

# *Invested* IN YOU.



2017 ANNUAL REPORT





As a Sunshine Coast Credit Union member, you earn a competitive interest rate on your savings and investments, while your money goes to work right here in our community. *Together, we enrich lives.*


# NOTICE — OF — AGM

**77<sup>th</sup> Annual General Meeting of  
Sunshine Coast Credit Union will be held on**  
Tuesday, April 24<sup>th</sup>, 2018, 7:00 pm  
Raven's Cry Theatre  
5555 Sunshine Coast Highway, Sechelt, BC

## AGENDA

1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes from the 76th AGM, held April 25, 2017
6. Business Arising out of the Minutes
7. Directors', CEO and Financial Report
8. Auditors' Report
9. Adoption of Reports
10. Report on Attendance
11. Directors' Election Results
12. Special Resolution Results
13. New Business
14. Appointment of Auditors
15. Motion to Authorize the Directors to Set the Audit Fee
16. Member Questions and Comments
17. Good and Welfare
18. Adjournment

Sunshine Coast Credit Union's Rules may be found online at [www.sunshineccu.com/Rules](http://www.sunshineccu.com/Rules)

A man with a beard, wearing a blue denim shirt, is leaning over a counter in a cafe. He is looking down at a coffee machine, which has a stainless steel funnel on top. In the background, there are shelves filled with stacks of brown paper coffee filters. The lighting is warm and focused on the man and the machine.

*We believe in you. Equipped with local market knowledge, tailored advice and decisions made right here on the Coast, we help entrepreneurs and non-profit organizations achieve their dreams, great and small.*

*We're here, to invest in you.*

As a member-owned financial institution, our purpose is built into our DNA: to continually improve the financial well-being of our members, and the well-being of our community. In doing so, we grow and thrive. Simply stated, investing in your financial health improves the credit union's financial health as well. This commitment is behind every decision we make, and every milestone we achieve. We are pleased to report that once again, your credit union has ended the year in a stronger financial position, and more confident in our future than ever.

In the financial services industry, change is a constant, and how we respond helps define and position us. Your team at Sunshine Coast Credit Union (SCCU) met and embraced a world of digital transformation this year, and we are making strides along our digital roadmap to provide a seamless, high-tech, high-touch service model for all of our members. With updated ATMs, a robust suite of new credit cards, key updates to our SCCU Mobile App, a recently launched Member Service Center,

digital investing options and the creation of new resources and expertise completely focused on enhancing the member experience, our investment has never been higher. Our goal is to aim higher, together, and that we did. We are committed to becoming the only financial institution you need, and we thank you for investing your trust with us.



**John Wiseman**  
Chairperson  
Board of Directors

**Shelley McDade**  
CEO  
Sunshine Coast Credit Union

## VISION

Together, we enrich lives and community on the Sunshine Coast.

## MISSION

We create value for members through:

- Strong financial performance
- Engaged, remarkable employees
- Collaborative and co-operative principles
- Unparalleled connection and support to community

## VALUES

*Integrity, Passion, Locally-driven*

For additional detail, view our reports online at [www.sunshineccu.com/Reports](http://www.sunshineccu.com/Reports) or request a copy in-branch:

**Governance Report** – meet your Board of Directors & Leadership Team.

**Community Enrichment Report** – learn more about our activities in the communities we serve.

**Management Discussion & Analysis Report** – learn more about SCCU's financial position.

**Financial Statements** – review consolidated financial statements.

## BOARD OF DIRECTORS

John Wiseman, Chairperson\*  
Richard Wilson, 1<sup>st</sup> Vice Chairperson  
Chris Fawcus, 2<sup>nd</sup> Vice Chairperson\*  
Sue Anne Linde, Member at Large\*  
Tim Anderson  
Betty Baxter  
Manjit Kang  
Cheryl McNicol

*\* Terms expire at the 2018  
Annual General Meeting*

## ELEVATING THE MEMBER EXPERIENCE

An exceptional member experience begins with knowledgeable, empowered employees. With the goal of building our members' financial health, we've continued to invest in our employees' learning and development in addition to introducing online tools and calculators that support us in providing you with personalized advice and a plan for the future.

In addition to introducing new expertise dedicated to building a stellar member experience throughout the organization, we continue to work closely with organizations such as Qtrade Advisor and The Co-operators to ensure convenient access to best in class expertise and products through SunCu Financial Services Inc and Sunshine Coast Insurance Services Inc.

Whether we're investing in-branch, delivering expertise right to your door or collaborating with others for added value, we have taken a proactive approach to ensuring that we're able to meet your needs at a time and place that works best for you.

