

# 2016

ANNUAL REPORT



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

*Together, we enrich lives.*



## **NOTICE OF ANNUAL GENERAL MEETING**

*The 76<sup>th</sup> Annual General Meeting of Sunshine Coast Credit Union will be held Tuesday, April 25, 2017, at 7:00 p.m., Raven's Cry Theatre, 5555 Sunshine Coast Highway, Sechelt, BC.*

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

## **AGENDA**

1. Call to Order
2. Introduction of Officers
3. Adoption of Agenda
4. Appointment of Recording Secretary
5. Adoption of Minutes of the 75<sup>th</sup> AGM, held April 27, 2016
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. New Business
13. Appointment of Auditors
14. Motion to Authorize the Directors to Set the Audit Fee
15. Member Questions & Comments
16. Good and Welfare
17. Adjournment

# REPORT FROM THE CEO & CHAIRPERSON, BOARD OF DIRECTORS

## Our Environment

There's never been a more dynamic – yet disruptive – time in the financial services industry. None of us could have anticipated that in the last 50 years we would transition from hand-written ledgers to moving money in mobile wallets. We're in the midst of a major evolution as financial technology companies, known as FinTechs, disintermediate traditional financial institutions such as credit unions, through technology and digitization.

We anticipate that our members' technology expectations will only continue to grow and remain as diverse as the multi-generations we have the honour of serving. In response, we're working with industry experts and credit union colleagues across the country with a common vision of building a remarkable member experience. We've developed a three-year technology roadmap that encourages collaboration across credit unions and vendors to deliver a secure and seamless digital experience for our members. We believe that you should be able to enjoy the convenience that technology enables, while still having the choice to connect personally with us. Simply put, we're embracing a digital age while staying true to our roots - neighbours helping neighbours.



**John Wiseman**  
Chairperson, Board of Directors

**Shelley McDade**  
CEO, Sunshine Coast Credit Union



Learn more about how your  
credit union began 75 years ago:  
[www.sunshineccu.com/OurStory](http://www.sunshineccu.com/OurStory)

## | REPORT FROM THE CEO & CHAIRPERSON, BOARD OF DIRECTORS

### Our Member Experience

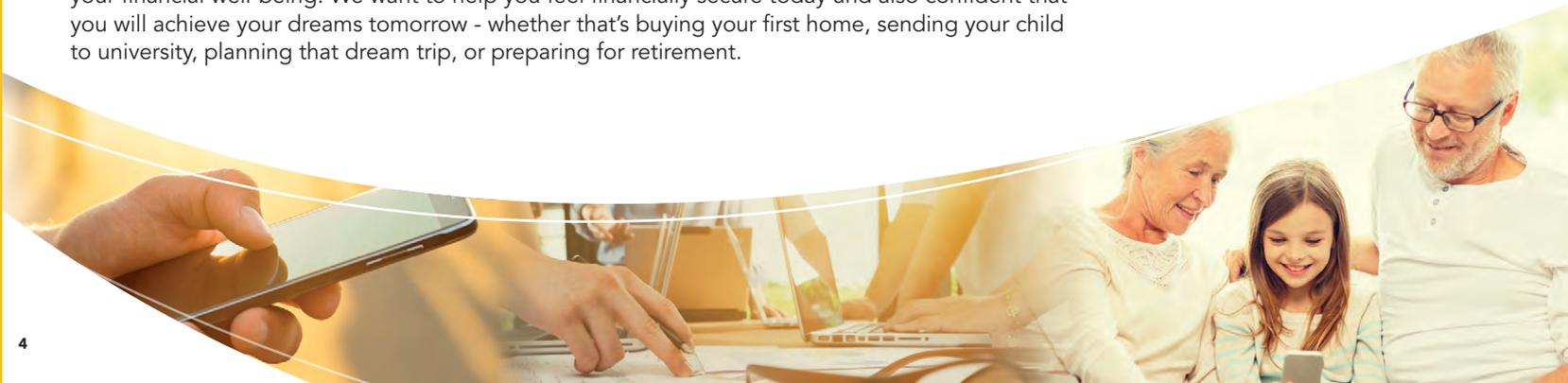
We would like to offer our sincere appreciation for your participation in our surveys and polls. Your feedback is a gift that we actively use to elevate the experience we deliver to you. Your opinions help us choose which new products and services to offer, drive employee learning and development, and focus our community engagement.

We serve more than 16,000 members with preferences ranging from in-person advice to remote access through your device. Delivering this breadth of service is no small feat, but necessary to ensure we remain relevant across generations. Today Sunshine Coast Credit Union (SCCU) members are using more than 10 devices and channels to connect with us - from mobile advisors to LiveChat, from the SCCU Mobile App to social media. We want to ensure that you can easily connect with us, not only to be able to conduct your financial business when and where you want to, but to access our advice and knowledge for a true omnichannel experience.

