

Report of the independent auditor on the summarized consolidated financial statements

To the members of Williams Lake and District Credit Union

The accompanying summarized consolidated financial statements, which comprise the summarized consolidated balance sheet as at December 31, 2010, the summarized consolidated statements of income and comprehensive income, changes in members' equity, and cash flows for the year then ended, are derived from the audited consolidated financial statements of Williams Lake and District Credit Union as at December 31, 2010. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated February 22, 2011. Those consolidated financial statements, and the summarized 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 summarized consolidated financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summarized consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Williams Lake and District Credit Union.

Management's responsibility for the summarized 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.

Auditors' responsibility

Our responsibility is to express an opinion on the summarized 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 summarized consolidated financial statements derived from the audited consolidated financial statements of Williams Lake and District 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 Grant Thornton LLP
February 22, 2011 Chartered Accountants

Williams Lake and District Credit Union Summarized Consolidated Balance Sheet

December 31	2010	2009
Assets		
Cash resources	\$ 51,988,587	\$ 44,052,320
Loans	128,280,818	129,881,091
Investments and other	1,935,107	2,378,175
Premises and equipment	2,260,559	2,243,842
	<u>\$184,465,071</u>	<u>\$ 178,555,428</u>
Liabilities and retained earnings		
Deposits	\$173,008,420	\$ 167,027,361
Payables and accruals	1,433,166	1,939,113
Retained earnings	9,857,153	9,437,810
Accumulated other comprehensive income	166,332	151,144
	<u>\$184,465,071</u>	<u>\$ 178,555,428</u>

On behalf of the Board John Morton Donna Mikkelson
Director Director

Summarized Consolidated Statement of Income and Comprehensive Income

Year ended December 31	2010	2009
Financial income	\$ 7,763,413	\$ 7,697,332
Financial expense	1,595,120	1,939,302
Financial margin	<u>6,168,293</u>	<u>5,758,030</u>
Provision for credit losses	(90,000)	(137,500)
Other income	2,096,145	2,010,934
Operating margin	<u>8,174,438</u>	<u>7,631,464</u>
Operating expenses	6,725,715	6,563,193
Earnings from operations	<u>1,448,723</u>	<u>1,068,271</u>
Distributions to members	898,580	822,009
Earnings before income taxes	550,143	246,262
Income taxes	130,800	72,000
Net income	<u>419,343</u>	<u>174,262</u>
Net change in other comprehensive income	15,188	(46,105)
Total comprehensive income	<u>\$ 434,531</u>	<u>\$ 128,157</u>

Summarized Consolidated Statement of Changes in Members' Equity

Year ended December 31	2010	2009
Retained earnings		
Balance, beginning of year	\$ 9,437,810	\$ 9,263,548
Net income	419,343	174,262
Balance, end of year	<u>\$ 9,857,153</u>	<u>\$ 9,437,810</u>
Accumulated other comprehensive income		
Balance, beginning of year	\$ 151,144	\$ 197,249
Other comprehensive income	15,188	(46,105)
Balance, end of year	<u>\$ 166,332</u>	<u>\$ 151,144</u>

Summarized Consolidated Statement of Cash Flows

Year ended December 31	2010	2009
Cash flows provided by (used in)		
Operating activities	\$ 78,259	\$ 53,597
Financing activities	5,964,362	10,088,642
Investing activities	1,893,646	(1,737,156)
Net increase in cash resources	<u>7,936,267</u>	<u>8,405,083</u>
Cash resources, beginning of year	44,052,320	35,647,237
Cash resources, end of year	<u>\$ 51,988,587</u>	<u>\$ 44,052,320</u>

A full set of financial statements is available from the Credit Union

ADMINISTRATIVE MANAGEMENT GROUP

Fred Wagner, Chief Executive Officer
Daryl Cyr, Manager, Finance
Mark Berezan, Manager, Information Systems & Technology
Charles Newberry, Manager, Human Resources

Administrative Office
139 North 3rd Avenue
Williams Lake, BC V2G 2A5

BRANCHES

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Bella Coola Valley Branch
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Williams Lake and District Credit Union
ANNUAL REPORT 2010



Williams Lake & District
Credit Union

2010 REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

After a series of economic challenges in recent years, impacting all communities served by the credit union, there have been positive upswings in commodities markets and increased offshore demand for lumber and locally-sourced minerals in 2010. This has resulted in improved job stability for people employed in resource sectors and benefited local businesses, particularly in Williams Lake and 100 Mile House. While regional real estate markets have seen limited activity, this situation may improve as people become more comfortable with the improved business outlook.

