



**STRONGER  
TOGETHER**

**COMTECH FIRE  
CREDIT UNION**  
ANNUAL REPORT 2021

# STRONGER TOGETHER



# 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.

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## 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.

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## CORE OPERATING STRATEGY

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

# ANNUAL REPORT 2021

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# MESSAGE FROM THE CEO

For 81 years our members have entrusted us with their financial well-being and this is a responsibility that the Board and Management team take both seriously and personally. We are members too. United by our genuine care and commitment for our membership, our team and our communities.

2021 was a year of unprecedented change, and while much of 2020 felt like a year of upheaval and uncertainty, this past year brought with it hope and an opportunity to emerge stronger. And while none of us could have predicted that two years later we would still be navigating the ups and downs of this pandemic, we are confident in the fact that we are in this together.

Together we are committed to delivering a banking experience that truly stands apart. Not just by providing the same products and services you would expect to find at any financial institution, but by being so much more to our members.

Together we represent unity. A community of individuals with a shared vision of financial health and happiness for all. Who looks beyond their bottom line to offer its members better rates, exclusive services, long lasting relationships, and support for their communities.

To our Bell Employees, Fire Fighters and Kingston Federal Employees who have founded and grown this organization, we owe a great debt of gratitude and loyalty. It was through their collective vision that our Credit Union's foundation was built. And as we expand our reach to include our local communities, we will never forget our roots and the reason we thrive.

**We continue to be stronger together.**

# 2021 HOW IT STARTED

## FLEXIBILITY

Society has experienced extraordinary change throughout 2021 and as we shift and settle into new ways of being and doing, we are acutely aware of the toll this has taken on our membership, staff and communities.

It has changed the way we work, learn, and live. How we connect and communicate with one another. How we move through our day-to-day operations and interactions. It has also shown us just how resilient we can be.

We have all become quite adept at pivoting. Using technology to our advantage, either working or learning from home, and to stay connected to the things that matter most.

Providing assurance for our members, staff and communities that their Credit Union is on solid ground and here to support them anyway that we can has been our top priority.

Adhering to public health guidelines while still supporting our members and communities was not without challenge. The need for branch closures meant online and phone channels were our primary means of communication.

That meant streamlining our digital presence and using it as a platform to communicate. In 2021, we continued to work behind the scenes to enhance our self-serve options both online and through the mobile app.

We increased our social media presence on Instagram, Twitter and Facebook. These online platforms offer an opportunity to interact and engage with our members in real time. To provide financial education and advice and feature exclusive member promotions. To uplift them with initiatives like Wellness Wednesday and offer support for all their financial needs. To help them feel connected as a community, by promoting initiatives that are important to us all.

## STABILITY

As an organization we made investments to ensure that our Credit Union had adjusted as needed and that we could continue to meet the financial needs of our members. This included rebalancing the loan book and ensuring that our lending portfolio weighting is well aligned with the long-term needs of our membership.

Our focus on a more sustainable capital model helped propel our total comprehensive income to \$2,118,383. In our unpredictable world, this ensures that the Credit Union will be able to absorb future uncertainty and provide the flexibility to meet the needs of our Credit Union for years to come.

To ensure our success, we have worked towards internal savings opportunities wherever possible. This included leveraging our partners to work with us on developing more efficient processes that will allow us to deliver a higher level of service at a lower cost.

For a number of our existing members who are newcomers to our digital channels, it has been a welcome relief to know that much of their banking needs are available through the website, mobile app, and online platforms.

While we have found ways to support our members and meet all of their financial needs virtually, we know that for some, the ability to meet face-to-face and connect with their Credit Union is invaluable. In 2022, we look forward to welcoming our communities back inside our branches while adhering to public health guidelines.

We are a community credit union, and it is important to us that our members feel connected to us and understand that we are in this together. This past year we began releasing a series of ads that introduces a different member of our staff or Board of Directors. We want our members to know that our team is made up of individuals who are also members in our Credit Union, members of our community, and people just like them who share a similar vision of cooperative banking and shared success.

## HUMANITY

In 2021, we continued to support the initiatives, organizations and associations that are important to our members and our communities.

