

ROCKY
CREDIT
UNION



Annual Report

Audited Financial Statements

20
22

Vision Statement

Helping Members Succeed
Building Our Communities

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



\$4.9 M Residential Mortgage Growth



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



Growth in Membership



7253 Members



\$16.4 M Growth in Assets during 2022



In 5 years \$1.7 M back to members in Dividends



\$4.6 M CASH BACK to members since 2018 in Profit Shares



Continuing to support our local Businesses through Partnerships, Purchasing Gift Cards, & Collaborations



\$14.8 M Growth in Deposits

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Photo Credit to Donna Stewart

Message from Board Chair

The onset of 2022 saw another year characterized by challenges and opportunities. At yearend, it served to be a successful year amid ever-changing circumstances. As your elected Board of Directors, we are committed to ensuring we provide the highest standards of care and good governance of our credit union. Over the last two years, your Board of Directors has missed engaging with you in person as we have in the past. It is wonderful to gather together and hear about your priorities and aspirations for our credit union.

It is my privilege to recap some of Rocky Credit Union's accomplishments during the previous year. We continued asking questions and gathering feedback through several members surveys this past year. The insight you have shared, is taken into consideration as we continually enhance our products and services. The most important goal is to make sure Rocky Credit Union remains convenient and easy for you to bank with.

No report is complete without the mention of our pride and joy, RCU Profit Share! This year, as in the past three, we gave back a 10% rebate of Interest Paid and a 10% bonus of Interest Earned, in cash, directly to your RCU account.

Each time we asked our team members to achieve a goal, they reached it, and then exceeded it! We had a goal to better last year's Volunteer Hours – we nearly doubled that to 1,570 hours. All of this hard work paid off as we experienced growth in many metrics including membership and loans. This solid footing gives us great confidence to face the challenges that 2023 will bring. Our long-term Audit, Risk & Finance Chair, Tom Morgan, relocated to Saskatchewan. As per our Bylaws, the Board appointed Ron Leaf to fulfill Tom's term.

This year marks my ninth year on RCU's Board, serving five as Chair. I step away from the board with a sense of comfort knowing that we have a dedicated and engaged staff, a strong Balance sheet and an ardent Board of Directors. It has been an honor to work with management and staff of Rocky Credit Union and to serve you the members. Thank You.

Sincerely,



Bob Bryant,
Chair, Rocky Credit Union
Board of Directors

2022 Board of Directors



Robert Bryant
Board Chair



Robert Boody
1st Vice Chair



Carson Stewart
2nd Vice Chair



Jerry Pratt



*Tom Morgan



*Ron Leaf



Linda Fredine



Terri-Lynn Johannesson

*Ron Leaf replaced Tom Morgan in ??? 2022

Message from CEO

At the onset of 2022, there was an element of uncertainty in our planning for financial performance, as well as curious excitement about what the future would hold. Throughout the year we did what we do best "Helping Our Members Succeed.....Building Our Communities." With all the hard work of our talented and dedicated staffing group, we showed strong financial results, and at yearend had assets under administration exceeding \$456 million.

We are pleased to share this financial success with our members, distributing more than \$1.3 million in the form of Profit Share and Dividends, in cash, into our members deposit accounts. Sharing financial rewards with our members has deep roots at Rocky Credit Union, and we make it a priority to give back to those who contribute to our success.

2022 saw the return of longstanding community events and the need for support to help them get up and running. Rocky Credit Union answered the call with close to 1,600 staff volunteer hours and more than \$63,000 in Community financial Support. We continued to salute our Youth with six \$1,000 Scholarships awarded.

I would like to thank the Board of Directors for their leadership and commitment, making Rocky Credit Union better. As importantly, I would like to express sincere thanks and appreciation to each staff member, for all of their work efforts and valuable contributions towards our successes.

