



Vancouver  
City  
Savings  
Credit  
Union  
26th.  
Annual  
Report  
1971

Vancouver City Savings  
Credit Union  
26th Annual Report, 1971

**BOARD OF DIRECTORS**

**President:**

A. L. GLADU

**Vice-President:**

J. H. LUCAS

**Directors:**

M. BETTS

D. G. CAMPBELL

H. MacLEAN

J. R. MONTGOMERY

S. W. PARSONS

R. S. PERRY

L. S. WIDDIFIELD

**Honorary Director:**

G. M. PAYTON

**General Manager:**

D. W. BENTLEY

**Auditors:**

CAMPBELL, SHARP, NASH & FIELD

**Offices:**

1030 West Broadway

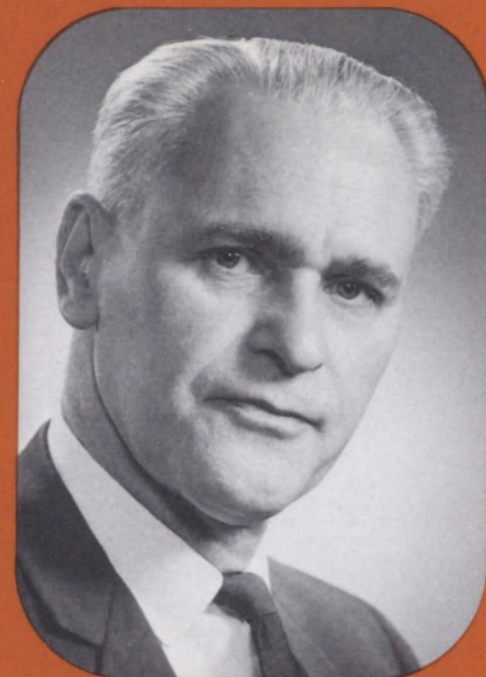
5590 Victoria Drive

2626 East Hastings Street

3295 West Broadway

2222 Marine Drive, West Vancouver





President A. L. Gladu

## Report of the Board of Directors

VanCity celebrated 25 years of member service in 1971. It is particularly appropriate that during this anniversary year our Credit Union should enjoy an unprecedented 89% growth and emerge as Canada's largest credit union. Your Directors are very proud to report the accomplishments of 1971.

This report covers VanCity's twenty-fifth full year of operation. Our Credit Union was incorporated on October 22, 1946, and had operated for little more than two months before the first report. We celebrated our Twenty-fifth Anniversary on October 22, 1971 — hence this is our Silver Anniversary Report.

89% growth! This figure far overshadows any increase we have ever achieved. Growth is almost inevitable in an expanding economy such as ours but this rate of expansion greatly exceeds that of our community or of Canada as a whole.

Although very welcome indeed, this extraordinary growth was quite unexpected and some difficulties arose because of it. Not the least of these were the physical problems involved in moving three of our offices into modern new premises in the midst of this surge of activity. Thanks to the co-operation and understanding of our members and the extra efforts of our staff these changes were made with a minimum of confusion.

While the fact that VanCity has become Canada's largest credit union is extremely satisfying, size itself has never been an objective. VanCity's primary purpose has always been and will continue to be that of providing a sound and useful financial service to members. The only advantage from continuing growth is that it provides the large resources required to meet members' growing needs.

Loyal support from members and staff has brought VanCity to the enviable position it is in today. Your Directors are most appreciative of this and are confident that VanCity will maintain its leading position because of it.

A very significant occurrence in 1971 was the Federal Government's decision to tax credit

unions. Although we do not approve of it, we must accept it when the law becomes effective in 1972. However, there remains an area of great concern. VanCity is chartered under the Credit Unions Act of the Province of British Columbia which compels us to set aside certain reserves from annual income. Unfortunately these statutory reserves could be substantially higher than those permitted by the Federal Legislation before becoming taxable. Therefore we will be placed in the unfair position of paying income tax under one set of laws on reserves we are forced to set aside under another set of laws. In 1972 your Directors intend to participate in Federal and Provincial presentations for amendments that will provide compatible legislation at both levels of government.

