

Annual Meeting Report Package

for the period ending October 31, 2010

“Our professional team provides a personalized, convenient, competitive range of financial solutions to benefit our member owners and the communities we serve because we care.”



Minutes

ECKVILLE DISTRICT SAVINGS AND CREDIT UNION LIMITED

MINUTES OF THE 67th ANNUAL MEETING

March 17, 2010

1. PRESIDENT'S WELCOME / CALL TO ORDER

President Richard Anderson welcomed everyone to the credit union's 67th Annual Meeting. The meeting was called to order at 7:35 p.m.

2. APPOINTMENT OF RECORDING SECRETARY

Motion: Sherron Moos
Second: Debby Baker

To appoint Terry Hughes as the recording secretary.

Carried.

3. APPROVAL OF AGENDA

Motion: Jamie Miller
Second: Pat Anderson

To approve the agenda as presented.

Carried.

4. INTRODUCTIONS

The General Manager introduced the following invited guests:

- Tammy Schulmeister representing CUMIS Insurance
- Brad Weigel and wife Carrie Lynn representing Eckville Coop
- Bob Marshall and Herman Epp representing Mountainview Credit Union
- Angie French and Elaine Kautz representing Rocky Credit Union
- Tate Bevans representing Meyers Norris Penney
- John Walker representing Town of Eckville
- Ray Belot representing Alberta Central
- Evelyn Onofryszyn representing Blindman Valley Propane Coop

Minutes

The General Manager, Mitch Krecsy, acknowledged the Credit Union staff in attendance

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

Richard Anderson
Garth Yeomans
Cindy Letwin
Peter Baker
Sherron Moos
Karin Engen
Keith Acheson

5. QUORUM REPORT

Tate Bevans presented the quorum report. There were 52 members and 7 guests in attendance.

Motion: Rob Stevenson
Second: Debbie Baker

To accept the quorum report as presented.

Carried.

6. MINUTES OF THE 66th ANNUAL MEETING

Motion: Evelyn Onofryszyn
Second: Peter Baker

To accept the minutes of the 66th Annual Meeting as presented.

Carried.

7. BUSINESS ARISING FROM THE MINUTES

None.

8. GENERAL MANAGERS REPORT

Mitch Krecsy presented the General Managers report.

Minutes

9. BOARD OF DIRECTORS REPORT

Richard Anderson, president of the board, 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.

12. AUDITORS REPORT

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

13. NOMINATING COMMITTEE REPORT AND NOMINATIONS

Karin Engen presented the nominating committee report and nominations. She reported that there were three 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 nominated directors were:

Sherron Moos, Curt Maki and Ken Ackerman Jr.

Mrs. Engen asked for a motion to ratify the appointment of the above candidates.

Motion: John Walker

Second: Pat Baker

That the members ratify the appointment of Sherron Moos, Curt Maki and Ken Ackerman Jr. to the board of directors.

Carried.

Motion: Evelyn Onofryszyn

Second: Karin Engen

That all of the above reports be adopted as presented.

Carried.

Minutes

14. SERVICE AWARD PRESENTATIONS

Mitch Krecsy presented a service award to Jamie Miller for 5 years service

Richard Anderson thanked Cindy Letwin for her 3 years service on the board of directors and presented her with a token of appreciation

Richard Anderson thanked Peter Baker for his 9 years service on the board of directors and presented him with a token of appreciation

15. DOOR PRIZE RESULTS

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

- Brenda Ethier won a CUMIS travel mug
- Kelly Misner won a CUMIS travel blanket
- Hazen Letwin won a credit union wallet
- Tate Bevans won a credit union flashlight
- Ray Belot won a dozen credit union golf balls
- Elaine Kautz won a set of credit union coffee cups
- John Walker won a credit union lawn chair
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16. OTHER BUSINESS

17. ADJOURNMENT

Motion: Peter Baker

To adjourn the meeting at 8:03 p.m.

Carried.

