this area but that is no longer the case. Our Certified Financial Planners each completed four years of course work to achieve their designations. They are LICENSED PLANNERS and not just advisors, with access to products for every size of portfolio.

Finally, thank you to the dedicated Management Team and Staff. They work very hard to provide our Members with the best service and most current products.



# Board Chair Report

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This past year can best be characterized as managing in a volatile economic environment. Many of our members well being is dependent upon the state of national and international economies and their recovery from this recession. Sustained record low interest rates, increased unemployment levels within our community, and helping members manage their obligations seemed to be the norm for the year. We are impacted by the micro economic trends in our community which in turn are impacted by macro regional, national and international trends.

Reflecting these challenges our assets declined slightly to \$148.623M from \$154.085M and our net income was off the 2008 level by \$165K. After meeting our strategic financial and operational targets the board allocated \$222K for dividends and rewards to members. In addition the retained earnings grew to \$8.412M meeting our capital objective. Loans to members grew by \$4.782M while member deposits declined by \$10.566M. At the beginning of the year 85.7% of member deposits were loaned out, and at year end 95.9% of member deposits were loaned out. Given the economic circumstances present at the beginning of 2009 and the prospects for the year the final results are exceptional.

The program “We are here to see you through” helping our members manage their financial affairs during difficult times was very successful. We helped many families with short term work arounds and are very pleased to report that the assisted members have been able to normalize their obligations.

The Enterprise Risk Management process initiated in 2008 identified a need to review and update the Terms of Reference of all Board Committees. This work is almost completed with most committees having Terms of References that reflect current operating strategies and the latest regulatory requirements. In addition to updating their terms of reference, the Member and PR committee developed a refreshed member rewards and community giving strategy as well, a special single purpose committee of the board was charged with developing a capital strategy.

In closing a special thanks to our staff for providing you the members with the superb level of service that you have come to expect, to Bryan Dubasov for his contribution to the Credit Union's Board, to Maryjean Lebuke for her dedicated years of service as director and Board Chair, to the directors for your continued efforts and diligence and to you the members for supporting your local financial institution.

Robert A. Holland  
Chair, Board of Directors

# Board of Directors



Bob Holland  
**Chair**



Dave Raven  
**Vice Chair**



Malcolm Bott  
**Director**



Bryan Dubasov  
**Director**



MaryJean LeBuke  
**Director**



Bill MacFarlane  
**Director**



Pat McKee  
**Director**



Chris Swayze  
**Director**



Grainger Wilson  
**Director**

# RCU Insurance Services Ltd



**Randy Driediger**  
**General Manager,**  
**RCU Insurance Services**  
**CAIB**

- |               |                  |
|---------------|------------------|
| Sandy Blake   | Insurance Broker |
| Bob Devlin    | Insurance Broker |
| Tyler Maki    | Insurance Broker |
| Susan Pendrak | Insurance Broker |
| Tanya Roche   | Insurance Broker |
| Claire Rota   | Insurance Broker |

RCU Insurance Services Ltd is a wholly owned subsidiary of Revelstoke Credit Union. We offer products for all your insurance needs, including auto, home, business, general and life.

<b>RCUI</b> <b>TIP #1</b>	Make sure you declare the correct principal operator of the your vehicle, otherwise you may not have any coverage.
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<b>Disability Insurance</b>		<b>Melodie Kindret</b> <b>Manager,</b> <b>Wealth Management CFP</b>
<b>Life Insurance</b>	<b>Jan Morehouse</b>	<b>CFP, Insurance Advisor</b>
		<b>Mutual Funds</b>
		<b>Extended Health Care</b>
		<b>Each of our Certified Financial Planners hold three designations. Both advisors earned their credentials after four years of coursework and a commitment to regular continuing education.</b>
	<b>Retirement Planning</b>	<b>Annuities</b>
	<b>Investments</b>	<b>Estate Planning</b>
	<b>RCUI</b> <b>TIP #2</b>	Pay yourself first.

**A wholly owned subsidiary of Revelstoke Credit Union.**

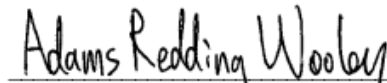
# Auditor's Report

The accompanying condensed consolidated balance sheet as at December 31, 2009 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, 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated January 29, 2010. 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 29, 2010

  
Adams Redding Wooley  
Certified General Accountants


## Condensed Consolidated Balance Sheet

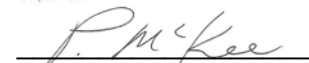
	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
Cash and term deposits	\$ 15,450,869	\$ 25,823,709
Members' loans	129,009,932	124,227,811
Other	357,949	179,566
Investments	805,162	742,614
Property, plant and equipment	<u>2,999,233</u>	<u>3,111,593</u>
	<b>\$ <u>148,623,145</u></b>	<b>\$ <u>154,085,293</u></b>

