



**Bulkley Valley
CREDIT UNION**

annual report 2010



the
power of
membership

notice of annual general meeting

The 69th Annual General Meeting of Bulkley Valley Credit Union will be held on
Tuesday, April 26, 2011 at 7:00 p.m.
(Registration begins at 6:45 p.m.)

Hudson Bay Lodge - Summit Room
Highway 16, Smithers, BC



Proud to offer a commitment to the construction of the new Smithers Public Library building.

agenda

1. Call to Order
2. Ascertainment of quorum
3. Appointment of Recording Secretary & Parliamentarian
4. Adoption of Agenda
5. Approval of Minutes for April 29, 2010 Annual General Meeting
6. Business Arising out of Minutes
7. Report 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 & Welfare
16. Adjournment

2010 board of directors



Randy Brandvold, Chairperson
Patty Peterson, Secretary
Richard Vossen
Janet Willson *
Tom Havard *
Ken Thomson
Klaus Mueller
Diane Macaulay
& Dan Boissevain, Vice Chair *

**Terms expire at the
2011 Annual General Meeting.*

board of directors & ceo report

Bulkley Valley Credit Union had a strong year financially in 2010 as the economies in our local communities started to slowly rebound.

We saw slow growth on both sides of our balance sheet with growth of 2.14% in total deposits and 1.3% in total loans. We were very happy to see growth starting again for our organization since we basically had no growth through a difficult 2009. We are very committed to having funds available to lend within our local service area and we know our members will put this liquidity to productive use in the year to come. We are also feeling very fortunate that the membership continues to turn to us for their savings and term deposits that are now 100% guaranteed through the provincial government at a time when there is uncertainty in the market. We were able to not only offer competitive interest rates throughout the year but also feature promotional term deposit and consumer loan rates in the last quarter of 2010. Our consumer loan program offered a low promotional rate for one year but the payments were based on the higher market rate so our members would be paying their debt off much faster. We felt that this was a better way to encourage personal financial discipline with our membership at a time that consumer debt loads are at all time highs across the country.

However, generating strong financial results for the sake of growing profits is not what Bulkley Valley Credit Union is all about. The leadership at Bulkley Valley Credit Union was much more pleased with the assistance our staff provided to the membership in a time of economic struggles. We were impressed by our membership's commitment to working with us to restructure their debt loads so that everyone could move ahead. Our strong financial results allowed us to payout over \$230,000 to over 175 local groups from community support, economic development, community builder and marketing funds. These dollars were spent in our local communities to allow these groups to play their part in the recovery of our local economies. This year will also be a record payout on patronage

payments to the membership with over \$882,100 being returned in early spring 2011. We hope these dollars will also be spent locally to help the positive cycle that local spending spawns every time it occurs. These are the true indicators of "the power of membership".

We also continued to take a strong stand in the battle against cancer in 2010. From our sponsorship and participation in every one of our local Relays for Life or Terry Fox runs or Cops for Cancer ride to our major contributions to the new Cancer Lodge in Prince George that will be located next to a new state of the art Cancer treatment centre. It is amazing what can be accomplished if we all work cooperatively, even if the menace is as daunting as cancer.

We also started to become amazed at the power of the youth through our facebook challenge and through their sponsored participation in the YES Camp and the Youth leadership forum in Prince George. It is very fulfilling and exciting to assist in the development of these leaders of tomorrow and to watch them understand the power of giving back to their communities.

Our strong financial base provides us with the opportunity to continue to improve our existing products and services and introduce new ones so that we are meeting our members' ever evolving financial needs. We will be introducing new enhancements in 2011 to our remote delivery channels. Expect greater functionality in our online banking and mobile banking services to assist our members who want to do their banking based on their busy schedule rather than ours. However these enhancements are being developed to continue to compliment, rather than replace, the high level of personal service given to all members whenever they visit our branch office locations. We want our members to be able to do business the way they want to at all times.

randy
brandvold
board chair



w.d (dave)
stene
*chief executive
officer*

We will also be rolling out chip cards in 2011. This project was originally scheduled for 2010 but we have delayed the implementation because we are working with the Credit Union System right across Canada in the rollout. We also want to make sure that we minimize any disruptions in service delivery to the members during the conversion process. Our members successfully processed over 2 million electronic transactions through Point of Sale purchases and ATMs with their Membercards during 2010 so we know how you have come to rely on this product for fast, secure, and reliable payments.

Bulkley Valley Credit Union continues to be led by a committed Board of Directors and management team. We also have an exceptional group of staff that are all committed to doing a good job each and every day. Everyone in the organization genuinely cares about serving and meeting the members' and communities' needs and takes very seriously the role of maintaining the highest governance standards for the organization.

Bulkley Valley Credit Union will recognize 70 years of service to our communities at our Annual General Meeting in April and we know we have to continue to earn the membership's patronage to continue to serve for many more years to come. Look for our special recognition of this important milestone in advance of our AGM.

