

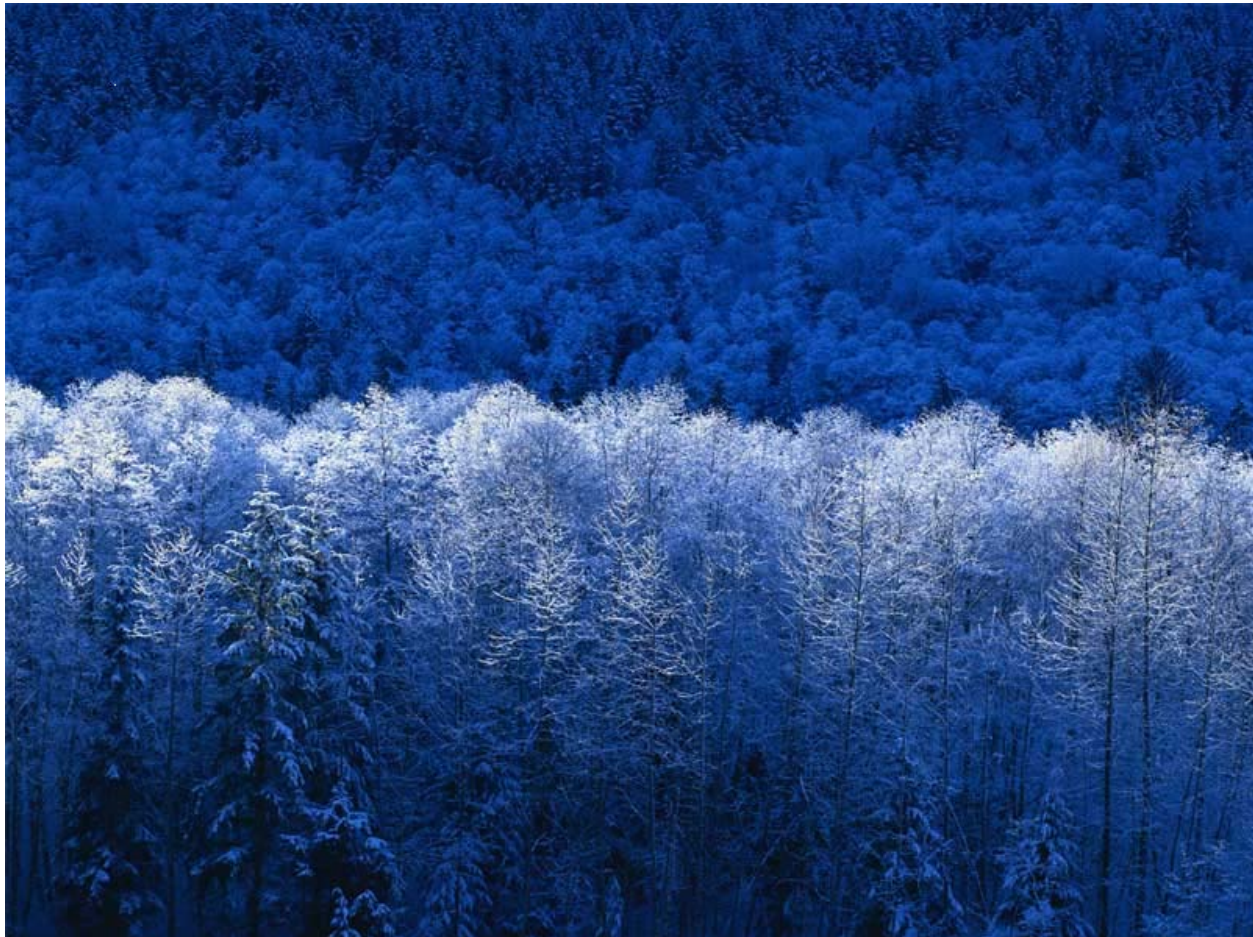


THAMESVILLE WARDSVILLE DUTTON

Your community credit union.
You belong with us.

ANNUAL REPORT

NOVEMBER 1, 2007 TO OCTOBER 31, 2008



TCU Mission

To be the primary supplier of personalized quality financial services in a proactive manner that adheres to credit union principles so that TCU will be the financial institution of choice for the communities we serve.

TCU Vision

- A passionate, tireless promoter of credit unions and co-operative values.
- Recognized as the highest-value provider of products and services to our members.
- Acknowledged as having superior member service, provided in a personable friendly environment.

