

ROCKY
CREDIT
UNION



Annual Report

Audited Financial Statements

20
21

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 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



\$6.65 M Residential Mortgage Growth



In 16 years RCU has presented \$63,000 in Youth Scholarships



Growth in Membership



\$29.4 M Growth in Assets during 2021



In 3 years close to \$1 M back to members in Dividends

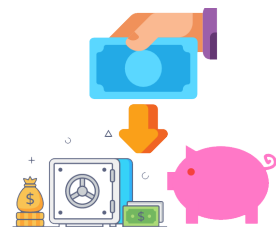
PROFIT SHARE



Total CASH BACK to members since 2018 \$3.6 M



Supporting local Businesses through Partnerships, Gift Cards purchases & Collaborations



\$28.9 M Growth in Deposits

Table of Contents

2	Mission, Vision & Value Statements
4	Message from the CEO & Board Chair
5	RCU Team
6	Years of Service
7	RCU Wealth Management
8-11	Auditor's Report
12	Financial Literacy
13	Community Partnerships & Appreciation
14-15	RCU Community Investments



Photo Credit to Donna Stewart

Message from the CEO & Board Chair

Welcome to Rocky Credit Union’s 2021 annual report, highlighting another successful year amid truly unprecedented circumstances as we continue to adapt to the pandemic. Rocky Credit Union endeavored to enhance the financial resilience for our members while creating a positive impact for our staffing group and our communities. We responded from a position of strength with the understanding that when times are tough, our members and communities need us most.

As member-owners, we are proud and grateful to know our credit union is different; we focus on using business as a force for good. Through uncertainty and challenges, we invested in the well-being of our employees, engaged with our members to strengthen their financial health, provided resources to community organizations and invested back into your credit union, positioning us for success for many years to come.

In 2021, we saw the conclusion of a number of projects and initiatives which brought significant change to our credit union, and we now move into the future with increased ability and a continued sense of purpose.

This focus, outlined in our strategic plan, details our continued pathway to a remarkable member-first experience, supported by digital solutions and access, and delivering great value and advice every day for our members. Over the past year we have introduced a number of new products and services to help meet these aspirations, but are most proud of Xpress, our new digital banking service for members. It brings a seamless and convenient online banking experience for members, complete with state of art features, all faster and more efficient.

This past year also saw the launch of our reinvigorated Wealth Team. The Wealth Team provides members with an innovative approach to investment advice and allows us to provide more personalized and proactive service to our members.

These were but a few of the initiatives that demonstrated our continued commitment to servicing our members’ best interests. Of course, the final piece to providing a remarkable member experience is embedded in our relationships. The relationships we enjoy with our members is the piece that connects our quality advice, great products and convenient digital offerings into one remarkable experience.

So how did we do? You, our member/owners appear to have embraced our initiatives. Your support enabled us to surpass \$400 Million in assets and produce healthy earnings of \$3.1M, before taxes and allocations. Your overwhelming support allowed us to continue giving back to our communities in the form of our Profit Share and Dividends program, contributing close to \$1.2 Million, in cash, back to you, our members.

Next, to each and every staff member, you have my heartfelt thanks. Without your dedication and commitment, this year could have had a very different outcome. When I am asked why I want to be on this board, the answer is always the people. You are the heart of the Rocky Credit Union.

With the close of 2021, we reflect on a year of progress, discovery and a continued commitment to our purpose of “Helping Members Succeed, Building Our Communities.”

Sincerely,

Bob Bryant,
Chair, Rocky Credit Union
of Directors

Randall Sugden,
CEO Rocky Credit Union Board

2021 Board of Directors



Robert Bryant
Board Chair



Robert Boodt
1st Vice Chair



Carson Stewart
2nd Vice Chair



Jerry Pratt



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

Left to Right: Stacey Speight, Patricia Mellot, Cheryl Brown, Dallas Gray, Haili Butler, Tyson Shortneck, Vanessa Lorentzen, Emilee Speight, Kendra Wandler, Hennie Webster, Melanie Velichka, Taya Belder, Karianne Rodtka, Darlene Morrow, Patty Rauch-Erickson, Megan Teskey, Rachelle Evans, Curtis Donald, Jodi Meston, Avery Pritchard, Barb Schooler, Jamie Vandenberg, Robin Montgomery, Melinda Lightbown

Missing: Michelle Cech, Mikala deBruyn, Kandis Jackson, Jeanie Nile, Nicole Schenk