Sincerely,



Randall Sugden,
CEO Rocky Credit Union

RCU Team



Leadership Group

Back Row: Craig Harman, Tanya OpdenDries, Mark Vos, Penny Forster, Ken Peterson, Randall Sugden

Front Row: Kim Kadyk, Joann Thompson, Angie French, Jody Shanks, Nancy LaPerriere

Missing: Justin Duncan

RCU Team



Our Greatest Assets

Back Row: Curtis Donald, Barb Schooler, Raynita Larouque, Rachelle Evans, Tyson Shortneck, Robin Montgomery, Jodi Meston, Karianne Soppit, Michelle Cech, Kendra Wandler, Delana DeJong, Darlene Morrow, Kalina White

Front Row: Vanessa Lorentzen, Patty Rauch-Erickson, Haili Butler, Cherryl Brown, Kandis Jackson, Chloe Stannard, Melanie Velichka, Jamie Vandenberg,

Missing: Taya Belder, Mikala deBruyn, Melinda Lightbown, Patricia Mellot, Angela Macdonald, Avery Pritchard, Nicole Schenk, Emilee Speight, Stacey Speight, Megan Teskey

Chair Thank You

Rocky Credit Union is saying farewell (but not goodbye!) to Robert (Bob) Bryant who has completed nine consecutive years of service, and as per our Bylaws, must step down. Bob, first elected to our Board 2014, completed the entire Credit Union Director Achievement courses covering Levels A, B and C, enabling him to better understand and fulfill his role. He is a proponent of prudent and sound business principles and strategic planning. He has served enthusiastically on every committee of the Board. In 2018 Bob assumed the role of Board Chair and ex officio on all committees.

On behalf of the Board, CEO, Executive, staff and members, we thank Bob for his leadership and commitment to Rocky Credit Union and wish him all the best in his future endeavors.

thank you

Years of Service - 2022 Staff Milestones



Nancy LaPerriere
15 Years
Manager, Member Experience



Ken Peterson
15 Years
VP Risk & Credit



Randall Sugden
15 Years
Chief Executive Officer



Michelle Cech
10 Years
Credit Analyst



Avery Pritchard
10 Years
Loan Analyst



Craig Harman
5 Years
Manager, Finance



Jamie Vandenberg
5 Years
Mutual Funds
Investment Specialist

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



Dan Burger
14 Years of Service for
Rocky Credit Union



Hennie Webster
19 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 Mutual Fund Investments. The Wealth Department has been successfully managed by Nancy Laperriere for the past eight years.

Our Wealth Services Team includes Jamie Vandenberg, Taya Belder and Karianne Soppit, who are all dually employed with the Rocky Credit Union and Credential Asset Management Inc. as Mutual Fund Investment Specialists. With Taya Belder going on Maternity Leave, we have welcomed Delanea DeJong to our Team, assisting with Rocky Credit Union investment needs while working towards her Mutual Fund license.

Emilee Speight holds the CERTIFIED FINANCIAL PLANNER® designation and is licensed as an Insurance Advisor with Credential Financial Strategies as well as a Mutual Funds Investment Specialist with Credential Asset Management Inc. Emilee is employed through Credential Financial Strategies and offers additional investment options such as the Guarantee Advantage product with Desjardins, and Mutual Fund Investments.

Our Wealth Services Team understands the value of being a part of a financial cooperative and continues to utilize the flexibility it provides to help our members succeed and build our communities. We are driven to offer sound investment advice to help our members grow their wealth and achieve their financial goals. We look forward to 2023, where our focus will continue to be, providing the best investment solutions for everyone's individual requirements. We truly care about our members; your success is our success.