### **2021 CU Succeed Youth Bursary Award Winners**

We were pleased to see two of our youth members, Aryana and Nephertari, receive the Ontario Credit Union Foundation's 2021 CU Succeed Youth Bursary Award. Aryana and Nephertari were selected for their contributions to their community, academics, and based on financial need. Comtech Fire is especially proud of the contribution that both have made to the community.

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### **Canadian Fallen Firefighters Memorial Ride**

In September, Comtech Fire Credit Union proudly hosted the riders of the TPFCS Memorial Ride in Kingston. Over 60 firefighters biked 550 km from Hamilton to the national memorial in Ottawa, raising over \$85,000 this year alone for the Canadian Fallen Firefighters Foundation. CFCU is a proud supporter of this great initiative.

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### **Toronto Professional Fire Fighters Association Charitable Golf Classic**

Comtech Fire Credit Union is proud to have attended and sponsored the 12th Annual Toronto Professional Fire Fighters Association Charitable Golf Classic at Royal Woodbine Golf Club on July 13, 2021.

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### **Dr. Eric G. Taylor Fall Labour Education Seminar**

Comtech Fire Credit Union was pleased to be a sponsor of the Ontario Professional Fire Fighters Association - Dr. Eric G. Taylor Fall Labour Education Seminar. The event we sponsored took place on Monday, October 4<sup>th</sup> during the multi-day conference that was held from October 3<sup>rd</sup> to 7<sup>th</sup> at the Marriott on the Falls in Niagara Falls. Approximately 185 participants were registered for this first in-person event from the OPFFA in almost 2 years due to Covid.

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### **5<sup>th</sup> Annual Mississauga Fire Fighters Benevolent Fund Golf Tournament**

Comtech Fire Credit Union was a proud Crew Sponsor of the 5<sup>th</sup> Annual Mississauga Fire Fighters Benevolent Fund Golf tournament on Tuesday, Sept 21, 2021. It was a beautiful day and such a worthy cause.

### **Mississauga Fire Fighters Benevolent Fund Pink Truck Tour**

Comtech Fire Credit Union was proud to be a Silver Sponsor again this year for the Pink Truck Tour in support of Trillium Health Partners Cancer Care program. The launch was held on October 2nd, 2021 at Meadowvale Toyota in Mississauga.

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### **Brampton Fire Local 1068 Movember Campaign**

Comtech Fire Credit Union supported the hard work of Brampton Fire Local 1068 in their efforts of raising funds for mens health issues through their Movember Campaign. CFCU CEO Dave Birak had the opportunity to attend the campaign kickoff event with the Polar Plunge on October 30th, 2021 at Brampton City Professor's Lake.

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### **TPFFA Local 3888 Honour Wall**

Comtech Fire continues to be the exclusive sponsor of the Wall of Honour at the Toronto Professional Fire Fighters Association Offices, which honours TPFFA fallen firefighters.

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### **St Paul's Breakfast Program**

The St Paul's Breakfast Program has been in operation for 28 years and Comtech Fire has been a proud supporter for the past 23 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.

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### **TPFFA Local 3888 Kids Christmas Party**

Comtech Fire Credit Union had the pleasure of supporting the 3888 Kids' Christmas party at Canada's Wonderland on Saturday, December 4, 2021. This was a non-profit event and donations went to the Toronto Fire Fighters Charities Inc. which is a registered charity that supports a number of charitable causes including Ronald McDonald House, Variety Village, Sunnybrook Hospital, and more.

### Branch Toy Drives and Food Bank Drives

Our Princess St. Branch raised \$525 from staff and members for The Salvation Army in support of their Toy and Hamper drive/fundraiser. A cheque was delivered in addition to the many new, unwrapped toy donations that were collected during the holiday season.

Our King St. Branch collected donations from staff and members for the Toronto Daily Food Bank in order to contribute to their vision of ending hunger in Toronto.

In December, our Amherstview Branch donated \$700 to the Amherstview Lions Club. These funds were used to purchase food vouchers for the local families in need over the holidays.

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Refer to the **In Our Community** page for a complete listing of our charitable efforts and community support in 2021.

### FACILITY

The main driver of our success is the consistent commitment of our team. Even in the face of great personal uncertainty, everyone from our front-line staff, to our executive team, to our Board of Directors, continues to embody our core values day in and day out.