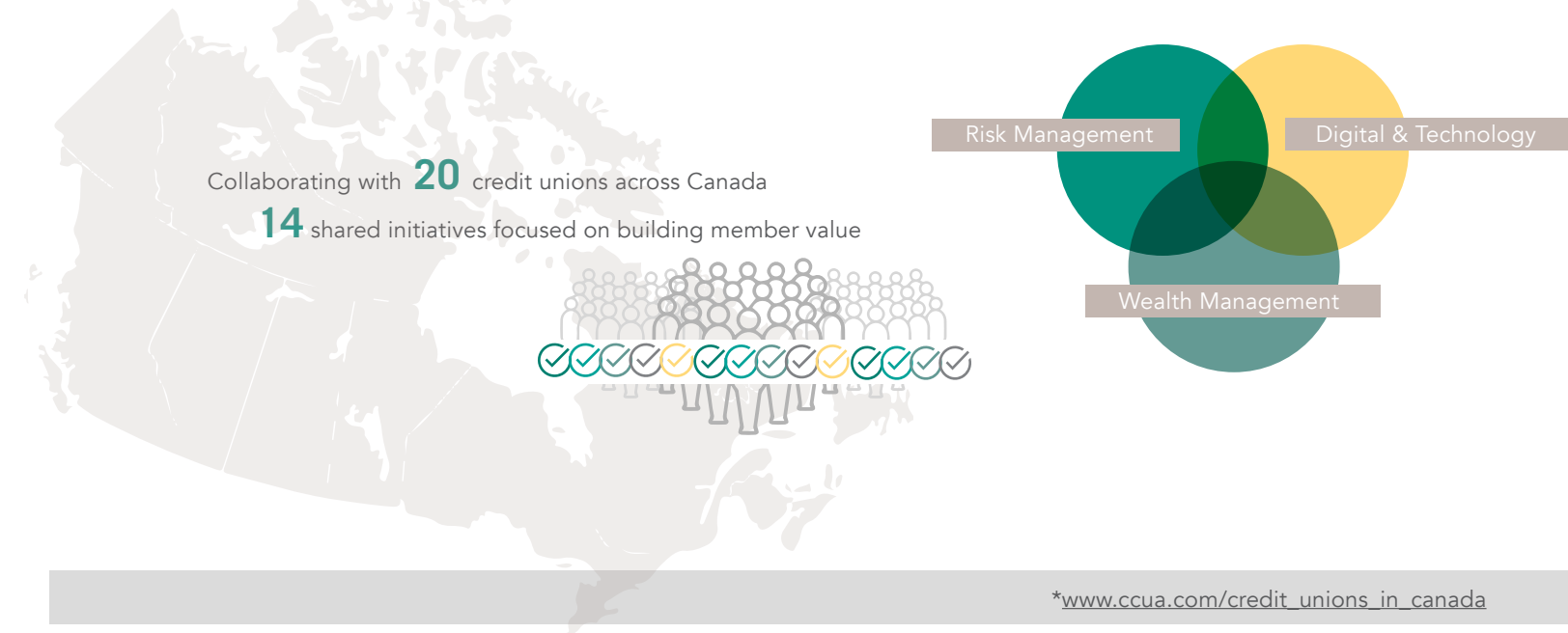


Securities are offered through Qtrade Advisor, a division of Qtrade Securities Inc., Member of the Canadian Investor Protection Fund.

\*Member Voice Survey 2017

## LEVERAGING OUR SHARED STRENGTH

Credit unions, together, manage the savings and investments of over 5.5 million people in Canada\*. There is real power in co-operation, and this year we dramatically expanded our collaboration with credit unions across the country to harness this power. This not only strengthens our ability to invest in best-in-class technology, wealth expertise, and risk management, but also creates a national force of best practice sharing, ensuring we are at par or better than any comparable institution in the market. Though Sunshine Coast Credit Union is a local, member-owned institution, we transcend our size and scale through our partnership with others.



## ENHANCING OUR DIGITAL ACCESS

Members are increasingly relying on technology for their daily transactional needs. We continue to invest in our digital offering including working collaboratively with other credit unions to build online tools that will save our members time. We recently replaced all of our branch ATMs for better dependability, introduced online robo-advice, and enhanced the features within our SCCU Mobile App. A new suite of credit cards launched in January of this year and we are now offering our business members a robust suite of payment services so you can accept payments virtually anywhere – online, in-store and in-field.

