

2010 ANNUAL REPORT

*We've always been*

*inspired*

Assiniboine   
CREDIT UNION



*We've always been*

# inspired by our members

... to be a different kind of financial institution.

Ours is a path less travelled, as we choose to go much deeper  
than the bottom line.

Along the way, we've helped many **good things** happen.

Like **people** succeeding.

**Communities** thriving.

And our **planet** being respected.

*Together, this is how we're making a difference.*

A photograph of a man in a red shirt lifting a young boy into the air. The boy is wearing a white t-shirt and has his arms outstretched, looking up with a joyful expression. The background is a clear blue sky with white clouds and falling confetti. The text 'The principles that inspire us' is overlaid on the upper part of the image.

The *principles*  
that inspire us

### **Our Mission Statement**

Our purpose as a socially responsible and profitable financial co-operative is to provide accessible financial services for the well-being of our members, employees and community; offer fair and meaningful employment in a safe and respectful workplace; and build partnerships that foster self-reliant, sustainable communities.

### **Our Core Values**

#### **Co-operation**

Guided by International Co-operative Principles, we build relationships that are fair, equitable and co-operative.

#### **Integrity and Respect**

Integrity and respect guide our business practices and our relationships with each other, our employees, our members and our community.

#### **Accountability**

We build trust that fosters organizational success and sustainability through our commitment to social and financial accountability.

#### **Excellence**

We strive for excellence in all we do through innovation, creative thinking and continuous improvement.

### **International Co-operative Principles**

We subscribe and adhere to a set of principles that guide the international co-operative movement.

#### **Voluntary and Open Membership**

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

#### **Democratic Member Control**

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

#### **Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

#### **Autonomy and Independence**

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

#### **Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of co-operation.

#### **Co-operation Among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

#### **Concern for Community**

Co-operatives work for the sustainable development of their communities through policies accepted by their members.

# 2010 highlights

Good things continued to happen at Assiniboine Credit Union in 2010. As the eighth largest credit union in Canada by assets, and the largest in Manitoba by the number of members, we are proud to serve the people of Manitoba and we remain committed to having a positive impact on their lives and communities.

Throughout this annual report, you will read true stories of people who were inspired to share our vision of success.

## People

- 108,000 Members
- 567 Employees (full time, part time and casual)

## Delivery Channels

- Member Communication Centre, open extended hours, six days a week
- CU@HOME Internet Banking
- CU by PHONE Telephone Banking
- 24 Branches: 22 in Winnipeg, 1 in Thompson, 1 in Gillam
- Business and Community Financial Centre
- Assiniboine Financial Group
- Dealer Finance Division
- Mortgage Specialists
- Outlook Financial
- Network of 40 ATMs

## Key Highlights

### DIVERSITY AS A % OF EMPLOYEES

Aboriginal People:	7.4%
People of Colour:	20.5%
People with Disabilities:	3.2%

### 2010 SURVEY — HOW SATISFIED ARE YOU WITH ACU?

Members:	85% of survey respondents were satisfied
Employees:	82% of survey respondents were satisfied

### 2010 SURVEY — I TRUST ACU TO MAKE BUSINESS DECISIONS THAT ARE SOCIALLY RESPONSIBLE

Members:	72% of survey respondents agreed
Employees:	89% of survey respondents agreed

### FINANCIAL HIGHLIGHTS

	2010	2009	2008	2007
Assets (In billions)	\$2.8	\$2.6	\$2.4	\$2.1
Net Income (In millions)	\$17.7	\$15.9	\$15.6	\$11.7
Equity (In millions)	\$160.8	\$144.1	\$129.5	\$111.4
Efficiency Ratio	72.4%	73.6%	73.5%	75.6%

### ENVIRONMENTAL HIGHLIGHTS

% of waste diverted from landfill through recycling	61%
Reduction in greenhouse gas emissions from energy use	12.3%

### 2010 Awards and Recognition

#### **Brown Governance Co-operative Award for Boardroom Culture**

For the board's efforts to build a strong board culture following the merger of Assiniboine, Vantis and Astra Credit Unions.

#### **Reaching E-Quality Employment Services (REES) Large Business Star Employer Award**

For excellence and achievement in our work with the disability community.

#### **Excellence on the Waterfront Award**

For the Assiniboine Credit Union River Trail. Presented to The Forks by an international group dedicated to unique North American waterfront developments.



#### **Manitoba Business Magazine**

For being one of Manitoba's 50 Fastest Growing Companies.

#### **Leadership in Energy and Environmental Design (LEED)**

ACU attained LEED Silver designation for our newest branch at Pembina at Bairdmore.



#### **Next Top Credit Union Executive Finalist**

ACU's Jodi Chambers was one of six regional finalists, and the only Canadian, in the Credit Union Executives Society's Next Top Credit Union Executive challenge.

#### **Be the Voice Big Idea Award**

ACU's Duane Nicol was named winner of Canada's credit union system's National Young Leaders Committee 'Be the Voice Big Idea' contest.

#### **MACU Awards**

ACU won two national marketing awards from the Marketing Association of Credit Unions.

BOARD OF DIRECTORS



Garry Loewen  
BOARD CHAIR

Four years ago, when we merged three credit unions into one—and then later added a fourth—we were convinced that over the long term this would strengthen our financial results, improve our product and service offerings, provide expanded career opportunities to our staff, and increase our community impact.

The integration task was arduous, and combined with the implementation of a new banking system shortly after our mergers, we experienced a few bumps along the way. One of the most important achievements during those years was the building of the internal culture as people got to know each other, new products and services emerged, and policies and procedures were harmonized.

We had the same challenge to build the culture of our new board. I'm very pleased with our progress and was honoured when our hard work was recognized with the 2010 inaugural Brown Governance Co-operative Award for Boardroom Culture.



Susan Deane  
VICE-CHAIR



Rhonda Forgues  
DIRECTOR



Wilbur Coates  
DIRECTOR



Dennis Anderson  
DIRECTOR



Nicole Ritchot  
DIRECTOR



I can say with confidence, that as an organization, and as a Board of Directors, we have hit our stride, the tireless efforts are paying off, and we are now very well positioned for the future.

2010 was another very satisfying year for ACU. The business indicators are all very positive, with solid growth, healthy profits and an escalating equity position that provides financial strength for the future.

It has also been a solid year from a governance perspective. We regularly review the suitability of the strategic plan and constantly monitor to ensure that our goals are on track.

In the light of highly publicized governance failures elsewhere, we continued

to upgrade our Enterprise Risk Management Philosophy and Framework, and are confident that the credit union's risks are being effectively managed. We have also begun a major review of our executive compensation practices to ensure that ACU's compensation system is responsible, equitable and competitive.

Our strength as a credit union is heavily influenced by the strength of the credit union system as a whole. The board and management of ACU have been closely monitoring the rapidly changing developments of the national credit union system, and providing leadership to preserve co-operative values and enhance opportunities for growth and sustainability.

We are committed to the co-operative principle of 'co-operation among co-operatives'. Board members have been in demand to make presentations at industry events and to share our governance practices with other credit unions.

We are constantly improving our governance practices to ensure that co-operative democracy stays alive and well at ACU.

On behalf of the board I would like to thank President and CEO, Al Morin and his staff for another great year. It is through their extraordinary efforts that ACU continues to be a leader in providing profitable, socially responsible services to our members and the communities we serve.



**Annitta Stenning**  
DIRECTOR



**Margaret Day**  
DIRECTOR



**Vera Goussaert**  
DIRECTOR



**Craig Lee**  
DIRECTOR

ACU'S LEADERSHIP TEAM



**Al Morin**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

By all accounts, good things continued to happen at Assiniboine Credit Union in 2010. During the year, multiple initiatives continued or began with the end goal of exceeding our members' expectations.

We remained competitive with the introduction of products and services designed to meet member demand, like e-statements, mobile banking and chip card technology.

The consolidation of all our 'back room' support services to our downtown location promises to add to the effectiveness and increased efficiency of our service delivery, not to mention other benefits associated with being housed under one roof.

Our continued focus on member service delivered member satisfaction, as evidenced both by the positive results in our annual member satisfaction survey, and also by the large number of members who referred ACU to friends and family through our Member Referral Program.

We made inroads on the environmental front as well. We were proud to receive our official LEED Silver designation for our newest branch and



**Gerry Campbell**  
EXECUTIVE VICE-PRESIDENT  
SALES AND SERVICE



**Priscilla Boucher**  
VICE-PRESIDENT  
CORPORATE SOCIAL  
RESPONSIBILITY



**Mona Forsen**  
EXECUTIVE VICE-PRESIDENT  
CHIEF OPERATING OFFICER



**Allan Godfrey**  
EXECUTIVE VICE-PRESIDENT  
CHIEF FINANCIAL OFFICER



**Audrey Maeren**  
VICE-PRESIDENT  
STRATEGY AND CORPORATE GOVERNANCE



we were a partner in creating the very popular resource materials for Manitobans who want to buy, build or renovate green. We also started work on a carbon-reduction strategy to minimize our environmental impact.

Many employees played an important role in the greatest-ever Assiniboine contribution to the annual United Way campaign. Still others participated in significant community initiatives, such as building a home with Habitat for Humanity.

We attracted and retained excellent employees, and furthered our commitment to reflect the communities we serve by proactively recruiting Aboriginal people, people of colour and people with disabilities to our workforce.

All of this has been achieved even as we expanded our commitment to strengthen vulnerable communities and serve the underserved. The 2010 announcement of a North End Branch, and the launch of the ACU Islamic Mortgage are two examples of this commitment.

In short, we continued on our path to being a leader in community renewal, environmental sustainability and co-operative development while always finding the balance between fiscal and social responsibility.

We were recognized and rewarded for our efforts in 2010 in the areas of governance, financial performance, diversity, marketing strategies and our environmental initiatives.

And three employees were recognized as young leaders of the national credit union movement.

Throughout the pages of this annual report, readers will find the details of these initiatives, as well as a few of the stories from our employees, our members and community builders who are all partners in our success.

I am grateful to our board for being so vigilant in setting the direction and to our exceptional employees, including the management team, who have embraced our vision and work hard to further our status as a well-respected and distinctive financial co-operative.



**Garry Mitchell**  
VICE-PRESIDENT  
FACILITIES AND PROCUREMENT



**Sharon McMahon**  
VICE-PRESIDENT  
HUMAN RESOURCES



**Bob Brezden**  
VICE-PRESIDENT  
INFORMATION  
TECHNOLOGY



**Diane Bourns**  
VICE-PRESIDENT  
RETAIL SALES AND SERVICE  
WINNIPEG NORTH, WEST AND NORTHERN BRANCHES



**Craig Peel**  
VICE-PRESIDENT  
RETAIL SALES AND SERVICE  
WINNIPEG SOUTH AND EAST BRANCHES



**Randa Stewart**  
VICE-PRESIDENT  
MARKETING AND  
COMMUNICATION



*Inspired*  
by our  
members'  
success



### The right house + the right mortgage = the right home

*Christine Paquette said she didn't need to think too long about where to go for her new mortgage. That's because her employer — the Manitoba Chapter of the Canada Green Building Council (Manitoba Chapter, CaGBC) — uses ACU for its financial needs and she has been impressed with her business dealings with Assiniboine.*

In fact, on behalf of the Manitoba Chapter, CaGBC, Christine worked with ACU to develop the *Your Greener Home* resource materials which are great for people who are inspired to buy, build or renovate green.

Not surprisingly she'll put some of those tips to use in her new 104-year-old home in south Winnipeg.

Her immediate goal is to take out an old furnace and replace it with an energy-efficient furnace. A few days after she moved in, she invited Manitoba Hydro to conduct an energy efficiency test and because of that she's decided to also replace the roof, take out the chimney, replace the toilets and add water-efficient fixtures in the first year.

She says she appreciated how easy ACU made it for her to get her first mortgage, after living in apartments for 15 years — with the whole financing application and approval taking only three hours. "I knew if I found the right house then it would be time to put down roots. For me all the stars were lined up — from finding the right house, to dealing with the right financial advisor."

Christine knew she had found the home of her childhood dreams when the house she was touring had an angel ornament dangling from the ceiling in the sunroom. "The owner said the angel was there when he bought it and it was staying with the house," says Christine, who had been searching for her perfect home. The angel may have clinched the deal, but it was the veranda, the window seats, the claw foot soaker tub, and the wood basement floor in the one-and-a-half storey house that first spoke to her heart.

"It was just like my grandmother's home where I spent a lot of time as a child in northern Ontario. I think I had been dreaming all this time about a house that would let me re-experience that real homey feeling of my grandmother's home. My new home is filled with so many unique features that you just don't find in homes anymore."



*Christine, ACU Member*

At our heart, Assiniboine Credit Union is a financial co-operative committed to our members' success—not simply as customers, but as our owners and as citizens of the communities we serve.



**Member Engagement Policy**

*Commits ACU to engage with members to understand and respond to their material concerns and expectations as co-operative owners of the credit union, as consumers of ACU's financial products and services, and as citizens of the communities in which ACU does business.*

**Member Privacy Policy**

*Commits ACU to protect members' personal information.*

**Our Members as Owners**

The members we serve are our owners. Each member owns one share in ACU and has an equal voice (one member, one vote) in making decisions, such as electing the Board of Directors.

Members share their views through many channels including online and telephone surveys, day-to-day communication, and at our annual general meetings. Our members tell us it is important to them that their financial institution is a co-operative. In 2010, nearly seven in ten members (67%) told us that one of the reasons they like to deal with ACU is because it is a credit union and not a bank.

ACU is governed by a Board of Directors that is elected by and from the membership. All members have the right to vote for their representatives and some members choose to put their name forward to run for a position on the board. Members are able to submit resolutions for consideration by the membership. In 2010, a member resolution was submitted encouraging ACU to evaluate whether or not it should switch to an alternate credit card service provider in order to obtain better service for members. This was in response to the purchase of Credit Union Electronic Transaction Services (CUETS), our current MasterCard provider, by MBNA.

Members voted in support of this resolution. We have been researching our options and will provide an update to members at the next annual meeting.

In 2010, ACU introduced online voting to encourage even more participation in the democratic process. Member participation in the election process was down significantly in 2010, but we will continue to encourage members to exercise their democratic right to vote in future elections.

