

## MINUTES

### OF THE 75<sup>th</sup> ANNUAL MEETING OF CARPATHIA CREDIT UNION LIMITED HELD ON SUNDAY, JANUARY 26, 2014 AT THE CANAD INNS, 2100 MCPHILLIPS STREET, WINNIPEG, MANITOBA

#### 1. Call to Order

Dr. Taras Babick, President of the Board of Directors, welcomed the members to the 75<sup>th</sup> Annual General Meeting and called the meeting to order at 2:00 p.m.

A moment of silence was observed in memory of those members who passed away this past year and for those who have died in Ukraine.

Dr. Taras Babick introduced the special guests in attendance: Mr. Doug Einarson, Partner from BDO Canada LLP, Mr. Dale Ward, Corporate Secretary from Credit Union Central of Manitoba and Ms. Olya Sheweli, Board President of Council of Ukrainian Credit Unions of Canada.

#### 2. Opening Prayer

- a) The Rev. Fr. Eugene Maximiuk of St. Ivan Suchavsky Cathedral offered the opening prayer.
- b) Dr. Taras Babick introduced Mr. Demyan Hyworon, Director, to assume the chairmanship of the meeting. The Chair welcomed all those in attendance to the 75<sup>th</sup> Annual General Meeting of Carpathia Credit Union.
- c) The Chair announced the appointments of Ms. Olena Melnyk (Ukrainian) and Ms. Marion Wiebe (English) as Recording Secretaries of the meeting.

If voting is required, the ballots will be counted in the presence of our representative from BDO Canada, LLP. The following Individuals have been appointed as scrutineers: Mr. Roman Jaworsky, Ms. Jaroslawa Middleton, Mr. Garry Kolisnyk and Ms. Shelly Maslechko.

- d) The Chair asked Mr. Brian Petrynko to announce the total number of members in attendance. According to the By-Laws, 50 members are required to be present to constitute a quorum, and upon ascertaining that there were 108 members present, the Chair declared the meeting duly constituted.

The Chair reminded Members that registration would close at 2:30 p.m.

- e) Before proceeding with the meeting, the Chair reminded the Membership that the Rules and Regulations governing the Annual General Meeting are included in their package and extra copies are available at the registration tables.

- f) The Chair introduced those seated at the head table: Ms. Marion Wiebe, Recording Secretary (English), Ms. Olena Melnyk, Recording Secretary (Ukrainian), Ms. Noella Pylypowich, Secretary of Board of Directors, Mr. Roman Zubach, Vice Present of the Board of Directors, Mr. Walter Dlugosh, Chief Executive Officer, Dr. Taras Babick, President of the Board of Directors, Mr. Don Cilinsky, Director, Mr. Bohdan Halkewycz, Director, Mr. Peter Waschyshyn, Director, Ms. Donna Korban, Director and Mr. Walter Kulyk, Director.

### 3. Approval of the Agenda

The Chair indicated that an agenda was distributed to all those who registered and requested approval of the agenda.

**MOTION** by Mr. Kevin Malenki **SECONDED** by Mrs. Natalie Kishensky that the agenda be accepted as circulated.

**CARRIED**

### 4. Approval of Minutes of the Last Annual General Meeting

- 4a) The Chair requested a motion that the minutes of the January 20, 2013 Annual General Meeting be accepted as circulated.

**MOTION** by Mr. Robert Harasym **SECONDED** by Mr. Gerald Machnee that the minutes of the Annual General Meeting held on January 20, 2013 be accepted as circulated.

**CARRIED**

The full minutes of the last Annual General Meeting are available at Carpathia Credit Union's Corporate Office upon request or may be reviewed on line at Carpathia Credit Unions web site.

- 4b) Business Arising from the 2013 AGM Minutes

There was no new business arising from the 2013 AGM meeting.

### 5. Request for New Business Items

The Chair asked members if there were any items to add to new business. This item will be discussed during Item #12. The following item was added to the agenda:

- Mrs. Zorianna Hyworon requested Carpathia express support for the movement in Ukraine.

The Chair announced that it is 2:30 p.m. and registration was closed.

## **6. Reports**

### **6.1 Directors**

Dr. Taras Babick indicated that before he commences his report indicated there is some sad news as Ukraine struggles for a better life.

There is also some marvelous news involving members of our organization. Mr. Nicholas Bielak made his debut on Broadway in A Book of Mormon.

On January 9<sup>th</sup>, 2014 Ms. Andrianna Chuchman made her debut at the Metropolitan Opera. The New York Times was in attendance and received critical acclaim. She is the daughter of Dr. George & Irene Chuchman. Dr. Chuchman is a former Director of Carpathia and served as President of the Board. Dr. Taras Babick, on behalf of the membership extended congratulations Dr. & Mrs. Chuchman.

