

Roger Inman Memorial Award 2015

No One is Illegal



The Roger Inman Memorial Award is presented annually in recognition of a project, group or individual that has made a significant contribution to the economic development of the community. CCEC is committed to keeping our money and resources working in our community by actively supporting and promoting the development of strong, successful community businesses, projects and organizations.



No One Is Illegal-Vancouver Coast Salish Territories is a grassroots anti-colonial migrant justice group that has been organizing in Vancouver for 11 years. With leadership from members of migrant and/or racialized backgrounds, the group strives and struggles for the right to remain, the freedom to move, and the right to return.

As a movement for self-determination that challenges the ideology of immigration controls, they combat racial profiling, detention and deportation, the national security apparatus, law enforcement brutality, and

exploitative working conditions of migrants.

No One is Illegal also places themselves within the broader movement for social, economic, political, and environmental justice and oppose capitalism, colonialism, homophobia, imperialism, militarization, patriarchy, poverty, racism and other forms of domination. They envision a humanity where everyone has the right to sustenance and the ability to provide it, where we are free of oppression, and are able to live meaningfully in relationship to one another and in reverence for Mother Earth that sustains us.

No One Is Illegal-Vancouver Coast Salish Territories has developed a set of specific demands to address Border Militarization, Migrant Worker Programs, Undocumented People & Status for All, Conditions for Immigrant Workers, National Security Apparatus & Anti-Terror Legislation, and more.

They share a basis of unity on critical issues such as the Occupation of Palestine, Environmental Racism and Environmental Justice, Indigenous Sovereignty, the institutions of the G8, the War on Terror, and more.

For further information:
Email: noi-van@resist.ca
Phone: 778-885-0040
Web: www.nooneisillegal.org

I first met the collective when we were working together to help organize against the Olympics in 2010. I found them to be smart, welcoming and full of integrity. They combined insightful analysis with the imagination and energy to act on their analysis. Soon after I joined the collective.

Brian Peaslee, CCEC Member

CCEC Credit Union

Annual Report 2014



Report from Board and Management

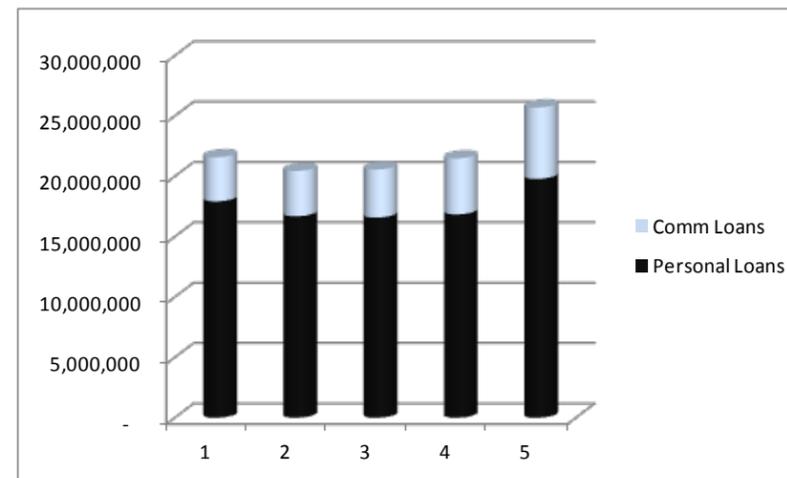
Michelle Fortin, Tammy Lea Meyer, Co-chairs of the Board, and Ross Gentleman, GM

The 2013-2014 fiscal year has been a good one for CCEC, with our return to our primary location and much improved financial results. The year has also seen CCEC pursue various activist agendas in support of our larger community. Now with our day-to-day operations stabilized, we are looking to the future with optimism.

The results and achievements are all consistent with the board's strategic plan set by the Board early in 2013 – to return to financial health, to grow the business, to nurture our staff team, and to engage the larger community in pursuit of economic democracy and justice.

