

DESIGN THE LIFE YOU WANT



**COMTECH FIRE
CREDIT UNION**

ANNUAL REPORT 2019

**DESIGN
THE LIFE
YOU WANT**



COMTECH FIRE CREDIT UNION

VISION

To be a leading member intimate credit union in Canada.

MISSION

Understanding and anticipating individual member lifecycle needs, preferred channels and the value of their business and creating relationships, systems and infrastructure to support those needs.

CORE VALUES

HONESTY and INTEGRITY

Honesty and integrity guide everything we do. We earn and maintain the trust of our members, employees, communities and business partners throughout every touch point we have. Included in this is our commitment to offer our members products and services that fit their needs and enhance their lives.

RESPECT

We ensure that every human interaction is respectful, courteous and genuine. We value and respect diversity of background, religion, lifestyle and thought.

ENERGETIC, DYNAMIC and MOTIVATED

We are never satisfied with the status quo and strive to continually improve our company and ourselves. We communicate openly and embrace member interaction. We continuously drive member intimacy to innovate our products and services.

INNOVATIVE and ENTREPRENEURIAL

We are committed to excellence and the achievement of long lasting relationships through our members' life cycles. We aim high and hold ourselves to those standards. We look to find creative solutions to fulfill expectations of our members, employees, communities and business partners. We will celebrate our successes and learn from our failures.

CORE OPERATING STRATEGY

We will excel in Customer Intimacy while ensuring that we continually strive to enhance Operational Excellence and Technological Leadership.

ANNUAL REPORT 2019

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MESSAGE FROM THE CEO

As your chosen financial partner, it is our desire to help you achieve financial health and happiness above all else. This takes focus, commitment and integrity on our part, in order to inform and inspire you on your financial journey through every stage of life.

We do this by providing you with access to the products and services you need, by being competitive and innovative in an otherwise saturated financial market, by delivering better rates and greater opportunities for growth and prosperity, and by bringing you an exceptional banking experience at every turn.

As a member, you are our first priority, and cultivating and growing our personalized relationships with you is our very foundation. We appreciate that you are all individuals with unique financial needs and that's why each and every member of our team is committed to fostering connections that are relevant and important to you.

This consistent resolve to reach a little higher, connect a little deeper and go a little further keeps us connected to who we are at our core. With the right people and resources at your service, you are that much closer to reaching your financial goals.

Aligning yourself with a financial partner who is as invested in your financial success as you are is an essential part of the equation. We have the vision, expertise and insight to help you bring it all into focus. You can design the life you want, and we are simply here to help you achieve your dreams.



2019 OUR YEAR IN REVIEW

On the heels of such rapid growth for our Credit Union over these past five years, and with assets under management now totaling close to \$600 million, our focus moving forward will be to effectively balance our profitability and growth.

We saw substantial improvements to our margins in the 3rd and 4th quarter of the year, which provided the backdrop for a stronger year overall, compared to the previous year.

We were pleased that the economy remained strong, as it provided incentive for us to continue to build our commercial book of business. With new resources in our commercial group, we saw our relationship model positively impact our success in commercial lending.

With the successful growth of our Credit Union, it is imperative that our technology platforms continue to evolve so that we can provide a host of high quality self-service channels to our members.

Members expect a streamlined solution for their day-to-day banking. This past year, we were successful in making improvements to our real time cheque deposit feature. We also successfully launched Apple Pay on our Visa cards through our partnership with Collabria.

Enhancements to ATM cards are well underway with the shift to a single platform that will enable tap technology and other security features. Two-factor authentication for online banking has also been launched, which adds a second layer of security to protect member accounts.

Ensuring our employees across our six branches have the tools, learning, coaching, and resources they need to feel supported, and in turn to support our members effectively, is always top of mind.

During this past year, we have been working on a branch-level model that will assess the financial effectiveness of our individual branches. With this research, we will have a much clearer picture of how effective our current locations are, and where we might need to make improvements or expand our service level to members.

As always, it is our mandate to remain steadfast in our efforts to be value-driven by providing better rates, enhanced products and services, and investment of time, energy and resources in our members and communities.

Our commitment to our communities is a key component of our cooperative philosophy. This past year, we continued to invest our energy into nurturing our relationships with our existing associations, and welcomed four new fire association accounts from across Ontario. This is in addition to our successful partnership with the Ontario Professional Fire Fighters Association, whom we share office space and marketing efforts with. We also continue to work closely with the Bell Pensioners Group and held several successful meetings with them in 2019.

