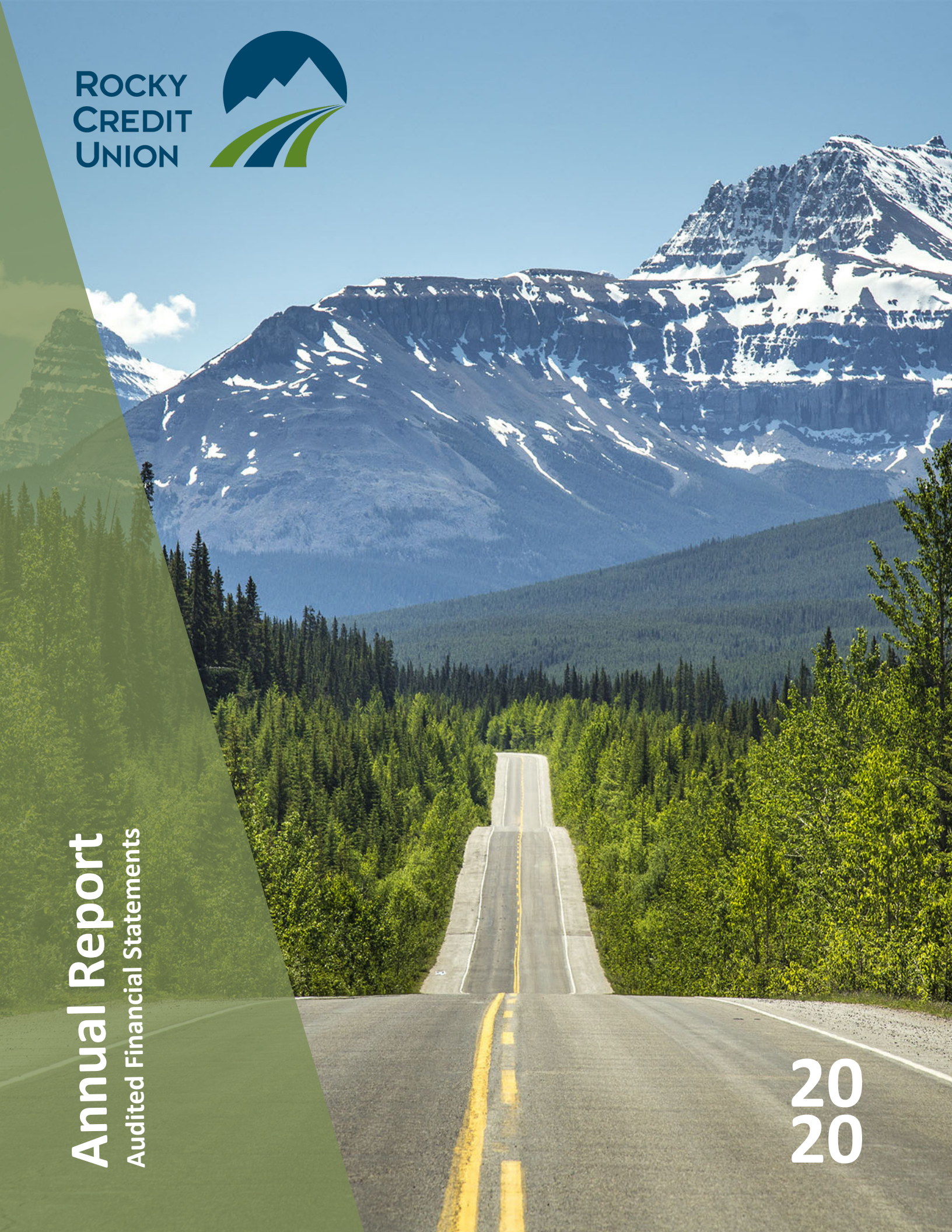


ROCKY
CREDIT
UNION



Annual Report
Audited Financial Statements

20
20



Vision Statement

Helping Members Succeed
Building Our Communities

Mission Statement

Actively Involved In The Future Of Our Members And Communities

Rocky Credit Union Values

Our values define how we act, and form the basis of our corporate culture.