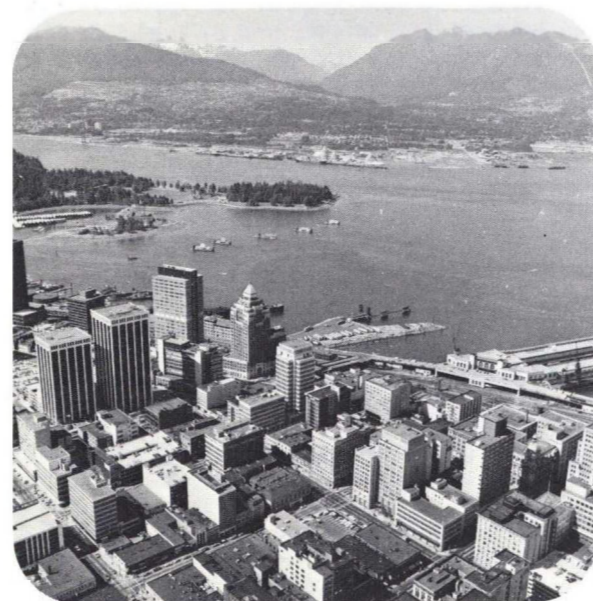
During 1971 interest rates declined across Canada and it was necessary to reduce ours also. Our term deposits and Plan 24 accounts now pay approximately 1% less than a year ago. We are happy to report that in spite of these reductions our savings rates are still  $\frac{1}{2}\%$  to  $1\frac{1}{2}\%$  higher than those of other financial institutions.

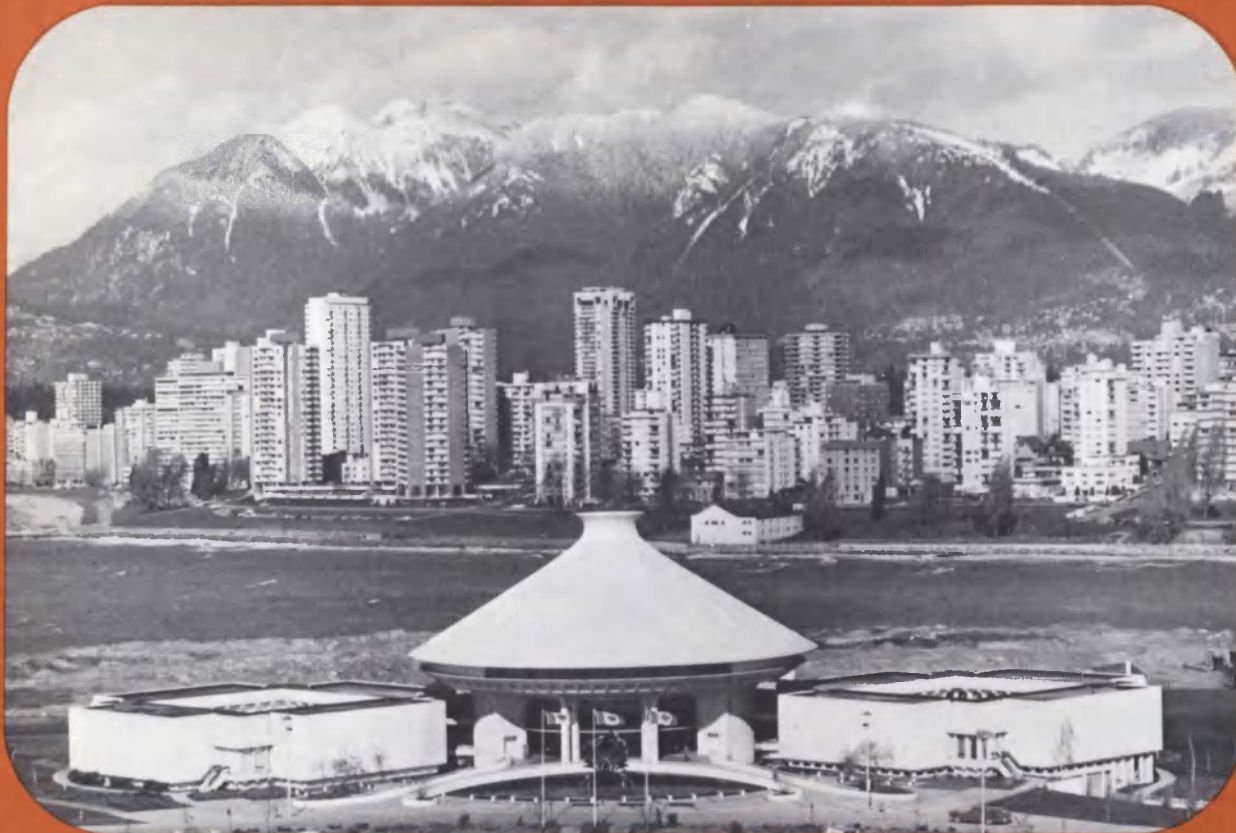
Needless to say our lending rates were reduced proportionately with each decrease in savings rates.