President

Secretary

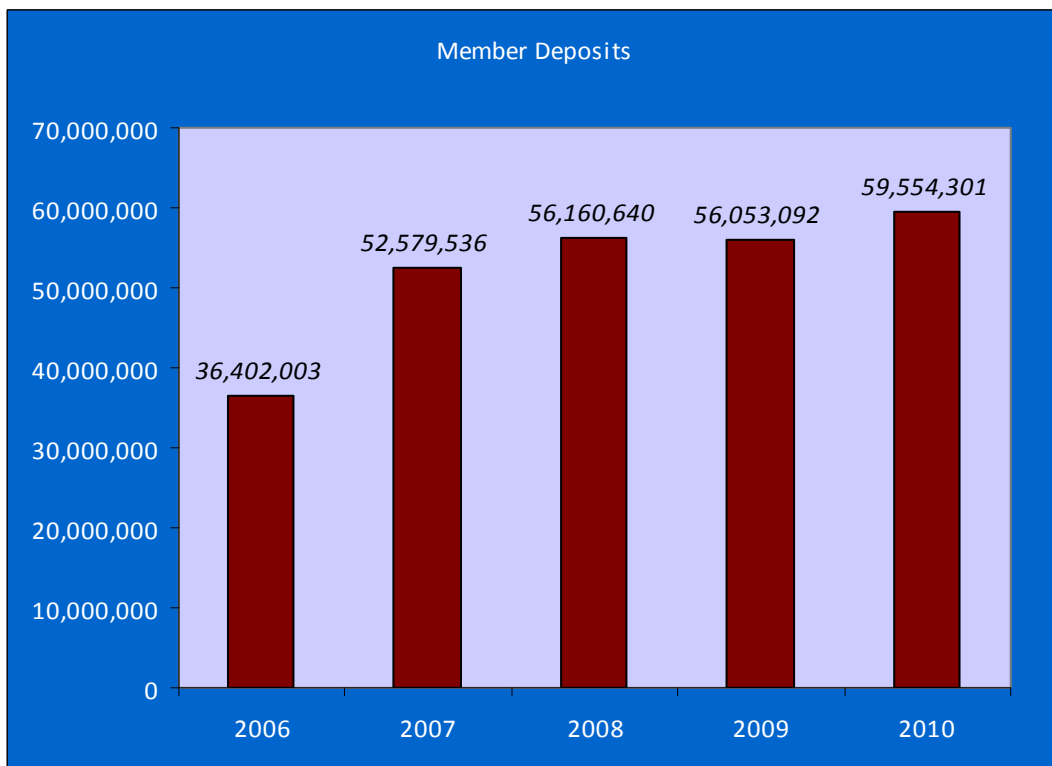
General Manager's Report

March 16, 2011

FINANCIAL

As usual, I begin my report with commentary on the financial results of the credit union. Overall, we are pleased with our financial results, given the continued historically low interest rate environment and somewhat stagnant economy.