Current research tells us that Canadians have anxiety related to their finances. Along with many of our collaborative system partners, we're taking steps to reduce that anxiety. This past year we were pleased to add a new question to our member survey, asking you how we are doing in improving your financial well-being. We want to help you feel financially secure today and also confident that you will achieve your dreams tomorrow - whether that's buying your first home, sending your child to university, planning that dream trip, or preparing for retirement.

### MEMBER VOICE

*Your opinions help shape and elevate the experience we deliver to you – from products to advice. To be included in future surveys and polls, please be sure to provide us with your email address.*



## Our People

While technology surely plays a role in improving your financial health, it is our people that really move this dial. Our latest research shows that eight-in-ten members give us high member experience scores relating to meeting your needs, and being easy and enjoyable to do business with\*.

We have a built in affinity to provide you with the best advice because your financial well-being has a ripple effect – within your family, your community and your credit union. To this end, we're investing in mentorship and leadership programs to ensure we uncover every opportunity to enhance our skills and knowledge to bring you the remarkable member experience you deserve. We're also collaborating with others such as The Co-operators and Qtrade Advisor so we can offer you a holistic and wide range of products and expertise through Sunshine Coast Insurance Services Inc. and SunCu Financial Services Inc.

Our employees believe in giving back to the community and volunteerism is a measurable element in their performance. It's not uncommon to see staff volunteering on boards, working on committees or facilitating free strategic planning and governance training for non-profits. The largest community contribution by our employees is an unwavering commitment to financial literacy. Close to 15% of our people offer financial literacy workshops to the community at large and more recently, to include grade 12 students on the Sunshine Coast. This is something we're incredibly proud to support, as education is the first step to achieving financial health.

Our employees and directors protect and support our members' best interests every day. This is truly the value of the co-operative model. Together, we are all co-owners working together to build a better credit union and community for today and for tomorrow.



\* Member Voice Survey November 2016

## | REPORT FROM THE CEO & CHAIRPERSON, BOARD OF DIRECTORS

### **Our Community**

As the world becomes more technologically-driven and opportunities for in-person interactions decrease, we continue to personally connect with our communities by remaining rooted in our co-operative values. We know this is important to you as well, with 96% of members satisfied with our community support\*.

Our vision is that together, we enrich lives and community on the Sunshine Coast. We build our plans and make our decisions within this context everyday – by clearly understanding how our actions, initiatives and decisions support this vision. Most importantly, it is through your investment in us that we can invest back into your community, providing funds, in-kind support, and time to those people and organizations doing amazing things here locally.

### **Our Performance**

Through your continued support and the collective efforts of our employees and directors, the credit union had a stellar financial year. We exceeded our key objectives, resulting in a well-capitalized position with strong key performance indicators as we move into 2017. Due to a revived real estate market and expanded commercial lending opportunities, we achieved remarkable loan growth. This was a pivotal accomplishment as it contributed to our revenue and offset the impact of the very low interest rate environment. Through this lending, we helped close to 100 businesses expand and grow locally, and more than 415 members buy homes. Our understanding of the local market positions us to work creatively with business owners and members to develop unique solutions. As a co-owner of the credit union, your deposits are a direct investment in our community and the local economy.

*\* Member Survey May 2016*





## **Poised for Tomorrow**

What will tomorrow's credit union look like and how might we best deliver on our members' multi-generational needs? These are the questions we are embracing today in collaboration with others in the system. Along the way, it's important that we continually assess our landscape for opportunities and threats so that we can respond accordingly. To address this, we are currently working with sophisticated vendors and other credit unions so that we have a best in class risk framework at our fingertips. The framework is a tool that monitors these risks, providing indicators of when to act quickly, what areas to mitigate, or how we might change strategy, all to keep our members' deposits safe and our credit union healthy. The Board of Directors actively monitors these risks in addition to key performance indicators and participates in ongoing education so that as stewards of the credit union, they have the necessary information to address this dynamic industry evolution.

Ultimately, we're here to find innovative world class solutions for our members that enrich lives, promote financial health, and inspire lifetime loyalty. This is what will drive our organization forward, and it's what our members expect and deserve.

## **Our Thanks to You**

As we continue to progress in our goal of delivering a remarkable member experience, we expect a 3-5% growth in membership over the next three years. While this is well above the Canadian credit union system average, it is our goal to be the first choice financial institution on the Sunshine Coast. We very much appreciate your advocacy and encourage you to continue to refer others to us. Thank you to our valued members, our employees, and our directors. You've made 2016 a year to remember with strong performance, meaningful member experiences and successful collaboration. We look forward to 2017 with excitement and gratitude.