Because VanCity has no profit motive your Credit Union is only concerned with maintaining sufficient margin between lending and savings rates to provide for a sound operation with adequate reserves. Your Directors review this situation monthly in the light of the money market and are prepared to make adjustments quickly. At the time of writing this report interest rates generally appear to be declining further. However, some experts believe they will begin inching up again by late Spring of 1972.

In this report we shall comment on the phenomenal growth in both savings and loans. Such increases prove conclusively that VanCity's interest rates in both categories must be very competitive because they are so readily accepted by a growing number of people in this area.

The following pages briefly set out a few statistical highlights of 1971 together with schedules depicting growth during our first quarter century.





## Members

In 1971 we welcomed a record 7,345 new members into VanCity compared with 5,172 in 1970, and 3,300 in 1969. An average of more than 28 new members joined every working day. This was an exceptional performance of course, but membership growth has been very good throughout our history as the following schedule indicates:

### MEMBERS

	1952	1957	1962	1967	1971
1030 West Broadway	2,467	5,399	6,955	7,340	9,402
Victoria Drive	—	375	1,178	2,132	4,340
East Hastings	—	—	245	2,099	3,868
3295 West Broadway	—	—	—	1,049	2,654
West Vancouver	—	—	—	—	1,297
Total	<u>2,467</u>	<u>5,774</u>	<u>8,378</u>	<u>12,620</u>	<u>21,561</u>

## Savings

\$55,381,000

There was a remarkable 90% increase of \$26,137,000 during the year. This compares with increases of 37% in 1970 and 21% in 1969.

We are particularly pleased with the consistent growth at all branches and, with minor exceptions, in all savings plans. VanCity's attractive interest rates accounted for much of this growth because they were substantially higher than those offered by most other institutions. Your Directors are aware of their responsibility to ensure that security and liquidity are carefully maintained while providing a better than average interest return.

Members have placed an ever-increasing amount of their savings with VanCity over the years.

### SAVINGS

	1952	1962	1971
1030 West Broadway	\$503,000	\$4,030,000	\$28,714,000
Victoria Drive	—	627,000	8,673,000
East Hastings	—	132,000	8,303,000
3295 West Broadway	—	—	6,149,000
West Vancouver	—	—	3,542,000
Total	<u>\$503,000</u>	<u>\$4,789,000</u>	<u>\$55,381,000</u>

## Loans

\$50,652,000

An 84% increase of \$23,052,900 compares with a growth of 19% in 1970 and 34% in 1969.

It is gratifying to note that good use was made of members' increased savings by reasonably matching this flow of funds with paid out loans. Here again each branch location showed consistent growth.

As we have reported in previous years the trend is to more and more mortgage loans. These now account for 93% of our total portfolio compared to 72% in 1962. It is clearly evident that our members require housing loans far more than consumer loans.

In the past year we approved 5,173 loans totalling \$40,608,000 compared to 3,942 loans for \$14,029,000 in 1970. Mortgage loans accounted for 90% of the 1971 figure.

Since incorporation VanCity has made 56,331 loans amounting to \$120,012,500 — a considerable achievement. Our 1971 activity is easily understood when we realize that 30% of the total loans ever granted by VanCity were made that year.

While overdue loans rose by \$65,800 they are only 0.4% of the total outstanding compared to 0.5% on December 31, 1970. This can be considered satisfactory in light of continuing unemployment which is the major reason for delinquent loans.

Uncollectible loans totalling \$31,600 were written off in 1971. It is encouraging to note that net write-offs during our twenty-five years total only \$141,200, or slightly over 1/10 of 1%.

Because most of our members' savings is used for loans your Directors are aware of the need to keep a constant high standard in loan granting and collections. In addition we shall continue our efforts to accumulate reserves consistent with loan growth.

## LOANS

	1952	1962	1971
1030 West Broadway	\$511,000	\$3,730,000	\$19,447,000
Victoria Drive	—	626,000	8,686,000
East Hastings	—	125,000	11,107,000
3295 West Broadway	—	—	6,801,000
West Vancouver	—	—	4,611,000
Total	<u>\$511,000</u>	<u>\$4,481,000</u>	<u>\$50,652,000</u>
Reserves for loans	\$ 7,000	\$ 157,000	\$ 1,238,000
Percent O/S loans	1.4 percent	3.5 percent	2.4 percent

## Assets

\$58,850,400

This represents an 89% increase of \$27,635,600 in 1971, by far the largest growth in any one year. This compares with 26% in 1969 and 19% in 1970. Assets have more than tripled in the past five years.