Co-operative Values

Working hard

Ours is a credit union of talented, diverse individuals who are dedicated to continuously learning and improving our performance every day. We encourage ideas and recognize that both individuals and teams contribute to the success of TCU. We believe that having fun and working hard are not mutually exclusive.

Doing the right thing

We take responsibility for our actions and commitments. We respect each other, even when we disagree. We treat every dollar as if it were our own.

Understanding what's important

Our success depends on meeting and anticipating the needs of our members, our employees, and the communities we serve. We believe strongly that open communication and the co-operative principles are key to understanding and supporting these needs.

Value Proposition

Our value proposition for TCU lies in:

- our knowledge of the community and its issues,
- our commitment to and passion for members, and
- our ability to offer products and services at a competitive price.

Co-operative Principles

1. Voluntary and open membership.
2. Democratic member control.
3. Member economic participation.
4. Autonomy and independence.
5. Education, training and information.
6. Co-operation among co-operatives.
7. Concern for community.

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BOARD OF DIRECTORS

President: **Thomas CoDyre**
Vice President: **John deVries**
Directors: **Kevin Bechard**
Thomas Chalmers
Dave Sherman
Andy Vanderveen
Graham Warwick

STAFF

Corporate Office: **Mauro Ricordi**, General Manager/CEO
Florence Chipp-Smith, Executive Assistant
Jerry Delaey, Manager of Lending & Wealth Management
Barbara Babcock, Administrative Assistant/Head Teller
Linda Hogg, Operations Manager

Thamesville Branch: **Dawn Foley**, Branch Manager
Ric McArthur, Member Services Officer
Lisa Okkema, Member Services Representative
Monica Bos, P/T Member Services Representative
Marcie Austin, Summer Student MSR

Wardsville Branch: **Susanne Walker**, Branch Manager
Rebecca Wolfe, Member Services Representative

Dutton Branch: **Judy Green**, Branch Manager
Charlene Richer, Member Services Representative
Kristie Vowel, P/T Member Services Representative
Tracy Donaldson, Summer Student MSR

AGM WEDNESDAY, JANUARY 14, 2009
A G E N D A

1. CALL TO ORDER
2. WELCOME
3. MOMENT OF SILENCE – IN MEMORIAM
4. REVIEW AND ADOPTION OF:
 JANUARY 16, 2008 ANNUAL MEETING MINUTES
5. REPORT OF THE BOARD OF DIRECTORS
6. REPORT OF GENERAL MANAGER/CHIEF EXECUTIVE OFFICER
7. REPORT OF MANAGER OF LENDING AND WEALTH MANAGEMENT
8. REPORT OF THE AUDIT COMMITTEE
9. AUDITORS' REPORT
10. APPOINTMENT OF AUDITOR
11. TCU BY-LAW NO. 1 AMENDMENT
12. APPOINTMENT OF ELECTION CHAIR
13. 2009 OFFICERS ELECTION
14. OTHER BUSINESS
15. EXPRESSION OF THANKS
16. ADJOURNMENT

IN MEMORIAM

REMEMBERING TCU MEMBERS WHO PASSED IN 2008



YOUR PRESENCE WE MISS

YOUR MEMORY WE TREASURE

MINUTES OF ANNUAL GENERAL MEETING - WEDNESDAY, JANUARY 16, 2008

The meeting was held at Thamesville United Church, Fellowship Hall, 107 Elizabeth Street, Thamesville Ontario.

CALL TO ORDER

Mr. Thomas CoDyre, President of the Board of Directors called the meeting to order at 7:05 p.m. and requested a count of those present: Thirty-seven (37) Members and seven (7) Guests were confirmed present.

WELCOME

Mr. CoDyre welcomed everyone and introduced the following guests:

1. Mr. Jim Lynn Executive Vice President and Chief Operating Officer of Heartland Community Credit Union.
2. Mr. Tim Bossence, CEO of Unigasco, Chatham, Ontario.
3. Mr. Shawn Bustin, Manager of Lending & Wealth Management of Unigasco, Chatham, Ontario.
4. Mr. & Mrs. Mike and Mary Genge of Hughes Advertising Agency, Chatham, Ontario.