## 2016 MILESTONES

While we have grown over the years, we've done so based on the foundation of firmly planted co-operative roots. By listening to our owners' evolving needs, we bring all the conveniences of a large financial institution or FinTech – accounts, mobile tools, multiple access points, loans, investments, stocks, bonds and insurance – while remaining collaborative and connected to the communities we serve. We're proud of our continued investment in new products, services and people, despite the lowest financial margins in our history.



### Payment Convenience

Technology is driving new payment solutions and we're making sure we're positioned to offer these conveniences to our members. In 2016 we introduced faster and more convenient ways to pay. *INTERAC Flash*® technology allows you to pay for small purchases quickly through contactless technology embedded in our new *MEMBER CARD*® debit cards. We also recently introduced *INTERAC Online*® services. A great alternative to using a credit card, it's a secure and easy way to debit your existing accounts to pay for online purchases.

**Learn more about *INTERAC Flash*®** [www.sunshineccu.com/Flash](http://www.sunshineccu.com/Flash)  
**Learn more about *INTERAC Online*®** [www.sunshineccu.com/Online](http://www.sunshineccu.com/Online)



### Collaboration for Member Value

Collaboration is a core value and continues to be a key strategy for your credit union because it is a cost effective way for us to access leading edge products, services and solutions that will meet your evolving expectations. The Back Office Collaboration (BOC) is an alliance of 10 credit unions and industry experts across three provinces. We have a common vision to increase our value to members by making the best technology investment decisions possible. A financial technology roadmap has been created for this purpose, highlighting trends we need to address together such as security, payment options, and financial convenience.



### Digital Benefits

For maximum efficiency and a better member experience, we continue to transition to digital documentation. Moving away from paper decreases our environmental footprint. It also allows us to process paperwork with greater efficiency and accuracy, creating a fast, simple, error-free experience for our members.



## Investing Within for a Stellar Experience

Our strategic goals include being a best employer and improving your financial well-being. By investing in our employees, we're inspiring member service excellence every day, at every touch point. Our internal leadership and mentorship programs were designed to enrich our employees' lives and positively impact your experience with us. In addition, by deepening our own financial literacy and relationship skills, our goal is to deliver personalized, customized solutions that improve your financial well-being. We're committed to creating a ripple effect through the organization with a focus on coaching, mentorship and leadership. It is through a culture built on these values that we will build capacity and shape leaders at every level.



## Advisors at Your Doorstep

We know our members are busy and don't always have time to visit us during branch hours. In addition to offering a full suite of convenient mobile tools, we also have mobile advisors that will come to you. Today you can have mortgage, commercial and investment advice delivered to your doorstep at a time that is most convenient for you. Local, knowledgeable and responsive, mobile advisors provide our members with personalized solutions.



## Member Voice - We're Listening

Your continued loyalty is a privilege we earn each and every day, and it is your voice that drives our actions. Thank you for taking the time to tell us what you like about your experience and how we can improve. We now have even more ways for you to let us know how we are doing through the implementation of our transactional surveying, a new member survey and periodic polls.

## ENRICHING OUR COMMUNITY

As a locally owned co-operative, concern for community is more than a governing principle; it's a core value and strategic priority. This value is shared by our members with 83%\* saying that community support is a top reason you like to bank with us.

