



**COMTECH FIRE
CREDIT UNION**

ANNUAL REPORT 2018

HELPING
YOU PLAN
FOR
TOMORROW



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 2018

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MESSAGE FROM THE CEO

Planning for tomorrow includes taking a look at where we are today. Gaining an understanding of what has brought us to this place and deciding how we want to move forward is paramount. With a clearer vision of where we are, we can better understand what we want to bring with us into the future.

At Comtech Fire, these past few years have been a coming together, merging and unifying of unique subsets into one stronger, collective entity. Throughout this process, it has been valuable to reflect on what has brought us to this place and acknowledge the stronger aspects of our framework that will help propel us on our journey.

Our sight line this past year has been to remain steadfast in our efforts to be value driven, member focused and community connected. We know that in using our combined resources to focus on providing better rates, enhanced products and services, and with an investment of time, energy and resources in our communities, we can operate at our highest level.

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. By going out of our way to foster our relationships with our members, we can help one another find financial health and happiness. That vision of harmony is what drives us to plan for a better tomorrow.

**Our sight line is
to be value driven,
member focused
and community
connected.**



WHERE WE ARE TODAY

Over the course of this past year, we have narrowed our focus to concentrate on creating true synergies within our branch structure. With no less than three data conversions in the past five years, the team at Comtech Fire has worked tirelessly to create a cohesive banking platform across our organization.

With close to 15,000 members, it is essential that we ensure our membership has access to all of our products and services under one homogenous structure. On February 1, 2018, we successfully converted another 2,000 accounts from the former Limestone Credit Union's system, bringing our migration phase to its conclusion.

Every data conversion has its own unique set of complexities. With each successful changeover, it reinforces our organization's ability to migrate data accurately, quickly and on budget with minimal disruption to members.

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. In 2018, we began analyzing our processes to ensure we are utilizing our technology to provide consistency and create a streamlined member experience.

In addition, we have provided staff with the tools and resources needed to ensure that they can do their jobs in a fast and expedient manner. With more efficient processes in place, staff can focus on the member interaction and giving them the attention they deserve.

One of the biggest changes in branch representation this past year was with the opening of the new Danforth Branch. Replacing our Avenue Road Branch, this location now services our GTA community, Fire Services and Bell members. The branch will act as the connection point for existing Bell and Fire members and has the highest concentration of existing members of Comtech Fire in the GTA.

The Danforth community has embraced the branch and we are seeing a surge in new members signing up that reside in the area. We are also actively supporting small business on the Danforth and are marketing the area as an essential destination for Torontonians.

In 2018, we established an active presence on social media with dedicated resourcing around Instagram, Facebook and Twitter. We leveraged these platforms to keep members informed of communication updates, marketing efforts, financial advice and support, as well as to highlight products and upcoming events. We are excited to see this area of our communication strategy improve tremendously amongst both our current members and our communities.



As always, our commitment to our communities is an integral part of our focus. We continue to invest our energy into nurturing our relationships with our existing associations and welcomed 41 new fire association accounts from across Ontario over the past three years.

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 (BPG), and insomuch held 8 very successful meetings within 2018 with the BPG.

This past year, we also deepened our relationships in the Kingston area with direct community investments, marketing efforts and participation with local unions in key events such as the community centered Labour Day festivities.

Some of the other 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 25 years and Comtech Fire has been a proud supporter for the past 20 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.

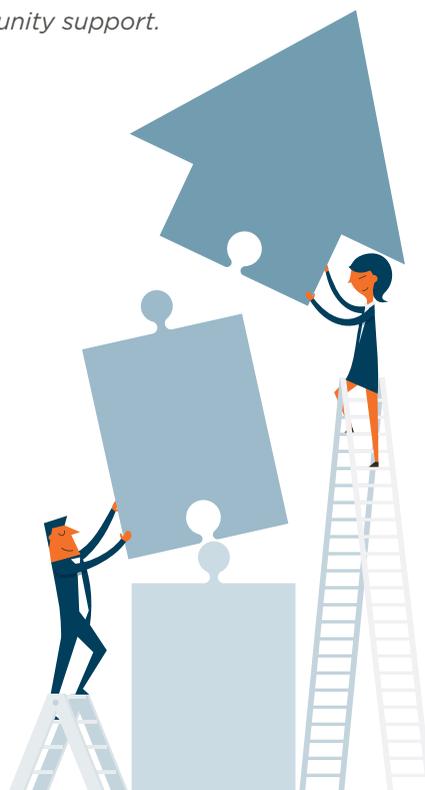
ANNUAL CHARITY GOLF TOURNAMENT -

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 \$70,000 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 20 years, has grown into a Community BBQ for more than 500.