## ASSETS

	1952	1962	1971
Total	<u>\$560,000</u>	<u>\$5,300,000</u>	<u>\$58,800,000</u>

## USE OF ASSETS

Over the years VanCity's assets have been *consistently* used for the benefit of members, as shown here:

	Percent 1952	Percent 1962	Percent 1971
Loans to Members	90	83	86
Liquidity Purposes	7	12	12
Premises, Equip., Other	3	5	2
Total	<u>100</u>	<u>100</u>	<u>100</u>

## SOURCE OF ASSETS

The funds to provide assets have come principally from members.

	Percent 1952	Percent 1962	Percent 1971
Outside sources	9	5	2
Members' savings	90	92	96
Protection reserves	1	3	2
Total	<u>100</u>	<u>100</u>	<u>100</u>

## Operations

Because of the excellent growth in loans, gross income showed a 58% increase of \$1,531,300 over 1970. Administrative expenses have been well controlled and have dropped to 19% of gross income compared to 21% the previous year.

Cost of money, which includes the dividend on shares together with interest on deposits and borrowings, continues its inexorable rise. It now represents 62% of gross income, an increase of 1% in the year. The following table depicts the trend very clearly:

	Percentage of Gross Income				
	1952	1957	1962	1967	1971
Interest and Dividends paid to members —	22	29	33	44	60
Interest paid on borrowings	3	1	3	7	2
Direct Cost of Money	<u>25</u>	<u>30</u>	<u>36</u>	<u>51</u>	<u>62</u>

It is evident this cost cannot be allowed to continue rising and it is equally evident administrative expenses cannot be further reduced.

We are happy that members have benefitted from a larger share of the gross income dollar as VanCity has grown.

This pattern is shown explicitly in the table that follows:

	1952	1957	1962	1967	1971
Interest and Dividends	22	29	33	44	60
Savings and Loan Insurance	24	18	20	12	6
Direct payments to and on behalf of members	46	47	53	56	66
Protection reserves for members' security	3	12	10	14	13
Interest on borrowings	3	1	3	7	2
Expenses	48	40	34	23	19
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>



THE PROVINCIAL SHARE AND DEPOSIT GUARANTEE FUND protects the investment of all individuals in every credit union in British Columbia.

This protection makes credit unions one of the safest places where anyone can save or invest.

## Recommendations

Under the authority given previously your directors have already approved and authorized payment of a 5% share dividend calculated on minimum quarterly share balances. Life savings insurance premiums paid on behalf of most members is equal to a dividend of nearly  $\frac{3}{4}\%$ . The return therefore on share savings is 2%-3% higher than that from most other financial organizations. The 5% dividend is similar to that paid for both 1969 and 1970 and is particularly gratifying in the face of the general decline in interest rates.

With regard to the remaining surplus we recommend distribution as follows:

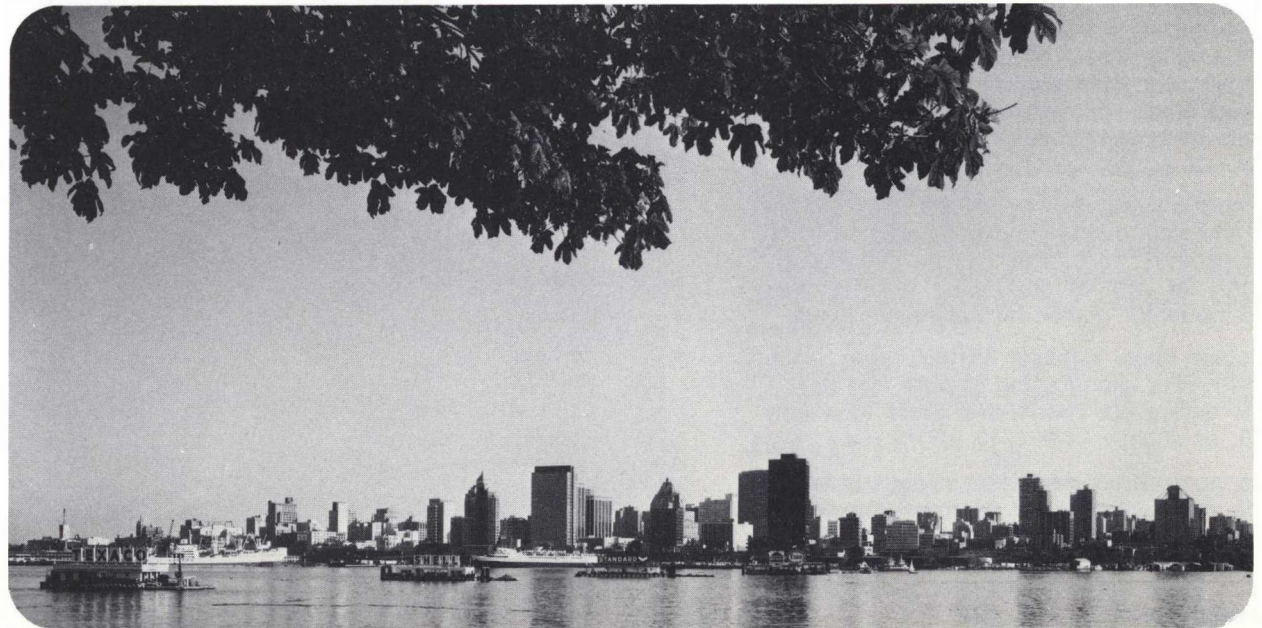
To Endowment Loan Bonus Reserve	-	\$ 25,000
To Guarantee Reserve	- - - - -	\$150,000
To Contingency Reserve	- - - - -	\$ 30,000
To Education Reserve	- - - - -	\$110,000

