



**Polish Credit Union**

**St. Stanislaus - St. Casimir's Polish Parishes Credit Union Limited**

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**ANNUAL REPORT**

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**2010**

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**St. Stanislaus – St. Casimir’s Polish Parishes Credit Union Limited**

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**SUMMARIZED FINANCIAL STATEMENTS**  
FOR YEAR ENDED DECEMBER 31, 2010

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## CHAIR OF THE BOARD REPORT

Your Board of Directors carefully monitors developments occurring in the financial sector, especially those affecting credit unions. In 2009, a newly amended Credit Unions and Caisses Populaires Act, 1994 (the "Act"), came into force resulting in required changes to the regulations of our Credit Union. Accordingly, in December of 2009 a special meeting of Credit Union members was held where members voted for and accepted a new by-law No.1 for our Credit Union. As a result, your Board of Directors began 2010 operating under the new Credit Union by-law No.1. One of the most important changes in the by-law was that the Audit Committee would now be comprised of members of the Board of the Credit Union. These new responsibilities facilitated an improved exposure to many aspects of running our institution, better control and improved communication between the Audit Committee and the Board of Directors.

In 2010, your Board of Directors paid the greatest attention to monitoring the management of our institution towards profitability. In 2009, our Credit Union sustained a net loss of \$1,500,000, and in 2010, a net loss of \$132,000. A significant impact on the 2010 result was from a required increase in the allowance for impaired loans.

At the beginning of this year, changes occurred in the Management of our Credit Union. On February 10, 2011, long-serving and experienced Credit Union employee Andrzej Pitek was appointed to the position of Interim CEO and a new, experienced Interim CFO was also appointed.

On March 22, 2011, changes to Board structure occurred with Karl Fujarczuk resigning as Board Chair due to health reasons however staying on as a Director. With the responsibility of Chair entrusted to me by the Board, I wish to thank Karl for his many years of service in that position.

The current position of our Credit Union requires focus not only on overall development, but most importantly, on the growth of sustained profitability. We must work effectively and precisely in controlling costs and expenses in working towards an appropriate return. In 2011, this return must address new requirements, this time from our provincial deposit insurer, the Deposit Insurance Corporation of Ontario ("DICO"), in the area of cost of member deposit insurance that has increased from \$344,000 in 2010 to \$897,205 in 2011.

At year-end 2010, our institution has met the regulatory ratio requirements in the areas of Capital Leverage and Risk Weighted Assets. The Act requires a Capital Leverage Ratio of no less than 4% and a Risk Weighted Assets Ratio of no less than 8%. As at December 31, 2010, our Credit Union had 4.9% and 10.70% respectively.

Disappointing financial results in 2009, inadequate profitability in 2010, shortcomings in the compliance with regulations, and delays in the implementation of enhanced directives from DICO (in response to banking sector concerns and the failure of many Ontario credit unions revealed through on-site DICO initiated inspections) resulted in a DICO order dated April 5, 2011 placing our Credit Union under supervision. This order will assist our Credit Union in improved and productive work organization eliminating eventual costly errors and in reaching good financial results sooner.

I wish to assure Credit Union members on behalf of the Board of Directors that we are determined to restore profitability to our institution. This will require lowering costs, increasing performance, and improvements in management. However, our Credit Union has the appropriate potential for this to carry out all required changes and return to the road of stable development.

## ST. STANISLAUS – ST. CASIMIR'S POLISH PARISHES CREDIT UNION LIMITED

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Facilitating a more effective competition with banks, our Credit Union entered into "The Exchange Network" in 2010. This network provides our members with access to their accounts with their Credit Union ATM card throughout Canada and select USA locations, service fee free. This network has over 2,500 ATMs in Canada with 700 in Ontario. In Canada, "The Exchange Network" also accepts cash and cheque deposits.

