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With you for life.



2010 ANNUAL REPORT

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Our vision, mission and values:

Our focus is to provide the OPP family with a lifetime of superior financial experiences.

We equally value safeguarding of member assets, member satisfaction and employee satisfaction.

With you for life.

AGENDA OF 39TH ANNUAL GENERAL MEETING

DATE: Wednesday, April 13, 2011

TIME: Registration at 6:30 p.m.
Meeting at 7:00 p.m.

LOCATION: Sheba Shrine Club
142 John Street
Barrie ON

- AGENDA:**
- 1 Call to Order
 - 2 Registration Report & Declaration of a Quorum
 - 3 Official Welcome
 - 4 Adoption of Minutes of 38th Annual Meeting
 - 5 Adoption of Reports:
 - Auditors' Report
 - Audit Committee Report
 - Board of Directors Report
 - Chief Executive Officer's Report
 - Senior Manager, Credit and Risk Report
 - 6 New Business
 - Appointment of External Auditors
 - 7 Election of Directors
 - 8 Awards Presentation
 - 9 Question Period
 - 10 Door Prizes
 - 11 Adjournment

BUFFET AND REFRESHMENTS

REPORT OF THE BOARD OF DIRECTORS



On behalf of your Board of Directors, it is my privilege to present the 2010 Annual Report of the OPPA Credit Union. The purpose of the Board of Directors is to establish our strategic direction, create new and maintain established policies, oversee management and ensure compliance with all regulatory and statutory requirements. At the end of each year the OPPA Credit Union is fully audited by independent and qualified accountants and their statements form the basis of this report.

In 2010 the OPPA Credit Union focused on five goals in our business plan:

- **Service Delivery:** To provide “value added” service and deliver our service promise through our people supported by current and reliable technology.
- **Financial Performance:** To manage growth, liquidity and capital to meet the ongoing needs of our members and to meet regulatory requirements.
- **Market Presence:** To make new, long term and potential members aware of our products, services and service promise.
- **Human Resources:** To ensure our employees have the skills and tools that support growth and continued superior service delivery.
- **Governance:** To structure the Board and Committees in accordance with current legislation.

The overall objective of these goals is to maintain healthy growth without introducing unacceptable levels of risk and to continue our long term success. Our Management, Employees and Board all live up to our core values and the commitment of providing you, the OPP family, with a lifetime of superior financial experiences.

On behalf of the Board of Directors, I would like to thank CEO Bryan Neely and all staff members for their efforts over the past year in providing excellent service. In addition, I wish to thank you the members for your confidence and support.

A handwritten signature in black ink, appearing to read 'David Don'. The signature is stylized and cursive, with a large loop at the end.

David Don
Board Chair

CHIEF EXECUTIVE OFFICER'S REPORT



2010 was a year of many challenges due to the continued economic uncertainty. In the low interest rate environment of 2010, we managed to control costs and operate with lower margins, while continuing to pass along the benefits of banking with our Credit Union. We experienced limited growth, despite operating in an extremely competitive marketplace. Our deposits rose by \$5,844,414 or 5.98%, lending products grew by \$3,869,736 or 3.22% and assets increased \$4,058,098 or 3.07%.

OPPA Credit Union continues to stay rooted to our core purpose by satisfying our members' ongoing financial needs. I'm pleased to report that our membership surveys indicate that the majority of our members are very satisfied with the level of member service provided by our Credit Union. Our strategic plan guided us throughout the year in areas of growth, governance and human resources. We continue to focus on growth strategies, member and staff satisfaction and service excellence to ensure the long term sustainability of OPPA Credit Union.

One of our key initiatives this past year and into 2011 is the implementation of chip-card technology. Chip-enabled cards were issued to all of our MemberCard holders in October. This technology will help to make a more secure system by providing enhanced protection against lost, stolen and counterfeit card fraud. We continue to improve upon personal service to members by offering new technology for 24/7 account access. We have added Mobile Web banking to our MemberDirect services and will continue to expand the functionality provided through MemberDirect online, telephone and mobile banking.

