



# IN'09

Integrus Credit Union  
**2009 Annual Report**



**INTEGRIS CREDIT UNION** 

Banking | Insurance | Financial Planning

## Table of Contents

Senior Management / Board of Directors.....	3
Branch Information .....	4-5
We're Number 2! .....	6
Community Engagement.....	7
A Message from our CEO, Brain.....	8-9
Consolidated Financial Statements .....	10-11
Notice of Annual General Meeting / Agenda .....	12 (Back Cover)

## Mission Statement

"We are committed to enhancing the well-being of our members, staff and communities."

## Vision Statement

"To be our members' first choice for banking, insurance and financial planning services in our communities."

## Integrus Credit Union Profile

### Communities

Clinton, Fort St. James, Prince George, Quesnel, Vanderhoof

### Total Funds Under Administration

\$937 million

### Number of Employees

181



### Senior Management (L-R)

Ken Dickson Chief Operating Officer  
Brian Bentley Chief Executive Officer  
Lorne Calder Chief Financial Officer



### Board of Directors

**Back Row (L-R)**  
Gene Mitran Corporate Secretary  
Peter Valk Member at Large  
Robin Fennell  
Bruce Steele  
Keith Brain 2nd Vice Chair  
Noella Herod  
Wendy Schmidt 1st Vice Chair

**Front Row (L-R)**  
LeRoy Vossler Chair  
Dave Barry  
Gerry ten Wolde  
Mark Churchill  
Curtis Boucher

# Branch Information

## Corporate Office

1532 6th Avenue  
Prince George, B.C. V2L 5B5

### [1] Town Centre Branch

Manager: Kelly Zammit  
1532 6th Avenue  
Prince George, B.C. V2L 5B5  
Phone: 250-612-3456

### [2] 5th & Ahbau Branch

Manager: Brenda Astorino  
#205 - 513 Ahbau Street  
Prince George, B.C. V2M 3R8  
Phone: 250-612-3456

### [3] River Point Branch

Manager: John Stevens  
#100 - 2150 Ferry Avenue  
Prince George, B.C. V2N 0B1  
Phone: 250-612-3456

### [4] Fort St. James Branch

Manager: Joan Burdeniuk  
602 West Stuart Drive, Box 1360  
Fort St. James, B.C. V0J 1P0  
Phone: 250-996-8667

### [5] Vanderhoof Branch

Manager: Audrey Carlson  
186 West Columbia Street, Box 628  
Vanderhoof, B.C. V0J 3A0  
Phone: 250-567-4737

### [6] Quesnel Branch

Manager: Sheri Coles  
253 Reid Street  
Quesnel, B.C. V2J 2M1  
Phone: 250-992-9216

### [7] Clinton Branch

Manager: Angie Cahill  
1507 Highway 97 North, Box 549  
Clinton, B.C. V0K 1K0  
Phone: 250-459-2173

For more information, visit our  
website [www.integriscu.ca](http://www.integriscu.ca)



Town Centre Branch Staff



Town Centre Branch Administration Staff



# We're Number 2!

Integrus Credit Union placed 2nd in BCBusiness Magazine's "2009 Best Companies to Work for in B.C." in the over 100 employees category.

The following quotes were included in a promotional feature prepared for Integrus Credit Union by BCBusiness Magazine's Special Advertising Features Dept. Writer: Corey Van't Haaff. March 2010.

"Upon graduating university, I sought a career in which my work would make a difference," he adds. "Credit unions have it all: commitment to communities, to employees and to an ethical product. With a political science degree, I had doubts about a career in finance but I soon discovered that credit union banking is less about finance and more about relationships. I am lucky to have connected with the credit union movement and with Integrus in particular."

