



# SUNSHINE COAST CREDIT UNION 2005 ANNUAL REPORT



**COVER: 1st Prize PHOTO**  
by Karen Bowden, Sechelt  
*"This 'Chapman Creek Carving' is one of the hidden treasures to be found on the creek trail and so typical of the Sunshine Coast's artistic nature."*

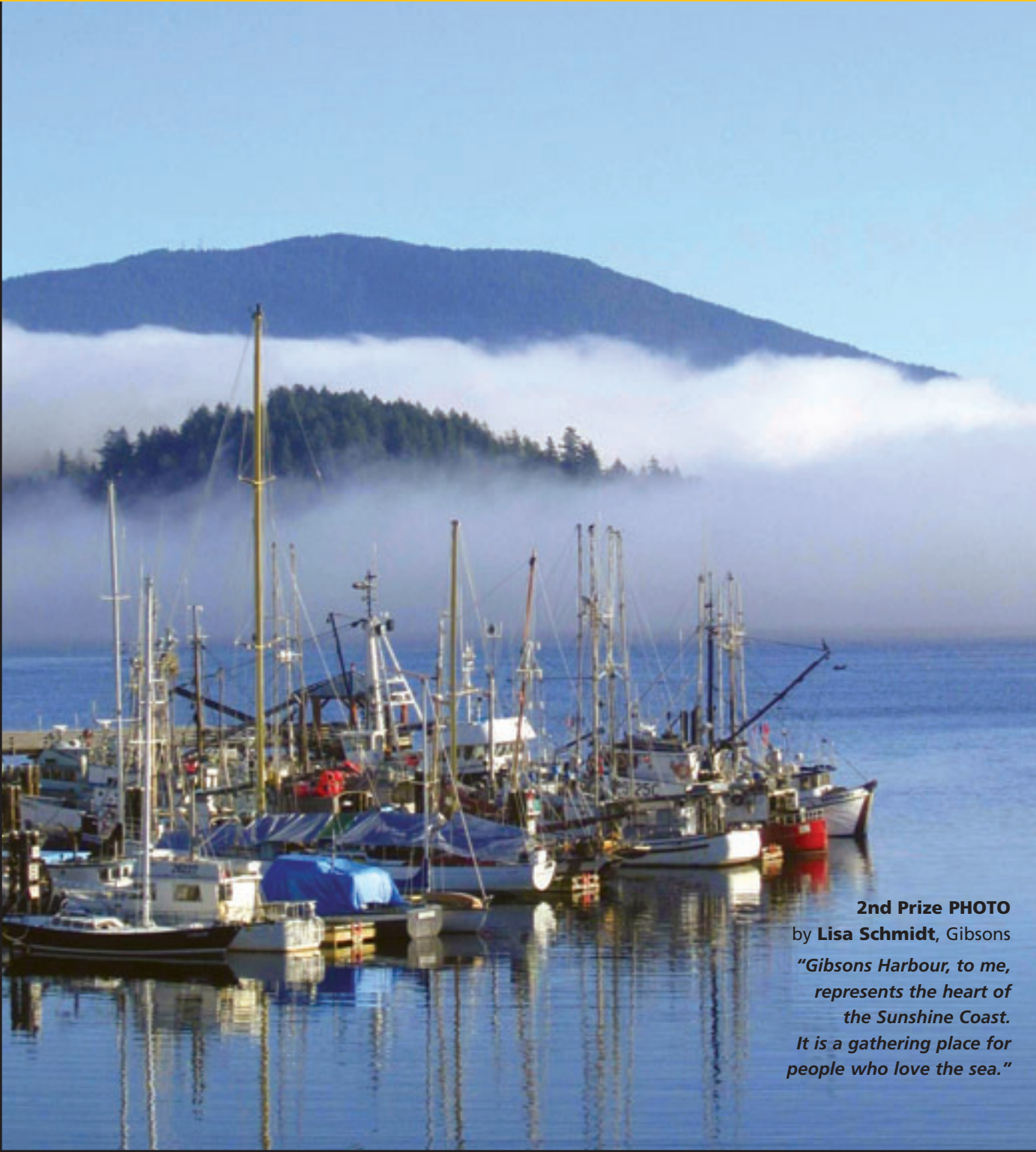


**Sunshine Coast**  
CREDIT UNION

**ACHIEVING  
GREAT THINGS  
TOGETHER** on the  
*Sunshine Coast*

®™ Sunshine Coast Credit Union,  
Licensee of Trade Mark owned  
by Credit Union Central  
of British Columbia.

Success By 6® is a registered  
trademark, used by permission.



**2nd Prize PHOTO**  
 by **Lisa Schmidt**, Gibsons  
*"Gibsons Harbour, to me,  
 represents the heart of  
 the Sunshine Coast.  
 It is a gathering place for  
 people who love the sea."*

## NOTICE OF ANNUAL GENERAL MEETING

The 65th Annual General Meeting of Sunshine Coast Credit Union will be held **Wednesday, April 26, 2006, at 7:30 p.m.** at the **Seniors Activity Centre**, 5604 Trail Avenue, Sechelt, B.C.

### AGENDA

1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes of the 64th AGM, April 26, 2005
6. Business Arising Out of the Minutes
7. Directors' Report
8. Auditors' Report
9. Chief Executive Officer's Report
10. Adoption of Reports
11. Report on Attendance
12. Directors' Election Results
13. New Business
14. Appointment of Auditors
15. Motion to Authorize the Directors to Set the Audit Fee
16. Good and Welfare
17. Adjournment

### 2005 BOARD OF DIRECTORS

Tim Anderson, Chairperson  
 Brian Beecham, 1st Vice Chairperson  
 Karen Archer\*, 2nd Vice Chairperson  
 Stan Anderson\*  
 Bernard Bennett  