2010 was an extremely busy year administratively: our Board approved and amended policies to comply with the Credit Union Act and our By-laws were rewritten and approved at the 2010 Annual Meeting. We held an annual planning session to update our goals and strategies and made the necessary preparations for the implementation of the new International Financial Reporting Standards (IFRS). New personnel joined our staff to replace the two long term employees who retired during the year.

In closing, I would like to thank our membership, staff and Board of Directors for another year of success and support. We move forward with optimism and believe we are well positioned to meet our commitment to grow in the years ahead which will enable us to continue to provide superior services to our members.

A handwritten signature in black ink, appearing to read 'B. Neely', written in a cursive style.

Bryan Neely
Chief Executive Officer

SENIOR MANAGER, CREDIT AND RISK REPORT



Over the past year there has been uncertainty in the financial marketplace. Many Canadians are now focusing on paying down debt, downsizing their homes and saving for the future. As a result we have experienced a decline in loan/mortgage/line of credit applications. In 2010 we processed a total of 674 loans which is down 8.67% from last year.

The OPPA Credit Union continues to provide financial assistance to new recruits for their Ontario Police College tuition. Over the course of 2010 we assisted 98 recruits with recruit loans. We will continue to assist new OPP recruits with their education costs and provide them with financial advise they can trust.

The information outlined below represents the number of loan applications we received, granted and declined during 2010. It also provides information to the number of loans 90 days or more in arrears as of December 31, 2010.

This past year we processed 674 loans applications with the following classifications:

	Approved	Dollar Amount
Personal Loans	373	6,051,360.52
Mortgages	146	27,579,607.00
Commercial Mortgages	4	631,600.00
Bridge Loans	24	5,869,249.75
<u>Meritlines/Lines of Credit</u>	<u>127</u>	<u>5,171,609.12</u>
2010 Totals	674	45,303,426.39

Number of loans declined - 88

Number of loans deferred – 0

Delinquent loans over 90 days at year end – 0

Thanks to our Member Service Assistants: Bettyann Bielak, Jill Bennett, Julie Burton, Carmen Langford, Tanya Verkerk. They have provided us with solid administrative skills in order to satisfy our members' requests in an efficient and timely manner. We fully expect the demand for lending products to continue in 2011.

Thanks to our dedicated Member Service Advisor team. They work hard to understand our member's financial needs and take great pride in helping members achieve their financial goals.

Karen Zammit, Senior Manager, Credit and Risk

Member Service Advisors:

Andrea Boddy
Tammy Lewis

Lorraine Brunger
Casey Thompson

Jennifer Collins
Nancy Verral

AUDIT COMMITTEE REPORT

The Board of Directors of every credit union is required to establish an Audit Committee composed of members appointed by the Board from among the Directors. Our Audit Committee consists of three Board appointed members, with the CEO and Board Chair as ex officio members. The role of the Audit Committee encompasses four critical responsibilities:

1. Oversight and review of financial reporting;
2. Oversight of risk management and controls;
3. Oversight of audit activities; and
4. Oversight of compliance activities.

During 2010, the Audit Committee held 5 meetings to perform the following duties:

- Serve as the principal communication link between the external auditors and the Board of Directors and review the terms of engagement and scope of the audit.
- Obtain reasonable understanding of the elements of internal control that are important to safeguarding the assets of the Credit Union.
- Review the policies and controls which relate to legislative compliance.
- Conduct a self-evaluation to identify the committee's strengths and weaknesses.
- Monitor the completion of the Action Plan and Recommendations resulting from the DICO examination held May 10 to 14, 2010.

All significant recommendations made by the Audit Committee have been implemented or are in the process of being implemented. We confirm that the Audit Committee is conducting its affairs in accordance with the Act, the Regulations and the Credit Union's by-laws.

The Audit Committee thanks the external Auditor and management for their co-operation throughout the year.