Operating in this environment with the support of its members, Williams Lake and District Credit Union experienced positive financial results for 2010. Total assets increased almost \$6 million to \$184 million, while earnings from operations increased \$380,000 to \$1.449 million. The credit union's retained earnings now stand at \$9.857 million. Capital adequacy at year-end is well in excess of regulatory requirements.

The credit union is again in a position to provide significant returns to members and is pleased to announce member distributions totaling \$899,000 in share dividends and patronage. Patronage includes rebates on service charges and loan/mortgage interest paid, and premiums on deposit interest earned. Over the past five years \$4.4 million has been returned through this program, with a total of over \$6.5 million paid to members in the past decade. When combined with the credit union's Community Investment Fund and additional financial support through donations, sponsorships, and bursaries, 70% of 2010 earnings from operations have been distributed to members and local non-profit community organizations.

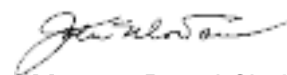
Your Board of Directors continues to focus on effective corporate governance, incorporating strategic oversight with a long-term perspective. This ensures members will continue to enjoy access to high quality financial services at a fair price and the organization will be able to maintain the level of

support to its members and communities that only a credit union can provide.

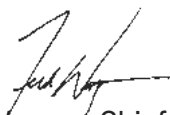
The credit union completed a conversion to a new banking system in February 2010 — the culmination of a two year project. This technology change had a significant impact on our stakeholders. The system is subject to ongoing enhancements that have been introduced in the past year and will continue to be evident through 2011. A special thank you goes out to our members for their patience; and to our employees who participated in the learning curve associated with this significant change while endeavoring to provide high quality service.

Several economists suggest that the current improving economic trends will continue for some time to come, and the upcoming year is expected to offer further local job stability with the prospects of increased new employment opportunities. In addition, our communities offer an affordable, high quality standard of living, and are becoming increasingly attractive to people nearing or entering retirement.

Throughout good and difficult economic times, the credit union has always remained focused on helping members and supporting the communities it serves. With the continued support of our valued members, Williams Lake and District Credit Union looks forward to the future, including its 60th anniversary in 2012.



John Morton, Board Chair



Fred Wagner, Chief Executive Officer

WILLIAMS LAKE AND
DISTRICT CREDIT UNION

ANNUAL GENERAL MEETING

Monday, May 2, 2011
8:00 pm

(Registration 7:30 pm)

Pioneer Complex
351 Hodgson Road, Williams Lake, BC

AGENDA

1. Call to Order
2. Introduction of Directors, Management and Guests
3. Minutes of the April 26, 2010 AGM
4. Business Arising from the Minutes
5. 2010 Report from the Chair and the Chief Executive Officer
6. Auditor's Report
7. Approval of the Financial Statements
8. Announcement of Results of Election of Directors
9. Appointment of Auditors
10. New Business
11. Good and Welfare
12. Adjournment



Williams Lake & District
Credit Union

MISSION STATEMENT

"Williams Lake and District Credit Union is committed to the provision of a comprehensive range of competitive products and services, delivered with excellence and focused on meeting the changing needs of its members and their communities."

2010 BOARD OF DIRECTORS

WILLIAMS LAKE BRANCH

George Atamanenko *
Joe Bazan
John Dressler
Jim Fraser *
Leanne Macnair

100 MILE HOUSE BRANCH

Steve MacPhail *
Michelle Swalwell

BELLA COOLA VALLEY BRANCH

Donna Mikkelson
John Morton, Chair

* Terms expire at the 2011 Annual General Meeting