

Annual Report 2011



Serving YOU since 1952

Main Branch

1016 Rosser Avenue, Brandon, Manitoba R7A 0L6

Phone 729-4800

Open: Monday to Thursday

9:00 a.m. to 5:00 p.m.

Friday 9:00 a.m. to 5:30 p.m.

Saturday 10:00 a.m. to 2:00 p.m.

ATM onsite

Thomas Mall Branch

742 18th Street, Brandon, Manitoba R7A 5B5

Phone 729-4820

Open: Monday to Friday

10:00 a.m. to 6:00 p.m.

Drive-Thru ATM

832 18th Street, Brandon, Manitoba

On-Line Banking – MemberDirect

www.crocuscu.mb.ca

Telephone Banking – CU by Phone

Phone 1-877-523-1949

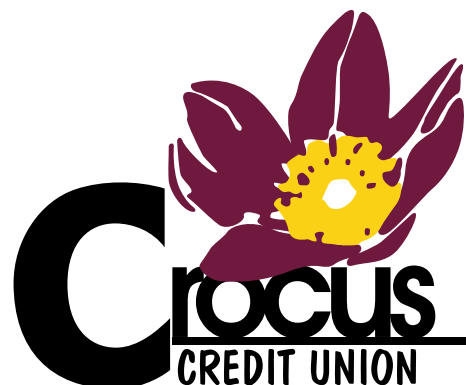


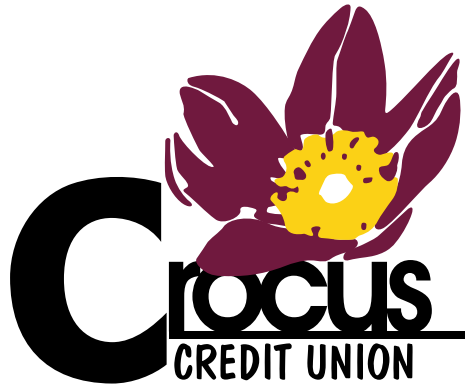
Board of Directors:

	Term expires
Doug Crookshanks – President	2012
Sharon Maguire – Vice-president	2013
D’Arcy Barker – Secretary	2012
Bev More	2011
Lloyd McCabe	2011
Al Vickers	2011
Rod Ficek	2013
Jason Gobeil	2012

Staff:

Heather Aeichele – Part-time MSR
Jamie Antonation, ACUIC - Controller
Jeremy Ayerst, System Support/Banking System Analyst
Courtney Boak, Loans Clerk
Neal Boyce, FCUIC, CFP – Investment Account Manager
Amanda Branigan – Consumer Loans Officer
Narinder Brar – MSR
Arlene Cairns – Consumer Loans Officer (maternity leave)
Luis Chorro Martinez – Casual MSR
Sharon Figol - MSR
Arnie Guist, FCUIC – Chief Executive Officer
Susan Harris – Team Lead, Member Service
Clare Hoggins – Commercial Loans Officer
Shirley Kozoroski – MSR
Melanie Krauss-Wakely – Part-time Loans Clerk
Shirley Laursen – Part-time MSR
Jackie Leforte – Office Manager
Tom Maxwell – Loans Manager
Glenda Ross - MSR
Mandi Shaw – Consumer Loans Officer
Darlene Smith – MSR/Receptionist
Jackie Stace – Consumer Loans Officer
Alycia White – Consumer Loans Officer (maternity leave)
Karen Brown – Member Service Supervisor





Agenda

Crocus Credit Union Annual Meeting – December 7, 2011

Welcome & Call to Order

1 minute of silence in honor of departed Crocus members

Motion regarding quorum

Minutes of Previous Meeting

Introduction of Board, Staff & Guests

Door prizes

Reports:

- 1) President
- 2) CEO
- 3) Audit Committee - motion re: appointment of auditor
- 4) Nomination Committee

Announcement regarding results of November 21-25
in-branch Election of Directors

Door Prizes

Presentations:

- 1) Long-term service awards
- 2) Retiring Board members

Questions & Answers

Door prizes

Adjournment

President's Report

On behalf of the Board of Directors of Crocus Credit Union, it is again my pleasure to present to the members the Annual Report, this time for the year ending September 30, 2011.

