

32nd Annual Report 1977

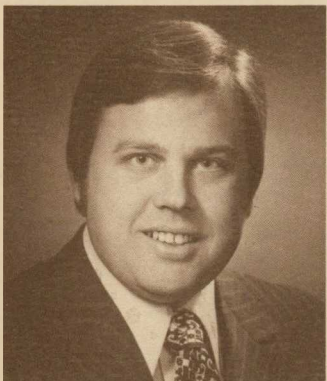
**Vancouver City Savings
Credit Union**



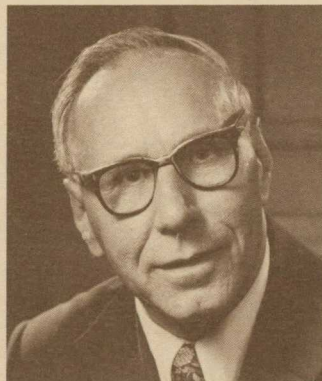
Directors and Officers



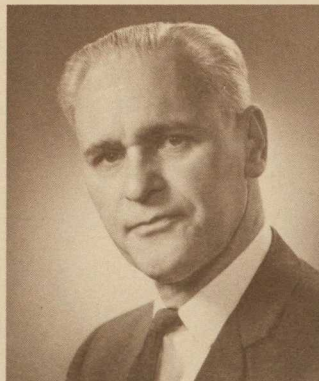
D. G. CAMPBELL
President



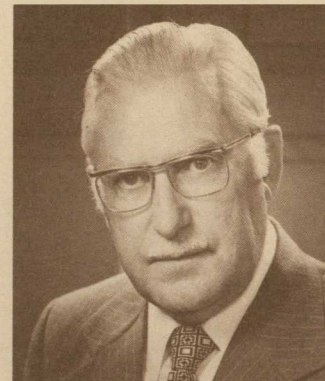
M. BETTS
Vice-President



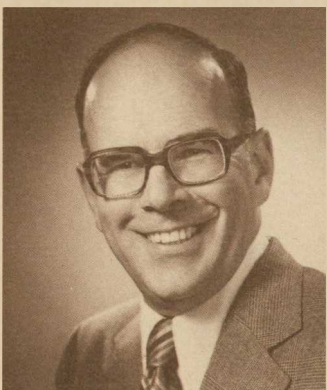
J. H. CORSBIE



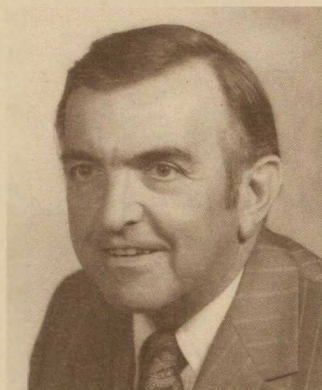
A. L. GLADU



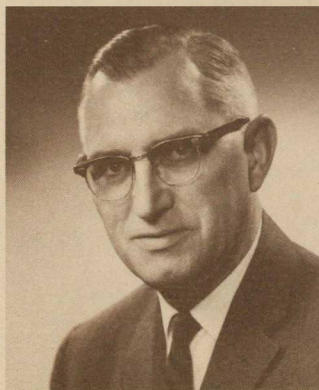
S. B. MARSH



J. C. NEAVE



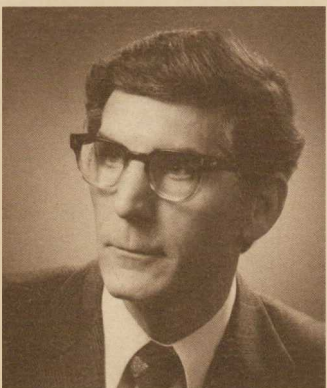
S. W. PARSONS



I. L. STRANG



S. SUTHERLAND



G. J. HOOK
*Chief Executive Officer and
General Manager*

Legal

Davis & Company

Auditors

Campbell, Sharp, Nash & Field

Head Office

1034 West Broadway

Vancouver, B.C.

V6H 1E6

Report of the Board of Directors

Your Directors are pleased to present this 32nd Annual Report covering the year 1977.

It has been a period of strong growth in all areas of our financial organization; with assets increasing by 52.9% for the year. Membership figures indicate the increasing support of VanCity by the community which we serve. There are now 88,115 members, compared to 67,352 at the end of 1976, an increase of 20,763.

In the opinion of your Directors the results of operations for 1977 were satisfactory. Earnings for the twelve month period under review provided a reasonable share dividend of 7%, and an allocation to retained earnings sufficient to maintain a sound financial position.

The increased activity, and the maintenance of a strong financial operation was achieved in spite of an economy that was relatively slack, with unemployment that was at a record high. Inflation declined from the previous year but was still at the 8% level; far from satisfactory.