As a socially responsible organization, we rely on our incredible network of staff and members, and their desire to contribute to the greater good to uphold our cooperative Credit Union philosophy.

In 2019, we continued to support the organizations and associations that are important to our members and our communities. Some of the initiatives we focused our efforts on this past year included:

ST PAUL'S BREAKFAST PROGRAM -

The St Paul's Breakfast Program has been in operation for 26 years and Comtech Fire has been a proud supporter for the past 21 years. This program provides a nutritious balanced meal to over 100 underprivileged children on a daily basis. Studies show that children who eat a good breakfast do better in school than children who do not.

YOUTH LEADERSHIP AWARD -

This award recognizes an outstanding grade eight student who has made a positive contribution within their school community. Comtech Fire offers them an opportunity to mentor with us over the summer months and learn about all the jobs and skill sets required to work in a Credit Union. The student is paid while job shadowing and also receives a \$200 cheque to help with school costs such as a uniform or supplies.

ANNUAL CHARITY GOLF TOURNAMENT -

Comtech Fire Credit Union hosts the annual Canadian Fallen Firefighters Foundation Golf Tournament in Toronto, Ontario. Since our first tournament, we have raised in excess of \$80,000 for the foundation.

ST PAUL'S ANNUAL COMMUNITY BBQ -

This initiative started out as a BBQ for the grade 8 students at St Paul's School during their Fun Day, and over the past 21 years, has grown into a Community BBQ for more than 500.

Refer to the In Our Community page for additional initiatives and community support.



2019 FINANCIAL REVIEW

Once again, the strength and stability of our Credit Union continued to be proven throughout the year. In 2019, we grew our loan portfolio, enhanced our profitability, and continued to provide competitive rates of return, all while we ensured that safety and soundness within our operating environment were our primary focus.

Our assets increased by \$7 million or 1% and contributed to the year-end balance sheet totalling \$484 million at December 31, 2019.

As always, our focus within the loan portfolio was on writing quality loans, working together with our members to find solutions, while being mindful of protecting the assets of the Credit Union. Overall, loan growth in 2019 totalled \$14 million or 3%.

We focused our loan growth almost entirely on secured mortgages of commercial property, which rose from \$161 million to \$178 million. With this growth, the loan portfolio ended the year at \$428 million. Overall, at the end of 2019, assets on which the Credit Union holds title secured 97% of Comtech Fire's loan portfolio.

Total deposits from members remained stable at \$439.5 million. At the end of the year, term and registered term products accounted for 80% of Comtech Fire's deposit portfolio. Overall, we continue to see a large portion of our membership taking advantage of our competitive fixed- rate term deposits.

Our overall members' shares remained relatively stable in 2019 at \$22 million. At both the 2019 and 2018 year-ends,

our capital ratio remains at 6.59%, and we continue to exceed regulatory capital structure requirements. Comtech Fire paid Class B dividends to participating members in 2019 at the rate of between 3.00% and 4.25%. The Board of Directors also declared a dividend on Loyalty shares of 2.00%, which will be paid in the second quarter of 2020.

Interest on loans to members increased 4% from the prior year, totalling over \$17 million dollars. In 2019, we continued to focus growth in key product areas, specifically on fully secured residential and commercial mortgages. This resulted in a decrease of our unsecured loan portfolio revenue, while our fully secured loan portfolio revenue increased.

Investment income increased 19% to \$952,409. Comtech Fire continues to invest in lower-yielding, but highly secured investments. At year-end our portfolio consisted primarily of cash, GICs and our mandatory Central 1 Credit Union membership shares and liquidity reserve deposit. We continue to take the position that safety of your deposits outweighs the opportunity of higher yields.

Ancillary revenues in automated teller machines, insurance premiums, commissions, and other administration charges increased 24% from the prior year to a combined total of \$2,219,380. An increase in commercial mortgage fee revenue is the main reason for the overall increase in 2019.

Overall, operating profit increased just over 2% from the prior year reporting at over \$10 million.

Operating expenses decreased year-over-year by 6%, mainly as a result of a decrease in the premiums related to insuring your deposits, and a decrease to pension and personnel expenses.