83%

MEMBERS THAT LIKE BANKING WITH US BECAUSE OF OUR COMMUNITY SUPPORT\*

\$76,000

DEDICATED THROUGH COMMUNITY ENRICHMENT PROGRAM

80

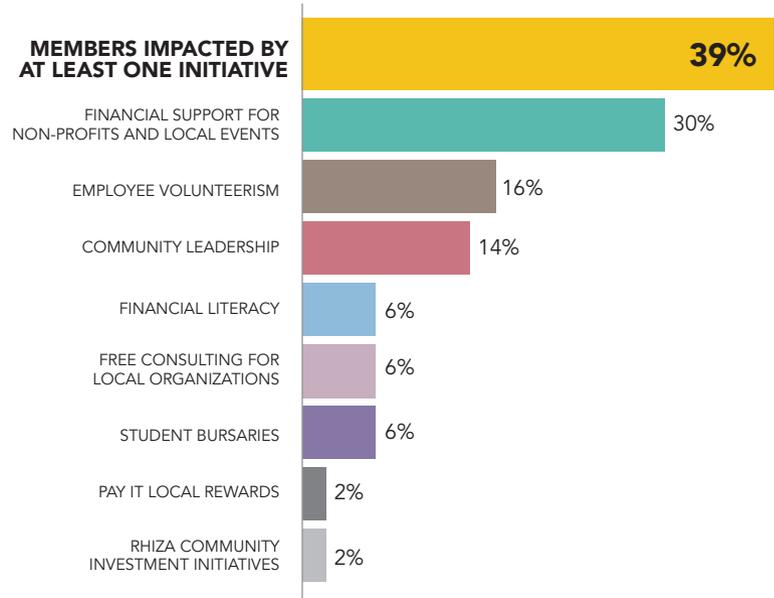
INITIATIVES FUNDED THROUGH COMMUNITY ENRICHMENT PROGRAM

395

PEOPLE REACHED THROUGH FINANCIAL LITERACY INITIATIVES

## Community Impact 2016

Spanning the entire Sunshine Coast, our community support impacted 39%\* of our members in 2016. Financial support for non-profit organizations and local events had the greatest profile and widespread impact among members, followed by employee volunteerism and community leadership.



\*Member Voice Survey November 2016

## Non Profit Financial Support

Our Community Enrichment Program dedicates approximately 3% of our net operating income to non-profit initiatives. More than \$76,000 supported 80 initiatives last year, in addition to over \$4,000 dedicated to Success By 6® in support of young children and families.

## Pro Bono Facilitation - Governance and Strategic Planning

This year we were honoured to work with innovative and socially-minded groups including the Sunshine Coast Community Solar Association, the Sunshine Coast Affordable Housing Society and the Sunshine Coast Community Foundation.

## Volunteerism

Employees give back to their communities in many ways including promoting the value of co-operatives at sponsored events, as well as providing time and expertise on boards and committees

## Financial Literacy

In 2016, SCCU employees facilitated free financial literacy programs in our community and high schools, sharing tools, knowledge and skills with close to 400 people.

## Local Investment

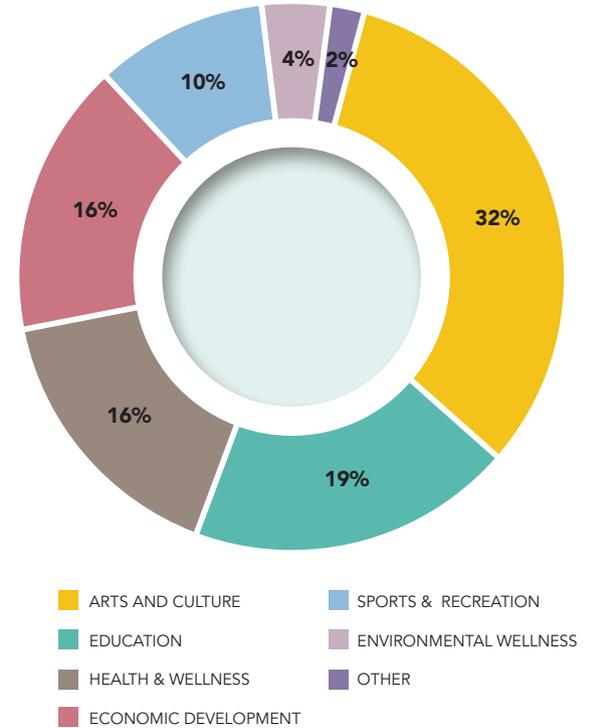
Keeping investment funds local contributes to a sustainable, healthy economy we can all thrive in. We're collaborating with community partners to educate and encourage our community to invest locally while creating opportunities for entrepreneurs to raise capital for social and environmental impact initiatives.

## Community Education

SCCU hosts and sponsors events that provide inspired community value. In recent years, speakers have shared their expertise related to the business environment, local economics, and tourism.

**Learn more about our commitment to community: [www.sunshineccu.com/Community](http://www.sunshineccu.com/Community)**

## Community Enrichment Funding 2016



## SCCU BOARD OF DIRECTORS

Made up of nine directors, each serving a three year term, the SCCU Board of Directors oversees operations of Sunshine Coast Credit Union and its subsidiaries, in addition to setting and supporting the strategic direction of the organization. As stewards dedicated to safeguarding your credit union, directors strive for excellence and in doing so, adhere to the highest standards of professionalism, governance and education.

The board sits independently from management, representing membership and bringing our members' collective voice to the table. As such, diversity is critical to a high-functioning board and your directors represent a wide range of stewardship, in addition to assessing potential candidates against a list of desired qualities and expertise. At the 2016 AGM, Mark Giltrow, Manjit Kang, and Richard Wilson renewed their terms and we welcomed Betty Baxter as a director in January 2017.

