

Board Chair and General Manager Report

On behalf of the Board of Directors and all our employees, we would like to extend our appreciation to you, our Members, for your continued support.

Columbia Valley Credit Union had another successful year in 2014. Our local economy improved and the housing market saw good activity resulting in an increased demand for mortgages and good growth for our loan products. This complemented our strategy to lend out our excess liquidity for a better return on our investments.

As a result of our increased income, we were able to return \$473,000 in shareholders' interest and loan rebates. The loan rebates represented a 7% return to Commercial and Retail borrowers.

\$150,000 was also donated this year to support organizations, events, and non-profits in our community. Our staff continues to be involved in our community through active participation in service clubs, organizations and local schools.

We increased our school bursaries to \$10,000, four of \$2,500 to help our youth with their education expenses. We also delivered educational sessions at the Golden Secondary School to prepare our youth for their financial future.

We would also like to recognize our Board for their continued direction and dedication to Columbia Valley Credit Union. This past year the Board spent considerable time and effort to adopt the new Governance guidelines issued from the Financial Institutions Commission of British Columbia. Many hours were spent in training and workshops to ensure our Governance supports the continued success of our Credit Union.

The Board also supported the Junior Achievement Program with Chair Paul Ricard and Vice Chair, Scott King, teaching work readiness, financial literacy and entrepreneurship to two Grade 10 classes at the Golden Secondary School. Junior Achievement is an International non-profit agency dedicated to inspiring today's youth to succeed in a global economy. Programs are unique in that they are delivered in class by a local business volunteer and encourage community awareness and interaction.

The Columbia Valley Credit Union continues to be at the forefront of technology, enhancing our existing banking systems, allowing for improved access and additional services to our membership including smart phone banking, Interac e-Transfers and Deposit Anywhere™.

In 2015 we will be celebrating 60 years as the Columbia Valley Credit Union! We are looking forward to the party and the opportunity to thank our Members for their continued loyalty.



Paul Ricard
Board Chair



Sharon Eddy
General Manager

Vision Statement

A community focused,
member owned credit union
working together
to achieve success.

Mission Statement

Meeting the financial needs of our
members within the Columbia Valley.

Guiding Principles

Serving members is the primary
purpose of our existence.

We provide exceptional,
customized service.

We act with integrity and sincerity.

We never stop learning.

We continuously innovate.



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2014 Annual Report



PHOTO BY: BEST IMPRESSIONS PHOTOGRAPHY



2014 Donations

We are proud to support local events and projects that enhance the social, economic and cultural vitality of the Columbia Valley. In 2014 Columbia Valley Credit Union Donated \$150,000 to organizations in the Columbia Valley:

- Brain Injury Association of Canada
- Canadian Cancer Society
- Childcare Resource and Referral Golden
- Early Learning & Care Stakeholder Action Group
- Federation of Woodlot Associations
- Golden & District Community Foundation
- Golden Car Show
- Golden Community Resources Society
- Golden Cycling Club
- Golden Dolphin Swim Club
- Golden Food Bank
- Golden Golf & Country Club
- Golden Golf & Country Club Ladies Tournament
- Golden Light Horse Club
- Golden Museum
- Golden Nordic Ski Club Youth Program
- Golden Rotary Club
- Golden Secondary School Boys Basketball
- Golden Snowmobile Trail Society
- Golden Ultra Race
- Golden Women's Resource Center
- Kicking Horse Country Chamber of Commerce
- Kicking Horse Culture
- Lions Club CNIB Golf Tournament
- McDonalds McHappy Day
- Metis Nation Fiddle Program for Youth
- Mountain Shrine Club
- Nicholson Elementary School Victoria Trip
- Parson Community Hall
- RCMP Annual Golf Tournament
- Rocky Mountain School District 6 Breakfast Program
- Rotary Club of Golden Silent Auction
- The Royal Canadian Legion
- Spilli-Chilli Cook Off Music
- STARS
- Success by 6
- Tourism Golden
- Golden Minor Hockey
- Variety Children's Charity

Independent Auditor's Report

To the Members of Columbia Valley Credit Union

We have audited the accompanying financial statements of Columbia Valley Credit Union, which comprise the statement of financial position as at December 31, 2014 and the statements of income and retained earnings and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Columbia Valley Credit Union as at December 31, 2014 and the results of its operations and its cash flow for the year then ended in accordance with International Financial Reporting Standards.


Adams Wooley
Certified General Accountants


Cranbrook, BC
March 2, 2015

Summary Consolidated Statement of Financial Position

December 31, 2014

| | 2014 | 2013 |
|--|-----------------------|-----------------------|
| Assets | | |
| Cash and Term Deposits | \$ 57,133,753 | \$ 61,071,032 |
| Investments | 1,005,697 | 1,091,181 |
| Member Loans | 81,384,654 | 76,372,609 |
| Property Held for Resale | - | 450,000 |
| Property, Plant and Equipment | 2,610,006 | 2,234,810 |
| Intangible Assets | 32,779 | 27,212 |
| Other Assets | 72,443 | 81,356 |
| | <u>\$ 142,239,332</u> | <u>\$ 141,328,200</u> |
| Liabilities and Members' Equity | | |
| Accounts Payable and Accrued Liabilities | \$ 419,338 | \$ 699,384 |
| Member Deposits | 127,333,287 | 126,955,164 |
| Deferred Income Taxes | 30,331 | 62,957 |
| | <u>127,782,956</u> | <u>127,717,505</u> |
| Members' Equity | | |
| Share Capital | 106,626 | 106,274 |
| Retained Earnings | 14,349,750 | 13,504,421 |
| | <u>14,456,376</u> | <u>13,610,695</u> |
| | <u>\$ 142,239,332</u> | <u>\$ 141,328,200</u> |

On behalf of the board,


Atma Sander, Director


Connie Barlow, Director

Statement of Income and Retained Earnings

Year Ended December 31, 2014

| | 2014 | 2013 |
|---|----------------------|----------------------|
| Interest Income | | |
| Interest from Loans | \$ 3,356,411 | \$ 3,572,372 |
| Interest from Investments | 1,482,874 | 1,419,782 |
| | <u>4,839,285</u> | <u>4,992,154</u> |
| Interest and Loan Related Expenses | <u>1,631,874</u> | <u>1,754,151</u> |
| Financial Margin | 3,207,411 | 3,238,003 |
| Expenses | | |
| Operating Expenses | 2,649,859 | 2,853,769 |
| | <u>557,552</u> | <u>384,234</u> |
| Income from operations | | |
| Other Income (Expenses) | | |
| Service Fees, Commissions and Rental Recoveries (Losses) on Loans and Property for Resale | 660,930 | 685,673 |
| Processing and Handling Fees | 119,949 | (39,159) |
| | <u>(79,617)</u> | <u>(90,846)</u> |
| | <u>701,262</u> | <u>555,668</u> |
| Income Before Income Taxes and Rewards to Members | 1,258,814 | 939,902 |
| Income Taxes | | |
| Current | 218,180 | 154,141 |
| Deferred | (32,626) | (19,104) |
| | <u>185,554</u> | <u>135,037</u> |
| Income Before Rewards to Members | 1,073,260 | 804,865 |
| Rewards to Members | 227,931 | 51,657 |
| Net Income | 845,329 | 753,208 |
| Retained Earnings - Beginning of Year | 13,504,421 | 12,751,213 |
| Retained Earning - End of Year | <u>\$ 14,349,750</u> | <u>\$ 13,504,421</u> |

Full financial statements with accompanying notes and a comprehensive annual report are available in branch or upon request.