Occupancy expense appears to have decreased on the statement of profit and other comprehensive income, however a new related expense line called 'Depreciation of right-of-use assets' was created in 2019 as a result of the implementation of IFRS 16 *Leases*, and should be considered an occupancy expense as well when viewing the statement.

Overall, with the increase in operating profit, and a decrease in operating expenses, the Credit Union reported a net profit for the year after tax of \$826,865, an increase of \$735,494 from the prior year.

Lastly, in accordance with International Financial Reporting Standards (IFRS), annual pension gains and losses are recorded on the statement of profit and other comprehensive income. In 2019, the discount rate used for estimating the defined benefit obligation decreased 85 basis points from the 2018 yearend rate. As a result, the plan experienced actuarial losses during the 2019 year. This entry does not relate to the core operating results of Comtech Fire and will move up or down each year based on the discount rate projections for any given year. Other comprehensive loss reported from the pension plan in 2019, net of taxes, is \$232,338. As a result of the pension loss, total comprehensive income for the year was \$594,527.

Our results for 2019 were strong, showing the strength of our core business lines. We look forward to an even stronger 2020.



2020 THE YEAR AHEAD

2020 will mark the 80th anniversary of our Credit Union, which was originally founded in 1940. It's incredible to think of how far we've come and how much we've evolved since our modest beginnings. Today we service upwards of 14,000 members with a branch network that spans from Toronto to Ottawa.

The greatest testament to our 80-year legacy is that over all of these years, we have held true to our founding principle of serving our members above all else. Working within this cooperative model, our members have remained central to every decision we make as an organization. Even through our growth and alignment with other cooperatives, this value has remained at our core and is what we attribute to our lasting success.

In the coming year, we will be looking to capitalize on the growth we've experienced in recent years and will concentrate our efforts on creating a self-sustainable model that remains successful and vibrant for years to come. Creating a stable financial environment while delivering exceptional member service and upholding our cooperative banking principles is paramount to our continued success.

It all starts with our members. We need to ensure that our current membership is sufficiently supported and that they feel motivated to choose us for all of their financial needs. With this in mind, we will continually invest in developing and delivering products and services that speak to their needs and are designed to help them achieve their financial goals.

When our existing members feel valued, they help pave the way for others to join our financial family and share in our values and success. By delivering competitive products, affordable lending options, attractive investment solutions and exceptional member support, we know we are uniquely positioned to stand out in an otherwise crowded financial landscape.

We will continue to keep ourselves open to opportunity, and foster relationships with other financial cooperatives that can bring value to our organization. We have seen firsthand how aligning ourselves with the right people at the right time can help move us in a direction of success and prosperity. Growing our cooperative community is an important part of our success strategy and we are always keen to explore new alliances that can help us strengthen our membership.

In the coming year, we will continue to work with our existing associations and explore opportunities to expand our network where it seems appropriate for our Credit Union, by aligning with causes and initiatives that advance financial education, stimulation and growth for our members and our communities.

In 2020 we will continue to work and partner with the communities in which we operate. We are dedicated to our people, relationships and community impact, and that means sharing in the causes that are important to them. We will continue to support the initiatives that we have fostered in previous years, including local charities, events and meetings.

The consistent evolution of our industry is a constant reminder that we need to

remain innovative and open to any and all possibilities. In doing so, we will continue to explore solutions that provide ease of use and further enhance the way our members meet their everyday banking needs.

One of the biggest undertakings, already well underway, is the task of aligning our digital banking platform with the industry-leading standard offered through Central1. This innovative technology will be a major upgrade to our website and mobile apps and will offer members a more responsive experience with advanced self-serve opportunities.

These enhancements will provide us with more creative control and the ability to communicate with our members in real time across our system. We understand that such an impressive venture will require patience and diligence on our end, so we will keep members posted on these exciting changes as we roll them out.

Later this year I will be stepping down from my post as CEO and embarking on a new adventure with my retirement from the financial industry. As we transition leadership, it is our hope that our members understand we will not waiver on who we are, what we do and how we got here.

It is our collective promise to uphold our core values of ensuring that honesty and integrity guide everything we do, to hold respect for every person, to remain energetic, dynamic and motivated in our pursuits, and to be innovative and entrepreneurial as we look to find creative solutions to fulfill the expectations of our members, employees, communities and business partners.