In the past several years we have completed numerous branch renovations and opened new branches. In 2010 we opened a new branch in Brampton at 7955 Financial Drive and subsequently relocated two existing branches from 190 Bovaird Drive West and 1206 Steeles Avenue West to that location. The merging of these branches and their respective closures is reflective of a related costs analysis, the migration of Polonia, and the development of a new business and community centre to serve our Polish community.

In spirit and thought reflecting the unique role our Credit Union plays in our Polish community, we strive to contribute to the development of Polish institutions and cultural life. In 2010, we provided financial support to church, Polish school, charitable, youth and cultural organizations. Some of these organizations received support in the form of donations and others were supported through volunteers, sponsorship on Polish Studio, and other Credit Union communication vehicles.

In 2010, our Credit Union celebrated the 65<sup>th</sup> anniversary of its founding. Recognizing that the concept and initiative for founding the Credit Union came from the pastor of St. Stanislaus Kostka Parish on Denison Avenue in Toronto, Father Stanislaw Puchniak, OMI, and his then assistant Father Michal Smith, OMI, in the year of our anniversary we gathered at St. Stanislaus Kostka church for a special celebratory mass. During July and August 2010, numerous events and celebrations took place on the occasion of our anniversary. These included a picnic at Paderewski Park, a festival held at the main branch of the Credit Union, and local anniversary celebrations at each branch.

On behalf of the Board of Directors, I wish to sincerely thank our clergy for 65 years of good and fruitful cooperation with our Credit Union. I also wish to thank our Polish organizations and businesses for their friendly cooperation. I thank the Board of Directors, our new Management and all Staff for conscientiously carrying out their responsibilities and properly serving our Credit Union members.

I sincerely thank the members of our Credit Union for placing your trust in us and actively supporting our institution through benefitting from the use of its services.

Respectfully submitted,



Kazimierz Babiarz

Chair, Board of Directors

## **CHIEF EXECUTIVE OFFICER'S REPORT**

On February 10, 2011 I was appointed by our Board of Directors to fulfill the duties of Interim Chief Executive Officer. The report below summarized the activities of our Credit Union for 2010.

In 2010, assets increased to \$388,449,000 from \$365,545,000 in 2009 and Members' Deposits increased to \$366,610,000 from \$342,740,000. The past year reflected a net loss of \$132,000 compared to a net loss of \$1,500,000 in 2009. Items contributing to the 2010 net loss included high operating costs, an increased allowance for impaired loans and administrative costs that included modernization of our communications and the upgrading of our ATM network. Additionally, one-time costs relating to a restructuring plan adopted in 2009 were experienced.

Our Board of Directors and Management have as their main goal, the achievement of positive results for 2011. Current Management has presented a corrective plan designed to cut costs and improve the operating results of our Credit Union, thereby bringing a return to stability and profitability.

In the past year, our Credit Union issued a total of 1,286 loans totaling \$96,581,000. In 2009, 1,823 loans were issued in the amount of \$117,990,000. As a result of a difficult economic climate and the growth of personal and family debt, an increase in the number of irregular and missed loan payments brought about a required increase in the allowance for impaired loans.

In 2010, our Steeles Avenue West branch in Brampton was relocated to our new Credit Union branch at 7955 Financial Drive near St. Eugene de Mazenod Church, and more recently, our Bovaird Drive West in Brampton was also relocated. Our new branch has extended hours of operation and is open six days a week. Strategically located, it will ultimately find its home in the Polonia Commercial Centre adjacent to St. Eugene de Mazenod Church.

In the area of telephone communications, our telephone system was modernized in 2010, resulting in improved contact with the Call Centre and also, between our branches.

Throughout the past year we continued our initiatives in attracting younger members. Contests for the opening of new Child, Youth, and Students Accounts – CYS were once again held. CYS Accounts feature free and unlimited services for our younger members. Additionally, our Credit Union established contact with our younger Polonia, specifically, clubs and Polish student organizations. In 2010 our Credit union supported a PISK initiative under the name of "Quo Vadis" and participated in the related "Quo Vadis" conference in Windsor.

