

2022

ANNUAL REPORT



**COMTECH FIRE
CREDIT UNION**

GUIDED BY OUR VALUES

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.



2022 ANNUAL REPORT

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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.

MESSAGE FROM THE CEO

As we closed off our report this time last year, we looked to our core values to provide direction for the coming year. Knowing that within those pillars on which our Credit Union was formed, lies the strength on which we could continue to thrive.

We entered 2022 resolved in the knowledge that honesty and integrity would guide everything we do; that we would hold respect for every person; remain energetic, dynamic and motivated in our pursuits; and be innovative and entrepreneurial in our efforts to find creative solutions.

With this as our focus, we were confident that we could not only meet the expectations of our members, employees, communities and business partners, but we would also have the capacity to exceed them.

Our vision, after all, is to be a Credit Union that truly stands apart. We ensure this by meeting our members where they're at. Aligning ourselves with their values, anticipating and understanding their needs, delivering the products that can help them achieve their financial goals, and reminding them of their value by providing an unequalled level of service.

This is the vision that united the Bell Employees, Fire Fighters, and Kingston Federal Employees, and the same vision that drives our organization today. As we expand our reach into our local communities, we continue to hold true to the core values of our founding groups, and our loyalty to them, and the vision they had for our Credit Union remains steadfast.

RESPECT

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

2022 GUIDED BY OUR PAST

GUIDED BY FINANCIAL STABILITY

This past year we witnessed a seismic shift in our economy. As the Bank of Canada battled inflation, we have moved from record low rates to the fastest rising rates in recent history. Rapid changes in the economy often lead to unintended consequences.

Our organizational focus is to ensure that we are good stewards of our members' money. We continued to make decisions and investments that ensure our Credit Union is prepared to meet those challenges should they come, with the backstop of a sound lending portfolio and ever-improving capital base.

2022 called on the total commitment of our team to not only survive this challenging environment, but to continue to thrive. Providing our members, staff, and communities, with financial stability and the assurance that we are here to support them through the highs and lows, has been our number one priority.

GUIDED BY ADVANCING TECHNOLOGY

As an organization, we continue to invest in technology to ensure that we consistently safeguard our members' financial data. Making enhancements to our systems, securing our digital channels, and mitigating challenges before they become a cause for concern.

Supporting our members through our digital platforms and using them to communicate in real-time helps us remain leading edge in a saturated financial landscape. Social Media channels including Instagram, Facebook, and Twitter remained active outlets for us to engage with our members, connect as a community, and enhance the user experience.



GUIDED BY OPERATIONAL EXCELLENCE

Early in the year, we set our sights on helping our members get a healthy start to the year with targeted campaigns on investing in RRSPs and TFSAs. Where it made financial sense, members who qualified had the opportunity to borrow at a low rate of 2.49% to boost their registered plan investments.

The unprecedented rise in housing prices in the first six months of 2022 brought with it a lending frenzy that our Credit Union saw fit to steer clear of. As representatives of our membership, our Board of Directors clearly defined the acceptable risk appetite of our loan book, which meant we had a clear focus for ensuring the long-term health of our organization.

As home prices decreased in the latter part of 2022, we were well positioned to ensure the Credit Union could grow its loan book and mitigate the downside risk of declining home prices, further aligning ourselves with the long-term needs of our membership.

Our Stress Free Mortgage product kept our members' best interests in mind featuring competitive rates at 4.09%, flexible payment schedules, accelerated repayment options up to 30%, and the expert guidance of our personal financial officers.

Our continued focus on a sustainable capital model helped enhance our capital position from \$35.6 million to \$36.7 million, ensuring the Credit Union will be better equipped to absorb future shocks and provide a reliable amount of resiliency for years to come.

To further ensure this success, we have looked for opportunities to leverage our growth and increase our internal savings. We have been able to persuade our partners to provide more efficient processes for us to deliver a high level of service at a lower cost. These initiatives have allowed us to increase our focus on protective actions at the branch level, and improve our digital offerings.

For a number of existing members who are newcomers to these channels, it has been a welcome relief to know that most of their banking needs are available through the website, mobile app and mobile web.

GUIDED BY MEMBER INTIMACY

As a community Credit Union, it is always important that our members feel connected to us. We were happy to see a return to in-person banking in 2022, and the opportunity to welcome our members back inside our branches.

For many, that face-to-face interaction provides an invaluable connection that is hard to replace. Previously implemented public health practices have become the new standard and ensures we can run our day-to-day operations, while protecting the health of our staff and members.

We can confidently say that across all of our branches, whether in Ottawa, Toronto, Mississauga, Kingston, or Amherstview, our team's conscientious effort to preserve the member experience was unwavering.