It is our longstanding commitment to these values that regardless of size, administration, amalgamation, or affiliation, we know who we are at our core. We have held true to these values for 80 years and we have no intention of changing focus now. We are designing the life we want for our Credit Union, for our team, and for our members.



SPECIAL THANKS

As I prepare to step down as CEO on June 30, 2020, I am delighted that our Board has appointed Dave Birak to the position of Acting CEO effective January 1, 2020. Dave and I will be working together from January to June to ensure that the leadership change occurs smoothly without disruption. Dave has been with Comtech Fire for 25 years in a variety of roles, including the past 10 years as the COO.

Retiring from Comtech Fire is bittersweet for me. I have seen our small Credit Union grow substantially and have watched our staff and members flourish over the years. It will be a difficult good bye. Yet, I am excited about my next 30 years.

We call this retirement, but really, this is just a change in work. I will be committing my time to the world of philanthropy and begin with an active role in Opportunity International. Wherever I end up, my personal commitment is to be a passionate and impactful servant.

I am excited for the future of Comtech Fire under Dave's stewardship. Quite frankly, Dave is the most capable leader I have ever seen and I am confident he will lead Comtech Fire to unimaginable new heights.

It has been my pleasure and honour to serve our staff, members, management and community for the past 30 years. I leave with such fond memories of where we came from, who we are and where we are going. I have been blessed with the most incredible and dedicated staff, board and members, and the memories I have will always bring about a smile (and maybe even a tear).

As I embark on this next chapter, I will continue my relationship with the Credit Union, as a valued member just like all of you. My investment in the future of our cooperative family will remain as strong as ever, because I truly believe the best is yet to come.



John Mach | CEO

NOMINATING COMMITTEE REPORT

The by-laws of Comtech Fire Credit Union Limited require the Nominating Committee to present a slate of suitable candidates for election at the annual meeting. Each year a number of vacancies occur. The terms of office are organized in such a manner that 1/3 (one third) of all elected positions are open for consideration each year. The Board of Directors, therefore, recommends the slate of candidates presented on page 12 for election at the annual meeting on March 31, 2020.

BOARD OF DIRECTORS



Mr. S. Buckingham
Captain, Toronto Fire Services
Milton, ON
Board service – 22 years
Term Expires 2020



Mr. P. Harris
Chartered Professional
Accountant, CGA
Oakville, ON
Board service – 8 years
Term Expires 2020



Mr. S. McDermott
SJM Consulting
Ottawa, ON
Board service – 8 years
Term Expires 2020



Mr. H. Doherty
District Chief, Toronto Fire
Services
Pickering, ON
Board service – 5 years
Term Expires 2021



Mrs. J. McDonnell
Retired Trust Examiner,
Canada Revenue Agency
Battersea, ON
Board service – 16 years
Term Expires 2021



Mr. J. Stubbs
Chartered Professional
Accountant, CA
Alliston, ON
Board service – 22 years
Term Expires 2021



Mr. M. Neely
Captain, Toronto Fire Services
Mississauga, ON
Board service – 14 years
Term Expires 2022



Mr. T. Power
ACS-Corp Canada
Mississauga, ON
Board service – 16 years
Term Expires 2022



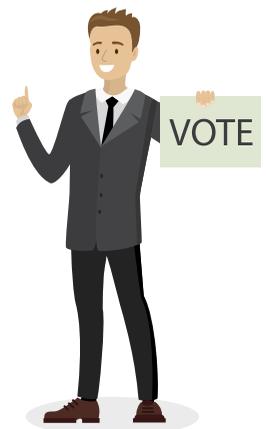
Mr. T. Wright
Chartered Professional
Accountant, CMA
Stittsville, ON
Board service – 10 years
Term Expires 2022

CANDIDATES FOR THE BOARD OF DIRECTORS

Mr. S. Buckingham
Captain, Toronto Fire Services
Milton, ON | Board service – 22 years | *Incumbent*

Mr. P. Harris
Chartered Professional Accountant, CGA
Oakville, ON | Board service – 8 years | *Incumbent*

Mr. S. McDermott
SJM Consulting
Ottawa, ON | Board service – 8 years | *Incumbent*