Mr. CoDyre then introduced the Head Table as follows:

- Mr. Andy Vanderveen, Board Director
- Mr. Don Nisbet, Board Director
- Mr. Kevin Bechard, Board Director
- Mr. John deVries, Board Director
- Mr. Jamie Meier, Board Vice President
- Mr. Mauro Ricordi, General Manager/Chief Executive Officer
- Mr. James Lane, Auditor of Retford & Lane LLP
- Mrs. Florence Chipp-Smith, Executive Assistant

Review and Adoption of the 52nd Annual Meeting Minutes

Minutes of the 52nd Annual Meeting held on January 17, 2007 were reviewed.

AGM: 2008-01-16.01

MURRAY SHARP / MAURO RICORDI

THAT the January 17, 2007 52nd TCU Annual Meeting Minutes be adopted as presented.

CARRIED.

REPORT OF THE BOARD OF DIRECTORS

Mr. CoDyre, President of the Board of Directors reported that the 2006/2007 year did not meet expectations in terms of profit however steps have been taken to tighten delinquencies and he is confident that the right controls are in place in order to minimize losses in this area.

The Board of Directors has been aiming at growth in order to become the preferred financial institution of choice. The strategy has been successful in creating growth in assets however it has put extra work on staff.

The Board is focusing and concentrating efforts on growing the business to provide members with the services they need.

The Board has also been working on a new venture: commercial loans business. Also, they are working on venturing into Agricultural Lending.

At the November 21, 2007 Board of Directors Meeting the Board declared a 2% dividend payable to members and shareholders for the year 2007 and payable February 2008.

The Board recognizes that the financial world continues to be very competitive and new challenges must be faced almost on a daily basis however the Board is confident that with support of competent staff and owners of TCU we will move forward to increasing successes.

On behalf of the Board of Directors, Mr. CoDyre thanked TCU staff for their outstanding dedication to the Credit Union and for their support of him as Board President. Special thanks were extended to General Manager / CEO Mauro Ricordi.

AGM: 2008-01-16.02
DON NISBET / ROBBIE McNAUGHTON

THAT the Report of the Board of Directors be accepted as presented.

CARRIED.

REPORT OF THE GENERAL MANAGER / CEO

Mr. Mauro Ricordi, General Manager/CEO introduced staff and then reported that it has been a busy and rewarding first year for his tenure and he is pleased to report to the members on the many successes of the past twelve months. Total Assets grew by \$956K to \$24.5M and deposits were higher by \$888K over the previous year. Net income for the year, after dividends and taxes was a modest \$32,755. This is in-line of the 2006 results but well short of targets. The primary contribution to the income shortfall is high loan losses. Loan delinquency costs of \$166,663 remains above traditional levels and have impacted to lower profitability. Lending practices have been tightened to control exposure to risk and better collect on loans that are showing delinquent. We have an allowance for loan losses of \$443,979 of which \$101,343 is a non specific general allowance.

Along with the lowering of lending rates, we have expanded Mortgage services to include First Canadian Title Insurance; AIG Insurance; and CMHC, in order to grow this area and provide members with added flexibility and products to increase their financial stability.

Staff can take pride in the new Benefits Package providing needed coverage for Health, Dental, Vision and Out-Of-Country Emergency Care tailored to suit their individual requirements. A successful Staff Planning Session was held that resulted in increased awareness of the issues facing the Credit Union and team recommendations that will improve service delivery.

Recently we completed a Marketing Study working with Hughes Advertising to provide needed direction to successfully branding TCU products and services in order to achieve a much stronger presence in the communities we serve.

Looking forward to next year, focus will be on our three branches and strengthening member service. The hiring of the Manager Lending Services will allow us the added concentration of Commercial and Agricultural Lending products to better serve the membership. The focus of the transformation is to keep improving our service levels, enhancing products and helping members achieve their financial goals.

Mr. Ricordi stated that he is confident that the Credit Union is positioned to thrive and improve in 2008 together with knowledgeable, competent staff building trusting financial relationships with members to achieve financial success.

Mr. Ricordi expressed sincere thanks to the Chair of the Board of Directors Tom CoDyre and the Board of Directors, for their support through the many changes. Also, TCU Staff who add that special trust relationship that makes TCU the "preferred" Financial Institution; and to the Members for their continued business and support.

AGM: 2008-01-16.03
ROBERT SAUNDERS / JOHN deVRIES

THAT the report of Mr. Mauro Ricordi, General Manager/CEO be accepted as presented.

CARRIED.

REPORT OF THE AUDIT COMMITTEE

Audit Committee Chair, Mr. Robbie McNaughton, introduced Audit Committee Members.