Refer to our Community Connectedness page for additional initiatives and community support.



2018 FINANCIAL REVIEW

Once again, the strength and stability of our Credit Union continued to be proven throughout 2018. With the opening of our new Danforth branch in October 2018, the extremely successful, over-subscribed Class B Series 4 share offering, which raised \$6 million in capital, and our continued commitment of competitive rates of return, we are continuing to ensure that our primary focus is on our members, while providing safety and soundness within our operating environment.

In the past several years we have experienced significant balance sheet growth as a result of both mergers and a focus on credit granting in our expanding economy. The tremendous growth required additional capital to ensure our regulatory ratios remained strong. As a result, in 2018, we moved our focus to stable loan growth, emphasizing greater focus on retail lending. This effort to focus more on retail and less on commercial credit resulted in a decrease in assets of \$12 million or 2.5%, contributing to the year-end balance sheet totaling \$477 million at December 31, 2018.

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, loans decreased in 2018 by \$15 million or 3%. This decrease is almost entirely due to the \$41 million decrease in our commercial loans, offset by substantial growth of \$28 million in

our residential mortgage portfolio, which rose from \$210 million to \$238 million. The intentional reduction to commercial lending supported our belief that the economy was cooling down and that increased interest rates would reduce the quality of commercial loans that met our credit granting standards. With this decline, the loan portfolio ended the year at \$414 million. Overall, at the end of 2018, 96% of Comtech Fire's loan portfolio was secured by assets on which the Credit Union holds title.

Total deposits from members declined 4% or \$18 million over the prior year, to a total of \$440 million. The majority of the decrease was reflective of our need to fund loans. As we saw a slight decrease to loans, we matched that decrease to our deposit base. Registered savings plans decreased by \$4 million due to transfers by members who used their existing RRSP and TFSA deposits to purchase new Class B Series 4 investment shares. At the end of the year, term and registered term products accounted for 82% 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 capital continued to grow in 2018. Regulatory capital rose from \$25 million in 2017 to over \$31 million in 2018, for total growth of 23%. The increase was the result of the issuance of the Class B, Series 4 investment shares which raised \$6 million in capital. At year-end, our capital ratio increased from 5.20% to 6.59% and we continue to exceed

regulatory capital structure requirements. Comtech Fire paid Class B dividends to participating members in 2018 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 April 2019.

Comtech Fire's operating profit decreased by \$267,823, mainly as a result of the drop in commercial lending, resulting in lower commercial interest income throughout the year. In 2018, we focused growth on fully-secured residential mortgages which resulted in an increase in our mortgage revenue of over \$1.2 million, or 19%, however the net interest margin on the residential mortgages was not large enough to mitigate the decrease in the commercial portfolio. As well, higher yields were paid on deposits in 2018, which has a negative impact on the operating profit.

Investment income increased 24% from 2017 to \$800,903. 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 and other administration decreased 10% from the prior year to a combined total of \$1,790,521. A decrease in commercial mortgage fee revenue is the main reason for the overall decrease in 2018.

Operating expenses increased year-over-year by 5%, mainly as a result of an increase in the premiums related to insuring your deposits, and an increase to pension costs. The pension plan itself had a gain in 2018 related to net actuarial gains under IFRS totaling \$250,159 net of tax. These gains are recorded in other comprehensive income, along with a gain on the revaluation of the Danforth property totaling \$264,552 net of tax. Together, these two items totaled a gain, net of tax, of \$514,711.

Overall, the Credit Union reported total comprehensive income for the year of \$606,082, an increase of 13% from the prior year.