The past year again reflected tight profit margins given economic realities, although we again ended the year in a surplus position. As a result, your Board has approved a total payment of \$100,000 in patronage allocation and surplus share dividends. The allocation has been divided as outlined in the letters attached to the patronage cheques.

As in past years, your Board has been involved in a wide variety of activities at the local, provincial, and national level. Within Crocus, Board members served on a number of committees, including the governance committee, the renovations committee, the audit committee, the corporate donations committee, and the nominations committee. As well, the Table Officers met to carry out such activities as planning for the strategic planning process which occurs in the early fall each year. Each year the strategic plan is also periodically reviewed by the Board. As required by system standards, Credit Union policies were reviewed and updated on a scheduled basis. The Board investigated potential business opportunities for Crocus. Performance evaluation procedures, both of the CEO and of the Board itself, were completed. With a view to profiling the credit union to youth and hopefully to attract new members, Crocus has held initial discussions with a local secondary school regarding developing a student-operated credit union in the school. At the District level, Crocus is represented by appointed delegates from the Board. Crocus Board members attended the provincial convention and AGM and the President has had the opportunity to serve on and chair the Executive Forum committee as well as serve on the Merit Awards Committee, the latter being charged with selecting for recognition individuals who have served the credit union system with distinction. Nationally, three Board members attended the Annual Convention and AGM.

Once again, Crocus' success during the past fiscal year has been primarily due to the efforts and skills demonstrated by Arnie and his staff. We are indeed fortunate to have such a strong team at the 2 branches. The past year for the Board has been particularly busy and I thank all Board members for volunteering for the opportunities that I provided to them. Three members are leaving the Board as of this date – Bev More, Lloyd McCabe, and Al Vickers. Their skills and willingness to take on extra tasks will indeed be missed. However, I think that we have a very good slate of new Board members and I look forward to the coming year with confidence in our organization.

Respectfully submitted,

Doug Crookshanks, President

Directors & Officers Disclosure

Statutory provisions of the Credit Unions and Caisses Populaires Act of Manitoba require the disclosure of the aggregate remuneration paid to all Directors; the aggregate amount paid to Directors for reimbursement of expenses and the details of any loans made to Directors or Officers which do not conform to the Credit Union's ordinary lending practices.

The following is the disclosure of remuneration and expenses for the Board of Directors and Officers for the year ending September 30, 2011:

Aggregate amount of Board of Directors honoraria and per diems	\$11,360
Aggregate amount of Board of Directors related expenses	\$ 1,166
Aggregate amount of Board of Directors meeting, training & conference costs	\$ 3,491
Aggregate amount of benefits in loan interest foregone or discounted to Board of Directors	0.00
TOTAL	16,017

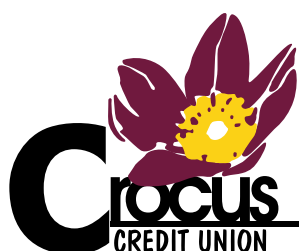
There were no loans advanced to Directors or Officers that did not conform to the Credit Union's ordinary lending practices.