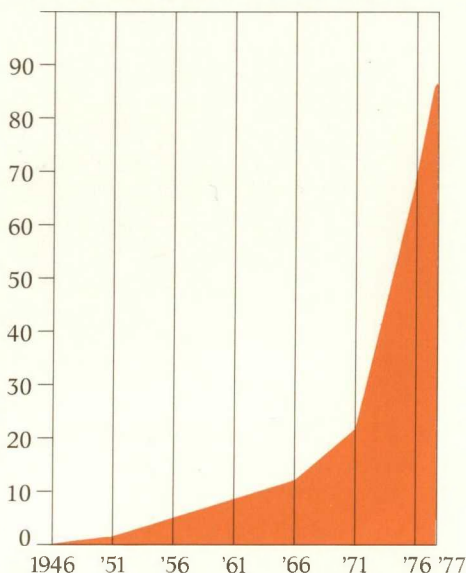
Revision of the Bank Act is still pending; it is expected to contain a number of proposals that will affect us. Every effort will be made to protect the interests of VanCity and its members.

Major attention was given to member relations in 1977. Seventeen district membership meetings were held, and were well attended.

We would like to express appreciation for the consistent support and understanding shown by many of our members, sometimes under difficult and crowded conditions. As we mention later in this report, much is being done to alleviate inadequate service facilities.

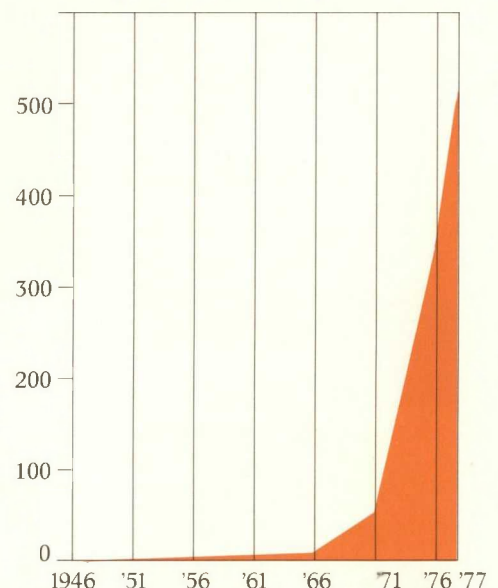
Membership by branch	No.	1977 %	1976 %	1975 %	1974 %	1973 %
1030 West Broadway	19,616	22.3	23.9	26.2	29.0	33.4
5590 Victoria Drive	13,960	15.8	17.0	18.0	19.6	21.5
2510 East Hastings Street	12,159	13.8	14.8	15.5	16.2	17.0
3395 West Broadway	13,110	14.9	15.4	15.9	16.0	15.9
4205 Main Street	5,020	5.7	5.2	4.7	3.7	—
6330 Fraser Street	6,486	7.3	6.5	4.5	1.6	—
1548 Marine Drive, West Vancouver	6,562	7.5	7.4	7.3	6.9	7.0
Pender Street	1,260	1.4	—	—	—	—
North Burnaby	9,942	11.3	9.8	7.9	7.0	5.2
	<u>88,115</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Membership (in thousands)



88,115 members belonged to VanCity at the end of 1977 indicating a continuation of the strong growth trend evident over the past five years.

Assets (in millions of \$)



Assets of \$522,208,901 at December 31, 1977 represented an average of \$5,070 per member.

1977 Operating Results

The results of 1977 operations reflect an above average growth in assets of \$180.6 million, and a record increase in

member savings of \$157.6 million, or 48.1%.

Source and Use of Assets (Millions)	1977	1976	1975	1974	1973
SOURCES OF ASSETS					
Savings of Members	\$485.1	\$327.5	\$247.9	\$174.8	\$153.9
Other Sources	26.3	6.6	16.8	19.1	3.9
Protection Reserves	10.8	7.5	5.8	4.7	2.4
Total	\$522.2	\$341.6	\$270.5	\$198.6	\$160.2
USES OF ASSETS					
Loans to Members	\$427.1	\$277.4	\$221.6	\$172.1	\$137.7
Liquidity Purposes	78.1	54.6	41.4	21.2	19.3
Investment in Provincial Share & Deposit Guarantee Fund	3.1	2.3	1.5	1.5	1.2
Premises & Equipment	13.9	7.3	6.0	3.8	2.0
Total	\$522.2	\$341.6	\$270.5	\$198.6	\$160.2

Net earnings for the year before deducting the share dividend and income tax payments were \$5,612,927, or 12.6%, of total income. This is an increase of \$1,520,726 compared to 1976, but a similar rate of net earnings when expressed as a percentage of total income.

