

annual report 2010

A promising future...

... a successful past



on September 18, 1953...

In 1953, Revelstoke, nestled within the Selkirk Range, and on the banks of the Columbia River, boasted a town and district population of approximately 8,000 people.

The Revelstoke and District Credit Union incorporated September 18, 1953, received charter number 275 and had total assets of \$35.00. The first loan granted by Revelstoke Credit Union was to E. J. (Ted) Todd in the amount of \$100.00. On March 4, 1954 the first annual meeting of the Credit Union was held, the membership stood at 106 and the assets were \$1806.67. Share capital had grown to \$9,777.91 on December 31, 1954.



From inception in 1953 till August 1957 the Credit Union conducted all its business at the Todd's residence on 206 6th Street East (pictured at left). In August the Credit Union moved into space provided in the office of Rutherford Motors (now the bowling alley). In late September of 1957 another move was made to an office adjacent to the Revelstoke Co-operative Society store at the corner of Mackenzie and 1st Street West.

Erma L. Todd (pictured at right) was one of the 18 original charter members who signed charter # 275, and with this RCU started business in her home. For seven years Erma worked as treasurer for the Credit Union. During her management, the Credit Union's assets grew from \$35 in 1953 to \$793,603.98 in 1964.



today...

Revelstoke Credit Union moved to its current location at the corner of Connaught and 2nd Street West in August, 1972.



2006 saw the completion of a major renovation to the building by adding the second floor; allowing space for our insurance subsidiary RCU Insurance Services Ltd and expanded offices for our Wealth Management Department

Today Revelstoke Credit Union proudly serves over 5000 members with total assets approaching \$155,000,000.00, with Deposits of \$144,582,041 and Loans of \$131,685,063. Ironically, 58 years later, Revelstoke's population still hovers around 8,000 people...



2010 Board of Directors



John Teed

Chris Swayze

Patricia McKee

Bill MacFarlane
Chair

David Raven
Vice-Chair

Malcolm Bott

Dennis Grey

Alan Chell

Missing from photo: Grainger Wilson

message from the Chair

The economic environment of 2010 meant that, again, significant challenges had to be met in order that the Revelstoke Credit Union was successful in its operations. A credit union the size of ours cannot, for instance, influence the continuing low interest rates even though they have a huge impact on our finances. However, due to a consistent approach of prudent management we ended up having a good year.

The assets of the Revelstoke Credit Union increased to \$154,987,589 as of December 31, 2010. This compares to \$148,623,142 for 2009. Net earnings for the year amounted to \$618,624 after disbursements, resulting in an increase in retained earnings to \$9,034,407. The good financial results meant that \$276,577 was allocated for dividends and member rewards. In addition \$50,000 was made available for our Community Giving. RCU Insurance Services also had better than expected results. The net income for RCU Insurance Services was \$90,262. The year ended with sustainable increases in asset and liquidity levels that put the credit union in very good financial shape for the future.

These good financial results meant that the best service possible could be given to members of the Revelstoke Credit Union.

On behalf of all the Board of Directors I would like to thank our qualified, professional, friendly, service oriented staff for their commitment to the Revelstoke Credit Union. CEO Roberta Bobicki sets the example and this shows in her management team and then the rest of the staff as they serve our members.

Also I would like to thank our Board of Directors. Each one of them cares about our community and this shows in their dedication and commitment to the Revelstoke Credit Union. I would like to single out Chris Swayze and Grainger Wilson who have both decided not to run for re-election to the Board. Both have given long service and made significant contributions to the governance of the Revelstoke Credit Union.

Lastly, thanks to members of the Revelstoke Credit Union for making it their community owned financial institution. It is in that co-operative spirit that the Revelstoke Credit Union can continue to grow and prosper.

Bill MacFarlane
Chair, Board of Directors.



message from the CEO

2010 was another year of progress, change and success for Revelstoke Credit Union !! We were able to build solid liquidity, contribute to our capital base, and fund Member Rewards & Community Giving. In 2009 when interest rates dropped to historically low levels, our interest income reduced dramatically...but operating expenses did not. The Prime Rate saw a modest increase in 2010 and this has helped improve performance. Business volumes remain strong so we endeavor to “do more...with less”. We continue to strive for efficiency but not at the expense of service.



Roberta Bobicki
CEO

Driven by new technology, we will be converting to a new banking system on August 1, 2011. To prepare for this major conversion, we formed a “Conversion Team”. Six experienced employees were chosen to sit on the team, for nine months. They are working tirelessly to ensure that on August 1st when we “go live” the transition is as seamless as possible. Many of the new faces you see were hired to fill the vacancies left by the Conversion Team. The whole process is being capably led by our long-time employee Martin Ralph. My thanks to Martin and his team !!