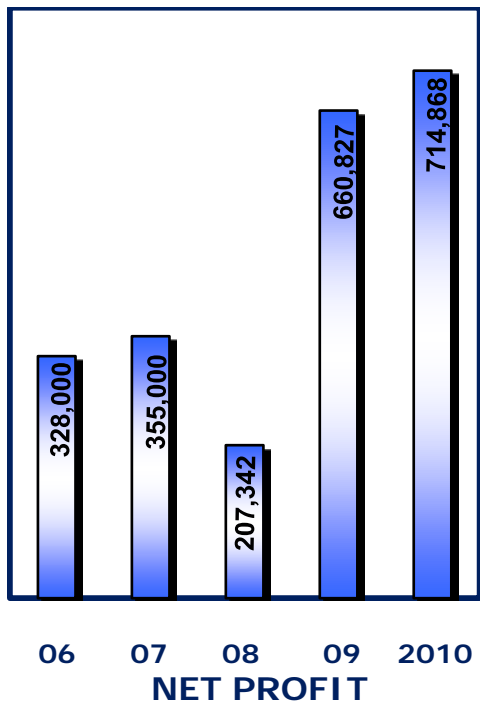
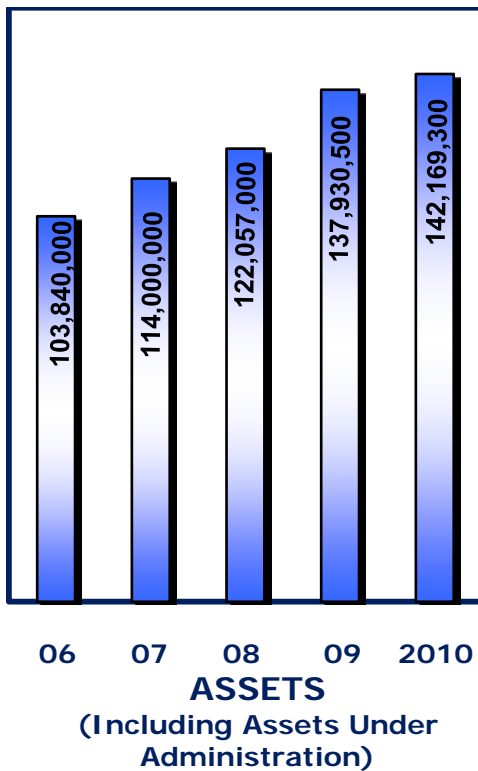
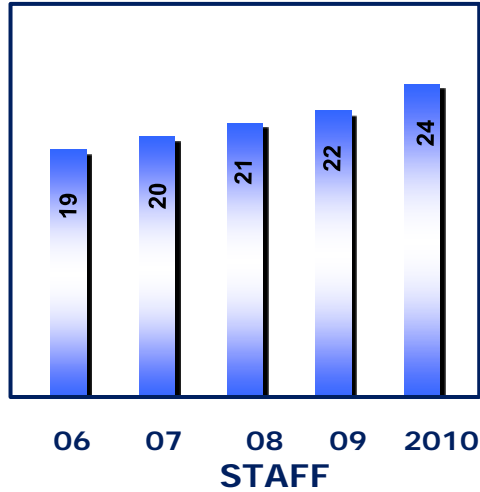
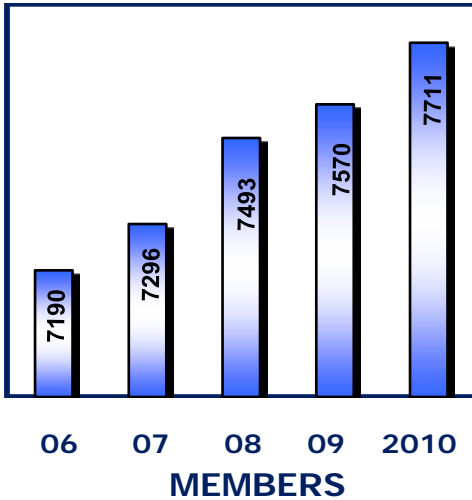


Scott Couse
Audit Committee Chair

Committee Members:

Scott Couse
Fred Bertucca
Steve Ridout

2010 OPERATING HIGHLIGHTS



The graphs illustrate the trends in staff, members , profits and total assets over the past 5 years.

