

Sunshine Coast Credit Union 2009 ANNUAL REPORT

PHOTOGRAPHS

Top: Local band The Rakish Angles perform at the **Gibsons Landing Jazz Festival**. Left to right are Boyd Norman, Serena Eades, Simon Hocking, Dan Richter.

Bottom: Everyone celebrated at the grand opening of the **Cedar Grove Accessible Play Park**.

Photos by Duane Burnett.



Notice of Annual General Meeting

The 69th Annual General Meeting of Sunshine Coast Credit Union will be held on **Wednesday, April 28th, 2010** at **7:30 p.m.** at the:

Seniors Activity Centre

5604 Trail Avenue, Sechelt, B.C.

A G E N D A

1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes of the 68th AGM, held April 29, 2009
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

2009 BOARD OF DIRECTORS

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

** Terms expire at the 2010 Annual General Meeting.*



Shelley McDade,
CEO

REPORT

FROM THE CEO AND THE BOARD OF DIRECTORS



Bernie Bennett,
Chairperson

In reflecting on the nearly 70 years that Sunshine Coast Credit Union has been providing financial services, we are grateful to our members for their support and we are proud of our connection to our communities. Our relationship with the communities we serve is the foundation of our success. 2009 proved to be another year where success came shining through for our organization and our communities.

Our financial performance was similar to prior years even with a slow and uncertain economic landscape. Loan growth was modest at 1.55% which was a reflection of a reduction in construction industry activity and the general hesitancy of buyers to proceed with plans. Conversely, the introduction of 100% Deposit Insurance by the Credit Union Deposit Insurance Corporation of British Columbia drove more members to choose our Credit Union as a home for their investments, fueling deposit growth to 9.63%.

Overall we posted net earnings of \$1.8 million, pushing retained earnings to \$20,486,040 (76% of the Credit Union's capital base). Capital adequacy is now over 21%, placing Sunshine Coast Credit Union as one of the most highly capitalized credit unions in the Province. Strong financial performance and capital fundamentals are the legacy of Dale Eichar our CEO for 28 years. Dale retired on January 31, 2010 and through his diligent stewardship he has left the organization well poised for the next chapter of growth and innovation. Hats off to you Dale – we thank you for your incredible commitment and dedication and wish you the very best in your retirement.

At the April 2009 Annual General Meeting, directors Karen Archer, Stan Anderson and Harris Cole were each re-elected to three year terms on the Board. The Board of Directors then elected myself, Bernie Bennett as Chairperson, Tim Anderson as 1st Vice-Chairperson and Karen Archer as 2nd Vice-Chairperson.

As the cycle goes, when the Credit Union does well it shares that success with members and the community. Member Equity D shares received a dividend of 3.50% which was paid on January 1, 2010. This year saw over \$108,000 being donated throughout the Coast to many organizations involved in the arts, healthcare, programs for seniors and youth, sports, culture, education and economic development. The Board was particularly pleased to commit \$50,000 to the new seniors' independent living facility being championed by the Sunshine Coast Lions Housing Society. Over the last seven years charitable donations have totaled over \$665,000. In addition, each

branch participated in and co-ordinated a series of non-profit fundraisers. Sunshine Coast Credit Union employees and directors dedicated countless hours of service to a myriad of worthy Coast endeavors.

Our Vision is to be "the most progressive and valued financial services provider and community partner on the Sunshine Coast." To achieve this Vision we believe that we must develop long term relationships with our members and be their chosen, trusted financial advisors. In 2009 we embarked upon several initiatives that will move us closer to our goal, starting with our banking system conversion. This project impacts every aspect of our organization and will allow us more flexibility and member customization. The conversion will be completed by the 3rd quarter of 2010.

To further enhance our service levels each branch extended their hours by opening at 9:30 a.m. which ultimately provided 125 more hours of service in Gibsons and Pender Harbour and 151 additional hours in Sechelt annually. The Gibsons Branch was renovated to enhance privacy and provide more space for member interactions. This renovation completes a series of branch upgrades all designed to provide a comfortable and private setting for members to conduct business.

Each employee committed to and completed education on enhancing the member experience and providing customized service solutions so that we may continue to earn the trust of our members as their chosen financial advisor. In our continued endeavors to soften the Credit Union's environmental footprint, we introduced mobile banking, E-statements which encourage members to opt out of printed statements, re-designed statements to include marketing messages within the body to minimize printing of inserts and we continue to choose recycled papers for our printed items.

After a nationwide search the Board of Directors appointed Shelley McDade as the new CEO. Shelley has over 25 years experience in the credit union system and has held the position of Chief Operations Officer at Sunshine Coast Credit Union for the past two years. "I am thrilled to be part of this organization and know that we could not achieve this level of financial performance nor remain connected to members and our communities without the dedication and professionalism of each and every employee." We would like to thank our team for their contribution and commitment and our members for their continued support and patronage.

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



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P H O T O G R A P H S

PANEL 4

Photo 1, 2 Lions Housing Society members (from left) Dave Kimpinsky, Brian Leckie and Phil Jones, received the Credit Union's \$50,000 cheque from SCCU Director, Brian Beecham (right) at our 2009 AGM. Photo by Duane Burnett.

