

A scenic sunset over a body of water, with the sun low on the horizon and its reflection shimmering on the water. The foreground shows the bow of a boat, partially illuminated by the golden light of the setting sun. The sky is a mix of orange and yellow, and the water is calm with gentle ripples.

# *70 Years on the Coast*

Sunshine Coast Credit Union  
**2010** ANNUAL REPORT

## Notice of Annual General Meeting

The 70th Annual General Meeting of Sunshine Coast Credit Union will be held **Wednesday, April 27th, 2011, at 7:30 p.m.**

LOCATION: Seniors Activity Centre  
5604 Trail Avenue,  
Sechelt, B.C.

*Celebrating 70 Years  
on the Coast*

## Agenda

1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes of the 69th AGM, held April 28, 2010
6. Business Arising Out of the Minutes
7. Directors' Report
8. Financial Report
9. Auditors' Report
10. Chief Executive Officer's Report
11. Adoption of Reports
12. Report on Attendance
13. Directors' Election Results
14. New Business
15. Appointment of Auditors
16. Motion to Authorize the Directors to Set the Audit Fee
17. Good and Welfare



Shelley McDade,  
CEO

# 70 Years on the Coast

## REPORT FROM THE CEO AND THE BOARD OF DIRECTORS



Bernie Bennett,  
Chairperson

**A** *Almost seventy years ago* a small group of people cheered when the Roberts Creek Credit Union was certified for operation. This brought the Credit Union movement to the Sunshine Coast and started a seventy-year relationship with members, coastal communities and citizens. In that era, the average person did not have access to common banking facilities. Credit Unions provided the platform for many Canadians to plan for and invest in their financial future.

On the year of Sunshine Coast Credit Union's 70th anniversary one of our founding members, Lenora Inglis, remembers – "My husband was one of the first directors of the Credit Union. I remember when we held the meetings at our kitchen table. We would gather deposits and then help our neighbours by lending them money to buy horses and other farm stock. We worked together to build a stronger community. The Coast was a lot different back then, but I'd like to think we helped make it what it is today."

The Roberts Creek Credit Union merged with both the Port Mellon Credit Union and the Pender Harbour Credit Union to form Sunshine Coast Credit Union. Today 17,000 members use the services of the Credit Union.

Since inception, the Credit Union has been guided by a set of principles that we continue to be proud of and honour today;

- we ensure member's assets are safe
- we treat members like cherished co-owners
- we treat employees fairly
- we share profits with stakeholders, when it is financially prudent

2010 was a banner year for Credit Union stakeholders starting with the modernization of the core banking system. The legacy system was twenty years old and support was being discontinued in 2011. This spurred the Credit Union to find new software that would continue to protect member information and assets now and into the future.

The process of switching core banking systems is complex; however with the invaluable help of our employees and members we experienced a very smooth transition.

Financially, the Credit Union performed very well in both earnings and profit. The boost in earnings was due to larger than predicted



**Founding member Lenora Inglis**

*“In the early days of the credit union, we held the meetings at our kitchen table. We would gather deposits and then help our neighbours by lending them money to buy horses and other farm stock. We worked together to build a stronger community.”*

# 70 Years on the Coast

growth in deposits to savings and chequing accounts, totaling \$21,485,090 or 15.25%. The economy on the Coast remained subdued and this impacted housing sales, mortgages and construction. Personal loan and mortgage growth was modest throughout the year at 1.20%. We did see gains in small business this year, which benefited the Credit Union, as commercial mortgages and loans grew by \$6,509,402 or 14.30%. Operating expenses increased by 11.8%, primarily due to the upgrade of the core banking system and associated projects. The conversion cost \$1,152,740 and will carry additional amortized costs into future years. All of these activities generated an operating income of \$2,618,915 which was 19% higher than 2009.