Your Directors know that it is quite impossible to build reserves at a rate equal to our 89% overall growth. However they recognize that it is essential to accumulate and maintain reserves at proper levels.

The contribution to Endowment Loan Bonus Reserve is needed under the terms of the endowment contracts.

The contribution to Guarantee and Contingency Reserve is needed in order to maintain the relationship of these reserves to total assets at only a slight reduction from 1970.

Our growth and success is attributable in large measure to the development of good promotional and educational programmes. Your Directors are entirely satisfied that results reported to you this year and the progress made over the past ten years is directly related to the efforts of our Member Relations and Promotion Department. Our recommendation this year is for a budget only 13% higher than approved in 1971 and is the minimum required to carry out plans during 1972.



# Members

---

# 21,561

---

1952  
2,467

1957  
5,774

1962  
8,378

1967  
12,620

1971  
21,561

---



# Savings

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# \$55,381,000

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1952  
\$503,000

1957  
\$1,916,000

1962  
\$4,789,000

1967  
\$14,625,000

1971  
\$55,381,000

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# Loans

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# \$50,652,000

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1952  
\$511,000

1957  
\$1,908,000

1962  
\$4,481,000

1967  
\$14,301,000

1971  
\$50,652,000

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# Assets

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# \$58,850,400

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1952  
\$560,000

1957  
\$2,200,000

1962  
\$5,300,000

1967  
\$16,600,000

1971  
\$58,800,000

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# The Next 25 Years

VanCity's 1971 results substantiate recent studies which indicate that our future can no longer be entirely determined from the past. Over the years, planning has been based on previous experience because a regular growth pattern emerged when past years were reviewed. 1971 plans were based on these figures:

In 1970 we grew	-	-	-	19%
1969	-	-	-	26%
1968	-	-	-	25%
1967	-	-	-	29%
1966	-	-	-	26%
1965	-	-	-	24%
1955	-	-	-	36%

Average over these years 27%.

In the light of this past record we anticipated a 20% growth in 1971. **VanCity grew by 89%.** We find it difficult to believe our Credit Union will enjoy a similar growth in 1972 but we do expect to see significant results.

We project that VanCity will have 40,000 members and \$100,000,000 in assets by the end of 1975. It is quite conceivable that 125,000 members will own assets of \$450,000,000 in their Credit Union by its 50th anniversary in 1996. Of course it must be remembered that our future operations will be greatly affected by inflation, population growth and the numerous other factors in a changing society.

As a financial instrument used for the benefit of people VanCity must be ever alert to the needs of individuals. Impressive statistics do not necessarily mean we have succeeded in our objectives but without adequate growth VanCity can only be useful to a relatively few members. It therefore follows that your Credit Union must grow in two respects; financially and in the field of service. It is often difficult to blend these two objectives.

During the next 25 years we will see many many changes in our society; in hours of work, pensions, insurance, job security and health benefits, to name a few. It is conceivable that currency will largely become a thing of the past. Housing

must take a different form as urban centres develop and single family homes will be unavailable except to a very few. Useful ways must be found to spend growing leisure time in personal development and recreation because this will become increasingly important. Changes being made in our total environment must be accelerated. Along with all these will be technological progress at an unprecedented rate.