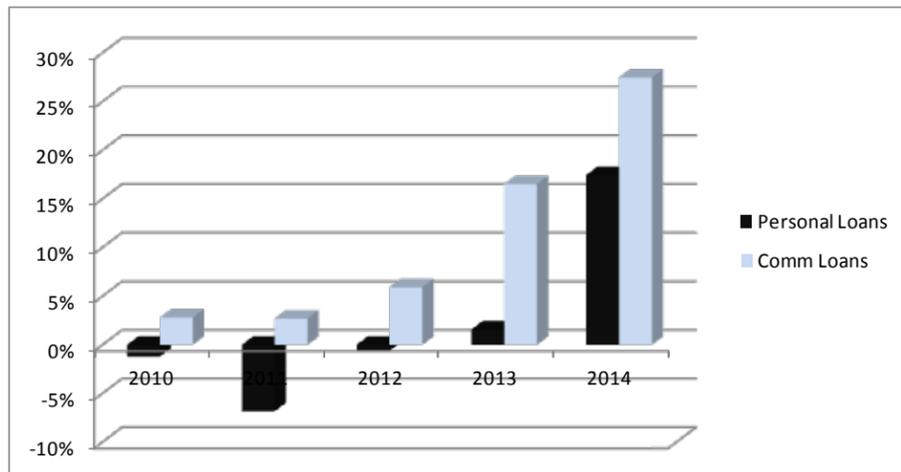
The redevelopment of the building at Commercial and 7th Avenue went on far longer than initially planned; we returned to our branch location in May, 2014. The relocation went smoothly and the updated offices are a welcome new home. The new street entrance, signage and décor have all been well received by our membership. Commendations are due to management and staff. We also thank board member, Carolyn Bell, for the loan of her art works to adorn the offices for several months.

The growth of our loan portfolio during these twelve months was most striking. Loan portfolio growth was substantial, exceeding \$25 million at year end. Loan portfolio growth was 19.6% (all BC credit unions 3.9%). And the community/commercial loan portfolio grew by more than 25%. CCEC is the expression of a host of



loan portfolio

Report from Board and Management cont.



co-ops and community groups, improving our world locally (please check out our online member directory).

CCEC has provided loans to an array of projects and continues to respond to applications from progressive agents of change locally and elsewhere in the province. Overall delinquency remained very low at 0.29% of loans (all BC credit unions 0.63%).

As a consequence of loan growth, our liquid assets have declined from \$9.6 million to \$6.2 million over the fiscal year. Total deposits grew at a modest rate of 2.5% in fiscal-year 2014 (all BC credit unions 4.7%).

Additionally, earnings have improved in fiscal-year 2014. Our net operating income was up at \$103k (2013: \$85k). Our credit union's net operating income was 0.33% of total average assets (all BC credit unions 0.51%).

We also report that during the year CCEC made 286 short-term emergency loans (aka "PayDay loans") to credit union members with modest incomes and limited access to credit other

than through CCEC (or predatory lenders).

The low interest rate environment in which CCEC operates has compelled us to find efficiencies; both management and staff are proud of the success we have recorded along these lines. Several other credit unions have been very aggressive in pricing personal banking services and loans. CCEC continues to be 'in the market', and will revise fees and rates to be competitive.

CCEC has also been organizing and sponsoring activities to challenge orthodox economics and partner with social justice organizations. CCEC is the only financial institution registered as an intervener on the Trans Mountain Expansion application before the National Energy Board. We also mounted a members' forum on the pipeline proposal with several resources taking part (CRED, Forest Ethics, Dogwood Initiative, 'BROKE'). We partnered with the SFU CED program to host an evening on local economies with Michael H. Schuman in September 2013. CCEC corresponded with the

Federal Minister regarding the Canada Post plans to end home delivery. We have also been vocal in questioning the erosion of Canadian sovereignty and individual privacy due to the US 'Foreign Account Tax Compliance Act' ('FATCA'). CCEC sponsored films at DOXA and the Just Films Festival. And CCEC has collaborated with the Canadian Centre for Policy Alternatives to champion a people-centred economy, and our GM currently sits on one advisory committee.