Mr. McNaughton informed those present that the Audit Committee met 6 times during the 2007 fiscal year.

The Committee reviewed policy, internal controls, operating procedures and financial statements and it is with regret that he has to inform members of the passing of Internal Audit Manager, Mr. Mike Godwin. Due to Mr. Godwin's passing, two quarterly internal audit reports were missed however; this matter has now been rectified.

The Audit Committee is confident that the Credit Union financial reporting systems and controls are adequate to meet its needs and are being complied with.

Mr. McNaughton thanked fellow Committee Members; General Manager/CEO Mauro Ricordi; Credit Union Staff; Internal, and External Auditors; and the Board of Directors, for their efforts, comments and suggestions in the past year.

AGM: 2008-01-16.04
DON NISBET / JAMIE MEIER

THAT the TCU Audit Committee Report presented by Chair Robbie McNaughton be accepted as presented.

CARRIED.

REPORT OF EXTERNAL AUDITOR

Mr. James Lane of Retford & Lane LLP reported that the balance sheet of TCU has been audited as at October 31, 2007 and the statements of operations and retained earnings and cash flows for the year then ended. Mr. Lane stated that financial statements are the responsibility of the Credit Union management and it is Retford & Lane responsibility to express an opinion on the financial statements based on their audit.

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

Retford & Lane LLP is of the opinion that the financial statements present fairly, in all material respects, the financial position of the Credit Union as at October 31, 2007 and the results of operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Mr. Lane then highlighted a few items on the financial statements and answered questions put forth by members.

AGM: 2008-01-16.05
RIC McARTHUR / DON NISBET

THAT the Retford & Lane LLP Auditor Report presented by Mr. James Lane be accepted as presented.

CARRIED.

APPOINTMENT OF AUDITOR

Mr. CoDyre stated that the TCU Board of Directors and Audit Committee are recommending Members to appoint the firm of Reford & Lane LLP as external auditors for TCU for 2008.

AGM: 2008-01-16.06
LEWIS SHERMAN / JUDY GREEN

THAT Retford & Lane LLP Chartered Accountants be appointed as external auditor for TCU for 2008.

CARRIED.

TCU BY-LAW # 1 AMENDMENTS

Mr. Ricordi, General Manager/CEO, highlighted Board recommendations of amendments to TCU BY-law #1 as follows:

AMENDMENT 1 - Page 10 – Article 5.04 paragraph (a)

AUDIT COMMITTEE – ELECTION

The Audit Committee shall have **four** members, elected by the membership of the Credit Union. At every general meeting of the Credit Union an election shall be held to fill the places of members of the audit committee whose terms of office have expired, and the members so elected shall hold office for three years or until their successors in office are elected or appointed.

Amendment:
Five members.

AMENDMENT #2 - Page 11 – Article 5.05 paragraph (d)

MEMBER RELATIONS COMMITTEE

Rescind:

The Member Relations Committee will administer the lending license and approve credit applications in the absence of the CEO.

AMENDMENT #3 - Page 11 – Article 5.05 paragraph (f)

Sections 4.02, 4.15, 4.16 of this by-law apply with the necessary amendments to the governance of the **Merchant** Relations Committee.

Amendment:

- Change to paragraph **(e)**
- Add Section **4.17**
- Merchant amended to **Member**

AGM: 2008-01-16.07

LINDA HOGG / ROBBIE McNAUGHTON

THAT TCU By-law #1 be amended as follows:

AMENDMENT 1 - Page 10 – Article 5.04 paragraph (a)

AUDIT COMMITTEE – ELECTION

Amendment:

Five members.

AMENDMENT #2 - Page 11 – Article 5.05 paragraph (d)

MEMBER RELATIONS COMMITTEE

Rescind:

The Member Relations Committee will administer the lending license and approve credit applications in the absence of the CEO.

AMENDMENT #3 - Page 11 – Article 5.05 paragraph (f)

Amendment:

- Change to paragraph **(e)**
- Add Section **4.17**
- Merchant amended to **Member**

CARRIED.

2008 OFFICERS ELECTION

Mr. James Lane informed those present that Mr. Andy Vanderveen asked that his name be removed from the slate.

