



EKCCU Senior Manager of Cranbrook Services, Diane Baher, EKCCU Senior Manager of Human Resources Beth Cornelson, Friendship Coach Daryl Donald, EKCCU Nola McLaren, and Friendship Coach Donna Yuill with \$2,500 donation to Friendship Hockey



\$1,876 for Elk Valley Safe Homes Walk-a-thon



Aaron Shubert and Brett Soles from Friendship Hockey with Fat Cat



Elkford – \$200 for Scouts Canada



Fernie: \$500 donated to Griz Days

*Partners
in our
Communities!*

AUDITORS' REPORT

To the Members of East Kootenay Community Credit Union
We have audited the consolidated balance sheet of East Kootenay Community Credit Union as at December 31, 2007 and the consolidated statements of income and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the credit union's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the credit union as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

ADAMS REDDING WOOLEY Cranbrook, BC
Certified General Accountants February 6, 2008

EAST KOOTENAY COMMUNITY CREDIT UNION

Consolidated Balance Sheet
December 31, 2007

	2007	2006
ASSETS		
CASH AND TERM DEPOSITS	\$ 17,604,547	\$ 15,634,391
MEMBERS' LOANS	148,374,647	127,229,420
OTHER	337,545	787,562
INVESTMENTS	1,072,699	502,270
PREMISES AND EQUIPMENT	2,878,407	3,073,172
	<u>\$ 170,267,845</u>	<u>\$ 147,226,811</u>

LIABILITIES AND MEMBERS' ACCOUNTS

MEMBERS' DEPOSITS	\$ 148,272,654	\$ 126,726,440
MEMBERS' SHARES	2,694,421	2,568,242
LOAN PAYABLE	10,505,673	9,539,035
ACCOUNTS PAYABLE	915,080	1,297,026
AND ACCRUED LIABILITIES		
RETAINED EARNINGS	7,880,017	7,096,068
	<u>\$ 170,267,845</u>	<u>\$ 147,226,811</u>

APPROVED ON BEHALF OF THE BOARD:

"DON HOLT" Director

"MIKE PANG" Director

EAST KOOTENAY COMMUNITY CREDIT UNION

Consolidated Statement of Earnings
and Retained Earnings

For the Year Ended December 31, 2007

	2007	2006
FINANCIAL INCOME		
Interest from Loans	\$ 8,384,093	\$ 7,076,108
Interest from Investments	525,202	436,818
	<u>8,909,295</u>	<u>7,512,926</u>
FINANCIAL EXPENSES		
Interest on Deposits	3,459,562	2,591,906
Interest on Borrowed Funds	384,065	382,209
	<u>3,843,627</u>	<u>2,974,115</u>
FINANCIAL MARGIN		
	5,065,668	4,538,811
OTHER REVENUES (EXPENSES)		
Service Fees and Commissions	2,004,635	2,339,452
Processing and Handling Fees	(179,180)	(172,041)
Losses on Loans and Property for Resale	(65,490)	(94,860)
	<u>6,825,633</u>	<u>6,611,362</u>
OPERATING MARGIN		
	6,825,633	6,611,362
OPERATING EXPENSES		
	(5,618,504)	(5,889,946)
EARNINGS BEFORE DISTRIBUTIONS AND TAXES		
	1,207,129	721,416
REWARDS TO MEMBERS		
	(253,537)	(202,098)
INCOME AND CAPITAL TAXES		
	(169,643)	(95,551)
NET EARNINGS FOR THE YEAR		
	783,949	423,767
RETAINED EARNINGS - BEGINNING OF YEAR		
	7,096,068	6,672,301
RETAINED EARNINGS - END OF YEAR		
	<u>\$ 7,880,017</u>	<u>\$ 7,096,068</u>

This condensed financial report is taken from the consolidated financial statements. A copy of the full financial statement, prepared by ADAMS REDDING WOOLEY, Certified General Accountants, is available to all members at any branch of East Kootenay Community Credit Union or at www.ekccu.com

2007 Board of Directors



Ed Berukoff



Cindy Corrigan



Jean-Ann Debrececi



Imelda Engels
Secretary



Don Holt
Chair



Dean McKerracher



Mike Pang



Jean Samis



Lynne Shewchuk

2007 Annual Report

*Where the grass
is greener.*

excellent SERVICE LEVELS

COMPETITIVE service charges

**profits shared with members
as PATRONAGE REWARDS**

**we create COMMUNITY VALUE
through local knowledge and
involvement**



East Kootenay
**Community
CREDIT UNION**

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CREDIT UNION**

Insurance Services • Financial Planning

2007

CEO and Board Chair Report



Jody Burk
CEO



Don Holt
Chairman of the Board

Our focus in 2007 was enhancing member service, engaging staff and improving the efficiency of EKCCU. We also are continuing to focus on a balanced approach and long term direction for the credit union as mandated by our directors in 2001.

In 2006 the board established new "Key Performance Indicators" to help steer the credit union towards long term success with a continued balance of stronger member relationships, employee engagement, efficiency and effectiveness in our internal operations while continuing to enhance our profile within our communities.

The Fernie branch celebrated its third birthday in 2007 and continues to be a major initiative that impacts both positively and negatively within our organization. The positive effect is the great effort of our staff at the branch, the new members that are dealing with the branch and the multiple lines of business we are gaining from the Fernie marketplace. The negative effect from Fernie is the continued investment in the new branch's operating expenses. However, we are on track for our original five-year business plan for the branch, and growth, revenue and expenses are within acceptable levels for a new branch in its third year of operation.