2010 was also the 65<sup>th</sup> anniversary of our Credit Union. In recognition of this anniversary, a Family Picnic for members and Polonia was held at Paderewski Park. Our picnic offered free admission and enjoyed a very high attendance. Numerous events and attractions, great weather, and many volunteers contributed to the great success of this celebration. In August a commemorative Anniversary Mass was held at St. Stanislaus Kostka Church on Denison Avenue in Toronto. Additionally in August, an anniversary party was held in the Credit Union parking lot at 220 Roncesvalles Avenue.

In 2010, our institution sponsored a number of cultural initiatives that included the Canadian Chopin Festival 2010. In October, our Credit Union was the Presenting Sponsor of KSM's "Santo Subito" concert held at Toronto's Roy Thompson Hall. This exceptional and important cultural event within our Polish community paid tribute to the life of our Pope John Paul II.

As in year's past, our Credit Union provided financial support to our parishes, parish organizations, Polish schools, sporting and cultural organizations. In 2010, our Credit Union supported 42 Polonia organizations in the amount of \$38,000. Additionally, exposure was provided to our Polish community organizations through air time on Polish Studio, and on our branch LCD and ATM display network.

In closing, I wish to thank our Board of Directors and Management for their help and support and our staff for their cooperation and professionalism in serving the needs of our members. I also wish to express heartfelt thanks to our Credit Union members for their demonstrated support of our institution.

Respectfully submitted



Andrzej Pitek

Interim Chief Executive Officer

**KEY SPONSORSHIPS IN 2010**

(in alphabetical order)

Bialy Orzel  
Bravo Entertainment - fundraising for epilepsy  
Canadian Ethnocultural Banquet  
Can-Pol Congress  
Can-Pol Women Heritage Foundation  
Catholic Youth Studio  
Chopin Festival  
Fr. Smith - Golf Tournament  
Harnasie  
Kolo Pan "Nadzieja"  
KPH - Polish Scouts  
M.C. Sklodowska Association  
M. Konopnicka Polish School  
Maksymilian Kolbe Foundation  
Norwid Polish School  
Olimpia Klub Pilkarski  
Our Lady Queen of Poland Church  
PISK  
Pol-Can Business Association  
Pol-Can Vocal Group  
Polish Combatant Association  
Polish Community School  
Polish National Union of Canada  
Polish School Burlington  
Polish School Hamilton  
Polish Scouting Assoc.- ZHP  
Polish Students Association  
Polish Teachers Association  
Radosc Joy  
Respect for Life Committee  
St. Casimir's Parish  
St. Eugene de Mazenod  
St. Stanislaus Parish  
St. Stanislaus Parish Seniors Club  
Stokrotki - Polish Choir  
Stowarzyszenie Milosierdzia Bozego  
Tatry Polish Dance Ensemble  
The Gzowski Foundation  
Toronto Sinfonietta  
Warsaw Wing - Air Force  
Wisla United Soccer Club  
Zwiazek Podhalan

Note: The above list does not include Polish Studio air time coverage of community events and announcements or advertising on our LCD television network in branches and ATMs.

**ST. STANISLAUS – ST. CASIMIR’S POLISH PARISHES CREDIT UNION LIMITED**

**LOAN REPORT**

YEAR ENDED DECEMBER 31, 2010  
(in thousands of dollars)