Together with all credit unions, VanCity must apply itself vigorously to these important challenges. Changes in philosophy are not necessary but changes in approach are vital for survival. Restrictions, imposed by statute or self-imposed, will have to be carefully considered and in many cases removed.

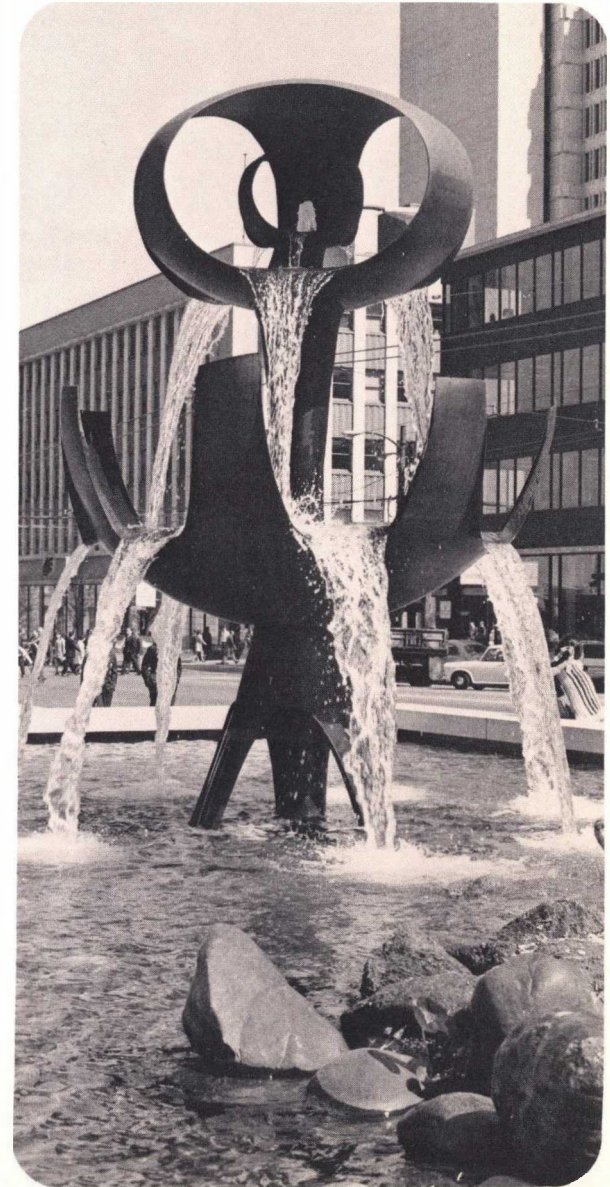
Innovations are frequently opposed because change can be difficult. However, it is our view that credit unions not meeting the challenge are gambling with extinction. Credit unions must merge into larger and more viable institutions in order to survive. From this should develop more effective units with the resources essential for existence in an urban integrated society. Your Directors believe that credit unions must re-design and re-develop their organizational structure in keeping with the urban world but while doing so, must not lose sight of the individual for whom they function.

Your Directors and management realize the responsibility this places on them, in addition to the everyday routines of interest rates, new branch locations, lending policies, promotional activities, etc. Because VanCity is Canada's leading Credit Union it cannot look at the experience of other credit unions for a pattern of development.

We very sincerely believe that the results of our first 25 years of operation are proof that VanCity has adapted to change as times demanded. We commend highly the people who organized and piloted VanCity through its formative years for they established a sound frame work. It is our task now to maintain this solid base and at the same time be alert and willing to make necessary changes.

We are very confident that 25 years from now VanCity Directors, and the members at that time,

will be able to look back with pride at the accomplishments of a successful organization whose sole reason for existence is the serving of people. No doubt their prime concern will be the same as ours, the challenge of the years ahead.



# Balance Sheet

As at December 31, 1971  
With comparative figures for 1970

## ASSETS

	1971	1970
<b>Cash and Short Term Deposits</b> - - - - -	<b>\$ 5,596,234</b>	\$ 2,361,295
<b>Bonds and Securities —</b>		
At cost plus accrued interest (market value \$288,273) - - - - -	<b>283,980</b>	
<b>Loans</b> less allowance for loans in default (Note 1) - - - - -	<b>49,965,005</b>	27,233,135
<b>Other Amounts Receivable</b> - - - - -	<b>2,173</b>	13,690
<b>Investments in and Loans to Wholly Owned Subsidiary Company—</b>		
V.C.S. Housing Developments Ltd. — at cost (Note 3) - - - - -	<b>1,271,393</b>	238,604
<b>Other Investments:</b>		
Provincial Credit Union Share and Deposit Guarantee Fund — at valuation of equity - - - - -	<b>511,519</b>	357,428
B.C. Central Credit Union Shares at cost - - - - -	<b>1,060,100</b>	565,100
<b>Furniture and Equipment —</b> At cost less amounts written off - - - - -	<b>160,036</b>	52,759
<b>Branch Premises —</b> At cost less amounts written off (Note 2) - - - - -		392,809
	<b>\$58,850,440</b>	<b>\$31,214,820</b>