**Learn more:** [www.sunshineccu.com/Directors](http://www.sunshineccu.com/Directors)



**John Wiseman**  
Chairperson



**Richard Wilson**, BBA, CPA, CA  
1<sup>st</sup> Vice Chairperson



**Chris Fawcus**  
2<sup>nd</sup> Vice Chairperson



**Sue Anne Linde**, MBA  
Member at Large



**Tim Anderson\***



**Betty Baxter\***



**Glen Bonderud\***, BSc. Math/Physics



**Mark Giltrow**, PhD



**Manjit Kang**

\* Terms expire at the 2017 Annual General Meeting

## | GOVERNANCE IS OUR FOUNDATION

The SCCU Board of Directors represents our members' best interests, speaking on behalf of the credit union, its performance, security and quality. Each director sits on one or more committees alongside management, providing further oversight to the credit union's operations as well as presenting recommendations as required to the board as a whole. Members of each committee are elected or appointed annually based on individual expertise and the specific needs of the credit union.

### **Governance Executive Committee**

Responsible for overall governance linked to strategy, as well as CEO performance management.

### **Audit Committee**

Liaises between external and internal auditors and the board, and reviews independent audits and financial reports.

### **Conduct Review Committee**

Reviews related party transactions and conflicts of interest to assess risk and recommend action, if necessary.

### **Investment & Loan Committee**

Reviews and analyzes loans above a threshold defined by the Investment and Lending policy.

### **Nominations Committee**

Identifies and evaluates qualified candidates for the Board of Directors.



## | GOVERNANCE IS OUR FOUNDATION

### **Learning and Development**

Director core competencies include capacity for succession, strategic thinking, problem solving and judgment, leadership, interpersonal skills and financial literacy. In recent years, the financial services industry has layered in additional complexities and regulations that impact the governance role. Responsible for safeguarding the credit union, Sunshine Coast Credit Union directors have heightened their awareness and capability to effectively address these external forces. In addition to attending scheduled board meetings, committee meetings, planning sessions and community events, continuous learning and development is a requirement. These include:

#### **Continuous Education**

In months alternating with regular board meetings, the board meets for an informal education session delivered by subject matter experts in a variety of fields.

#### **Guest Speakers**

Thought leaders from across the system are invited to meet with the board, including credit union CEOs, economists and asset/liability management experts.

#### **Professional Development**

As a requirement, directors pursue ongoing governance education delivered through online modules as well as in class modules, covering a variety of industry related subjects.

#### **Conferences**

Directors are encouraged to attend credit union system conferences for the purposes of ongoing education and networking with their director peers to stay ahead of industry trends and challenges.

### **Risk Management**

The board is aided in its operational oversight by a new best in class risk management approach that includes ongoing monitoring of predetermined risks and frequent reporting of metrics including financial, audit and risk management. As the financial services industry changes at an extraordinary rate, the environment is scanned to identify new and emerging risks to the credit union which are then added to the risk management framework along with risk tolerance levels approved by the board.

Currently, there are 47 individual areas monitored and reported to the board quarterly, culminating in risk tolerance reports. Areas currently monitored include credit growth, fraud, liquidity, capital adequacy, financial margin, operating efficiency, new member growth, employee engagement and member perception.

## | SCCU BOARD OF DIRECTORS - PARTICIPATION

The table below represents each director's scope of participation on committees, related attendance and compensation in 2016. Expenses include reimbursement for travel, food and lodging related to credit union meetings, conferences and education.

**John Wiseman**  
Chairperson



SunCu Board of Directors  
Representative

**Richard Wilson**  
1<sup>st</sup> Vice Chairperson



**Chris Fawcus**  
2<sup>nd</sup> Vice Chairperson



**Sue Anne Linde**  
Member at Large



**Tim Anderson**



**Glen Bonderud**



**Mark Giltrow**



**Manjit Kang**



Peer Group 6  
Representative

Attendance

	John Wiseman	Richard Wilson	Chris Fawcus	Sue Anne Linde	Tim Anderson	Glen Bonderud	Mark Giltrow	Manjit Kang
Director Since	2010	2010	2014	2015	1994	2011	2012	2014
Board Meeting	7/7	7/7	6/7	7/7	7/7	7/7	3/7	7/7
Governance-Exec Committee	4/4 Chair	4/4	3/3	3/3		1/1		0/1
Audit Committee		5/5 Chair	3/5		4/5*			4/5
Investment & Loan Committee					4/4 Chair	4/4	4/4*	
Conduct Review Committee	2/2*		2/2	4/4		4/4 Chair	2/4	
Nominations Committee	3/3		1/1	4/4 Chair				3/3
Total Remuneration/Expenses	R: \$10,750 E: \$1,246.55	R: \$7,200 E: \$203.36	R: \$6,700 E: \$0	R: \$7,600 E: \$386.27	R: \$6,350 E: \$249.65	R: \$7,750 E: \$1189.70	R: \$5,800 E: \$225.18	R: \$7,600 E: \$840.65