There is no question that we operate differently than our competitors. We take pride in being an independent, local financial institution. We accept deposits from our members and carefully lend those funds to your neighbours to enable them to purchase a home, buy a car or support a business. We offer our members local, face to face access to well educated staff who have careers and not just jobs. The Credit Union chooses to share the “bottom line” by way of Member Rewards, Dividends and Community Giving. A level of profit must be achieved to be successful. Our practice is to “give back” as much profit as is fiscally responsible.

I am in my 33rd year in the Credit Union system, and this year celebrating my 30th anniversary with Revelstoke Credit Union. I have been proud to spend my career in an organization whose philosophy is about equity, loyalty, confidence, ownership, trust, service and community. Thank you to the Board of Directors, Management Team, Staff and Members for your on-going dedication and loyalty to Revelstoke Credit Union.

management team



Martin Ralph
Manager, Information
Systems & Technology



Todd Webber
Manager, Human
Resources & Marketing



Carol Hascarl
Manager, Member
Services



Roberta Bobicki
CEO



Katherine Parkhill
Manager, Consumer
Lending



Robert Fournier
Manager, Commercial
Lending



January 6th, 2006, RCU Insurance Service Ltd opens it's door and sells it first general insurance policy; relating to such products as business, home and ICBC auto insurance. With only 4 employees, the office ended that year by selling approximately 780 personal lines policies, 90 commercial policies and 2700 ICBC policies for a total income of approximately \$194,000... or approximately \$48,000 commission income per employee.

By comparison, skipping 5 years to the year ending 2010 and now with 6 employees, the policy count per year has increased to 1800 personal lines policies, 251 commercial policies and 5500 ICBC policies for a year end income nearing \$538,000... or approximately \$90,000 commission income per employee.

The independent consulting firm "ROBERT O'CONNOR & COMPANY INC." writes "It is this writer's opinion that after RCUI's fiscal/calendar year ending 2010, the upper end of this valuation at \$2,000,000.00 could be achieved".

We at RCUI have come a long way in 5 short years and expect the next 5 to be just as challenging and rewarding for management and staff.

Randy Driediger
General Manager



wealth management

Wealth means something different to everyone. Wealth Management at RCU Insurance Services is just as diverse. Whether you are starting out: hoping to make that first term deposit, save for a home, or start RRSP investing; or whether you are comfortably retired: spending time with grandchildren, maintaining your home and vacation property, or traveling the world...The Wealth Management experts at RCU Insurance Services can help.

Since its humble beginnings in 1995 when RCU was the first Credit Union in BC licensed to offer mutual funds, we have continually expanded. As the Manager of the Wealth Management Department, I hold four professional designations: Certified Financial Planner, Mutual Fund Investment Specialist, Insurance Life Agent and Credential Wealth Consultant. My 24 years of service at Revelstoke Credit Union allows me to bring formal education and personal experience to every member interaction. I am proud to lead a team of knowledgeable and committed individuals — each with her own combination of experience, education, and expertise.

We have come a long way since selling mutual funds at the Credit Union. We are now a contemporary business with mutual fund assets of approximately \$27 million. Included in this figure are approximately \$8 million in Life Insurance, Life Investments; and annuities. We are continually investing in new technologies that allow us to serve our membership more efficiently. Most importantly, we understand the credit union philosophy. Any investment made with us is, ultimately, an investment back to the membership and our community.....

Melodie Kindret
Manager, Wealth Management Services

Credential[®]
Asset Management

credential
wealth
management



our mission:

We are 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.

the vision:

To 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.

what we value:

The pursuit of excellence, confidence, loyalty and trust.



member rewards

Thank you to all our members who helped make 2010 a very successful year for Revelstoke Credit Union and RCU Insurance Services! In recognition of your valuable membership we have contributed back to our members and the community in the following ways:

Member Rewards: \$250,000

Qualified members earned rebate credits which were paid by way of deposit to members' accounts.

2010 Share Dividends: \$28,105

Membership Class A Shares @ 1.00% = \$1,661.00

Equity Class B Shares @ 4.00% = \$25,833.00

Expired Class D Shares @ 2.00% = \$733.00

Contributions to Community Groups and Organizations

BC Children's Hospital Foundation, Revelstoke District Health Foundation, BC Interior Forestry Museum, Revelstoke For Haiti Medical Relief Team, Bike to Work Revelstoke, Revelstoke Homecoming, Canadian Avalanche Centre, Revelstoke Minor Ball, City of Revelstoke – Canada Day, Revelstoke Minor Lacrosse, Community Connections, Revelstoke Museum & Archives, Cops for Kids, Revelstoke Nordic Ski Club, Credit Union Foundation of BC, Revelstoke Railway Museum, Ducks Unlimited, Revelstoke Rod & Gun Club, Eggstravaganza, Revelstoke Rotary, Heart & Stroke Foundation, Revelstoke Skating Club, Miss Revelstoke Ambassador Program, Revelstoke Ski Club, Revelstoke Early Childhood Development, Revelstoke Timber Days, Revelocity Cycling Club, Revelstoke Trees For Tots Society, Revelstoke Acrobats, Revelstoke Visual Arts Society, Revelstoke Aquaducks, Revelstoke Youth Soccer Assoc., Revelstoke Arts Council, RSS - 2010 Grad & Ono Cho, Revelstoke Chamber of Commerce, Snowmobile Revelstoke Society, Revelstoke Community Foundation, Welcome Wagon, Revelstoke Cycling Association; Youth Excellence Society Camp, and more...



good neighbours

Retired after 31 years of service!