Years of Service - 2021
Staff Milestones



Kim Kadyk
25 Years
Controller



Patricia Mellot
15 Years
Member Services Rep II



Rachelle Evans
15 Years
Loan Analyst



Megan Tesky
10 Years
Consumer Lender



Joann Thompson
10 Years
Executive Assistant &
Corporate Governance Officer



Curtis Donald
5 Years
Commercial Lender



Vanessa Lorentzen
5 Years
Sr. Member Services Rep



Tyson Shortneck
5 Years
Member Services Rep II



Karianne Rodtka
3 Years
Mutual Funds
Investment Specialist

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



Pam Burrington
20 Years of Service for
Rocky Credit Union



RCU Wealth Management

The Wealth Services Department offers Rocky Credit Union Investments as well as alternative investment options, such as Guaranteed Advantage and mutual fund investments. The Wealth Department has been successfully managed by Nancy Laperriere for the past 7 years.

Our 2022 Wealth Services Team includes; Jamie Vandenberg, Taya Belder and Karianne Rodtka who are all dually employed with the Rocky Credit Union and Credential Asset Management Inc. as Mutual Fund Investment Specialists. Emilee Speight holds the CERTIFIED FINANCIAL PLANNER® designation and is licensed as an Insurance Advisor as well as a Mutual Funds Investment Specialist. Emilee is employed through Credential Financial Strategies.



Nancy Laperriere	Manager, Wealth Services
Emilee Speight	Certified Financial Planner®
Taya Belder	Mutual Funds Investment Specialist
Jamie Vandenberg	Mutual Funds Investment Specialist
Karianne Rodtka	Mutual Funds Investment Specialist

Our Wealth Services Team understands the value of being a part of a Cooperative and continues to utilize the flexibility it provides to help our members succeed and build our communities. Since 2020, we have experienced many challenges in the marketplace and witnessed many individuals pull from their hard-earned savings just to get by. The only constant is that we are all in this together. Our Wealth Services Team offers sound investment advice to help our members grow their wealth and achieve their financial goals. We are looking forward to a better 2022 and are anticipating many successful retirements and positive financial goals being met by our members. Our focus has always been and will continue to be to provide the best investment solutions for everyone's individual requirements. We truly 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 *Womens' Wealth & Wellness Day*. This event focused on estate planning, retirement planning and physical wellbeing. It featured

various presenters, interactive kangoo and yoga demonstrations, as well as a marketplace for local and homebased businesses to promote themselves within the community. When permitted, we are excited to plan another event in order to continue to raise financial awareness to those in our communities.

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. Credential Financial Strategies Inc. offers financial planning, life insurance and investments to members of credit unions and their communities.***



OPINION:

The following Financial Report was extracted from the Financial Statements of the Rocky Credit Union Ltd. for the year ended October 31, 2021. The Financial Statements were audited by Metrix Group LLP Chartered Accountants who expressed an unmodified opinion on those statements on January 5, 2022.

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, have 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 2021 financial summary, which comprise the summary balance sheet as at October 31, 2021, 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, 2021. We expressed an unmodified audit opinion on those financial statements in our report dated January 5, 2022. Those financial statements and the 2021 financial summary do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The 2021 financial summary does not contain all the disclosures required by International Financial Reporting Standards. Reading the 2021 financial summary therefore is not a substitute for reading the audited financial statements of Rocky Credit Union Ltd.

Management’s Responsibility for the 2021 Financial Summary

Management is responsible for the preparation and fair presentation of the financial summary in accordance with International Financial Reporting Standards

Auditors’ Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Opinion

In our opinion, the accompanying financial summary, derived from the audited financial statements of Rocky Credit Union Ltd as at October 31, 2021 is a fair summary of those financial statements, in accordance with International Financial Reporting Standards.


Randall Sugden


Craig Harman, CPA, CMA

METRIX GROUP LLP
Chartered Professional Accountants

Edmonton, Alberta
January 5, 2022

Consolidated Statement of Financial Position as at October 31, 2021

ASSETS	2021	2020
Cash and cash equivalents	\$99,132,498	\$68,205,433
Investments	50,891,360	49,546,120
Member loans	254,679,434	256,713,704
Income taxes recoverable	231,226	172,479
Deferred income tax asset	143,172	392,481
Assets held for sale	-	711,377
Property and equipment	3,208,083	3,300,638
Intangible assets	333,199	36,571
Other assets	81,056	197,332
	<u>\$408,700,028</u>	<u>379,276,135</u>
LIABILITIES		
Member deposits	\$361,002,545	\$332,129,161
Accounts payable and accrued liabilities	559,728	580,444
	<u>\$361,562,273</u>	<u>\$332,709,605</u>
MEMBERS' EQUITY		
Dividends and Profit Share	1,173,634	1,396,358
Member shares	12,393,255	13,051,801
Retained earnings	33,570,866	32,118,371
	<u>47,137,755</u>	<u>46,566,530</u>
	<u>\$408,700,028</u>	<u>\$379,276,135</u>