CREDIT REPORTS

COLLECTION REPORT

	DECEMBER 31, 2019			DECEMBER 31, 2018		
	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING
Repayment lapse 90 to 179 days	9	90,644	90,739	8	1,170,670	1,184,226
Repayment lapse 180 to 365 days	4	66,698	66,883	2	5,779	5,779
Repayment lapse 365 days and greater	14	2,501,648	2,604,466	19	4,106,071	4,502,971
Total of loans in collection related to the Allowance for Impaired Loans	27	2,658,989	2,762,088	29	5,282,520	5,692,976

LOAN REPORTS

Balance as of December 31	2019	2018
	\$	\$
Variable Rate Loans	1,853,204	2,071,003
Lines of Credit and Overdrafts	11,313,490	12,719,950
Fixed Personal Loans	273,996	158,313
Fixed Commercial Loans	59,581	115,769
Residential Equity Lines of Credit	38,068,771	38,784,836
Commercial Equity Lines of Credit	12,479,723	8,658,906
Residential Mortgages	199,359,020	199,188,892
Commercial Mortgages	165,092,020	152,711,589
Total Value of Loans Outstanding	428,499,805	414,409,257
Total Value of Loans Outstanding (less allowance)	428,234,210	413,959,361

Loans granted during the year - number of loans and value	2019		2018	
	#	\$	#	\$
Variable Rate Loans	66	1,187,006	64	1,488,251
Lines of Credit	65	1,349,265	59	2,236,412
Chequing Overdrafts	6	8,200	8	6,250
Fixed Personal Loans	4	161,244	1	17,544
Residential Equity Lines of Credit	39	14,640,050	73	13,772,614
Commercial Equity Lines of Credit	1	268,000	-	-
Residential Mortgages	147	47,970,212	214	75,431,104
Commercial Mortgages	31	48,685,974	33	25,587,908
Number of Loan Applications Received	276		354	
Number of Loan Applications Declined	63		107	

AUDIT COMMITTEE REPORT



AUDIT COMMITTEE:

Mr. T. Wright, Chair

Mr. H. Doherty

Mr. P. Harris

The Audit Committee of Comtech Fire Credit Union Limited is appointed by the Board and all Committee members are active Directors of the Credit Union. The Committee meets regularly with management to discuss operational and accounting practices, and internal controls over the financial reporting issues in order to be satisfied that each party is properly discharging its responsibilities and to review the annual report, the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the Credit Union membership. The Committee also considers for review by the Board and approval by all members, the engagement or reappointment of the external auditors.

In 2019, the firm of Deloitte LLP performed the statutory audit. The results of external and internal audits have been very good, indicating that the accounting systems and internal controls are adequate. The response of the members to the statement audit conducted in 2019 and each preceding year has shown a consistently low level of discrepancy and a high level of membership acceptance to our standards of care in handling members' money.

The Audit Committee and the auditors co-operate and perform reviews together. Our duties included the examination of new loans, members' account balances, and term deposits on a test basis, in addition to officer and staff loans. Additional duties included auditing a sampling of office policies and procedures which incorporate Board policy, cash verification, verification of the monthly financial report and verification of the bank reconciliation insofar as is necessary to ensure that internal controls are adequate. In 2019, the Audit Committee held five meetings during the year and it has conducted its affairs in accordance with the Credit Union Act and the regulations.

It is our opinion that the financial affairs of Comtech Fire Credit Union Limited are being conducted in the best interests of the membership.

Handwritten signature of Terry Wright.

Terry Wright

Chair, Audit Committee

MANAGEMENT'S REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Comtech Fire Credit Union Limited and all 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 International Financial Reporting Standards. 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.

Comtech Fire Credit Union Limited maintains systems of internal accounting and administrative controls of high quality and consistent with reasonable cost. Such systems are designed to provide reasonable assurances that the financial information is relevant, reliable and accurate, and that the Credit Union's assets are properly accounted for and safeguarded. Also, the Credit Union has established an appropriate Code of Business Ethics, Conflict of Interest Policy, Confidential Information Policy, and Disclosure Statements for all officers.

The Board of Directors is responsible for ensuring that management fulfills 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 financial statements have been audited by Deloitte LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Credit Union membership.



J. MACH, J. WOEHL

John Mach
Chief Executive Officer

Judy Woehl
Chief Financial Officer

AUDITOR'S REPORT

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARIZED FINANCIAL STATEMENTS

To the Members of Comtech Fire Credit Union Limited,

Opinion

The summarized financial statements, which comprise the summarized statement of financial position as at December 31, 2019, and the summarized statement of profit and other comprehensive income, the summarized statement of changes in members' equity and the summarized schedule of administrative expenses for the year then ended, are derived from the audited financial statements of Comtech Fire Credit Union Limited (the "Credit Union") for the year ended December 31, 2019.