- Dan Wingham, Development Officer, Services and Sales

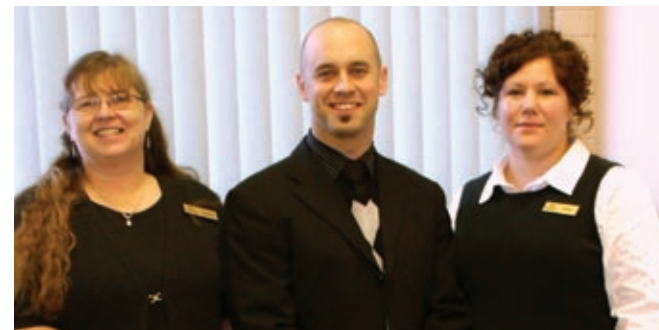
"It is the best company I have ever worked for. I come to work knowing that I am respected to the point of family. I will stay here because of how I'm treated both personally and professionally."

- Erin Filan, Financial Services Representative – Town Centre Branch

"Working here reminds me of what the banks used to be like," she says. "We know our members by name and not by number. Decisions are made based on local events and the local economy.

What's more, management, the senior executive and the board of directors are all here; not in an office in Toronto."

- Allison Bloom, Accounting and Branch Support



Allison Bloom

Dan Wingham

Erin Filan



## Community Engagement

In 2009, Integrus Credit Union donated funds to the following organizations:

- Prince George Branches**
  - African Heritage Society - Multicultural Event
  - Duchess Park Secondary Concert Band - Travel to Music Festival
  - CNIB - 5 New DAISY Readers
  - DP Todd Sr Band
  - Leadership for Tomorrow - CHSS, PGSS, DPSS, DP Todd - From Me to We
  - PG Citizen Triathlon (\$500 cash + in kind)
  - West Coast Book Prize
  - Children First - Early Years Health Fair
  - Salvation Army
  - PG Trap Club
  - Caledonia Ramblers - Ancient Forest Trail
  - Serious Moonlight Theatre
  - Otway Challenge
  - Elementary Leadership Retreat
  - REAPS Community Garden
  - Aleza Lake Research Forest - Forestry Convention
  - Spruce City Mens Fastball
  - Operation Red Nose
  - Juvenile Diabetes
  - PG Hospice Society
  - Edgewood School
  - Old Time Fiddlers Association
- Lakes Community Horse Club
- PG Minor Hockey
- PGX
- Punjabi Sports
- PG Chamber of Commerce Golf Tournament
- PG Blizzard Speedskating
- College Heights Community Association
- BC Indoor Womens Soccer
- BC Police Curling Championship
- Big Brothers Big Sister Bowlation
- Snow Daze 2010
- PG Speech Arts & Drama Festival
- PG Wolfpack Hockey
- School District 57 Dry Grad
- PGYSA
- Can-Do Committee
- Mini Horse Club
- PG Ringette

### Vanderhoof Branch

- Vanderhoof Curling Club - Bonspiel
- Vanderhoof Ski Club
- BC Barrel Racing Assoc.
- NVSS production of Pygmalion
- Cottonwood Music Festival - FSJ
- Vanderhoof Childrens Theatre
- Golf Sponsorship
- St John Hospital Auxiliary
- NVSS - Rugby
- NVSS - Dry Grad
- Stuart Lake Fishing Derby
- NV Exhibition Light Horse Show
- Agricultural Producers
- 4-H Beef
- Rip'n the North Bike Club
- Omineca Ice Sr. Men's AA Hockey Team
- Vanderhoof Rotary Auction
- Santa's Anonymous
- Vanderhoof Wild

### Fort St. James Branch

- Minerals North Conference
- Ski and Snowboard Club - Provincials
- 2009 Caledonia Classic Dogsled Race
- Cotton Wood Music Festival

- Festival of the Trees
- Camp Yes
- Stuart Lake Fishing Derby
- Agricultural Producers
- Fort St. James Bike Park
- Canada Day Celebration
- FSJ Fishing Derby
- Moonlight Madness