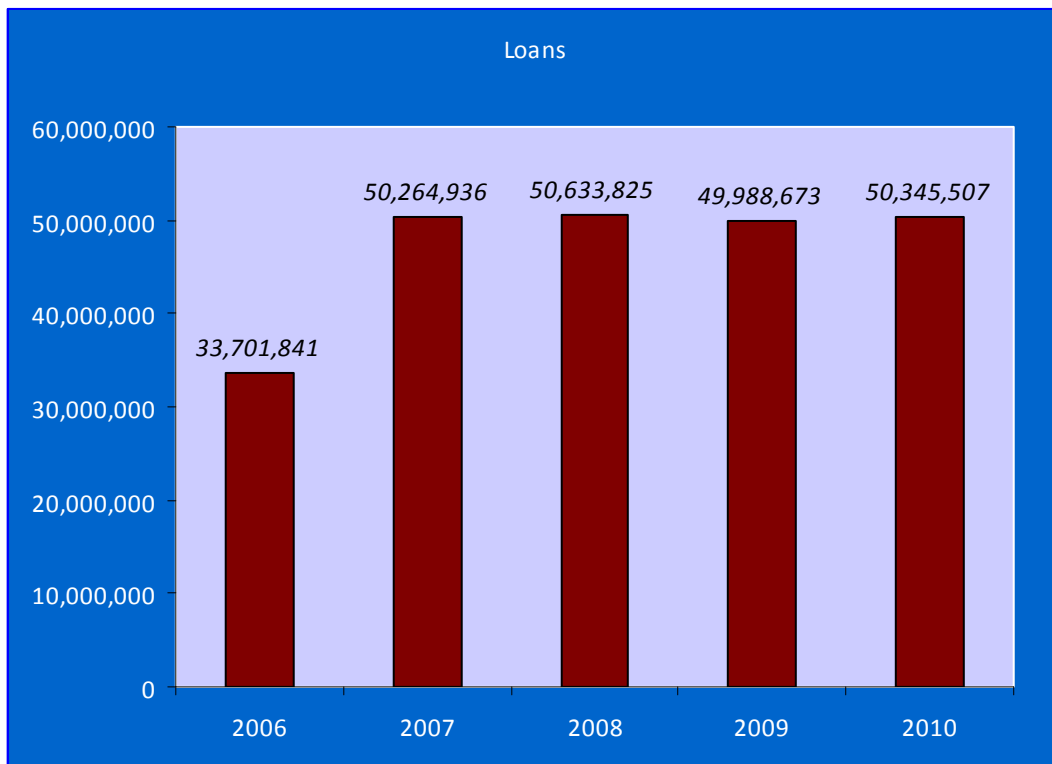
Growth in member deposits was reasonable for the year, with total deposits increasing by almost \$3.25 million, or 5.7%. Most of that growth came in the form of demand deposits, or chequing and savings accounts.



General Manager's Report

March 16, 2011

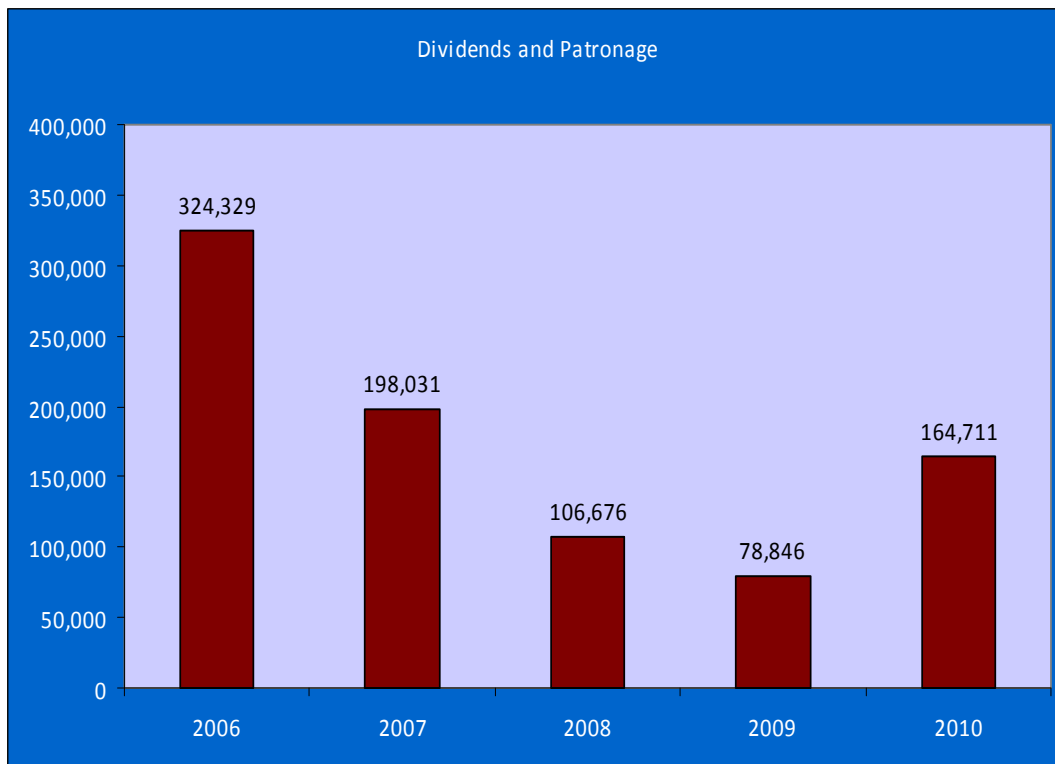
Loans outstanding remained relatively stable and, as shown by the graph, have done so for the last few years. While we like to see growth in our loans each year, we are comfortable maintaining current loan levels knowing we have a quality portfolio to work with.