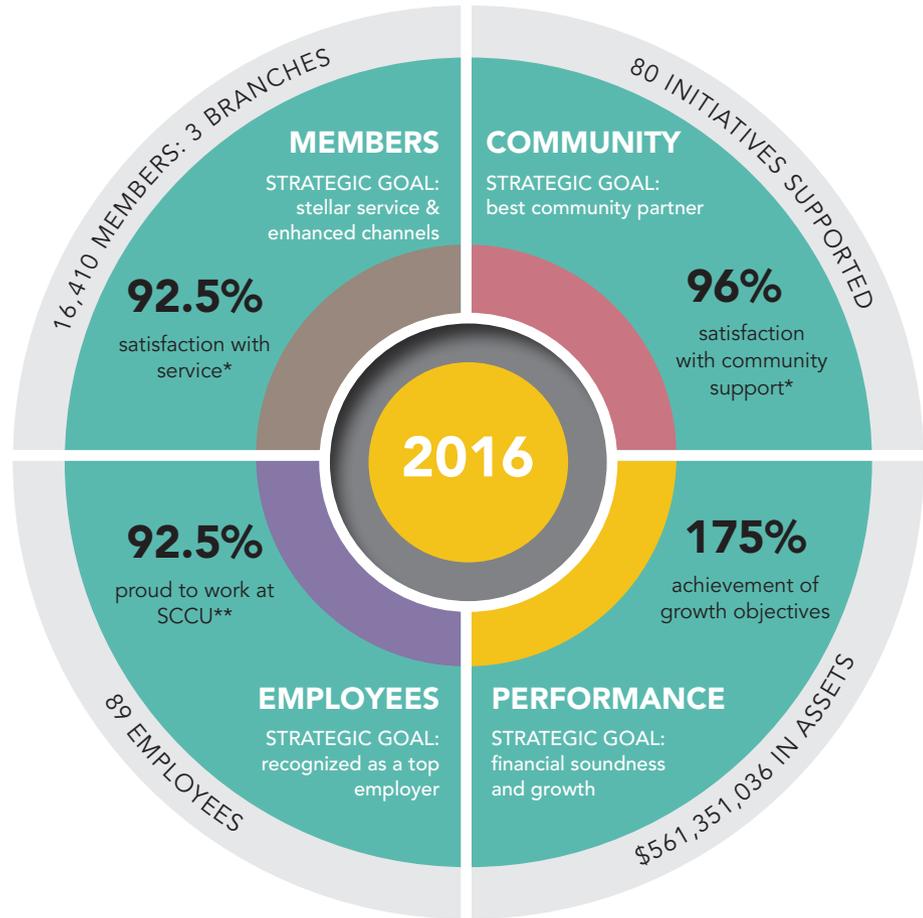
\*alternate - not required to attend

## STRATEGY - A BALANCED APPROACH

Achieving our financial goals allows us to continue to support our community as well as reinvest back into the organization to ensure we meet the diverse needs and expectations of our members. Technology investment enhances your banking experience, with the ultimate goal of a personalized, seamless approach across all of your preferred channels including mobile advisors, online or in-branch. Investing in employee learning and development ensures we deliver a knowledgeable, holistic and personalized approach to contributing to your financial health. As a result, financial metrics are only one way we measure the organization's success. We also monitor and measure our ability to meet members' needs, how our employees feel about working here as well as the level in which we are perceived as the Coast's best community partner. Strong performance in all of these areas fuels our return on investment, and in turn this financial success allows us to continue investing in technology, our people and our community.

\* Member Survey May 2016

\*\* September 2016 Employee Engagement Survey



# PERFORMANCE & COMPENSATION

Our balanced approach to success aligns consistently throughout the organization by setting related performance metrics for the credit union as well as individual employees. Employees commit to performance metrics that span our four strategic pillars which then feed into team metrics and ultimately into the organization's overall balanced scorecard. This structure provides a direct line of sight to everyone in the organization as to how each role plays a part in enriching the lives of our members and our community.

To ensure we deliver the level of service and advice our members deserve and expect, we endeavor to attract and retain strong talent across the organization. Our compensation philosophy supports this goal and allows us to compete in a competitive industry and unique market. Compensation packages are composed of a base salary targeted at mid-market, along with variable compensation and benefits. All eligible employees receive variable compensation annually contingent on achieving objectives set within the balanced scorecards. Compensation for all positions is reviewed annually to ensure competitiveness to market and executive leadership level positions are assessed in greater depth every two years. The combined compensation of key management personnel totaled \$845,894\* in 2016.

CEO compensation is determined by following a similar approach, but with additional rigor in consultation with the Board of Directors. The board is responsible to set and monitor the CEO's compensation at a mid-market range compared to credit unions of similar size and scope. Monitoring is conducted annually using external comparison data and a customized in-depth analysis is performed every two years. The board assesses the CEO's performance annually based on the results of the individual's scorecard as well as the results of the entire organization.