**MEMBER PARTICIPATION IN THE ELECTION PROCESS**

	2010	2009	2008
Number of members who voted	3,143	5,141	4,839
Percentage of those eligible to vote	3.4%	6%	6%

**Our Members as Customers**

As our customers, members can expect expert financial advice and guidance; extensive, sophisticated and competitive products; and a trusted relationship that helps them succeed. We asked our members how they thought we did on the service front in 2010, and compared it with previous years.

**MEMBER SATISFACTION SURVEY**

	2010	2009	2008
Overall satisfaction with ACU (somewhat or very satisfied)	85%	84%	87%
Those who believe ACU provides either good or exceptional service	76%	77%	82%
Those who are somewhat or very likely to refer ACU to a friend or family member	88%	90%	90%

In 2010, the level of overall member satisfaction continued to be high (85%), more than three quarters say that we provide good to exceptional service (40% say exceptional), and a strong majority (88%) would recommend ACU to others.

However we believe we can do better when it comes to providing exceptional service.



To that end, we embarked on an ambitious, organization-wide initiative to ensure we deliver consistent and exceptional member service. First we asked our members what we could do to improve their experience. Then we worked with our employees to identify our greatest opportunities for improvements to enhance the member experience. Following are some of the important steps we took in 2010.

**Striving for Continuous Improvement**

Throughout the organization, and led by our Process Excellence team, we identified processes that could be made more efficient, and achieved many improvements.

We began extensive training programs, reorganized and combined some departments for greater efficiency, and began the movement of the support units from around the city to our central downtown location. By year end, it was already apparent that this consolidation was helping streamline our processes and improving the member experience.

For our Outlook Financial members, we rolled out a new website with enhanced technology and enhanced service for those who prefer the online, self-serve option.

## INSPIRED BY OUR MEMBERS' SUCCESS

For members who prefer to use the branch network, we extended the hours in our St. Mary's branch to include Saturday and opened more branches on long-weekend Saturdays.

Our Member Communication Centre staff examined their practices, analyzed call volumes, adjusted schedules to fit member demand and set targets to decrease the time callers had to wait. Despite the number of calls approaching 300,000 in 2010, Member Communication Centre staff managed to consistently achieve their new service levels following their process improvement initiative.

### Offering Unique Products and Services

At Assiniboine, members find all the products and services they'd expect from any financial institution. But there's much more to us than savings and loans. In addition to our 100% unlimited guarantee provided by the Deposit Guarantee Corporation of Manitoba, we offer an array of innovative products and services that further our reputation as a unique financial co-operative.

After working closely with the local Muslim community for more than four years, in 2010 we launched the ACU Islamic Mortgage for members who wish to obtain a mortgage that is compliant with their Islamic faith. This is the first Islamic Mortgage of its kind in Canada, answering a need that no other financial institution has been able to.



Our Business and Community Financial Centre (BCFC) is home to financing and other services for organizations of all sizes, from large to micro, businesses, co-operatives and not-for-profits.

In 2010 BCFC staff at the Main and Harrow locations began plans to move to newly renovated premises at our central downtown location.



The Assiniboine Financial Group (AFG) team of investment professionals completed a training program conducted by Credential Financial Inc. This specialized training provided our advisors with further expertise in comprehensive wealth management services, including tax-efficient investing, personal and corporate trusts, individual pension plans, business succession planning, estate planning, and retirement-income planning.

We remain one of the only financial institutions with a dedicated Socially Responsible Investment (SRI) specialist. In 2010 we began offering a new SRI service to help members manage their investments according to their values and preferences. SRI funds made up 30% of total mutual fund sales in 2010 and 23% of total assets under management at the end of the year.

After the first full year as 50% owners of Winnipeg Insurance Brokers (WIB), thousands of ACU members discovered that through WIB they were still able to access the exceptional rates offered to credit union members on their home insurance by CUMIS Insurance. Many said they were pleased with their ability to speak with someone locally about their insurance needs and found the staff at WIB offered great advice and convenient service.

We introduced e-statements in 2010 as an added convenience for our members and as a way to reduce our environmental impact. By the end of the year about 6,800 members had signed up to view their statements online.

The good news is, we used 55,631 fewer envelopes and 246,358 fewer sheets of paper for our statements compared to 2009. The bad news is we still used 1,462,074 envelopes and 2,201,520 sheets of paper for our statements. We will continue to encourage members to go paperless for their ACU and Outlook statements.

Mobile banking was also introduced this year to provide members with real-time access to their accounts wherever they happen to be.



In 2010, we partnered with the Canada Green Building Council and WinnipegREALTORS® to launch *Your Greener Home* resource materials for people who want to build, buy or renovate green.

#### **Continuing to Invest in Technology**

We continued to invest in technology to remain competitive, provide superior service and meet member demand for service when and where they want it.

All our ATMs are now fitted with enhanced chip technology. ACU and Outlook debit cards were redesigned to accommodate the new chip, and approximately half of our active cards were distributed to members in 2010, with the remainder being issued in 2011.

Nineteen cash recyclers were installed in 14 locations in 2010, bringing the total to 39. Cash recyclers are units that count cash electronically—especially speeding up deposit verification on commercial deposits, which in turn makes the wait times shorter. They also dispense cash and detect counterfeit bills. Plans are in the works to install more cash recyclers in 2011.

#### ***Our advisors are among the best***

*We pride ourselves on being part of our members' success and always work with their best interests in mind. Through extensive training and certification, our knowledgeable advisors build trusted relationships with our members by helping them manage their finances today while building a plan for the future.*

#### ***We reward referrals***

*We believe a member referral is the best compliment we can get. We also view the success of our Member Referral Program as an important indicator of member satisfaction and loyalty.*

*In 2010, nearly \$9 million in new business was referred to us through our Member Referral Program. Our branches showcased each monthly winner of a \$500 GIC, drawn from the names of members who made referrals.*

#### ***We are working to protect our members***

*In 2010, some members experienced fraud through card skimming and online criminal activity. We educated employees and members about how to protect themselves. We also took steps to help protect members through the introduction of chip card technology and began working toward enhanced security for users of CU@HOME Internet Banking, which will be completed in 2011. We also co-operated in criminal investigations, and supported our members if they were victims of fraud.*

INSPIRED BY OUR MEMBERS' SUCCESS



**Members as Citizens**

Our members are citizens of the communities in which we do business and they care about the well-being of their communities. With our members' support, we are able to invest in organizations working to foster sustainable communities; provide accessible financial services to marginalized members of our community; demonstrate a commitment to environmental sustainability; and help to strengthen co-operatives and the co-operative movement. Please read more on these initiatives starting on page 29.

Each year we ask our members for feedback to measure their perceptions, pride and trust when it comes to what ACU is doing to make a difference in the community. Member feedback in 2010 is consistent with 2009 results. About two thirds of members trust us to make business decisions that are socially (72%) and environmentally (67%) responsible and say that what

ACU does for the community and environment makes them proud to be a member (64%). Members consistently rate our social/community efforts higher than our environmental performance. We may need to better inform our members about our environmental initiatives as a high percentage of members were neutral or unsure about this aspect of our business.

**MEMBER SURVEY—AGREE OR STRONGLY AGREE**

	2010	2009	2008
ACU uses its resources and expertise to make a positive difference in the community	64%	67%	74%
ACU uses its resources and expertise to benefit the environment	55%	52%	61%
Overall, what ACU does for the community and the environment makes me proud to be a member	64%	62%	73%
I trust ACU to make business decisions that are socially responsible.	72%	76%	86%
I trust ACU to make business decisions that are environmentally responsible.	67%	70%	78%

**Looking Forward to 2011**

**In support of our commitment to our members as owners, customers and citizens of the communities we serve, we will:**

- develop a comprehensive credit and debit card strategy and update members at the annual meeting.
- make improvements to online voting and continue to encourage members to vote.
- move forward with our process and service excellence initiatives to deliver consistent and exceptional service.
- complete the consolidation of our two business centres downtown.
- implement new technology solutions for our members, including enhanced security on CU@HOME Internet Banking.
- renovate the Harrow Branch.
- encourage members to migrate to e-statements.
- raise member awareness of our environmental efforts, including *Your Greener Home* resource materials.



### Where did I put it?

*In this day and age, who can survive without their cell phone, BlackBerry, or laptop? What would happen if you lost one of these prized possessions? Jason Wagner may be able to help you track it back.*

Yes, your insurance may cover the cost of replacing the item. But think of all the information that is stored in it: contact names and numbers, calendars, documents and pictures. These things are not easily replaced. TrackItBack is the world's largest lost-and-found recovery service for mobile devices, keys, luggage and other personal belongings. Jason Wagner, founder and CEO, came up with a brilliant but simple concept for a company that helps recover lost items. "After losing a couple of my own personal belongings in the past," says Jason, "I thought there must be an easy way for someone to return a lost item to its rightful owner."

It's simple. Affix a uniquely encoded label to your item and register the code online or by phone. Whoever finds your item calls the toll-free number to report it found and TrackItBack will make arrangements to return it, at no cost to you, from anywhere in the world. The company provides a reward of \$100 worth of TrackItBack product to the finder and the owner may also offer a cash reward.

Thousands of items have been recovered since the start of the business in 2003. The most commonly returned items? Cell phones and BlackBerries. These and various other items have been recovered from all over the world, and as far away as Australia.

In 2010, with the help of ACU, Jason was invited to pitch his business idea on CBC's hit series *Dragons' Den*. Jason walked straight into the Den and walked out with a deal worth \$200,000.

ACU has been with the company since its inception. "I deal with ACU because they took a chance on TrackItBack in the early years and my loyalty remains," says Jason. "ACU provides me with the personal service you don't get from big banks. I am proud to be with a credit union that's committed to community development, and yet can work with a company doing international business. They have helped me grow my business every step of the way."



*Jason, ACU Member*

*Inspired*  
*to be an* employer *of*  
choice





### Agnes' mom is happy, and that's good enough for us

*It wasn't until Agnes Cruz was able to bring her mom to Canada from the Philippines for a visit that the elderly woman was finally at peace that her youngest daughter had done the right thing coming to Canada four years ago.*

She got to see her daughter's home in the Maples, bought with an ACU mortgage. She got to tour the co-op that gave her daughter her first full-time job in Canada. And she got to meet some of Agnes' work friends who helped her celebrate her 80th birthday on Canadian soil.

"My mom does not have to worry about me anymore, now that she sees it for herself. She did not have that confidence that I was really okay here. But she has peace of mind now. She knows that I am in a good place," says Agnes, an ACU Financial Service Representative at the St. James Branch.

Two months after landing in Canada, Agnes heard about a special program ACU helped create that trains immigrants to work in credit unions. With 17 years of experience in the financial services sector in the Philippines, Agnes applied and was one of nine students accepted from nearly 100 applicants for the Immigrant Integration Program.

Agnes started with a five-week training program to upgrade her knowledge of Canadian culture, business language, credit union financial systems and the entry-level job duties of a Member Service Representative. She graduated to a three-month, paid, on-the-job practicum at ACU. Upon completion she was offered a part-time job at ACU that quickly became full time, and twice since then, Agnes has been promoted. "For me the program gave me an opportunity to establish

myself here. Moving to a different country is hard. I feel lucky because not all of the immigrants I know have been able to work in their chosen field."

The Immigrant Integration Program is co-sponsored by ACU, Cambrian and Steinbach credit unions in partnership with Manitoba Labour and Immigration and Employment Projects of Winnipeg. Over the years ACU has hired nearly 40 new immigrants through the program.

For ACU Employment Specialist, Mandy Rogasky, the program is a fine example of ACU's commitment to corporate social responsibility. "Diversity is ingrained in our culture," she says. "We benefit from the qualifications and expertise of immigrants like Agnes."

Agnes' mom plans to visit again in 2012, but this time in the summer.



Agnes, ACU Employee



**Employment Principles Policy**

*Commits ACU to be a fair employer, provide a respectful, inclusive, safe and healthy workplace with equal opportunity and non-discrimination, and comply with employment regulations and legislation.*

**Compensation Philosophy Policy**

*Commits ACU to fairly compensate employees. Our compensation and benefit programs are aligned with our values, mission and strategies and are consistent with our desire to treat employees equitably, be competitive in the labour market and reward employees for their contributions to ACU's success.*

**Workforce Support Commitment**

*During times of extreme change and reorganization, how we treat our employees is a measure of our success as a caring company. In 2010, we introduced our Workforce Support Commitment, which outlines our efforts on behalf of the employee in the event their position is eliminated. Our commitment includes open, honest communication and a promise to explore avenues that will enable us to retain them within ACU, whenever possible.*

It takes time to build a culture and we've come a tremendous distance since the merger of four credit unions back in 2007 and 2008. Our workplace has become strong, cohesive, encouraging, respectful, engaged and focused on excellence.

**Engaging our Employees Through Change**

After a formal change-management process involving all our managers, and facilitated by external change experts, ACU was deemed to be a 'change-resilient company'. With that validation, and knowing that change is a constant fact of life in the financial services sector, we asked our employees how they were feeling after all the change they've experienced in the past few years. Nearly eight out of 10 employees (76%) agreed that the changes ACU is currently implementing are needed.

**EMPLOYEE SURVEY—AGREE OR STRONGLY AGREE**

	2010	2009	2008
Overall satisfied with ACU	82%	81%	72%
ACU provides opportunities at work to learn and develop new skills	77%	76%	72%
I would recommend ACU to my friend as a good place to work	74%	73%	67%

82% of employees reported overall satisfaction with ACU, a 13% increase since the merger in 2007. The responses to approximately one third of the questions in our annual employee survey increased in satisfaction by 4% or more. In addition, there weren't any results that decreased in satisfaction by 4% or more.

Employees also told us they want to continually engage with their employer through open communication, clear expectations, regular feedback and opportunities for professional growth. They believe that our strengthening culture results in part from strong relationships with their colleagues at work, the opportunity to be involved in initiatives at ACU and out in the community, and they feel strongly about being part of the solution in our intense focus on process and service excellence.

We also wanted to know what our employees think about ACU's commitment to corporate social responsibility, and how they feel about working for a company that is so dedicated to making a difference.