General Manager's Report

March 16, 2011

Continued low interest rates have kept our interest margin at levels that challenge us in providing good returns to our members. However, we were able to generate sufficient profit from our operations to pay the same dividend rate as last year (5%) as well as additional patronage on loan and deposit interest.



Our Spruce View agency has not developed as well as we would have liked. Although the number of accounts being operated from the agency continues to grow on a monthly basis, the dollar growth that we expected has not been there yet. Both the board of directors and staff have made it a priority to build this business to its potential and we are committed to giving the project sufficient time to develop into what we think it can be.

There have been fairly significant changes at our credit union over the last year. Some of the changes are easy for members to notice and some will take place behind the scenes. But they are all being done with the intention of following through with our Mission Statement that you see on the cover of this report booklet.

General Manager's Report

March 16, 2011

Firstly, our employees have been involved in a "service" training program since January of 2010. This program is a multi-phase, multi-year program aimed at growing our business by growing our relationships with every one of you and with potential members. Employees learn how to gather information from people to understand their needs and their expectations of us. With this information, we can offer solutions to those needs. Every one of our employees are expected to take the training and adopt the principles within it and the program is completely endorsed by the board of directors. We are excited about the benefits we have already seen from the training and we're looking forward to being able to serve you even better than we have in the past.

Another change that has taken place involves the amount of information that we are measuring within our walls. You may have noticed over the last year that we have been asking our membership to provide feedback to us through short surveys. We intend to continue to ask for this information on a regular basis to make sure that we're keeping up with your needs and expectations.

We're also setting appropriate goals from a strategic planning perspective, then measuring our actual performance in relation to these benchmarks. We use this information for deciding where we need to focus our resources in the upcoming years. Getting this information is also an important part of our employee performance management system because our employees' performance is closely linked to the credit union's strategic plan.

We have also made it a priority to physically obtain regular employee satisfaction ratings. Without engaged, enthusiastic employees such as ours, you wouldn't receive the service that recent surveys have indicated you are receiving. The employee survey tells us what we're doing right and where we may need to focus some attention in our human resources.

And of course the change that most of you have no doubt noticed is our renovations project. The purpose of the renovations project was brought about by the desire of the board and management to bring member convenience, efficiencies and longevity to our operation. The feedback we have received from our membership has been positive and the project came in under budget. We now have facilities that will meet the needs of our membership for many years to come.

The credit union completed the conversion to CHIP cards late in our fiscal year. This conversion created some service issues with our Membercards at card renewal time but the issues were temporary and have been resolved. We understand the reliance our members have on this payment method and the patience our members exhibited while we addressed these issues was very much appreciated.

General Manager's Report

March 16, 2011

The member surveys that I mentioned previously indicate that our members place high value on the relationship with our employees. They note that this is one of the areas where we excel as a business. I want to thank our employee group for taking their responsibilities for member service very seriously and making member service a key part of their daily routine.

And thank you to our membership for your continued support of the credit union. Your loyalty to us is very much appreciated and we intend to do everything we can to make your experience even better in the future.

Respectfully Submitted,

Mitch Krecsy
General Manager



Board of Director's Report

March 16, 2011

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 preferred financial services provider.