Society members on site where the new Independent Living housing complex will be built. (left to right) Bob Regnerus, Al Hailey, Brian Leckie, Robert Allen, Garry Foxall, Richard Wilson. Photo by Jodi Fichtner. Missing from photos: Jim Ferguson.

Photo 3 The first Harvest Festival at **Sunshine Coast Botanical Garden**. A place for people to enjoy being around and learning about plants for generations to come, the Gardens donated over 1,000 pounds of organic produce to the Food Bank in 2009. Photo by Lori Pickering, 2009 President SC Botanical Garden.

Photo 4 Participants get pointers and assistance at a Skills Clinic for the **Sprockids "Coastriders"** Mountain Bike Club held at the Sprockids Mountain Bike Park. Photo by Doug Detwiller.

Photo 5, 6 Pender Harbour Jazz Festival. D, of D and the Hot Club of Mars at the Grasshopper Pub, and a perfect September day for the Astrid Sars Quintet performing at the Sunshine Coast Resort. Photos by Linda Williams.

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P H O T O G R A P H S

- Photo 7** Christine Richardson (left) and Sue Thompson at the **Gibsons Landing Fibre Arts Festival**. The Festival offered workshops, exhibits, artisan markets and entertainment. Photo by Duane Burnett.
- Photo 8** **1st Pender Harbour Girl Guides** at Pender Harbour Branch. The girls pulled the community together to support "Pink Day", an Anti-Bullying Awareness Campaign. Photo by Michelle Silvey, Pender Harbour Girl Guides District Commissioner.
- Photo 9** Instructor Mohammed Asgari (left) oversees "The Art of Fresco Making" workshop during the **Sechelt Arts Festival**. Seated are participants Nadine Wong and Owen Pallot. Photo by Tella Sametz.
- Photo 10** Langdale Elementary students release Coho into Chapman Creek while participating in the **Salmonids in the Classroom Program**. Photo by Linda Russell.
- Photo 11** Rena Dave, Gibsons Branch Manager (left) presents a **bursary** to Natasha Smith. Photo by Jodi Fichtner.
- Photo 12** Shelley McDade presents a cheque to Peter Bogardus of **Sunshine Coast Community Foundation** for the Vital Signs Report. This snapshot of the community highlights challenges and celebrates accomplishments. Photo by Jodi Fichtner.

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 other comprehensive income, changes in retained earnings and accumulated other comprehensive income and cash flows are derived from the complete consolidated financial statements of Sunshine Coast Credit Union as at December 31, 2009 and for the year then ended on which we expressed an opinion without reservation in our report dated February 1, 2010. 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 summarized 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.

Vancouver, Canada
February 1, 2010


GRANT THORNTON LLP
Chartered Accountants

SUMMARIZED CONSOLIDATED BALANCE SHEET

December 31	2009	2008
Assets		
Cash resources	\$ 58,168,367	\$ 33,962,402
Loans	274,003,638	269,817,660
Investments and other	1,535,186	1,855,028
Premises and equipment	6,583,975	6,713,002
	\$340,291,166	\$312,348,092
Liabilities and Members' Equity		
Deposits	\$314,343,558	\$286,718,514
Payables and accruals	948,917	835,666
Borrowings	-	1,350,000
Equity shares	4,459,352	4,553,530
Retained earnings	20,486,040	18,773,746
Accumulated other comprehensive income	53,299	116,636
	\$340,291,166	\$312,348,092

On behalf of the Board


Bernie Bennett, Director


Tim Anderson, Director

SUMMARIZED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

Year Ended December 31	2009	2008
Financial income	\$15,036,853	\$16,206,818
Financial expense	6,958,541	8,032,683
Financial margin	8,078,312	8,174,135
Provision for credit losses	(222,836)	(71,881)
Other income	2,919,329	2,789,650
Operating margin	10,774,805	10,891,904
Operating expenses	8,576,443	8,381,140
Earnings before dividend and income taxes	2,198,362	2,510,764
Dividend	4,325	10,314
Earnings before income taxes	2,194,037	2,500,450
Income taxes	344,818	475,242
Net earnings	1,849,219	\$ 2,025,208
Other comprehensive (loss) income	(63,337)	147,983
Comprehensive income	\$ 1,785,882	\$ 2,173,191

SUMMARIZED CONSOLIDATED STATEMENT OF CHANGES IN RETAINED EARNINGS AND ACCUMULATED OTHER COMPREHENSIVE INCOME

Year Ended December 31	2009	2008
Retained Earnings		
Balance, beginning of year	\$18,773,746	\$16,890,436
Net earnings	1,849,219	2,025,208
Dividends on equity shares, net of tax	(136,925)	(141,898)
Balance, end of year	\$20,486,040	\$18,773,746
Accumulated other comprehensive in income (AOCI), net of tax		
Balance, beginning of year	\$ 116,636	\$ (31,347)
Other comprehensive (loss) income, net of tax	(63,337)	147,983
Balance, end of year	\$ 53,299	\$ 116,636

SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31	2009	2008
Cash flows provided by (used in)		
Operating activities	\$ 1,853,909	\$ 1,743,130
Financing activities	26,524,027	19,301,306
Investing activities	(15,006,718)	(15,719,484)
Net increase in cash resources	\$13,371,218	\$ 5,324,952
Cash resources, beginning of year	9,062,941	3,737,989
Cash resources, end of year	\$22,434,159	\$ 9,062,941

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