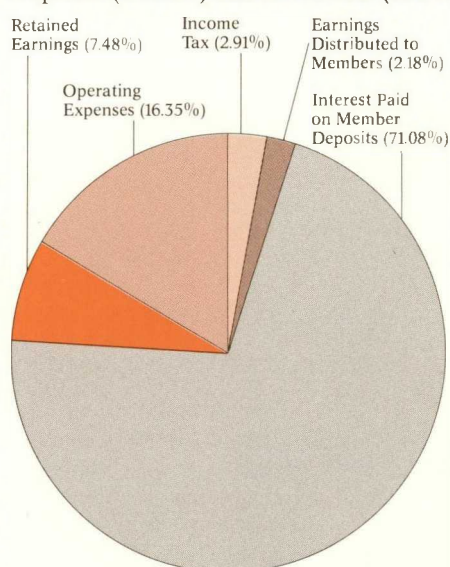
Financial results for the year are generally consistent with expectations and with those of the previous year. This indicates firm control over expenses and the sound financial management of assets and liabilities.

Comparative Table of Operating Results (in percentages)

	1977	1976	1975	1974	1973
Total Interest Earned	100.00	100.00	100.00	100.00	100.00
Interest Expense	71.08	71.99	75.07	74.70	65.77
Operating Margin	28.92	28.01	24.93	25.30	34.23
Operating Expenses	16.35	15.40	15.47	15.84	15.97
Net Margin	12.57	12.61	9.46	9.46	18.26
Distribution to Members	2.18	5.29	3.03	3.13	6.10
Income Taxes	2.91	2.27	1.75	1.25	2.44
Net Earnings	7.48	5.05	4.68	5.08	9.72

1977 Distribution of Earnings

73.26% of total earnings for 1977 was paid to members by way of Interest on Deposits (71.08%) and Dividends (2.18%).



Lending Activity

Members came to VanCity in record numbers in 1977 to borrow for a multitude of purposes. As in the past the greatest demand was for mortgage loans, mainly to finance the purchase of a home. As a pioneer of the 'open mortgage' we are gratified that the favourable terms of this mortgage have been recognized.

First and second mortgages continue to be the major part of our loan portfolio, and no doubt this situation will continue in the future. However, more emphasis is going to be given to servicing members for their consumer loan needs. The 'open' terms and competitive interest rate offered on all VanCity consumer loans is not sufficiently recognized by members at present.

Loan Approvals Activity

1977	1976	1975	1974	1973
18,109	11,675	9,223	7,528	8,012

With rising unemployment, and in some areas a downturn in the value of homes, it is not surprising that there has

been an increase in foreclosures and loans written off. The following table shows the amounts written off; needless to say we are pleased that the ratio of loans written off to loans outstanding is low. It may go a little higher in 1978 if the economy does not improve.

	LOANS OUTSTANDING	LOANS WRITTEN OFF	%
1974	\$171,207,813	\$ 43,542	0.03
1975	220,051,715	37,956	0.02
1976	277,832,646	115,629	0.04
1977	427,843,877	199,689	0.05

Branch Services

One new branch was opened during 1977. It was a significant development as it was the first branch in downtown Vancouver. This new branch at 898 West Pender Street will provide much needed service to all those who live, work, or shop downtown.

Improvements and expansion to several existing branches were carried out, including more teller stations and quick deposit installations.

Three branch locations were acquired in 1977. The first opened in January 1978, at Broadway and Arbutus; the other two will open as follows:

Commercial and Kitchener,
March 1978.

Kingsway and Joyce, May 1978.



Retained Earnings (Reserves)

Establishing and maintaining adequate reserves is of prime importance to us as a financial institution. Accordingly, the Directors have established by Board policy that reserves shall be maintained at not less than 2¹/₂% of total loans.

It is the intention of your Directors to continue building reserves in accordance with this policy.

The following table shows that this objective is being met, although it presents a challenge because the rate of growth has been so strong.

Retained Earnings in Relation to Loans and Assets

	RETAINED EARNINGS	% LOANS*	% ASSETS
1973	\$ 3,683,395	2.66	2.30
1974	4,674,579	2.72	2.35
1975	5,841,494	2.64	2.16
1976	7,480,666	2.70	2.19
1977	10,837,893	2.46	2.08

*Includes investments in NHA mortgages.

The Economy

The Canadian economic situation appears to be gradually improving. 1977 saw some definite progress toward both reduction of the inflation rate and general stabilization of the economy. However, high unemployment and other economic problems are still of concern to all Canadians. It appears that improvements will be gradual and that patience will be required.

In British Columbia, a relatively strong rate of growth was experienced in 1977 and is expected again in 1978. There are some weak sectors such as housing, which is in oversupply in most parts of our province. The lower level of activity expected in new housing will probably affect the general real estate market, and depress resales to some extent.