EMPLOYEE SURVEY — AGREE OR STRONGLY AGREE

	2010	2009	2008
I believe in ACU's mission and values	87%	86%	82%
ACU uses its resources and expertise to make a positive difference in the community	91%	90%	89%
ACU uses its resources and expertise to benefit the environment	87%	85%	86%
Overall, what ACU does for the community and environment makes me proud to be an employee	86%	85%	82%
I trust ACU to make business decisions that are socially responsible	89%	88%	84%
I trust ACU to make business decisions that are environmentally responsible	89%	88%	84%

Consistent with previous years, nearly nine out of ten ACU employees express strong belief in our mission and values, trust ACU to make business decisions that are socially and environmentally responsible, and say that what ACU does for the community and environment makes them proud to work at ACU. Because employees have inside knowledge of what ACU is actually doing, we believe that their positive responses are an important measure of our performance in demonstrating a commitment to corporate social responsibility.

**Striving for Excellence**

2010 saw significant organizational change, resulting in part from our determination to help our employees maintain their focus on quality service. This involved restructuring and combining some departments for even greater efficiency and creating a service centre of excellence.



**We Restructured and Consolidated**

To provide great service, we rely on the co-ordinated effort of those working on the front line as well as those working behind the scenes. This includes staff in Human Resources, Information Technology and Marketing in addition to those employees who manage projects and programs, conduct research, process loans, mortgages and investments, manage clearings and ATMs, administer grants, and of course, those who pay the bills and plan the budgets. About one third of ACU's employees are working to support the people who support our members.

In 2010, we started the process of centralizing all the behind-the-scenes departments and our two business centres from various parts of the city to their new home in downtown Winnipeg, with a goal of improving how we work together to serve our members. By the time it's complete, this massive people-moving project will bring approximately 130 employees from various parts of the city to their new home, resulting in about 250 employees working at the Main Street location, including Main Branch and business centre staff.

The ability for departments to work 'just down the hall' immediately streamlined processes and improved the time-to-delivery for the member.

### **We Trained and Rewarded**

To support our dedication to exceptional member service, our 2010 focus was on core training, service excellence and process excellence. Phase 1 of our new core training plan was designed to deliver knowledge and skills required to help members meet their financial needs in retirement. Training was delivered to employees in the fall in anticipation of the 2011 RRSP season.

To reward their efforts in 2010, ACU employees were treated to the first post-merger Employee Appreciation gala; several family events and parties; and opportunities with paid time off to engage in internal and external community-building events.

### **We Improved**

In 2010, throughout the organization, and led by our new Process Excellence team, we made great headway on our journey to reinforce a culture of process excellence and continuous improvement. Thirty-six employees participated in specialized process-improvement training and led 22 process-improvement projects—projects that had an impact on most areas of ACU. More than 200 employees assisted with the identification of process improvements, suggested changes, tested improvements and championed change within their business units.

### **We Got to Know Each Other Better**

We strive to provide opportunities for employees not only to work together as a highly effective team, but also to enjoy one another's company outside of the workplace. In 2010, several employee events were held to celebrate our employees and their contributions to our success, and of course to have fun and get to know each other better.

During the winter of 2010, many ACU employees joined the fun along the Assiniboine Credit Union River Trail—sometimes on their lunch hour. In the spring, our Employee Appreciation Event toured us around the world, celebrating the diverse cultures represented within our workforce. The lazy days of summer saw our employees and their families gather at Assiniboine Park for an afternoon barbeque and games. Come fall, employees gathered for an evening of food and laughter at a local comedy club. Over the

holiday season the Assiniboine family enjoyed a pair of holiday parties—breakfast with Santa for the little ones, and later, the adults celebrated with a special holiday evening.

In the workplace, various departments and branches also worked together on a number of projects in support of the 2010 United Way campaign. Many of these fundraising projects provided staff with opportunities for fun and interaction over a meal or in activities like a baking exchange and a pumpkin-carving contest.

Two issues of the new employee newsletter, ACUcommunity, were published in 2010 and a video of photo submissions from ACU employees was produced. Both told many stories through words and pictures and allowed us to get to know each other better.

We think the company's investment to support these events has truly contributed to the positive culture that has emerged at ACU over the past year. We also believe the enthusiasm and participation of our employees in these events is a testament to the respect they have for their colleagues and their employer.



### **Embracing Diversity**

Our recruitment efforts are always focused on attracting and retaining a talented workforce that reflects the diversity of the communities we serve, including Aboriginal people, people with disabilities, and people of colour. Eighty-eight per cent of our employees agree that diversity is valued and respected at ACU.



In 2010, while ACU experienced employment growth in all three designated groups, we continued to focus our efforts on recruiting and retaining Aboriginal people and people with disabilities.

We made presentations to students at Red River College (RRC) and the University of Winnipeg (UW), including a group of students enrolled in a new Financial Service program at RRC.

**DIVERSITY AT ACU**

Designated Group	% of Community	% of ACU Employees		
		2010	2009	2008
Aboriginal	10.0%	7.4%	7.1%	6.0%
People of Colour	16.0%	20.5%	18.4%	17.3%
People with Disabilities	6.4%	3.2%	2.95%	2.5%

*Statistics for Aboriginal people and people of colour were taken from the 2006 Statistics Canada census using Winnipeg data. Statistics for people with disabilities comes from the 2001 census, from the Participation and Activity Limitation Survey (PALS) focusing on labour market availability and is based on Manitoba results (Winnipeg data is not available).*

**We partnered for Training and Employment**

In 2010 we continued to partner with a variety of community training and employment organizations, including partnerships to provide training and employment for individuals facing barriers to employment.

In addition, we partnered with the following organizations.

*Alicia Rae Career Centre*

Referrals to ACU from the Centre’s Youth Employment Network for 16–30 year old new immigrants resulted in employment for youth.

*Argyle Alternative High School*

Participants are at-risk youth, most are Aboriginal. In 2010 we provided 18 weeks of workplace training (3 hours/week) for two participants. One of the program participants became a full-time Member Service Representative at ACU, and the other is working as a casual MSR while she continues her post-secondary studies.

*Employment Projects of Winnipeg*

Assists with the credit union Immigrant Integration Program. We offered three work placements through Employment Projects of Winnipeg in 2010.

*Fire Spirit Aboriginal Youth Internship*

Participants are Aboriginal youth in grades 10 to 12. ACU and Fire Spirit developed plans to partner in 2011.



***Inter-provincial Association on Native Employment (IANE)***  
Promotes the employment of Aboriginal people by networking and sharing information on best employment practices. ACU is a member and attends regular meetings to build relationships within the community. We also post jobs through IANE.

***Manitoba Employment Equity Practitioners Association (MEEPA)***  
An association of professionals working together to achieve equitable and diverse workplaces. ACU is a member of MEEPA and has the opportunity to learn from human resource experts, network with leaders in employment equity, exchange knowledge and expertise and get involved.

***Newcomers Employment and Education Development Services (NEEDS)***  
Participants are refugee/immigrant youth in grades 10 to 12. ACU conducted a branch tour in 2010 and attended the NEEDS graduation ceremony.

***Reaching E-Quality Employment Services (REES)***  
A community-based employment service assisting people with physical disabilities or health conditions to gain employment. ACU partnered with REES to deliver a six-week work-experience program to a participant of REES' Youth Employment Project. We also hosted a two-day mock interview session with REES participants seeking guidance and feedback on their interviewing skills.

***Urban Circle***

A non-profit, community-based organization whose objective is to provide Aboriginal people with skill-specific training targeted to job-market demands. ACU is a member of the Employer Advisory Group.

***Youth Work Experience Initiative***

Participants are 15-to-30 year old Aboriginals and immigrants. In 2010, one person was provided a three-month work-experience placement, which turned into full-time employment.

***We're Attracting and Retaining the Best***

In 2010, our ongoing implementation of progressive employment policies and practices continued to help us attract and retain some of the best people in the business. Our employees are attracted to ACU as an employer of choice. In 2010 83% agreed that ACU has a reputation as being a good employer and 87% said they were willing to put in more effort than expected to contribute to our success. Our unique value proposition means that they understand and appreciate our commitment to being fair, respectful, caring and supportive in addition to our unique way of doing business.



With a workforce of nearly 600 people and a variety of specialized skills and experience, most employees are motivated to make Assiniboine a successful company in which to enjoy their careers.

**We Encouraged Our Young Leaders**

In 2010, three of ACU's outstanding young leaders were recognized nationally or internationally for their talent and innovation.



**Stephanie Wiens** has held a number of roles at ACU, including Community Account Manager, Branch Manager and currently she is leading ACU's new Service Excellence team. Stephanie was nominated in 2008 for the prestigious National Young Leaders Award offered by Credit Union Central of Canada

(CUCC). She made a four-year commitment to the CUCC National Young Leaders Committee, and in 2010, served as the vice-chair of the committee whose mandate is to make recommendations, advocate, increase awareness and deliver programs to support the talented young leaders found within the credit union system. Stephanie has been with ACU since 2000 and in the credit union system since 1997.



**Jodi Chambers** is ACU's Director of Business Excellence, another of our new divisions. Jodi also sits on the National Young Leaders Committee, having been shortlisted for the award in 2010. Also in 2010, Jodi was the only Canadian finalist in the Credit Union Executives Society's (CUES) Next Top

Credit Union Executive challenge. She presented information about ACU's Process Excellence Program and although she did not emerge number one, hers was an exceptional achievement to make it that far in this international competition. Jodi started her career with Astra Credit Union in 1993 and has held a number of positions with ACU since our 2007 merger.



**Duane Nicol**, Manager of Corporate Social Responsibility was the winner of the 2010 National Young Leaders "Be the Voice Big Idea" contest. The contest was designed to determine opportunities for innovation in future financial services.

Duane submitted a concept he coined, 'Radical Simplicity' which points to opportunities that exist within the credit unions' ability to become member advocates by delivering radically more simple, convenient and flexible products and services. Duane has been with ACU for five years, first working in a branch, then joining our CSR division, where he was instrumental in the success of some of ACU's unique CSR initiatives.

**Looking Forward to 2011**

To continue to build a high quality, diverse workforce and further deliver on our promise of process and service excellence in 2011, we will:

- develop a comprehensive diversity and inclusion strategy.
- maintain our community partnerships and focus on recruiting Aboriginal people and people with disabilities.
- complete the consolidation of support units at 200 Main.
- enhance our orientation program for new employees.
- further develop and deliver core training.
- begin work to redevelop the employee intranet as a knowledge centre.



*Inspired* by  
opportunity  
*for all*



### Saving program offers knowledge and opportunity

*When Sarah Seller, a single mom at age 21, saw that a friend who lived on low income just like her was able to buy new bedroom furniture and a computer, she was absolutely stunned. "How the heck did she do that?" Sarah asked herself.*

Her friend revealed she was a graduate of a money-management program offered by SEED Winnipeg (Supporting Employment and Economic Development). Over the course of a few weeks in SEED's Asset Building Program (ABP), Sarah learned her friend's secret. Saving. Alongside other ABP clients, including single parents, recent immigrants, Aboriginal clients and people with disabilities, Sarah learned how to budget, manage money, open up a specially designed Matched Savings Account at ACU and save for a dream.

In Sarah's case, the dream was a bed for her daughter, Kathleen, to replace her crib, which she was outgrowing. "In the Asset Building Program, you open up an ACU account and you have to save \$250 in four months. If you do that, SEED will match you \$750 and that money can be used for almost anything you need, like furniture or school," Sarah said.

After scouring furniture stores and doing price comparisons, which is part of the program lesson, Sarah bought a bed for her daughter and had enough for a bed-side table for herself. She is now off to her next saving challenge — a down payment for a house and RESPs (Registered Education Savings Plan) for Kathleen, who is now two years old. "Now I'm in a program with SEED called the Housing Enhancement Program. This program helps you research how to buy a house and get a pre-approved mortgage.

You go house shopping and sit down with a lawyer and real estate agent and do worksheets about inspections. If I save \$2,000 within three years, SEED will match it with \$6,000."

In addition to ACU making a corporate contribution by creating special savings accounts for the program, ACU employees have become so supportive that, in each of the last two years, they donated nearly \$90,000 for Asset Building Programs through ACU's employee-led United Way Campaign.

According to Louise Simbandumwe, SEED's Director of Asset Building Programs, "The program wouldn't be possible without ACU's partnership. Assiniboine was involved from the very beginning when we identified what the issues were for people and envisioned how we could help address them."



Sarah and Kathleen, ACU Members

In 2010 we continued to use our skills and expertise as a financial co-operative to provide access to affordable financial services for the benefit of underserved neighbourhoods, organizations, communities and households. At the end of 2010, the value of these services (deposits and loans) was nearly \$102 million (\$80 million in 2009).

### Expanding Services to the Inner-City

We continue to support the renewal of Winnipeg's inner-city neighbourhoods through the strategic expansion of our branch network. Our West Broadway Branch opened in 2001 to meet a gap in financial services.



In 2010, we moved forward with plans to expand to a second inner-city neighbourhood that has struggled with a lack of affordable financial services — Winnipeg's north end. The board approved the establishment of a branch with a community economic development focus, provided we could raise at least \$6 million in new business for the branch prior to startup. We are pleased to report we raised nearly three times that amount and, by year end, were close to securing a location. We hope to open the doors of our newest branch in late 2011 or early 2012.

### Providing Access to Credit for Underserved Organizations and Entrepreneurs

We are proud of the reputation we have earned as a leader in providing financial services to meet the needs of non-profit organizations, small and micro-enterprises, and co-operatives. This includes specialized deposit and credit services available through the highly skilled team at our Business and Community Financial Centre. Through this centre, we offer unique expertise in

providing access to credit for organizations and micro-entrepreneurs unable to meet conventional lending criteria. Our community financing provides access to credit for affordable housing projects and community-enhancing assets such as cultural centres and daycares. For example, in 2010 we provided construction financing for the new Eagle Wing Childcare Centre in the Point Douglas neighbourhood. Our community financing also provides micro-credit to support the start-up or expansion of small and micro-enterprises, including businesses owned by economically marginalized people.

In 2010, ACU provided \$9.3 million in new financing to 60 organizations and micro-entrepreneurs. At the end of 2010, the outstanding balance in our community finance portfolio was \$37.5 million, up from \$35.1 million in 2009.

Our ability to meet the financing needs of underserved organizations and micro-entrepreneurs is enhanced by the important partnerships we have with community organizations that share our commitment to expanding economic opportunity to all.

For example, in 2010 ACU continued to work with the Women's Enterprise Centre to provide access to credit for women entrepreneurs and we provided financial support for their exciting WEC-Tech program, which helps women adopt and use technology to make their businesses more productive, efficient and profitable.