We closed 2018 with success and we are excited for a strong 2019.



OUR PLAN FOR TOMORROW

During the past two years, a great deal of our organizational resources were devoted to the integration of two new credit unions into a common platform shared by Comtech Fire. In 2019, we will continue to leverage our investment in the Wealthview banking platform to improve our back end processes with enhancements to security, phone and email channels.

Technology is an important factor for new members coming into the Credit Union. As well, technology is critical for our existing members who anticipate that we will continue to evolve and innovate in order to stay relevant in an ever-changing financial landscape. Ensuring a smooth member experience is a top objective for us moving forward. What better place to start than with the account opening process. Members expect a quick, streamlined solution for everything from opening a new account to *Interac*® e-Transfer and Deposit Anywhere capabilities. Using innovative solutions including ClickSWITCH™ technology, we can offer members the ability to access these valuable tools at anytime, from anywhere.

Another essential area members can expect to see major enhancements in the coming year is with their ATM cards. We will be working diligently with our team to facilitate the issuance of Tap ATM Cards, replacing member's existing chip cards. Following behind this technology will be the addition of our cards to Mobile Wallet solutions such as Android and Apple Pay. These digital solutions offer members convenient

payment solutions that are safe and easy to use and remove any risk associated with a physical card.

One of the more dramatic changes members can expect in the coming year is a major upgrade to our website at www.comtechfirecu.com. Over the course of 2019, we will be working closely with Central 1 to migrate to their platform. Giving us a powerful new tool to fine-tune and rebuild our website with modern technology. Our new website will have the ability to work cross-platform among a wide range of devices, without losing content as the screen size shifts. It will also ensure that we are able to more easily make changes in a timely fashion and share widgets among credit unions within the system.

With a little over fifty employees across our seven branches, setting our people up for success by ensuring they have the tools, learning, coaching, and best practices they need to succeed is paramount.

As an organization, we need to come together as a united front. We need to be mindful of how we best utilize our talent to ensure that we have the right people doing the right work. We will work closely with and listen to our team members to gain insights into what motivates and inspires them in the workplace.

In the coming year, we will continue to foster our relationships with our existing associations and explore opportunities to expand our network where it seems appropriate for our Credit Union.

Aligning with causes and initiatives that advance financial education, stimulation and growth for our members and our local and global communities is our crowning achievement.

In 2019, we plan to continue to support the organizations and associations that are important to our members and our communities.



SPECIAL THANKS

With over \$476 million in overall assets and close to 15,000 members across 7 branches in Ontario, it is the combined dedication of our staff, board, management and the associations we have aligned ourselves with that is truly responsible for our success.

It is our desire that by taking a focused approach to help our members plan for a better tomorrow, we can all get to where we really want to be. We are confident that if we are united in our vision of success, then we can all work towards achieving that goal together.

I hope that our members, our team and our communities feel inspired by the work we are doing here and feel they are properly supported by their Credit Union on their financial journey.

A handwritten signature in black ink, appearing to read 'John Mach'.

John Mach | CEO

BOARD OF DIRECTORS



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1 Mr. M. Neely
Captain,
Toronto Fire Services
Mississauga, ON
Board service - 13 years
Term Expires 2019

2 Mr. T. Power
ACS-Corp Canada
Mississauga, ON
Board service - 15 years
Term Expires 2019

3 Mr. T. Wright
Chartered Professional
Accountant, CMA
Stittsville, ON
Board service - 9 years
Term Expires 2019

4 Mr. S. Buckingham
Captain,
Toronto Fire Services
Milton, ON
Board service - 21 years
Term Expires 2020

5 Mr. P. Harris
Chartered Professional
Accountant, CGA
Oakville, ON
Board service - 7 years
Term Expires 2020

6 Mr. S. McDermott
SJM Consulting
Ottawa, ON
Board service - 7 years
Term Expires 2020

7 Mr. H. Doherty
District Chief,
Toronto Fire Services
Pickering, ON
Board service - 4 years
Term Expires 2021

8 Mrs. J. McDonnell
Retired Trust Examiner,
Canada Revenue Agency
Battersea, ON
Board service - 15 years
Term Expires 2021

