



Annual General Meeting
March 17, 2010
Eckville Legion Hall

REPORT PACKAGE

Agenda

March 17, 2010

1. **President's Welcome and Call to Order**
2. **Appointment of Recording Secretary**
3. **Approval of Agenda**
4. **Introductions**
5. **Quorum Report**
6. **Minutes of the 66th Annual Meeting**
7. **Business Arising from the Minutes**
8. **Report from the General Manager**
9. **Report from the Board**
10. **Report from the Credit Committee**
11. **Report from the Audit & Finance Committee**
12. **Financial Statement and Auditors Report**
13. **Report from the Nominating Committee**
14. **Service Award Presentations**
15. **Door Prize Draws**
16. **Other Business**
17. **Adjournment**

Minutes

ECKVILLE DISTRICT SAVINGS AND CREDIT UNION LIMITED

MINUTES OF THE 66th ANNUAL MEETING

March 11, 2009

1. PRESIDENT'S WELCOME / CALL TO ORDER

Richard Anderson welcomed everyone to the 66th Annual Meeting. The meeting was called to order at 7:02 p.m.

2. APPOINTMENT OF RECORDING SECRETARY

Motion: Rob Stevenson
Second: Dana Kreil

To appoint Cherie Litke as the recording secretary.

Carried.

3. APPROVAL OF AGENDA

Motion: August Liivam
Second: Jamie Miller

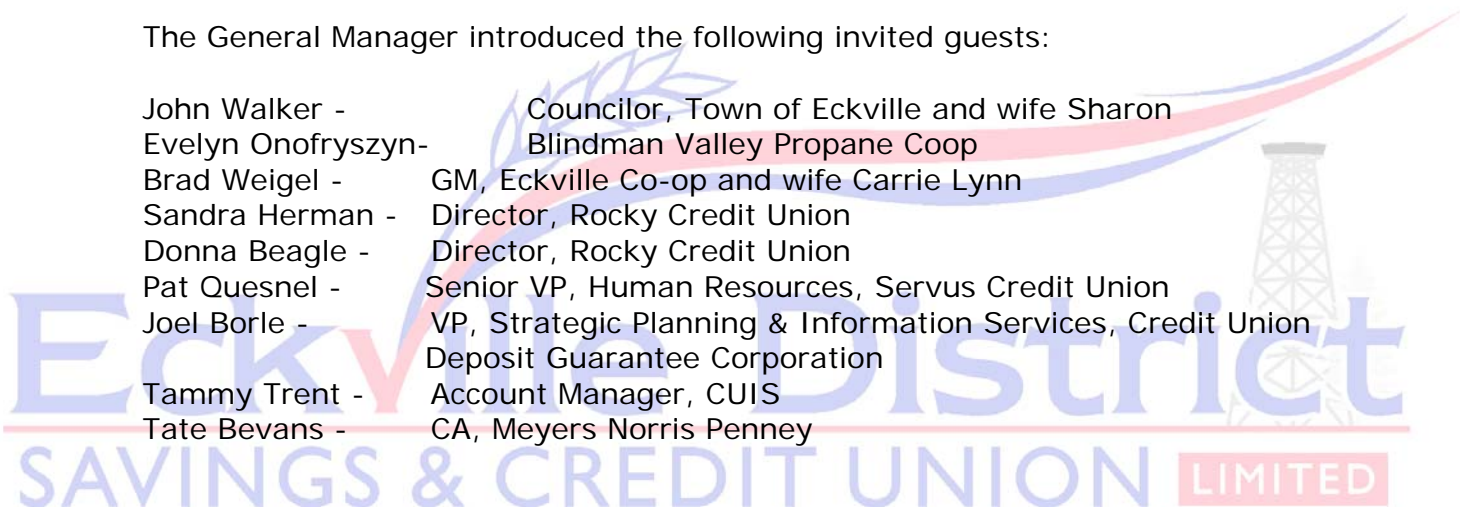
To approve the agenda as presented.

Carried.