We all feel that we have every reason to be more optimistic about how 2011 will evolve economically. We have weathered the storm well and our organization has a strong financial base to take us into the future. On behalf of the Board of Directors, we would like to thank all the members for their continued patronage and we look forward to meeting the exciting challenges that a brighter 2011 will bring.

report of the independent auditor on the condensed financial statements

To the Members of the Bulkley Valley Credit Union

The accompanying condensed financial statements, which comprise the condensed balance sheet as at December 31, 2010, the condensed statement of earnings, comprehensive income and retained earnings, and condensed statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of the Bulkley Valley Credit Union for the year ended December 31, 2010. We expressed an unmodified audit opinion on those financial statements in our report dated February 24, 2011.

These condensed financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles for publicly reporting enterprises. Reading the condensed financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Bulkley Valley Credit Union.

Management is responsible for the preparation of condensed financial statements in accordance with the Financial Institutions Act of B.C.

Our responsibility is to express an opinion on the condensed financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

In our opinion, the condensed financial statements derived from the audited consolidated financial statements of the Bulkley Valley Credit Union for the year ended December 31, 2010 are a fair summary of those financial statements, in accordance with the Financial Institutions Act of B.C.

Eric B. Mah, *Smithers, BC, February 24, 2011*

condensed consolidated balance sheet As at December 31, 2010

assets	2010	2009
Cash & Term Deposits	\$44,458,430	\$38,679,988
Loans to Members	195,390,766	192,888,395
Investments & Other Assets	2,955,253	3,492,010
Property & equipment (net)	4,287,633	4,523,119
	\$247,092,082	\$239,583,512
liabilities		
Deposits	\$227,009,414	\$222,265,574
Indebtedness, Payables & Accruals	2,682,729	1,292,504
	\$229,692,143	\$223,558,078
members' equity		
Equity Shares	\$2,005,485	\$2,158,139
Retained Earnings & Accumulated Comprehensive Income	15,394,454	13,867,295
	\$17,399,939	\$16,025,434
	\$247,092,082	\$239,583,512

Approved by the Directors:



randy brandvold *director* • klaus mueller jr. *director*



condensed consolidated statement of earnings, comprehensive income and retained earnings

Year Ended December 31, 2010

	2010	2009
Interest Income	\$11,080,076	\$11,189,431
Interest Expense	2,305,248	4,058,149
Financial Margin	8,774,828	7,131,282
Other Income	3,216,231	3,163,728
Operating Margin	11,991,059	10,295,010
Operating Expenses	8,644,159	8,792,594
Earnings from Operations	3,346,900	1,502,416
Distributions to Members	\$909,742	\$420,390
Income Taxes	786,590	158,551
Net Earnings	1,650,568	923,475
Comprehensive Gain (Loss) for the year, net of tax	(123,409)	(221,112)
Comprehensive Income	1,527,159	702,363
Retained Earnings & Accumulated Comprehensive Income, Beginning of Year	13,867,295	13,164,932
Retained Earnings & Accumulated Comprehensive Income, End of Year	\$15,394,454	\$13,867,295

condensed consolidated statement of cash flows

Year Ended December 31, 2010

	2010	2009
Cash flows provided by (used in)		
Operating activities	\$3,693,786	\$1,592,448
Financing activities	\$(2,328,025)	\$4,095,214
Investing activities	\$4,412,681	\$438,862
Net increase in cash and equivalents	\$5,778,442	\$6,126,524
Cash & equivalents, beginning of year	\$38,679,988	\$32,553,464
Cash & equivalents, end of year	\$44,458,430	\$38,679,988

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

1. The Walnut Park Grade 4 students visit Fort St. James as part of studying the history of First Nations' relationships with early European Canadians.
2. A Mother's Day community craft event hosted at The Hazeltons Branch in 2010.
3. The Burns Lakes Community Garden plots are planted, maintained, and harvested by volunteers with its produce going to the local Food Bank and citizens of the area throughout the year. BVCU staff helped with the potato crop this year!
4. The Houston Christian Youth Hockey Program promotes fun, fitness, and teamwork.



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locations

3872 1st Avenue
P.O.Box 3637
Smithers, BC V0J 2N0
Phone: 250.847.3255
Fax: 250.847.3012
infoadmin@bvcu.com

Telephone banking:
1.888.289.4331
1.250.847.3090



Administration



Hazeltons' Branch

4646 10th Avenue
P.O.Box 159
New Hazelton, BC V0J 2J0
Phone: 250.842.2255
Fax: 250.842.2121
infohaz@bvcu.com



Lakes District Branch

Hwy. 16 Lake View Mall
P.O.Box 1029
Burns Lake, BC V0J 1E0
Phone: 250.692.7761
Fax: 250.692.3661
infolakes@bvcu.com



Houston & District Branch

2365 Copeland Avenue
P.O.Box 1480
Houston, BC V0J 1Z0
Phone: 250.845.7117
Fax: 250.845.2783
infohous@bvcu.com



Smithers Branch

3894 1st Avenue
P.O.Box 3729
Smithers, BC V0J 2N0
Phone: 250.847.3255
Fax: 250.847.2818
infosmi@bvcu.com