As one of the major mortgage lenders in Greater Vancouver, we are directly affected by this weaker real estate market. It is anticipated that the overall housing situation will tend to create more competition in the home financing field.

New Services

Attention was given to improving existing services and adding new ones required by members. The following list gives some indication of the major new services available to all members.

Universal Access

Members can now transact almost all financial business at any branch, as well as at their 'home' branch.



Six Day Service

Service is now available Monday to Saturday, and additional branches will extend the six day service. With the 'universal access' and 'six day service' branches, all our members now have the ability to perform most of their financial service transactions Monday through Saturday.

Financial Counselling

Private counselling by appointment is available with an experienced counsellor at no charge.



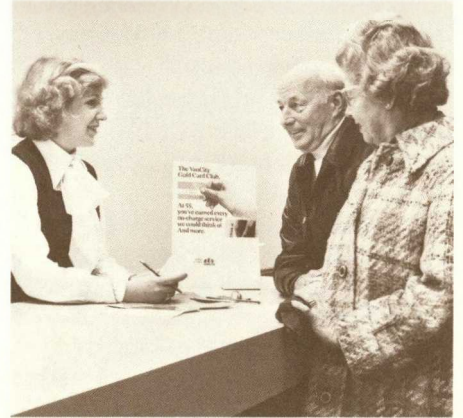
Law Information Service

Members are now provided with the opportunity to obtain information on legal services from our lawyers, at no charge.



Gold Card Club

The Gold Card Club provides a complete package of financial services for members 55 or better on a reduced or no-charge basis.



Quick Depository Unit

Special depository units have been placed in five branches, which enables these members the convenience of making their deposit without delay. This service will be expanded as the need arises.



Additionally, we have made arrangements to accept hydro and telephone bills without service charge.

During 1978 continued efforts will be directed towards improving and developing of new services.

Member Relations

In 1977 we introduced District Meetings. These allowed members to participate in a review of VanCity services. Also, those attending were provided with information on wills and estates, tax matters, and related items.

Seventeen meetings were held throughout the year at various locations, with an average attendance of one hundred members. At these meetings, management staff received valuable input allowing them to improve member services.

Communicating with members is a challenge, and we accept it with enthusiasm. Plans are being developed to continue these meetings on a variety of subjects of interest to both members and staff.

The publication 'Working Dollars' is another way we provide members with information on a regular basis. This will continue in 1978 with a study being carried out to improve content, and to make it more informative and interesting.

Another method of communicating is the VanCity 'hot line'. Members are encouraged to phone our Member Relations Department with suggestions, enquiries, and complaints if they cannot get satisfaction at their branch.



Head Office Premises

We are fortunate that a new, centrally located office building became available to serve as new head office premises. It was purchased in late 1977 and will be occupied by all head office staff. The building will also house a branch. The Cambie and 10th location provides convenient access for members as well as others doing business with VanCity.

These new premises provide sufficient space for the present as well as available space for our long term needs. As one of the fastest growing financial organizations in Canada, we must plan carefully for the future, otherwise we face the costly possibility of relocation from time to time.



Vancity Insurance Services Ltd.

Establishment of the Insurance Division occurred in the summer of 1976. The thrust of this development has been to provide the best insurance coverage available at the fairest possible price.

Initial projections indicated that the insurance operation would be self-supporting by the third year. In this type of business it takes two to three years to build a sufficient volume of renewals to cover the necessary cost of operations.

There are now more than 3,600 policyholders obtaining insurance from our agency, and business is steadily building. The original objective to become self-supporting in three years should be met comfortably.

The Future

As the largest credit union in Canada, VanCity has a most unique and demanding role. It often means we are called upon to 'break trail'; to initiate new areas of service; and to develop policies in our relationships with others.

The greatest challenge facing us at present is determining how to accomplish the continuation of our seven objectives within the existing credit union structure and legislation. Both are basically designed for much smaller and less complex financial organizations.

In an attempt to improve the ownership structure, we are turning our attention to more democratic control. Wider participation in the election of directors is being proposed to the 1978 Annual Meeting.

Another important item is the proposed new Bank Act and the Canadian Payments System, as they are sure to have an effect on VanCity. No final assessment can be made until the proposed Federal legislation is placed before the 'House', and so becomes public knowledge.

Finally, your Directors recognize that their foremost and primary responsibility is serving the membership. We are a member-owned organization, and it is within this context that we seek answers. Answers that will provide a sound foundation for building the future.

Closing Remarks

Having completed a successful year in terms of growth and service, it is fitting to acknowledge and thank the management and staff for their contribution.

Last but not least, we thank all members for their loyal and growing support during the year. We look forward to the future with confidence.