Consolidated Statement of Income for the year ended October 31, 2021

	2021	2020
Interest income	\$8,909,563	\$10,398,524
Interest expense	(2,273,785)	(2,902,414)
Provisions	589,163	(531,154)
Financial margin after provisions	7,224,941	6,964,956
Other income	1,468,556	1,351,070
Gross margin	8,693,497	8,316,026
Operating expenses	(5,610,946)	(5,679,876)
Profit Share	(940,134)	(1,076,178)
Income before income tax	2,142,417	1,559,972
Income taxes	(510,127)	(405,517)
Net Income	<u>\$1,632,290</u>	<u>\$1,154,455</u>

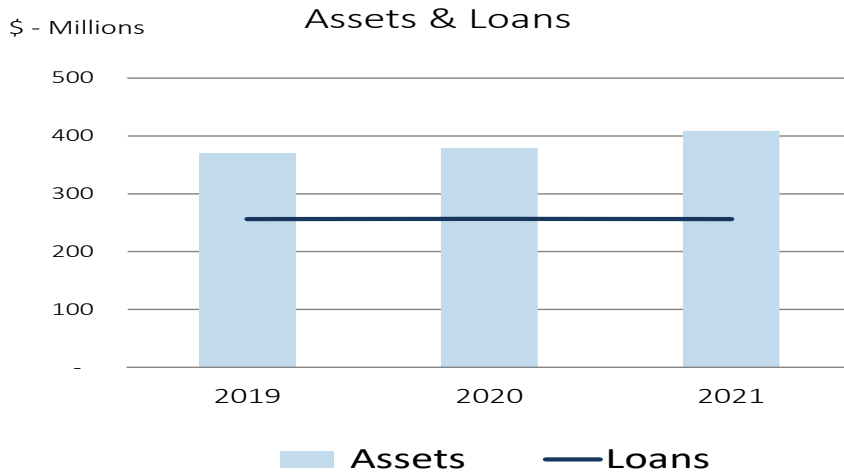
Consolidated Statement of Cash Flows October 31, 2021

	2021	2020
Cash provided by operating activities	\$32,388,630	(\$2,791,847)
Cash provided by financing activities	(1,061,065)	(719,159)
Cash provided by investing activities	(400,500)	(56,169)
Increase (decrease) in cash and cash equivalents	30,927,065	(3,567,175)
Cash and cash equivalents, beginning of year	68,205,433	71,772,608
Cash and cash equivalents, end of year	<u>\$99,132,498</u>	<u>\$68,205,433</u>

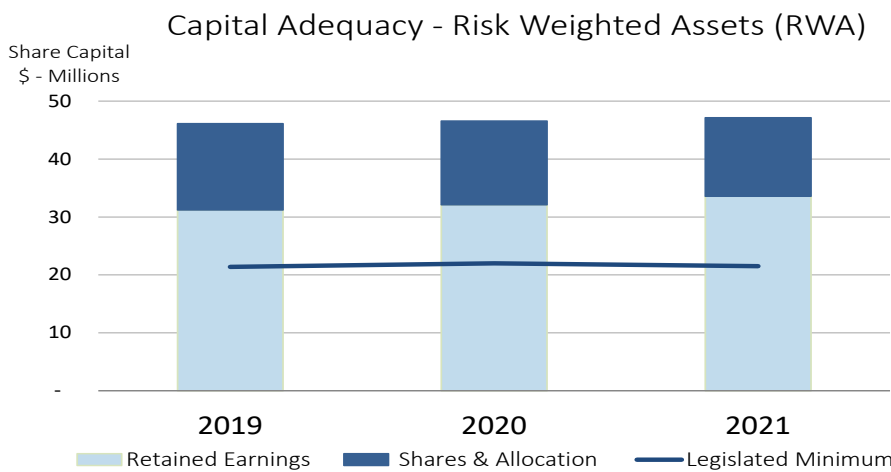
Consolidated Statement of Changes in Member Equity for the year ended October 31, 2021