We also continued to partner with The Jubilee Fund to provide access to credit for businesses, social programs and housing projects that have a strong business case but do not qualify for conventional financing. With the Jubilee Fund providing loan guarantees and ACU providing the credit, this unique partnership has played a critical role in financing projects such as the expansion to Tall Grass Prairie Bread's Wolseley storefront.

2010 COMMUNITY FINANCING

Focus of Investment	New Financing (\$) approved in 2010 <sup>1</sup>	Organizations Financed in 2010	Total Invested at December 31, 2010 <sup>2</sup>
Affordable Housing	\$1.9 million	7	\$20.6 million
Community Facilities	\$6.6 million	26	\$13.4 million
Micro-Credit for Business Start-up and Expansion	\$0.8 million	27	\$3.5 million
TOTAL	\$9.3 million	60	\$37.5 million

<sup>1</sup>Includes lines of credit

<sup>2</sup>Outstanding balances of loans, mortgages, lines of credit

**Serving Underserved Communities**

We recognize that there are communities of people who face barriers when it comes to accessing financial services. In 2010 we moved forward with initiatives to meet the needs of the Muslim and Aboriginal communities of Winnipeg.

Five years ago, leaders from the local Muslim community approached ACU and asked if we would consider developing products for their community as there was a lack of acceptable financial services. After extensive research and consultation, we agreed to develop a mortgage product that would make it possible for members of the Muslim community to own a home. We worked closely with the community and an Islamic Advisory Board to create a financing arrangement that is acceptable to those of Islamic faith. In May 2010 we were proud to launch our Islamic Mortgage, the first of its kind in Canada. Details of this product and how it compares to a regular mortgage can be found on our website.

In 2010 we continued our participation in the Manitoba Tipi Mitawa Home Ownership Program, a pilot project of the Manitoba Real Estate Association and the Assembly of Manitoba Chiefs. Launched in 2008, the program plans to make affordable home ownership available for up to 40 urban Aboriginal families of modest-income. By the end of 2010 we had approved mortgage financing for nine Aboriginal families. In Winnipeg, 74% of non-Aboriginal people own the home they live in. In comparison, only 45% of Aboriginal people living off reserve own their own home.

In 2009 we announced that ACU had been selected by Indian and Northern Affairs Canada (INAC) for a Loan Loss Reserve program that would secure up to \$11 million in financing to Manitoba First Nations businesses with assets on a reserve. In 2010, a Winnipeg-based Aboriginal financial institution challenged the exclusion of Aboriginal financial institutions from the program.



We met with Aboriginal leaders to understand their concerns and by year end the decision was made to withdraw from the program. By stepping away at this time, we believe we can better support local Aboriginal leaders in their efforts to have this kind of programming available to all Aboriginal financial institutions.

**Expanding Services through Partnerships**

In 2010 we welcomed 476 new members to ACU through three community partnerships designed to benefit underserved individuals.

**Community Financial Services Centre (CFSC)**

We continued to partner with the North End Community Renewal Corporation (NECRC) to provide access to accounts and financial education through the Community Financial Services Centre. Community partners in the north end refer clients to the CFSC where they are supported to establish a relationship with a mainstream financial institution.



In 2010 Assiniboine continued to be the only participating financial institution. Operating out of the CFSC office at Mount Carmel Clinic two days a week, we opened new memberships and accounts and provided non-cash services such as cheque depositing, direct deposit set-up, and financial service advice. Building on the significant growth achieved in 2009, the number of CFSC clients who joined ACU grew by 90% to 591 members in 2010.

Following their relocation to the north end, Me-Dian Credit Union inquired about participating in the CFSC. Plans are underway to welcome the Aboriginal-owned credit union as the second financial-services provider in 2011.

COMMUNITY FINANCIAL SERVICES CENTRE

	2010	2009	2008
Number of community partners making referrals	19	15	10
Number of CFSC clients who are ACU members	591	311	180
Percentage of CFSC clients receiving direct deposits into their ACU account (avoids need to use cheque-cashing outlets)	60%	59%	58%

**2010 CFSC Community Referral Partners**

- *Aboriginal Visioning for the North End*
- *Building Urban Industry for Local Development (BUILD)*
- *Community Financial Counseling Services*
- *Elizabeth Fry Society of Manitoba*
- *Employment and Income Assistance (EIA) — Main Street, Rorie Street*
- *Immigrant and Refugee Community Organization of Manitoba (IRCOM)*
- *Indian Family Centre*
- *Ma Mawi Wi Chi Itata Centre*
- *Métis Child, Family and Community Services*
- *Mount Carmel Clinic*
- *Native Women's Transition Centre*
- *North End Community Renewal Corporation*
- *North End Women's Resource Centre*
- *North Point Douglas Women's Centre*
- *Oyate Tipi Cumini Yape*
- *PATH Resource Centre*
- *Point Douglas WRHA Community Mental Health Program*
- *SEED Winnipeg*
- *Urban Circle Training Centre*



**Asset Building Programs**

As a founding member of the AssetBuilders Partnership, we provide a specially designed Matched Savings Account for participants of poverty-reducing asset building programs. Participants receive money-management training from a non-profit partner and are supported to achieve their personal savings goal using their ACU Matched Savings Account. Every dollar saved is matched three to one with dollars contributed by United Way of Winnipeg and other funders.

Up until this year, ACU was the only Manitoba financial institution offering the special savings account and only in our Winnipeg branches. In 2010 we supported the expansion of these programs to Thompson through our branch in that community, and assisted Westoba Credit Union to participate as the financial services provider for two new asset building programs in Brandon and the surrounding rural area.

In 2010, 519 participants of asset building programs used ACU’s Matched Savings Account to save for personal asset goals. Of these, 191 successfully completed the program and used their savings plus matching funds from the program provider to purchase assets worth \$313,527. Since 2000, participants have purchased over \$2.1 million in assets.

In 2010 ACU raised over \$87,000 for asset building programs through our employee-led United Way Campaign. Through a special arrangement with United Way Winnipeg we have raised over \$290,000 for these programs since 2007.

**SAVING FOR ASSETS**

	2010	2009	2008
Number of savers using ACU Matched Savings Account	519	480	379
Number of graduates (completed asset building program)	191	178	173
Total savings used to purchase assets	\$91,954	\$79,701	\$79,242
Matched funds provided for purchases	\$221,573	\$193,736	\$201,476
Total value of assets purchased by savers	\$313,527	\$273,437	\$280,718

Source: SEED Winnipeg

**2010 Asset Building Program Providers Served by ACU**

- Fort Garry Women’s Resource Centre
- Immigrant & Refugee Community Organization of Manitoba (IRCOM)
- Macdonald Youth Services
- Ma Mawi Wi Chi Itata Centre
- Nor-west Co-op Community Health Centre
- Pluri-elles
- Rossbrook House
- SEED Winnipeg
- SMD Self-Help Clearinghouse
- Thompson Neighbourhood Renewal Corporation
- Urban Circle Training Centre
- Villa Rosa

**SEED Winnipeg RESP Program**

In July 2010, ACU and SEED Winnipeg launched a new partnership to help families living on low-income better understand and open Registered Education Savings Plans (RESPs) and apply for special benefits to which they may be entitled, such as the Canada Learning Bond (CLB). These benefits are designed to help families save for their children’s education, and can make post-secondary education a reality for the children of families living on low-income. SEED provides information and hands-on support and refers the families to ACU through a special referral process that makes it easy for them to open RESPs and apply for the special benefits.

Included in these referrals are graduates of the Community Schools Investigators (CSI) summer enrichment program run by the Boys and Girls Clubs of Winnipeg. Students who complete the CSI program qualify for a \$400 bursary provided by the Boys and Girls Clubs of Winnipeg and parents can choose to deposit that bursary into an RESP. Both ACU and SEED Winnipeg will provide an additional \$50 grant to the first 260 RESPs opened for CSI graduates, raising the total investment to \$500 and triggering a higher rate of return. In 2010, 63 CSI graduates invested their bursary and ACU/SEED top-up grant in RESPs. In total, 71 RESPs were opened and 89 applications for the Canada Learning Bond were made.

SEED RESP PROGRAM	
	2010
Number of RESPs opened (individual and family)	71
Number of applications made for Canada Learning Bond	89
Number and amount of CSI bursaries and ACU/SEED top-up grants invested in RESPs	63/\$31,500

**Financial Inclusion**

In keeping with our commitment to being an open and inclusive financial co-operative, in 2010 we expanded our list of acceptable identification and developed a new policy to enhance access to ACU membership and accounts. We will implement this policy in 2011, including training for all employees who are responsible for opening memberships.

We continued to advocate for inclusive financial services. We made recommendations to the Government of Canada’s Taskforce on Financial Literacy during their stop in Winnipeg. We also participated in the first Poverty Reduction Partnership Forum organized by the Winnipeg Poverty Reduction Council and presented on our involvement with asset building programs.

**Looking Forward to 2011**

To continue expanding services to the underserved in 2011, we will:

- open a branch in the north end in late 2011 or early 2012.
- develop and pilot a program for expanding access to ACU through community partnerships across the city.
- implement the new membership approval policy to enhance access to ACU membership and accounts.



### ACU's Islamic Mortgage: Filling a gap. Fulfilling dreams.

*When French-Canadian Catholic Maude Plourde married Moroccan-born Muslim Charaf Charaoui, his Islamic faith prevented them from taking out a traditional mortgage. So they began their life together and for the next 10 years, lived in an apartment. But they always hoped to have a house of their own some day.*

Islamic law states that paying interest on money is not acceptable and is considered usury. When Charaf tries to explain to others why he hasn't bought a house, he likens it to the Jewish dietary laws of Kosher foods. "There are some meats that are Kosher and some that are not. There are some mortgages that are sharia-compliant and some that are not. Like eating Kosher food, it is our personal choice to respect our faith. It is a priority for us to meet our religious needs," says Charaf. So, like a lot of Muslims in Canada, Maude and Charaf have not been able to enjoy the benefits of home ownership that most people take for granted. That is until now.

After five years of research and development, ACU introduced the first Islamic mortgage of its kind in Canada—approved by a board of Islamic scholars from Winnipeg, Toronto and California.

"We call this financing arrangement a 'Declining Partnership Agreement' and it is based on the Islamic shared-ownership concept called 'musharaka,'" says ACU Vice-President of Corporate Social Responsibility, Priscilla Boucher. The Muslim family and ACU each contribute to the purchase of a home and each has an ownership share in the property. The family enters into a contract with ACU to purchase ACU's ownership share and pay a 'profit' over an agreed-upon period of

time. During this time, the family has exclusive rights to live in the home.

For Maude and Charaf, parents of a two-year-old daughter, the ACU Islamic Mortgage came "just in time, before their family gets any bigger," Charaf says. They applied and were among the first to obtain an Islamic Mortgage from ACU. Their long-time dream of finding a home was realized.

"This initiative is a perfect example of ACU's continued commitment to serving Winnipeg's diverse communities. We recognized there was a huge gap in the market and that many people were not buying homes because there was no financing available that was consistent with their faith. Given the number of Muslims in Winnipeg, that's a lot of underserved people," Priscilla adds.



*Maude and Charaf, ACU Members*

# Inspired by vibrant communities





### Grant inspires growth

*The community of Wabowden, Manitoba is growing happier and healthier with a little help from Eleanor Voitowicz, Bonnie Monias and an ACU Sustainable Community Grant.*

For the past five years Voitowicz and Monias, both Mel Johnson School teachers, have encouraged youth in their school and community to plant and tend gardens as part of the school's science curriculum.

Inspired by the Frontier School Division's "Veggie Adventures" science curriculum, Voitowicz used her gardening skills to help turn this school's project into an international success. In 2010, with the help of their ACU grant, the Mel Johnson School Garden Project extended the reach of the school's garden project into the community, allowing Wabowden residents to benefit from the skills the students have gained since the program began.

Wabowden, 650 km north of Winnipeg, is home to approximately 600 residents. The school's gardening club had only 10 members just five years ago; now there are over 45. ACU's grant also allowed more than 30 students to attend educational trips to Winnipeg where they visited FortWhyte Alive farms, learned about the Green Space program at Red River College, toured the St. Leon wind farm and explored alternative energy sources at Argyle Alternative School.

The program has been featured in a film titled "...And this is My Garden," and also on the website of the David Suzuki Foundation.

Voitowicz, Monias and Don McCaskill, Frontier School Division assistant superintendent, were invited to New York City to make a presentation about their project's success to the United Nations Commission on Sustainable Development.

Since the garden project began in 2006, the community of Wabowden has built 73 personal and community gardens. In addition to working on their home and school gardens, students tend to all of the seedlings for the gardens in the school's 1,200 square foot greenhouse. Students are proud to say that their gardens are 100% organic, herbicide and pesticide free.

Voitowicz is also proud—to teach her students and the community about gardening. She knows that they are learning many life skills necessary for sustainability. "Students learn to have a strong work ethic, they learn to be responsible and they learn about nutrition."



*Wabowden Sisters, Gardeners*

In addition to using our skills and expertise as a financial co-operative to expand access to financial services, we continued to invest financial and non-financial resources to support organizations working to build self-reliant and sustainable communities and neighbourhoods.



**Community Grants and Sponsorships**

As ACU grows, so does our financial support to community leaders. In 2010 we donated over \$466,800 to 179 organizations through community grants and sponsorships, up from \$403,500 in 2009. Imagine Canada recognizes ‘Caring Companies’ as those that invest a minimum of 1% of pre-tax earnings to support community organizations. We are proud to say that ACU invests a minimum of 2% of pre-tax earnings (averaged over the past 3 years) into the community through grants alone.

**Community Grants**

Our community grants support short-term projects and ongoing programs that contribute to community renewal, environmental sustainability and co-operative development. Some grants support initiatives that are relevant to our broader commitment to corporate social responsibility, such as human rights or fair trade. In 2010 we provided 83 grants worth \$360,700 to community organizations through our community grant programs. The majority were in the area of community renewal. The list of 2010 community grants can be found on our website.

**2010 COMMUNITY GRANTS AND SPONSORSHIPS**

	2010	2009	2008
Grants	\$360,712	\$305,000	\$230,000
Sponsorships	\$106,155	\$98,500	\$80,000
Total	\$466,867	\$403,500	\$310,000



2010 COMMUNITY GRANTS BY FOCUS AREA

Distribution of Dollars by Focus Area	%
Community Renewal	61%
Environmental Sustainability	15%
Co-operative Development	13%
CSR Leadership	9%
Other	2%
Total	100%

**Community Sponsorships**

Our community sponsorships support the events of community leaders while providing ACU with recognition and profile. We focus on leaders working in the areas of community renewal, environmental sustainability, co-operative development, arts and culture, and human rights and social inclusion. In 2010, our role as an “Arts Champion” in the community was acknowledged at a special roundtable hosted by Business for the Arts and the Canada Council for the Arts.