*Respectfully submitted,
Board of Directors*

Vancouver City Savings Credit Union

Consolidated
as at Dece

ASSETS

	1977	1976
LOANS TO MEMBERS	\$427,843,877	\$277,832,646
Allowance for losses (Note 2)	<u>770,427</u>	<u>411,291</u>
	<u>427,073,450</u>	<u>277,421,355</u>
CASH AND TERM DEPOSITS (Note 3)	<u>57,357,150</u>	<u>45,260,565</u>
INVESTMENTS		
Government securities, at cost which approximates market	343,650	5,340,265
Mortgage investments, at amortized cost	12,979,431	
Shares in B.C. Central Credit Union, at cost	7,335,100	3,910,100
Debentures of Credit Union Reserve Board, at cost	<u>3,058,180</u>	<u>2,349,329</u>
	<u>23,716,361</u>	<u>11,599,694</u>
LAND, BUILDINGS AND EQUIPMENT (Note 4)	<u>13,916,879</u>	<u>7,256,996</u>
OTHER ASSETS	145,061	136,298
	<u>\$522,208,901</u>	<u>\$341,674,908</u>

On behalf of the Board
D. G. Campbell, *Director*
M. Betts, *Director*

Balance Sheet

er 31, 1977

LIABILITIES

	1977	1976
DEPOSITS AND SHARES OF MEMBERS		
Deposits withdrawable on demand	\$131,083,379	\$ 73,111,603
Term deposits (Note 5)	233,064,295	184,377,123
Registered Savings Plans (Note 6)	95,331,945	45,456,017
Accrued interest on deposits	8,166,666	7,435,149
Shares	16,525,994	15,377,693
Provision for distribution of earnings	963,668	1,701,522
	<u>485,135,947</u>	<u>327,459,107</u>
DEPOSITS OF NON-MEMBERS	<u>18,465,061</u>	<u>4,685,600</u>
SECURED LOANS (Note 7)	<u>5,242,659</u>	<u>205,742</u>
CURRENT LIABILITIES		
Accounts payable	769,588	652,212
Income taxes payable	217,413	298,731
	<u>987,001</u>	<u>950,943</u>
DEFERRED INCOME TAXES	<u>1,540,340</u>	<u>892,850</u>
RETAINED EARNINGS	<u>10,837,893</u>	<u>7,480,666</u>
	<u>\$522,208,901</u>	<u>\$341,674,908</u>

Vancouver City Savings Credit Union

Consolidated Statement of Earnings

for the year ended December 31, 1977

	1977	1976
INTEREST EARNED		
Interest on loans	\$ 38,901,328	\$ 27,755,613
Interest on investments	<u>5,735,067</u>	<u>4,695,269</u>
	<u>44,636,395</u>	<u>32,450,882</u>
INTEREST EXPENSE		
Interest on members' deposits	30,535,422	22,155,748
Interest on non-members' deposits	707,107	704,800
Interest on borrowed money	<u>484,179</u>	<u>500,605</u>
	<u>31,726,708</u>	<u>23,361,153</u>
OPERATING MARGIN	<u>12,909,687</u>	<u>9,089,729</u>
ADMINISTRATIVE EXPENSES		
Salaries and employee benefits	3,678,916	2,363,455
Office expenses, premises and supplies	2,361,170	1,577,991
Advertising, meetings, travel and other	1,032,932	858,035
Insurance protection on savings and loans	362,687	414,658
Clearing charges	<u>190,882</u>	<u>131,377</u>
	<u>7,626,587</u>	<u>5,345,516</u>
less: other income	<u>879,274</u>	<u>584,925</u>
Net administrative expenses	<u>6,747,313</u>	<u>4,760,591</u>
PROVISION FOR LOSSES ON LOANS	<u>549,447</u>	<u>236,937</u>
Net expenses	<u>7,296,760</u>	<u>4,997,528</u>
EARNINGS BEFORE DISTRIBUTIONS TO MEMBERS AND INCOME TAXES	<u>5,612,927</u>	<u>4,092,201</u>
DISTRIBUTIONS TO MEMBERS		
Dividends on shares	975,066	867,714
Rebates of loan interest		745,803
Bonus on Plan 24		<u>103,912</u>
	<u>975,066</u>	<u>1,717,429</u>
EARNINGS BEFORE INCOME TAXES	<u>4,637,861</u>	<u>2,374,772</u>
INCOME TAXES		
Currently payable	650,000	495,000
Deferred	<u>647,490</u>	<u>240,600</u>
	<u>1,297,490</u>	<u>735,600</u>
NET EARNINGS FOR THE YEAR	<u>\$ 3,340,371</u>	<u>\$ 1,639,172</u>