Throughout the pandemic, they have worked conscientiously in our communities. Whether it was in Ottawa, Toronto, Kingston or Amherstview, they have ensured that we are able to provide the same great level of service our members have come to expect.

As a team we have rallied together through these trying times to rise above the challenges and deliver unparalleled excellence for our members and communities, and for that we are grateful. It is a true testament that we are stronger together.





# 2021 FINANCIAL REVIEW

Once again, the strength and stability of our Credit Union continued to be proven throughout the year, despite the continuing challenges of a global pandemic. In 2021, we enhanced our profitability, provided competitive rates of return, and continued to focus on the safety and soundness within our operating environment.

In 2021, we looked to rebalance our loan portfolio to better align with the needs of our membership. As a result of the rebalancing, we shed a small number of high-value loans on both our retail and commercial portfolio. Given the economic conditions resulting from the pandemic and the future outlook, we believed that it was prudent to take a defensive posture on our portfolio for both the commercial and retail loans. As a result of the rebalancing, our assets decreased by \$74 million or 15%, which resulted in the year-end balance sheet totalling \$419 million at December 31, 2021. Overall, the loan portfolio decreased in 2021 by a total of \$89 million or 21%, with residential mortgages decreasing \$48 million, and commercial mortgages decreasing \$38 million. The loan portfolio ended the year at \$324 million, and provides greater comfort and a better balance in terms of our credit exposure. We continue to focus on writing quality loans, working together with our members to find solutions, while being mindful of protecting the assets of the Credit Union.

Total deposits from members decreased 17% or \$75 million over the prior year, to a total of \$373 million. As our loan portfolio decreased, we intentionally matched that decrease to our deposit base, by letting go of maturing broker deposits that we no longer needed to maintain reasonable liquidity levels. At the end of the year, term and registered term products accounted for 71% 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.

Members' shares remained relatively stable in 2021 at \$23 million. At year-end, our capital ratio increased from 6.78% to 8.51%, and we continue to exceed regulatory capital structure requirements. Comtech Fire paid Class B dividends to participating members in 2021 at the rate of between 2.40% 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 2022.

As a result of the adjustments to the loan portfolio on both the retail and commercial sides, as well as the low interest rate environment, interest on loans to members decreased 16% from the prior year, totalling \$15 million dollars.

Investment income decreased 10% to \$608,900, also due to the low interest rate environment. Comtech Fire continues to invest in lower-yielding, but highly-secured investments. At year-end, our portfolio consisted primarily of cash, bonds, GICs, and our mandatory Central 1 Credit Union membership shares. As always, we continue to take the position that safety of your deposits outweighs the opportunity of higher yields.

Interest on deposits decreased to \$6 million, due to both the decrease in member deposit balances and the low interest rate environment. Combined with the changes to interest on loans to members and investment income, net interest income remained level with the prior year, at \$9.4 million, compared to \$9.5M in the prior year.

Ancillary revenues in insurance premiums, commissions, mortgage penalties and other administration charges and gains increased 34% from the prior year to a combined total of \$3,255,509. An increase in mortgage penalties on early payouts is the main reason for the overall increase in 2021.

Operating expenses remained fairly consistent year-over-year at \$9.1 million, compared to \$9.3 million in 2020.

Overall, the Credit Union reported a net profit for the year after tax of \$1,799,491.

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 2021, the discount rate used for estimating the defined benefit obligation increased 40 basis points from the 2020 year end rate. As a result, the plan experienced actuarial gains during the 2021 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 income reported from the pension plan in 2021, net of taxes, is \$318,892. As a result of the pension gain, total comprehensive income for the year was \$2,118,383.

Our results for 2021 showed the strength and resilience of our core business lines. As we head into 2022, we will build upon our strong and stable foundation, and are confident that we have positioned our Credit Union for sustained success.



# 2022 WHERE IT'S GOING

As we enter a new year and find ourselves continuing to navigate significant uncertainty, we are optimistic that the worst days of the pandemic are behind us; however, we are now faced with a fight against inflation and geo-political uncertainty in Europe. In the face of this, we are confident in our Credit Union's ability to remain steady in times of challenge.

If the past two years have taught us anything, I think we can agree it is that there are very few absolutes in life. We have all been adjusting to changes, and while we still don't know fully what the future will hold, we are optimistic that the pandemic's grip will loosen and we will find a way to navigate new uncertainties in 2022 and beyond.