**SUMMARY OF LOANS GRANTED BY PURPOSE**

	2010		2009	
	No	Amount	No	Amount
		\$		\$
<b>PERSONAL LOANS</b>				
FAMILY NEEDS	256	1,250	411	2,957
CAR PURCHASE	81	804	103	1,220
RRSP	98	589	123	648
HOME RENOVATIONS	103	692	292	2,107
TRAVEL / VACATION	74	272	67	248
INVESTMENT	16	189	22	526
DOWN PAYMENTS	5	46	7	73
BILLS / TAXES	28	227	21	191
EDUCATION	15	105	20	123
WEDDINGS / FUNERALS	10	85	10	83
FURNITURE PURCHASE	15	60	14	55
DEBT CONSOLIDATION	4	56	7	131
<b>TOTAL PERSONAL LOANS</b>	<b>705</b>	<b>4,375</b>	<b>1097</b>	<b>8,363</b>
<b>RESIDENTIAL MORTGAGES</b>				
FIRST MORTGAGES	241	58,486	309	67,128
CMHC / GENWORTH	26	4,888	38	9,461
SECOND MORTGAGES	25	2,417	31	2,007
<b>TOTAL RESIDENTIAL MORTGAGES</b>	<b>292</b>	<b>65,792</b>	<b>378</b>	<b>78,596</b>
<b>LINE OF CREDITS</b>				
HOME EQUITY	123	15,396	138	19,016
PERSONAL	61	708	69	747
OVERDRAFT	72	362	101	427
<b>TOTAL LINE OF CREDITS</b>	<b>256</b>	<b>16,466</b>	<b>308</b>	<b>20,190</b>
<b>COMMERCIAL LOANS</b>				
COMMERCIAL MORTGAGES	12	9,178	14	8,739
BUSINESS LINE OF CREDITS	15	220	18	1,281
BUSINESS LOANS	6	550	8	821
<b>TOTAL COMMERCIAL</b>	<b>33</b>	<b>9,948</b>	<b>40</b>	<b>10,841</b>
<b>GRAND TOTAL</b>	<b>1286</b>	<b>96,581</b>	<b>1823</b>	<b>117,990</b>

**ST. STANISLAUS – ST. CASIMIR'S POLISH PARISHES CREDIT UNION LIMITED**

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<b>LETTERS OF CREDIT</b>	<b>5</b>	<b>\$ 81</b>	<b>5</b>	<b>\$ 72</b>
# of Loan Applications received	<b>1309</b>		1835	
# of Loans Granted	<b>1286</b>		1823	
\$ Loans Granted		<b>\$ 96,581</b>		\$ 117,990
# of Loans Declined	<b>23</b>		12	
# of Delinquent Loans	<b>85</b>		67	
\$ Delinquent Loans		<b>\$ 2,677</b>		\$ 1,743

This report is prepared in accordance with the requirements as set out in subsection 120/2 of the Credit Union and Caisses Populaires Act, 1994 and as set out in section 25 of the Ontario Regulations 76/95.

Respectfully submitted,



Tomasz Cudzich  
Credit Compliance

**MINUTES  
FROM THE 65<sup>TH</sup> GENERAL MEETING OF MEMBERS**

The Annual General Meeting was held on April 25<sup>th</sup>, 2010, in the church auditorium of St. Casimir's Parish located at 154 Roncesvalles Avenue in Toronto. The meeting was called to order by the Chair, Board of Directors, Mr. Karl Fularczuk who, after greeting all present, gave the floor to the Father Marian Gil, OMI, of St. Casimir's Parish. Father Gil began with a prayer and asked for a moment of silence to commemorate the victims of the plane crash near Smolensk, in which Polish President Lech Kaczynski, his wife and many high-ranking members of state and the military perished tragically. Father Gil then led a prayer for the deceased members of the Credit Union. He mentioned this year celebrated the 60th anniversary of the Parish of St. Casimir's which would be marked by the release of a commemorative book.

Mr. Fularczuk then turned the meeting over to Krystyna Reitmeier, designated AGM Chair by the Board of Directors.

**WELCOME OF GUESTS AND MEMBERS**

The AGM Chair welcomed the Board of Directors and invited guests, among who were: Doug Hunt, a representative of Deloitte & Touche LLP, Andy Poprawa, President and CEO of the Deposit Insurance Corporation of Ontario, and Jessie Flis, former member of the Parliament of Canada.

**ESTABLISHING A QUORUM**

The AGM Chair announced that 61 members were in attendance. Accordingly, pursuant to the Credit Union By-laws, the meeting was deemed to be in order with the minimum quorum of 50 members having been met.