In 2007 East Kootenay Community Insurance Ltd. merged with Allard Insurance Ltd. (Nelson & District Credit Union) and Kootenay Savings Insurance (Kootenay Savings Credit Union). The new name of the company is "Kootenay Insurance Services Ltd." We believe the new company will provide better products, service and rates to our members while enhancing knowledge and career opportunities for our staff. In the long term increased return on investment will assist

our credit union's growth and increase patronage rewards to our members.

Financial

2007 was a much better year financially than 2006. A focus on efficiencies allowed EKCCU to reduce operating expenses by over \$271,000. The lower operating expenses and an increased financial margin by 11.61% over 2006 provided EKCCU with a 65.77% increase in earnings before distribution.

EKCCU's board of directors approved \$253,537 in patronage rewards to our members. The rewards were 10% rebate on month-end service charges paid by members, 5% bonus on deposit and interest earned and 4% rebate on loan interest and mortgage interest paid by members and dividends on shares. Assets grew by 15.65%, loans grew by 16.62% and member deposits grew by 17%.

Member Relationships

Members were surveyed in 2007 and some great results were indicated: 68% of members described the Credit Union as being their primary service provider, and 84% of members surveyed would recommend EKCCU over other institutions to friends or family. A number of areas needing improvement were also indicated, and we are moving forward in 2008 and addressing these areas. One area of improvement noted was our employees' product and service knowledge.

Employee Engagement

A significant investment, as well as staff and managers time, was undertaken in 2007 for human resources development and consulting and training to improve employee engagement. EKCCU's board believes the employer and employees share responsibilities for job satisfaction through engagement. An index of questions was developed in 2006 to track results in this key

area. We have seen a 20.7% improvement in our engagement results, which we believe is a great result but continue to work on improving this important area.

Directors

Training for directors continues to be a high priority for our board, with six directors completing their CUDA (credit union Director Achievement Program) modules. Jean Samis and Cindy Corrigan, who were elected in April 2006, have both completed the second year courses required as directors, and Lynne Shewchuk, elected in 2007, is currently completing the first year requirements. There are nine required and four elective modules to complete the CUDA program. Board members have been active in attending Regional Credit Union Meetings as well as Semi-Annual and Annual General Meetings for Credit Union Central of BC. In 2007, some directors had the opportunity to attend the World Council of Credit Unions conference held in Calgary. This is in addition to the significant number of regular or special board and committee meetings required of directors.

Partners in our Communities

We continue to remain a strong community supporter with over \$50,000 in donations being invested in our communities during this past year.

Many of our staff and directors invest time and participate in executive/director capacities in community organizations such as:

- 2008 Kimberley-Cranbrook BC Winter Games
- ACT
- Advisory Board – Mechanical Trades COTR
- Advisory Committee Administration Program COTR
- Canadian Cancer Society – House to House Canvas
- Canadian Cancer Society – Relay For Life
- Canadian Museum of Rail Travel
- Champions of the Ice
- Coal Discovery Centre
- College of the Rockies – Faculty Association
- Community Volunteer Income Tax Program
- Cranbrook and District Foundation
- Cranbrook and District Recreational Projects Society

- Cranbrook Community Theatre
- Cranbrook Golf Course
- Cranbrook Housing Coalition
- Cranbrook Society of Community Living
- Cranbrook Women's Resource Society
- Cranbrook Youth Soccer Association
- Crime Stoppers
- Director, Regional District Board
- Downtown Business Association
- Early Childhood Development Committee
- East Kootenay Regional Hospital Board
- Elkford Curling Club
- Elkford and District Chamber of Commerce
- Elkford Business Association
- Elkford Projects Society
- Elkford Search and Rescue
- Elk Valley Women's Task Force Society
- Chamber of Commerce – Fernie
- JCI Kootenay (Local Chapter of the International Junior Chamber of Commerce)
- Key City Theatre Volunteer
- Kidney Foundation
- Kimberley Search and Rescue
- Kootenay Children's Train Society
- Kootenay Trail Hounds – East Kootenay
- Elkford District Council – Mayor
- One-to-One Reading
- Option for Sexual Health Clinic
- Rocky Mountain Housing Society
- Rotary
- Sparwood Chamber of Commerce
- Success by Six
- Trans Rockies Mountain Bike Race: Pancake Breakfast

In closing, we thank our members for their continued patronage; our employees, whether they be in the Credit Union, Insurance or Financial Planning, (working in Cranbrook, Elkford or Fernie) for the quality, personal service they provide our members and clients; our management for their dedicated efforts and excellent operating results; our directors for their support and commitment to our Credit Union.

Our Staff



Administration and Commercial



Fernie



Elkford



Cranbrook and Financial Planning

Cranbrook Branch

- | | |
|----------|-----------|
| Amber | Bobbi |
| Cindy | Danya |
| Denise | Diane |
| Ellen | Harminder |
| Kathleen | Kathy |
| Kirsten | Jen |
| Lise | Lois |
| Maria | Noreen |
| Novia | Ruth |
| Sharon | Sheri |
| Tanya | Tatiana |

Administration

- | | |
|----------|---------|
| Alan | Beth |
| Brian | Cherie |
| Corinne | Doreen |
| Jodi | Jody |
| Lela | Marilyn |
| Michelle | Nola |
| Sandra | Tammy |
| Wendy | |

Commercial

- | | |
|-------|-----|
| Arden | Ken |
| Tomoe | |

Financial Planning

- | | |
|-------|---------|
| Gerry | Robert |
| Terry | Saulene |

Elkford Branch

- | | |
|------------|------------|
| Christine | Cindy |
| Genny | Maureen H. |
| Maureen M. | Sandra |
| Shawna | Stacy |
| Stephanie | |

Fernie Branch

- | | |
|---------|--------|
| Andy | Cara |
| Carmen | Emily |
| Eric | Jody |
| Melanie | Noreen |
| Rhonda | |