For 2008, TCU requires election of three (3) Board Directors as follows:

- i. Two (2) Directors for 3 year terms
- ii. One (1) Director for 2 year term

Since Mr. Vanderveen's name has been removed from the slate three (3) Members remain as nominees: Mr. Thomas Chalmers, Mr. David Sherman, and Mr. Graham Warwick.

In 2007 one Director resigned with 2 years left in her term and Mr. Graham Warwick has agreed to be elected for a 2 year term. Mr. Lane asked for a motion from the floor to accept nominees Messrs. Chalmers and Sherman for 3 year terms and Mr. Warwick for 2 year term.

There is one vacancy on the Audit Committee and there is one nominee, Mr. Robbie McNaughton, therefore he asked that Mr. McNaughton be acclaimed to the Audit Committee.

AGM: 2008-01-16.08

RIC McARTHUR / THOMAS CoDYRE

THAT the following persons be accepted as TCU Board Directors:

- i. Thomas Chalmers - 3 year term;
- ii. David Sherman - 3 year term;
- iii. Graham Warwick - 2 year term;

FURTHER THAT Mr. Robbie McNaughton be acclaimed as TCU Audit Committee Member for a 3 year term.

CARRIED.

Board President Mr. Thomas CoDyre thanked Mr. Don Nisbet, Mrs. Cheri Knapp and Mr. Andy Vanderveen for their dedication serving as Board Directors and stated they will be missed.

OTHER BUSINESS

TCU NAME AND LOGO

Mr. CoDyre invited Mr. & Mrs. Mike and Mary Genge of Hughes Advertising to update Members regarding Marketing Strategies for the Credit Union.

Mr. & Mrs. Genge unveiled the new TCU logo approved by the Board of Directors and explained what it means.

Mr. Genge also informed those present that Thamesville Community Credit Union Ltd. will now be known as TCU.

Mr. CoDyre thanked Mr. & Mrs. Genge for their presentation.

EXPRESSION OF THANKS

Mr. CoDyre thanked the ladies of the Thamesville United Church UCW for preparing the food for the Annual Meeting.

DOOR PRIZES

General Manager/CEO Mauro Ricordi requested Mr. Ric McArthur to draw the first name for a door prize, following this each prize winner drew the next persons name for door prizes.

Mr. CoDyre expressed thanks to the following who donated door prizes:

Brent Bailey; CUCO; Dutton Foodland; Hughes Advertising; Infonancial; Maple City Office; Monarch Basics; Proforma; Rick Belsby & Assoc. Inc.; and Standard Leasing Ltd.

MR. DON NISBET

Mr. Nisbet addressed those present and thanked Members for giving him the opportunity to serve on the TCU Board of Directors; and expressed that he enjoyed his tenure on the Board. He also thanked Mr. Andy Vanderveen for being his mentor and is hoping it is temporary that Mr. Vanderveen is not a Board Director.

Mr. Nisbet welcomed Mr. Graham Warwick to the Board of Directors and thanked all Board Directors who served with him.

ADJOURNMENT

AGM: 2008-01-16.09

ROBBIE McNAUGHTON / DAVID SHERMAN

THAT the 53rd Annual General Meeting Adjourn at 8:10 p.m.

CARRIED.

Respectfully Submitted,

Florence Chipp-Smith
Corporate Secretary

REPORT OF THE BOARD OF DIRECTORS

2008 proved to be a very difficult year on the financial industry, as a whole. I will give a general overview of how TCU was impacted since the General Manager/CEO Report will provide more detail.

Our year was effected by the investment in asset back commercial paper (ABCP) which was brought upon us by the merger of Credit Union Central of Ontario and BC Central to the newly formed Central 1. Mortgage foreclosures also had a negative effect to our bottom line, although I am happy to report that we have been able to move TCU Properties Held for Resale.

The instability of global markets has forced major banks to fail and experience losses in stock holdings that were certainly unforeseen and historically unique. This caused interest rates to fall which in turn added pressure to TCU financial margins.

Although this year's profits did not meet budgeted expectations, I am happy to report a dividend allocation of \$97,946 or 1.5% thanks to the cost restructuring efforts of a dedicated staff.

I am happy to report, as well, that the introductions of our new Ag and Commercial products have proven to be very popular. Also encouraging was bad debt recoveries and delinquency control procedures that were implemented, however, we continue to struggle with more than our fair share of bad loans.

In 2008 we improved or added signage at our branch locations which now display the new TCU logo and consistent look.