9 Mr. J. Stubbs
Chartered Professional
Accountant, CA
Alliston, ON
Board service - 21 years
Term Expires 2021

AUDIT COMMITTEE

Mr. T. Wright, Chair
Mr. S. Buckingham
Mr. H. Doherty
Mr. S. McDermott

EXECUTIVE COMMITTEE

Mr. J. Stubbs, Chair
Mr. T. Power, Secretary
Mr. M. Neely, Vice Chair

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 following slate of candidates for election at the annual meeting on March 26, 2019.

CANDIDATES FOR THE BOARD OF DIRECTORS

Mr. M. Neely
Captain, Toronto Fire Services
Mississauga, ON
Board service - 13 years
Incumbent

Mr. T. Power
ACS-Corp Canada
Mississauga, ON
Board service - 15 years
Incumbent

Mr. T. Wright
Chartered Professional Accountant, CMA
Stittsville, ON
Board service - 9 years
Incumbent

CREDIT REPORTS

COLLECTION REPORT

	DECEMBER 31, 2018			DECEMBER 31, 2017		
	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING
Repayment lapse 90 to 179 days	8	1,170,670	1,184,226	3	41,888	41,888
Repayment lapse 180 to 365 days	2	5,779	5,779	5	52,948	53,253
Repayment lapse 365 days and greater	19	4,106,071	4,502,971	19	3,956,248	4,199,837
Bankruptcies	-	-	-	1	6,496	6,496
Total of loans in collection related to the Allowance for Impaired Loans	29	5,282,520	5,692,976	28	4,057,580	4,301,474

LOAN REPORTS

Balance as of December 31	2018	2017
	\$	\$
Variable Rate Loans	2,071,003	3,125,436
Lines of Credit and Overdrafts	12,719,950	13,937,689
Fixed Personal Loans	158,313	175,906
Fixed Commercial Loans	115,769	85,395
Residential Equity Lines of Credit	38,784,836	42,394,157
Commercial Equity Lines of Credit	8,658,906	27,711,459
Residential Mortgages	199,188,892	167,152,584
Commercial Mortgages	152,711,589	174,480,321
Total Value of Loans Outstanding	414,409,257	429,062,947
Total Value of Loans Outstanding (less allowance)	413,959,361	428,635,676

Loans granted during the year - number of loans and value	2018		2017	
	#	\$	#	\$
Variable Rate Loans	64	1,488,251	83	1,112,413
Lines of Credit	59	2,236,412	92	2,521,726
Chequing Overdrafts	8	6,250	5	2,700
Fixed Personal Loans	1	17,544	11	87,531
Fixed Commercial Loans	-	-	1	40,000
Residential Equity Lines of Credit	73	13,772,614	60	21,267,778
Commercial Equity Lines of Credit	-	-	6	1,882,000
Residential Mortgages	214	75,431,104	143	61,917,986
Commercial Mortgages	33	25,587,908	48	68,195,768
Number of Loan Applications Received	354		793	
Number of Loan Applications Declined	107		121	

AUDIT COMMITTEE REPORT

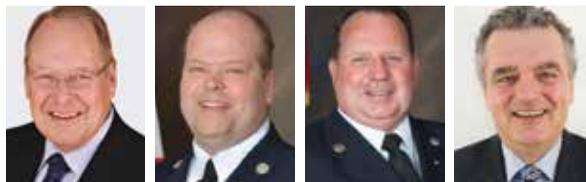
AUDIT COMMITTEE:

Mr. T. Wright, Chair

Mr. S. Buckingham

Mr. H. Doherty

Mr. S. McDermott



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 2018, 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 2018 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 2018, 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 in black ink.

Terry Wright

Chair, Audit Committee

MANAGEMENT'S REPORT



J. MACH, J. WOEHL

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.

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, 2018, 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, 2018.

In our opinion, the accompanying summarized financial statements are a fair summary of the audited financial statements.

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 31, 2019.

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*.

Deloitte LLP.