### NOTE 1 — LOANS:

The amount deducted from loans in respect of loans in default at December 31, 1971, calculated in accordance with provisions of the Credit Unions Act is \$194,604 (1970—\$128,765).

Included in loans are loans made to directors, officers and employees totalling \$81,855 (\$79,499 in 1970).

### NOTE 2 — OFFICE PREMISES:

Reflecting a change in the policy of the Credit Union, all branch premises have been transferred to or acquired by the Credit Union's wholly owned subsidiary company, V.C.S. Housing Developments Ltd. Properties formerly owned by the Credit Union were sold to the subsidiary at original cost to the Credit Union.

The accumulated depreciation of \$17,890, and the gain of \$34,170 on sale of premises otherwise than to the subsidiary have been transferred directly to the contingency reserve in the amount of \$52,060.

### NOTE 3:

Investments in and advances to wholly owned subsidiary company, V.C.S. Housing Developments Ltd., comprise the following:

#### Loans for Member Housing:

Mortgages on condominiums - - - - -	\$ 238,922
Rental and re-sale property - - - - -	253,838
	<u>\$ 492,760</u>

Debentures secured by Credit Union premises - - - - -
 \$ 757,633 |

Investment in Share Capital - - - - -
 \$ 21,000 |

Total Investment, per balance sheet - - - - -
 \$1,271,393 |

The operating results of the subsidiary company have been fully reflected in the accounts of the Credit Union.

**LIABILITIES**

	1971	1970
<b>Loans Payable</b> — B.C. Central Credit Union - - - - -	\$ 816,060	\$ 178,126
Co-operative Trust Company - - - - -		101,210
<b>Accounts Payable, Acceptances and Accrued Charges</b> - - - - -	<u>107,306</u>	<u>152,041</u>
	<u>923,366</u>	<u>431,377</u>
<b>Members' Accounts</b>		
Deposits withdrawable on demand - - - - -	17,623,159	8,641,735
Time deposits - - - - -	29,106,525	13,068,507
Interest accrued on deposits - - - - -	930,360	452,103
Members' shares less unpaid thereon - - - - -	8,651,254	7,456,957
Undistributed Earnings — per statement - - - - -	<u>678,032</u>	<u>465,889</u>
	<u>56,989,330</u>	<u>30,085,191</u>
<b>Reserves</b>		
Education Reserve — per schedule - - - - -		4,630
Endowment Loan Bonus Reserve - - - - -	22,285	19,454
Guarantee Reserve — per schedule - - - - -	743,399	574,168
Contingency Reserve — per schedule - - - - -	<u>172,060</u>	<u>100,000</u>
	<u>937,744</u>	<u>698,252</u>
	<u>\$58,850,440</u>	<u>\$31,214,820</u>

The Notes to the Financial Statements are an integral part of this Balance Sheet.

Approved on behalf of the Board:

Submitted as part of our report dated January 27, 1972.  
CAMPBELL, SHARP, NASH & FIELD,  
Chartered Accountants.

J. R. MONTGOMERY, *Director*

S. W. PARSONS, *Director*

# Statement of Income

For the year ended December 31, 1971

With comparative figures for 1970

	1971	1970
<b>Revenue:</b>		
Interest on members' loans - - - - -	\$ 3,784,938	\$ 2,393,071
Investment income - - - - -	273,025	155,810
Refund on savings and loan insurance - - - - -	51,311	43,961
Chequing service and other income - - - - -	65,034	50,951
	<u>4,174,308</u>	<u>2,643,793</u>
 <i>Less: Interest paid on:</i>		
Borrowed money - - - - -	68,802	225,998
Members' deposits - - - - -	2,192,665	1,103,199
	<u>2,261,467</u>	<u>1,329,197</u>
	<u>1,912,841</u>	<u>1,314,596</u>
 <b>Expenditure:</b>		
Insurance protection on savings and loans - - - - -	261,311	203,999
Salaries and benefits - - - - -	383,084	289,895
Office expenses, premises, supplies - - - - -	305,751	190,052
Dues, meetings, travel and other - - - - -	47,979	44,393
Clearing charges - - - - -	36,418	24,719
	<u>1,034,543</u>	<u>753,058</u>
 <b>Excess of revenue over expenditure - - - - -</b>	 <b>878,298</b>	 <b>561,538</b>
<i>Deduct: Transfer to Guarantee Reserve - - - - -</i>	<i>252,102</i>	<i>139,128</i>
 <b>Balance of Net Income for the year - - - - -</b>	 <b>\$ 626,196</b>	 <b>\$ 422,410</b>
<i>Carried to Undistributed Earnings</i>	<u><u>        </u></u>	<u><u>        </u></u>