	Dividends and Profit Share Distributable	Member Shares	Retained Earnings	Total
Balance at October 31, 2020	\$1,396,358	\$13,051,801	\$32,118,371	\$46,566,530
Net and Comprehensive income	-	-	1,632,290	1,632,290
Dividends and Profit Share paid	(1,396,358)	305,603	-	(1,090,755)
Dividends declared	233,500	-	(233,500)	-
Profit Share accrued	940,134	-	-	940,134
Tax recovery on Dividends paid	-	-	53,705	53,705
Issuance of Member Shares	-	849,462	-	849,462
Redemption of Member Shares	-	(1,813,611)	-	(1,813,611)
Balance at October 31, 2021	<u>\$1,173,634</u>	<u>\$12,393,255</u>	<u>\$33,570,866</u>	<u>\$47,137,755</u>

Financials

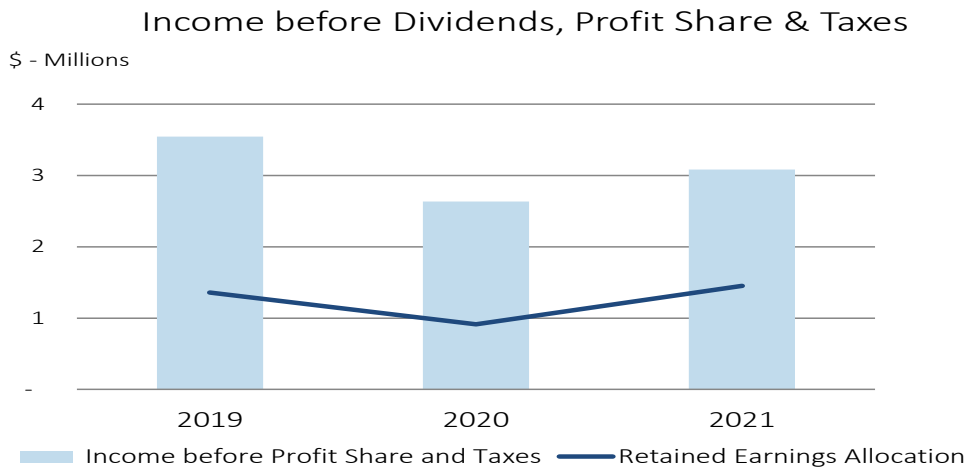


Against a challenging environment, Assets and Loans have been resilient over the last 3 years



Rocky Credit Union is Sound

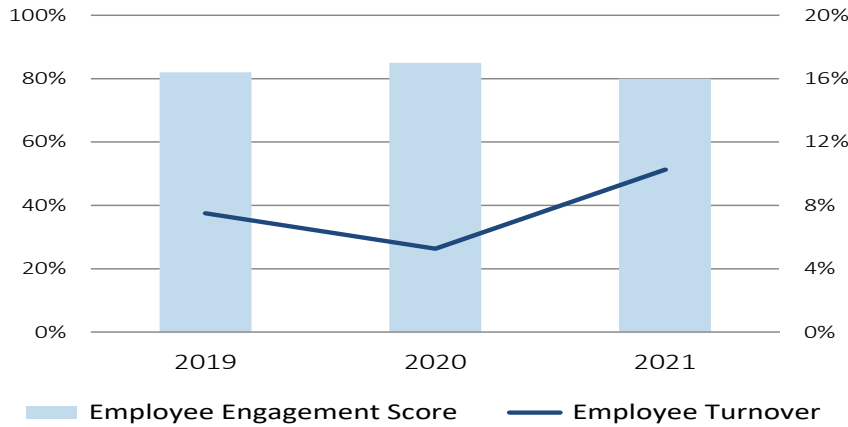
The legislated requirement for capital to Risk Weighted Assets is 12.5%*
Rocky Credit Union has more than double the required amount of capital to RWA
*including a 2.5% buffer