 Harris Cole\*  
 Elfie Hofmann  
 Robert Miller  
 Margaret Penney

\* Terms expire at 2006 Annual General Meeting

# REPORT FROM THE C.E.O. & CHAIRPERSON



**Dale Eichar**  
C.E.O.

## FINANCIAL HIGHLIGHTS

Sunshine Coast Credit Union maintained steady growth in 2005. Total assets increased by \$17 million from the previous year to \$255 million for a 7.2% growth. Our loan portfolio and deposit base grew 12.6% and 6.6% respectively. Loans totaled \$210.1 million and deposits amounted to \$235.3 million at year end.

The credit union reported an increase in earnings, before income taxes and patronage dividends, of 8% over the previous year.

Net operating income amounted to \$2.7 million compared to \$2.5 million in 2004. Operating expenses increased by only \$307,056 or 4% over 2004 levels. The largest increase related to salaries and benefits, which increased by \$158,417 or 4.5%.

## Over \$700,000 Paid to Members in 2005

After assessing the year-end results, the Board of Directors approved a 3% patronage dividend and interest bonus to members in the amount of \$488,016. In addition, a 5% dividend was declared on Class D Voluntary Equity Shares, a 3% dividend on Class C Transaction Shares, and a 1.25% dividend on Class B Membership Equity Shares. These dividend payments totaled \$212,405. In fact, over the past 3 years (2003-2005) more than \$1.8 million was paid to members in dividends and bonuses.

Retained earnings at the end of the year were \$13.9 million compared to \$12.4 million in the previous year. The credit union's capital base was 20% of risk-weighted assets compared to 17% in 2004.