Chartered Professional Accountants
Licensed Public Accountants
January 31, 2019

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2018

(IN CANADIAN DOLLARS)	2018	2017
	\$	\$
Interest on loans to members		
Personal loans	1,544,104	1,657,262
Residential mortgages	7,695,436	6,478,718
Commercial mortgages	7,271,810	7,696,061
Investment income	800,903	644,427
	17,312,253	16,476,468
Interest expense		
Dividends on savings dividend accounts	105,428	20,735
Interest on daily savings and chequing accounts	212,046	233,594
Interest on term deposits	6,550,911	5,900,824
Interest on registered products	1,841,715	1,806,109
	8,710,100	7,961,262
Net interest income	8,602,153	8,515,206
Provision for impaired loans	170,718	20,688
Net interest margin	8,431,435	8,494,518
Other operating income (net)	1,790,521	1,995,261
Total operating profit	10,221,956	10,489,779
Personnel expenses	4,308,941	4,242,029
Administrative expenses (schedule)	1,974,961	1,959,427
Occupancy	1,096,812	1,111,765
Pension expense	772,213	449,599
Deposit insurance premium	632,111	468,472
Depreciation	530,143	504,600
Data processing	466,282	509,397
Promotion, marketing and publicity	262,764	360,221
Total operating expenses	10,044,227	9,605,510
Dividends on investment shares	48,802	33,714
Profit before income taxes	128,927	850,555
Income tax expense	37,556	190,981
Profit for the year	91,371	659,574
Other comprehensive income (loss), net of income taxes		
Items that will not be reclassified subsequently to profit or loss	514,711	(123,979)
Total comprehensive income for the year	606,082	535,595

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2018

(IN CANADIAN DOLLARS)

	MEMBERS' SHARES	REVALUATION SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
	\$	\$	\$	\$
As at January 1, 2017	14,539,202	-	9,526,211	24,065,413
Profit for the year	-	-	659,574	659,574
Other comprehensive loss	-	-	(123,979)	(123,979)
Dividends on investment shares (net of income tax recovery of \$72,789)	-	-	(300,488)	(300,488)
Net decrease in members' shares	(543,557)	-	-	(543,557)
As at December 31, 2017	13,995,645	-	9,761,318	23,756,963
Changes on initial application of IFRS 9, net of tax	-	-	(41,488)	(41,488)
Restated balance 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

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

(IN CANADIAN DOLLARS)	2018	2017
	\$	\$
Assets		
Cash and cash equivalents	15,684,173	15,265,097
Investments	32,347,095	32,771,754
Loans to members	413,959,361	428,635,676
Accounts receivable	212,599	185,705
Accrued interest on members' loans	611,382	850,300
Assets held for sale	3,510,877	-
Property and equipment	7,494,620	10,240,187
Investment property	1,749,036	-
Other assets	1,285,198	1,261,119
	476,854,342	489,209,838
Liabilities		
Deposits from members		
Savings dividend accounts	43,417,631	49,306,075
Daily savings and chequing accounts	37,454,960	39,246,439
Term deposits	262,283,629	268,622,983
Registered savings plans	96,391,190	100,530,121
	439,547,410	457,705,618
Accrued dividends on savings dividend accounts and Class B investment shares	228,928	128,684
Accrued interest on members' accounts	3,469,998	3,603,648
Accounts payable and other liabilities	1,451,266	1,460,468
Deferred income tax liabilities	135,030	77,713
Defined benefit obligation	550,216	966,164
Members' shares	1,519,302	1,510,580
	446,902,150	465,452,875
Members' equity		
Members' shares	20,014,853	13,995,645
Revaluation surplus reserve	264,552	-
Retained earnings	9,672,787	9,761,318
	29,952,192	23,756,963
	476,854,342	489,209,838

On behalf of the Board



Jeff Stubbs, Chair



Tony Power, Secretary

FINANCIAL STATEMENTS

SUMMARIZED SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended December 31, 2018