CCEC has also voiced concerns with initiatives by the regulatory authority that would intrude on the rights of our membership in governance, and the independence of community-based institutions. The Financial Institutions Commission Governance Guideline has asserted that credit unions should have more 'professional' directors, potentially limiting the role of lay people in their co-operative. In our submission we contested the presumptions of the guidelines, and the authority being assumed by the regulator, well beyond the authority granted under legislation. CCEC also contributed

As of September 30, 2014, the Board of Directors was comprised of:

DIRECTOR	COMMITTEES
Carolyn Bell is a visual artist and writer active in the local arts community. Served since February 2014.	Audit Committee, Conduct Review Committee.
Helesia Luke is a communications professional now working as a constituency assistant for the MP in Burnaby Douglas. Served since February 2009.	Corporate Secretary, Audit Committee, Conduct Review Committee, Executive Committee, Strategic Planning and Member Engagement Committee.
Jan Berman is a teacher in the Richmond School District and active in several community organizations. Served since January 2011.	Audit Committee, Conduct Review Committee, Investment and Lending Committee, Nominations committee. Delegate to Central 1 Credit Union.
Marty Frost is an independent management consultant assisting worker co-ops and other community projects. Served since February 2013.	Audit Committee, Conduct Review Committee, Investment and Lending Committee. Also director of CCEC Development Society.
Michelle Fortin is ED at Watari Counseling and Support Services Society. She is also active in many social service and philanthropic projects. Served since February 2007.	Co-chair, Audit Committee, Conduct Review Committee, Executive Committee, Nominations Committee.
Randy Hooper is a principal in Discovery Organics Ltd and an advocate for sustainable agriculture. Served since February 2014.	Audit Committee, Conduct Review Committee, Strategic Planning and Member Engagement Committee. Also director of CCEC Development Society
Shannon Daub is a communications professional with the Canadian Centre for Policy Alternatives. She is also active in other community projects. Served since February 2013.	Audit Committee, Conduct Review Committee, Strategic Planning and Member Engagement Committee, Nominations Committee.
Steve Kisby is a principal in a computer services business and is actively involved with the Green Party of Canada and other social change projects. Served since September 2014.	Audit Committee, Conduct Review Committee.
Tammy Lea Meyer is a community organizer active in many projects, including Living the New Economy and Sensible BC. Served since February 2009,	Co-chair, Audit Committee, Conduct Review Committee, Executive Committee, Strategic Planning and Member Engagement Committee. Also director of CCEC Development Society



Directors' Disclosure and Accountability

This information is presented to our membership to provide transparency in the conduct of the directors and in a manner consistent with the principles promoted by the FICOM Governance Guideline (September 2013).

Directors of CCEC Credit Union are elected by and from the membership. Directors sit as volunteers and receive no compensation for their time and efforts. The duties of the Board of Directors are set out in the Credit Union Incorporation Act and the Financial Institutions Act, and the directors collectively are responsible for the overall management of the credit union. The legislation requires the directors to establish three committees with specified responsibilities; the Audit Committee (overseeing financial reporting), the Conduct Review Committee (overseeing related party transactions), and the

Investment and Lending Committee (overseeing investments, loans and risk management). The Board has defined the first two committees as 'committees of the whole'.

The Board may establish other committees and, at year-end, three committees were in place; the Executive Committee, the Strategic Planning and Member Engagement Committee, and the Nominations Committee. Some directors may also serve on the board of the CCEC Development Society.

The CCEC Rules limit a director to serving no more than 3 consecutive terms of three years. Pursuant to Board policy, the credit union covers all costs related to basic training and may also cover professional development costs as appropriate. The credit union also covers the costs related to

external advisors to the Board, out-of-pocket expenses incurred, and meeting related costs (e.g. food).

In the fiscal 2013-2014, the total expenses incurred for director and credit committee training, advisors, and meeting expenses was \$ 4632.