**PRESENTATION OF THE AGENDA AND MINUTES OF THE LAST AGM**

The AGM Chair then presented the Agenda as previously distributed in the Annual General Meeting materials. The AGM Chair then advised that in accordance with the Credit Union by-law, materials including minutes from the last AGM had been made available prior and would not additionally be presented at this time.

**REPORTS**

The Chair went on to the next item of business, which was the presentation of reports. The contents of the reports were contained in materials made available prior to the meeting.

Pursuant to the AGM Meeting Agenda, the following reports were presented:

- The Report of the Audit Committee was presented by its Chair, Elizabeth Morgan. In her report, she informed members that the current composition of the Audit Committee was in accordance with the newly amended Act that required that Audit Committee members be made up of Board members. Elizabeth Morgan thanked the previous Audit Committee, made of members elected by the membership, for their work. She added that the Audit Committee fulfilled all of its required duties and responsibilities in 2009
- The Auditor's Report was presented by Doug Hunt from Deloitte & Touche LLP. He stated that the presentation of the financial statements for the period ending 2009 was in accordance with generally accepted accounting principles and accurately reflects the financial position of the Credit Union for the year then ended.
- The Report of the Chair, Board of Directors, was presented by Mr. Karl Fularczuk. He spoke of the strategic development of the Credit Union in the past year making reference to the opening of two new branches and the relocation of the Brampton branch to a new location. He added that a long term strategy of the Credit Union was to attract a younger generation of members and that the role of the Board was not to manage the operation but to provide direction and oversight.
- Halina Marszalek McGregor presented the Credit Union CEO's report including comments on the operational activities of the institution. Her report began with comments on the general economic climate in Canada and world-wide. She then covered the financial results of the Credit Union making reference to required ATM replacement that enabled the Credit Union to become part of the Exchange Network; the offering of a world-wide money transfer service through Western Union; and the opening of new branches in Mississauga. She added that assets increased by 2%, loans by 11%, and commented on the popularity of

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renovation loans and the increase in member deposits. Further comments stressed the importance of new service introduction attracting younger members looking for increased electronic access to services, a planned 65<sup>th</sup> anniversary picnic in July at Paderewski Park and a jubilee mass in August at St. Stanislaus Kostka Parish in Toronto.

### DISCUSSION OF REPORTS

Reports presented were discussed. Board Chair, Karl Fularczuk, and CEO Halina Marszalek McGregor responded to members' questions.

### INTERMISSION

Following discussion of reports, an intermission was called.

### ELECTIONS

Electoral Commission Chairman, Lucyna Grygatowicz, presented the procedure for election.

With respect to the Board of Directors, there were two positions to be filled. Ms. Grygatowicz announced that because the number of candidates is equal to the number of available positions, these positions would be filled by acclamation. Accordingly, Elizabeth Morgan and Kazimierz Babiarz were declared elected by acclamation.

### APPOINTMENT OF AUDITORS

The AGM chair requested Elizabeth Morgan to present a motion to appoint Deloitte & Touche LLP as Credit Union Auditors for 2010. This motion was duly seconded from the floor and was carried.

### OPEN DISCUSSION

Members had an opportunity to voice numerous comments and questions during this portion of the agenda. Amongst them in particular were thanks expressed by ZHP-Podhale and Rzeko as well as Copernicus Lodge. Appreciation was also expressed for the television program "Polish Studio".

### ADJOURNMENT OF MEETING AND CLOSING PRAYER

At the close of the meeting, Fr. Marian Gil said a prayer and a motion to adjourn the meeting was moved and seconded. The motion was carried and the AGM Chair Krystyna Reitmeier adjourned the 65<sup>th</sup> Annual General Meeting of members.