## Liability and Members Equity

Members' deposits	\$ 134,468,855	\$ 145,025,309
Members' shares	893,269	878,747
Account payable and accrued liabilities	<u>4,848,610</u>	<u>487,527</u>
	<b>140,210,734</b>	<b>146,391,583</b>
Retained earnings	8,412,411	7,693,710
	<b>\$ <u>148,623,145</u></b>	<b>\$ <u>154,085,0293</u></b>

On behalf of the board

 Chair Person

 Director

## Condensed Consolidated Statement of Earnings and Retained Earnings

	<b>2009</b>	<b>2008</b>
Financial income	\$ 6,880,030	\$ 7,516,203
Financial expenses	<u>3,785,858</u>	<u>4,074,197</u>
Financial margin	3,094,172	3,442,006
Other income	<u>1,550,184</u>	<u>1,393,073</u>
Operating margin	4,644,356	4,835,079
Operating expenses	<u>3,565,903</u>	<u>3,519,024</u>
Earnings before income taxes and rewards to members	1,078,453	1,316,055
Income taxes	<u>133,962</u>	<u>152,559</u>
Earnings before rewards to members	944,491	1,163,496
Rewards to members	<u>222,417</u>	<u>276,214</u>
Net earnings	<b><u>722,074</u></b>	<b><u>887,282</u></b>
Changes in comprehensive income	<u>(3,373)</u>	-
Comprehensive income	\$ 718,701	\$ 887,282
Retained earnings - beginning of year	<u>7,693,710</u>	<u>6,806,428</u>
Retained earnings - end of year	<b>\$ <u>8,412,411</u></b>	<b>\$ <u>7,693,710</u></b>

## Condensed Consolidated Statement of Cash Flow

	<b>2009</b>	<b>2008</b>
Cash flow from (used by) operating activities	\$ 5,025,567	\$ 919,886
Cash flow used by investing activities	(4,856,474)	(13,931,632)
Cash flow from financing activities	(10,541,933)	17,381,068
(Decrease) in cash flow	(10,372,840)	4,369,322
Cash - beginning of year	<u>25,823,709</u>	<u>21,454,387</u>
Cash - end of year	<b>\$ <u>15,450,869</u></b>	<b>\$ <u>25,823,709</u></b>

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

# The Value of Membership

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Thank you to all our members who helped make 2009 a successful year for Revelstoke Credit Union and RCU Insurance Services Ltd. In recognition of your valuable membership we have contributed back to you in the following way:

**Member Rewards: \$200,000.00**

(Paid March 19, 2010)

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

**2009 Share Dividends: \$28,105.00**

(Paid January 1, 2010)

Membership Class A Shares @ 1% = \$1,672.00

Equity Class B Shares @ 4% = \$25,698.00

Expired Class D Shares @ 2% = \$892.74

**MEMBERSHIP HAS IT'S REWARDS!**

## Ten Reasons to be an Owner of the Revelstoke Credit Union

1. You're more important than the size of your wallet
2. Superior service from helpful staff
3. Leadership in banking trends
4. Flexible financial services
5. Credit Unions are financially responsible
6. Building jobs and community
7. Strength in numbers
8. Membership pays
9. Professional expertise you can depend on
10. A promising future connected to a successful past

# RCU Staff



**Roberta Bobicki**  
**CEO**

Michelle Lenzi  
Anna Podstawka

Accountant  
Executive Secretary

Reporting to the Board of Directors, provides strategic leadership. Undertakes the development and implementation of short and long term goals aimed to achieve the Credit Union's vision and mission.

**RCU**  
**TIP #1**

**Invest in a credit union:** As a BC credit union member, your deposits now carry **unlimited deposit insurance protection.**



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

Miya Hayman

Systems Administration

The I/T Department implements and maintains all technology services and banking systems. Also responsible for Security and Risk Management processes and procedures.

**RCU**  
**TIP #2**

**Protect your PIN:** By shielding the keypad with your hand or body you are reducing the risk of your PIN being compromised.



**Kashmir Dhillon  
Manager,  
Commerical Loans**

Cailleih Beerling    Commerical Loan Assistant  
Debbie Morabito    Commerical Loan Officer  
Mort Rafuse        Commercial Loan Officer

Whether you run a small or large business, or an organization, your banking needs are a little more complex. At Revelstoke Credit Union we offer a wide variety of financial products and services that will help you manage your business. Our knowledgeable and experienced professionals can assist you in finding the right options.

**RCU  
TIP #3**

Revenue is vanity...  
Margin is sanity...  
Cash is king.