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

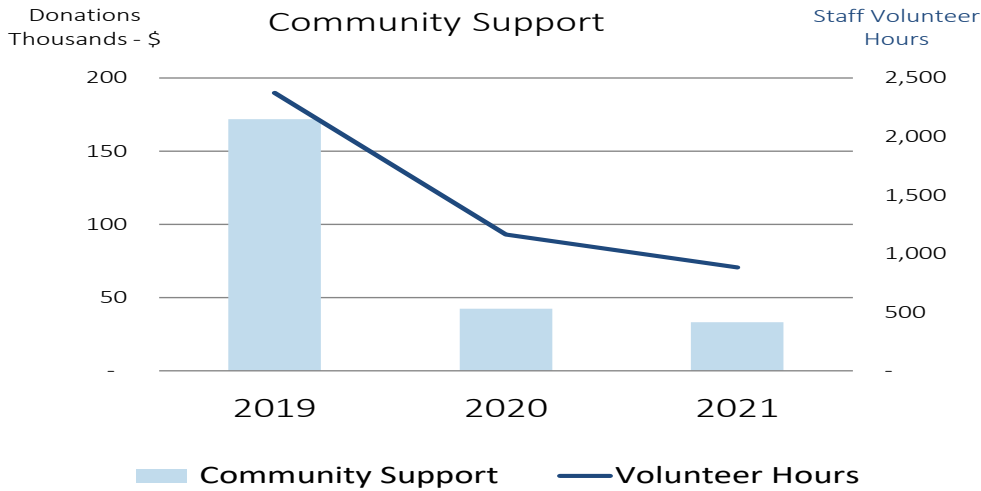
Community Impact

RCU Staff Engagement



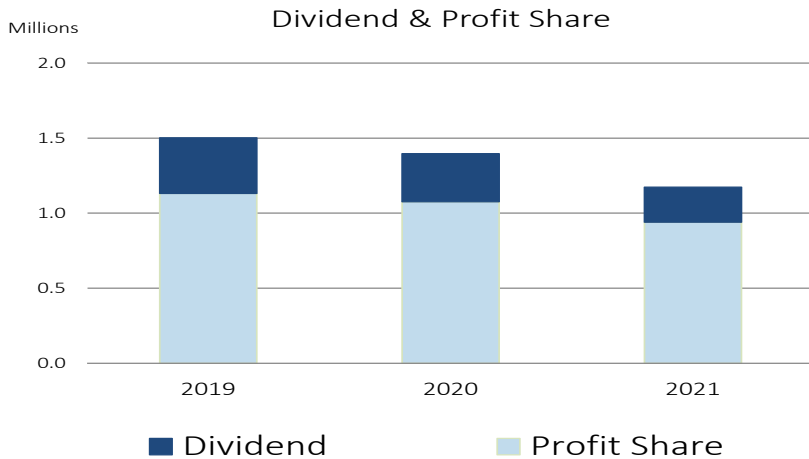
Our People remain a Core Value of our Credit Union

COVID impacted our traditional approach to Training



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

COVID Challenges Impacted our Direct Support to our Communities

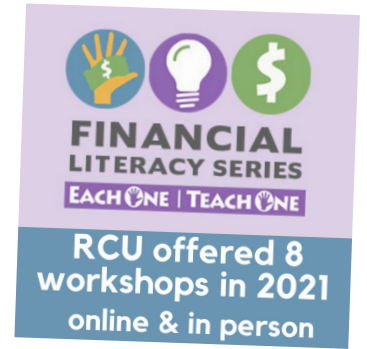
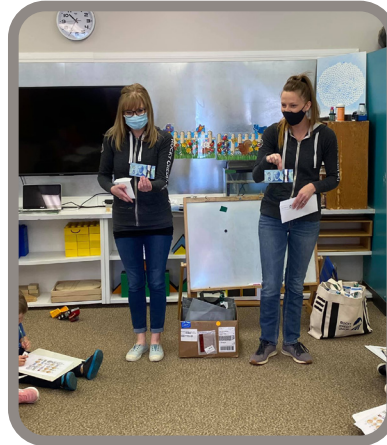
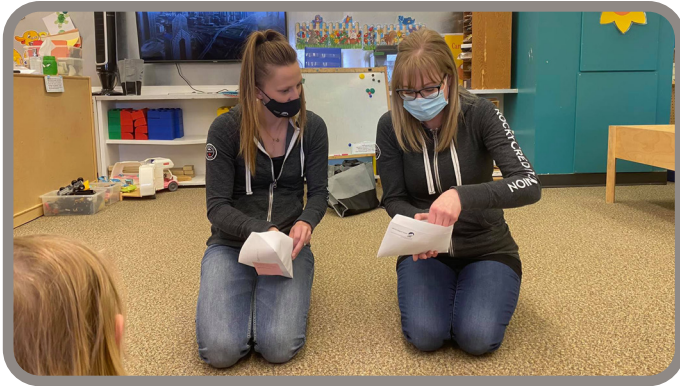