## MAJOR INITIATIVES

### New Location Planned for Sechelt Branch

Sunshine Coast Credit Union acquired property in Sechelt in 2005 and began the process of designing and developing a 9,500 square foot building to house the Sechelt Branch and the credit union's wholly owned subsidiary, SunCu Financial Services Inc. The new facility will provide members with the convenience of a drive-through ATM, as well as a lobby ATM, expanded parking, and elevator access to SunCu

Financial Services Inc., which will be located on the second floor. The building will reflect a west coast theme incorporating a combination of natural wood, concrete and glass. The exterior theme is brought into the interior through elegant wood features supplemented with contemporary steel and aluminum accents, and natural toned carpeting and floor tiling that evoke the nearby shoreline. The building will complement the Beach House Strata Development and the surrounding area. Completion of the project is expected near the end of 2006.

## New Logo and Brand Developed

At the June 2005 Strategic Planning Session the credit union's corporate identity was reviewed, resulting in a decision to proceed with the development of a revised logo and overall brand for implementation in 2006. In November the Board of Directors approved a logo design that was developed by Rosemary Cook and Associates under the direction of the credit union's management. The new corporate logo was unveiled to members in the January 2006 Member Bulletin. This year promises many exciting changes as we move through the gradual process of adapting our new look to many familiar credit union items, printed materials, outdoor signage, and our website. Out of respect for environmental considerations and cost efficiencies, we will attempt to deplete existing supplies before using new materials.

## Human Resources

Credit Union Central of British Columbia's Human Resource Department was retained in 2005 to assist with the development and implementation of a performance management system. This project updated the credit union's performance assessment procedures and practices, streamlined administration and improved the alignment of employee performance with corporate goals and objectives. Implementation of the project is expected to be completed in mid-2006.

## 6 Day Banking Introduced

In March 2005, the Sechelt Branch expanded its business hours to a six day week format. This change was introduced to provide increased service to members in our busiest branch and to specifically enhance service to our business accounts. Branch hours were changed from Tuesday through Saturday to Monday through Saturday. The extra day of service involved increasing the staffing complement for the branch and some changes in staffing structure.



**Tim Anderson**  
Chairperson



**Honourable Mention PHOTO by Michelle Sigurdson, Roberts Creek**

*"Gardening is a popular pastime for many Sunshine Coast residents and their bounty is evident in flourishing gardens everywhere."*

## CORPORATE GOVERNANCE

Directors Tim Anderson and Margaret Penney were re-elected to three year terms at the Annual General meeting in April 2005. Robert Miller, who was appointed to fill a vacancy in November 2004, was elected for a three year term. The Board of Directors re-elected Tim Anderson to the position of Chairperson. Brian Beecham was re-elected as 1st Vice-Chairperson and Karen Archer was re-elected as 2nd Vice-Chairperson.

## COMMUNITY PARTICIPATION AND PARTNERS

### Community Involvement

Sunshine Coast Credit Union places a high level of importance on corporate community involvement. We continued to provide financial support for numerous organizations and events on the Sunshine Coast throughout 2005. The third of four installments of \$25,000 was made to the Sunshine Coast Community Foundation in December. Donations totaling over \$72,000 were contributed in 2005 to non-profit organizations, bursaries, and community events in addition to non-financial support and volunteer time. The credit union was a proud sponsor of many events, including the Pender Harbour and Gibsons Landing Jazz Festivals, the Gibsons Landing Fibre Arts Festival, the Sechelt Family Arts Festival, the Sunshine Coast Festival of the Performing Arts, and the Pender Harbour Chamber Music Festival, to name only a few.

Financial support was also provided to notable community projects and organizations, such as the Dakota Ridge Project, the Sunshine Coast Salmonid Enhancement Society, Sprockids, The Coast Recital Society, and the Sunshine Coast Athletic Track Project.

### Community Partners

Sunshine Coast Credit Union continues to work closely with Community Futures Development Corporation of the Sunshine Coast to build capacity for economic development in the communities we serve. This is accomplished through the joint funding of a number of small businesses on the Sunshine Coast as well as through a portion of the credit union's \$1 million contribution to GrowthStart, a local business development fund. The credit union also participated in funding the start-up and a portion of the operating budget for the Gibsons and District economic development venture known as the Gibsons Community Initiative Association. The mandate of the GCIA is to help create the climate, the attitude, and the infrastructure that will welcome business success and make the economy strong.