- People** - Are the heart of our business
- Achievement** - Empower our people to get things done
- Responsibility** - Take ownership of our decisions
- Trust** - Seek to do the right thing by our members
- Innovation** - Anything is possible



Rocky Credit Union

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2	Mission, Vision & Value Statements
4	Message from the CEO & Board Chair
5	RCU Team
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7	RCU Wealth Management
8-11	Auditor's Report
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13	Heartwork
14-15	RCU Community Investments



Message from the CEO & Board Chair

It never hurts to be prepared. Rocky Credit Union began getting ready for an unexpected threat, like COVID – 19, right after the Great Recession in 2008. That crisis taught us some valuable lessons: A strong balance sheet: Excess Liquidity; Surplus Capital; and a Healthy Loan Portfolio - are valuable tools to weather an unforeseen event, similar to the financial stresses the pandemic brought. The greater unknown was how our members and staff would respond. To help us navigate, we looked to our Vision, our North Star:

Helping Members Succeed
Building Our Communities

Our staffing group responded to the onset and unknown of COVID – 19 with the outlook, if we can keep ourselves safe and healthy, then we can be there for our members. Using a variety of measures, I am proud to report we did not close our doors or reduce our services. Concerns about accessing your finances should not add to your anxieties. Our staff stepped up!

We would like to acknowledge all of our staff for actively living our Vision during the Pandemic.

In turn, you never wavered supporting your Rocky Credit Union. Our overall membership count rose during 2020, making us one of the few Alberta Credit Unions to accomplish that. Your overwhelming support allowed us to continue giving back to our communities in the form of our Profit Share program, contributing close to \$1.4M, in cash, back to you, our members.

Because of our members’ ongoing support and engagement, RCU grew to \$379 million in 2020 and produced a healthy profit of \$2.6 million, before allocations. After our Profit Share and Dividend distributions we were still able to allot a significant amount to Retained Earnings. This resulted in a capital base of \$46.6 million, or 100% over the required regulatory amount, ensuring your credit union remains strong.

Unlike banks, there is a common bond that unites credit union members. For Rocky Credit Union, that bond is our proximity to our members. Having shared connections between our members makes our community stronger because we experience and value the same things, whether that be supporting our communities’ youth, our local sports teams or partnering with local charities. Our staff, board of directors and entire membership is dedicated to improving the financial health of families and communities.

By choosing Rocky Credit Union, you are choosing to support local. THANK YOU! Your conscious choice of where you put your money is a difference that matters. Last year I said none of our successes would be possible without YOU, our members, and I’m saying it again this year. As we move into 2021, we will continue to be here for you to bank, borrow, invest and plan locally.

Sincerely,
Bob Bryant
Bob Bryant,
Chair, Rocky Credit Union
Board of Directors

Randall Sugden
Randall Sugden,
CEO Rocky Credit Union

2020 Board of Directors



Robert Bryant
Board Chair



Robert Boodt
1st Vice Chair



Carson Stewart
2nd Vice Chair



Terri Kalyn



Tom Morgan



Linda Fredine



Terri-Lynn Johannesson





RCU Team

Leadership Group

Back Row: Dan Burger, Kim Kadyk, Jody Shanks, Mark Vos, Tanya OpdenDries, Penny Forster, Craig Harman

Front Row: Randall Sugden, Nancy LaPerriere, Joann Thompson, Angie French, Ken Peterson



Our Greatest Assets

Back Row: Jamie Vandenberg, Emilee Speight, Kandis Jackson, Taya Belder, Michelle Wilson, Tyson Shortneck, Trish Beach

Middle Row: Barb Schooler, Rachelle Evans, Stacey Speight, Jodi Meston, Karianne Rodtka, Megan Teskey, Kendra Wandler, Hennie Webster, Avery Pritchard

Front Row: Robin Montgomery, Jenny Miller, Lindsey Haupt, Darlene Morrow, Curtis Donald, Patricia Mellot, Melanie Velichka, Patty Rauch-Erickson, Jeanie Nile

Missing: Pam Burrington, Vanessa Lorentzen, Mikala deBruyn



Years of Service - 2020
Staff Milestones



Penny Forster
40 Years
Manager, Loan Administration



Elaine Kautz
20 Years
Financial Planner



Jodi Meston
15 Years
Org Support Clerk



Barb Schooler
15 Years
Credit Analyst



Kendra Wandler
15 Years
Commercial Lender



Lindsey Haupt
10 Years
Member Services Rep II



Jody Shanks
5 Years
Manager, HR



Emilee Speight
5 Years
Financial Services Officer



Patty Rauch-Erickson
5 Years
Marketing Coordinator



Jamie Vandenberg
3 Years
Financial Services Officer



Craig Harman
3 Years
Manager, Finance

*When you stop living
at work and start
working at living...
Happy Retirement...*



Judi Tetley
20 Years of Service for
Rocky Credit Union





RCU Wealth Management

We are the Wealth Management Team at the Rocky Credit Union.