Vancouver City Savings Credit Union

Consolidated Statement of Retained Earnings

for the year ended December 31, 1977

	1977	1976
RETAINED EARNINGS, beginning of year	\$ 7,480,666	\$ 5,841,494
NET EARNINGS FOR THE YEAR	3,340,371	1,639,172
TRANSFER FROM PURCHASED CREDIT UNION	<u>16,856</u>	<u> </u>
RETAINED EARNINGS, end of year	<u>\$ 10,837,893</u>	<u>\$ 7,480,666</u>
RETAINED EARNINGS appropriated as follows:		
Statutory reserve requirements in accordance with provisions of the Credit Unions Act	\$ 6,701,028	\$ 5,044,123
Additional reserves set aside by directors	<u>4,136,865</u>	<u>2,436,543</u>
	<u>\$ 10,837,893</u>	<u>\$ 7,480,666</u>

Vancouver City Savings Credit Union

Consolidated Statement of Changes in Financial Position

for the year ended December 31, 1977

SOURCE OF FUNDS

	1977	1976
INCREASE IN MEMBERS' SAVINGS AS FOLLOWS:		
Deposits withdrawable on demand	\$ 57,971,776	\$ 16,089,171
Term deposits	48,687,172	29,059,089
Registered Savings Plans	49,875,928	30,820,530
Accrued interest on deposits	731,517	1,429,697
Shares, including distribution	410,447	2,119,374
	<u>157,676,840</u>	<u>79,517,861</u>
INCREASE (DECREASE) IN DEPOSITS OF NON-MEMBERS	<u>13,779,461</u>	<u>(6,899,767)</u>
INCREASE (DECREASE) IN SECURED LOANS	<u>2,412,737</u>	<u>(3,817,310)</u>
INCREASED BY OPERATIONS		
Net earnings for the year	3,340,371	1,639,172
add: depreciation	504,172	357,234
deferred income taxes	647,490	240,600
	<u>4,492,033</u>	<u>2,237,006</u>
OTHER SOURCES OF FUNDS	796,158	483,318
	<u>\$179,157,229</u>	<u>\$ 71,521,108</u>

APPLICATION OF FUNDS

INCREASE IN LOANS	\$149,652,095	\$ 55,830,175
INCREASE IN CASH AND TERM DEPOSITS	12,096,585	14,085,618
INCREASE (DECREASE) IN INVESTMENTS	12,116,667	(116,483)
PURCHASE OF LAND, BUILDINGS AND EQUIPMENT FOR BRANCH PREMISES, less mortgage thereon	5,291,882	1,721,798
	<u>\$179,157,229</u>	<u>\$ 71,521,108</u>

Vancouver City Savings Credit Union

Notes to the Consolidated Financial Statements

December 31, 1977

1. Accounting Policies

a) Principles of Consolidation

The consolidated statements include the assets, liabilities, and operating results of the credit union and its wholly owned subsidiaries:

Vancity Insurance Services Ltd.
V.C.S. Housing Developments Ltd.
V.C.S. Condominium Developments Ltd.

The subsidiary companies' principal objects include providing of insurance services to credit union members, the ownership of rental housing, and the development of housing for resale.

Certain projects of property ownership and development have been undertaken in partnership with others. In respect of these projects the consolidated financial statements include the net assets representing the credit union's share of the projects.

b) Provision for Losses on Loans

The credit union makes provision in its accounts for possible losses on loans to members by charges to earnings.

The provision is calculated in relation to specific loans.

c) Members' Shares

Members' share accounts include amounts paid in by members together with accumulated dividends. These amounts in practice

are withdrawable on demand, and may be redeemed by the credit union.

d) Distributions to Members

The credit union provides in its accounts the estimated amount of distributions to members which will be paid to its members in respect of its earnings for the year.

e) Income Taxes

The credit union claims for income tax purposes reserves permitted in respect of loans and certain other assets. This claim for income tax purposes exceeds the related provisions recorded in the accounts and results in a reduction of income taxes currently payable. This reduction in taxes may become payable in certain circumstances and accordingly the credit union has provided for this liability as Deferred Income Taxes.

f) Depreciation

Buildings are depreciated on a declining balance method at a rate of five percent per year.

Equipment is depreciated on a straight-line method over the useful life of the asset. The useful life of various assets is estimated to range from three to ten years.

Leasehold improvements are amortized over ten years.

The sinking fund method is used in depreciating rental housing.