### DIGITAL INTERACTIONS



**4900+**  
members banking  
digitally each month



Access to **4000+**  
ding free<sup>®</sup> ATMs across the country



**18%** more members rating  
Live Chat as Excellent\*



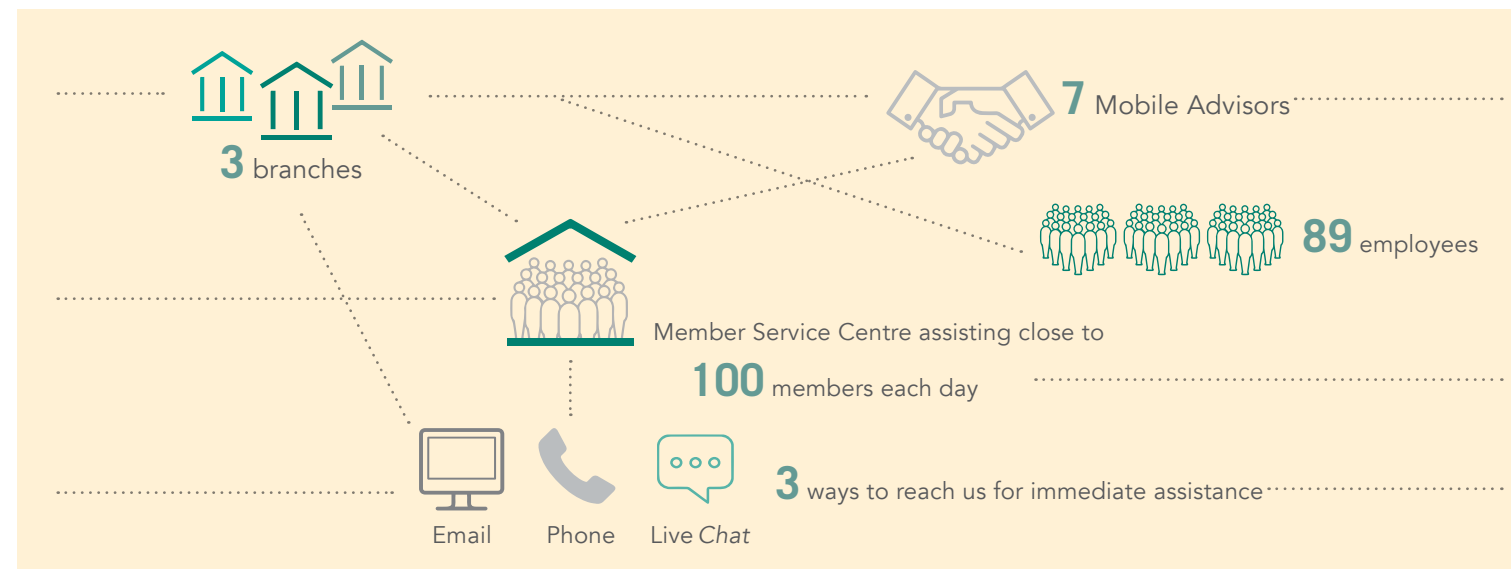
**9** digital ways to connect with us  
and access your finances

\*Member Voice Survey 2017

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## EXPANDING OUR PERSONAL SERVICE

Being able to access your finances and our advice digitally is a must-have. Just as important is making sure you can connect with us personally. This past year we opened the doors to our new Member Service Centre (MSC). Currently open during business hours, the MSC is a central hub that members can call, email or chat into and receive immediate personal assistance. We were also pleased to add to our mobile advisor complement, introducing a new financial advisor, meeting members at a time and place most convenient for them.



# Caring FOR OUR COMMUNITY.

Our strategic goals include building our connection in our communities. Last year's commitment was felt Coast-wide through our employees' volunteerism, representation on local boards and committees and the funds dedicated to the important work being done by our non-profit community. SCCU employees dedicated their time to facilitating financial literacy seminars locally, with the goal of helping people increase their money skills and make great financial decisions.

**\$114,500** or **3%**  
of our net operating  
income dedicated to  
community enrichment

**40** employees  
trained as  
financial literacy  
facilitators



**329** people reached through  
financial literacy initiatives

**84%** of members say  
they like doing business with  
us with us because of our  
community support\*

**91%** of members rate our  
community support as very  
good or excellent\*

**70+** initiatives funded

\*Member Voice Survey 2017

## FOCUSING ON OUR FINANCIAL STRENGTH

2017 continued a positive fiscal trend for your credit union. Targets for both lending and deposits were exceeded, contributing to a strong net income which in turn lifted retained earnings to \$36.7 million. Our capital adequacy remained stable and strong at 16.08%, well above the regulatory requirement of 8%, and it was a healthy year for member growth, with 1,146 new accounts opened. The organization achieved deposit growth of \$50.0 million (10.02%). Your continued investment in the form of deposits with us fuels our ability to meet lending demand, and to support a strong economy. Lending grew by \$73.5 million (14.82%) and we increased assets overall by \$76.7 million (13.65%), rounding out a financially successful year for your credit union.