Jamie Vandenberg, Emilee Speight and Karianne Rodtka are dually employed with the Rocky Credit Union and Credential Asset Management Inc. as Mutual Fund Investment Specialists. Nancy Laperriere is the Manager for the Wealth Services department with Rocky Credit Union.

2020 has been a challenging year for everyone. There has been an impact to our community, province and our country. One of the beautiful things about being a part of a cooperative, it allows us to do whatever we can to help our members succeed and build our communities. We have been part of the ups and downs in the market place and watched individuals pull from their hard earned savings just to get by. The only constant is, we are all in this together. At RCU we offer sound investment advice to help our members grow their wealth and achieve financial goals that to some may seem far away. We all look forward to a better 2021 and want to see our members achieve successful retirements and positive financial goals. Our focus has always been and will always be to provide access to the best investment solutions for each individual's requirement. We care about our members past, present and future financial planning needs. Your success is our success.

In September 2019, we were pleased to offer our very first Women's Wealth & Wellness Day, where we focused on estate planning, retirement planning and physical wellbeing. This event also offered some interactive Kangoo and yoga demonstrations, as well as a marketplace for local and homebased businesses. We are excited to host this event again – when permitted.

Our goal is to see all of our members succeed financially, in each of life's milestones.

**Mutual funds are offered through Credential Asset Management Inc.*



Nancy Laperriere Manager, Wealth Services
Jamie Vandenberg Mutual Funds Investment Specialist
Emilee Speight Mutual Funds Investment Specialist
Karianne Rodtka Mutual Funds Investment Specialist

WOMEN'S Wealth and Wellness DAY
 Saturday

RETURNING SOON

- Health Presentations
- Kangoo Demo
- Brunch
- Motivational Speaker
- Shopping
- Swag Bags

Get your tickets early!

Tickets available at the Rocky Credit Union, 5035 - 49 Street, Rocky Mountain House, 403-845-2861, www.rockycreditunion.com

Credential Asset Management





OPINION:

The following Financial Report was extracted from the Financial Statements of the Rocky Credit Union Ltd. for the year ended October 31, 2020. The Financial Statements were audited by Metrix Group LLP Chartered Accountants who expressed an unmodified opinion on those statements on January 6, 2021.

The Report of the Independent Auditor on the Summary Financial Statements does not cover the other information presented in the Annual Report and the auditors have no specific responsibility for determining whether or not the other information is properly stated.

A complete set of Rocky Credit Union Ltd. Financial statements and notes can be obtained from the branch or online at www.rockycreditunion.com.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING:

These financial statements were prepared by the management of Rocky Credit Union Limited (the “Credit Union”) who are responsible for their accuracy, completeness and integrity. They were prepared in accordance with the requirements of the Credit Union Act (Alberta) and conform in all material respects with International Financial Reporting Standards.

Systems of internal control and reporting procedures are designed to provide reasonable assurance that the financial records are complete and accurate so as to safeguard the assets of the Credit Union. These systems include establishment and communication of standards of business conduct throughout all levels of the organization to provide assurance that all transactions are authorized and proper records are maintained. Internal control provides management with the ability to assess the adequacy of these controls. Further, they are reviewed by the Credit Union’s external auditors.

The Board of Directors has approved the financial statements. The Board, comprising seven directors who are not officers or employees of the Credit Union, has reviewed the statements with the external auditors in detail and received regular reports on internal control findings. Metrix Group LLP are the external auditors appointed by the membership. The external auditors have examined the financial statements of the Credit Union in accordance with Canadian generally accepted auditing standards. They have had full and free access to the internal audit staff, other management staff, and the Audit, Finance & Risk Committee of the Board. Their report appears herein.



To the Members of Rocky Credit Union Ltd.

The accompanying 2020 financial summary, which comprise the summary balance sheet as at October 31, 2020, the summary of the statements of net income and comprehensive income, changes in members’ equity and cash flows for the year then ended, are derived from the audited financial statements of Rocky Credit Union Ltd. for the year ended October 31, 2020. We expressed an unmodified audit opinion on those financial statements in our report dated January 6, 2021. Those financial statements, and the 2020 financial summary, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The 2020 financial summary does not contain all the disclosures required the International Financial Reporting Standards. Reading the 2020 financial summary, therefore, is not a substitute for reading the audited financial statements of Rocky Credit Union Ltd.