## Staff and Board Participation

Giving at Sunshine Coast Credit Union goes far beyond financial contributions. Many of our directors, managers and staff give countless hours as volunteers and sit on boards and committees for organizations such as: The Rotary; Sechelt Economic Development Partnership; Citizens on Patrol; St. Mary's Hospital Foundation; Sunshine Coast Women's Resources Society; and all three local Chambers of Commerce. Numerous hours are also donated to junior athletics, community schools and childcare initiatives all benefiting youth on the Sunshine Coast.

### Success By 6®

Sunshine Coast Credit Union continues its participation in the Success By 6 locally based initiative which focuses on engaging communities in early childhood development and funding programs that strengthen services for young children and their families. In partnership with the United Way and the Ministry of Children and Family Development, the credit union is actively involved in the Early Childhood Development Planning Table of the Sunshine Coast and their mandate of determining where and how funds collected locally can best be spent to assist children and families in our communities.

## SERVICES AND TECHNOLOGY

We continued with ongoing upgrades to our servers, software and security to ensure we are technologically current with industry standards and innovations. Sunshine Coast Credit Union's participation in a Youth Research Project with Credit Union Central of BC will culminate in the introduction of new services and products in 2006 specifically targeting the 18 – 24 age group. Our financial planning subsidiary, SunCu Financial Services Inc. continues to grow its portfolio and now manages over \$30 million in funds for its clients.



**Honourable Mention PHOTO by Gayle Bennett, Gibsons**

*"The blush of a winter's morning with the snow-draped Coast Mountains as a backdrop and B.C. Ferry departing Langdale. Beautiful!"*

# REPORT FROM THE C.E.O. & CHAIRPERSON

## CELEBRATING 65 YEARS OF SERVICE

2006 marks our 65th year of service and commitment to the Sunshine Coast. In recognition of this milestone, and to celebrate our relationship with our members, the success of our communities, and the lifestyle we enjoy here on the Coast, we undertook a 65th Anniversary Photo Contest. Over 40 Coastal residents entered 93 images expressing what living on the Sunshine Coast means to them. In this annual report we've displayed the three winning entries, along with other 'honourable mention' images. Congratulations to first prize winner Karen Bowden (Chapman Creek Carving), second prize winner Lisa Schmidt (Gibsons Harbour), and third prize winner, Bob Dunn (Skookumchuk Rapids).

We are proud of the contribution our credit union has made to the well-being of our members and to the development and growth of our communities here on the Coast. We would like to thank all of our directors, staff and management for their commitment to our credit union and our communities.

***Truly, we are achieving great things together.***

Dale Eichar, *Chief Executive Officer*

Tim Anderson, *Chairperson, Board of Directors*

**3rd Prize PHOTO** by **Bob Dunn**, Halfmoon Bay

***"WARNING: The Skookumchuk Rapids, familiar to many hikers and boaters, have been known to cause extreme adrenaline rush and exhilaration!"***





