



2011

ANNUAL REPORT



Sunshine Coast Credit Union

Cover photo
©iStockphoto.com
- Thomas Vogel

Photographs,
panels 5 and 6,
by Justin Samson

Securities and securities related financial planning services are offered through Qtrade Advisor, a division of Qtrade Securities Inc., Member of the Canadian Investor Protection Fund.



**Sunshine Coast
CREDIT UNION**

AGENDA

Notice of Annual General Meeting

The **71st Annual General Meeting** of Sunshine Coast Credit Union will be held **Wednesday, April 25th, 2012, 7:30 p.m.**

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

2011 BOARD OF DIRECTORS

Bernard Bennett, Chairperson
John Wiseman*, 1st Vice Chairperson
Robert Miller, 2nd Vice Chairperson
Tim Anderson
Karen Archer*
Glen Bonderud
Harris Cole*
Elfie Hofmann
Richard Wilson

* Terms expire at the 2012 Annual General Meeting.

1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes of the 70th AGM, held April 27, 2011
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
- Credit Union Special Resolutions
14. Appointment of Auditors
15. Motion to Authorize the Directors to Set the Audit Fee
16. Good and Welfare

PENDER HARBOUR JAZZ FESTIVAL • COASTER MOUNTAIN BIKE RACE • THE KERPLUNKS CONCERT • THE FUNTASTICS VAUDEVILLE SHOW • THE COAST RECITAL SOCIETY • SPROCKIDS • SC SALMONID ENHANCEMENT SOCIETY • GIBSONS CURLING CLUB • SC AVALON SOCIETY • SC MINOR HOCKEY ASSOCIATION • PENDER HARBOUR LIVING HERITAGE SOCIETY • PENDER HARBOUR BLUES FESTIVAL • GIBSONS PUBLIC ART GALLERY • HABITAT FOR HUMANITY • SC CONSERVATION ASSOCIATION • CHATELECH STUDENT TRIP TO SENEGAL • VOICE • SPECIAL OLYMPICS FUNDRAISER • VISITOR INFORMATION PARK • CAPILANO UNIVERSITY/ALUMNI ASSOCIATION • TOGETHER AGAINST VIOLENCE • SC EARLY YEARS FAIR • SC FESTIVAL OF THE PERFORMING ARTS • GIBSONS LANDING JAZZ FESTIVAL • SC PULLING TOGETHER 2011 • SC COMMUNITY ORCHESTRA SOCIETY • MAY DAY CELEBRATION • ST. MARY'S HOSPITAL AUXILIARY • PENDER HARBOUR GARLIC FESTIVAL • GREAT OUTDOOR MOVIE EVENT • BC COOPERATIVE ASSOCIATION - YES YOUTH CAMP • SUNSHINE COAST SEA CAVALCADE SOCIETY • LEARN TO SAIL PROGRAM - GIBSON YACHT CLUB • SC FRUIT TREE PROJECT • SC GIRLS SOFTBALL • SC TRAIL SOCIETY • ROBERTS CREEK COMMUNITY ASSOCIATION • LES PETITS DU PACIFIQUE • COAST LONGBOARDING • "BAD TO THE BOW" COAST STRING FIDDLERS • PENDER HARBOUR MUSIC SOCIETY • SHROOM • CANADARES • BC SCHIZOPHRENIA SOCIETY • LEARN TO PLAY HOCKEY SCHOOL • SUNSHINE COAST ART CRAWL • DEER CROSSING THE ART FARM - SYNCHRONICITY FESTIVAL • SC FESTIVAL OF THE WRITTEN ARTS • CRIME STOPPERS • SECHELT FESTIVAL OF THE ARTS • DEMPSTER FOUNDATION • SHOWCASE OF THE PERFORMING ARTS • ROBERTS CREEK MANDELA PROJECT • SUNSHINE COAST MUSIC SOCIETY • COASTERS CAR CLUB • SUNSHINE COAST BOTANICAL GARDEN SOCIETY • GIBSONS & DISTRICT LIBRARY FOUNDATION • COPS FOR CANCER • SC FILM SOCIETY • SC EQUESTRIAN SOCIETY • SC ROTARY • DONATIONS CANADA • BANANA PEPPERS SOCCER TEAM • GIBSONS ELEMENTARY SCHOOL PAC • TETRAHEDRON OUTDOOR CLUB • SC HOSPICE SOCIETY • THE SALVATION ARMY • DRIFTWOOD PLAYERS • RIDE TO CONQUER CANCER • MARYLOU LYMER MEMORIAL HOCKEY TOURNAMENT • COAST PHOENIX SINGERS • SC ARMY CADET SUPPORT ASSOCIATION. PENDER HARBOUR CHAMBER MUSIC FESTIVAL • COASTER MOUNTAIN BIKE RACE • HOP SCOTCH • RUBY SLIPPER FUND • SECHELT FIRE DEPARTMENT - COMMUNITY SAFETY NET • COAST RECITAL SOCIETY • DEER CROSSING THE ART FARM - THE REACH INITIATIVE • ST. MARY'S HOSPITAL FOUNDATION • TEDXSECHELT • HIGH SCHOOL YEARBOOKS • HIGH SCHOOL BURSARIES • KIDSPORT