4. INTRODUCTIONS

The General Manager introduced the following invited guests:

John Walker -	Councilor, Town of Eckville and wife Sharon
Evelyn Onofryszyn-	Blindman Valley Propane Coop
Brad Weigel -	GM, Eckville Co-op and wife Carrie Lynn
Sandra Herman -	Director, Rocky Credit Union
Donna Beagle -	Director, Rocky Credit Union
Pat Quesnel -	Senior VP, Human Resources, Servus Credit Union
Joel Borle -	VP, Strategic Planning & Information Services, Credit Union Deposit Guarantee Corporation
Tammy Trent -	Account Manager, CUIS
Tate Bevans -	CA, Meyers Norris Penney



Minutes

The General Manager, Mitch Krecsy, introduced the Credit Union Board of Directors as follows:

Richard Anderson, President
Peter Baker, Vice President
Karin Engen
Cindy Letwin
Sherron Moos, Secretary
Garth Yeomans, Chair – Audit & Finance Committee
Keith Acheson (not in attendance)

The General Manager acknowledged the staff in attendance.

5. QUORUM REPORT

Tate Bevans presented the quorum report. There were 63 members and 6 guests in attendance and by law, a quorum is evident

Motion: Pat Anderson
Second: Sandra Callihoo

To accept the quorum report as presented.

Carried.

6. MINUTES OF THE 65th ANNUAL MEETING

Motion: John Walker
Second: Rob Stevenson

To accept the minutes of the 65th Annual Meeting as presented.

Carried.

7. BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes

8. GENERAL MANAGERS REPORT

Mitch Krecsy presented the General Managers report.

Minutes

9. BOARD OF DIRECTORS REPORT

Richard Anderson presented the Board of Directors report.

10. CREDIT COMMITTEE REPORT

Rob Stevenson presented the Credit Committee report.

11. AUDIT AND FINANCE COMMITTEE REPORT

The Audit and Finance Committee report was presented by Garth Yeomans.

Motion: Jamie Miller
Second: Loretta Ferguson

That the General Manager's Report, Board of Directors Report, Credit Committee Report and Audit and Finance Committee Report be adopted as presented.

12. AUDITORS REPORT

Tate Bevans, on behalf of Meyers Norris Penney Chartered Accountants, presented the Auditors report.

Motion: Linda Cunningham
Second: Debbie Baker

That the Auditor's Report for the period ending October 31, 2008 be adopted as presented.

Carried.

13. NOMINATING COMMITTEE REPORT AND NOMINATIONS

Peter Baker presented the nominating committee report. He reported that there were two board vacancies, each having a term of 3 years.

An in-branch election was not necessary during the two weeks prior to this meeting due to insufficient candidates for an election. The elected directors were:

Richard Anderson and Garth Yeomans

Minutes

Mr. Baker asked for a motion to ratify the appointment of the above candidates

Motion: August Liivam

Second: Ed Kreil

That the membership ratify the appointment of Richard Anderson and Garth Yeomans to the board of directors

Carried.

Motion: Rob Stevenson

Second: Debby Baker

That the Nominating Committee Report be adopted as presented.

Carried.

14. SERVICE AWARD PRESENTATIONS

Mitch Krecsy presented a service award to Cherie Litke for 10 years of service. Mitch Krecsy presented a service award to Rob Stevenson for 20 years service in the credit union system.

On behalf of the Board of Directors, Richard Anderson presented Garth Yeomans with a gift for his 5 years of service to the credit union.

16. DOOR PRIZE RESULTS

The following people won door prizes donated by Eckville Credit Union and its suppliers:

August Liivam – CUIS garden tool kit
Gary Peterson – Credit Union flashlight
John Walker – Credit Union golf balls
Joel Borle – Credit Union coffee mugs
Derryn Yeomans – Credit Union sports bag
Julie Ruttle – Credit Union luggage

17. OTHER BUSINESS

None

Minutes

18. ADJOURNMENT

Motion: Val Liivam

To adjourn the meeting at 7:30 p.m.

Carried.

President

Secretary



General Manager's Report

March 17, 2010

Readers of the reports presented at tonight's annual general meeting can see quite clearly that your credit union is not immune to the recent global economic issues. Considerably lower profits and no balance sheet growth are just two of the financial consequences to the credit union brought about by the poor economy.

There have been very difficult decisions needed to be made in dealing with the financial circumstances. Due to a large portion of our loans portfolio being made up of floating rate loans, a decision was made in March of 2009 to implement a prime rate floor of 3.50%. Our prime rate will normally follow that of Credit Union Central of Alberta but will never fall below the 3.50% threshold. The decision to make this policy change was not taken lightly and a lot of research went into the potential effects on our borrowing members. We found that, even with the prime rate floor, the actual rates being charged on loans to our members remained very competitive.

Our borrowing members were not the only ones affected by the economic turmoil. After thirteen years of paying a common share dividend of more than 10%, reduced profits made it necessary to reduce the common share dividend to 5% for the latest fiscal year. This was also a very difficult decision to make given that history. However, in the low interest rate environment that's even still upon us, this rate was still very competitive.