Seventy five years ago a group of men and women came together to form Carpathia Credit Union and probably didn't realize that seventy five years later in excess of \$400 million. Members who immigrated came from villages and towns to make a better life. We salute their courage and bravery.

The Board realizes that the success of the credit union involves the loyalty of the membership. We are delighted that you have chosen Carpathia and thank you for your faith and trust. Thank you for your continued support.

In celebration of Carpathia's 75<sup>th</sup> year the door prizes have been increased to \$75. A series of 52 weekly draws for \$75 will take place and all members will be part of the draw. In addition the first event to take place will be a Children's program on March 9, 2014 at Holy Eucharist Church. The tickets are complimentary and if anyone is interested in attending please speak to a member of the management team to arrange tickets. In October an afternoon event share stories social event will be held at Canad Inns, Polo Park.

Dr. T. Babick, on behalf of the membership, thanked Ms. Donna Korban and Mr. Demyan Hyworon for their many contributions over the past nine years.

### **6.2 Chief Executive Officer**

I have the honor to report to you on the financial results for the year ending September 30th, 2013.

In 2013 the assets of the credit union grew by \$26 million. The year's asset growth was slightly lower than the average for the last several years and was indicative of the low interest rate market we have been experiencing over the last five years.

Loan growth achieved in 2013 equaled nearly 10%. The credit union's total commercial loans grew by 7.5% while the credit union's total consumer loans grew by 12%. The commercial loan results were lower than what was experienced last year and matched a visible slowdown in

commercial development and financing opportunities. The consumer loan growth as has been the case over the last several years was confined to residential mortgages.

Deposit growth during the year resulted in an increase of \$25 million.

Total equity grew by over 7 percent and stands at over \$21 million. The credit union's capital and liquidity remain well in excess of regulatory guidelines.

During the year the credit union welcomed 451 new members and 287 associates. In terms of the associate status the credit union had 1,178 associates making up 20% of the total loans outstanding and 13% of total deposits payable.

The credit union's operating income decreased by 23% over the previous year entirely due to an increase in operating expenses associated with the opening of the credit union's new branch. The loan growth experienced by the credit union resulted in loan interest income increasing by \$750,000 while the credit union's investment income decreased by \$380,000. Total interest paid for members' deposits increased by 1% or \$80,000. Total operating expenses increased by 20%. The new branch located on Grant Ave. and Waverley Street expanded Carpathia Credit Union's presence in the city. The cost of this expansion resulted in increased operating expenses in all categories. It is further expected that business related to the new branch will continue to develop over the next 2-3 years while expenses remain relatively stable during this time.

In closing I would like to thank you our members for your support of the credit union, the board of directors for their support and guidance. In particular I would like to thank Donna Korban and Demyan Hyworon who will be retiring from the Board of Directors today after serving Carpathia Credit Union and its members over the last nine year. Finally I would like to thank our staff for their commitment in serving our members.

### **6.3 Auditors**

The Chair introduced Mr. Doug Einarson, Director, of BDO Canada LLP.

Mr. Einarson reported that the financial statements of Carpathia Credit Union Limited present fairly, in all material respects, the financial position of the Credit Union as at September 30, 2013. It was noted that Mr. Doug Einarson is available to answer any questions regarding the 2013 results.

## 7. Discussion of Reports

The Chair invited questions from members regarding the reports.

- Mr. Eugene Hyworon inquired whether Carpathia pays the same tax rate as other corporations.

Mr. Doug Einarson responded that historically Carpathia Credit Union pays the same tax rate as small businesses pay which is 11%. It will move to 20% in the near future.

**MOTION** by Mr. Michael Bodnarchuk **SECONDED** by Mr. Roman Korbutiak, that the reports be accepted as presented.

**CARRIED**

## 8. Appointment of External Auditors

**MOTION** by Mr. Bohdan Halkewycz to reappoint the firm of BDO Canada LLP as external auditors for the year ending September 30, 2014, **SECONDED** by Mr. Richard Stefanec.

**CARRIED**

## 9. Patronage Refund Announcement

The Chair called upon the President, Dr. Taras Babick and the CEO, Mr. Walter Dlugosh to present a ceremonial cheque in the amount of \$450,000.

Dr. Taras Babick indicated he was pleased to announce that Carpathia Credit Union has another prosperous year due to the support of the membership and it was a pleasure to present a cheque in the amount of \$450,000 to the membership.

A symbolic cheque in the amount of \$450,000 was presented by Dr. Taras Babick and Mr. Walter Dlugosh to the membership of Carpathia Credit Union. The following members accepted the cheque on behalf of the membership – Mrs. Catherine Fong and Mr. Don Machnee.