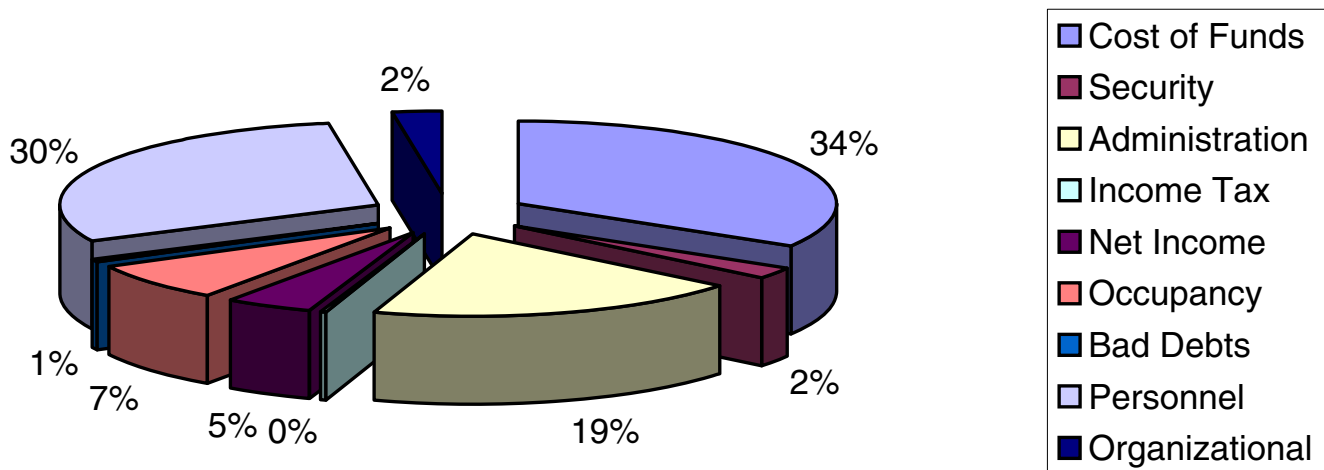
CROCUS CREDIT UNION'S MISSION STATEMENT:

**To be a dynamic, socially responsible, co-operative
financial organization that provides personal,
quality service to our membership and community.**

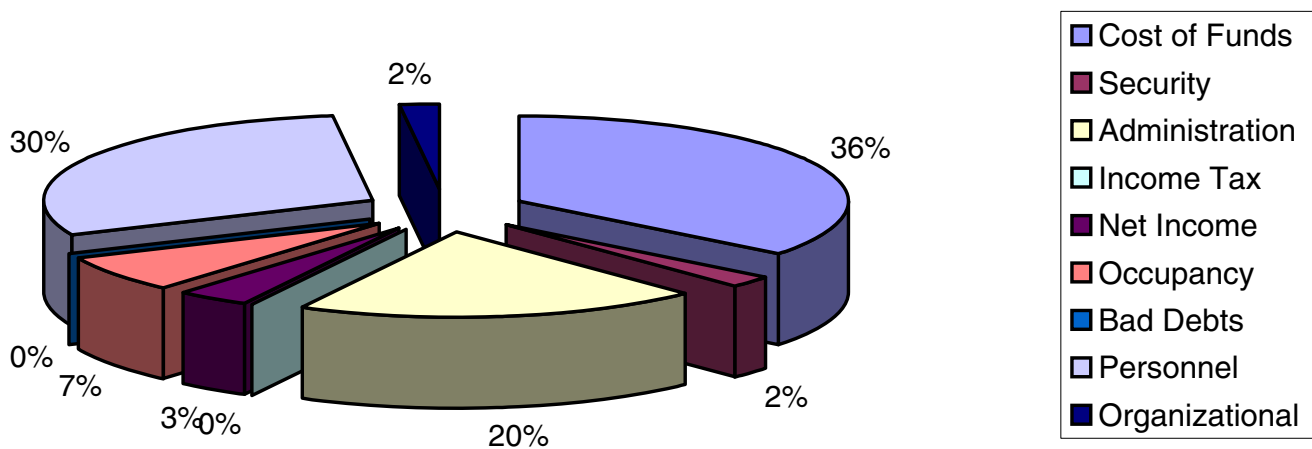
Not the biggest; simply the best!



2010 Financial Pie



2011 Financial Pie



Crocus Credit Union Limited
Summary Financial Statements
September 30, 2011

Report of the Independent Auditors on the Summary Financial Statements

To the Members of Crocus Credit Union Limited:

We have audited the accompanying summary financial statements of Crocus Credit Union Limited, which comprise the summary balance sheet as at September 30, 2011, and the summary statements of income and retained surplus and cash flows, are derived from the audited financial statements of Crocus Credit Union Limited for the year then ended. We expressed an unmodified audit opinion on those financial statements in our report dated November 15, 2011.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Crocus Credit Union Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation and fair presentation of these summary financial statements in accordance with Canadian generally accepted accounting principles.