THE RIPPLE EFFECT

EXECUTIVE REPORT



Shelley McDade,
CEO

Bernie Bennett,
Chairperson

The ripple effect. Intentionally or unintentionally, the choices we make each day create an impact, on the people, environment and communities surrounding us. Although a ripple can seem somewhat small and insignificant when compared to a white-capped wave, in the right setting, the repetitive and collective nature of a tiny swell can be just as influential and perhaps even more powerful. In this year's Annual Report, we asked our employees to tell us more about the ripples they've chosen to create in their communities. Their stories have truly inspired us.

As a ripple-creating organization, we share a proud commitment to our cooperative values; it's what sets us apart as a different kind of financial institution. Our values include *providing competitive, quality financial services to members while enhancing the communities we serve*. When an individual decides to join Sunshine Coast Credit Union, or when existing members choose to bring even more business to us or refer their friends and family, the ripple is set in motion.

The more people we serve, the more profit we can generate and share with members in the form of patronage (profit sharing) and with the community at large. We know that this is important to you. In fact, member survey results indicate that 90% of members feel it is important for us to be socially responsible and

89% are satisfied with the support we provide to the community today.

It is directly through the support of our members that we were able to put over one million dollars right back into our Sunshine Coast communities in 2011. These contributions took the form of patronage, member support, community giving and education, as we:

- partnered with local non-profits to develop *Money Skills*, a financial literacy program, available to all residents free of charge.
- contributed over \$119,000 to local organizations, charities and events. (see below)
- commissioned a report that forecasts the Coast's demographics and economy in the next ten years (available on our website).
- returned over \$850,000 to members in dividends and patronage rebates, money that is re-injected into our communities through the purchase of local goods and services.
- delivered complimentary educational programs to Coast non-profits to make them stronger, and in turn, make our communities stronger.
- waived \$56,400 in service fees for 470 non-profit organizations, leaving more funds available to support their respective causes.

continued



"I was able to compete in swimming here on the Coast because someone else volunteered to coach me. Now I volunteer so that others can swim."

Brent Collins

Member Service Representative, Gibsons Branch

COACH, Chinook Swim Club, 4 years

A local, volunteer-run swim club that focuses on teaching swimming as a lifelong activity. Thirty swimmers strong, it has been part of the Sunshine Coast for over 30 years.



"I work and live in an amazing little community and the saying here is "It takes a community". It really does, and I am proud to be part of it."

Loretta McDonald

Assistant Branch Manager, Pender Harbour Branch

CHAIR, Pender Harbour Community School, 4 years

A self-sustaining organization that works in collaboration with individuals and groups to support a vibrant, healthy community including education and skills development.



"It is always an amazing experience to bring someone the calm, serenity and healing that comes from song."

Caroline Farley,

Operations Clerk, Administration Office

BEDSIDE SINGER, Threshold Choir, 2 years

A local women's group dedicated to singing at the bedsides of those who are at the threshold of life and death; at home, in hospitals, hospice, and extended care facilities.

We also invested in the Credit Union to continue to improve our members' experience. Enhancements were made in our wealth management subsidiary, SunCu Financial Services Inc. including increasing client meeting space, transitioning to Qtrade Advisor, and welcoming a respected and well-known local financial planner to serve our Gibsons location.

Convenience was a second area of investment. In addition to a refreshed website that allows for better navigation and access to more information, we enhanced our mobile banking offering. This included the addition of a mobile web browser and the launch of *Mobile Alerts*, a way for members to receive automatic notifications on their cell phones, creating both a convenience as well as protection from online banking fraud.

We conducted research throughout the year in the areas of service and patronage. We are pleased that 85% of members are happy with our service and that 88% said they are likely to recommend us to family and friends. Close to 70% of members told us that patronage was an important aspect of belonging to the Credit Union. The economy, investment needs of the Organization and corporate growth all contribute to our ability to share profits and in some years these requirements may preclude this payment. However, we have heard our members very clearly – if the Credit Union is in a position to share its profits, please do!

continued


Although the economy did not recover at the rate anticipated, the support of our membership combined with careful financial management resulted in yet another stellar financial year for your Credit Union. We continue to be very strong financially with a capital base of \$30,000,000, almost 300% above regulatory requirement. Growth in deposits and loans continued at a modest pace which is to be expected with current global and local economic conditions. Our activities generated a net operating income of \$1,960,046 in addition to allowing the Organization to pay out over \$700,000 in patronage – the highest paid in our history. Dividends were also paid on equity shares for a total of \$850,000 flowing right back to our members.