*Where you choose to deposit your money, matters. Invest your dollars with SCCU and you're investing in your own community.*



**16,811** members

**Your deposits at work.**  
Through lending, we helped:



**73** businesses expand



**393** members to buy homes



# Our Future is Bright, Thanks to You

We operate within a dynamic landscape, and continue to meet the challenges and opportunities introduced by the digitization of our industry, a volatile interest rate environment, and new competition. We're continually assessing this landscape through a best in class risk framework. This framework allows us to monitor and mitigate the potential and emerging risks that face financial institutions today. Your Board of Directors monitors these risks closely in addition to reviewing the credit union's key performance indicators regularly.

Meeting our members' multi-generational needs is our priority and our innovative approach to planning enables us to anticipate and meet member needs of tomorrow. Our ability to bring value to you by building your financial health, introducing new products and services, and supporting our community will set us apart from the rest.

Our goal is to elevate your experience to a level that when you have a financial need, your choice is always clear. To do this, we need to hear from you. We ask for feedback throughout the year through our Member Voice survey and transactional surveys. To be included in these surveys, please be sure to provide us with your current email address or contact us for alternate ways to participate.

Thank you for choosing a locally-owned financial institution for your financial needs. Your choice matters. It creates employment, provides lending to your neighbours, and enables funds to be dedicated right back into this economy and community. This past year was successful in so many ways and we attribute this to our loyal members, dedicated employees and steadfast board of directors. We look forward to 2018 with enthusiasm and confidence.

**Our future is bright, thanks to you.**

**John Wiseman**  
Chairperson  
Board of Directors

**Shelley McDade**  
CEO  
Sunshine Coast Credit Union

## Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Sunshine Coast Credit Union,

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2017 and the summary consolidated statements of earnings and comprehensive income, changes in members' equity, and cash flows for the year then ended, are derived from the audited consolidated financial statements of Sunshine Coast Credit Union as at December 31, 2017. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 26, 2018. 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 International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Sunshine Coast Credit Union.

### 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 Article 128 of the Financial Institutions Act of BC.

### 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 Sunshine Coast Credit Union for the year ended December 31, 2017 are a fair summary of those consolidated financial statements, in accordance with Article 128 of the Financial Institutions Act of BC.

Vancouver, Canada  
February 26, 2018

**Grant Thornton LLP**  
Chartered Professional Accountants

Audit • Tax • Advisory  
Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd



### Summary Consolidated Statement of Financial Position

December 31	2017	2016
<b>Assets</b>		
Cash and cash equivalents	\$ 14,532,962	\$ 16,066,925
Loans	569,981,305	496,424,446
Investments and other assets	48,794,357	43,793,570
Property, equipment and intangible assets	5,208,082	5,532,089
<b>Total assets</b>	<b>\$ 638,516,706</b>	<b>\$ 561,817,030</b>
<b>Liabilities and members' equity</b>		
Borrowings	\$ 2,000,000	\$ -
Secured borrowings	44,692,812	23,606,981
Deposits	549,069,649	499,049,229
Payables and accruals	4,184,011	2,508,732
Patronage and investment shares	2,640,209	2,969,277
Retained earnings	36,695,842	33,478,373
Accumulated other comprehensive (loss) income	(765,817)	204,438
<b>Total liabilities and members' equity</b>	<b>\$ 638,516,706</b>	<b>\$ 561,817,030</b>

Signed on behalf of the Board of Directors by:



John Wiseman  
Chairperson



Richard Wilson  
1st Vice Chairperson

### Summary Consolidated Statement of Earnings and Comprehensive Income

Year ended December 31	2017	2016
Financial income	\$ 19,611,163	\$ 17,159,272
Financial expense	6,311,225	5,742,592
Financial margin	13,299,938	11,416,680
Provision on loans	391,034	326,562
Other income	3,322,233	3,060,902
Operating margin	16,231,137	14,151,020
Operating expenses	12,413,750	11,185,343
Earnings from operations	3,817,387	2,965,677
Distributions to members	9,157	6,463
Earnings before income taxes	3,808,230	2,959,214
Provision for income taxes	511,787	491,192
Net earnings for the year	3,296,443	2,468,022
Other comprehensive loss	(970,255)	(140,506)
<b>Total comprehensive income for the year</b>	<b>\$ 2,326,188</b>	<b>\$ 2,327,516</b>