Management’s Responsibility for the 2020 Financial Summary

Management is responsible for the preparation of the 2020 financial summary in accordance with International Financial Reporting Standards.

Auditors’ Responsibility

Our responsibility is to express an opinion on the 2020 financial summary based on our procedures, which were conducted in accordance with International Standards on Auditing 810 - Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the 2020 financial summary, derived from the audited financial statements of Rocky Credit Union Ltd. for the year ended October 31, 2020 is a fair summary of those financial statements, in accordance with International Financial Reporting Standards.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
January 6, 2021


Randall Sugden


Craig Harman, CPA, CMA





Consolidated Statement of Financial Position as at October 31, 2020

ASSETS	2020	2019
Cash and cash equivalents	\$68,205,433	\$71,772,608
Investments	49,546,120	38,226,156
Member loans	256,713,704	256,343,306
Income taxes recoverable	172,479	236,814
Deferred income tax asset	392,481	281,230
Assets held for sale	711,377	130,763
Property and equipment	3,300,638	3,507,989
Intangible assets	36,571	29,491
Other assets	197,332	226,017
	<u>\$379,276,135</u>	<u>\$370,754,374</u>
LIABILITIES		
Member deposits	\$332,129,161	\$323,906,279
Accounts payable and accrued liabilities	580,444	716,861
	<u>\$332,709,605</u>	<u>\$324,623,140</u>
MEMBERS' EQUITY		
Dividends and Profit Share	1,396,358	1,501,909
Member shares	13,051,801	13,423,658
Retained earnings	<u>32,118,371</u>	<u>31,205,667</u>
	46,566,530	46,131,234
	<u>\$379,276,135</u>	<u>\$370,754,374</u>

Consolidated Statement of Income for the year ended October 31, 2020

	2020	2019
Interest income	\$10,398,524	\$11,475,282
Interest expense	(2,902,414)	(3,311,755)
Provisions	(531,154)	(252,487)
Financial margin after provisions	6,964,956	7,911,040
Other income	1,351,070	1,473,340
Gross margin	8,316,026	9,384,380
Operating expenses	(5,679,876)	(5,840,264)
Profit Share	(1,076,178)	(1,131,390)
Income before income tax	1,559,972	2,412,726
Income taxes	(405,517)	(596,560)
Net Income	<u>\$1,154,455</u>	<u>\$1,816,166</u>

Consolidated Statement of Cash Flows October 31, 2020

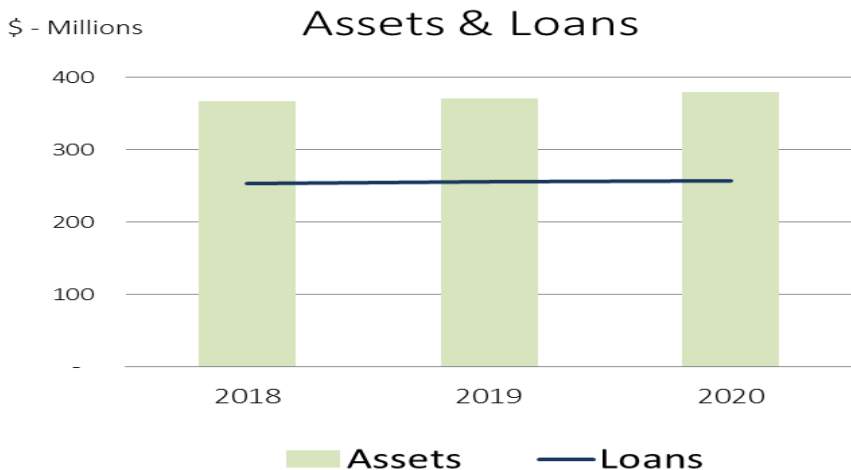
	2020	2019
Cash provided by operating activities	(\$2,791,847)	(\$15,158,937)
Cash provided by financing activities	(719,159)	(767,806)
Cash provided by investing activities	(56,169)	(95,965)
Increase (decrease) in cash and cash equivalents	(3,567,175)	(16,022,708)
Cash and cash equivalents, beginning of year	71,772,608	87,795,316
Cash and cash equivalents, end of year	<u>\$68,205,433</u>	<u>\$71,772,608</u>

Consolidated Statement of Changes in Member Equity for the year ended October 31, 2020