This additional revenue enabled the Credit Union to share \$589,302 in profits with members, bringing the six year total to over \$2.2 million. Member equity shares were paid dividends of 1.25% and investment shares were paid dividends of 3.50%. Throughout the year, over 60 non-profit organizations received donations to support their causes. Over \$60,000 was contributed to worthy initiatives in the arts, economic development, youth, seniors, health care and education.

Our first branch in Roberts Creek ©1950.

In summary, it was a great year for Sunshine Coast Credit Union. We are grateful to our members for choosing the Credit Union and to our employees for their commitment and dedication. We would like to thank the Directors of the Credit Union for their continued leadership, wisdom and guidance.

It is through all stakeholders' support that Sunshine Coast Credit Union remains a strong financial institution, a principled employer and a responsible corporate citizen.

Bernie Bennett – Chairperson, Board of Directors  
Shelley McDade – CEO, Sunshine Coast Credit Union







**From one of our first  
to one of our newest members**

*Sunshine Coast Credit Union has been part of building  
a stronger Coast community for over 70 years. We look  
forward to continuing to serve all of our members  
– from one of our first, to one of our newest.*

## BOARD OF DIRECTORS

At the April 2010 Annual General Meeting, Directors Bernie Bennett and Elfie Hoffman were re-elected to three year terms.

The Credit Union welcomed two new directors this year: John Wiseman for a two year term and Richard Wilson for a three year term. Welcome!

We say goodbye and a heartfelt thank you to Brian Beecham and Stan Anderson for all their service and dedication to the Credit Union Board.

Brian joined the Board in 1998 and served as Chairperson, while also serving on all committees during his tenure. Stan joined the Board on two occasions, once between 1986 and 1995 and again between 2003 and 2010, and served on all committees as well. We thank you both for your years of commitment and wish you the best in your future endeavours.

## *70 Years on the Coast*

Our newest branch in Sechelt, completed in 2007.

## 2010 Board of Directors

Bernie Bennett, Chairperson  
Tim Anderson, 1st Vice Chairperson\*  
Karen Archer, 2nd Vice Chairperson  
Harris Cole  
Elfie Hofmann  
Robert Miller\*  
Margaret Penney\*  
Richard Wilson  
John Wiseman

*\* Terms expire at the 2011 Annual General Meeting.*



## 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 balance sheet as at December 31, 2010, the summary consolidated statements of earnings and comprehensive income, changes in retained earnings and accumulated other comprehensive income, 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, 2010. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 16, 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 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 B.C.

### **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, 2010, are a fair summary of those consolidated financial statements, in accordance with Article 128 of the Financial Institutions Act of B.C.

Vancouver, Canada  
February 16, 2011

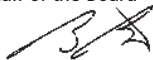
GRANT THORNTON LLP  
Chartered Accountants



## Summary Consolidated Balance Sheet

December 31	2010	2009
<b>Assets</b>		
Cash resources	\$ 63,803,058	\$ 58,168,367
Loans	283,140,280	274,003,638
Investments and other	1,613,454	1,535,186
Premises and equipment	6,654,590	6,583,975
	<b>\$355,211,382</b>	<b>\$340,291,166</b>
<b>Liabilities and Members' Equity</b>		
Deposits	\$327,542,651	\$314,362,645
Payables and accruals	1,270,191	948,917
Equity shares	4,323,615	4,440,265
Retained earnings	22,067,644	20,486,040
Accumulated other comprehensive income	7,281	53,299
	<b>\$355,211,382</b>	<b>\$340,291,166</b>

On behalf of the Board



Bernie Bennett, Director



Richard Wilson, Director

## Summary Consolidated Statements of Earnings and Comprehensive Income

Year Ended December 31	2010	2009
Financial income	\$15,120,962	\$15,036,853
Financial expense	5,432,315	6,958,541
Financial margin	9,688,647	8,078,312
Provision for credit losses	(325,837)	(222,836)
Other income	2,843,310	2,919,329
Operating margin	12,206,120	10,774,805
Operating expenses	9,587,205	8,576,443
Earnings before dividend and income taxes	2,618,915	2,198,362
Patronage and other dividends	585,710	4,325
Earnings before income taxes	2,033,205	2,194,037
Income taxes	326,794	344,818
Net earnings	1,706,411	1,849,219
Other comprehensive loss, net of tax	(46,018)	(63,337)
Comprehensive income	<b>\$1,660,393</b>	<b>\$1,785,882</b>