In our opinion, the accompanying summarized financial statements are a fair summary of the audited financial statements, in accordance with International Financial Reporting Standards.

Summarized Financial Statements

The summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited financial statements and the auditor's report thereon.

The summarized financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated January 29, 2020.

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of the summarized financial statements in accordance with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summarized financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, cursive script followed by "LLP." in a plain sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
January 29, 2020

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2019

(IN CANADIAN DOLLARS)	2019	2018
	\$	\$
Interest on loans to members		
Personal loans	1,387,771	1,544,104
Residential mortgages	8,652,994	7,695,436
Commercial mortgages	7,083,165	7,271,810
Investment income	952,409	800,903
	18,076,339	17,312,253
Interest expense		
Dividends on savings dividend accounts	17,131	105,428
Interest on daily savings and chequing accounts	257,227	212,046
Interest on term deposits	7,167,222	6,550,911
Interest on registered products	2,115,574	1,841,715
	9,557,154	8,710,100
Net interest income	8,519,185	8,602,153
Provision for impaired loans	285,053	170,718
Net interest margin	8,234,132	8,431,435
Other operating income (net)	2,219,380	1,790,521
Total operating profit	10,453,512	10,221,956
Personnel expenses	4,078,008	4,308,941
Administrative expenses (schedule)	1,862,280	1,974,961
Occupancy	703,783	1,096,812
Pension expense	400,532	772,213
Deposit insurance premium	513,456	632,111
Depreciation of property and equipment	584,463	530,143
Depreciation of right-of-use assets	551,361	-
Data processing	415,720	466,282
Promotion, marketing and publicity	285,106	262,764
Total operating expenses	9,394,709	10,044,227
Dividends on investment shares	52,484	48,802
Profit before income taxes	1,006,319	128,927
Income tax expense	179,454	37,556
Profit for the year	826,865	91,371
Other comprehensive (loss) income, net of income taxes		
Items that will not be reclassified subsequently to profit or loss	(232,338)	514,711
Total comprehensive income for the year	594,527	606,082

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2019

(IN CANADIAN DOLLARS)	MEMBERS' SHARES	REVALUATION SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
	\$	\$	\$	\$
As at January 1, 2018	13,995,645	-	9,719,830	23,715,475
Profit for the year	-	-	91,371	91,371
Other comprehensive income	-	264,552	250,159	514,711
Dividends on investment shares (net of income tax recovery of \$94,126)	-	-	(388,573)	(388,573)
Net increase in members' shares	6,019,208	-	-	6,019,208
As at December 31, 2018	20,014,853	264,552	9,672,787	29,952,192
Profit for the year	-	-	826,865	826,865
Other comprehensive loss	-	-	(232,338)	(232,338)
Dividends on investment shares (net of income tax recovery of \$126,382)	-	-	(556,763)	(556,763)
Net increase in members' shares	448,494	-	-	448,494
As at December 31, 2019	20,463,347	264,552	9,710,551	30,438,450

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

(IN CANADIAN DOLLARS)	2019	2018
	\$	\$
Assets		
Cash and cash equivalents	1,939,129	15,684,173
Investments	33,808,728	32,347,095
Loans to members	428,234,210	413,959,361
Accounts receivable	85,712	212,599
Accrued interest on members' loans	705,005	611,382
Assets held for sale	3,510,877	3,510,877
Right-of-use assets	5,290,468	-
Property and equipment	7,258,417	7,494,620
Investment property	1,749,036	1,749,036
Other assets	1,080,016	1,285,198
	483,661,598	476,854,342
Liabilities		
Deposits from members		
Savings dividend accounts	44,646,057	43,417,631
Daily savings and chequing accounts	42,429,864	37,454,960
Term deposits	253,158,225	262,283,629
Registered savings plans	99,068,198	96,391,190
	439,302,344	439,547,410
Accrued dividends on savings dividend accounts and Class B investment shares	196,728	228,928
Accrued interest on members' accounts	4,096,795	3,469,998
Accounts payable and other liabilities	1,825,280	1,451,266
Lease liabilities	5,279,811	-
Deferred income tax liabilities	135,363	135,030
Defined benefit obligation	837,718	550,216
Members' shares	1,549,109	1,519,302
	453,223,148	446,902,150
Members' equity		
Members' shares	20,463,347	20,014,853
Revaluation surplus reserve	264,552	264,552
Retained earnings	9,710,551	9,672,787
	30,438,450	29,952,192
	483,661,598	476,854,342

