

board of directors & ceo report

As we began 2020 Bulkley Valley Credit Union (BVCU) was poised for changes in management and advancements in technology to better serve our membership.

None of us anticipated what 2020 would actually bring and the curveballs that would be thrown at all of us throughout the year. We would like to begin this report by thanking all of our staff and membership for their patience and perseverance with the many pivots made so that we could safely run our financial cooperative during this global health crisis. A truly significant pivot took place in August of 2020 when we said goodbye to our long standing CEO, W. Dave Stene, and we wish him all the best in his retirement. Dave has left BVCU, but his leadership and vision will be a lasting legacy at our credit union.

The pandemic brought to the forefront our need to modernize our remote channel delivery infrastructure. Although we were able to remain open to the public throughout the year, albeit with reduced hours, we also have found enhanced ways to serve our membership remotely. We introduced DocuSign so that our members could sign documents safely and securely without having to visit a branch. We implemented Deposit Anywhere in the fall, allowing our members to deposit cheques from their smartphones or tablets from anywhere. BVCU also upgraded our fleet of ATMs in August of 2020, giving members more options to do their banking outside of regular branch hours. We are excitedly preparing for our 2021 launch of our upgraded website, expected this summer, as well as a new and modern online banking platform in the fall.

Despite the challenging year, BVCU is proud to have achieved positive financial results and balance sheet growth of fifteen percent ending the year at \$474.5 million. Our deposit balances grew by an astounding \$60 million over the course of the year as members became very conservative and increased savings over the course of the pandemic. This conservative trend was also experienced in our loan portfolio which reduced

by almost \$4 million in 2020. BVCU maintained a very healthy bottom line in 2020 making a net income of \$2.1 million, an increase of almost \$490,000 over 2019. Our credit union was able to grow our liquidity and capital ratios over the year to 37.3% and 25.39% respectively. These ratios are well above the regulatory minimums and are in the top quartile of the credit union system.

As a proud financial cooperative we strongly believe that our earnings and success should be shared with our membership, and BVCU is excited to give back to our members in the form of patronage and dividends over \$833,000 based on our 2020 earnings. Our 2020 dividend rate of 1.37% will be paid to our members share accounts in April of 2021. Our patronage program is based on a member's financial dealings with our credit union throughout the year. Please check our Facebook page and our website for more details on when you will be receiving your patronage deposits this spring.

Our commercial team facilitated over \$10.3 million in Canada Emergency Business Account loans for our business members in 2020 and continues to work with the membership in receiving the enhanced program that was offered by the government starting in December. These government funds have helped local businesses to supplement income and make the necessary changes to their business models in order to succeed in these uncertain times.

At Bulkley Valley Financial Services (BVFS), our wealth management team served many of our members over the past year giving expert advice on investments and life insurance solutions. Our financial planners have knowledge and experience to help our members gain both peace of mind and manage their finances at all stages of life. In 2021 BVFS will increase its compliment of advisors to serve even more of our membership. Our Insurance subsidiary, Bulkley Valley Insurance Services

Patty Peterson

board chair



Jana Lukasek

chief executive officer

(BVIS), had its best year ever in 2020. They were able to serve their clientele throughout the pandemic and provide insurance and advice to our membership both in person and remotely.

Governing a large operation such as ours requires a dedicated group of directors, committed to education and keeping abreast of the constant changes in our industry. During 2020 Dean Daly, a Director representing the Smithers region, chose to step down from his role on the BVCU Board to focus on other areas of his busy life. We were fortunate that Dan Boissevain, who had been a director at BVCU for many years previously, was elected by acclamation at the 2020 AGM. Governance at BVCU remains strong as we continue to evolve and deal with changes in our organization.

Bulkley Valley Credit Union is fortunate to have a dedicated team of staff and management who are passionate about serving our membership. Even though our in-branch experiences changed over the course of the pandemic our people at BVCU, BVFS and BVIS have continued to provide expert advice to our valued members in these times of uncertainty. We have worked tirelessly to physically modify our branches and ensure that they are clean and safe for our employees and our communities.

Finally, we would like to sincerely thank our membership for choosing us as your financial services provider. Our vision statement of, Supporting you locally, wherever YOU are, has been put to the test this past year with the pandemic and we will continue to advance our remote services capabilities over the next years to better serve you, our member owners. We wish you all a safe and healthy year ahead and know that together we will get through this!

1. SMITHERS BRANCH: Smithers branch donated funds to cover the cost of supplies and groceries to make the antipasto. The funds raised from the sales will be donated to the Community Cancer Care Team. Luke was awarded Volunteer of the year for his incredible efforts.

2. HOUSTON AND DISTRICT BRANCH: Houston Branch donated \$4,000 towards planned upgrades to the Silverthorne Lake Trail that is used by several local residents and community groups. It also draws tourists to the community and will be used for future events in conjunction with the local mountain bike club.

3. THE HAZELTONS' BRANCH: The Hazeltons' branch donated to The Salvation Army to help those in need in our local communities.