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



Back Row:

Delanea DeJong

Financial Services Officer

Taya Belder

Financial Services Officer I Mutual Funds Investment Specialist*

Emilee Speight, CFP®

Insurance Advisor I Mutual Funds Investment Specialist**

Front Row:

Karianne Soppit, RRC®

Financial Services Officer I Mutual Funds Investment Specialist*

Jamie Vandenberg

Financial Services Officer I Mutual Funds Investment Specialist*

Nancy Laperriere

Manager, Wealth Services

****Mutual funds are offered through Credential Asset Management Inc. Unless otherwise stated, mutual fund securities and cash balances are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer that insures deposits in credit unions. **Credential Financial Strategies Inc. offers financial planning, life insurance and investments to members of credit unions and their communities. Financial planning services are available only from advisors who hold financial planning accreditation from applicable regulatory authorities.***

RCU Lending Services



The Lending Services Department offers Consumer, Commercial and Agricultural lending options, including mortgages, term loans and lines of credit. The Lending Department is overseen by Angie French, VP, Financial Services, and is managed by Justin Duncan.

Justin Duncan
Stacey Speight
Angie French
Kendra Wandler
Megan Teskey
Curtis Donald
Raynita Larocque

Manager, Lending Services
 Consumer Lender
 VP, Financial Services
 Sr. Commercial Lender
 Consumer Lender
 Commercial Lender
 Consumer Lender

Our 2023 Lending Services team includes Consumer Lending Officers: Stacey Speight, Megan Teskey and Raynita Larocque as well as Senior Commercial Lending Officer – Kendra Wandler, Commercial Lending Officer – Curtis Donald, and Commercial Credit Analyst – Michelle Cech. Together the Lending Services Team accounts for over 100 years of combined experience in the financial services industry.

Our Lending Services Team understands the value being part of a financial cooperative and are proud to contribute to support our members and build our communities. Through the economic challenges and uncertainties of the last few years, the value we place on the relationships with our members has been as important as ever. By understanding our member's full financial picture, we provide quality advice and education to help our members reach their goals. This has included working with members for several years, guiding them through the necessary steps to help them realize their dream of owning their own

home. Other examples include helping members refinance their mortgages or obtain debt consolidation loans to keep payments manageable during these recent uncertain times. Our Lending Services Team understands that our members value accessible and efficient service and we strive to deliver that by being available for appointments that work for our members and leveraging our expertise to produce quick turnaround times for financing.

Helping our members succeed is our top priority and we look forward to continuing to provide advice and financing to help them reach their goals in the coming year ahead.

**ROCKY
CREDIT
UNION**



The following Financial Report was extracted from the Financial Statements of the Rocky Credit Union Ltd. for the year ended October 31, 2022. The Financial Statements were audited by Metrix Group LLP Chartered Accountants who expressed an unmodified opinion on those statements on January 11, 2023.

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 2022 financial summary, which comprise the summary balance sheet as at October 31, 2022, 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, 2022. We expressed an unmodified audit opinion on those financial statements in our report dated January 11, 2023. Those financial statements and the 2022 financial summary do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The 2022 financial summary does not contain all the disclosures required by International Financial Reporting Standards. Reading the 2022 financial summary therefore is not a substitute for reading the audited financial statements of Rocky Credit Union Ltd.

Management's Responsibility for the 2022 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, 2022 is a fair summary of those financial statements, in accordance with International Financial Reporting Standards.



Randall Sugden



Craig Harman, CPA, CMA



Chartered Professional Accountants

Edmonton, Alberta
January 11, 2023

Consolidated Statement of Financial Position as at October 31, 2022

ASSETS	2022	2021
Cash and cash equivalents	\$45,029,785	\$99,132,498
Investments	120,094,363	50,891,360
Member loans	256,212,208	254,679,434
Income taxes recoverable	-	231,226
Deferred income tax asset	227,983	143,172
Assets held for sale	-	-
Property and equipment	2,984,896	3,208,083
Intangible assets	296,456	333,199
Other assets	170,738	81,056
	<u>\$425,016,429</u>	<u>\$408,700,028</u>
LIABILITIES		
Member deposits	\$375,829,577	\$361,002,545
Accounts payable and accrued liabilities	851,110	559,728
	<u>\$376,680,687</u>	<u>\$361,562,273</u>
MEMBERS' EQUITY		
Dividends and Profit Share	1,287,388	1,173,634
Member shares	12,234,100	12,393,255
Retained earnings	<u>34,814,254</u>	<u>33,570,866</u>
	<u>48,335,742</u>	<u>47,137,755</u>
	<u>\$425,016,429</u>	<u>\$408,700,028</u>