(IN CANADIAN DOLLARS)	2018	2017
	\$	\$
Directors meetings and honoraria	290,282	286,090
Lending and collection costs	286,171	234,172
Automated teller machines	264,404	262,931
Legal and professional fees	195,432	189,702
Bank charges and interest	153,198	163,974
Sundry	119,576	78,003
Postage and mailing	97,507	117,838
Telephone	89,307	83,474
Travel and seminar	85,141	135,639
Bonding insurance	71,792	58,536
Share and loan insurance	68,181	91,456
Central 1 member fees	58,410	54,139
Stationery and printing	57,517	70,820
Staff training and consulting	50,508	30,234
Annual meeting	30,711	34,122
Mutual fund fees	30,390	15,403
Community involvement and donations	26,434	52,894
	1,974,961	1,959,427

COMMUNITY CONNECTEDNESS

Each year, we present three **COMMUNITY CONTRIBUTION AWARDS** honouring the contributions a member has made to their community, each aligned with our three founding Credit Unions; Comtech Credit Union, Fire Services Credit Union and Limestone Credit Union. Each of these awards is presented at our Annual General Meeting, and includes a donation to the recipient's charity of choice.

THE JOHN RYDER AWARD recognizes the efforts and contributions of an Ontario fire fighter to the fire service community. It is the highest award that Fire Services Credit Union has presented over the years, named after a Toronto fire fighter and former Credit Union General Manager who himself made significant contributions to the Credit Union, its members and to the broader fire service community.

Presented to: **CAMP BUCKO**

THE SCOTT JAMIESON COMMUNITY SERVICE AWARD is named after an active member of our board of directors who served for over 10 years and as board chair from 2003 until his passing in June 2007. Mr. Jamieson was very active in the community with the Boy Scouts of Canada, coaching the West Hill softball and hardball baseball leagues, and as an ordained elder for his church. He was highly respected by his colleagues and friends for his generous spirit and commitment to community. This important community service award is a tribute to him and the legacy he leaves to all of us.

Presented to: **ALICE GOULD**

THE TOM BALDWIN COMMUNITY SERVICE AWARD is named after Tom Baldwin, who served Limestone Credit Union for more than 30 years as a director and board chair. Tom also volunteered for the Heart and Stroke Foundation for many years and at the Church of the Redeemer where he completed all the electrical work required to re-commission a 1930's vintage theatre organ that was used for both religious purposes and public concerts. He spent a tremendous amount of time helping friends and relatives around him.

Presented to: **MARILYN MCLEAN**

This year's **2018 CU SUCCEED YOUTH BURSARY AWARD** winners were *Ashley V.* who received \$3,000, *Jennifer C.* who received \$2,000 and *Maria G.* who received \$1,500. Our successful candidates can now use these funds to help advance their post-secondary education.

Comtech Fire was proud to sponsor, fundraise and volunteer across communities in Toronto, Kingston and Ottawa in 2018 with contributions to:

- President Hockey Tournament
- McFarlane Bowling Tournament
- The Marcel Vincent Baseball Tournament
- The Bell Canada Curling Tournament
- Kids Come First Golf Tournament in support of Autism
- Public Works Charitable Golf Tournament
- Unifor Golf Tournament
- Co-operative Development Foundation of Canada
- Bell Pioneers Comfort Pillow Program
- Toronto Professional Fire Fighters Golf Tournament
- Toronto Professional Fire Fighters Annual Children's Christmas Party
- Toronto Professional Fire Fighters Annual Children's Summer Picnic
- Toronto Professional Fire Fighters Calendar for the Princess Margaret Hospital
- Toronto Professional Fire Fighters Pink Truck for Breast Cancer Research
- Toronto Professional Fire Fighters Retirement Dinner
- Toronto Fire Recruit Classes
- Toronto Fire Hockey Team
- Fire & Emergency Services Training Institute Recruit Classes
- Richmond Hill Professional Fire Fighters Golf Tournament
- Camp Bucko Curling Bonspiel
- Mississauga Fire Pink Truck for Trillium Health Care Foundation
- Burlington Professional Fire Fighters Association Awards Banquet
- 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
- Oshawa Fire Combat Team
- Canadian Fire Fighters Museum in Port Hope
- Toronto Fire Pensioners Roy Head Golf Tournament

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