Note: Printed copies of complete financial statements along with accompanying notes and all required disclosures are available on request. Call 1-800-461-4288 or gd@oppacu.com

MANAGEMENT AND STAFF

CHIEF EXECUTIVE OFFICER

Bryan Neely

CHIEF OPERATING OFFICER

Andrew Shannon

MANAGEMENT TEAM

Karen Zammit – Senior Manager, Credit and Risk
Debbie Sokoloskie – Senior Manager, Business Development
Laurie Dennis – Manager, Member Service Assistants
Tineke Schmidt – Supervisor, Banking Services

SENIOR MEMBER SERVICE ADVISOR

Casey Thompson

MEMBER SERVICE ADVISORS

Andrea Boddy
Lorraine Brunger
Jennifer Collins
Tammy Lewis
Nancy Verral

MEMBER SERVICE ASSISTANTS

Jill Bennett
Bettyann Bielak
April Brockman
Julie Burton
Carmen Langford
Tanya Verkerk*

ADMINISTRATION STAFF

Iris Bilokrely
Starr Cook
Danita Hellingman
Shelley Jong
Kathy Phillips**
Irene Stacey
Donna Trebble**

* Maternity leave

** Part-time

BOARD OF DIRECTORS 2010-2011

	<u>Date Elected</u>	<u>Term Expires</u>
David Don, Chair	2001	2013
Bill Soule, Vice-Chair	2004	2013
Steve Ridout, Secretary	2006	2012
S Couse, Audit Chair	2001	2013
Fred Bertucca, Director	2008	2011*
Michael Martin, Director	2009	2012
Kim Patterson, Director	2008	2011*

* Term expires at Annual Meeting

BOARD COMMITTEES

Audit	S Couse (Chair), F Bertucca, S Ridout
Policy Review	K Patterson (Chair), F Bertucca, M Martin
CEO Performance Management	F Bertucca (Chair), S Couse, B Soule
Nominating	M Martin (Chair), S Ridout, B Soule
Governance	B Soule (Chair), D Don, S Ridout, S Couse

In Memoriam

Our deepest sympathy is extended to the families of the members of the Ontario Provincial Police Association Credit Union Limited who passed away during the last year.

David Don
Board Chair

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying summarized financial statements of OPPA Credit Union Limited and all the information in this Annual Report are the responsibility of Management and have been approved by the Board of Directors.

The financial statements have been prepared by Management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, Management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Annual Report and has ensured that it is consistent with that in the financial statements. OPPA Credit Union maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Credit Union's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that Management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board. The Committee meets periodically with Management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the Annual Report, financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the owners.

The financial statements have been audited by English & Jones LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the owners. English & Jones LLP has full and free access to the Audit Committee.



Bryan Neely
Chief Executive Officer



Andrew Shannon
Chief Operating Officer

Independent Auditor's Report

To the Members of Ontario Provincial Police Association Credit Union Limited

The accompanying summarized financial statements, which include a balance sheet and statements of retained earnings, operations and comprehensive income and cash flows are derived from the audited financial statements of **Ontario Provincial Police Association Credit Union Limited** for the year ended December 31, 2010. We expressed an unmodified opinion on those financial statements in our report dated February 28, 2011.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summarized financial statements is not a substitute for reading the audited financial statements of **Ontario Provincial Police Association Credit Union Limited**.

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of the summarized financial statements in accordance with criteria that management has determined will represent a fair summary of the audited financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summarized financial statements based on procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagement to Report on Summary Financial Statements".

Opinion

In our opinion, the summarized financial statements, derived from the audited financial statements of **Ontario Provincial Police Association Credit Union Limited** for the year ended December 31, 2010 are a fair summary of those financial statements on the basis of criteria that management has determined will represent a fair summary of the audited financial statements.

Readers are cautioned that these summarized financial statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related audited financial statements that are available from management upon request.