4. LAKES DISTRICT BRANCH: A donation was made to the Southside Volunteer Fire Department to help them purchase a new fire truck. After the wildfires in the summer of 2018, it was clear to their team a new truck was needed to stand up to the challenges facing their community. It was a long overdue upgrade, but one that will help keep residents safe. We were very proud to offer our support to this cause.



annual report 2020

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notice of annual general meeting

The 79th Annual General Meeting of Bulkley Valley Credit Union will be held on **Monday April 26, 2021 at 7:00PM** and will be virtual. *We would encourage any member who would like to attend the meeting remotely through their computer or telephone to contact their Branch Office or the Administration Office by April 23, 2021*

Director Elections for 2021

Nominations for directors of Bulkley Valley Credit Union **closed on February 16, 2021**. The Nominations Committee received three nominations for the two positions in the Smithers representative region and one nomination from the Lakes District representative region.

An in branch election will be **held April 6 to 12, 2021** in the Smithers Branch and available online through our website at www.bvcu.com. Mail ballots are available on request.

Bill Miller was elected by acclamation for the Lakes District representation region.

Complete election results will be announced at our **AGM on April 26th, 2021**

agenda

1. Call to Order
2. Ascertainment of Quorum
3. Appointment of Recording Secretary and Parliamentarian
4. Adoption of Agenda
5. Approval of Minutes for April 20, 2020 Annual General Meeting
6. Business Arising out of Minutes
7. Reports of the Directors
8. Report of Management
9. Presentation of Financial Statements
10. Report of the Auditor
11. Approval of Auditor's Report
12. Announcement of Election Results
13. Appointment of Auditor
14. Unfinished Business
15. Good and Welfare
16. Adjournment

report of independent auditors on the summary of consolidated financial statements

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2020, summary statement of changes to Members' Equity and summary cash flow statement for the year then ended, are derived from the audited consolidated financial statements of Bulkley Valley Credit Union for the year ended December 31, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the audited consolidated financial statements, in accordance with International Reporting Standards.

Summary Financial Statements

The summary financial statements do not contain all disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Management's Responsibility for Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis as described in Note 1.

Auditor's Responsibility

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

**Edmison Mehr Chartered Professional Accountants
- Smithers BC, February 24, 2021**

summary consolidated statement of financial position

As at December 31, 2020

assets	Dec 31, 2020	Dec 31, 2019
Cash & Term Deposits	\$164,872,016	\$97,733,083
Loans to Members	298,225,182	302,154,930
Investments & Other Assets	3,107,185	5,651,848
Property & equipment (net)	3,687,282	3,322,821
Intangibles (net)	4,633,195	2,604,370
	\$474,524,860	\$411,467,052
liabilities		
Deposits	\$440,772,175	\$380,226,463
Payables & Accruals	2,201,590	1,872,378
Total Liabilities	442,973,765	382,098,841
members' equity		
Equity Shares	1,197,003	1,257,500
Retained Earnings	30,233,532	28,116,827
Accumulated Other Comprehensive Income	120,560	(6,116)
Total Members' Equity	31,551,095	29,368,211
	\$474,524,860	\$411,467,052

Approved by the Directors:

Patty Peterson director



Dan Boissevain director



summary consolidated statement of comprehensive income

Year Ended December 31, 2020

	2020	2019
Interest Income	\$13,158,011	\$13,542,147
Interest Expense	3,473,518	3,716,145
Financial Margin	9,684,493	9,826,002
Other Income	5,986,832	4,380,937
Operating Margin	15,671,325	14,206,939
Operating Expenses	12,311,264	11,455,486
Earnings from Operations	3,360,061	2,751,453
Distributions to Members	833,151	762,786
Income Taxes	410,205	360,333
Net Earnings	\$2,116,705	\$1,628,334
Comprehensive Income (Loss) for the year, net of tax	126,676	132,458
Comprehensive Income	\$2,243,381	\$1,760,792

Retained Earnings & Accumulated Comprehensive Income, Beginning of Year	28,110,711	26,349,919
Retained Earnings & Accumulated Comprehensive Income, End of Year	\$30,354,092	\$28,110,711

summary consolidated statement of cash flows

Year Ended December 31, 2020

	2020	2019
Cash flows provided by (used in)		
Operating activities	\$9,225,141	\$(15,846,061)
Financing activities	60,613,284	26,600,079
Investing activities	(67,775,202)	(14,353,554)
Net increase in cash and equivalents	2,063,223	(3,599,536)
Cash & equivalents, beginning of year	11,729,402	15,328,938
Cash & equivalents, end of year	\$13,792,625	\$11,729,402

Note 1:

These summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses summaries from the consolidated statement of financial position, consolidated statement of comprehensive income and the consolidated statement of cash flow. These summary financial statements are derived from the audited consolidated financial statements of the Bulkley Valley Credit Union for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards.

****A full set of financial statements will be available at your local branch at no charge.****

2020 board of directors



Denise Fisher



Dan Boissevain



Wendy Hunt
Secretary



Simon Franklin



Klaus Mueller*



Patty Peterson*
Chair



Sue Jones



Richard Vossen*
Vice Chair



Tom Havard

*Terms expire at the 2021 Annual General Meeting.