In 2010 we donated over \$106,000 to support events organized by 99 community leaders. The list of 2010 community sponsorships can be found on our website.

2010 COMMUNITY SPONSORSHIPS BY PROGRAM AREA

Distribution of Dollars by Program Area	%
Community Fundraisers (ACU members only)	25%
Arts & Cultural Events	26%
Community Festivals & Celebrations	25%
Other Events	24%
Total	100%

**Engaging ACU Employees in the Community**

In 2010 we offered ACU employees a number of opportunities to support community-led initiatives including:

- Fair Trade Manitoba’s One Month Challenge (49 employees)
- Habitat for Humanity Winnipeg home build (43 employees with paid time off)
- L.I.T.E. (Local Investment Toward Employment) Wild Blueberry Pancake Breakfast (12 employees) and Alternative Christmas Hamper (10 business units participated and employees donated over \$2,000)



Through our 2010 employee-led United Way Campaign we successfully raised over \$90,000 from employee pledges, fundraising events and ACU’s corporate donation. Of this, over \$87,000 was pledged to the Winnipeg Asset Builders Partnership for asset building programs. Fifty-two percent of employees participated in this campaign.

### Investing with Our Purchasing Dollars

We look for opportunities to use our purchasing power to support the success of community enterprises that create jobs while contributing to community renewal, environmental sustainability, and co-operative development.

In 2010 we invested in the success of 10 inner-city businesses, co-operatives and social enterprises by purchasing nearly \$41,000 worth of goods and services from them.

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#### 2010 COMMUNITY IMPACT PURCHASING

Name of Enterprise	Type of Enterprise
Cosmopolitan Florists	Inner-city Business
Diversity Catering	Social Enterprise
Enviro-Safe Cleaning Worker Co-operative	Newcomer Co-operative
Food for Thought	Inner-city Business
Natural Cycle Courier	Worker Co-operative
Neechi Foods Co-Op	Aboriginal Co-operative
Northern Star Worker Co-op	Aboriginal Co-operative
Organic Planet Worker Co-op	Worker Co-operative
Selkirk & District Community Learning: Responsible Electronics Recycling & Computer Library	Social Enterprise
West Central Women's Resource Centre Childminding Program	Social Enterprise

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### Investing in Employment Development

We continued to work with community partners to provide workplace training and employment opportunities for individuals facing barriers to employment.

Through our 2010 employment development partnerships we provided 392 hours of workplace training to four participants and offered permanent paid employment to three of them — two full-time and one casual. For more information on these partnerships please refer to pages 25 and 26.

#### 2010 Employment Development Partners

- Argyle High School
- Youth Work Experience Initiative
- Immigrant Integration Program
- Reaching Equality Employment Services

### Community Investment Movement

In 2010 we continued to be an active member of the Canadian Community Economic Development Network (CCEDNet). We sponsored the National Summit on a People-Centred Economy held in Ottawa and were again major supporters of the annual Manitoba CCEDNet gathering which included, under the theme 'Cultivating Co-operation', an exploration of the co-op model as an effective community economic development tool.

ACU participated in CCEDNet Manitoba's first policy forum which brought together local organizations to create a set of policy priorities for building strong, fair and sustainable communities. This policy agenda is a tool for network members to use in advancing a shared vision for the community.

We also participated in a newly formed social enterprise working group to encourage the development of a strong social enterprise sector in Winnipeg, and provided bursaries for four community organizations to attend the Social Enterprise World Forum held in San Francisco.

#### Looking Forward to 2011

To move forward with investing in the community we will:

- host our first 'Inspired by Community' event to celebrate the contribution of ACU's 2010 community grant recipients.
- strategically invest in social enterprise development in Winnipeg.



### Landless farmers collective: grassy lawn, urban farm

*While driving through Winnipeg's busy streets in the summer of 2010, you might have noticed something odd—tall corn and sunflowers rising up in the middle of what used to be a manicured lawn. In an instant you knew it was out of place, and yet, a strangely welcome sign.*

Your sighting was likely in front of the Pan Am Pool where one of the best examples of a very purposeful project in urban agriculture has taken root. About a half-acre of garden plots just off Grant Avenue are the result of the hard labour and careful planning of the Landless Farmers Collective.

Four young urban farmers — Simon Hon, Danielle Mondor, Coral Maloney, and Leigh Anne Parry — carefully plotted dozens of artfully designed garden beds. They tended, weeded, watered and harvested over 80 varieties of vegetables, herbs and edible flowers, and delivered the fresh produce to a dozen customer-families weekly. In addition, they sold their produce at the Osborne Village Market in front of the Gas Station Theatre.

“We’re four dedicated farmers using under-used urban spaces or public spaces to farm. We’re providing an example of what urban agriculture could look like in Winnipeg. We grow food to eat. We’re trying to make a living selling it and we’re being an example to others,” says collective member Coral Maloney.

“There are many problems with our food system. It travels far distances and because it’s been picked too early and been transported for days it loses nutrition and isn’t as healthy. And there’s too much fossil fuel burned to get it here,” says Coral.

In keeping with their commitment to sustainability, the members of the collective use bicycle trailers and a cargo tricycle to deliver their fresh produce.

Coral and her colleagues believe that there could be more urban farming in Winnipeg and that more people need to learn about where their food comes from and how to live in a more sustainable way.

They weren’t alone. Back when they were starting up, ACU donated \$5,000 from the Sustainable Community Grant Program to the fledgling organization. Other support came from the Manitoba Food Charter, the Province’s Sustainable Development Initiatives Fund and the Winnipeg School Division. In addition to leasing the land, the City of Winnipeg helped get the ground ready to plant, removed sod and provided topsoil.



*Landless Farmers, ACU Members*



*Inspired*  
*by a* greener  
future



### These intelligent renovators work for gold

*We know how great it is to work in a healthy and green building, so how could we refuse the MacDonells' request for an ACU Builder's Mortgage to build their home to Leadership in Energy and Environmental Design (LEED) standards? And so they set off with the goal of being the first single-family dwelling in Manitoba constructed by the home owner to LEED standards.*

And we know they'll succeed with their vision to achieve LEED Gold, because they are not your average new homeowners. In fact they are the driving force behind I.R.I.S. Contractors (Intelligent Renovation and Inspection Services Inc.), a Winnipeg builder committed to building green. "We're environmental entrepreneurs," says Lisa MacDonell, who co-owns the five-year-old company with her husband Matt, a 15-year veteran carpenter.

Lisa and Matt have used their practical and flexible ACU Builder's Mortgage to buy an infill lot in Winnipeg's older Crescentwood neighbourhood. The lot was vacant and once had a derelict house on it that the City of Winnipeg ordered demolished. By choosing to build on an existing city lot, they immediately earned LEED points.

"We believe in what we are doing and we believe there is no reason why others can't build beyond the normal and minimal building codes. It's the right thing to do and it's affordable to do," Lisa says.

Over the years Matt has noticed more and more Manitobans are catching on to the advantage of green construction.

"Two years ago people who came to our I.R.I.S. booth at the Home Expressions Show really didn't know much about what we were recommending. A year later they were asking really specific questions. Now there's momentum and people seek us out," Matt says. "Our corporate goal is to demonstrate to people that they can build a sustainable, green home that will continue to save resources and money for about the same initial cost as your average code-built home," he said. "We want to prove how affordable green housing can be by concentrating on reduction and efficiencies before adding the more costly luxury green items such as solar cells or geothermal heating which are not always affordable for everyone."

"We're practical green builders," Lisa adds.



*Lisa and Matt, ACU Members*

In 2010, we reduced the environmental footprint of our operations and developed our first greenhouse gas (GHG) inventory. We moved forward with green building practices and took the first steps to support our members to do the same. We continued to advocate for environmentally responsible business practices.

**Reducing Our Environmental Footprint**

In 2010, we improved our environmental performance in the areas of energy use and waste and began tracking paper use. We also took steps to provide employees with alternatives to driving alone when commuting to and from work.



**Reducing Energy Use**

In 2010 our total energy use was 8.4% less than in 2009 and related greenhouse gas (GHG) emissions were down by 12.3%. This was due to a variety of factors. We were more efficient, decreasing energy use per square meter by 6.4%. We also benefitted from warmer weather which resulted in a 10% decrease in natural gas/propane consumption over 2009. Due to the challenges of measuring energy use and related GHG emissions, we have not yet set long-term reduction targets. We will focus on this in 2011.

**TOTAL ENERGY USE**

	2010	2009	2008
<b>Energy Use</b>			
Total (GJ)	18,032	19,681	20,944
Per square meter (GJ)*	1.31	1.40	1.48
<b>Greenhouse Gas Emissions from Energy Use</b>			
Total (tonnes CO <sub>2</sub> e)**	328.9	375.2	430.8

Source: Manitoba Hydro (Raw Data)

\* GJ = Gigajoules \*\* CO<sub>2</sub>e = greenhouse gas emissions expressed in equivalent amounts of CO<sub>2</sub>.

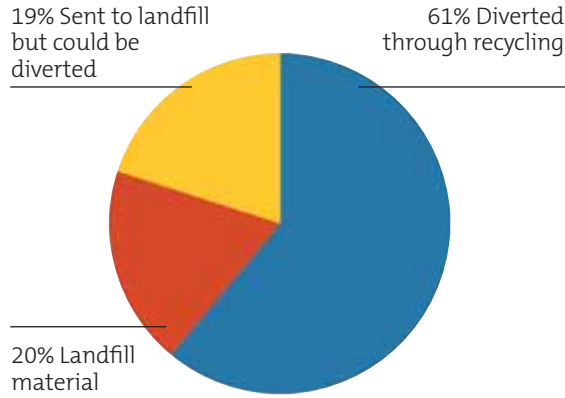
In 2010, we took steps to improve our energy efficiency. We installed power-management software on approximately 550 computers. The software puts the computers into hibernation when left on but unused for an extended period of time. We estimate that this software will generate annual energy reductions of about 150,000 kilowatt-hours and savings of about \$9,000.

We also identified eight branches that would benefit most from energy-efficient lighting upgrades. One branch was completed in 2010 and the others will be completed in early 2011. We expect these upgrades will result in annual energy reductions of about 110,000 kilowatt-hours and savings of about \$7,600.

**Reducing Waste**

In 2008 we established a baseline for our waste-management practices. Our second waste audit in 2010 found that we had made progress in reducing waste at ACU. Total waste generated in 2010 was estimated at 42.5 tonnes, a decrease of 14% from 2008.

**Distribution of Waste**



Source: earthbound environmental

Our multi-product recycling program successfully diverted 61% of all ACU waste away from the landfill in 2010, up from 55% in 2008. As a result, GHG emissions from waste sent to the landfill were 26.7% less than in 2008. An additional 270 tonnes of GHG emissions were avoided by recycling paper, plastic, metal and cardboard.

In 2010, we replaced 20 liter garbage cans at desks with 1.5 liter mini-bins as part of renovations to our downtown location. The smaller bins help to raise awareness about the amount of waste produced and encourage waste reduction and recycling.

Although we made progress in 2010, there is still room for improvement. Office paper continues to be the largest component of our waste stream at 59% and more cardboard and organics could be diverted from the landfill through recycling and composting.

**2010 WASTE MEASURES AND FUTURE TARGETS**

	2008 Baseline	2010 Actual	2012 Target	Industry Benchmark
<b>Waste Management</b>				
Total waste generated per FTE (kg/FTE/yr)	99	90	80	70-120
% Waste diverted from landfill through recycling	55%	61%	69%	41%-62%
% Waste stream office paper printed double sided	16%	21%	26%	N/A
<b>Greenhouse Gas (GHG) Emissions From Waste Sent to the Landfill</b>				
GHG Per FTE (kg CO <sub>2</sub> e/yr)*	22	17	14	N/A
Total GHG (tonnes)	10.9	8.0	6.6	N/A

Source: earthbound environmental

\*CO<sub>2</sub>e = greenhouse gas emissions expressed in equivalent amounts of CO<sub>2</sub>.



INSPIRED BY A GREENER FUTURE

The responsible handling of our electronics waste is an important aspect of ACU's waste-management efforts. We partner with Responsible Electronics Recycling (RER) to reuse and recycle our e-waste. ACU computers are refurbished by RER and loaned to individuals and organizations across the province through their Computer Lending Library. ACU e-waste that cannot be reused is recycled according to environmental standards set by Electronics Product Stewardship Canada. In 2010, ACU recycled 1.1 tonnes of e-waste through RER including 65 computers, 65 monitors, one photocopier and 13 printers and scanners.

**Encouraging Alternative Commuting Choices**

For the second year, we engaged the Green Action Centre (formerly Resource Conservation Manitoba) to survey employees about their commuting choices and estimate the related GHG emissions. We also wanted to understand employees' motivations regarding commuting.

Like most commuters in Manitoba, the majority of ACU employees drive alone. In 2010 ACU employees took an estimated 248,000 trips to and from work, generating 685.6 tonnes of GHG emissions. Slightly over two thirds of these trips were made in single-occupancy vehicles, accounting for 90% of related greenhouse gases. Employee commuting patterns were unchanged from 2009.

	Drive Alone	Alternative Modes*
Percentage of Total Trips	69%	31%
GHG Emissions by Commuting Choice	90%	10%

Source: Green Action Centre

\*Alternate modes include carpool, public transit, bike, walk, other.

Employees surveyed in 2010 expressed a strong interest in a carpool-matching service. In response to this interest, and to support ACU departments moving to our downtown location, we introduced Carpool.ca as an option for employees. ACU employees at all locations are now able to connect with carpool partners at ACU.

To further support commuting choices, we incorporated bike storage, lockers and showers into the design of our newly renovated Main Street location. Bike racks are installed at all but two ACU branches where the landlords don't allow them, and an ACU subsidy enables employees to purchase a monthly Winnipeg Transit Eco-Pass for 30% less than the regular fare.

**Tracking and Reducing Paper Use**

As a financial services provider, we use significant amounts of paper and distribute significant amounts of printed materials to members and the public. In 2010 we began tracking paper use as a first step towards reducing our environmental impact.