Over the next few weeks Carpathia Credit Union members receiving \$50 or more in dividends and patronage refunds will be getting their annual cheque sent to them in the mail. Members receiving less than \$50 will have the funds deposited into their accounts.

## 10. Board of Directors Election Results

The Chair reported that Carpathia Credit Union members elected their Board of Directors by a mail-in ballot and online voting process. The Nominating Committee presented four nominees for consideration to fill three vacancies on the Board.

The individuals nominated as candidates for the Board of Directors were:

- Irka Semaniuk
- Roman Zubach

- Susan Zuk
- Mark Nesar (not in attendance)

The results of the election are as follows: 1. Roman Zubach, 2. Irka Semaniuk and 3. Susan Zuk.

**MOTION** by Mr. Demyan Hyworon to adopt the slate of Mrs. Irka Semaniuk, Mrs. Susan Zuk and Mr. Roman Zubach. for the Board of Directors **SECONDED** by Mr. Kevin Malenki.

**CARRIED**

**MOTION** by Ms. Nadia Kmet, **SECONDED** by Mr. Kevin Malenki to destroy all ballots.

**CARRIED**

## 11. Nominating Committee Appointments

Mr. Don Cilinsky, Chair of the Nominating Committee, presented the Nominating Committee report:

“The role of the Nominating Committee is an extremely important one. The Committee reports to the Board of Directors and is responsible for the recruitment of prospective candidates to the Board, ensuring that all candidates are qualified; and to present the slate of these candidates to the Board of Directors for their approval. The Nominating Committee consisted of four Directors from the Board, as well as three Members-at-Large. I’d like to thank these hard working individuals for their commitment to the committee and to your credit union”.

The following Members-at-Large have been appointed to the Nominating Committee for 2014 year: Ms. Nadia Kmet, Mr. Ihor Michalchyshyn and Mr. Alex Yaworski.

## 12. New Business

**12.1** Mrs. Zorianna Hyworon requested that the AGM express support for our brothers and sisters in Ukraine who are standing up united for dignity, democracy and freedom. Mrs. Hyworon requested that the Board of Directors provide financial support through the fundraising account set up with the co-ordination of the Council of Ukrainian Credit Unions and that Carpathia promote and encourage members to donate to the fundraising efforts through the account set up at Carpathia for this purpose.

**MOTION** by Mrs. Zorianna Hyworon, **SECONDED** by Dr. George Chuchman that Carpathia provide moral and financial support to Ukraine.

**CARRIED**

## 13. Greetings from Special Guests

The Chair introduced Mr. Dale Ward from Credit Union Central of Manitoba. A summary of Mr. Ward’s remarks is as follows:

Mr. Ward expressed his pleasure in attending the Carpathia Annual General Meeting which demonstrates the co-operative movement. The motion that was put forward to support the

plight in Ukraine is evidence that credit union members have direct say in decisions of the credit union. Credit Union Directors live and work in the community and have the interest of the members. Credit Unions have the number one share in member satisfaction. The total assets of credit unions are \$22.5 billion and assets have tripled in the last decade.

On behalf of Credit Union Central of Manitoba extended best wishes to Carpathia Credit Union on the occasion of their 75<sup>th</sup> Annual General Meeting

The Chair introduced Mrs. Olya Sheweli from the Council of Ukrainian Credit Unions of Canada. The following are her remarks:

It is with great pleasure that the Council of Ukrainian Credit Unions of Canada extends its sincere best wishes to the Board of Directors, Staff and Members of Carpathia Credit Union on the occasion of its Annual General Meeting.

Carpathia Credit Union has been serving the needs of its members for over 70 years and continues to be a key supporter of the Ukrainian community's local, national and international umbrella organizations.

The Council of Ukrainian Credit Unions of Canada has six Credit Union member Credit Unions in Canada and together is building a better future for our members.

The Ukrainian Community in Canada counts on its Credit Unions for survival. It is difficult to find any activity in the community without support from a Credit Union. The millions of dollars that have, over the years, supported our communities are needed even more today.

Once again, we wish you much success in the future.

#### 14. Adjournment

The Chair thanked everyone for attending and adjourned the meeting at 3:15 p.m. which was followed by a reception.

**MOTION** by Mr. Bohdan Lukie **SECONDED** by Mrs. Irka Semaniuk to adjourn the 75<sup>th</sup> Annual General Meeting.

**CARRIED**

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Demyan Hyworon  
Chair

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Marion Wiebe  
English Secretary

### **Results of the Door Prize Draws**

The results of the draw for the five \$75 prizes are as follows:

1. Ms. Maria Sulka
2. Ms. Kathy Monaster
3. Mr. Myroslaw Roslycky
4. Ms. Daria Hyworon
5. Ms. Polly Hyworon

The winner of the \$250 prize was Ms. Halyna Petryk.