**For the year ended December 31, 1971**

With comparative figures for 1970

	1971	1970
<b>Balance at beginning of year</b> - - - - -	<b>\$ 465,889</b>	\$ 442,542
<i>Deduct:</i> Share dividends paid - - - - -	<b>282,941</b>	268,015
Transfer to Endowment Loan Bonus Reserve - - - - -	<b>15,000</b>	11,000
Transfer to Education Reserve - - - - -	<b>97,000</b>	75,000
Transfer to Guarantee Reserve - - - - -	<b>20,000</b>	25,000
Transfer to Contingency Reserve - - - - -	<b>20,000</b>	30,000
Honoraria - - - - -	<b>300</b>	300
	<b>414,941</b>	409,315
<i>Add:</i> Net transfer from credit unions purchased - - - - -	<b>50,948</b>	33,227
Balance of net income for the year — per statement of income - - - - -	<b>888</b>	10,252
	<b>626,196</b>	422,410
<b>Balance at end of year — to Balance Sheet</b> - - - - -	<b>\$ 678,032</b>	\$ 465,889

## Statement of Undistributed Earnings

**For the year ended December 31, 1971**

With comparative figures for 1970

	1971	1970
<b>Balance at beginning of year</b> - - - - -	<b>702,933</b>	\$ 545,911
<i>Add:</i> Additional transfer from 1969 earnings - - - - -	<b>25,000</b>	25,000
	<b>\$ 702,933</b>	570,911
<i>Deduct:</i> Uncollectible loans written off - - - - -	<b>31,648</b>	27,241
	<b>671,285</b>	543,670
<i>Add:</i> Increase in value of Provincial Credit Union Share and Deposit Guarantee Fund - - - - -	<b>7,780</b>	( 8,263)
Balance of guarantee reserves of purchased credit unions - - - - -	<b>2,656</b>	25,247
Collections on loans previously written off - - - - -	<b>4,180</b>	3,151
Transferred from income for the year ended December 31, 1971 — per Statement of Income - - - - -	<b>252,102</b>	139,128
	<b>938,003</b>	702,933
<i>Deduct:</i> Allowance for loans in default - - - - -	<b>194,604</b>	128,765
<b>Balance at end of year</b> - - - - -	<b>\$ 743,399</b>	\$ 574,168

## Schedule of Guarantee Reserve

## Schedule of Education Reserve

For the year ended December 31, 1971

With comparative figures for 1970

	1971	1970
Balance at beginning of year - - - - -	\$ 4,630	\$ 5,594
Add: Transfer from undistributed earnings - - - - -	97,000	75,000
Annual membership dues and sundry - - - - -	21,330	17,194
	<hr/>	<hr/>
	122,960	97,788
Deduct: Advertising and educational expenditures - - - - -	122,960	93,158
	<hr/>	<hr/>
Balance at end of year - - - - -	\$ Nil	\$ 4,630

## Schedule of Contingency Reserve

For the year ended December 31, 1971

Balance at beginning of year - - - - -	\$ 100,000
Add: Transferred from undistributed earnings - - - - -	20,000
Gain on sale of credit union premises (Note 2) - - - - -	52,060
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Balance at end of year - - - - -	\$ 172,060

## Auditors' Report

January 27, 1972.

To the Members,  
Vancouver City Savings Credit Union,  
Vancouver, B.C.

We have examined the balance sheet of Vancouver City Savings Credit Union as at December 31, 1971 and the undistributed earnings and income statements for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The allowance for loans in default has been calculated in accordance with the provisions of Section 34(5) of the Credit Unions Act, and we consider that the procedures adopted by the Credit Union are adequate for the safety of its creditors and shareholders and the Credit Union is in sound financial condition.

In our opinion these statements present fairly the financial position of the Credit Union as at December 31, 1971 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Campbell, Sharp, Nash & Field  
Chartered Accountants.