*\*includes salaries and other short-term employee benefits, total pension and other post-employment benefits.*



## 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

## THE EXECUTIVE LEADERSHIP TEAM

Seventy-five years ago, your credit union was crafted by a handful of neighbours working cooperatively together to help one another. These values remain true today. Local leadership means that members benefit from quick decision-making by people who call the Sunshine Coast their home; people who have first-hand insight into the local market and the needs of our unique communities. The executive leadership team is made of up six professionals who are united in their passion and commitment to build members' financial health, to strengthen our community, and to inspire others to contribute to this shared vision.

**Learn more:** [www.sunshineccu.com/Leadership](http://www.sunshineccu.com/Leadership)



**Shelley McDade**, MBA  
Chief Executive Officer



**Dawn Bezaire**, CPA, CGA  
Chief Financial Officer



**Rick Cooney**, FCUIC, FICB  
Chief Credit and Risk Officer



**Ed Pednaud**  
Chief Operations Officer



**September Dixon**, CPHR, ACUIC  
VP, Human Resources



**Jodi Fichtner**, BBA  
VP, Marketing

# REPORT FROM THE CFO

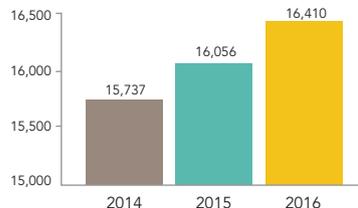
2016 was an excellent year for your credit union thanks to the continued support of our members and a robust real estate market. Exceeding our growth targets contributed to strong net income, fueling our retained earnings (\$33.5 million) and capital base (\$39.7 million). A healthy capital adequacy ratio of 16.5% was achieved, well above the 8% regulatory requirement.

We welcomed 1208 new members to the credit union last year, increased assets by \$79.3 million, in addition to achieving loan growth of 15%. This local lending is a direct investment in our community, contributing to a strong and healthy economy. In order for us to invest in these loans and mortgages, your credit union relies on your continued investment in us in the form of deposits such as savings, term deposits, RRSPs and TFSAs. Thanks to you, our deposits grew by 13% in 2016 and we were able to put these funds to good use by delivering mortgages to your neighbours and loans to local small businesses and entrepreneurs.

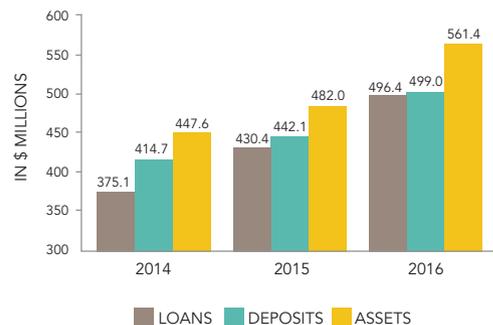
## Retained Earnings, Capital, Capital Adequacy



## Total Members



## Loans, Deposits & Assets



For information related to the calculation of dividends, please refer to the Credit Union's Rules online at [www.sunshineccu.com/Rules](http://www.sunshineccu.com/Rules)

## | REPORT FROM THE CFO

These solid financial results enabled us to fulfill our plans to reinvest back into the organization, with the goal of delivering the products, service and advice that contribute directly to your financial health.

### People - Here for You

We invest in our employees so that real people deliver personalized advice through your choice of channel including in-branch, phone, and LiveChat.

### Technology - At your Fingertips

Our investment in technology means that members can make payments and do their banking at a time and place that works for you and your lifestyle.

### Collaboration - Best in Class Offering

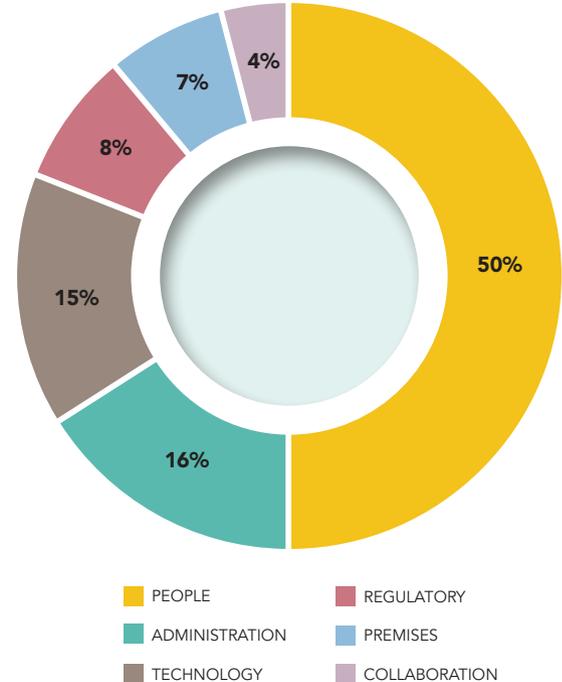
Our members deserve the same products and services that larger financial institutions deliver. We collaborate so that we can access best in class solutions in a cost-effective way.