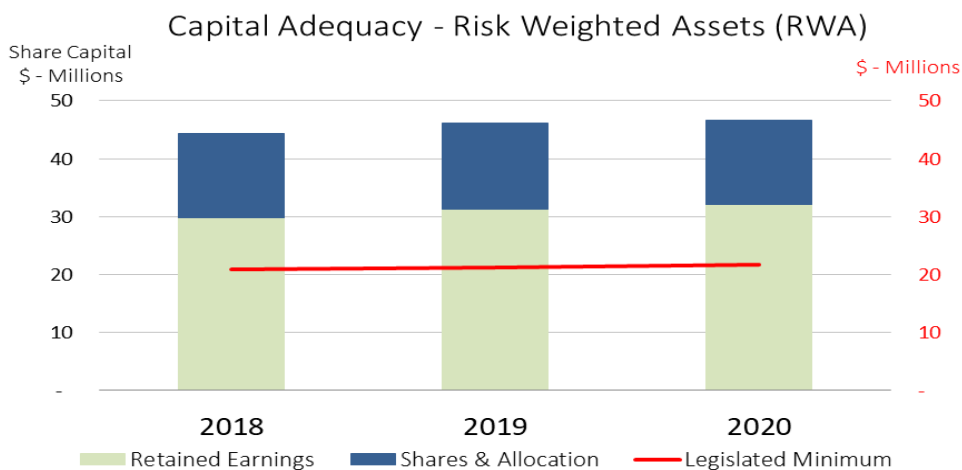
	Dividends and Profit Share Distributable	Member Shares	Retained Earnings	Total
Balance at October 31, 2019	\$1,501,909	\$13,423,658	\$31,205,667	\$46,131,234
Net and Comprehensive income	-	-	1,154,455	1,154,455
Dividends and Profit Share paid	(1,501,909)	321,149	-	(1,180,706)
Dividends declared	320,180	-	(320,180)	-
Profit Share accrued	1,076,178	-	-	1,076,178
Tax recovery on Dividends paid	-	-	78,429	78,429
Issuance of Member Shares	-	504,547	-	504,547
Redemption of Member Shares	-	(1,197,553)	-	(1,197,553)
Balance at October 31, 2020	<u>\$1,396,358</u>	<u>\$13,051,801</u>	<u>\$32,118,371</u>	<u>\$46,566,530</u>



Financials



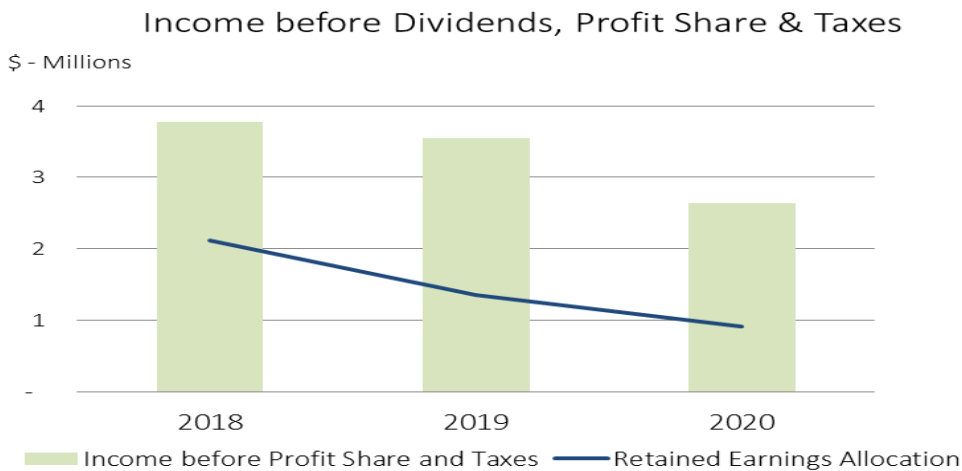
Against a challenging environment, Assets and Loans have been resilient, posting gains in each of the last 3 years.



Rocky Credit Union is Sound

The legislated requirement for capital to Risk Weighted Assets is 12.5%*. Rocky Credit Union has more than double the required amount of capital to RWA .