### Summary Consolidated Statement of Changes in Members' Equity

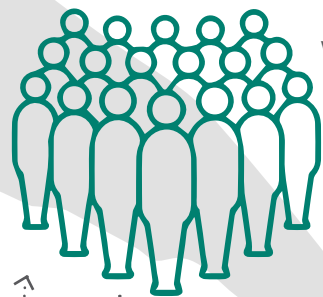
Year ended December 31, 2017	Patronage and Investment Shares	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
Balance on December 31, 2016	\$ 2,969,277	\$33,478,373	\$ 204,438	\$ 36,652,088
Net earnings	-	3,296,443	-	3,296,443
Other changes	(329,068)	(78,974)	(970,255)	(1,378,297)
<b>Balance on December 31, 2017</b>	<b>\$ 2,640,209</b>	<b>\$ 36,695,842</b>	<b>\$ (765,817)</b>	<b>\$ 38,570,234</b>

### Summary Consolidated Statement of Cash Flows

Year ended December 31	2017	2016
Cash derived from (applied to)		
Operating	\$ (19,368,438)	\$ (4,207,871)
Investing	(4,843,314)	(5,587,349)
Financing	22,677,789	19,020,161
Net (decrease) increase in cash resources	(1,533,963)	9,224,941
Cash resources, beginning of year	16,066,925	6,841,984
Cash resources, end of year	\$ 14,532,962	\$ 16,066,925

Any member or auxiliary member may obtain a free copy of the full financial statements at any branch of the credit union or through our website at [www.sunshineccu.com/Reports](http://www.sunshineccu.com/Reports). SCCU's Management Discussion and Analysis Report is also available online.

# The Local Economic Multiplier



When you become a **member**

**\$\$\$**

and **deposit** your dollars.

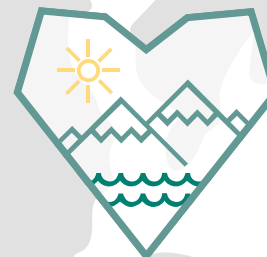


We employ people & **grow careers**



We lend out your dollars so people can buy **homes** or start their new **business**.

This builds a **thriving** local **economy** and a healthy Credit Union.



Attracting more members to **join us.**

Allowing us to


*Invest in you*

- New Products & Services
- Expertise
- Mobile Advisors
- Member Service Centre

and your

*Community.*

- Financial Literacy
- Non-Profit Support and Funding
- Social Impact Investing
- Volunteerism

 **Call:** 604.740.2662 or 1 800.320.4588

 **Chat:** [www.sunshineccu.com](http://www.sunshineccu.com)

 **Email:** [inquiries@sunshineccu.net](mailto:inquiries@sunshineccu.net)

 [sunshinecoastcreditunion](https://www.facebook.com/sunshinecoastcreditunion)

 [@SunshineCoastCU](https://twitter.com/SunshineCoastCU)

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Gibsons, BC V0N 1V8  
Fax 604.886.4831

### Sechelt Branch

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5655 Teredo Street  
Sechelt, BC V0N 3A0  
Fax 604.885.3278

### Pender Harbour Branch

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Madeira Park, BC V0N 2H0  
Fax 604.883.9475

### Administration Office

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Tel 604.885.3792  
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[suncu@sunshineccu.net](mailto:suncu@sunshineccu.net)  
[www.sunshineccu.com/SunCu](http://www.sunshineccu.com/SunCu)



**SunCu Financial Services Inc.**

A subsidiary of Sunshine Coast Credit Union

SunCu Financial Services Inc. is a subsidiary of Sunshine Coast Credit Union, offering wealth management services to members and clients.



[www.RhizaCapital.com](http://www.RhizaCapital.com)

Rhiza Capital is a joint initiative between Community Futures Sunshine Coast, Sunshine Coast Credit Union and Powell River Community Investment Corporation. Rhiza Capital supports and invests in community-based businesses.



Sunshine Coast Insurance Services Inc.

Sunshine Coast Insurances Services Inc. is an insurance agency jointly owned by Sunshine Coast Credit Union and Co-operators Insurance Agencies Limited. The Co-operators® used by Co-operators General Insurance Company under license from The Co-operators Group Limited.



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