

Board Chair and General Manager Report

Columbia Valley Credit Union had another successful year in 2013 as a result of our members' continued support, our dedicated employees and our partnerships with peers, co-operatives and our community.

We are pleased to report:

- we returned \$264,000 in shareholders' interest and loan rebates to our members;
- \$48,000 was donated this year to support organizations, events, and non-profits in our community;
- we also set aside \$130,000 from our profits in 2013 for a Donation Program that will be utilized in 2014 to continue to support our community in the Columbia Valley;
- we increased our school bursaries from \$2,000 to \$10,000 to help our youth with their education expenses, and we are delivering educational sessions at the Golden Secondary School to prepare our youth for their financial future;
- we recently conducted a Member Survey and look forward to the feedback from our members;
- we will be expanding our services and products to include Wealth Management to better serve our members;
- the Columbia Valley Credit Union continues to be at the forefront of technology, enhancing our existing banking systems, allowing for improved access and additional services to our membership;
- we encourage and support our employees through continuous education to enhance their knowledge and skills to deliver a superior service experience to our members, and
- we are proud of our staff's involvement in our community through active participation in service clubs, organizations, and local schools.

We are excited about the upcoming 2014 year:

- our facilities will have a new "face" with much needed renovations to the outside of the building;
- we plan to enhance our Plaza to add to the experience of our Downtown for all to enjoy; this would also include free Wi-Fi for the area;
- a community art project is included featuring a local photo/art contest with the winners' photos in mural size on the sides of the building; we are pleased to continue our support of the arts in our community; and,
- Columbia Valley Credit Union will continue to challenge ourselves to improve our member's experience, be an employer of choice and support our community in the Columbia Valley.

Thank you to our members for your continuous and increasing patronage and support.



Paul Ricard
Board Chair



Sharon Eddy
General Manager

Vision Statement

A community focused,
member owned credit union
working together
to achieve success.

Mission Statement

Meeting the financial needs of our
members within the Columbia Valley.

Guiding Principles

Serving members is the primary
purpose of our existence.

We provide exceptional,
customized service.

We act with integrity and sincerity.

We never stop learning.



COLUMBIA VALLEY
CREDIT UNION

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2013 Annual Report



PHOTO BY: BEST IMPRESSIONS PHOTOGRAPHY



COLUMBIA VALLEY
CREDIT UNION

2013 Donations

BCAA Youth Program
 Food Bank
 Golden Curling Club
 Heart & Stroke Foundation
 Rotary Club
 CU Foundation of BC
 Mountain Shrine Club
 Spilli Chilli Cookoff
 RCMP Golf Tournament
 Alexander Park Elementary School
 Redline Car Club
 Child Care Resource Referral
 The YES Camp
 Aman Virk Golf Tournament
 Royal Canadian Legion
 Golden Community Foundation
 Golden Figure Skating Club
 Golden Golf Club (Hole Sponsorship)
 Rocky Mountain School District – laptops
 Canada Day 10k Run
 Ladies Golf Tournament
 Stars
 Kicking Horse Culture
 Lions Club CNIB Golf Tournament
 Kicking Horse Chamber of Commerce
 Golden Secondary School Bursaries
 Golden Snowmobile Society
 School District Breakfast Program
 Golden Community Resources
 Giant Steps Preschool
 Starlight Soiree
 Columbia Basin Alliance for Literacy

Independent Auditor's Report

To the Members of Columbia Valley Credit Union

We have audited the accompanying financial statements of Columbia Valley Credit Union, which comprise the statement of financial position as at December 31, 2013 and the statements of income and retained earnings and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Columbia Valley Credit Union as at December 31, 2013 and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.


Adams Wooley
 Certified General Accountants

Cranbrook, BC
 March 4, 2014

Summary Consolidated Statement of Financial Position

December 31, 2013

	2013	2012
Assets		
Cash and Term Deposits	\$ 61,071,032	\$ 64,144,480
Investments	1,091,181	1,082,129
Member Loans	76,372,609	74,985,939
Property Held for Resale	450,000	450,000
Property, plant and equipment	2,234,810	2,369,484
Intangible assets	27,212	116,307
Other assets	81,356	164,109
	<u>\$ 141,328,200</u>	<u>\$ 143,312,448</u>
Liabilities and Members' Equity		
Accounts payable and accrued liabilities	\$ 699,388	\$ 599,638
Member Deposits	126,955,164	129,771,310
Deferred income taxes	62,957	82,061
	<u>127,717,509</u>	<u>130,453,009</u>
Members' equity		
Share capital	106,274	108,227
Retained Earnings	13,504,417	12,751,212
	<u>13,610,691</u>	<u>12,859,439</u>
	<u>\$ 141,328,200</u>	<u>\$ 143,312,448</u>

On behalf of the board,


Director


Director

Statement of Income and Retained Earnings

December 31, 2013 year ended

	2013	2012
Interest Income		
Interest from Loans	\$ 3,572,366	\$ 3,924,670
Interest from Investments	1,419,782	1,054,670
	<u>4,992,148</u>	<u>4,979,340</u>
Interest and loan related expenses		
Interest on Deposits	1,754,151	2,248,821
Financial Margin	3,237,997	2,730,519
Operating Expenses	2,853,766	2,820,531
	<u>384,231</u>	<u>(90,012)</u>
Income (Loss) from operations		
Other Income (Expenses)		
Service Fees, Commissions and Rental	685,673	783,614
Losses on Loans and Property for Resale	(39,159)	(154,480)
Processing and Handling Fees	(90,846)	(73,537)
	<u>555,668</u>	<u>555,597</u>
Income before income taxes and rewards to members	939,899	465,585
Income Taxes	135,037	41,852
Income before rewards to Members	804,862	423,733
Rewards to Members	51,657	55,893
Net Income	<u>753,205</u>	<u>367,840</u>
Retained Earnings - Beginning of year	12,751,212	12,383,372
Retained Earning - End of Year	<u>\$ 13,504,417</u>	<u>\$ 12,751,212</u>

Full financial statements with accompanying notes are available in branch or upon request.