Karl Fularczuk  
Chair, Board of Directors



Kazimierz Babiarz  
Corporate Secretary

**AUDIT COMMITTEE REPORT**

YEAR ENDED DECEMBER 31, 2010

Pursuant to Section 125 of the Credit Unions and Caisses Populaires Act, 1994 (the “Act”) and Article 5.03 of Credit Union By-law No. 1, the Credit Union Board of Directors annually elects, from among its members, an Audit Committee.

The Audit Committee held ten meetings throughout the year in the execution of its designated duties.

In performing its duties, the Audit Committee:

- Reviewed the policies, procedures and controls that relate to legislative compliance, with a particular focus on requirements for liquidity, capital adequacy and interest rate risk management.
- Reviewed periodic reports prepared by Management to monitor compliance.
- Monitored the adherence of the Credit Union’s Directors, Committee Members, Officers and Employees to its Code of Conduct.
- Reviewed all reports that were issued by the Director of Credit Unions of the Ministry of Finance, the deposit insurer (“DICO”) relating to the affairs of the Credit Union. Reviewed Management’s response to these reports for appropriateness and monitored the corrective action that was required as a result.
- Reviewed legal proceedings to which the Credit Union is a party and reviewed the appropriateness of accounting, recognition and financial statement disclosure relating to such matters.
- Reviewed the monthly financial statements packages and reported to the Board its recommendations.
- Reviewed details of donations and sponsorship expenses to ensure compliance with policies. Reviewed the report summary of business related personal expenses or reports submitted by Senior Management to ensure compliance with policy.
- Reviewed the external auditor’s audit plan and report.
- Reviewed a detailed costing analysis for two new branches.

Based on its findings, the Audit Committee issued reports and made recommendations to the Board of Directors or Senior Management, as appropriate, with respect to the matters outlined above and followed up to ensure that its recommendations were considered and implemented.

The Audit Committee recommended to the Board of Directors the acceptance of the Annual Consolidated Financial Statements as reported by the External Auditors of the Credit Union, Deloitte & Touche LLP.

The Audit Committee recommended that the Credit Union by-laws be updated, as needed, with any changes or amendments to the Act and all related regulations and regulatory requirements.

The Audit Committee is pleased to report to the members of the Credit Union that it has fulfilled its mandate. The Committee received full co-operation and support from Management to enable it to play an effective role in maintaining the quality of financial reporting to the Members and enhancing the overall control structure of the Credit Union.

In 2010 the Credit Union has met all its regulatory requirements.



Piotr Mazurkiewicz  
Chair,  
Audit Committee

## RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of St. Stanislaus-St. Casimir’s  
Polish Parishes Credit Union Limited

The Credit Union’s management is responsible for the integrity and the fairness of presentation of these financial statements and of all information in the Annual Report, which has been approved by the Board of Directors. The financial statements have been prepared by management in accordance with the requirements of the Credit Unions and Caisses Populaires Act, 1994 and Canadian generally accepted accounting principles. In preparing the financial statements, management has exercised judgement in the selection of significant accounting policies and the determination of reasonable estimates which are reflected therein.

The Credit Union’s management has developed and maintains systems of internal controls in order to provide reasonable assurance that the financial information is accurate and reliable in all material respects and that the Credit Union’s assets are appropriately accounted for and adequately safeguarded.

The Audit Committee meets regularly with the Credit Union’s management and periodically with the internal and external auditors to review matters relating to the quality of financial reporting and internal controls and the nature, extent and results of the audits. In addition, this Committee recommends the appointment of external auditors and reviews and reports on the Credit Union’s financial statements to the Board of Directors.

Deloitte & Touche LLP, independent external auditors appointed by the members of the Credit Union, examine our financial statements in accordance with generally accepted auditing standards and their report appears on the next page. The auditors have free and independent access to the Audit Committee and meet with the Committee and with management to consider matters relating to financial statement presentation and internal controls.