### Quesnel Branch

- BBBS
- Kersley Musical Theatre - New Storage Unit
- Quesnel Senior's Advocacy Service
- Business Excellence Awards
- CCIPPA - Poultry Association
- Student Nutrition Program
- FARMED
- Quesnel Airport Days
- Quesnel Women's Resource Centre
- Barlow Creek 4H Club
- Reformation House
- New Years Baby
- Business Excellence Awards
- SPCA
- Quesnel Film Society
- Billy Barker Days
- Quesnel Youth
- Quesnel Riding Club
- Quesnel Women's Fall

- Challenge
- Quesnel Family Day
- Quesnel Softball
- BC Ambassador Program
- Quesnel Rodeo
- Quesnel Volunteer Fire Fighters
- Canadian Children's Program
- Quesnel Downtown Association
- Quesnel Tillicum Society
- Royal Canadian Legion

### Clinton Branch

- Community Childrens Xmas Party - RCL #194
- Clinton Community Twirlers
- Clinton Annual Ball
- Clinton Jamboree
- Bethel Pentecostal Tabernacle - Kids Camp
- Clinton Parent Advisory Council
- South Cariboo Historical Society
- RCL Poppy Fund
- Clinton AG

### Corporate

- 2009 World Baseball Challenge
- BC Northern Real Estate Board sponsor
- Yalenka Ukranian Dancers

- Spirit of the North Health Care Foundation
- PGHRA
- Ladies Simon Fraser Golf Tournament
- Children's Variety Fire Fighters
- BC Children's Hospital
- The Guitar Project
- PG Community Foundation Golf Tournament
- Road to the Roar
- Busines Excellence Awards
- PG Nursing
- Prince George Spruce Kings
- Prince George Citizen: Carrier of the Year
- YMCA Healty Kids Day
- Gizeh Shriners
- Theatre North West
- PGRA Rodeo Association
- Rotary
- PG Public Library
- Cops for Cancer

Numerous in kind donation to a variety of organizations.

2009 Donations **\$153,075**

# A message from our CEO, Brian.

When I think about 2009, I am amazed at the changes, challenges and variety of issues we had to manage. The past year was the most challenging since amalgamation as we began the year with a global economic meltdown, business failures, disastrous stock market results and prime rate declines to unprecedented levels at a pace never seen before. These issues combined did not only negatively impact our local economies but made our profitability tumble across all three divisions.

During the first and second quarters, we continued to struggle as financial margin declined and, while we reduced expenses and reacted expediently, we still experienced losses over the first few months of 2009. Profitability did not return until June when cost control measures and various other initiatives took effect.

While the Credit Union was struggling, the Financial Planning division was experiencing a very difficult RRSP season with the rapid decline of members' investments. The result of this perfect economic storm was monthly losses that did not start to reduce until the market began to stabilize mid-year.

In the case of our Insurance division, they too were challenged as new business suffered due to the economic reality. Some insurance companies forced us to change underwriting policies causing concern from both our members' and Integris Insurance staff's point of view. Our Insurance professionals took these challenges in stride and made the best of a difficult situation.

Throughout 2009, Integris continued working on our banking Software Conversion which was delayed from April until November and then again until January 2010. These delays created significant pressure and stress

on staff but were unavoidable as the Acumen product and the needs of Integris needed to align. This alignment was critical in order to allow us to reduce negative member impact as much as possible.

We continued designing the new Vanderhoof branch while purchasing the property and demolishing the existing buildings at the location. Looking ahead, we are confident that the new Vanderhoof branch will be a masterpiece in terms of design, utility and community access.

Our annual Member Survey in the spring indicated that we continue to do what we do best as 57% of our members rated our service as excellent with only 2% rating it as poor. Additionally, Integris received a number of accolades and nominations including Customer Service Award (PG Chamber of Commerce 2009 Business Excellence Awards) and Green Award (Nomination – PG Chamber 2009 Business Excellence Awards).