***In 2005, over \$72,000 was contributed to non-profit organizations, bursaries and community events.***

- April Fools Run
- April Tools Wooden Boat Challenge
- BC Lions Society - 24 Hour Relay for the Kids
- BC's Childrens Hospital - Jeans Day
- Canadian Cancer Society - Relay For Life
- Canadian Children's Program
- Canadian Cooperative Association of BC  
- Youth Program
- Canadian Federation of University Women  
- Water Forum
- Candystripers Conference - St. Mary's Hospital
- Chatelech Secondary School
- Chatelech Secondary School Bursary
- Coast Recital Society
- Dakota Ridge Winter Recreation Society
- Driftwood Players - I'll Be Back Before Midnight
- Driftwood Players - On Golden Pond
- Egmont Volunteer Fire Department
- Eldercollege - Einstein Lectures
- Elphinstone Secondary School Bursary
- Elphinstone Secondary Graduation Committee
- Fall Tune-up Relay
- Gibsons & Area Community Centre
- Gibsons Community Initiative Association
- Gibsons Landing Fibre Arts Festival
- Gibsons Landing Jazz Festival
- Gibsons Minor Ball Association
- Gibsons Minor Softball League
- Gibsons Sea Cavalcade
- Hip Hip Hooray Annual Walk for  
Bone & Joint Health
- Home Care Seniors Dinner
- On the Edge Race Club
- Peaceful Schools Fundraiser
- Pender Harbour Blues Festival
- Pender Harbour Chamber Music Festival
- Pender Harbour Jazz Festival
- Pender Harbour Music Society
- Pender Harbour Secondary School Bursary
- Rainbow Preschool
- Rat Race
- Rotary Club
- Ruby Lake Lagoon Nature Reserve Society
- Sechelt Family Arts Festival
- Sechelt Legion Poppy Campaign
- Sechelt Polar Bear Play Day
- Sechelt Visitors Centre and Volunteer Centre
- Showcase of the Performing Arts
- Sprockids Mountain Bike Program
- Sunshine Coast Army Cadet Support Association
- Sunshine Coast Breakfast for Kids
- Sunshine Coast Chaos Girls Soccer
- Sunshine Coast Community Foundation
- Sunshine Coast Community Orchestra Association
- Sunshine Coast Festival of the Performing Arts
- Sunshine Coast Festival of the Written Arts
- Sunshine Coast Golf & Country Club  
- Ladies Golf Tournament
- Sunshine Coast Minor Hockey Association
- Sunshine Coast Panto-Musica Society  
- Wizard of Oddz
- Sunshine Coast Rotary TV Auction
- Sunshine Coast Salmon Enhancement Society
- Sunshine Coast Skating Club
- Sunshine Coast Summer School of Celtic Music
- Terry Fox Run
- Tetrahedron Club - Banff Mountain Film Festival
- West Sechelt Soccer
- Women's Soccer
- Yew Transition House

**Honourable Mention PHOTO** by **Dean Warner**, Roberts Creek

*"My daughter, reminding me how the Coast offers a kind of magical gateway to the natural world, full of spirit and gentle beauty."*

## AUDITORS' REPORT ON SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

### To the Members of Sunshine Coast Credit Union

The accompanying summarized consolidated balance sheet and consolidated statements of earnings and retained earnings and cash flows are derived from the complete consolidated financial statements of Sunshine Coast Credit Union as at December 31, 2005 and for the year then ended on which we expressed an opinion without reservation in our report dated January 27, 2006. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized consolidated financial statements.

In our opinion, the accompanying consolidated financial statements fairly summarize, in all material respects, the related complete consolidated financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized consolidated financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the credit union's financial position, results of operations and cash flows, reference should be made to the related complete consolidated financial statements.

New Westminster, Canada  
January 27, 2006

**GRANT THORNTON LLP**  
Chartered Accountants

## SUMMARIZED CONSOLIDATED BALANCE SHEET

December 31	2005	2004
<b>Assets</b>		
Cash resources	\$ 39,561,278	\$ 46,746,830
Loans	210,116,099	186,608,539
Investments and other	2,679,609	2,651,279
Premises and equipment	2,881,168	2,134,125
	<b>\$ 255,238,154</b>	\$ 238,140,773
<b>Liabilities and equity</b>		
Deposits	\$ 235,280,295	\$ 220,643,365
Payables and accruals	1,451,999	1,280,317
Equity shares	4,569,171	3,859,220
Retained earnings	13,936,689	12,357,871
	<b>\$ 255,238,154</b>	\$ 238,140,773