To begin, we determined the amount of office paper we purchased in 2009 and 2010. We also moved to a centralized system for purchasing office paper. This will allow us to efficiently track purchasing volumes at all ACU locations and establish and maintain quality standards for the paper we use.

In 2010 we reduced the amount of office paper purchased by about 16% from 2009 and paper purchased per full-time equivalent (FTE) by 11%. Related greenhouse gas emissions decreased by 24%. Some of our process improvements helped to achieve these reductions. Despite our success, we still have a long way to go when it comes to reducing our office paper use.

Office Paper Purchases	2010	2009
Total Office Paper (tonnes)	16.3	19.4
Office Paper per FTE (kilograms)	34.4	38.7
GHG emissions (tonnes CO <sub>2</sub> e*) <sup>1</sup>	33.8	44.5

Sources: ACU Paper Suppliers

\*CO<sub>2</sub>e = greenhouse gas emissions expressed in equivalent amounts of CO<sub>2</sub>

<sup>1</sup>Environmental Defense Fund PaperCalculator.org

We also began tracking printed materials distributed to members and the public. This was prompted by the new Packaging and Printed Paper Stewardship Regulation

which came into effect April 1, 2010. As a company that meets the regulatory criteria, ACU is required to file an annual Steward's Report with Multi-Material Stewardship Manitoba (MMSM) and pay the required levy. In 2010 we filed our first report on printed materials distributed in 2009, and will report on 2010 materials in early 2011.

By weight, member statements make up nearly half of printed materials distributed. In 2010 we introduced e-statements as an added convenience for members, and as a way to reduce our environmental footprint and costs. At the end of 2010, about 6,800 members (6%) had signed up to view their statements on-line.

External Printed Material (tonnes)	2010	2009
Member Statements	18.0	19.4
Corporate Communications	15.0	14.8
Marketing and Other Printed Materials	4.2	2.7
Receipt rolls	2.1	2.6
Total (tonnes)	39.3	39.5

Source: ACU Multi-Materials Stewardship Manitoba reports 2009 and 2010

### Greenhouse Gas (GHG) Inventory

In 2010 we developed our first greenhouse gas (GHG) inventory of direct and indirect emissions associated with our operations. This inventory will help us to determine actions to reduce our impact on climate change, which is a priority area for us.

We used the Greenhouse Gas Protocol of the World Resources Institute and World Business Council for Sustainable Development to guide the development of our GHG inventory. Scope 1 direct emissions are from sources directly owned or controlled by ACU and include the use of natural gas and propane for heating. Scope 2 indirect emissions include electricity consumed by ACU but produced by Manitoba Hydro. Other indirect emissions (Scope 3) are the result of ACU activities but occur at sources owned or controlled by others. For example, ACU purchases office paper but the GHG

emissions from production of this paper occur at mills owned by others.

As our GHG inventory shows, we have made progress in reducing direct and indirect GHG emissions in all but one area—employee commuting. Natural gas continues to be the most significant source of GHG emissions from energy use at ACU, contributing 82% of energy-related GHG emissions in 2010.

### ACU GREENHOUSE GAS (GHG) INVENTORY (TONNES CO<sub>2</sub>E\*)

	2008	2009	2010	Change
<b>Scope 1: Direct GHG Emissions</b>				
Natural Gas <sup>1</sup>	366.1	309.5	268.4	↓
Propane <sup>1</sup>	16.7	17.1	14.9	↓
<b>Scope 2: Indirect GHG Emissions</b>				
Electricity <sup>1</sup>	48.0	48.6	45.6	↓
<b>Scope 3: Other Indirect GHG Emissions</b>				
Employee Commuting <sup>2</sup>	n/a	638.7	685.6	↑
Office Paper Use <sup>3</sup>	n/a	44.5	33.8	↓
Waste Sent to Landfill <sup>4</sup>	10.97	n/a	8.0	↓

\*CO<sub>2</sub>e = greenhouse gas emissions expressed in equivalent amounts of CO<sub>2</sub>

Sources: <sup>1</sup>Manitoba Hydro, <sup>2</sup>Green Action Centre, <sup>3</sup>ACU Paper Suppliers and Environmental Defense Fund PaperCalculator.org <sup>4</sup>earthbound environmental



### Green Building Practices



In 2010 we received LEED Silver designation for our Pembina at Bairdmore Branch. The branch boasts a number of environmental features including the use of regionally produced and recycled materials, geothermal heating and cooling, locally manufactured high-efficiency windows and a solar wall that pre-warms incoming fresh air. In 2010 energy costs for the branch were \$1.25 per square foot, which is 34% less than the average for all our buildings in the year.

Major renovations to our downtown location were well underway by the end of 2010 and incorporate many energy-efficiency and environmental-design features, including: maximum natural lighting on every floor through the use of an open concept design, lighter coloured furniture and glass office walls; low-voltage T5 fluorescent lighting throughout the building with occupancy sensors to reduce energy consumption; environmentally certified paints and flooring products to improve indoor air quality; hard-surface flooring to reduce dust and dirt accumulation; and upgraded heating, ventilation and air conditioning systems to improve energy performance and employee comfort.

### Green Building Resources for Members

In response to member interest, we worked with the Manitoba Chapter of the Canada Green Building Council and the WinnipegREALTORS® to launch *Your Greener Home* resources for members wanting to buy, build, renovate or sell a greener home. *Your Greener*

*Home* resources are available on the ACU website and provide links to a number of provincial, federal and Manitoba Hydro incentive and grant programs related to home energy efficiency.

We also worked with our partners to promote the *Your Greener Home* resources to the broader community through various events, such as the Winnipeg Green Lifestyles and Organic Living Show, and through presentations to members of WinnipegREALTORS® as part of their realtor professional development training.

### Environmental Business Practices

In 2010 we presented at the Celero Conference in Winnipeg on how credit unions can take responsibility and play an active role in protecting the environment, including practical tips for 'going green.' Celero provides technology solutions to the financial industry.

We also collaborated with eight like-minded corporations and post-secondary institutions to establish a Winnipeg Sustainability Professionals Network. Network participants share best practices and lessons learned with a focus on waste management, employee engagement, climate change, green building and energy efficiency.

### Looking Forward to 2011

**To move forward with demonstrating a commitment to environmental sustainability in 2011 we will:**

- establish the core elements of our environmental management system.
- set long-term reduction targets for energy use.
- encourage employees to use carpooling and other 'green' commuter options at ACU.
- take action to further reduce our paper consumption and encourage members to switch to e-statements.



### ACU's old computers breathe new life

*Like a lot of people, we used to wonder what to do with our old computers and printers at ACU. That is, until we met Alvin Kepler and the other folks at Responsible Electronics Recycling (RER).*

As part of ACU's electronics recycling program, Kepler, a handful of RER staff and a dozen dedicated, computer-savvy volunteers accept our office electronics and give them a new life with families all over the province through their Computer Lending Library. What doesn't get reused is recycled according to high environmental standards set by Electronics Product Stewardship Canada.

RER started collecting computers in 2006 and now has over 2,500 refurbished computers on loan to individuals, families and organizations who couldn't otherwise afford a computer. "Our clients are not wealthy. They are university students, immigrant students, students from rural Manitoba, who have a tough enough time just trying to buy books, let alone a computer," says Kepler.

As a bonus, a computer borrower is eligible for 40 hours of computer training. "People get jobs because of this training. It changes their lives," Kepler says. The greatest joy comes after all the training is done and the new computer owners are taken into a room filled with every type of computer and told to just 'pick one'. "When you see a single mother take 40 hours out of her life to take a course and then see how excited her kids are to have a computer in the house, it's incredible."

All of RER's computers, which can be found in homes and non-profit offices from Sprague to Churchill, are well labeled with serial numbers and an RER sticker. When people are finished with their borrowed computer,

they have to notify RER so it can be properly disposed of if it cannot be refurbished again.

Refurbishing computers that were once considered junk means less harmful e-waste in landfill sites. RER estimates it diverts about 800,000 pounds of e-waste every year.

"With nearly 600 employees at ACU, all requiring computer systems, this partnership is extremely important to us," says Dennis Cunningham, ACU's Manager of Environmental Sustainability. "In our first 18 months with RER, we were able to recycle approximately 180 computers, 130 monitors, 60 printers and saved more than 12,500 pounds of e-waste from the landfill to help reduce our environmental impact."



*Responsible Electronics Recycling, ACU Member*

*Inspired* by  
the **power**  
of **co-operation**



*by*



### From refugee camp to co-operative urban farm

*The seed of an idea for unique co-operative urban farms in Winnipeg can be traced all the way back to a refugee camp in Cameroon and a former agronomist running from the civil war in his home country of Chad.*

Raymond Djimasbe Ngarbouï was entering his sixth year living in a Cameroon refugee camp when a special UN delegation visiting his camp stopped to talk with him. They had heard some amazing stories about a refugee who was leading the effort to set up cottage industries in the camp, teaching other refugees how to be self sufficient, how to buy chickens, sell eggs and start small garden plots to grow produce. In a place where just finding clean water was difficult, setting up egg production and farming was astounding.

Not surprisingly the UN delegation asked Raymond if he'd like to find a new country to call home. In 2005, Raymond came to Manitoba where he settled on a life in community development work, transferring his success in the refugee camps to help recent immigrants to Winnipeg. He noticed some things about his fellow immigrants.

"For many months it is hard to get used to the food we have here. People would go to specialty stores to buy foods from tropical areas that they know from back home," Raymond said adding that it wasn't always fresh and didn't taste as good. "And the people were not used to parks and playgrounds so they would remain inside their apartments. But in the summer they needed a place to go."

Raymond put these two needs together and helped launch the Immigrant Integration and Farming Worker Co-op where recent immigrants can get their hands dirty, get out of their apartments, grow their own food and sell tropical vegetables to other immigrants at a summer market in Central Park. Inspired by this co-operative solution, ACU granted the farmers' co-op \$4,500 to buy shared equipment like a rototiller, trailer and gardening tools.

In the first year the co-operative went from 16 to 28 families. Today they seed, weed and harvest produce from urban plots at the University of Manitoba's Rainbow Gardens; at a St. Norbert plot; in St. Charles; and in a few private back yards.

"We have a few different nationalities so they all get to practice their English," says Raymond who is currently the co-op manager.



**Raymond, ACU Member**

As a financial co-operative, ACU is committed to working with other co-operatives for the benefit of our members and their communities. We also aim to support the development and success of co-operatives and the co-operative movement.

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Together with all other credit unions in Manitoba, ACU belongs to a provincial trade association, Credit Union Central of Manitoba. Through representation on its board and active participation in various consultative sessions, ACU lends its voice on matters for the benefit of our members and the credit union system as a whole. For example, in 2010 we supported the amalgamation of the Centrals from Manitoba, Saskatchewan and Alberta into one Prairie Central. Although this did not proceed due to decisions by the Alberta government, we continue to encourage our Central to explore options to keep our system strong.

In 2010, we continued to be an advocate for corporate social responsibility within the credit union system. We were invited by Credit Union Central of Canada to participate in the development of a Position Statement on Social Responsibility and a two-year implementation plan for helping Canada's credit unions build stronger, more sustainable communities; and we are a member of Canadian Central's newly formed Social Responsibility Committee, which will provide leadership on CSR.

Also in 2010, we participated in a panel discussion 'Corporate Social Responsibility: Is it Worth It?' at the Credit Union Management Conference organized by Credit Union Central of Alberta; and presented to the senior management team of Credit Union Central of Manitoba on our approach to CSR and community investing.

We participated in several initiatives to support co-operative development in 2010. ACU was invited by the Canadian Co-operative Association to participate in roundtable discussions on a proposed national co-operative development fund. The purpose of this fund would be to provide developing co-ops with access to affordable, long-term capital that could be used to leverage traditional financing through a credit union. We were also asked to participate

on a working group of the Manitoba Co-operative Community Strategy. Led by a steering committee of co-op leaders and representatives of the Manitoba government, the Co-operative Community Strategy aims to stimulate, broaden and sustain the development of a socially and economically successful Manitoba co-operative community.

Locally, we supported the early-stage development of seven co-operative enterprises through our Sustainable Community Grants program, including Organic Planet Worker Co-op to help start their new bicycle-powered grocery delivery service and the Peg City Car Co-op to help develop their business plan and incorporation and by-law documents. ACU was also one of the first co-operatives to make an investment in a new co-operative development fund and take advantage of the provincial government's new co-op development tax credit. Managed by the Manitoba Cooperative Association, the fund will provide grants and technical assistance to help Manitoba co-ops start-up and grow.

In addition to our local and national work to promote the growth of co-operatives, ACU supported the development of co-operatives internationally by making our annual donation to the Co-operative Development Foundation of Canada. The foundation supports the development of credit unions and co-operatives in poor and vulnerable communities around the world.

### Looking Forward to 2011

To continue demonstrating our commitment to the co-operative principles in 2011 we will:

- get ready to celebrate 2012 as the UN International Year of Co-operatives.
- continue to invest in the start-up and growth of co-operatives in Manitoba.
- continue to be an advocate for corporate social responsibility within the credit union system.



## Cooking up a plan for worker ownership

*When you think of university cafeteria food, what comes to mind? Reheated frozen food with ingredients that have been trucked long distances before processing? The University of Winnipeg wanted to change that, and its innovative approach to institutional food services is winning awards and accolades for sustainability.*

Co-owned by the University of Winnipeg Community Renewal Corporation (UWCRC) and SEED Winnipeg (Supporting Employment and Economic Development), Diversity Food Services opened in the fall of 2009 with a vision of producing nutritious and flavourful food in an environment that champions all who contribute their energy and skill—from the farmer, to the chef, to the service staff.

Diversity Foods reduces barriers to employment for marginalized members of the community by creating workplace training and meaningful jobs. It employs many newcomers and inner-city residents in its three campus cafeterias plus an external catering service. The organization is a model for social enterprise with SEED and U of W partnering in the venture. Now it is opening that partnership to a third partner, a worker ownership group.

With the support of a Sustainable Community Grant from ACU, Diversity Foods is researching and designing a worker ownership structure. A co-operative would offer employees the opportunity to become owners and to have a say in what happens in their workplace. ACU's grant has enabled Diversity Foods to assess the level of ownership interest among its employees and design the co-operative structure, policies and procedures. It also allowed for education on the risks and benefits of worker ownership, and development of the necessary skills to own a business.