This year, as in previous years, your Board approved donations to many local charities such as:

- Bothwell Minor Hockey
- Dresden Agricultural Society
- Florence Optimist Club Tractor Pull
- Glencoe District High School – Electronic Sign
- Heart and Stroke Foundation
- Ridgetown District High School Dramatic Arts
- Ridgetown Riptide Swim Team
- Thamesville Fire Association
- Thamesville Sertoma Club – Home by Eight Program
- United Way of Chatham-Kent

Over and above these charities, individual branch donations were made.

One cause in particular was the Heart & Stroke Foundation Big Bike for Cancer ride where TCU staff and Board teamed up to ride for this very worthy cause. It is with pleasure I report, out of 8 teams TCU "BUCK"ANEER\$ placed 3rd and raised \$1,916.29.

In closing, we as a Board and staff have to continue our efforts and hard work to insure ongoing success in the coming year. I would also, on behalf of the Board, like to thank Mauro Ricordi and the TCU staff for a job well done.

Respectfully submitted,

Thomas CoDyre
President

REPORT OF THE GENERAL MANAGER/CHIEF EXECUTIVE OFFICER

The year in review shows success in the restructuring process by delivering the promised Ag and Commercial products generating \$2.18 million in operating loans and mortgages, our largest portfolio gain. Net income for the year is \$33,413 in line with 2007 results but well short of budget expectations as total assets remained flat at \$24.4 million.

Other successes included the addition of new signage to all our branches for consistency and community prominence with the new TCU logo revealed at last years Annual General Meeting. Service fees were revamped and monthly packages implemented in June 2008 designed to lowering your monthly costs. I am also pleased to report that, through the efforts of our dedicated staff, TCU was first to offer the "Save It Up" program which was introduced to the credit union system to help members save whenever the membership card is used for point of sale purchases.

Fiscal 2008 saw more than its fair share of financial pressures; from continued higher than normal non-performing loans and the instability of the markets later in the year which, as we now know, impacted the economy on a global scale. The Bank of Canada reacted in its efforts to re-stabilize markets by lowering interest rates to historical low levels which, in turn, brought pressure to our financial margins. Despite these turbulent markets and high delinquencies, our cost restructuring actions along with a number of other credit unions, required the establishment of our own TCU Prime, this allowed us to maintain compliance to all regulatory requirements, and declare a 1.5% dividend totalling \$97,946 to the Profit Savings Account which is in-line with current short-term GIC rates of return.

Another stress on the system was the asset-backed commercial paper (ABCP). As a condition of membership, all Ontario credit unions were required to acquire a proportionate share of ABCP from Credit Union Central of Ontario prior to the sale of its assets and merger with BC Central to the newly formed Central 1. TCU's share of these ABCP was \$178,000 and we were also required to add \$73,456 towards Central 1 share capital. To put it into perspective, TCU will incur a future loss on these investments if they do not generate a return on the open market.