English & Jones LLP

ENGLISH & JONES LLP
Chartered Accountants
Licensed Public Accountants

February 28, 2011
St. Catharines, Ontario

Ontario Provincial Police Association Credit Union Limited
Balance Sheet

December 31 **2010** **2009**

Assets

Cash	\$ 1,498,227	\$ 1,597,648
Investments	9,490,876	9,124,500
Loans to members	108,181,872	98,461,203
Other assets	775,148	807,828
Fixed assets	919,941	965,955
	\$ 120,866,064	\$ 110,957,134

Liabilities and Members' Equity


Liabilities


Members' deposits	\$ 103,572,620	\$ 97,728,206
Borrowings	8,000,000	5,000,000
Other liabilities	2,139,835	1,804,685
Membership shares	1,221,535	1,207,057
	114,933,990	105,739,948

Members' Equity

Retained earnings	5,932,074	5,217,186
	\$ 120,866,064	\$ 110,957,134

On behalf of the Board:


 _____ Director


 _____ Director

Ontario Provincial Police Association Credit Union Limited
Statement of Retained Earnings

<u>For the year ended December 31</u>	<u>2010</u>	<u>2009</u>
Balance , beginning of year	\$ 5,217,186	\$ 4,556,359
Add: Net income for the year	<u>714,888</u>	<u>660,827</u>
Balance , end of year	\$ 5,932,074	\$ 5,217,186

Ontario Provincial Police Association Credit Union Limited
Statement of Operations and Comprehensive Income

For the year ended December 31	2010	2009
Operating Revenue		
Interest on loans	\$ 4,937,249	\$ 4,834,176
Investment income	91,466	133,660
Swap agreements	(386,620)	(100,943)
	<u>4,642,095</u>	<u>4,866,893</u>
Interest Expense		
Interest on members' deposits	1,813,793	2,150,110
Other interest expense	73,528	94,534
	<u>1,887,321</u>	<u>2,244,644</u>
Financial Margin	2,754,774	2,622,249
Other Operating Items		
Provision for losses on loans	(32,000)	(17,653)
Other income	896,965	789,712
	<u>3,619,739</u>	<u>3,394,308</u>
Operating Margin	3,619,739	3,394,308
Operating Expenses		
Administration	268,004	218,943
Advertising and communication	183,771	205,151
Computer, office and other equipment	214,568	216,939
Member security costs	158,653	137,087
Occupancy costs	111,164	101,358
Other miscellaneous	305,466	243,610
Salaries and benefits	1,471,725	1,391,569
Severance	22,243	84,334
	<u>2,735,594</u>	<u>2,598,991</u>
Income Before Income Taxes	884,145	795,317
Income Tax Expense	169,257	134,490
Net Income for the Year, also representing Comprehensive Income	\$ 714,888	\$ 660,827

Ontario Provincial Police Association Credit Union Limited

Statement of Cash Flows

For the year ended December 31 2010 2009

Cash Provided By (Used In)

Operating Activities

Net income for the year	\$ 714,888	\$ 660,827
Add items not requiring cash:		
Provision for losses on loans	32,000	17,653
Amortization of fixed assets	56,353	66,330
Future income tax recovery	(12,300)	(9,543)
	790,941	735,267
Changes in other assets and liabilities	380,130	151,268
Cash provided by operating activities	1,171,071	886,535

Member Activities - net

Increase in member loans	(9,752,669)	(5,608,909)
Increase in member deposits	5,844,414	7,974,231
Increase in membership shares	14,478	13,832
Net cash provided by (used in) member activities	(3,893,777)	2,379,154

Investing Activities - net

Increase in investments	(366,376)	(832,331)
Purchase of fixed assets	(10,339)	(46,979)
Net cash used in investing activities	(376,715)	(879,310)

Financing Activities - net

(Decrease) increase in borrowings	3,000,000	(1,500,000)
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Increase (Decrease) In Cash

Cash, beginning of year	1,597,648	711,269
Cash, end of year	\$ 1,498,227	\$ 1,597,648

Supplementary Cash Flow Information

Cash received for interest	\$ 4,777,707	\$ 4,843,077
Cash paid for interest	1,841,612	2,522,903
Cash paid for income taxes	215,329	66,636



CONTACT US:

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**BOARD OF DIRECTORS
2010-2011**



STAFF – JULY 2010