**Integris improved on our showing in BCBusiness Magazine's "Best Companies to Work for in B.C." from 6th in 2008 to 2nd in 2009. We aim to be a preferred employer in our communities and this 2nd place finish validates our hard work in achieving this goal.**

During the summer, we began to see some stability in our local economies, financial margin improved and we experienced excellent deposit growth. Profitability returned for the Credit Union and the Insurance division. Financial Planning results were improving but the division was still weathering the storm.

## Healthy Kids Day

As the Presenting Sponsor, Integris Credit Union contributed \$10,000 and hosted the Integris Kids Pavilion at Masich Place Stadium. More than 400 kids came through the Integris pavilion and did their best at Integris Boot Camp which consisted of an obstacle course and math skill testing question.

Integris Credit Union is a grassroots organization that is deeply involved and invested in our community and as such, we look forward to growing with these healthy kids as we continue to encourage fitness of the body, of the mind and of our community.



2009 saw \$20.6 million in loan growth and a record \$59.6 million in deposits. Our Assets exceed \$458 million with Total Funds Under Administration of \$937 million while Retained Earnings plus Contributed Surplus reached \$20.4 million. We saw a Net Operating Income of \$1.26 million and a Net Profit of \$1.09 million. Our Capital Ratio was 13.2% exceeding the regulatory requirement of 8%.

Through these difficult economic times, Integris remained committed to strengthening our communities as demonstrated through numerous 2009 donations and sponsorships. From kids to seniors to the arts to charities, Integris was there to champion positive change and community enhancement.

## Some of our community commitments include:

- Sponsorship of Quesnel's Student Nutrition Program.
- Sponsorship of the Vanderhoof Children's Theatre.
- Sponsorship of the Minerals North Conference in Fort St. James.
- Sponsorship of the Clinton Annual Ball — Canada's oldest annual event.
- The establishment of the Downtown Community Garden on the site of our future branch at the intersection of Victoria and 7th Avenue in Prince George. This award-winning community garden showcases recycling, urban beautification and facilitates local organic food production destined for local food banks, shelters and families in need.

2009 began as an extremely challenging year, yet through our hard work and some tough decisions, we have generated reasonable results. I remain impressed by the commitment and work ethic of our staff as without their support, we could not have managed the issues we faced this past year. Of special note was how management and staff worked with members on the changes to prime rate.

We completed our banking software conversion in January of 2010 and while we experienced several challenges, I wish to thank the members for their patience as staff struggled with overcoming the system speed issue and learned how to use the new software. In the future, we anticipate a much improved system for staff as well as the infrastructure to allow us to meet the increasing demands for more sophisticated banking products and services.

As always, Integris Credit Union will remain a steadfast supporter of our communities while maintaining good governance and financial stewardship.



**Brian Bentley, CEO**  
Integris Credit Union

# Consolidated Financial Statements

## Auditors' report on Summarized Consolidated Financial Statements

The accompanying summarized consolidated balance sheet and summarized consolidated statements of earnings and other comprehensive loss, changes in retained earnings and accumulated other comprehensive loss and cash flows are derived from the complete financial statements of Integris Credit Union as at December 31, 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated February 19, 2010. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These consolidated summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the credit union's financial position, results of operations and its cash flows, reference should be made to the related complete financial statements.

Vancouver, Canada  
February 19, 2010

*Grant Thornton LLP*

Chartered accountants

Integris Credit Union Summarized Consolidated Balance Sheet		
December 31	2009	2008
<b>Assets</b>		
Cash resources	\$ 54,220,576	\$ 31,056,018
Loans	391,650,920	372,670,719
Investments and other	3,004,343	2,307,150
Premises and equipment	7,735,398	7,193,058
Intangible assets	1,292,677	1,292,677
	<u>\$ 457,903,914</u>	<u>\$ 414,519,622</u>
<b>Liabilities and members' equity</b>		
Deposits	\$ 436,049,755	\$ 377,385,057
Payables and accruals	1,385,472	1,377,896
Borrowings	-	16,500,000
Equity shares	3,569,934	3,347,723
Contributed surplus	6,953,743	6,953,743
Retained earnings	9,948,900	8,970,091
Accumulated other comprehensive loss	(3,890)	(14,888)
	<u>\$ 457,903,914</u>	<u>\$ 414,519,622</u>