With its commitment to sustainability, it's no surprise that this innovative social enterprise won a 2010 Golden Carrot award from Food Matters Manitoba for its support of local food producers, and an Excellence in Sustainability award from Manitoba Round Table for Sustainable Development.

But what's the food like? That question was answered in 2010 when chef Ben Kramer and his team won the Winnipeg Iron Chef competition, beating out some of the finest restaurants in the city. "It is an incredible honour to win this recognition," said Kramer.

Good local food, meaningful employment, environmentally sustainable practices, and now the opportunity for worker ownership. Diversity Foods is revolutionizing campus food services and serving as an inspiration for others across the country.



*Diversity Foods, ACU Member*



*Inspired*  
*to be* **fiscally**  
**responsible**



### Iceplex scores with hockey lovers

*Within every community, there are people working to make a difference. The most successful partnerships are between those who share vision and values. It is that common vision that brought True North Sports & Entertainment and Assiniboine Credit Union together to work on the MTS Iceplex.*

The MTS Iceplex, located on the west edge of Winnipeg, is the latest addition to the True North family and is part of the continuing evolution of the organization's business contribution to our local community.

In considering the opportunity to develop the MTS Iceplex, True North recognized that there was a dearth of up-to-date recreational ice facilities in the city. In partnership with the province and partners like ACU, True North was able to develop a business case that ultimately resulted in the opening of the MTS Iceplex in 2010.

In just 12 months, construction was completed on time and on budget and resulted in the 172,000 square foot, two-level multiplex — which includes four National Hockey League-sized ice sheets with spectator seating for 250 in three arenas and 1,500 in the other.

The MTS Iceplex includes such amenities as 22-player dressing rooms and four officials' rooms; a high-performance training centre; a pro shop; a restaurant on the second level; comfortable, wide and bright concourses; as well as business offices and meeting rooms.

The real connection between the facility and the community lies in the programming. With four ice surfaces, the facility has the capacity for over 20,000 hours of programming with the anticipation of over 75,000 users each year.

It serves as the practice facility for the Manitoba Moose; the home of the Manitoba Junior Hockey League's Winnipeg Blues; and numerous hockey associations such as Assiniboine Park, and high school hockey programs such as St. Pauls High School and Balmoral Hall. There is also a full schedule of adult recreational hockey at the MTS Iceplex, as well as ice time for the Manitoba Women's Junior Hockey League.

The MTS Iceplex has delivered a grassroots level of hockey deep into the Winnipeg community. It provides players of all ages and all levels a place to enjoy hockey. "Assiniboine Credit Union is fortunate to have partners such as True North Sports & Entertainment who share our community commitment," says Al Morin. "It is only through this type of partnership that we are able to extend the impact of our vision for the betterment of the city and province."



*True North Sports & Entertainment  
ACU Member*

2010 started—and ended—with lingering concerns about the economy. Early in the year the concerns were about a housing bubble, job losses and recovery from the recession. As the year progressed, concerns over long-term economic growth, strength of the Canadian dollar, productivity levels, and the growth of consumer debt levels took the forefront.



Along the way, the Bank of Canada raised the bank rate three times as confidence in Canada's economic performance grew, and then paused as the growth prospects were downgraded.

Despite a year of ongoing economic uncertainty, ACU had another year of strong financial performance. Profitability and equity levels increased, efficiency and productivity continued to improve, and assets continued to show solid growth.

### Growth

ACU ended the year with assets totaling \$2.8 billion. This is an increase of \$213 million or 8.1% over the prior year. Asset growth was driven by increases in the loan portfolio as well as increased liquidity resulting from deposit portfolio growth.

The loan portfolio grew by \$163 million or 6.9%. The growth in the consumer portfolio came from mortgages and lines of credit. The commercial portfolio showed strong growth in 2010, particularly in the last half of the year. Our commercial members continued to make investments and move forward on new projects after assessing the impact of the economic slowdown in the first part of the year.

The deposit portfolio grew by \$193 million or 7.8%. All major categories grew in 2010 with the strongest performance in the savings area. As well, ACU continued to establish strong relationships with community organizations and this contributed to the overall deposit growth. Outlook Financial, ACU's virtual division, also generated strong deposit growth.

### Profitability

Net income reached new heights in 2010 totaling \$17.7 million which is an increase of \$1.8 million or 11.2% from the prior year. ACU had a very strong year with respect to profitability especially considering the ongoing economic uncertainty and continuing low interest rate environment. There were some modest increases in interest rates in 2010 as the Bank of Canada increased the bank rate by 0.75%. This helped to improve ACU's financial margin, which was the key driver of higher revenues as other income decreased slightly from the prior year. Operating expenses increased over the prior year, however much less than the revenue and asset growth rates. As a result of the relatively modest growth rate of expenses, ACU's overall efficiency and productivity levels improved over the prior year.

The uncertain economic conditions did lead to increased financial stress for some members and higher bankruptcy rates. Management determined it was prudent to increase our provision for doubtful loans. However, the overall loan portfolio remains strong.

**Equity**

Strong profitability translated into continued growth of ACU's equity levels. ACU ended the year with equity of \$161 million which is an increase of \$17 million or 11.6% over the prior year. As a result of this strong performance, total equity is now 5.67% of assets.

The retained and contributed surplus portion of equity also grew strongly, ending the year at 4.56% of assets. The steady equity growth over the last couple of years now has equity tracking ahead of the targets established by the board in ACU's Five-Year Strategic Plan.

This strong progress serves to build ACU's financial strength and resilience, while ensuring ACU has the capacity to make the strategic investments necessary to remain a leading provider of financial services in our marketplace.

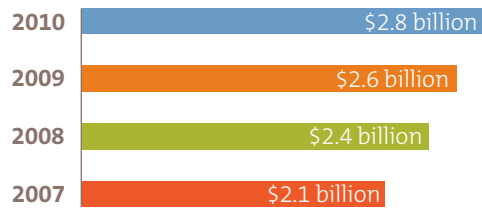
**Looking Forward to 2011**

In 2011 we will:

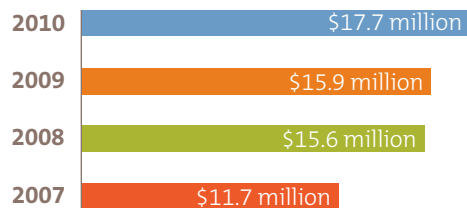
- continue to build equity levels toward our long term targets
- continue to make the strategic investments necessary to support continuous improvement of our operations
- complete the transition to International Financial Reporting Standards.

**FINANCIAL HIGHLIGHTS**

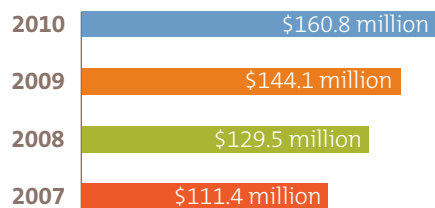
**Assets**



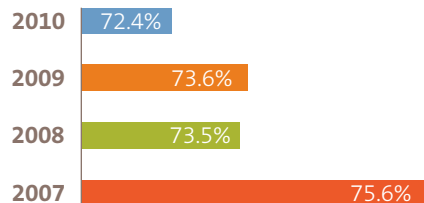
**Net Income**



**Equity**



**Efficiency Ratio**



March 31, 2011

Independent Auditor's Report

To the Members of  
Assiniboine Credit Union Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at December 31, 2010, the summary consolidated statement of operations, comprehensive income and retained surplus, and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of Assiniboine Credit Union Limited for the year ended December 31, 2010. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 31, 2011. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

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

**Management's Responsibility for the Summary Consolidated Financial Statements**

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with Canadian generally accepted accounting principles.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the summary consolidated 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 consolidated financial statements derived from the audited consolidated financial statements of Assiniboine Credit Union Limited for the year ended December 31, 2010 are a fair summary of those consolidated financial statements, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

*PricewaterhouseCoopers LLP*

# Consolidated Balance Sheet

AS AT DECEMBER 31, 2010

(In thousands of dollars)

	2010 \$	2009 \$
<b>Assets</b>		
Cash on hand and on deposit	81,697	40,748
Investments	200,735	192,374
Loans to members	2,523,550	2,360,697
Property and equipment	15,712	13,421
Other assets	12,441	13,948
	2,834,135	2,621,188
<b>Liabilities</b>		
Members' deposits	2,659,246	2,465,813
Accounts payable	14,038	11,292
	2,673,284	2,477,105
<b>Members' Equity</b>		
Members' shares	30,602	30,641
Provision for issue of preference and surplus shares	1,019	1,046
Contributed surplus	35,633	35,633
Retained surplus	93,597	76,763
	160,851	144,083
	2,834,135	2,621,188

Approved by the Board of Directors

  
Director

  
Director

Readers are cautioned that these condensed financial statements do not include all disclosures required for complete and fair presentation. A copy of the complete Assiniboine Credit Union financial statements is available at [www.assiniboine.mb.ca](http://www.assiniboine.mb.ca) or by calling (1-204) 258-3431.

## Consolidated Statement of Operations, Comprehensive Income and Retained Surplus

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

	2010 \$	2009 \$
<b>Revenues</b>		
Interest from loans to members	114,137	110,723
Investment income	6,639	6,977
	<u>120,776</u>	<u>117,700</u>
<b>Cost of funds</b>		
Interest paid to members	61,306	63,119
Interest paid on line of credit	99	1,553
	<u>61,405</u>	<u>64,672</u>
<b>Financial margin</b>	59,371	53,028
<b>Other income</b>	<u>26,767</u>	<u>26,975</u>
<b>Financial margin and other income</b>	<u>86,138</u>	<u>80,003</u>
<b>Operating expenses</b>		
Personnel	31,831	30,322
Administrative	18,453	18,005
Occupancy	7,615	6,859
Member security	2,682	1,975
Organizational	1,797	1,726
	<u>62,378</u>	<u>58,887</u>
<b>Gross operating margin</b>	23,760	21,116
<b>Provision for doubtful loans</b>	<u>3,600</u>	<u>3,020</u>
<b>Income before income taxes</b>	<u>20,160</u>	<u>18,096</u>
<b>Provision for income taxes</b>		
Current	2,454	1,732
Future	(25)	416
	<u>2,429</u>	<u>2,148</u>
<b>Net income and comprehensive income for the year</b>	17,731	15,948
<b>Retained surplus – Beginning of year</b>	76,763	61,718
	<u>94,494</u>	<u>77,666</u>
Dividends on preference shares	(677)	(670)
Dividends on surplus shares	(220)	(233)
<b>Retained surplus – End of year</b>	<u>93,597</u>	<u>76,763</u>

A copy of the complete Assiniboine Credit Union financial statements is available at [www.assiniboine.mb.ca](http://www.assiniboine.mb.ca) or by calling (1-204) 258-3431.

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2010

(In thousands of dollars)

	2010	2009
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income and comprehensive income for the year	17,731	15,948
Items not affecting cash		
Amortization	3,090	2,926
Provision for doubtful loans	3,600	3,020
Loss on disposal of property and equipment	147	–
Future income taxes	(25)	416
	24,543	22,310
Net change in non-cash working capital items		
Investments — accrued interest	278	(271)
Loans to members — accrued interest	708	115
Other assets	913	(1,484)
Members' deposits — accrued interest	(2,049)	2,096
Accounts payable and accrued liabilities	1,709	(3,300)
	26,102	19,466
<b>Investing activities</b>		
Net loans issued to members	(167,161)	(172,005)
Net increase in investments	(8,639)	(7,081)
Purchase of property and equipment and intangibles	(3,872)	(2,717)
Change in other assets	–	(1,582)
	(179,672)	(183,385)
<b>Financing activities</b>		
Net increase in members' deposits	195,482	272,820
Net decrease in line of credit	–	(79,523)
Net increase (decrease) in common shares	7	(9)
Net decrease in surplus shares	(489)	(471)
Net decrease in preference shares	(481)	(877)
	194,519	191,940
<b>Net increase in cash on hand and on deposit</b>	<b>40,949</b>	<b>28,021</b>
<b>Cash on hand and on deposit — Beginning of year</b>	<b>40,748</b>	<b>12,727</b>
<b>Cash on hand and on deposit — End of year</b>	<b>81,697</b>	<b>40,748</b>
<b>Supplementary cash flow information</b>		
Income taxes paid	1,143	1,416
Interest paid	63,453	62,576

A copy of the complete Assiniboine Credit Union financial statements is available at [www.assiniboine.mb.ca](http://www.assiniboine.mb.ca) or by calling (1-204) 258-3431.



*Inspired*  
*by* **good**  
governance



### ACU Board of Directors awarded for boardroom culture

*In 2010, Assiniboine Credit Union was the recipient of the inaugural Brown Governance Co-operative Award for Boardroom Culture. The award was created by the Canadian Co-operative Association (CCA) and Brown Governance Inc. to recognize that a healthy boardroom culture is critical to governance success.*

ACU's board was recognized for its proactive approach to governance in the face of a significant change in culture, resulting from its 2007 merger between not two but three credit unions with very different backgrounds.

According to Debra Brown, president and CEO of Brown Governance, "The newly merged Assiniboine Credit Union set the tone for boardroom and governance culture through a process of meaningful consultation and dialogue, attention to relationships, shared planning, building consensus and engaging third-party expertise."

Garry Loewen, chair of ACU's Board of Directors accepted the award on behalf of the board at CCA's Institute of Co-operative Leadership in Toronto. "We're honoured to be the first recipient of this award," Loewen said. "It validates our hard work to build a new and positive culture post-merger."

Boardroom culture goes beyond a board's structure and considers how board members interact with one another and with management. In essence, boardroom culture is a set of unwritten, often unspoken norms underlying governance power structures."

"Culture can be an enabler of governance effectiveness, or a barrier to it," Debra Brown said in presenting the award to ACU. "We decided to seek out and honour those brave souls who had invested the time and risk of identifying their boardroom culture, and then took active steps to make sure that this culture enables governance success, not blocks or detracts from it."