As mentioned, the above decisions were very difficult for management to recommend and for the board of directors to approve. Rest assured that the prime consideration when making these decisions was the overall financial health and stability of the credit union and thereby its membership as a whole.

On to the future, though. Management is very excited about the credit union's future. Your board of directors has approved a new strategic plan and we are working towards its implementation. We will be making some changes in our service culture, some policy changes, providing more training and doing much more measuring. We will be measuring our successes, of course, but we also need to know where improvements are needed and our members will be asked to give their feedback in both regards.

Management is also very excited about the opportunity that we have to grow our business through the recently opened agency in Spruce View. Although the growth we have experienced so far has not met expectations, our business is new to the community and we understand that it is a big decision to switch financial institutions. So it will take much more business development effort from management and staff to bring some momentum to the agency and get it rolling like we think it can.

General Manager's Report

March 17, 2010

We continue to research and implement improvements to our products and services as well. Changes to our member statements, including the ability to receive your statement electronically, are coming. An enhanced Memberdirect on-line banking system is soon to be available to us. We are researching the offering of a complete Wealth Management service that would include life insurance and financial planning. These changes and others are being applied in an effort to improve the service offering to the membership while ensuring continued competitiveness in the marketplace.

The employee team is made up of pretty much the same individuals as last year and the average years of service in our employee group is increasing which is very encouraging as this has not always been the case. This stability is critical in providing the service that members expect. The stability reduces training costs and increases competitiveness as our employees develop service skills that enable the building of strong business relationships.

Our employees deserve a lot of gratitude for their dedication to their work and their positive response to all the changes we've had over the past number of years. One might assume that longer-term employees become apathetic in their work; not these people. They remain an inspired, committed, loyal group that are working towards a common goal – service to you. And they're darn good at providing just that. Thank you, staff.

Finally, this has been a difficult year for our membership having to make some financial concessions for the benefit of the whole organization. You have stuck with us and I want to extend my sincere appreciation for that on behalf of the management and staff. We'll do everything in our power to ensure that we meet your future expectations. Thank you.

Respectfully Submitted,

Mitch Krecsy
General Manager



Board of Director's Report

March 17, 2010

On behalf of the staff, management and directors of the Eckville District Savings and Credit Union, I would like to thank all of you, our members, for continuing to use us as your financial services provider of choice. It is the confidence that you show in us that enables us to improve our service to you.

As members of the Eckville District Savings and Credit Union you can be proud of the accomplishments of the management and staff in keeping the Credit Union viable and profitable. The Credit Union is not immune to the pressures of the global economy within which we work. Special thanks goes to the lending staff who were the first to see the effect of the downturn in the economy. They kept a close watch on the quality of the loans and the repayment history to keep our portfolio of loans working hard to make a profit for the Credit Union. You will have noticed that interest rates globally and especially in North America are at historical low values for savings and borrowing. Both our savers and borrowers made sacrifices for the Credit Union this year, and for that we are very grateful.

Despite the challenging economic times, we had a successful year. We have been able to generate a profit, albeit a smaller one than last year. The Credit Union was able to pay a 5% patronage dividend and return 1% interest on Participatory Savings. This also allowed us to put some of our profits into retained earnings which provides a cushion from future fluctuations in the economy. We trust the worst is over and that we can look forward to growing profits which can be shared with you in the future to reward you for your confidence in us during these tough economic times.

In addition to the many dollars we contribute to the communities we serve, the staff and directors of the Credit Union continue to donate time and talents to many worthwhile community causes. Among the beneficiaries of our volunteering are the United Way, 4-H judging, Career and Life Management classes at the local high schools, and future young leaders who attend the Alberta Community and Co-operative Association camps at Camp Goldeye. It is through continued contact with our community that we can provide unsurpassed personalized service and products.

Thank you for continuing to place your confidence in us and we promise to do our best to earn and deserve the trust. We look forward to a continued profitable future.

Respectfully submitted

Richard Anderson
President

The logo for Eckville District Savings & Credit Union Limited features a stylized blue and red wave graphic on the left, a white oil rig icon on the right, and the text "Eckville District" in large blue letters above "SAVINGS & CREDIT UNION LIMITED" in smaller blue letters. The word "LIMITED" is enclosed in a red rectangular box.