2. Allowance for Losses on Loans

Changes in the allowance for losses on loans during the year are as follows:

	1977	1976
Balance, beginning of year	\$411,291	\$284,712
Collections on loans previously written-off	9,378	5,271
Uncollectible loans written-off	199,689	115,629
	220,980	174,354
Amount charged as expense for the year	549,447	236,937
Balance, end of year	<u>\$770,427</u>	<u>\$411,291</u>

3. Cash and Term Deposits

Details of amount shown as cash and term deposits are as follows:

	1977	1976
Cash on hand, at bank and at B.C. Central Credit Union	\$ 2,417,995	\$ 5,980,781
Demand and term deposits with B.C. Central Credit Union, due in 1978	40,500,000	31,000,000
Term deposits with chartered banks, due in 1978	9,952,180	7,919,940
due beyond 1978 (cashable)	4,000,000	
Accrued interest on deposits	486,975	359,844
Cash and term deposits	<u>\$57,357,150</u>	<u>\$45,260,565</u>

4. Land, Buildings and Equipment

Branch Premises

	Cost	Accumulated Depreciation	1977 Net	1976 Net
Land	\$ 2,442,008	\$	\$ 2,442,008	\$ 1,124,444
Buildings	8,627,497	482,361	8,145,136	2,714,483
Leasehold improvements	332,423	120,277	212,146	58,124
Construction in progress	248,656		248,656	
	11,650,584	602,638	11,047,946	3,897,051
Office equipment and furniture	2,119,584	940,265	1,179,319	905,505
Total credit union premises and equipment	<u>13,770,168</u>	<u>1,542,903</u>	<u>12,227,265</u>	<u>4,802,556</u>

Member Housing

Rental property				
Land	105,900		105,900	105,900
Buildings	537,379	6,689	530,690	532,689
Property for development and resale	1,053,024		1,053,024	1,815,851
Total member housing	<u>1,696,303</u>	<u>6,689</u>	<u>1,689,614</u>	<u>2,454,440</u>
Land, buildings and equipment	<u>\$15,466,471</u>	<u>\$ 1,549,592</u>	<u>\$13,916,879</u>	<u>\$ 7,256,996</u>

Total depreciation written during the year amounted to \$504,172 (\$357,234 - 1976).

Notes to the Consolidated Financial Statements (continued)

December 31, 1977

5. Term Deposits

Term deposits of members mature in the following years:

	1977	1976
1978	\$164,756,925	\$138,114,856
1979	7,234,692	14,473,409
1980	14,888,477	5,460,262
1981	11,552,849	7,649,661
1982	26,581,275	11,108,286
1983-1987	827,338	1,375,537
Beyond 1987	7,222,739	6,195,112
	<u>\$233,064,295</u>	<u>\$184,377,123</u>

Deposits due beyond 1983 have the right of prior withdrawal.

Deposits of non-members generally mature in 1978.

6. Registered Savings Plans

Deposits received from Trustees for the following plans:

	1977	1976
Registered Retirement Savings Plans	\$ 82,635,990	\$ 39,845,327
Registered Home Ownership Savings Plans	11,491,307	5,399,010
Deferred Profit Sharing Plans	296,869	15,500
	<u>94,424,166</u>	<u>45,259,837</u>
Other		
Income Averaging Annuities	907,779	196,180
Total Registered Savings Plans	<u>\$ 95,331,945</u>	<u>\$ 45,456,017</u>

7. Secured Loans

Secured loans include the following:

	1977	1976
Loan - B.C. Central Credit Union, secured by assignment of loans receivable, repayable on demand	\$2,412,737	\$
Mortgage - secured by a first charge on certain land and building, repayable monthly over a term of twenty years	2,635,000	
Mortgages on rental property, held as member housing	194,922	205,742
	<u>\$5,242,659</u>	<u>\$ 205,742</u>

8. Directors' Remuneration

The directors in their capacity as directors received no remuneration during the years ended December 31, 1977 and 1976.

9. Loans to Directors, Officers and Employees

The outstanding loans to 120 directors, officers and employees at December 31, 1977 were \$2,049,567 and none of these loans was in arrears at that date. Corresponding figures at December 31, 1976 were 123 - \$1,093,304.

10. Undisbursed Loans

At December 31, 1977, loans in the amount of \$52,000,000 were approved and not yet disbursed, and the credit union had entered into commitments to make further mortgage investments of \$4,500,000. (At December 31, 1976, the undisbursed loans were \$14,000,000).

Auditors' Report

To the Members of
Vancouver City Savings Credit Union.

We have examined the consolidated balance sheet of Vancouver City Savings Credit Union as at December 31, 1977 and the consolidated statements of retained earnings, earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the credit union as at December 31, 1977 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In accordance with Section 78 of the Credit Unions Act we further report that we consider the procedures adopted by the credit union are adequate for the safety of its creditors and members, and the credit union is in sound financial condition.

CAMPBELL, SHARP, NASH & FIELD
Chartered Accountants

Vancouver, Canada.
February 2, 1978.

Full Range of Financial Services for Members

Share-Savings Membership Account – annual dividends.