The CCEC General Manager's compensation is set by the Board to be consistent and competitive with compensation packages at similar institutions, and comparable with other community based non-profits. Management remuneration includes a base salary, a comprehensive benefits package, and a bonus that is paid at the discretion of the Board, which is based on select performance targets that do vary from year to year. In the fiscal 2013-2014, the total compensation paid to the GM was \$96,723, excluding out-of-pocket expenses claimed.



CCEC is not simply a pawn in the larger consumer economy.....

Report from Board and Management cont.

to a submission jointly with our peer group of smaller credit unions. Overall conformance with the new guideline was workshopped by the Board in June. The larger trends that further restrict communities from providing themselves with financial services remain a concern.

CCEC also is active in nurturing the co-op and credit union movements. CCEC has worked closely with the BC Co-op Association to facilitate the Momentum Fund (a loan guarantee fund for co-op start-ups), to co-host our credit union day pancake celebration, and to sponsor the 'Jolly Co-op Party' this December. CCEC works with several housing co-ops and has funded several loans to non-profit co-ops in the recent months. And CCEC is now represented on the Legislative Committee at Central

1 Credit Union; with our GM selected to be the link to our peer group.

The Board of directors oversees the credit union business and maintains the committees and internal controls required under the Financial Institutions Act and other legislation. Through the required structures (Audit, Conduct Review and Investment and Lending Committees) the Board ensures the business is prudently managed and members' interests are well protected.

In addition, the Board tries to determine where CCEC can meaningfully contribute to building a better and more just society. As we approach the next few years, the Board is eager to engage our membership and identify the opportunities for creative disruption, and to jointly

determine the role CCEC will play. CCEC is conceived of as a financial services provider and an agent of change. CCEC is not simply a pawn in the larger consumer economy, but a co-operative expression of the values of economic fairness, real democracy, and social justice. Playing out that second role is the one thing that really sets CCEC apart from other credit unions and banks.

Board and management are pleased to report the results and activities for fiscal-year 2014. We thank all the volunteers (directors & credit committee members), management personnel, and staff for their great work.

As we have always done at CCEC, the Board recommends that the earnings for the year should be retained to build the capital base of the credit union.





Credit Committee Report

by Faune Johnson on behalf of the committee

What does the Credit Committee do?

CCEC is one of the only credit unions with a Credit Committee. The Credit Committee meets monthly to oversee the lending activity of the credit union and to approve new loans which are beyond the normal guidelines staff use to approve a loan. Our staff have already looked carefully at every loan application and often recommend approval, so the Credit Committee scrutinizes the information, sometimes requesting further information, further security for the loan, or a co-signer. The Credit Committee's work provides an added protection for our funds.

The Credit Committee does not automatically approve every loan put before us. We take protection of our funds seriously. We review the income of the applicant, including their GDS and TDS.

GDS and TDS are not rude texting acronyms; they actually mean something serious in lending circles.

Firstly, the Gross Debt Service Ratio (GDS) is the percentage of one's income needed to pay all monthly housing costs, including rent or mortgage, property taxes, utilities, and 50% of condo fees (if applicable). Normally, a person needs a GDS lower than 32% to qualify for a mortgage.

Secondly, Total Debt Service Ratio (TDS) includes not only housing costs but also other monthly debts, such as credit card payments, car payments, loans, and alimony. Total monthly debts must be 40% of income, or less.

We also look at the member's credit history and relationship with the credit union, as well as the individual

circumstances of the would-be borrower, including the possibility of a co-signer.