On behalf of the Board



Jeff Stubbs, Chair



Tony Power, Secretary

FINANCIAL STATEMENTS

SUMMARIZED SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended December 31, 2019

(IN CANADIAN DOLLARS)	2019	2018
	\$	\$
Lending and collection costs	296,749	286,171
Legal and professional fees	230,737	195,432
Automated teller machines	229,182	264,404
Directors meetings and honoraria	228,480	290,282
Bank charges and interest	169,765	153,198
Postage and mailing	99,128	97,507
Sundry	98,119	119,576
Telephone	76,948	89,307
Travel and seminar	72,277	85,141
Staff training and consulting	72,153	50,508
Bonding insurance	71,792	71,792
Central 1 member fees	60,013	58,410
Stationery and printing	46,226	57,517
Share and loan insurance	44,353	68,181
Annual meeting	33,399	30,711
Community involvement and donations	17,700	26,434
Mutual fund fees	15,259	30,390
	1,862,280	1,974,961

IN OUR COMMUNITY

Comtech Fire was proud to sponsor, fundraise and volunteer across communities in Toronto, Kingston and Ottawa in 2019 with contributions to:

- Bell President's Hockey Tournament
- The Bell Marcel Vincent Softball Tournament
- Kids Come First Golf Tournament in support of Autism
- Toronto Professional Fire Fighters Golf Tournament
- Toronto Fire Fighters Memorial Wall
- Toronto Fire Fighters Charity Ball
- Toronto Professional Fire Fighters Annual Children's Christmas Party
- Toronto Professional Fire Fighters Annual Family Summer Picnic
- Toronto Professional Fire Fighters Pink Truck for Princess Margaret Cancer Foundation
- Toronto, Brampton, Mississauga, Vaughan, Oakville Fire Recruit Classes
- Fire & Emergency Services Training Institute Recruit Classes
- Richmond Hill Professional Fire Fighters Golf Tournament
- Camp Bucko Curling Bonspiel
- Mississauga Fire Fighters Benevolent Fund Pink Truck for Trillium Health Center Foundation
- Mississauga Fire Fighters Benevolent Fund Poker Run
- Burlington Professional Fire Fighters Association Golf Tournament
- Sault Ste. Marie Professional Fire Fighters Association 24 hour Hockey Marathon
- Orillia Professional Fire Fighters Association Golf Tournament
- Guelph Professional Fire Fighters Association Golf Tournament
- Oakville Fire Extrication Team
- Toronto Fire Pensioners Roy Head Golf Tournament
- Markham Fire Fighters Charity Golf Tournament
- Oshawa Fire Fighters Public Service Program
- Whitby Fire Fighters Calendar
- Deaf/Blind Olympian Kevin Frost Fundraiser
- Brampton Professional Fire Fighters Pink Truck Program for Wellspring Chinguacousy
- The Canadian Fallen Firefighters Golf Tournament Presented by Comtech Fire Credit Union
- The Canadian Fallen Firefighters Bike Ride Presented by the Toronto Fire Fighters Celtic Society
- The St. Paul's Catholic School Breakfast Program
- The St. Paul's Catholic School Annual family BBQ
- The St. Paul's Catholic School Grade 8 Leadership Award
- Ontario Credit Union Foundation Charity Golf Tournament
- University Hospitals Kingston Foundation
- Kingston Strider walk
- Kingston Special Olympics
- Camp Bucko Community Service Award



Toronto Fire Fighters Toy Drive, King Street Branch



Toronto Fire Fighters Celtic Bike Ride for the CFFF, Princess Street Branch



TPFFA Memorial Dedication, John Mach (CEO) & Frank Ramagnano (President Local 3888)



Fundraiser for Blind/Deaf Athlete Kevin Frost, Bank Street Branch



Presentation of Original Credit Union Charter at Local 3888 office

COMTECH FIRE CREDIT UNION

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Ottawa, Ontario K2P 1X9
613.234.0450

MISSISSAUGA

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613.634.3875

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