Plan 24 Passbook Savings – daily balance interest

Convenience Account – chequing/line of credit combined.

Gold Card Club – no-charge services for members 55 and better.

Term Deposits – terms for 30 days to 5 years, on deposits of \$500 or more.

Monthly Interest Term Deposits – \$4,000 minimum, terms from 2 to 5 years.

Registered Retirement Savings Plans (RRSP's).

Registered Home Ownership Savings Plans (RHOSP's).

Income Averaging Annuities.

Deferred Profit Sharing Plans.

Solicitors' Trust Accounts.

Personal Loans – for any worthwhile purpose. Car, Boat or Recreational Vehicle Loans – for new and used units.

First and Second Mortgage Financing – conventional, NHA/MICC.

Commercial Mortgages.

Universal Access – interbranch deposits, withdrawals and loan payments.

Night Depository Service.

Safety Deposit Boxes.

Quick Depository.

Travellers' Cheques (American Express, Thomas Cook).

Canada Savings Bonds.

Money Orders and Drafts.

Handling of Agreements for Sale and Mortgages.

Collection of B.C. Hydro and B.C. Telephone Bills.

City of Vancouver, Districts of Burnaby, Coquitlam, Langley, and Municipality of Delta property tax payments.

Free Financial Counselling by appointment.

Free Law Information Service.

Insurance through Vancity Insurance Services Ltd. (Wholly owned subsidiary.)

National and Western Lottery Tickets – proceeds to charity.

Travel Services through Maple Leaf Travel Ltd.

Branches

VANCOUVER

Broadway & Arbutus
2106 West Broadway
A. J. Campbell, *Manager*

Broadway & Oak
1030 West Broadway
J. M. Chapman, *Manager*

Broadway & Waterloo
3395 West Broadway
G. R. Newman, *Manager*

Commercial & Kitchener
1380 Commercial
R. W. Joncas, *Manager*

Fraser & 47th
6330 Fraser
G. N. Barlott, *Manager*

Hastings & Kamloops
2510 East Hastings
F. S. Barnes, *Manager*

Main & 26th
4205 Main
A. M. Ismail, *Manager*

Pender & Hornby
898 West Pender
J. H. Iseli, *Manager*

Victoria & 40th
5590 Victoria
J. A. Davies, *Manager*

NORTH BURNABY BRANCH:

Hastings & Madison
4302 East Hastings
S. L. Grindeland, *Manager*

WEST VANCOUVER BRANCH:

Marine & 15th
1548 Marine Drive
D. R. Parkinson, *Manager*

NEW BRANCHES TO OPEN IN 1978:

Cambie & 10th
515 West 10th
Kingsway & Joyce
3305 Kingsway
C. T. M. Heijke, *Manager*

WHOLLY OWNED SUBSIDIARY:

Vancity Insurance Services Ltd.
No. 207–6330 Fraser
Vancouver, B.C.
R. J. Evelle, *Manager*

NEW ADDRESS: MAY, 1978:

515 West 10th Avenue

Staff

HEAD OFFICE:

1034 West Broadway
Vancouver, B.C.

G. J. Hook
Chief Executive Officer and General Manager
New Head Office, May, 1978
515 West 10th Avenue
Vancouver, B.C.

ADMINISTRATION DIVISION

B. A. F. Higgs,
Manager
M. Dukes,
Chief Accountant
J. P. Smith,
Computer Services Manager
G. F. N. Langdon,
Internal Auditor
R. Kelly,
Investments Manager

HUMAN RESOURCES DIVISION

W. E. McKay,
Manager
W. C. Shellard,
Personnel Manager

MARKETING DIVISION

J. F. Stimson,
Manager
R. B. Spooner,
Member Relations Manager

OPERATIONS DIVISION

C. F. Coffey,
Manager
G. E. Smith,
Branch Operations Manager
D. W. Nelson,
Chief Loans Officer
D. C. Turnbull,
Security & Premises Manager
R. A. Frampton
Special Financial Services Manager

VanCity Objectives

- 1 To build, maintain and encourage membership in a financially sound credit union serving the people of Greater Vancouver.
- 2 To contribute to the welfare and expansion of the credit union movement in Canada and abroad.
- 3 To provide to members the best savings service with the highest possible return and the best credit service at the lowest possible cost, and the best ancillary services at the lowest possible cost, consistent with sound operating principles.
- 4 To assist people in the management of money and to provide financial information, counselling and similar services in their best interests.
- 5 To maintain effective membership control of the credit union through membership meetings, democratic elections and participation on committees.
- 6 To create working conditions and employment opportunities in which staff members may find satisfaction and encouragement to grow and develop with the credit union.
- 7 To maintain a worthy position in the financial field, the general field of business and the community.

Vancouver City Savings
Credit Union

Owned by the People it Serves