The financial statements enclosed look slightly different this year as we are now reporting using the International Financial Reporting Standards format, a regulatory requirement that has been implemented in an effort to provide consumers with more transparent financial information.

2011 was a strong year for Sunshine Coast Credit Union. In addition to being grateful for our members' support, we would like to thank our employees who are the cornerstone of the Organization's success and our Directors for their leadership, guidance and service. As we head into 2012, the Year of the Cooperatives, we'll continue to be a leader in creating ripples on the Sunshine Coast; we invite you to join us.

Bernie Bennett,
Chairperson, Board of Directors

Shelley McDade,
CEO, Sunshine Coast Credit Union



"If I want to live in a great community, I need to take part and make it a great community."

Janice Webb

Small Business Loan Officer, Sechelt Branch

ROTARIAN, Rotary Club of the Sunshine Coast, 5 years

A service organization on the Sunshine Coast for over twelve years, Rotary is dedicated to raising funds for local and international projects.




"I think it teaches valuable lessons to my two sons to see both my husband and I volunteering our time."

Marnie Marshall

Teller, Gibsons Branch

TREASURER, Jack and Jill Pre-School, 3 years

A non-profit parent participation pre-school offering pre-kindergarten programs for 51 children each year, it has been serving the community for 41 years.



"It is my hope, that by sharing my knowledge, I can help my fellow Coast residents feel empowered in their financial situation."

Raylene Brooks

Financial Services Representative, Pender Harbour Branch

FACILITATOR, Money Skills Financial Literacy Program, 1 year

A complimentary four-module program focused on increasing the money skills and knowledge of Coast residents in an effort to improve financial decision making.

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, 2011, 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, 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 22, 2012. 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 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, 2011, 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 22, 2012

Grant Thornton
Chartered Accountants

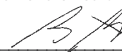
Summary Consolidated Statement of Financial Position


December 31	December 31 2011	December 31 2010	January 1 2010
		(unaudited)	(unaudited)
Assets			
Cash and cash equivalents	\$ 18,727,739	\$ 24,002,143	\$ 22,434,159
Loans	302,386,780	283,140,280	274,003,638
Investments and other	34,793,258	41,414,369	37,269,394
Premises, equipment and intangibles	6,393,320	6,510,052	6,451,539
	\$362,301,097	355,066,844	\$340,158,730

Liabilities and Members' Equity

Deposits	\$333,516,637	\$327,542,651	\$314,362,645
Payables and accruals	1,246,463	1,270,191	948,917
Equity shares	4,168,952	4,323,615	4,440,265
Retained earnings	23,342,898	21,923,106	20,353,604
Accumulated other comprehensive income	26,147	7,281	53,299
	\$362,301,097	\$355,066,844	\$340,158,730

On behalf of the Board


Bernie Bennett, Director


Richard Wilson, Director

Summary Consolidated Statement of Earnings and Comprehensive Income

Year Ended December 31	2011	2010
		(unaudited)
Financial income	\$15,212,293	\$15,120,962
Financial expense	4,891,952	5,758,152
Financial margin	10,320,341	9,362,810
Other income	2,472,017	2,843,310
Operating margin	12,792,358	12,206,120
Operating expenses	10,832,312	10,185,017
Earnings before income taxes	1,960,046	2,021,103
Income taxes	430,584	326,794
Net earnings	1,529,462	1,694,309
Other comprehensive income (loss), net of tax	18,866	(46,018)
Comprehensive income	\$ 1,548,328	\$ 1,648,291

Summary Consolidated Statement of Changes in Members' Equity

Year Ended December 31	Members' shares	Retained earnings	Accumulated other comprehensive income	Total
Balance at Jan. 1, 2010 (unaudited)	\$4,440,265	\$20,353,604	\$53,299	\$24,847,168
Net income	–	1,694,309	–	1,694,309
Other changes	(116,650)	(124,807)	(46,018)	(287,475)
Balance on Dec. 31, 2010 (unaudited)	\$4,323,615	\$21,923,106	7,281	\$26,253,997
Net income	–	1,529,462	–	1,529,462
Other changes	(154,663)	(109,670)	18,866	(245,467)
Balance on Dec. 31, 2011	\$4,168,952	\$23,342,898	\$26,147	\$27,537,997

Summary Consolidated Statement of Cash Flows

Year Ended December 31	2011	2010
		(unaudited)
Cash flows provided by (used in)		
Operating activities	\$ 2,285,609	\$ 2,499,480
Investing activities	(7,295,680)	(690,039)
Financing activities	(264,333)	(241,457)
Net (decrease) increase in cash resources	(5,274,404)	1,567,984
Cash resources, beginning of year	24,002,143	22,434,159
Cash resources, end of year	\$18,727,739	\$24,002,143

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