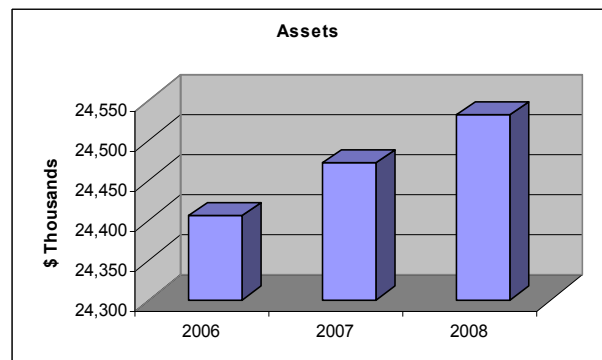
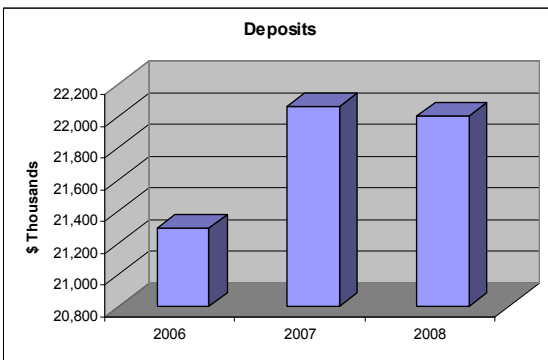
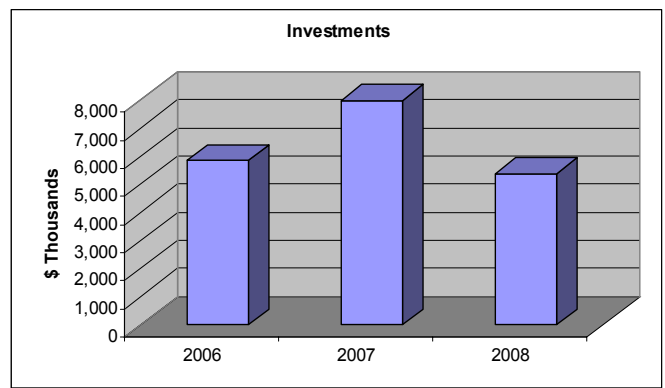
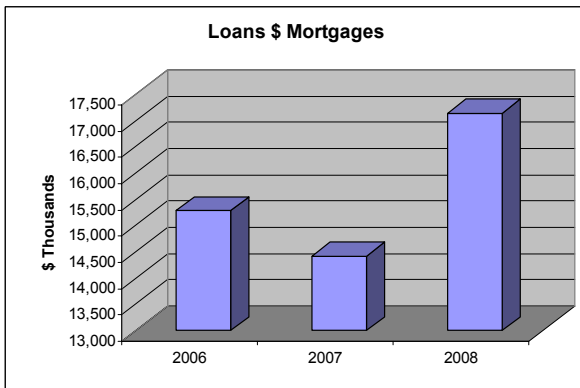
The difficult year was compounded by reduced loan volumes as members have been paying down personal loans to lower interest costs by utilizing their home equity. Since loan losses from delinquency have remained at high levels, our efforts to decrease exposure to losses by tightening credit criteria also had a negative impact on loan volumes. Strong loan growth in Ag and commercial loans as well as equity mortgages were funded by lowering investments as deposit growth did not materialize and personal loans decreased.

Looking forward to 2009, we will continue improving our service delivery, strengthen and growing member relationships, introduce additional investment products to help members achieve retirement goals, establish better member communications through newsletters and an updated website, and we will continue to work towards further reducing non-performing loans by working with you to restructure your debt load and reduce your carrying costs as we see our way through these difficult economic times.

I express my sincere appreciation to a dedicated staff and supportive Board throughout this challenging year that required putting out the extra effort when it was needed. I would also like to thank you, our member-owners for your continued business and support.

Respectfully submitted,

Mauro Ricordi
General Manager/CEO



REPORT OF THE MANAGER OF LENDING AND WEALTH MANAGEMENT

TCU experienced growth in its loan portfolio from \$14,862,337 as at October 31, 2007 to \$17,582,302 as at October 31, 2008. This represents an increase of \$2,719,965 or 18.30%

Of the \$2,719,965 loan growth, \$2,181,217 was in the Commercial and Agriculture portfolio.

RETAIL PORTFOLIO

The Mortgage portfolio experienced growth of \$1,124,615 year over year while the personal loan portfolio (which includes lines of credit) decreased \$581,490, leaving a net growth in the personal loan portfolio of \$543,125 or 4.14% year over year.

While growth in our retail portfolio was modest in 2007/2008 we expect that this will slow in fiscal 2008/2009 as economic conditions both locally, nationally, and globally will have a direct impact on the capacity of individuals to borrow. Also, a prudent strategy has been implemented with our retail lenders to ensure that all lending is in accordance with TCU policy and guidelines.

The following illustrates the loan activity for fiscal 2007/2008:

THAMESVILLE

	#	Oct 31, 2008	Oct 31, 2007	Variance
Loans	90	\$2,844,520	\$3,372,786	(\$528,266)
LOC	25	\$ 791,475	\$ 845,409	(\$ 53,934)
Mtg/Heloc	33	\$4,987,940	\$4,109,343	\$ 878,597
		<u>\$8,623,935</u>	<u>\$8,327,538</u>	<u>\$ 296,397</u>

WARDSVILLE

Loans	38	\$ 536,347	\$ 731,542	(\$195,195)
LOC	5	\$ 186,564	\$ 200,057	(\$ 13,493)
Mtg/Heloc	1	\$1,403,723	\$1,695,711	(\$291,988)
		<u>\$2,126,634</u>	<u>\$2,627,310</u>	<u>(\$500,676)</u>

DUTTON

Loans	37	\$ 875,997	\$ 810,377	\$ 65,620
LOC	25	\$ 372,731	\$ 233,332	\$139,399
Mtg/Heloc	12	\$1,684,962	\$1,146,954	\$538,008
		<u>\$2,933,690</u>	<u>\$2,190,663</u>	<u>\$743,027</u>

COMMERCIAL/AGRICULTURE PORTFOLIO

The commercial and agriculture portfolio generated a year over year growth of \$2,181,217 or 127%. We expect that this sector will continue to experience growth in fiscal 2008/2009 but at a much more manageable rate.