## Summary Consolidated Statement of Changes in Retained Earnings and Accumulated Other Comprehensive Income

Year Ended December 31	2010	2009
Retained Earnings		
Balance, beginning of year	\$20,486,040	\$18,773,746
Net earnings	1,706,411	1,849,219
Dividends on equity shares, net of tax	(124,807)	(136,925)
Balance, end of year	\$22,067,644	\$20,486,040
Accumulated other comprehensive income (AOCI), net of tax		
Balance, beginning of year	\$ 53,299	\$ 116,636
Other comprehensive loss, net of tax	(46,018)	(63,337)
Balance, end of year	\$ 7,281	\$ 53,299

## Summary Consolidated Statement of Cash Flows

Year Ended December 31	2010	2009
Cash flows provided by (used in)		
Operating activities	\$ 2,483,814	\$ 1,853,909
Financing activities	13,090,326	26,524,027
Investing activities	(14,006,160)	(15,006,718)
Net increase in cash resources	1,567,980	\$ 13,371,218
Cash resources, beginning of year	22,434,159	9,062,941
Cash resources, end of year	\$24,002,139	\$22,434,159

*A complete set of financial statements is available from the Credit Union.*

A long-exposure photograph of a waterfall cascading over mossy rocks. The water is blurred into vertical streaks, creating a sense of motion and tranquility. The rocks are dark and covered in vibrant green moss. The text "70 Years on the Coast" is overlaid in a white, elegant cursive font, centered in the upper half of the image.

*70 Years on the Coast*

## Sunshine Coast Credit Union

### Gibsons Branch

P.O. Box 715  
985 Gibsons Way  
Gibsons, B.C. V0N 1V0  
Telephone 604-886-8121  
Fax 604-886-4831  
Toll-free 1-800-734-6204  
gibsonsbranch@sunshineccu.net

### Pender Harbour Branch

P.O. Box 28  
12887 Madeira Park Road  
Madeira Park, B.C. V0N 2H0  
Telephone 604-883-9531  
Fax 604-883-9475  
Toll-free 1-866-883-9531  
penderbranch@sunshineccu.net

### Sechelt Branch

P.O. Box 375  
5655 Teredo Street  
Sechelt, B.C. V0N 3A0  
Telephone 604-885-3255  
Fax 604-885-3278  
Toll-free 1-800-320-4588  
secheltbranch@sunshineccu.net

### Administration Office

P.O. Box 799  
985 Gibsons Way  
Gibsons, B.C. V0N 1V0  
Telephone 604-886-2122  
Fax 604-886-0797  
Toll-free 1-866-886-2132  
administration@sunshineccu.net

## SunCu Financial Services Inc.

*A subsidiary of Sunshine Coast Credit Union*

suncu@sunshineccu.net

### Gibsons Office

P.O. Box 859  
#3-985 Gibsons Way  
Gibsons, B.C. V0N 1V0  
Telephone 604-886-8533  
Fax 604-886-4549

### Pender Harbour Office

P.O. Box 28  
12887 Madeira Park Road  
Madeira Park, B.C. V0N 2H0  
Telephone 604-883-6820  
Fax 604-883-9475

### Sechelt Office

P.O. Box 490  
5655 Teredo Street  
Sechelt, B.C. V0N 3A0  
Telephone 604-885-3792  
Fax 604-885-4763



**Sunshine Coast**  
**CREDIT UNION**

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

## PHOTOGRAPHS

Cover photo and inside back cover  
by Greg Lightbourn

Page 2 and page 4 photos  
by Mario Traina

*70 Years*  
*on the Coast.*