### Regulatory - Safe & Sound

Our investment in regulatory compliance is more than just a necessity; this is what keeps your credit union safe. We are committed to maintaining best practices on behalf of our members.

As we begin our ninth year operating in a low interest rate environment, we will continue to innovate and uncover new ways for your credit union to meet and surpass financial expectations. While 2016 was a strong year made better due to a robust economy, we anticipate returning to an economic environment similar to previous years. We are confident in our ability to meet our goals and achieve continued success thanks to the support of our members, the contributions from our employees and the guidance of our dedicated board.

## Investing in the Member Experience 2016



# 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, 2016 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, 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 22, 2017. 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, 2016 are a fair summary of those consolidated financial statements, in accordance with Article 128 of the Financial Institutions Act of BC.

Vancouver, Canada  
February 22, 2017

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

<b>December 31</b>	<b>2016</b>	2015
<b>Assets</b>		
Cash and cash equivalents	\$ 15,600,931	\$ 6,841,984
Loans	496,424,446	430,449,271
Investments and other assets	43,793,570	38,906,469
Property, equipment and intangible assets	5,532,089	5,848,734
<b>Total assets</b>	<b>\$ 561,351,036</b>	\$ 482,046,458
<b>Liabilities and members' equity</b>		
Secured borrowings	\$ 23,606,981	\$ -
Borrowings	-	4,250,000
Deposits	499,049,229	442,105,830
Payables and accruals	2,042,738	1,029,236
Patronage and investment shares	2,969,277	3,228,596
Retained earnings	33,478,373	31,087,852
Accumulated other comprehensive income	204,438	344,944
<b>Total liabilities and members' equity</b>	<b>\$ 561,351,036</b>	\$ 482,046,458

Signed on behalf of the Board of Directors by:



John Wiseman  
Chairperson



Richard Wilson  
1<sup>st</sup> Vice Chairperson

## Summary Consolidated Statement of Earnings and Comprehensive Income

<b>Year ended December 31</b>	<b>2016</b>	2015
Financial income	\$ 17,159,272	\$ 15,792,697
Financial expense	5,742,592	5,161,234
Financial margin	11,416,680	10,631,463
Provision on loans	326,562	409,144
Other income	3,060,902	2,884,814
Operating margin	14,151,020	13,107,133
Operating expenses	11,185,343	10,485,877
Earnings from operations	2,965,677	2,621,256
Distributions to members	6,463	5,712
Earnings before income taxes	2,959,214	2,615,544
Provision for income taxes	491,192	249,837
Net earnings for the year	2,468,022	2,365,707
Other comprehensive (loss) income	(140,506)	220,003
<b>Total comprehensive income for the year</b>	<b>\$ 2,327,516</b>	\$ 2,585,710

## Summary Consolidated Statement of Changes in Members' Equity

### Year ended December 31, 2016

	Patronage and Investment Shares	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance on December 31, 2015	\$ 3,228,596	\$ 31,087,852	\$ 344,944	\$ 34,661,392
Net earnings	-	2,468,022	-	2,468,022
Other changes	(259,319)	(77,501)	(140,506)	(477,326)
<b>Balance on December 31, 2016</b>	<b>\$ 2,969,277</b>	<b>\$ 33,478,373</b>	<b>\$ 204,438</b>	<b>\$ 36,652,088</b>

## Summary Consolidated Statement of Cash Flows

### Year ended December 31

	2016	2015
Cash derived from (applied to)		
Operating	<b>\$ (4,673,865)</b>	\$ (24,833,492)
Investing	<b>(5,587,349)</b>	5,355,590
Financing	<b>19,020,161</b>	3,915,158
Net increase (decrease) in cash resources	<b>8,758,947</b>	(15,562,744)
Cash resources, beginning of year	<b>6,841,984</b>	22,404,728
Cash resources, end of year	<b>\$ 15,600,931</b>	\$ 6,841,984

Members may obtain a free complete set of full financial statements at any branch of the credit union or through our website at [www.sunshineccu.com/Reports](http://www.sunshineccu.com/Reports)



# Sunshine Coast CREDIT UNION

*Together, we enrich lives.*

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## SunCu Financial SERVICES INC.

A subsidiary of Sunshine Coast Credit Union



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



Sunshine Coast Insurance Services Inc.

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.

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