The most visible highlight of the year was the renovation that took place late in the year 2010. Accessibility was identified as a shortcoming of our former offices. We felt that we could have a more efficient operation and serve our members better if all services were on the main floor and stairs were eliminated. In order to accomplish this, we needed to add on to and renovate the main floor. We are proud of the improvements we made and feel that our services are now more accessible to all our members.

Financially, we have improved our bottom line potential and also the service to our members. In our opinion, the worst of the financial woes are behind us. The economy has not yet fully recovered but there are very encouraging and promising signs about the future. We are not immune to the political and financial troubles in other parts of the world but you can rest assured that the Credit Union has a very solid foundation and competent staff to weather any storms that may still be approaching.

Thank you once again for your continued support and confidence in the Eckville District Savings and Credit Union. By using the services that we provide, you are helping to build a better community and a better future for yourself and your neighbors.

Respectfully submitted

Richard Anderson
President



Credit Committee Report

March 16, 2011

Loan Category	Oct 2010		Oct 2009		Oct 2008	
	\$\$	%	\$\$	%	\$\$	%
AOD	\$11,575,270	23.0	\$12,802,939	25.6	\$13,134,401	25.9
Consumer	\$4,891,520	9.7	\$5,088,745	10.2	\$6,329,904	12.5
Residential Mtge	\$22,753,281	45.2	\$20,771,244	41.6	\$18,756,395	37.1
Agriculture Term	\$1,120,557	2.2	\$1,221,228	2.4	\$1,621,699	3.2
Agriculture Mtge	\$5,213,093	10.4	\$5,402,042	10.8	\$5,520,060	10.9
Commercial Term	\$1,340,679	2.7	\$1,096,454	2.2	\$1,017,163	2.0
Commercial Mtge	\$3,435,317	6.8	\$3,606,021	7.2	\$4,247,627	8.4
TOTAL	\$50,329,717		\$49,988,683		\$50,627,249	

After a tough 2008/2009 fiscal year, it was encouraging to see positive loan growth, though relatively small, once again. We ended the fiscal year over the \$50 million mark with residential mortgages and commercial term loans showing quality demand.

Delinquency over 60 days ended the year at 0.83% of total loans. While still a substantial dollar figure, the loan write offs of \$60 thousand (net of recoveries) was down substantially from the prior fiscal year. Most of these write offs were due to a continued sluggish economy. While the economic outlook has brightened, we still have a ways to go and there is still a level of risk in the marketplace. Therefore, we expect to continue to establish a provision for losses into the coming year and we will be monitoring the overall portfolio very carefully.

The Loan Department borrower/lender exercise program (aka "the stairs") was dropped in favor of moving our offices onto the main floor. The Lending department is now located in the West portion of our newly renovated building. We share our space with Account Representative Deanna Shack, as well as Credential Financial Strategies Financial Planner Elaine Kautz. We feel that having all of us in the same area and offering complimentary services is a great enhancement to your ECU experience.

We anticipate having a very busy year once again and we are budgeting for further growth. We continue to offer a variety of consumer, residential, agricultural, and commercial loans. If you or anyone you know is considering any borrowing need, we sincerely appreciate your referral.

Respectfully submitted,
Rob Stevenson, Loans Manager

Audit & Finance Committee Report

March 16, 2011

The Audit and Finance Committee consists of the entire board of directors. The committee met four times during the 2010 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.

The credit union was also subject to an additional audit during the fiscal year from Credit Union Deposit Guarantee Corporation. The Corporation completes in-house reviews of all Alberta credit unions at least every 3 years. These in-house reviews are in addition to the regular monthly monitoring and control done by The Corporation.

On February 8, 2011, 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 16, 2011

The terms of Keith Acheson and Karin Engen have expired. Therefore, we had two 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 22, 2010.

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 two nominations. Keith Acheson and Karin Engen have completed the necessary nomination requirements and both meet the director qualifications as per the Credit Union Act and the bylaws of Eckville District Savings and Credit Union.

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,

Garth Yeomans
Chair, Nominating Committee