Earnings before Profit Share & Taxes remains consistent

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

Financial Literacy

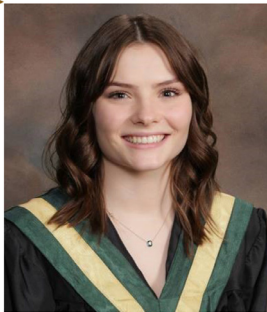
Cookie Jar Preschool



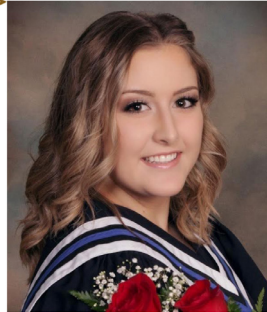
Community Connections Day Care



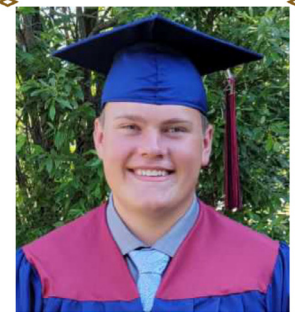
2021 Scholarships



Isabel Chambers
RCU Community Minded
Scholarship



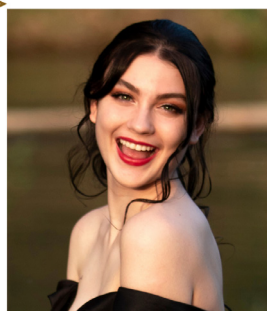
Rayelle Cooper
RCU Community Minded
Scholarship



Ian Stewart
RCU Apprenticeship
Scholarship



Hayley Dickson
RCU Member Academic
Scholarship



Brianna Laskosky
RCU Member Academic
Scholarship



Julianna Valstar
RCU Member Academic
Scholarship

Community Partnerships & Appreciation



Thanking Rocky Health Care Staff with coffee coupons



Thanking O'Chiese Health Care Staff with coffee coupons



Thanking Sunchild Health Care Staff with coffee coupons



Garbage Clean Up



Westview Lodge Weeding Flower Beds



Westview Lodge Weeding Flower Beds



Partnering with Mountain Mudd - coffee coupons



Westview Lodge 60th Anniversary Ice Cream Social



Water Bottles for E'cole Elementary School



Water Bottles for Pioneer School



Water Bottles for Sunchild School



Water Bottles for Rocky Christian School



Water Bottles for Caroline Elementary School



Water Bottles for Condor Elementary School



Water Bottles for O'Chiese Elementary School



Water Bottles for Lochearn Elementary School



Popcorn for Seniors' Week Westview Lodge



Popcorn for Seniors' Week GSS Clearwater Centre



Rocky Cinema making Popcorn for Seniors' Week



Seniors' Week Westview Lodge

Believing in the future of our members and our community



Mixed Bonspiel



Battle of the Rockies



Rocky Skate Park



Keyera Golf Tournament West Country Family Services



Central Alberta Pregnancy Care Centre



Rocky Ram's Alumni Golf Tournament



Rocky Mountain Chuckwagon Association



Rocky Rams Jr. B Heritage Hockey League



Bighorn Community Youth Group



Caroline Colts Minor Hockey Tournament



Rocky Kinsmen Fireworks



Rocky Public Library



Men's Curling Bonspiel



Foothills Society Mini Pow Wow



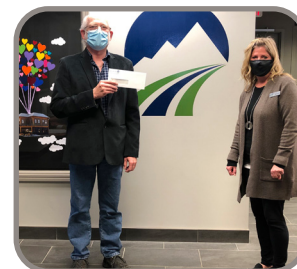
Rocky Lion's Club Demo Derby



Leslieville Elks Online Auction



Granny Alumni Bonspiel



Ferrier Community Association



Alberta Rose Caring Card Project



ROAR Society



West Central High School Grad Ceremonies



Rocky Christian School - Lighting Project
Installing Energy - Efficient lights in classrooms





CELEBRATING GRADUATES of 2021

- Caroline High School
- David Thompson High School
- O'Chiese School
- St. Dominic Catholic High School
- Vision West High School
- West Central High School



RCU presented \$1,000 Scholarships to 6 Students



Shred - It - Day
International Credit Union Day



Rocky Cinema Passes for
Parade of Lights

NOTES



Photo Credit to Alan Marshall