**Kathie Parkhill  
Manager,  
Consumer Loans**

Sharon Kohlman        Consumer Loan Officer  
Kim McKinnon        Consumer Loan Officer  
Sandra Wallach        Loan Admin Clerk  
Barb Tetrault         Loan Reception Clerk

The Consumer Lending Department provides personal borrowing solutions based on the needs of the membership. Our experienced lenders are here to help you make the right decision and set up a repayment plan that suits your needs and budget.

**RCU  
TIP #4**

There is more to a mortgage than  
just the rate.

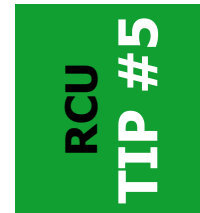


**Todd Webber**  
**Manager, People and**  
**Business Development**

Dawn Cowley  
Bobbi Doebert  
Shelly Fifield  
Wendy Fischer  
Crystal Speidel  
Leah Dillman  
Kelly Degerness  
Jennifer Holland  
Renee Howe  
Angela Kernaghan  
Herb Marcolli  
Tracey Peluso  
Amanda Rota  
Gisela Rota  
Danielle Fenrich  
Tannis Kungl

MSR Supervisor  
Account Clearing Officer  
Account Services Rep  
Account Services Rep  
Account Services Rep  
Cash Control Officer  
Senior MSR  
Member Services Rep  
Member Services Rep  
Member Services Rep  
Member Services Rep  
Member Services Rep  
Member Services Rep  
Member Services Rep  
Member Services Rep  
General Reception  
General Reception

We respond to member-initiated contacts, delivering fast and efficient service by processing financial transactions and providing assistance and advice to meet member's needs.



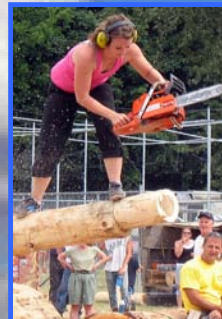
You can avoid paying tax on your interest by investing in a **TAX-FREE SAVINGS ACCOUNT**

**Wealth Management Administration**

Tracey McKinney Investment Specialist  
Margie Dean Wealth Management Admin  
Kristine Howe Wealth Management Admin  
Donna Smit Wealth Management Admin  
Eliisa Tennant Marketing Coordinator

# Contributions made to Community Groups and Organizations

- Revelstoke Community Foundation
- BC Interior Forest Museum
- Revelstoke Curling Club
- Community Connections
- Cops for Kids
- Ducks Unlimited Canada
- Revelstoke Minor Hockey Association
- Eggstravaganza
- Revelstoke Minor Lacrosse Association
- Miss Revelstoke Ambassador Program
- Revelstoke Rod and Gun Club
- Railway Museum Endowment Fund
- Revelstoke Community Musical Productions
- Revelstoke Chamber of Commerce
- Revelstoke Homecoming 2009
- Revelstoke Secondary School Grads
- Trees for Tots
- Canadian Cancer Society
- Terry Fox Foundation
- Welcome Wagon
- Revelstoke District Health Foundation
- Revelstoke Hockeyville 2010
- Revelstoke Rotary
- Revelstoke Railway Museum
- Revelstoke Minor Ball Association
- Revelstoke Ski Club
- Revelstoke Aquaducks
- Revelstoke Timber Days
- Climbing Wall Sponsor
- Rocky Mountain Ranger Cadets
- Youth Excellence Society
- Teen Life Choices



# Highlights of 2009

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## JANUARY

- Tax-Free Savings Account launched; a huge success

## MARCH

- Hosted informational seminar on Manulife GIF Income Plus

## APRIL

- Pat McKee, Bill MacFarlane and Malcolm Bott reelected as Directors of the Board

## MAY

- All staff attended three day Service Excellence Training
- Michelle Lenzi completed her CGA designation and Bachelor of Business Administration degree

## JULY

- Sponsored Welcome Dance at Revelstoke Homecoming 2009

## AUGUST

- Tracey McKinney joined the Wealth Management team as a Mutual Fund Investment Specialist

## SEPTEMBER

- Sponsored climbing wall for New Moon over MacKenzie festivities

## OCTOBER

- Commercial Lending Department Removing The Small From Small Business featuring World Renowed Author Seth Godin webinar
- Sponsored Chamber of Commerce Entrepreneur of the Year Award; Jason Keerak of Pure Studios is the recipient

## NOVEMBER

- Claire Rota joined RCU Insurance as an ICBC broker

## DECEMBER

- Celebrated Barb Tetrault's 15<sup>th</sup> year with RCU
- Celebrated Tracey Peluso's 10<sup>th</sup> year with RCU
- Annual RESP draw took place. Heather Maddison win \$500.00 and Jennifer Nothstein and Niel Edwards win \$100.00

RCU and RCU Insurance also celebrated three weddings and the arrival of two beautiful baby boys



Revelstoke Hockeyville



Olympic Torch Relay



Trees for Tots



Revelstoke Highway Rescue



Revelstoke Theatre Company