



Report of the Independent Auditor on the Summary Financial Statements

**To the Members of
Coastal Community Credit Union**

The accompanying summary financial statements, which comprise the summary consolidated balance sheet as at December 31, 2010, the summary consolidated statements of earnings and cash flows for the year then ended are derived from the audited consolidated financial statements of Coastal Community Credit Union for the year ended December 31, 2010. We expressed an unmodified audit opinion on those financial statements in our report dated March 23, 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 Coastal Community Credit Union.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary of the audited consolidated financial statements.

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 Coastal Community Credit Union for the year ended December 31, 2010 are a fair summary of those financial statements.

Chartered Accountants
Nanaimo, British Columbia
March 23, 2011

**COASTAL COMMUNITY CREDIT UNION
Summary Consolidated Balance Sheet
December 31, 2010, with comparative figures for 2009**

	2010	2009
Assets		
Cash resources	\$ 141,031,989	\$ 142,008,280
Loans, net of allowance for credit losses	1,443,369,472	1,414,421,021
Investments	24,376,777	40,749,503
Premises and equipment, net of amortization	19,279,425	20,034,443
Other assets	17,950,604	16,809,146
	\$ 1,646,008,267	\$ 1,634,022,393
Liabilities		
Member deposits	\$ 1,532,396,017	\$ 1,536,289,264
Short-term borrowings from Central 1 Credit Union	25,043,537	19,540,357
Accounts payable and accrued liabilities	<u>13,586,920</u>	<u>11,400,004</u>
	1,571,026,474	1,567,229,625
Members' equity		
Contributed surplus	2,573,094	2,573,094
Retained earnings	72,636,057	64,124,070
Accumulated other comprehensive (loss) income	<u>(227,358)</u>	<u>95,604</u>
	\$ 1,646,008,267	\$ 1,634,022,393

On behalf of the Board:

Susanne Jakobsen, Chair

Lynne Fraser, Director



**COASTAL COMMUNITY CREDIT UNION
Summary Consolidated Statement of Earnings**

Year ended **December 31, 2010**, with comparative figures for 2009

	2010	2009
Financial income	\$ 69,362,493	\$ 71,483,825
Financial expense	<u>22,836,477</u>	<u>29,161,175</u>
Financial margin	46,526,016	42,322,650
Other income, net of other expenses	23,457,351	24,092,203
Provision for credit losses, net of recoveries	<u>(983,397)</u>	<u>(2,271,171)</u>
Operating margin	68,999,970	64,143,682
Operating expenses	<u>59,676,774</u>	<u>59,371,065</u>
Earnings from operations	9,323,196	4,772,617
Gain on dispositions	623,939	1,246,550
Distribution to members	<u>(111,788)</u>	<u>(81,022)</u>
Earnings before income taxes	9,835,347	5,938,145
Income taxes	1,323,360	1,417,219
Net earnings	<u>\$ 8,511,987</u>	<u>\$ 4,520,926</u>

Summary Consolidated Statement of Cash Flows

Year ended **December 31, 2010**, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Net earnings	\$ 8,511,987	\$ 4,520,926
Items not involving cash	3,788,902	7,053,349
Change in non-cash operating working capital	<u>586,017</u>	<u>3,052,516</u>
	<u>12,886,906</u>	<u>14,626,791</u>
Financing:		
Deposits	(3,893,247)	67,010,318
Short-term borrowings	<u>5,503,180</u>	<u>(28,495,904)</u>
	<u>1,609,933</u>	<u>38,514,414</u>
Investing:		
Loans	(29,931,848)	(60,928,729)
Investments	16,372,726	15,610,069
Purchase of premises and equipment	(2,539,008)	(1,974,890)
Proceeds on dispositions	625,000	1,249,990
Cash resources from acquisition of Quadra Credit Union	-	7,169,819
Acquisition of 50% of Coastal Community Insurance Agencies Ltd.	<u>-</u>	<u>(5,761,851)</u>
	<u>(15,473,130)</u>	<u>(44,635,592)</u>
(Decrease) increase in cash position	(976,291)	8,505,613
Cash resources, beginning of year	142,008,280	133,502,667
Cash resources, end of year	<u>\$ 141,031,989</u>	<u>\$ 142,008,280</u>

The complete audited consolidated financial statements are available to members upon request.

2010 Dividends Declared

The following dividends for 2010 were posted to members' share accounts in February 2011, and are available for withdrawal:

Investment Equity.....	2.30%
Registered Investment Equity*	2.30%
Membership Equity	1.15%
Non-equity	0.00%

**Please note that withdrawals of Registered Investment Equity Share dividends are subject to withholding tax.*