Consolidated Statement of Income for the year ended October 31, 2022

	2022	2021
Interest income	\$10,125,857	\$8,909,563
Interest expense	(2,475,516)	(2,273,785)
Provisions	(316,553)	589,163
Financial margin after provisions	7,333,788	7,224,941
Other income	1,460,134	1,468,556
Gross margin	8,793,922	8,693,497
Operating expenses	(5,890,760)	(5,610,946)
Profit Share	(965,550)	(940,134)
Income before income tax	1,937,666	2,142,417
Income taxes	(446,463)	(510,127)
Net Income	<u>\$1,491,203</u>	<u>\$1,632,290</u>

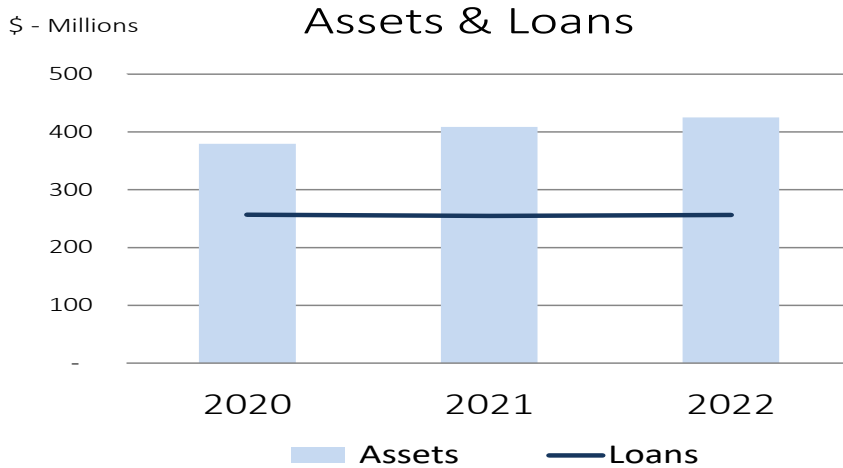
Consolidated Statement of Cash Flows October 31, 2022

	2022	2021
Cash provided by operating activities	\$53,772,875	\$32,388,630
Cash provided by financing activities	(293,213)	(1,061,065)
Cash provided by investing activities	(36,622)	(400,500)
Increase (decrease) in cash and cash equivalents	(\$54,102,713)	30,927,065
Cash and cash equivalents, beginning of year	99,132,498	68,205,433
Cash and cash equivalents, end of year	<u>\$45,029,785</u>	<u>\$99,132,498</u>
	<u>\$68,205,433</u>	

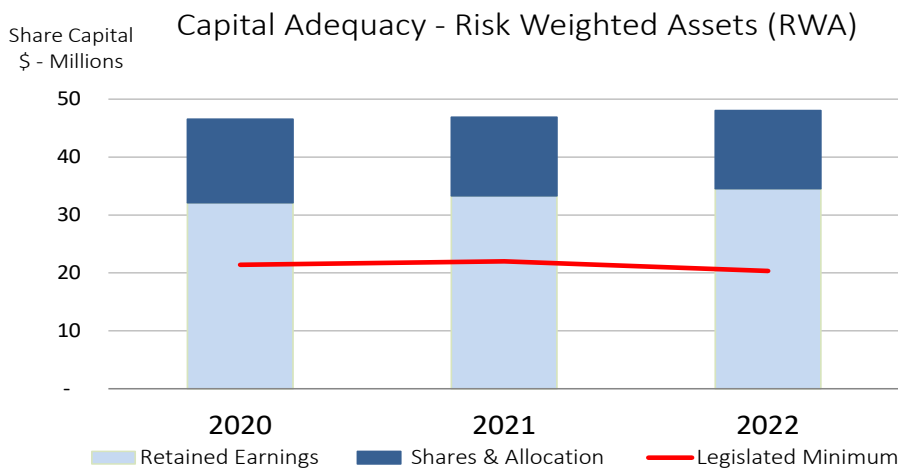
Consolidated Statement of Changes in Member Equity for the year ended October 31, 2022