Staying connected to our members and ensuring we meet their financial needs will remain our top priority moving forward. In 2022, we will look to engage with our members through a survey program that will collect valuable feedback and insights about how we can better serve them. With this information we can work to ensure that as their financial institution of choice, we continue to meet the current and future needs of our members.

Building on the successes of 2021, we will continue to focus on improving our digital channels. As the trend towards technology continues to evolve, and our members become more and more comfortable with the online and mobile banking experience, we will work towards enhancing our systems to meet this demand.

While ensuring our digital offerings either meet or exceed the industry standard is a priority, we know that our strength lies in our relationships with our members. It is our one-to-one interactions and our ability to connect that really sets us apart.

Giving back to the communities we serve is a large part of who we are as a cooperative credit union. Our hope is that we can return to face-to-face community events this year, and strengthen the relationships we have worked so hard to foster in our communities over the years.

Aligning our Credit Union with initiatives that are important to our members, our team, and our communities is what cooperative banking is all about. In the coming year, we will continue to support and grow our sponsorships through causes that are important to our Credit Union communities and our members.

Comtech Fire Credit Union will continue 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 in 2022 and beyond.

We have an incredible network of individuals both in our staff and in our members that are united in their desire to contribute to the greater good. It all comes down to community, and at Comtech Fire, we know that we are stronger together.



# SPECIAL THANKS

Now that we have a better grasp on how the year started and a clearer vision of where it's going, we eagerly anticipate the coming year as one of great potential and growth.

As CEO, I would like to thank our staff, executive team and Board of Directors for their dedication to our members' financial success. It is through your desire to provide a better banking experience that our Credit Union continues to thrive.

To our valued members, including our Associations and the small businesses we serve, thank you for your continued trust in us with all your financial needs. You offer us the opportunity to be so much more than your average financial institution. You are what helps set us apart and drives us to emerge stronger from our shared challenges.

**There is no doubt in my mind that as a Credit Union we are stronger together.**



Dave Birak | CEO



# BOARD OF DIRECTORS



**Mr. S. Marks**  
Retired Captain/Acting District Chief,  
Toronto Fire Services  
Ottawa, ON  
Board service - 3 months  
Term Expires 2022

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**Mr. M. Neely**  
Retired Captain, Toronto Fire Services  
Mississauga, ON  
Board service - 16 years  
Term Expires 2022

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**Mr. T. Power**  
Ryerson University  
Mississauga, ON  
Board service - 19 years  
Term Expires 2022

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**Mr. T. Wright**  
Chartered Professional Accountant, CMA  
Stittsville, ON  
Board service - 11 years  
Term Expires 2022

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**Mrs. C. Fagnan**  
Associate General Counsel, Telus M&A  
Toronto, ON  
Board service - 1 year  
Term Expires 2023

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**Mr. S. McDermott**  
SJM Consulting  
Ottawa, ON  
Board service - 9 years  
Term Expires 2023

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**Mr. H. Doherty**  
Platoon Chief, Toronto Fire Services  
Pickering, ON  
Board service - 7 years  
Term Expires 2024

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**Mrs. J. McDonnell**  
Retired Trust Examiner, Canada Revenue  
Agency  
Battersea, ON  
Board service - 12 years  
Term Expires 2024

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**Mr. J. Stubbs**  
Chief Operating Officer, Spinnaker Resorts Inc.  
Alliston, ON  
Board service - 18 years  
Term Expires 2024

# CREDIT REPORTS

## COLLECTION REPORT

|  | DECEMBER 31, 2021 |              |                | DECEMBER 31, 2020 |              |                |
|--|-------------------|--------------|----------------|-------------------|--------------|----------------|
|  | NO. OF LOANS      | PRINCIPAL \$ | TOTAL \$ OWING | NO. OF LOANS      | PRINCIPAL \$ | TOTAL \$ OWING |
| Credit-impaired  | -                 | -            | -              | 1                 | 3,711,380    | 3,797,948      |
| Repayment lapse 90 to 179 days   | 5                 | 75,470       | 75,527         | 3                 | 19,355       | 19,355         |
| Repayment lapse 180 to 365 days  | 2                 | 16,656       | 16,656         | 8                 | 5,007,087    | 5,171,658      |
| Repayment lapse 365 days and greater                                     | 10                | 1,016,730    | 1,103,347      | 11                | 1,678,863    | 1,782,816      |
| Total of loans in collection related to the Allowance for Impaired Loans | 17                | 1,108,856    | 1,195,530      | 23                | 10,416,685   | 10,771,777     |