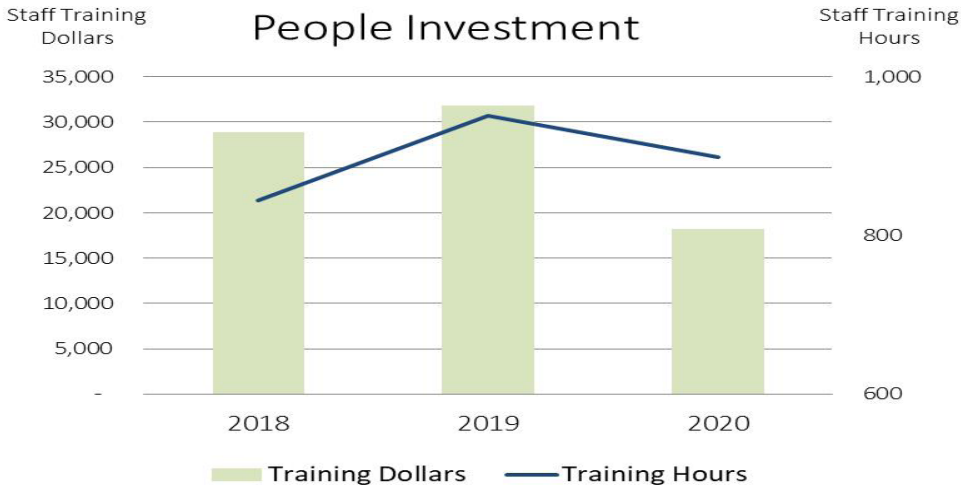
*including a 2.5% buffer



Solid local Earnings has allowed Rocky Credit Union to continue our Member Profit Share Program while contributing to our Retained Earnings.

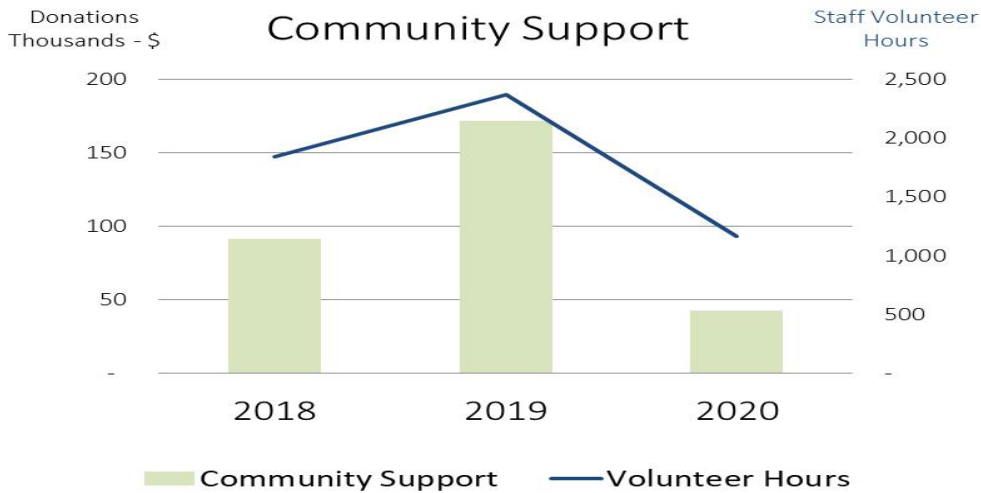


Community Impact



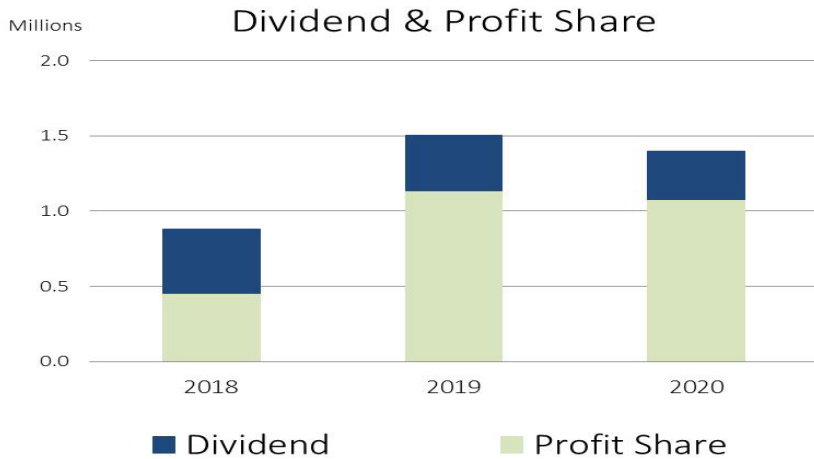
Our People remain a Core Value of our Credit Union

COVID impacted our traditional approach to Training in 2020.



Our Mission: "Actively involved in the future of our Members and Communities"

COVID Challenges Impacted our Direct Support to our Communities.