A Sample of Numbers

Tracking the loans over the past seven years, from 2008 through 2014, some notable facts arise from last year's numbers:

- The **number** of personal loans, 168, is less than any other year since 2008; however, the total **value** of loans for 2014 is surpassed only by 2009 when the **number** of loans was 241.
- The **number** of mortgages is higher than any of the past 4 years, while the **value** is significantly higher than any of the past 7 years.
- The **number** of commercial loans has risen back up to the level of that in 2008, while the **value** of these loans is much higher than any other year in this period at \$5,931,598.
- Of all new loans approved in 2014:
 - Personal loans comprise 71% of the total **number**, but ~12.4% of the total **value**;
 - Commercial loans comprise ~14% of the total **number**, but 22% of the total **value**;
 - Mortgages comprise ~14% of the total **number**, but 65% of the total **value**.
- The **number** of all loans approved in 2014 was 391, *lower* than any year since 2008, *other than 2013 when the number was 360*.
- However, the **value** of loans approved in 2014 is almost 33% higher than the **value** approved in 2013, and greater than any of the other 7 years, since 2008.
- Average loan **values** for each category are higher than any of the other past 7 years.
- Total **value** of *all loans outstanding (including mortgages)* is 19.6% higher than 2013 and higher than any of the

previous 6 years.

- Total **value** of *all mortgages outstanding* is 22% higher than 2013 and higher than any of the previous 6 years.

Bad Debts?

CCEC's incidence of bad debts is low, as staff are persistent in assisting borrowers to repay, sometimes working with members to renegotiate conditions of repayment if a problem arises.

The Composition of the Credit Committee

There are seven members on the Credit Committee: each member is elected to serve for three years, and each year two or three members are elected to replace those whose term has ended.

Our committee this year has included Heather MacKay, Andy Miller, Sean Tyson, April Sumter-Frietag, Willem Haan, Armando Pinzon, and Faune Johnson. Thank you to all committee members for your diligent work and sociable, cooperative manners. Heather MacKay's term is ended, but she is willing to stand for election again. Andy Miller's term has ended and we thank him for his service to CCEC. Sean Tyson, April Sumter-Frietag, and Willem Haan each have one more year in their terms, while Armando Pinzon and Faune Johnson each have 2 years left in their terms.

I encourage all members to consider serving the CCEC Credit Union membership, by putting your name forward for the Credit Committee. The meetings are short, informative, friendly, and productive. You'll be appreciated for serving your credit union community and you'll learn more about why CCEC is such an important institution.

Lending Statistics

Funds approved during the period October 1, 2013 to September 30, 2014

PERSONAL LOANS	2014		2013	
	NUMBER OF LOANS	AMOUNT APPROVED	NUMBER OF LOANS	AMOUNT APPROVED
1. Share Capital for Groups	4	16,500	11	17,500
2. Medical/Dental/Legal	14	55,500	2	4,530
3. Trade & Education	4	10,021	8	31,150
4. Transportation	19	170,709	25	246,065
5. Compassionate Needs	1	5,000	3	6,461
6. Debt Consolidation	7	76,532	16	180,650
7. Consumer Purchase	74	366,269	75	321,876
8. RRSP	16	109,080	13	44,211
10. Line of Credit	29	319,600	23	103,900
SUB-TOTAL	168	1,129,211	176	956,343
MORTGAGES:				
SUB-TOTAL	34	5,931,598	26	3,976,166
COMMERCIAL LOANS				
11. Tools of Trade	0	-	-	-
12. Transportation	1	40,000	1	50,000
13. Equipment Purchase	5	238,873	1	50,000
14. Interim Funding	2	40,525	3	36,000
15. Real Estate	6	1,219,124	3	777,500
16. Operating Loan	8	350,000	9	441,400
17. Other Term Loan	12	145,555	8	182,237
SUB-TOTAL	34	2,034,077	25	1,537,137
TOTAL NEW LOANS APPROVED	236	9,094,886	227	6,469,646
RENEWALS	155	9,755,896	133	7,739,076
TOTAL APPROVALS	391	18,850,782	360	14,208,722
AVERAGE LOANS VALUES				
Personal Loans	6,721		5,434	
Commercial Loans	59,825		61,485	
Mortgages	174,458		152,929	
NUMBER OF LOANS APPLICATIONS REJECTED				
Personal Loans	34		21	
Business Loans	0		-	
Mortgages	0		-	
TOTAL VALUE OF LOANS OUTSTANDING AT YEAR END				
All loans (including Mortgages)	25,734,561		21,534,774	
Mortgages(all)	22,230,569		18,343,072	