## LOAN REPORTS

| Balance as of December 31                         | 2021        | 2020        |
|---|-------------|-------------|
|   | \$          | \$          |
| Variable Rate Loans                               | 531,288     | 975,133     |
| Lines of Credit and Overdrafts                    | 7,655,546   | 9,571,365   |
| Fixed Personal Loans                              | 119,655     | 158,600     |
| Fixed Commercial Loans                            | 2,308       | 27,514      |
| Residential Equity Lines of Credit                | 26,820,340  | 35,762,182  |
| Commercial Equity Lines of Credit                 | 10,191,801  | 8,662,749   |
| Residential Mortgages                             | 143,005,527 | 181,665,494 |
| Commercial Mortgages                              | 136,210,410 | 176,022,789 |
| Total Value of Loans Outstanding                  | 324,536,875 | 412,845,826 |
| Total Value of Loans Outstanding (less allowance) | 323,598,446 | 412,129,792 |

| Loans granted during the year - number of loans and value | 2021 |            | 2020 |            |
|---|------|------------|------|------------|
|   | #    | \$         | #    | \$         |
| Variable Rate Loans                                       | 13   | 169,170    | 26   | 445,834    |
| Lines of Credit   | 26   | 448,500    | 36   | 786,000    |
| Chequing Overdrafts                                       | 0    | 0          | 1    | 250        |
| Fixed Personal Loans                                      | 1    | 12,573     | 5    | 45,261     |
| Residential Equity Lines of Credit                        | 65   | 14,022,170 | 25   | 7,419,700  |
| Commercial Equity Lines of Credit                         | 1    | 8,300,000  | 0    | 0          |
| Residential Mortgages                                     | 146  | 55,683,897 | 137  | 44,116,916 |
| Commercial Mortgages                                      | 19   | 28,141,587 | 29   | 34,857,971 |
| Number of Loan Applications Received                      | 194  |            | 215  |            |
| Number of Loan Applications Declined                      | 37   |            | 38   |            |

# AUDIT COMMITTEE REPORT

## AUDIT COMMITTEE:



Mr. T. Wright, Chair



Mr. J. Stubbs



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 2021, the firm of MNP 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 2021 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 2021, 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.



**Terry Wright**  
Chair, Audit Committee

# MANAGEMENT'S REPORT

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING



D. BIRAK, J. WOEHL

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 MNP LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Credit Union membership.

**Dave Birak**  
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, 2021, and the summarized statements 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, 2021.

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 audited financial statements and the auditor's report thereon.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 2, 2022.

### 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 Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

*MNP LLP*

Burlington, Ontario,  
Chartered Professional Accountants  
Licensed Public Accountants  
February 2, 2022