Auditors' Responsibility

Our responsibility is to express an opinion on these summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Crocus Credit Union Limited for the year then ended September 30, 2011 are a fair summary of those financial statements, in accordance with Canadian generally accepted accounting principles.

Brandon, Manitoba

November 15, 2011

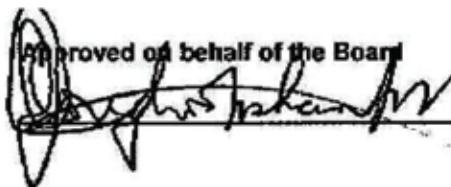
MNP LLP
Chartered Accountants

Crocus Credit Union Limited

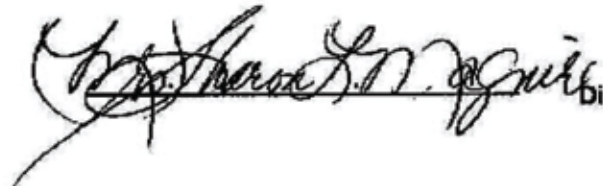
Summary Balance Sheet

As at September 30, 2011

	2011	2010
Assets		
Funds on hand and on deposit	5,157,550	3,336,769
Investments and accrued interest	7,263,860	7,053,339
Member loans receivable and accrued interest	72,881,133	67,435,216
Other assets	50,751	59,631
Property and equipment	978,220	1,029,108
	86,331,514	78,914,063
Liabilities		
Member deposits and accrued interest	77,922,249	70,542,568
Accounts payable and accrued liabilities	377,871	459,147
	78,300,120	71,001,715
Retained surplus and members' equity		
Member shares	1,674,912	1,687,670
Retained surplus	6,356,482	6,224,678
	8,031,394	7,912,348
	86,331,514	78,914,063

Approved on behalf of the Board


Director



Director

A full set of audited financial statements is available from the Credit Union

Crocus Credit Union Limited
Summary Statement of Income and Retained Surplus
For the year ended September 30, 2011

	2011	2010
Financial income		
Member loans	3,127,044	2,929,780
Investments	168,242	167,007
	3,295,286	3,096,787
Cost of funds		
Deposits	1,349,830	1,174,552
Borrowed money	2,610	25,678
	1,352,440	1,200,230
Financial margin	1,942,846	1,896,557
Operating expenses		
Administration	757,819	682,260
Member security	79,805	73,515
Occupancy	262,539	264,239
Organizational	78,460	84,682
Personnel	1,125,386	1,064,811
	2,304,009	2,169,507
Other revenue	603,907	565,541
Net operating expenses	(1,700,102)	(1,603,966)
Income from operations before impaired loans	242,744	292,591
Provision for impaired loans	1,715	22,318
Income before patronage refund	241,029	270,273
Patronage refund	100,000	100,000
Income before income taxes	141,029	170,273
Provision for current income taxes		
Current income taxes	9,225	8,446
Net income	131,804	161,827
Retained surplus, beginning of year	6,224,678	6,062,851
Retained surplus, end of year	6,356,482	6,224,678

A full set of audited financial statements is available from the Credit Union

Crocus Credit Union Limited
Summary Statement of Cash Flows
For the year ended September 30, 2011

	2011	2010
Cash provided by (used for) the following activities		
Operating		
Interest received from member loans	3,146,525	2,914,258
Interest received from investments	157,721	161,562
Service charges and other income received	603,907	565,541
Income taxes recovered (paid)	(2,246)	16,023
Interest paid to members	(1,283,788)	(1,191,568)
Interest paid on borrowed money	(2,610)	(25,678)
Cash payments to suppliers and employees	(2,291,923)	(2,096,301)
	327,586	343,837
Financing		
Net change in member deposits	7,313,639	6,098,373
Issuance of member shares	13,055	13,250
Redemption of member shares	(125,813)	(213,827)
	7,200,881	5,897,796
Investing		
Net change in loans receivable	(5,467,113)	(4,357,017)
Purchase of investments	(200,000)	(3,400,000)
Purchase of property and equipment	(40,573)	(214,883)
	(5,707,686)	(7,971,900)
Increase (decrease) in cash resources	1,820,781	(1,730,267)
Cash resources, beginning of year	3,336,769	5,067,036
Cash resources, end of year	5,157,550	3,336,769