Andrzej Pitek  
Interim CEO



Bill Botha  
Interim CFO

**REPORT OF THE INDEPENDENT AUDITOR  
ON THE SUMMARIZED FINANCIAL STATEMENTS**

To the Members of

St. Stanislaus – St. Casimir’s  
Polish Parishes Credit Union Limited

The accompanying summarized financial statements, which comprise the summarized balance sheet as at December 31, 2010, the summarized statements of loss and comprehensive loss, retained earnings and cash flows for the year then ended, are derived from the audited consolidated financial statements of St. Stanislaus - St. Casimir’s Polish Parishes Credit Union Limited for the year ended December 31, 2010. We expressed an unmodified audit opinion on those financial statements in our report dated March 8, 2011. Those financial statements, and the summarized financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of St. Stanislaus - St. Casimir’s Polish Parishes Credit Union Limited.

**Management's Responsibility for the Summary Financial Statements**

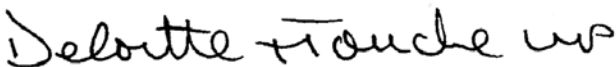
Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian generally accepted accounting principles.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the summarized 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 financial statements derived from the audited financial statements of St. Stanislaus - St. Casimir’s Polish Parishes Credit Union Limited for the year ended December 31, 2010 are a fair summary of those financial statements, in accordance with Canadian generally accepted accounting principles.



Deloitte & Touche LLP

Chartered Accountants  
Licensed Public Accountants

March 8, 2011

**ST. STANISLAUS – ST. CASIMIR'S POLISH PARISHES CREDIT UNION LIMITED**

**SUMMARIZED BALANCE SHEET**

AS AT DECEMBER 31, 2010

(in thousands of dollars)

	2010	2009
	\$	\$
<b>Assets</b>		
Cash and cash equivalents	33,934	18,154
Investments	26,915	29,182
Loans to members	320,991	311,014
Capital assets	5,071	5,415
Other assets	1,538	1,780
	<b>388,449</b>	<b>365,545</b>
<b>Liabilities</b>		
Members' deposits		
Demand	94,565	76,846
Term	53,844	63,128
GIC	70,441	59,965
Registered savings plans	66,479	62,533
Insured savings	81,281	80,268
	<b>366,610</b>	<b>342,740</b>
Other liabilities	3,091	3,926
	<b>369,701</b>	<b>346,666</b>
Liabilities qualifying as regulatory capital		
Membership shares	3,928	3,927
	<b>373,629</b>	<b>350,593</b>
<b>Members' equity</b>		
Retained earnings	14,820	14,952
	<b>388,449</b>	<b>365,545</b>

Approved by the Board



Kazimierz Babiarez  
Director



Antoni Pakulski  
Director

**ST. STANISLAUS – ST. CASIMIR’S POLISH PARISHES CREDIT UNION LIMITED**

**SUMMARIZED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

YEAR ENDED DECEMBER 31, 2010

(in thousands of dollars)

	2010	2009
	\$	\$
<b>Interest Income</b>		
Loans to members		
Mortgage	11,426	12,135
Personal	833	815
Commercial	1,787	1,459
Investment income	331	1,001
Other income (Schedule)	2,240	2,200
	<b>16,617</b>	<b>17,610</b>
<b>Interest expense</b>		
Interest on members' deposits		
Demand deposits	223	140
Term deposits	554	1,084
GICs	1,669	2,011
Registered plans	1,471	1,770
Insured savings	69	344
Interest on membership shares	4	21
	<b>3,990</b>	<b>5,370</b>
Gross margin	<b>12,627</b>	<b>12,240</b>
<b>Non-interest expense</b>		
Salaries and benefits	6,298	6,630
Members' insurance	305	315
Deposit insurance premium	344	340
Provision for impaired loans	450	360
Amortization	477	518
Administrative and other (Schedule)	4,199	4,210
	<b>12,073</b>	<b>12,373</b>
<b>Income (loss) from operations</b>	<b>554</b>	<b>(133)</b>
<b>Non-recurring expenses</b>		
Restructuring	197	757
Capital asset impairment	-	120
Benefit adjustment	-	219
	<b>197</b>	<b>1,096</b>
<b>Community support</b>		
Polish Studio	294	290
Sponsorships	38	59
Advertising and promotion	118	293
	<b>450</b>	<b>642</b>
<b>Loss before income taxes</b>	<b>(93)</b>	<b>(1,871)</b>
<b>Income taxes</b>		
Current (recovered)	50	(221)
Future (recovered)	(11)	(150)
	<b>39</b>	<b>(371)</b>
<b>Net loss</b>	<b>(132)</b>	<b>(1,500)</b>
Other comprehensive income	-	-
<b>Comprehensive loss</b>	<b>(132)</b>	<b>(1,500)</b>