	Dividends and Profit Share Distributable	Member Shares	Retained Earnings	Total
Balance at October 31, 2021	\$1,176,634	\$12,393,255	\$33,570,866	\$47,137,755
Net and Comprehensive income	-	-	1,491,203	1,491,203
Dividends and Profit Share paid	(1,173,634)	234,419	-	(939,215)
Dividends declared	321,838	-	(321,838)	-
Profit Share accrued	965,550	-	-	965,550
Tax recovery on Dividends paid	-	-	74,023	74,023
Issuance of Member Shares	-	62,681	-	62,681
Redemption of Member Shares	-	(456,255)	-	(456,255)
Balance at October 31, 2022	<u>\$1,287,388</u>	<u>\$12,234,100</u>	<u>\$34,814,254</u>	<u>\$48,335,742</u>

Financials

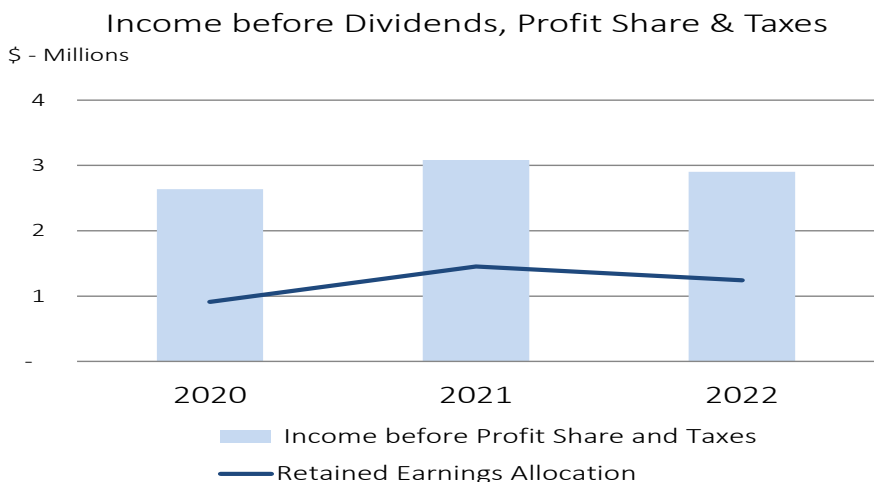