On behalf of the Board  
R.B. Steele, Director

Noella Herod, Director

## Integris Credit Union Summarized Consolidated Statement of Earnings and Other Comprehensive Loss

Year Ended December 31	2009	2008
Financial income	\$ 21,289,326	\$ 23,596,968
Financial expenses	9,327,862	11,442,925
Financial margin	11,961,464	12,154,043
Provision for credit losses	(1,161,545)	(602,368)
Other operating income	6,421,595	4,952,595
Operating margin	17,221,514	16,504,270
Operating expenses	15,957,688	15,573,430
Earnings before income taxes	1,263,826	930,840
Income taxes	171,762	162,150
Net earnings	1,092,064	768,690
Other comprehensive loss	(10,998)	(54,679)
Total comprehensive income	\$ 1,081,066	\$ 714,011

## Summarized Consolidated Statement of Changes in Retained Earnings and Accumulated Other Comprehensive Loss

Year Ended December 31	2009	2008
<b>Retained earnings</b>		
Balance, beginning of year	\$ 8,970,091	\$ 8,290,484
Net earnings	1,092,064	768,690
Dividends on equity shares	(113,255)	(89,083)
Balance, end of year	9,948,900	8,970,091
<b>Accumulated other comprehensive loss (AOCL), net of tax</b>		
Balance, beginning of year	(14,888)	(69,567)
Amortization of AOCL related to derivative instruments	10,998	54,679
Balance, end of year	(3,890)	(14,888)
<b>Retained earnings and AOCL</b>	<b>\$ 9,945,010</b>	<b>\$ 8,955,203</b>



In 2009, Integris Credit Union became the League Sponsor for the Prince George Minor Football Association. This sponsorship also impacts youth and families in Vanderhoof and Quesnel as both communities have fielded minor football teams.

## Integris Credit Union Summarized Consolidated Statement of Cash Flows

Year Ended December 31	2009	2008
Cash flows provided by (used in)		
Operating activities	\$ 2,336,149	\$ 2,381,687
Financing activities	42,738,327	18,070,753
Investing activities	(25,651,996)	(22,021,115)
Net increase (decrease) in cash resources	19,422,480	(1,568,675)
Cash resources, beginning of year	2,615,973	4,184,648
Cash resources, end of year	\$ 22,038,453	\$ 2,615,973

A full set of financial statements is available from the credit union.

 Grant Thornton



## Integrus Credit Union Notice of Annual General Meeting

AGM Meeting Thursday, May 13, 2010  
Registration 6:30 pm  
Meeting 7:00 pm

Location Coast Inn of the North  
770 Brunswick, Prince George, B.C.

- Agenda
- 1 Call to order
  - 2 Registration report and declaration of quorum
  - 3 Appointment of recording secretary
  - 4 Appointment of parliamentarian
  - 5 Welcome and introductions
  - 6 Adoption of agenda and rules of order
  - 7 Adoption of the minutes of April 16, 2009
  - 8 Business arising out of the minutes
  - 9 Director's report
  - 10 Report from the CEO
  - 11 Adoption of director & CEO reports
  - 12 Presentation of financial statements & auditors' report
  - 13 Approval of auditors' report
  - 14 Motion to authorize directors to set audit fee
  - 15 Nominating / elections committee report
  - 16 New business
  - 17 Good and welfare
  - 18 Adjournment



Architectural rendering of the new Integrus Credit Union Vanderhoof Branch — slated to open in 2011.

TRB Architecture Inc.



**INTEGRIS CREDIT UNION** 

Banking | Insurance | Financial Planning

Join us at  
the AGM!

All members are invited to attend the AGM.