**SUMMARIZED STATEMENT OF RETAINED EARNINGS**

YEAR ENDED DECEMBER 31, 2010

(in thousands of dollars)

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Retained earnings, beginning of year</b>	<b>14,952</b>	16,452
Net loss for the year	<b>(132)</b>	(1,500)
<b>Retained earnings, end of year</b>	<b>14,820</b>	14,952

**ST. STANISLAUS – ST. CASIMIR’S POLISH PARISHES CREDIT UNION LIMITED**

**SUMMARIZED STATEMENT OF CASH FLOWS**

YEAR ENDED DECEMBER 31, 2010

(in thousands of dollars)

	2010	2009
	\$	\$
<b>Operating activities</b>		
Net loss	(132)	(1,500)
Adjustments to determine net cash flows		
Future income taxes	(11)	(150)
Provision for impaired loans	450	360
Amortization	477	518
Capital asset impairment	-	120
Net change in accrued interest receivable and payable	30	(548)
Net changes in other items and accruals	(612)	288
	<b>202</b>	<b>(912)</b>
<b>Investing activities</b>		
Loans to members	(10,427)	(30,408)
Purchase of capital assets	(133)	(763)
Net decrease in investments	2,267	11,000
	<b>(8,293)</b>	<b>(20,171)</b>
<b>Financing activities</b>		
Members' deposits	23,870	8,957
Membership shares	1	(29)
	<b>23,871</b>	<b>8,928</b>
Net change in cash and cash equivalents	15,780	(12,155)
Cash and cash equivalents, beginning of year	18,154	30,309
<b>Cash and cash equivalents, end of year</b>	<b>33,934</b>	<b>18,154</b>
<b>Supplementary cash flow information</b>		
Income taxes (recovered) paid	(195)	17
Interest paid	4,149	6,010

**ST. STANISLAUS – ST. CASIMIR’S POLISH PARISHES CREDIT UNION LIMITED**

**SUMMARIZED SCHEDULE  
OF OTHER INCOME AND ADMINISTRATIVE AND OTHER EXPENSES  
YEAR ENDED DECEMBER 31, 2010**

(in thousands of dollars)

	<b>2010</b>	2009
	\$	\$
<b>Other income</b>		
Member services	1,658	1,663
Foreign exchange	364	316
Commissions	150	182
Miscellaneous	68	39
	<b>2,240</b>	2,200
<b>Administrative and other expenses</b>		
Annual and special meetings	8	58
Bank charges	349	340
Bonding and insurance	316	243
Bulletin	1	6
Coupons	-	60
Credit expenses	34	-
Data processing		
Data communication lines	324	209
Software maintenance	150	127
Hardware maintenance	85	203
ATM network maintenance	521	417
Education	24	32
Mailing costs	79	92
Miscellaneous	123	161
Occupancy		
Rent	575	517
Property taxes	241	245
Utilities	154	174
Office security	58	66
Maintenance and janitorial	264	319
Office expenses		
Equipment maintenance	118	102
Office expenses	118	105
Office supplies	75	73
Stationery and forms	70	83
Professional fees	304	324
Special projects and events	10	31
Telecommunication	171	164
Travel	27	59
	<b>4,199</b>	4,210