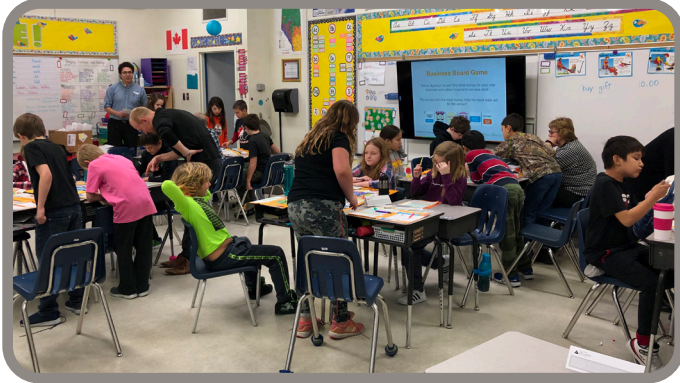


Earnings before Profit Share & Taxes remains consistent.

This has allowed us to focus on Profit Share or Cashback to our Members.



Financial Literacy - Junior Achievement



École Rocky Elementary Grade 4



École Rocky Elementary Grade 4



École Rocky Elementary Grade 5



École Rocky Elementary Grade 5

2020 Scholarships



Sydney Auld
RCU Apprenticeship Scholarship




Madison Brodie
RCU Business & Finance Scholarship




Mckenna Foesier
RCU Community Minded Scholarship




Abby Kadyk
RCU Member Academic Scholarship




Jenna Wade
RCU Business & Finance Scholarship



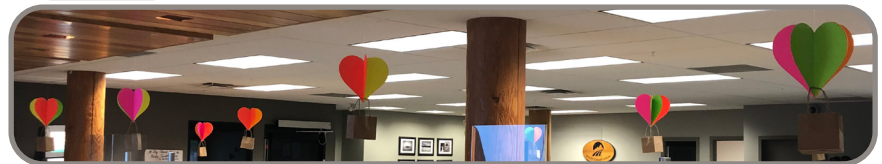
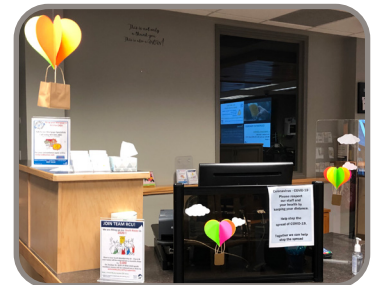
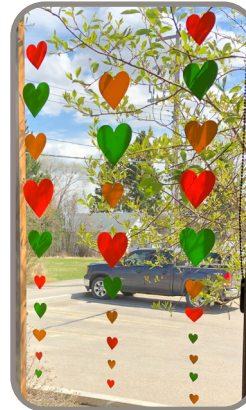
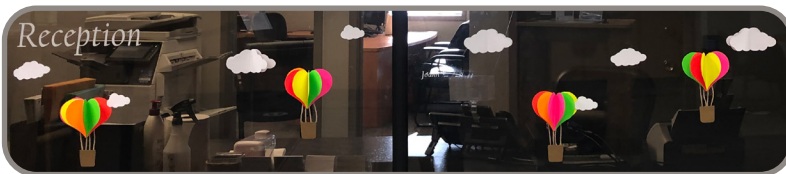


Heartworks - Rocky Health Foundation - supporting our frontline workers



Give a piece of your heart to our heroes on the frontline

403-847-6641
info@rockyhealthfoundation.ca

Cookies for Seniors' Week
Westview Lodge

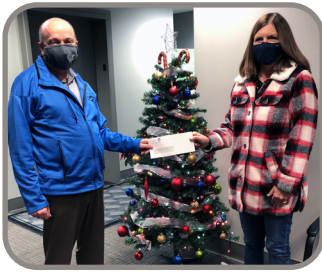


Cookies for Seniors' Week
Clearwater Centre





Believing in the future of our members and our community



Compassionate Care Hospice



The Lord's Food Bank



LFB Over Night Shelter



Rocky Health Care Foundation



Santa's Anonymous



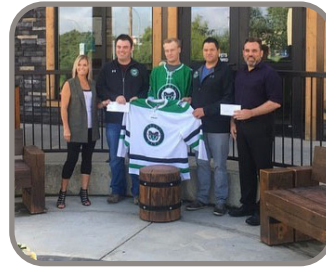
Western Star Sleighful of Gifts



Rocky North 4-H Multi-Club



Rocky South 4-H Beef Club



Rocky Rams Jr. B Heritage Hockey League



Mountain Rose Women's Shelter Association



Rocky Oilmen's Bonspiel



Rocky Minor Baseball Association



Rocky Public Library



Ladies' Curling Bonspiel



Rocky Chamber of Commerce



Farmerettes' Bonspiel



Rocky Rams Golf Tournament



Granny Alumni Bonspiel



Rocky Youth Rodeo Association



Market on Main Street



Rocky Mountain House Fish & Game Association



West Central High School Grad Ceremonies



Rocky Minor Hockey



Rocky Jr. Rebels Football



CELEBRATING GRADUATES of 2020

- Caroline High School
- David Thompson High School
- St. Dominic Catholic High School
- Sunchild School
- Vision West High School
- West Central High School