Against a challenging environment, Assets and Loans have been resilient



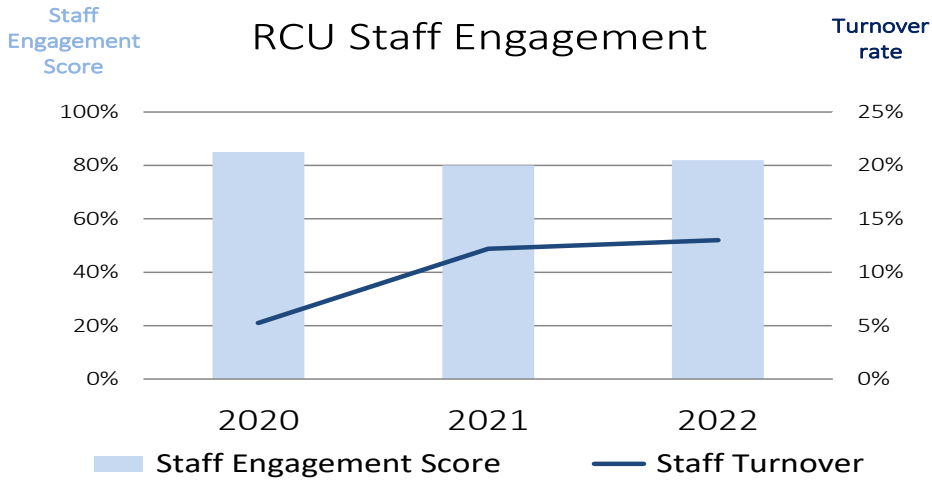
Rocky Credit Union is Sound

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

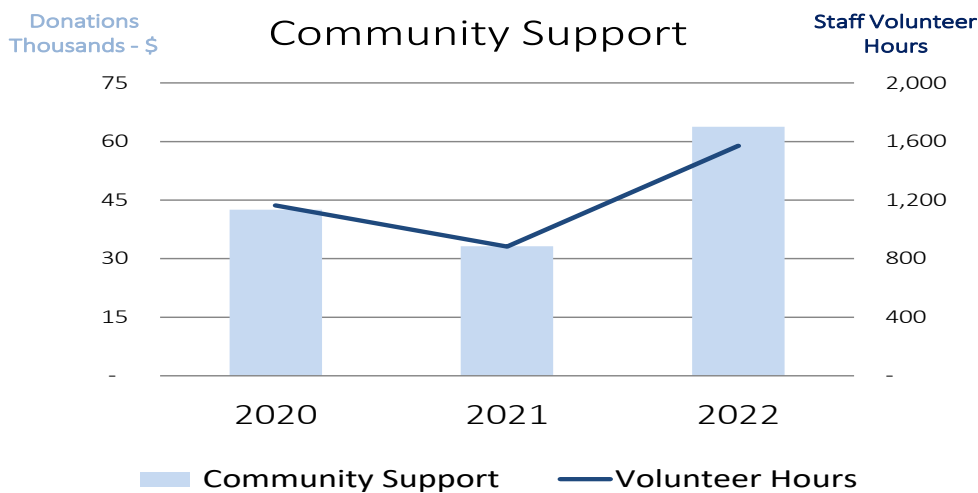


Solid local Earnings has allowed Rocky Credit Union to continue our Member Profit Share Program while contributing to our Retained Earnings

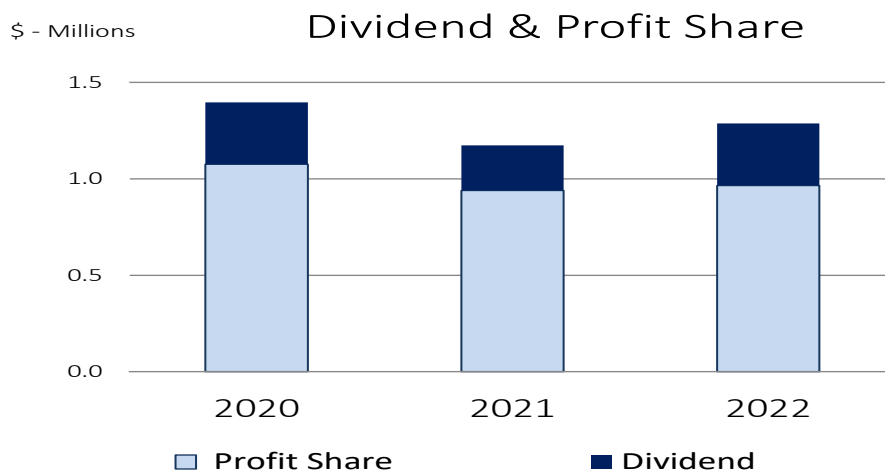
Community Impact



Our People remain a Core Value of our Credit Union



Our Mission:
“Actively involved in the future of our Members and 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 Achievers E'Cole Rocky Elementary