	Oct 31,2008	Oct 31,2007	Variance
Commercial Loans	\$ 268,103	Nil	\$ 268,103
Commercial Mtg	\$1,214,967	\$ 953,400	\$ 261,567
Commercial LOC	\$ 889,075	\$ 763,426	\$ 125,649
AG Loans	\$ 276,905	Nil	\$ 276,905
AG LOC	\$ 438,284	Nil	\$ 438,284
AG Mtg	\$ 810,709	Nil	\$ 810,709
	<u>\$3,898,043</u>	<u>\$1,716,826</u>	<u>\$2,181,217</u>

DELIQUENCY REPORT

Delinquent accounts continue to put a strain on the overall performance of TCU. Although we have seen improvement in this area, we will continue to focus on reducing the delinquent accounts and do our due diligence on new credit requests to minimize the potential for new delinquencies amid the economic situation.

CLOSING REMARKS

We are committed to working towards growth in the loan portfolio as well as striving towards lower delinquency levels. We are cognizant of the economic environment, our challenges and our opportunities. We look forward to having a successful year with a strong workforce to support this.

Respectfully submitted,

Jerry Delaey
Manager Lending Services and Wealth Management

REPORT OF THE AUDIT COMMITTEE

Chairman	Robbie McNaughton
Corporate Secretary	Florence Chipp-Smith
Committee Members:	Brad Bos Thomas Chalmers Scott Fisher Dave Sherman

The Audit Committee met quarterly with the General Manager/Chief Executive Officer and held meetings with the Internal Auditor and External Auditor for a total of 7 meetings during the 2008 fiscal year.

The Committee reviewed policy, internal controls, operating procedures and Financial Statements. The Committee notes that there are fewer issues than in former years.

At the November 11, 2008 Staff Planning Session, two Audit Committee Members conducted a test of the TCU Disaster Recovery Plan.

The Audit Committee is confident that the Credit Union financial reporting systems and controls are adequate to meet its needs and are being complied with.

I thank my fellow Committee Members, General Manager/CEO Mauro Ricordi, Credit Union Staff, Internal and External Auditors and the Board of Directors for their efforts, comments and suggestions in the past year.

Respectfully submitted on behalf of the Audit Committee,

Robbie McNaughton
Chairman

TCU BY-LAW #1 AMENDMENT

Page 10 – Article 5.04 Audit Committee

(a) Election

The Audit Committee shall have five members, elected by the membership of the Credit Union. At every annual general meeting of the Credit Union an election shall be held to fill the places of members of the Audit Committee whose terms of office have expired, and the members so elected shall hold office for three years or until their successors in office are elected and appointed.

PROPOSED AMENDMENT

(a) Appointment

“The Audit Committee shall have five members made up of elected Board Members. The Board of Directors shall appoint Audit Members to fill the places of members whose terms of office have expired, and the Audit Members so appointed shall hold office up to three years or until their successors in office are appointed.”

2009 OFFICERS ELECTION

THOMAS CoDYRE

DAVID MAIKA

TERRY MARSH

ROBBIE McNAUGHTON

STEVE PINSONNEAULT

ANDY VANDERVEEN

HARRY VANDYK

EXPRESSION OF THANKS TO

THAMESVILLE UNITED CHURCH UCW FOR PREPARATION OF FOOD

DOOR PRIZE DONATORS

BALLMARK INC.

BELANGER SIGNS LTD.

BRENT BAILEY

CUMIS GROUP LIMITED

INFONANCIAL

MAPLE CITY OFFICE EQUIPMENT

MILLER HOME HARDWARE

MONARCH BASICS

PROFORMA

RICK BELSBY & ASSOCIATES INC.

WHEELER'S PRINTING & COPYING

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N0P 2K0

Phone: 519.692.3855
Fax: 519.692.9532

Wardsville Branch

1789 Longwoods Road
Wardsville, Ontario
N0L 2N0

Phone: 519.693.9936
Fax: 519.693.9937

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