

PRESIDENT'S REPORT

13th Annual Report

As of December 31st, 2011, the Strathcona Credit Union has completed its 11th full year of operation. In those 11 years we have seen our assets grow from \$26,671,000 to \$ 44 991 333.

Looking at the financials, the Strathcona Credit Union saw assets decrease by (\$ 66 965.00) this past year. Surplus earnings after taxes of \$ 470 770.00 will be allocated to the Various Reserves, bringing the total reserves to \$ 3 126 021.00

This past year has been a relatively quiet one, as we adjusted to a continuous stream of changes that have been implemented by Desjardins over the past few years.

Last year the Board set up a new ongoing subcommittee, the Cost Analysis Committee, with a mandate to study all expenses and to make recommendations as to how we can best minimize expenditures. This committee meets quite often. Its deliberations have been very useful in helping Board members keep SCU's overall financial situation in mind when making decisions on specific expenditures.

Although our financial position is improving, we will unfortunately not be able to rebate a part of our surplus back to our members this year, as we didn't reach the required capitalization ratio. Actually, as one of many new changes, there are now not one but two capitalization ratios.

Another committee, the Marketing Committee, was set up a number of years ago to investigate the means by which the SCU could increase their membership (or the "rate of penetration", in Desjardins-speak). There is definite agreement by all that at this point there exists a huge pool of educational and health workers that are potential members. Over the past few years, mainly as the result of recommendations from this committee, a number of strategies have been employed to increase our visibility with this pool of potential new members and to encourage them to become members. Some of these strategies include increased presence at functions sponsored by the associations of the educational and health care sectors, increased publicity in various publications put out by various health and educational organizations, financial incentives to become new members, and attempts to open up a channel of communications with various administrations in the hope that we might find more efficient ways to keep in contact with members, both existing and potential.

Marketing is not as easy as it might at first seem. It is time consuming, labor intensive and often shows results only after long periods. Over the last few years a large number of new teachers have entered the system and this would be a good place to focus our efforts at encouraging greater participation in SCU. But how do we know who these new teachers are? We took what we thought was the logical approach – we approached the various administrations involved, only to be informed that due to confidentiality related concerns they could not divulge the names of the new teachers. Something that seems so simple can often become very difficult.

In spite of the difficulties, we are committed to an ongoing effort to increase our membership. Over the last number of years we have asked Desjardins if there were any resources (such as professionals in marketing) available within their organization that could assist us in our public relations campaign or perhaps financial assistance that would offset the expenses of our attempting a more ambitious and therefore costly PR campaign of our own. Unfortunately, until now, the answer to both questions has been “No”.

Within the past month, it has been suggested by a very senior member within the Desjardins hierarchy that assistance may now be possible. We are in the process of applying for any such assistance. Keep your fingers crossed.

There have also been some recent developments that have the potential to be of very significant benefit to our credit union. These developments are in their early stages and only time will tell whether they come to fruition.

Over the last few years there has been some discussion at the Board concerning the closing of the Kirkland office in order to reduce operational expenses. I am pleased to announce that we have reached an agreement with QPAT, from whom we rent the premises, which will enable us to maintain a full time permanent office at Kirkland, while at the same time cutting down on rental expense, which, after salaries, is our next largest expense.

This evening a member of the Board of Supervision, Ken Carpenter, is stepping down. Ken started his career at St Joseph’s Teacher College and taught at the elementary and secondary level before becoming a vice principal and eventually retiring. He has been a member of a credit union for many decades and has served on the Strathcona Board of Supervision for the last 9 years. On behalf of all members, I would like to thank him for his contributions to our credit union and wish him well in all of his future endeavors.

It is with regret that I have to inform you of the passing of Keith Farquharson, on (February 22, 2012) as a result of leukemia and heart problems. Keith was diagnosed only weeks before his passing. He started his career as a teacher, later serving as a principal for many years with the Lakeshore School Board, until he retired He also served as the Executive Director of QASA (Quebec

Association of School Administrators) for 15 years. Upon retiring, he was offered the position of Director of the YMCA. He turned it down saying he felt that a younger person should be doing the job. After his retirement he was also involved in setting up and participating in the activities of the retirees group and an investment club. Keith has been a member of our credit union for 41 years and has served as a director on the Board of the PAPT Credit Union and more recently on the Board of the Strathcona Credit Union. His wife, Peggy, of many years and to whom he was devoted, passed away about a year ago. Keith is survived by his son, Cameron, and daughter, Carol and his grandchildren. Keith was 87 years of age. As per his request, a donation to the YMCA has been made in his name.

Many people work very hard to ensure our success. I would like to thank the staff for their hard work and continuing efforts on our behalf. That is especially true for Mary Laserra for her non-stop dedication and commitment to Strathcona Credit Union. The dedicated members of both the Board of Directors and the Board of Supervision spend untold hours working on behalf of all members. I also want to thank Fernande Remillard for all of her assistance, expertise and efforts. The efforts of all these individuals are essential to our continuing success and are greatly appreciated.

P.S. All future information (rates, special promotions, newsletter items, notices re: office hours, holidays, AGM's, etc.) will be available on our website: <http://www.strathconacu.com/>. We are asking all members to consider giving us their email addresses so that they can receive important notices and information in a timely fashion. You can do this by simply emailing the information to us or by speaking to one of our employees. We promise to email you only concerning issues of some immediacy and importance. The web site is constantly updated, thanks to our resident webmaster, Lou Borrelli. Rates are constantly changing, especially mortgage rates, and at any given time there are promotions, far too many to keep on our website. Members are therefore encouraged to contact our offices directly before deciding to go to another financial institution based solely on posted rates.

David W. Oram
President