# FINANCIAL STATEMENTS

## SUMMARIZED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME

### Year ended December 31, 2021

| (IN CANADIAN DOLLARS)  | 2021              | 2020              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| Interest on loans to members                                       |                   |                   |
| Personal loans   | 920,227           | 1,174,331         |
| Residential mortgages  | 6,569,837         | 8,380,690         |
| Commercial mortgages   | 7,235,469         | 8,028,388         |
| Investment income  | 608,900           | 678,520           |
|  | <b>15,334,433</b> | <b>18,261,929</b> |
| Interest expense   |                   |                   |
| Dividends on savings dividend accounts                             | 40,277            | 95,780            |
| Interest on daily savings and chequing accounts                    | 231,263           | 224,573           |
| Interest on term deposits  | 4,187,785         | 6,487,386         |
| Interest on registered products                                    | 1,439,655         | 1,926,046         |
|  | <b>5,898,980</b>  | <b>8,733,785</b>  |
| Net interest income  | 9,435,453         | 9,528,144         |
| Provision for impaired loans                                       | 1,366,382         | 922,265           |
| Net interest margin  | 8,069,071         | 8,605,879         |
| Other operating income (net)                                       | 3,255,509         | 2,435,591         |
| Total operating profit   | <b>11,324,580</b> | <b>11,041,470</b> |
| Personnel expenses   | 3,845,785         | 4,144,382         |
| Administrative expenses (schedule)                                 | 2,004,177         | 1,593,610         |
| Occupancy  | 644,671           | 727,399           |
| Pension expense  | 304,115           | 546,522           |
| Deposit insurance premium  | 514,316           | 526,767           |
| Depreciation of property and equipment                             | 626,380           | 590,637           |
| Depreciation of right-of-use assets                                | 565,200           | 554,356           |
| Data processing  | 429,199           | 415,730           |
| Promotion, marketing and publicity                                 | 139,123           | 203,607           |
| Total operating expenses   | <b>9,072,966</b>  | <b>9,303,010</b>  |
| Dividends on investment shares                                     | 38,849            | 44,066            |
| Profit before income taxes   | 2,212,765         | 1,694,394         |
| Income tax expense   | 413,274           | 205,814           |
| Profit for the year  | <b>1,799,491</b>  | <b>1,488,580</b>  |
| Other comprehensive income (loss), net of income taxes             |                   |                   |
| Items that will not be reclassified subsequently to profit or loss | 318,892           | (77,392)          |
| <b>Total comprehensive income for the year</b>                     | <b>2,118,383</b>  | <b>1,411,188</b>  |

# FINANCIAL STATEMENTS

## SUMMARIZED STATEMENT OF CHANGES IN MEMBERS' EQUITY

Year ended December 31, 2021

(IN CANADIAN DOLLARS)

|   | MEMBERS'<br>SHARES | REVALUATION<br>SURPLUS<br>RESERVE | RETAINED<br>EARNINGS | TOTAL             |
|---|--------------------|-----------------------------------|----------------------|-------------------|
|   | \$                 | \$                                | \$                   | \$                |
| <b>As at January 1, 2020</b>  | 20,463,347         | 264,552                           | 9,710,551            | 30,438,450        |
| Profit for the year   | -                  | -                                 | 1,488,580            | 1,488,580         |
| Other comprehensive loss  | -                  | -                                 | (77,392)             | (77,392)          |
| Dividends on investment shares (net of<br>income tax recovery of \$113,958) | -                  | -                                 | (512,185)            | (512,185)         |
| Net increase in members' shares   | 383,719            | -                                 | -                    | 383,719           |
| <b>As at December 31, 2020</b>  | 20,847,066         | 264,552                           | 10,609,554           | 31,721,172        |
| Profit for the year   | -                  | -                                 | 1,799,491            | 1,799,491         |
| Other comprehensive income  | -                  | -                                 | 318,892              | 318,892           |
| Dividends on investment shares (net of<br>income tax recovery of \$108,225) | -                  | -                                 | (486,417)            | (486,417)         |
| Net increase in members' shares   | 366,888            | -                                 | -                    | 366,888           |
| <b>As at December 31, 2021</b>  | <b>21,213,954</b>  | <b>264,552</b>                    | <b>12,241,520</b>    | <b>33,720,026</b> |

