

## Auditors' Report on Summarized Consolidated Financial Statements

To the Members of  
Williams Lake & District Credit Union

The accompanying summarized consolidated balance sheet and consolidated statements of income, comprehensive income, changes in members' equity and cash flows are derived from the complete financial statements of Williams Lake & District 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 January 28, 2010. The fair summarization of the complete 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 financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These consolidated summarized 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 financial statements.

Vancouver, BC  
January 28, 2010

Grant Thornton LLP  
Chartered Accountants

### Williams Lake & District Credit Union Summarized Consolidated Balance Sheet

December 31	2009	2008
<b>Assets</b>		
Cash resources	\$ 44,052,320	\$ 35,647,237
Loans	129,881,091	128,361,189
Investments and other	2,173,620	2,135,966
Premises and equipment	2,243,842	2,344,113
	<u>\$ 178,350,873</u>	<u>\$ 168,488,505</u>
<b>Liabilities and retained earnings</b>		
Deposits	\$ 165,611,227	\$ 155,811,574
Shares	1,416,134	1,432,823
Payables and accruals	1,734,558	1,783,311
Retained earnings	9,437,810	9,263,548
Accumulated other comprehensive income	151,144	197,249
	<u>\$ 178,350,873</u>	<u>\$ 168,488,505</u>

On behalf of the Board  
John Morton    Donna Mikkelson  
Director        Director

### Summarized Consolidated Statement of Income and Comprehensive Income

Year ended December 31	2009	2008
Financial income	\$ 7,697,332	\$ 8,893,074
Financial expense	1,939,302	2,987,258
Financial margin	5,758,030	5,905,816
Provision for credit losses	(137,500)	(165,000)
Other income	2,010,934	2,093,664
Operating margin	7,631,464	7,834,480
Operating expenses	6,563,193	6,216,950
Earnings from operations	1,068,271	1,617,530
Distributions to members	822,009	958,926
Earnings before income taxes	246,262	658,604
Income taxes	72,000	167,957
Net income	174,262	490,647
Net change in other comprehensive income	(46,105)	197,249
Total comprehensive income	<u>\$ 128,157</u>	<u>\$ 687,896</u>

### Summarized Consolidated Statement of Changes in Members' Equity

Year ended December 31	2009	2008
Retained earnings		
Balance, beginning of year	\$ 9,263,548	\$ 8,772,901
Net income	174,262	490,647
Balance, end of year	<u>\$ 9,437,810</u>	<u>\$ 9,263,548</u>
Accumulated other comprehensive income		
Balance, beginning of year	\$ 197,249	\$ -
Other comprehensive income	(46,105)	197,249
Balance, end of year	<u>\$ 151,144</u>	<u>\$ 197,249</u>

### Summarized Consolidated Statement of Cash Flows

Year ended December 31	2009	2008
Cash flows provided by (used in)		
Operating activities	\$ 53,597	\$ 739,650
Financing activities	10,088,642	(2,627,599)
Investing activities	(1,737,156)	(5,757,931)
Net (decrease) increase in cash resources	8,405,083	(7,645,880)
Cash resources, beginning of year	35,647,237	43,293,117
Cash resources, end of year	<u>\$ 44,052,320</u>	<u>\$ 35,647,237</u>

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

## ADMINISTRATIVE MANAGEMENT GROUP



Williams Lake & District  
Credit Union

Fred Wagner, Chief Executive Officer  
Daryl Cyr, Controller

Glen Martin, Manager, Information Systems & Technology  
Charles Newberry, Manager, Human Resources

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

### BRANCHES

**Williams Lake Branch**  
Petar Jelinić, Regional Manager  
139 North 3rd Avenue  
Williams Lake, BC V2G 2A5  
Phone: 250-392-4135  
Fax: 250-392-4361

**100 Mile House Branch**  
Arla Driver, Branch Manager  
2 95 B Cariboo Highway 97  
Box 1781  
100 Mile House, BC VoK 2E0  
Phone: 250-395-4094  
Fax: 250-395-5314

**Bella Coola Valley Branch**  
Dianne Tuck, Branch Manager  
621 Cliff Street  
Box 214  
Bella Coola, BC VoT 1C0  
Phone: 250-799-5328  
Fax: 250-799-5352

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2009  
ANNUAL REPORT

## 2009 REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

Driven primarily by resource-based industries, our communities continued to feel the impact of difficult world economic conditions throughout 2009. While significant improvements are not expected in the near term, there is a sense of optimism with the prospects of stronger markets for the region's resources later in 2010 and into 2011. One benefit of the current low interest rate environment, combined with reasonable real estate prices, is that home ownership continues to be very affordable for first time buyers and for those moving up or planning home improvements.

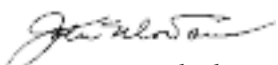
Historically low interest rates, combined with a highly competitive marketplace for investment dollars, resulted in lower earnings than 2009; however, with the continuing support of our valued members and prudent financial management, the Board of Directors was in a position to again approve significant dividends and patronage for the year. The Credit Union is pleased to announce distributions to members totaling \$822,000 in share dividends and patronage for fiscal 2009. The patronage portion includes rebates on service charges and loan/mortgage interest paid, and premiums on deposit interest earned. Recognizing its commitment to effective corporate governance and oversight, the Board of Directors deliberated extensively on this matter prior to providing approval. This decision results in an exceptional investment back into our communities that is of particular value when so many individuals, families, and businesses are experiencing the negative financial impacts of the current economic realities. Cumulatively, over \$3.9 million has been returned to members through this program over the past five years.

In total, member distributions combined with Williams Lake and District Credit Union's Community Investment Fund and additional financial support provided through donations, sponsorships, and bursaries represent 87% of the Credit Union's earnings from 2009 operations.

Overall, Williams Lake and District Credit Union had a successful year, with total assets increasing 5.9%. Total loans and mortgages grew 1.2%. While earnings decreased from the record high of the prior year, retained earnings increased \$174 thousand to \$9.4 million. Capital adequacy at year-end continues to significantly exceed regulatory requirements.

A number of major organizational initiatives are currently being undertaken by the Credit Union, including internal sales processes focused on better meeting member needs, and a member banking system conversion in February 2010. This conversion represents an important upgrade, allowing Williams Lake and District Credit Union to become a better service provider for you, our valued members. Through this period the Credit Union's employees have demonstrated a strong commitment to the extensive training involved, embracing the opportunity for personal development.

Overall, Williams Lake and District Credit Union is well positioned and looks forward to the opportunities that will present themselves in the upcoming year and beyond. Thank you to our loyal members, whose support is the ultimate measure of the Credit Union's success; to our skilled management group; to our hard-working employees; and to our dedicated directors who expend many hours of volunteer time on behalf of our organization.

  
John Morton, Board Chair

  
Fred Wagner, Chief Executive Officer

### WILLIAMS LAKE AND DISTRICT CREDIT UNION

## ANNUAL GENERAL MEETING

Monday, April 26, 2010

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 28, 2009 AGM
4. Business Arising from the Minutes
5. 2009 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."*

### 2009 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 2010 Annual General Meeting