Community Connections Day Care



Cookie Jar Playschool



2022 Scholarships



Blake Wedman
RCU Community Minded
Scholarship



Jaymee Lor Pansacala
RCU Community Minded
Scholarship



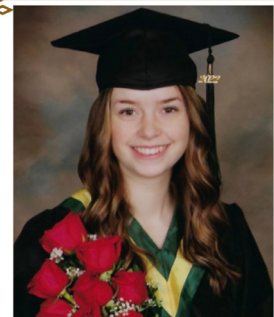
Wyatt Wright
RCU Community Minded
Scholarship



Alexis Heggart
RCU Member Academic
Scholarship



Christopher deRaadt
RCU Business or Finance
Scholarship



Hannah Dietz
RCU Business or Finance
Scholarship



RCU Community Investments

Winterfest & Polar Bear Dip



Foothills Society - Healing Round Dance



Educational Ag Tour (EAT) - Rocky Ag Society



Centennial Celebration @ Ecole Rocky Elementary



Men & Ladies Bonspiel



Ice Breaker Bonspiel



Rocky Rams Alumni Golf Tournament



RCU Community Investment

Market on Main



Foothills Society Pow Wow



Cattlemen's Day



Clearwater Centre BBQ



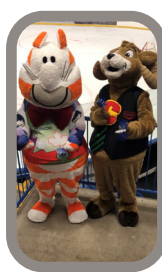
Kids Carnival



Amazing Race



Rocky Rams Jr. Teddy Bear Toss



Leslieville Block Party



The Lord's Food Bank



Positive Ticket Program



Community Partnerships & Appreciation



Rocky Figure Skating Club



Winterfest Polar Bear Dip



Brandon Bigchild Memorial Bull Riding



Wagon Champions Battle of the Rockies



Caroline Bighorn Stampede



Friends of St. Mathew Society



Thompson Country Pony Club



Wild Pony Races Battle of the Rockies



Rocky Ag Society EAT Program



GET Balance Athletics



Caroline Small Town Smack Down



Scot Hornstra Memorial Golf Tournament



Compassionate Care Hospice Society Walk-a-thon



David Thompson High School



Rocky Pro Rodeo



Team Croft Ladies Curling Provincials



Rocky 4-H Beff Trophy Committee



Rocky Trappers Association



Foothills Society Round Dance



Caroline Dance West

Believing in the future of our members and our community



Canada Day Committee



Leslieville Block Party



Spur for the Cure



Cattleman's Day



Legion Memorial Golf Tournament



Central Alberta Pregnancy Care Centre



Rocky Ram's Alumni Golf Tournament



Rocky Mountain Chuckwagon Association



Rocky Rams Jr. B Heritage Hockey League



Ice Melter Bonspiel Rocky Curling Club



Caroline Colts Minor Hockey Tournament



Ladies Bonspiel Rocky Curling Club



Compassionate Care Hospice Society



Caroline Parade



Foothills Society Mini Pow Wow



Rocky Lion's Club Demo Derby



Leslieville Elks Online Auction



Granny Alumni Bonspiel



Rocky Museum



Rocky & Rimbey Youth Rodeo



Rocky Band Parents



West Central High School Grad Ceremonies



Rocky Skate Park

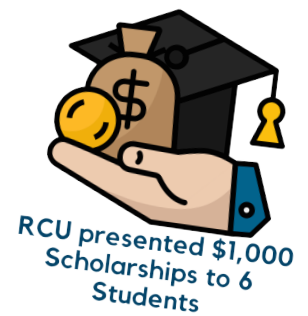


Rocky Motorcycle Club



CELEBRATING GRADUATES of 2022

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



Shred - It - Day in Spring
Rocky Mountain Bike Park Society



Shred - It - Day on International Credit Union Day
Friends of St Mathew Society Playground Enhancement

NOTES



Photo Credit to Alan Marshall