A full set of audited financial statements is available from the Credit Union



Deposit Guarantee Corporation of Manitoba

DEPOSIT GUARANTEE IS A LEGAL RESPONSIBILITY OF THE DEPOSIT GUARANTEE CORPORATION OF MANITOBA

Manitoba provincial law requires the Corporation to guarantee credit union deposits. The exact wording under Section 143 of *The Credit Unions and Caisses Populaires Act* is:

"Purposes of a deposit guarantee corporation:

The purposes of a guarantee corporation are to guarantee the deposits of members of credit unions and to ensure and promote the development of sound financial procedures and controls to protect credit unions against financial losses and, without limiting the generality of the foregoing, a guarantee corporation shall do such things as are necessary to enable a credit union assigned to it to satisfy the claims of the members of the credit union for withdrawals of deposits."

What is the Corporation?

Formed in 1965 as The Credit Union Stabilization Fund, the Corporation was originally created by initiative of the Manitoba credit union system. Since 1970, the role of the Corporation has been set out in legislation in *The Credit Unions and Caisses Populaires Act*.

How does it Work?

As the ultimate guarantor of your deposits, the Corporation continually monitors critical practices and procedures throughout the Manitoba credit union system. Corporation staff regularly inspect and analyze lending practices, financial performance, and operating procedures of each credit union in the Province. Any issues identified are brought to the attention of the credit union's Board and management. The Corporation has authority under *The Credit Unions and Caisses Populaires Act* to require prompt resolution of any issues it raises with a credit union.

Mission Statement

To guarantee deposits in Manitoba credit unions and promote sound business practices through the authority provided in *The Credit Unions and Caisses Populaires Act*, and by working cooperatively with Credit Unions, Credit Union Central and the Government of Manitoba.

Guiding Principles

In all that it does, the Deposit Guarantee Corporation of Manitoba will strive to:

- ☒ Act in a prudent and ethical manner.
- ☒ Consider the needs and viewpoints of Credit Unions, Credit Union Central and Government.
- ☒ Recognize and acknowledge the value of individuals by relating to them fairly, honestly and respectfully.
- ☒ Seek proactive, innovative and equitable solutions to issues and problems.
- ☒ Employ balanced, common-sense measures which will minimize undue risk.
- ☒ Communicate clearly with individuals and stakeholder organizations.



Service & More

DEPOSITS:

- Maximizer Chequing/Savings
- US \$ Chequing
- Golden Accounts
- Plan 24 - Daily Savings
- Regular Chequing
- RRSP; RRIF & RESP
- Special Savings
- Term Deposits
- Full Package Service Plan
- Tax Free Savings Accounts



LOANS:

- Commercial Lines of Credit
- Commercial Loans
- Interim Financing
- Mortgages
- Overdraft Protection
- Personal/Equity Lines of Credit
- Personal Loans
- Student Loans

OTHER:

- Automated Teller Machine
- in Branch & Drive Thru
- Automatic Transfers
- Commissioner for Oaths
- Certified Financial Planner
- Credit Union MasterCard®
- Credential Securities®
- CU by Phone - telephone banking
- CU @ Home - Internet banking
- Direct Payroll/Pension Deposit
- Extended Hours of Operation
- Insurance: Travel, Home, Life,
Mortgage and Disability
- MemberCard® Debit Card
- Money Orders & Drafts
- Mutual Funds
- Night Depository
- Point of Sale Machines
- Qtrade® Investor Brokerage Service
- Safety Deposit Boxes /Safe Keeping
- Travellers Cheques
- Utility Bill Payment & Transfers by
Phone and Internet
- Web Site - www.crocuscu.mb.ca