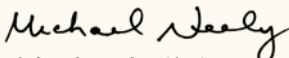
# FINANCIAL STATEMENTS

## SUMMARIZED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

| (IN CANADIAN DOLLARS)  | 2021               | 2020               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Assets</b>  |                    |                    |
| Cash and cash equivalents  | 49,487,905         | 15,014,287         |
| Investments  | 30,200,500         | 48,792,540         |
| Loans to members   | 323,598,446        | 412,129,792        |
| Accounts receivable  | 80,286             | 277,211            |
| Accrued interest on members' loans   | 550,800            | 1,203,398          |
| Defined benefit asset  | 243,687            | -                  |
| Right-of-use assets  | 4,722,503          | 5,223,627          |
| Property and equipment   | 6,850,413          | 7,215,184          |
| Investment property  | 1,980,197          | 1,749,036          |
| Other assets   | 964,854            | 825,423            |
|  | <b>418,679,591</b> | <b>492,430,498</b> |
| <b>Liabilities</b>   |                    |                    |
| Deposits from members  |                    |                    |
| Savings dividend accounts  | 51,450,285         | 61,125,222         |
| Daily savings and chequing accounts  | 57,355,571         | 49,597,687         |
| Term deposits  | 169,631,500        | 235,277,183        |
| Registered savings plans   | 94,936,609         | 102,150,819        |
|  | <b>373,373,965</b> | <b>448,150,911</b> |
| Accrued dividends on savings dividend accounts and Class B investment shares | 184,861            | 186,898            |
| Accrued interest on members' accounts  | 2,636,240          | 3,811,282          |
| Accounts payable and other liabilities                                       | 1,732,938          | 1,349,099          |
| Lease liabilities  | 4,854,688          | 5,286,424          |
| Current tax liabilities  | 276,000            | -                  |
| Deferred income tax liabilities  | 310,000            | 210,000            |
| Defined benefit obligation   | -                  | 142,550            |
| Members' shares  | 1,590,873          | 1,572,162          |
|  | <b>384,959,565</b> | <b>460,709,326</b> |
| <b>Members' equity</b>   |                    |                    |
| Members' shares  | 21,213,954         | 20,847,066         |
| Revaluation surplus reserve  | 264,552            | 264,552            |
| Retained earnings  | 12,241,520         | 10,609,554         |
|  | <b>33,720,026</b>  | <b>31,721,172</b>  |
|  | <b>418,679,591</b> | <b>492,430,498</b> |

On behalf of the Board

  
Michael Neely, Chair

  
Hugh Doherty, Secretary

# FINANCIAL STATEMENTS

## SUMMARIZED SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended December 31, 2021

| (IN CANADIAN DOLLARS)               | 2021             | 2020             |
|-------------------------------------|------------------|------------------|
|                                     | \$               | \$               |
| Legal and professional fees         | 505,716          | 239,999          |
| Lending and collection costs        | 314,875          | 301,580          |
| Bank charges and interest           | 187,362          | 179,028          |
| Directors meetings and honoraria    | 178,238          | 141,448          |
| Sundry                              | 149,926          | 126,653          |
| Bonding insurance                   | 124,500          | 72,577           |
| Automated teller machines           | 121,653          | 111,602          |
| Telephone                           | 81,925           | 81,141           |
| Postage and mailing                 | 67,671           | 79,532           |
| Staff training and consulting       | 66,826           | 38,626           |
| Share and loan insurance            | 52,393           | 46,616           |
| Stationery and printing             | 44,564           | 40,580           |
| Central 1 member fees               | 35,512           | 40,566           |
| Mutual fund fees                    | 28,315           | 31,024           |
| Travel and seminar                  | 25,354           | 44,268           |
| Community involvement and donations | 14,805           | 12,750           |
| Annual meeting                      | 4,542            | 5,620            |
|                                     | <b>2,004,177</b> | <b>1,593,610</b> |

# IN OUR COMMUNITY

**Comtech Fire was proud to sponsor, fundraise and volunteer across communities in Toronto, Kingston and Ottawa in 2021 with contributions to:**

- Bell pensioner meetings and BTS
- Bell tournaments advertising
- Fire - Camp Bucko
- Fire - CFFF sponsorship
- Fire - recruit classes
- Fire - union meetings
- Fire - golf tournament sponsorship
- Fire - OAFC
- Fire - OPFFA
- Fire - Brampton PFFA
- Fire - Mississauga PFFA
- Fire - Mississauga Firefighters Benevolent Fund
- Fire - Pickering PFFA
- Fire - TPFFA Honour Wall
- Fire - Toronto PFFA
- Fire - Toronto Celtic Society
- Kingston Kidney Ride
- Ontario Credit Union Foundation
- St Paul's Scholarship
- St. Paul's Breakfast Club



5<sup>th</sup> Annual Mississauga Firefighters Benevolent Fund Golf tournament on Tuesday, September 21, 2021



Brampton Professional Firefighters Association IAFF Local 1068 Movember Campaign - November 2021

TPFFA  
Local 3888  
Kids' Christmas party at Canada's Wonderland on Saturday, December 4, 2021



The Ontario Professional Fire Fighters Association - Dr. Eric G. Taylor Fall Labour Education Seminar in Niagara Falls - October 3-7, 2021



Canadian Fallen Firefighters Foundation Memorial Ride Fundraiser in Kingston - September 2021

# COMTECH FIRE CREDIT UNION

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[member\\_services@comtechfirecu.com](mailto:member_services@comtechfirecu.com)