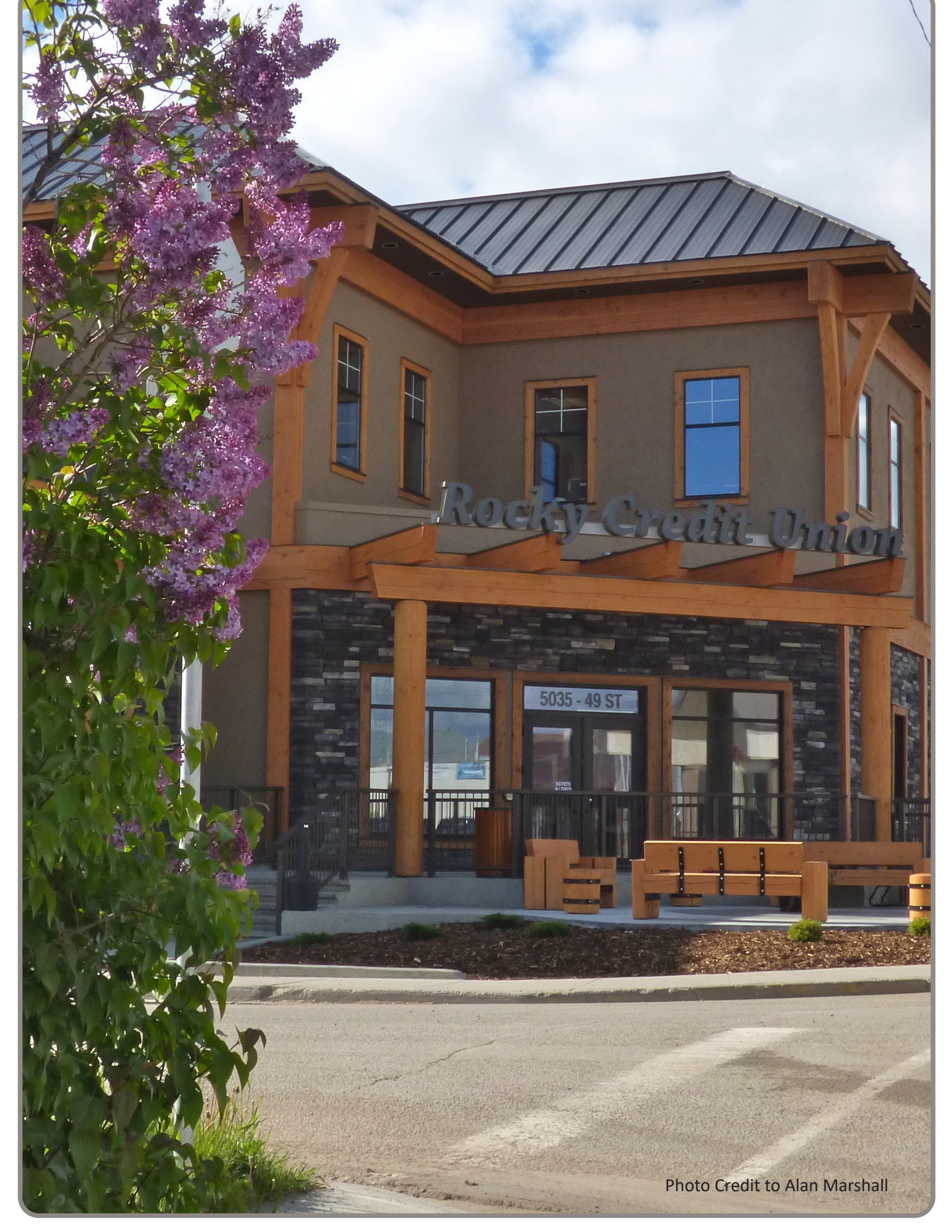


Shred-It-Day
International Credit Union Day



Westview Lodge - Tree Donation

NOTES



Rocky Credit Union

5035 - 49 ST

Photo Credit to Alan Marshall