Jan Morehouse



Revelstoke Food Bank Christmas Hampers from the staff...



Meeting Hayley Wickenheiser...



Cops for Kids



Heart & Stroke Foundation — Big Bike Ride



auditor's report

We have audited the accompanying consolidated financial statements of Revelstoke Credit Union, which comprise the consolidated balance sheet as at December 31, 2010, and the consolidated statements of earnings, retained earnings, comprehensive income and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Revelstoke Credit Union as at December 31, 2010, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Cranbrook, BC
February 2, 2011


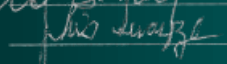

Adams Wooley
Certified General Accountants

condensed consolidated balance sheet

As at December 31, 2010

	2010	2009
Assets		
Cash and tem deposits	\$ 19,476,378	\$ 15,450,869
Members' loans	131,255,063	129,009,932
Other	595,570	357,949
Investments	735,254	805,162
Property, plant and equip- ment	<u>2,925,324</u>	<u>2,999,233</u>
	<u>\$ 154,987,589</u>	<u>\$ 148,623,145</u>
Liabilities and Members' Equity		
Members' deposits	\$ 144,582,041	\$ 134,468,855
Members' shares	874,224	893,269
Accounts payable and ac- crued liabilities	<u>427,956</u>	<u>4,848,610</u>
	145,884,221	14,210,734
Retained Earnings	<u>9,103,368</u>	<u>8,412,411</u>
	<u>\$ 154,987,589</u>	<u>\$ 148,623,145</u>

ON BEHALF OF THE BOARD

 Director
 Director

condensed consolidated statement of earnings and retained earnings

As at December 31, 2010

	2010	2009
Financial income	\$ 7,077,535	\$ 6,880,030
Financial expense	<u>3,859,791</u>	<u>3,785,858</u>
Financial margin	3,217,744	3,094,172
Other income	<u>1,561,723</u>	<u>1,550,184</u>
Operating margin	4,779,467	4,644,356
Operating expenses	<u>3,808,402</u>	<u>3,565,903</u>
Earnings before income taxes and rewards to members	971,065	1,078,453
Income taxes	<u>75,865</u>	<u>133,962</u>
Earnings before rewards to Rewards to members	895,200	944,491
	<u>276,577</u>	<u>222,417</u>
Net earnings	618,623	722,074
Changes in comprehensive income	<u>72,334</u>	<u>(3,373)</u>
Comprehensive income	690,957	718,701
Retained earnings— beginning of year	8,412,411	7,693,710
Retained earnings— end of year	<u>\$ 9,103,368</u>	<u>\$ 8,412,411</u>

condensed consolidated statement of cash flow

For the year ended December 31, 2010

	2010	2009
Cash flow from (used by) operating activities	\$ (3,852,910)	\$ 5,025,567
Cash flow used by investing	(2,215,722)	(4,856,474)
Cash flow from financing activities	10,094,141	(10,541,933)
Increase (Decrease) in cash flow	4,025,509	(10,372,840)
Cash—beginning of year	15,450,869	25,823,709
Cash—end of year	\$ 154,987,589	\$ 148,623,145

Readers are cautioned that these summarized financial statements do not include all the disclosures required for complete and fair presentation. Copies of the 2010 Revelstoke Credit Union Annual Report are available at the branch



thank you



Revelstoke Credit Union wishes to acknowledge the **Revelstoke Museum and Archives** for the generous use of several pictures from the Dickey Collection. These and many others photographs can be found in the book: *REFLECTIONS — Four Decades of Photographs* by Earle & Estelle Dickey.

Front Cover* — DN-581 Imperial Bank Building, Dickey

** RCU proudly sponsored this picture for the 2010 Revelstoke Museum and Archives Poster.*

Page 10 on left — DN-506 Snow Removal on Boyle Ave, Dickey

Page 10 on right — Snow Loader loading a Truck, R. Franklin Bittner

Page 11 on left — DN-863 Edmund D Wood and Okumura Child, Dickey

Page 15 on Right — DN-946 Warren Cooper's Packard Downie Hill, Dickey