



REBATES PAID

The majority of the surplus earned by Strathcona Credit Union in the last fiscal year has been distributed to the membership.

The purpose of a cooperative organization, such as a credit union, is not to make a profit to pay out to uninvolved shareholders. Instead, it is our goal, through cooperation, to provide needed services at the best rates. If we do make a profit during the year we attempt to give back to our owners, the members, as much of their money as we can.

During the fiscal year September 2001/August 2002 the Strathcona Credit Union had a surplus of \$144,795. Of this amount, Desjardins permitted us to rebate to our members up to \$96,341. The Board of Directors recommended to the Annual General Meeting that the full amount be distributed. On December 10th the AGM agreed and the rebate deposits were made into members' accounts a few days later.

The rules of the game are such that rebate amounts must be proportional to the amount of credit union activity of the member. This activity is measured by the amount of interest paid to the member on some deposits and the amount of interest paid by the member on some loans.

The Board of Directors and the Annual General Meeting agreed on the following distribution of the surplus: for members with personal chequing accounts and regular savings accounts, rebates of 22% of interest earned in the year would be paid; for members with personal loans, 13% of the interest paid would be rebated; and for those with mortgage loans, 5% of the interest paid would be rebated.

The rebate amounts were calculated within the Desjardins system and deposited into our members' accounts. The date of the deposit (as shown on the statement enclosed with this newsletter or in your passbook) is the key to which rebate(s) you received.

Deposits on December 18th represent rebates for personal chequing accounts and savings accounts; on December 19th for Personal Loans; and on December 20th for mortgages.

SURVEY PRIZE WINNERS

You will remember that a few months ago you received in your mailing a survey form produced by the Board of Audit and Ethics. At that time we offered a prize to three members who returned their completed

forms. Well, we have winners!

**CLAUDE SAUCIER
STEVE ADAMS
and
EILEEN DEZAN**

have each won \$200 in the draw from those survey returns which were entered in the contest. We extend our congratulations to Claude, Steve, and Eileen and our thanks to the hundreds who took the trouble to return their forms. The survey results are now being tabulated and will be a topic of an upcoming newsletter article.

HAPPY NEW YEAR

The Manager and Staff of Strathcona Credit Union wish a happy, healthy, and prosperous New Year to all members. The office resumed regular hours on January 7th 2003.

RRSP LOANS

You can borrow to add to your Strathcona RRSP for up to one year (as long as your deposit remains with us) at a special rate of 4.75%. Call for details.

CURRENT RATES

PERSONAL LOANS	8.50 %
CONSOLIDATION LOANS	10.50 %
LINE OF CREDIT	7.00 %
MORTGAGES	
1 year term (open)	5.50 %
2 year term (closed)	5.25 %
3 year term (closed)	5.50 %
4 year term (closed)	5.75 %
5 year term (closed)	6.00 %
TERM DEPOSITS *	
6 months	2.00 %
1 year	2.75 %
2 years	3.25 %
3 years	3.75 %
4 years	4.25 %
5 years	4.50 %

* \$2,000 minimum. Rate subject to change without notice.
Monthly interest payment less 0.25 %. (013)

President's Report

3rd Annual Report to the AGM

As of August 31, 2002 SCU has completed its 2nd full year of operation. Thanks to a committed and hardworking staff and a dedicated group of Board and committee members, our new credit union continues to operate very smoothly indeed and we continue to grow and expand.

On the financial side, last year was another good year. As of August 31, 2002 our assets stood at \$30,572,524.00. Surplus earnings after taxes were \$144,795.00 and undistributed surplus earnings of \$33,083.00 will be allocated to the general reserve, bringing the total reserves to \$2,002,104.00.

It is always a pleasure to announce that later this evening the Board of Director's will be recommending to this AGM that they vote to rebate \$96,341.00 to our members for the fiscal year 2001-2002. While this amount is significantly smaller than the amount rebated last year, we incurred very large, unavoidable expenses this past year for the installation of a new computer platform in both of our offices. We had no choice in this matter, since all groups associated with Desjardins are now required to use the same computer system. Banks inundate customers with service charges and reduced services, while your credit union maintains a policy of almost no service charges, ever increasing services and rebates. Vive la difference! Looking ahead, the projected gross surplus for the current fiscal year is estimated to be \$257,000.00. After taxes and contributions to the reserve, it is foreseeable that we could rebate an amount of approximately \$200,000.00 next year.

This past year we were approached by representatives of our Federation with a proposal. It seems that Desjardins sees the anglophone community as one of the few remaining market segments that they have yet to penetrate successfully and it seems that they see the SCU as the most likely organization able to play that role. As a consequence, there have been discussions between us concerning the possibility of our branching out from the present groups listed in our charter (English language teaching institutions) to encompass hi-tech companies located in the West Island - most especially the large pharmaceutical companies located right next door.

This suggestion came at the same time that we were actively studying ways to increase our membership in those institutions that are presently within our charter. After lengthy discussion, the Board has decided to concentrate on our member groups within the anglophone teaching community. It was decided to concentrate on a single institution and to make a concentrated effort in time, presence and resources over a significant period of time to increase the number of Strathcona Credit Union members we have at that institution. Concordia University was chosen as our first target institution, due to its association with the former Strathcona Credit Union, the number of potential new members, the number of present members, the contacts we have with the various employee groups and the proximity to our downtown office. A marketing strategy is already being put into place, the first stage of which will hopefully start this spring. Such initiatives, to be successful, must be maintained for some period of time. We envision a period of at least two years, during which we would do everything possible to increase our visibility and attractiveness as a banking institution to the Concordia community. If these marketing attempts prove to be successful, we would then choose another institution within our charter and repeat the process or perhaps consider the hi-tech community.

Thanks to Lou Borrelli, the Strathcona Credit Union now has its own website at www.strathconacu.com. It has been up and running for a couple of months and the number of daily visits to the site is increasing all the time. The intent is to update it at least once a month. The site contains, among other things, a list of the services we offer, the advantages of banking with our credit union, this month's interest rates, newsletters, access D information, the latest news and how to contact us. Any ideas or suggestions about how we could make this web site even better would be appreciated.

On behalf of all members of SCU, I would like to conclude by thanking all the members of the Board of Directors, as well as the Board of Audit and Ethics, the office staff and especially the manager, Diane Lauzon, for all of their hard work. The success of your credit union is the result of the hard, dedicated work of all of these people.

Respectfully submitted,

David Oram

President