On behalf of the Board



Tim Anderson, Director



Brian Beecham, Director

## SUMMARIZED CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

Year Ended December 31	2005	2004
Financial income	\$ 13,319,384	\$ 11,885,590
Financial expense	5,973,634	5,315,330
Financial margin	7,345,750	6,570,260
Provision for credit losses	(140,191)	(180,000)
Other income	2,805,478	3,107,482
Operating margin	10,011,037	9,497,742
Operating expenses	7,302,272	6,995,216
Earnings before patronage dividend and income taxes	2,708,765	2,502,526
Patronage dividend	488,016	436,000
Earnings before income taxes	2,220,749	2,066,526
Income taxes	476,464	393,587
Net earnings	1,744,285	1,672,939
Dividends on equity shares (net)	(165,467)	(139,370)
Retained earnings, beginning of year	12,357,871	10,824,302
Retained earnings, end of year	<b>\$ 13,936,689</b>	\$ 12,357,871

## SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31	2005	2004
Cash flows provided by (used in)		
Operating activities	\$ 2,579,226	\$ 2,019,180
Financing activities	15,045,758	34,191,675
Investing activities	(24,810,536)	(22,105,532)
Net (decrease) increase in cash resources	(7,185,552)	14,105,323
Cash resources, beginning of year	46,746,830	32,641,507
Cash resources, end of year	<b>\$ 39,561,278</b>	\$ 46,746,830

A complete set of financial statements is available from the credit union.

Honourable Mention PHOTO by Karen Bowden, Sechelt Eagle in Estuary

# THANK YOU TO OUR STAFF FOR THEIR COMMITMENT



***Our staff are invaluable to the success of Sunshine Coast Credit Union and the contributions we make to the communities we serve.***

Liz Armstrong	Jaime Johnson	Betty Pockrant
Megan Bathgate	Stacey Johnston	Sue Prasloski
Tracey Benner	Erika Kay	Leona Quick
Dawn Bezaire	Jo-Ann Keith	Heather Reagh
Julie Brackett	Coral Kerpan	Melanie Reid
Linda Brooks	Sandy Killackey	Sue Reid
Audray Brown	Susan Knock	Stephanie Ross
Tammie Brown	Leanne Kobus	Patricia Rothenbush
Stephen Chang	Jeanene Krake	Ryan Ruggles
Maureen Collins	Jacaranda Kruckewitt	Sandy Scofield
Linda Conyers	Erin Lawson	Tracy Scoular
Rick Cooney	Renee Leech	Robyn Shaw
Tracy Cousins	Lyn Lemky	Sherron Shields
Sheila Craig	Cindy Letual	Ellen Shynuk
Elaine Crosby	Bonnie Lindsay	Geraldine Smith
Christina Cushieri	Vicki Lineker	Brenda Sopol
Rena Dave	Rachel Lizee	Kim Starnes
September Dixon	Marylou Lymer	Tari Taylor
Elizabeth Down	Kim Mansfield	Mary-Ann Thiessen
Stephanie Eaton	Marnie Marshall	Katrina Van Brabant
Dale Eichar	Michelle Martel	Lynda Vaughan
Cathy Elson	Loretta McDonald	Michelle Wainwright
Melanie Ewen	Diane McKay	Lori Walsh
Sandra Ewen	Janice McNevin	Janice Webb
Christine Farrell	Charly Mithrush	Barbara Wells
Colleen Gagne	Francine Morissette	Thereza West
Mary Grier	Anne Mundell	Linda White
Kristi Hatley	Gianna Nahanee	Shawna Wood
Shirley Hawitt	Avril Nemeth	Deborah Young
Lei Hazeldine	Debbie Nestman	Donna Zielasko
Susan Hendricks	Kathy O'Brien	
Debra Hovey	Kathy Patterson	
Beverly Hudson	Amy Perry	
Mark Hussey	Alicia Pickering	

**Honourable Mention PHOTO** by **Teresa Conyer**, Gibsons