Eckville District
SAVINGS & CREDIT UNION LIMITED

Credit Committee Report

March 17, 2010

Loan Category	October 2009		October 2008		October 2007	
	\$\$	%	\$\$	%	\$\$	%
Authorized Overdraft	\$12,802,939	25.62	\$13,134,401	25.95	\$11,009,038	21.93
Consumer	\$5,088,745	10.18	\$6,329,904	12.51	\$7,520,734	14.98
Residential Mortgage	\$20,771,244	41.56	\$18,756,395	37.05	\$15,984,519	31.83
Agriculture Term	\$1,221,228	2.45	\$1,621,699	3.21	\$1,622,466	3.23
Agriculture Mortgage	\$5,402,042	10.81	\$5,520,060	10.91	\$6,017,013	11.99
Commercial Term	\$1,096,454	2.20	\$1,017,163	2.01	\$2,135,371	4.26
Commercial Mortgage	\$3,606,021	7.22	\$4,247,627	8.39	\$5,929,170	11.81
TOTAL	\$49,988,683		\$50,627,249		\$50,218,311	

Growth during the last fiscal year was difficult to achieve due to the economic downturn and loan balances are down by 1.3%. While demand for most loan types has dropped off, residential mortgages continued to be requested.

Delinquency over 60 days ended the year at 0.25%. Ongoing delinquency throughout the year continued to be a challenge, and led to loan write offs totaling \$233,000. We continue to increase provisions for losses due to increased bankruptcies and the reduced cash flow of borrowers. On an ongoing basis we monitor the portfolio and make provisions for doubtful loans where deemed prudent. We expect another challenging year from a delinquency standpoint in 2010.

Based on analysis that we have done regarding our delinquency situation, we believe that additional financial awareness at a young age might have prevented some of the financial difficulty experienced by our members during this economic slowdown. With this in mind, we have partnered with the high schools at David Thompson, Spruceview and Eckville to give some basic financial instruction to their grade 10 and 11 CALM (Career and Life Management) financial classes.

Due to a change in technology platforms, we have implemented a new Loan Origination system. This is software that allows our lenders to input and retain pertinent borrower information for building and analyzing loan applications. While we see the usual bumps that come with new technology, the parent software company has been working diligently with us to progress through the changes required for smooth loan processing. We appreciate your patience while we move forward with this important lending tool.

Credit Committee Report

March 17, 2010

Though it appears that the economy is recovering, it is unrealistic to expect things to change overnight. While the economy slowly corrects, we expect there will continue to be delinquent loans and additional requirement for provisions for doubtful loans.

On the positive side, we have a new sub agency that will be given stronger focus and we expect to be building good financial relationships with borrowing members in the Spruce View area.

Similar to last year, we anticipate that our overall loan growth throughout this fiscal year will be fairly flat. But as we move forward, our department and organization are optimistic of a brighter future, and are preparing our resources for the next upturn in the economic cycle.

Respectfully submitted,

Rob Stevenson
Loans Manager



Audit & Finance Committee Report

March 17, 2010

The Audit and Finance Committee consists of the entire board of directors. The committee met three times during the 2009 operating year.

We reviewed, in detail, the reports presented by the Credit Union Central Auditors and our external auditors. All recommendations of the auditors were considered and, if recommended by the board, were implemented by management. We have renewed our commitment with Credit Union Central to continue with the internal audit function.

On February 11, 2010, the enclosed financial statements were presented by Meyers Norris Penney to the board of directors. The statements were reviewed in detail and approved for presentation to the membership by the board of directors.

On behalf of the Audit and Finance Committee, I wish to thank our staff for their assistance and cooperation in providing complete and accurate information to us and to the audit firms we engage.

Respectfully Submitted,

Garth Yeomans
Chair, Audit & Finance Committee



Nominating Committee Report

March 17, 2010

The terms of Sherron Moos, Peter Baker and Cindy Letwin have expired. Therefore, we had three board vacancies that were to be filled.

As per the bylaws, a Call for Nominations for directors was placed in the local newspaper on December 18, 2009.

If enough candidates are nominated, an election takes place at the credit union office for two weeks prior to the AGM. However, the nominating committee received only three nominations. Sherron Moos, Curtis Maki and Ken Ackerman have completed the necessary nomination requirements and all meet the director qualifications as per the Credit Union Act and the bylaws of Eckville District Savings and Credit Union. Peter Baker and Cindy Letwin have decided not to run for election.

Based on the above, a motion to appoint the above nominees to the board of directors to a 3 year term will be requested during the regular meeting.

Respectfully Submitted,

Karin Engen
Chair, Nominating Committee