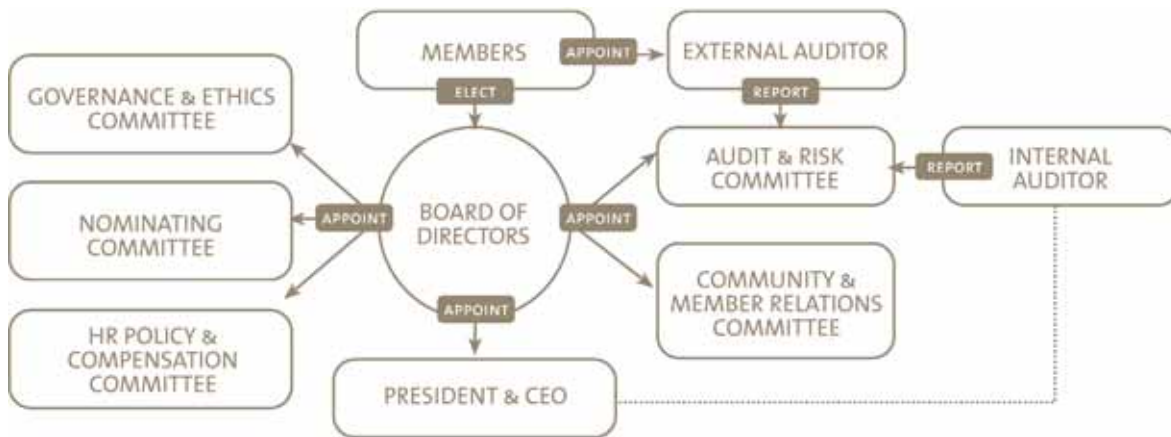
Since 1991, Brown Governance Inc. has worked with boards in the private, public, co-operative and not-for-profit sectors. The Canadian Co-operative Association promotes, develops and works to unite co-operatives and credit unions for the benefit of people in Canada and around the world.



*Debra Brown, Brown Governance  
Garry Loewen, ACU Board Chair*

ACU is a financial co-operative governed by an independent Board of Directors, elected by and accountable to the member-owners of the credit union. The board acts to protect and enhance Assiniboine’s assets in the interest of members and other stakeholders, establishes policy and sets the direction of the credit union.

**ACU’s Governance Structure**



**Governance in 2010**

In 2010, the board continued to set strategies, approved ACU’s budget and annual measures of success (Balanced Scorecard) and monitored our performance. The board also:

- approved a training and development program for the board as a whole, for its committees and for individual directors.
- engaged in regularly scheduled learning sessions on strategic topics to ensure a strong understanding of issues that may impact Assiniboine and our stakeholders in the future.
- introduced online voting for members to participate in the annual general election process.
- approved one new governing policy.
- participated in an annual strategic planning session.
- actively participated in credit union system initiatives, contributing insight and feedback to changes proposed in the national and provincial credit union systems.

- piloted a risk-based examination of ACU, facilitated by our regulators. The Board of Directors received a superior rating, noting that ACU’s board practices exceed what is considered necessary and that the board consistently demonstrates highly effective performance in executing its responsibilities.
- attended local, provincial and national credit union and co-operative conferences and made presentations at several.
- assessed the performance of the board, its committees, the board and committee chairs, and each individual director, and held individual director development sessions with the board chair.
- participated in a skill building retreat on the topic of Understanding Boardroom Culture, to assess ACU’s board/management culture.
- approved the establishment of a CED-focused branch in Winnipeg’s north end in 2011.
- mandatory annual privacy training for directors was completed by 10 of 10 directors.

## A Framework for Success

Governing policies provide management with a framework within which to manage the credit union. In 2010, the board approved one new governing policy, bringing the number of governing policies guiding ACU to 26.

Governing policies are regularly reviewed for relevance and the board delegates the following committees to monitor adherence to the policies:

### Audit & Risk Committee

- Asset Liability Matching Policy
- Asset Securitization Policy (new)
- Capital Adequacy & Sourcing Policy
- Credit Risk Policy
- Derivatives Policy
- Detecting & Deterring Proceeds of Crime Policy
- Enterprise Risk Management Policy
- Foreign Exchange Risk Policy
- Liquidity Investment & Market Risk Policy
- Liquidity Risk Policy
- Management Expenditure Authorities Policy
- Operational Risk Policy
- Outsourcing Risk Policy
- Pricing Policy
- Regulatory Risk Policy
- Technology Risk Policy

### Community & Member Relations

- Community Investment Policy
- Member Engagement Policy
- Member Feedback Policy
- Stakeholder Communication Policy

### Governance & Ethics Committee

- Code of Conduct & Business Ethics Policy
- Member Privacy Policy
- Protected Reporting Policy
- Related Party Transactions Policy

### Human Resources Policy & Compensation Committee

- Compensation Philosophy Policy
- Employment Principles Policy

## Committee Participation

### Audit & Risk Committee

Wilbur Coates (Chair), Margaret Day, Craig Lee, Annitta Stenning

### Community & Member Relations

Vera Goussaert (Chair), Susan Deane, Rhonda Forgues, Nicole Ritchot

### Governance & Ethics Committee

Craig Lee (Chair), Rhonda Forgues, Vera Goussaert, Garry Loewen

### Human Resources Policy & Compensation Committee

Dennis Anderson (Chair), Susan Deane, Garry Loewen, Annitta Stenning

### Nominating Committee

Nicole Ritchot (Chair), Wilbur Coates, Margaret Day

## Looking Forward to 2011

In 2011, the Board of Directors will continue its commitment to strong governance and will:

- engage in learning sessions throughout the year.
- participate in an annual strategic planning session.
- actively participate in credit union system initiatives, where we demonstrate leadership and contribute insight.
- develop further governing policies, as needed.
- participate in an annual learning workshop.
- approve updated Terms of References for the Board of Directors, its committees and chairs, and its directors.
- assess the performance of individual directors and hold mandatory individual director development sessions with the board chair.
- enhance our online voting system to provide our business and organizational members with this option in the 2011 election process.

## Governance Accountability Report

### Attendance

Directors of ACU are expected to participate actively in governing the credit union. One of the indicators of participation is attendance at board and committee meetings. The following table provides an overview of director attendance.

Members of the Board As at December 31	Board Meeting Attendance <i>11 regular</i>	Audit & Risk
Garry Loewen CHAIR	10/11	
Susan Deane VICE-CHAIR	10/11	2/3 (to April 2010)
Dennis Anderson DIRECTOR	11/11	
Wilbur Coates DIRECTOR	11/11	7/7 Chair
Margaret Day DIRECTOR	11/11	4/4 (from August 2010)
Rhonda Forgues DIRECTOR	11/11	
Vera Goussaert DIRECTOR	11/11	
Craig Lee DIRECTOR	10/11	7/7
Nicole Ritchot DIRECTOR	10/11	
Annitta Stenning DIRECTOR	9/11	7/7

### Director Remuneration and Loans

Directors receive an annual retainer and are also paid a per diem for attendance at regular and special board and committee meetings and other eligible meetings as agreed to by the board. In 2010, total remuneration to the Board of Directors was \$206,000. Expenses paid by the credit union on behalf of directors amounted to \$47,000.

As at December 31, 2010, outstanding loans to directors totalled \$481,128 of which \$125,000 was at government prescribed rates of interest. Directors loans totalled 0.02% of the assets of the Credit Union.

## Committee Membership and Attendance

Community & Member Relations	Governance & Ethics	Human Resources Policy & Compensation	Nominating
	5/5	12/12	
2/2 (from August 2010)		12/12	
		12/12 Chair	
2/2 (to May 2010)			5/5 (from August 2010)
2/2 (to May 2010)	3/3 (to May 2010)		5/5 (from August 2010)
4/4	2/2 (from August 2010)		5/5 (to May 2010)
3/3 Chair (from August 2010)	5/5		5/5 Chair (to May 2010)
	4/5 Chair		
4/4 Chair (to August 2010)			10/10 Chair (from September 2010)
		10/12	

**Board Training**

All directors are expected to complete the Credit Union Director's Achievement (CUDA) program within their first three consecutive years as an elected board member. The CUDA program consists of three levels of workshops (Level A, B and C) that directors must complete. At the end of 2010, eight of ten directors had completed their CUDA training, one director had completed Level A and C and most of Level B, and one director was working on completing Level A and B.

## Audit & Risk Committee Report to the Members

The Audit and Risk Committee's primary role is to ensure that an effective enterprise risk management framework is in place and implemented. Within this framework, the committee assists the board in fulfilling its oversight responsibilities regarding financial risks, including efficiency and effectiveness of operations; safeguarding of assets and members' deposits; compliance with laws; reliability of financial reporting; and independence of the external and internal audit functions. This report outlines the key activities undertaken during the year.

### Risk Management

The committee gained assurance that the enterprise risk management framework is effective by reviewing management reports related to governing policies overseen by the committee. As well, the committee developed and reviewed a number of risk-related governing policies and recommended these policies to the board for approval.

### Control Framework

The committee gained assurance that Assiniboine's activities are managed with appropriate care and due diligence, that management has implemented appropriate internal controls, and that regulatory requirements are being met. The committee reviewed internal audit reports on internal controls, as well as management reports on the corporate insurance program and on Assiniboine's compliance with regulations, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

### Financial Reporting

The committee gained assurance that financial information was reliable and fairly presented by reviewing and approving ACU's accounting policies; reviewing management's financial reporting and budgeting processes; reviewing the quarterly financial statements, including comparisons to budget; and reviewing and recommending the annual audited financial statements to the board for approval. Quarterly, the committee reviewed loan allowances and loan write-offs and recommended these to the board for approval.

As well, the committee received updates from management on ACU's conversion to International Financial Reporting Standards.

### Internal Audit Function

The committee oversaw the internal audit function by approving the annual internal audit work plan; gaining assurance the internal audit function is using a risk-based approach; gaining assurance the conduct of internal audit is consistent with professional standards; reviewing reports from the Internal Auditor; meeting in-camera with the Internal Auditor throughout the year; and evaluating the performance of the Internal Audit function.

### External Auditors

The committee oversaw the external auditors by approving the engagement letter and external audit fees; reviewing the scope and timing of the external auditors' work; reviewing the auditors' independence; and meeting in-camera with the external auditors. The committee evaluated the services provided by the external auditors and recommended to the board the appointment of the external auditors.

### Looking Forward to 2011

#### In 2011, the Audit and Risk Committee will:

- continue to oversee enterprise risk management activities.
- develop and update various governing policies.
- monitor Assiniboine's conversion to International Financial Reporting Standards.



*Good*  
**things**  
*happen here*

# We're at your service

At December 31, 2010

## MEMBER

### COMMUNICATION CENTRE and CU by PHONE TELEPHONE BANKING

(1-877) 958-8588  
Kelly Millberg, Director

## ASSINIBOINE FINANCIAL GROUP

103 – 900 Harrow Street East  
Henley Cunningham, Director

## BUSINESS AND COMMUNITY FINANCIAL CENTRE

200 Main Street  
Ken Penuita, Director

202–900 Harrow Street East  
Marcel Rainville, Director

## DEALER FINANCE AND MORTGAGE SPECIALISTS

Dale McMurray, Director

## WEBSITE

[www.assiniboine.mb.ca](http://www.assiniboine.mb.ca)

## EMAIL

[cu@assiniboine.mb.ca](mailto:cu@assiniboine.mb.ca)

## WINNIPEG BRANCHES

### Central Region

200 Main Street  
Maria Bento, Branch Manager  
Cheryl Pope, MMS\*

233 Kennedy Street  
Vicki Panagiotou, Branch Manager  
Tricia McGuinness, MMS\*

640 Broadway  
Jeffrey Patteson, Branch Manager  
Allison Eidse, MMS\*

100 – 275 Broadway  
Vacant, Branch Manager  
Micheline Rocan, MMS\*

### West Region

5930 Roblin Boulevard  
Traci Thomas, Branch Manager  
Nancy Trauer, MMS\*

140 – 3393 Portage Avenue  
Mladen Bukvic, Branch Manager  
Linda Hampton, MMS\*

1855 Grant Avenue  
Stuart Roche, Branch Manager  
Emily Masek, MMS\*

2565 Portage Avenue  
Brad Komistek, Branch Manager  
Crystal Goulart, MMS\*

1907 Portage Avenue  
Brent Berzuk, Branch Manager  
Karin Plesh, MMS\*

694 St. James Street  
Brandy Elliot, Branch Manager  
Stacey Tomkins, MMS\*

### North Region

2211 McPhillips Street  
Ray McMurtry, Branch Manager  
Jeanne Gibson, MMS\*

1038 Keewatin Street  
Ruth Nesar, Branch Manager  
Terri Moar, MMS\*

2567 Main Street  
Bianca Selby, Branch Manager  
Niki Borys, MMS\*

### East Region

655 Henderson Highway  
Barb Laferriere, Branch Manager  
Jacquie Wasyluk, MMS\*

844A McLeod Avenue  
Brian McIvor, Branch Manager  
Valerie Cook, MMS\*

1609 Regent Avenue West  
Nicole Riedle, Branch Manager  
Michelle Biluk Thompson, MMS\*

### South Region

155 Scurfield Boulevard  
Chris Miranda, Branch Manager  
Aldin Amaca, MMS\*

10 – 200 Meadowood Drive  
Kim Sylvester, Branch Manager  
Christina Lake, MMS\*

100 – 900 Harrow Street East  
Ken Curtis, Branch Manager  
Lori DeVos, MMS\*

1033 St. Mary's Road  
David Moore, Branch Manager  
Marilyn Hooper, MMS\*

2659 Pembina Highway  
Cal Berzuk, Branch Manager  
Jill Piukkala, MMS\*

3525 Pembina Highway  
Sandy Charette, Branch Manager  
Sandra Hart, MMS\*

### NORTHERN BRANCHES

300 Mystery Lake Road  
Thompson MB  
Brenda Laycock, Branch Manager  
Leah Cruda, MMS\*

Gillam Shopping Centre  
Gillam MB  
Lana Minary, Branch Manager

\* Manager Member Service



In keeping with our commitment to environmental sustainability, Assiniboine Credit Union chooses to make responsible purchasing decisions by selecting FSC® Certified products and an FSC Certified printer in support of responsible forestry management and human rights. Our 2010 Annual Report is printed on FSC Certified paper made of 100% post-consumer fibers (PCF), is Carbon Neutral Plus, and is 100% renewable green energy and Green Seal™ Certified. The report is printed with low VOC vegetable inks made from renewable resources that are less harmful to the environment by helping to reduce air pollution and minimizing toxic emissions. Vegetable inks are widely recognized as the environmentally sustainable choice. All photography used is digital, which eliminates much of the waste associated with traditional film processing. This entire document can be recycled by separating the metal binding and paper.