GUIDED BY OUR PEOPLE

Our team truly embodied our core values, day in and day out, and we are so grateful for their outstanding dedication and commitment to our members. As we approached the end of 2022, we reflected on the challenges we had overcome and the strong and vibrant Credit Union we had become in the process. We are so incredibly fortunate for the Credit Union community we have created with our members, associations, businesses, and partners.

In 2022, we continued to support the initiatives, organizations, and associations that are important to our members and our communities.

GUIDED BY OUR COMMUNITY

Canadian Fallen Firefighters Memorial Weekend

Comtech Fire Credit Union was a proud supporter of the 19th Annual Canadian Fallen Firefighters (CFFF) Memorial Weekend in Ottawa. For the first time in three years, more than 400 fallen firefighters were honoured at an in-person ceremony, and twenty-nine families were presented with commemorative helmets.

St. Paul's Breakfast Program

The St. Paul's Breakfast Program has been in operation for 29 years and Comtech Fire has been a proud supporter for the past 24 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.

UNIFOR

Comtech Fire Credit Union supported the #UniforTogether Constitutional Convention 2022 at the Metro Toronto Convention Centre as a unionized Credit Union under UNIFOR Local 6007. As well, the Credit Union joined @uniforcanada delegates in December 2022, at the Sheraton Hotel in Toronto for the first in-person UNIFOR Ontario Regional Council (ORC) since the pandemic.

Unifor 18th Charity Golf Classic

Comtech Fire Credit Union was honoured to be part of the 18th Charity Golf Classic on August 19th, 2022, with proceeds from the tournament going towards Unifor-supported charities across the country.

Bell Technicians Appreciation Events

Comtech Fire Credit Union was pleased to attend the Birchmount Bell Technical Solutions (BTS) Tech Appreciation Event on July 21, 2022, as well as Bell Technician Appreciation Lunches in Etobicoke, North York, Kitchener and Guelph, during the month of August. We were pleased to award many of the hardworking BTS techs with gift cards, emergency safety tools, and other prizes donated on behalf of CFCU.

Bell Pensioners Group (BPG)

Comtech Fire Credit Union attended the Ottawa Chapter of the Bell Pensioners Group fall meeting at the Nepean Sportsplex on October 26, 2022. As well as the London and Oshawa groups at their fall meetings on November 9th and 10th, for their belated 25th anniversary celebration.

Ontario Professional Fire Fighters Association

Comtech Fire Credit Union was pleased to sponsor the Ontario Professional Fire Fighters Association's 4th Annual Defazio Taylor Health and Safety Labour Seminar in Niagara Falls from April 25 to 28, 2022.

Ontario Credit Union Foundation Golf Classic

Comtech Fire Credit Union attended and supported the 31st Golf Classic Fundraiser at Hidden Lake Golf Club on September 12, 2022. Proceeds were raised for the 2023 CU Succeed Youth Bursary winners.

Toronto Professional Fire Fighters Association Charitable Golf Classic

Comtech Fire Credit Union attended and sponsored the 13th Annual Toronto Professional Fire Fighters Association Charitable Golf Classic at Royal Woodbine Golf Club on July 5, 2022. With proceeds going to the Toronto Firefighters Charities Inc. Foundation supporting local charities including Camp Bucko, Variety Village, Ronald McDonald House, United Way, Ross Tilley Burn Centre, local hospitals, and COVID-19 causes.

Toronto Professional Fire Fighters Association

Comtech Fire Credit Union continued to support the Wall of Honour at the TPFPA office. As well, Comtech Fire was proud to sponsor the Toronto Professional Fire Fighters Association's Kids Christmas Party at Variety Village on Dec 10, 2022. Donations of unwrapped toys were also collected on behalf of the Toronto Fire Fighters Toy Drive.

Annual Kids Come 1st Golf Tournament

Comtech Fire Credit Union attended and supported the 19th Annual Kids Come 1st Golf Tournament held at Rockland Golf Club on July 20, 2022. Kids Come 1st aims to organize and participate in fundraising events that improve the quality of life for families of autistic children and assist with their financial needs.

Camp Bucko

Comtech Fire Credit Union, in association with The Personal Insurance, was pleased to support Camp Bucko during its 25th Anniversary. Camp Bucko is a week-long camp program offered free to burn survivors between the ages of 7-17. CFCU Board Chair, Michael Neely attended Camp Bucko's Appreciation Day on August 16, 2022 to present them with a cheque for \$2,000 and catch a first-hand glimpse of a day in the life of their happy campers.

Author Kevin Frost

Comtech Fire Credit Union is a proud supporter of author and advocate Kevin Frost, who is a deaf-blind three-time World Champion Canadian speed skater. He stopped by the branch to share the launch of his new book "Deaf Blind Champion," the story of his incredible journey through loss and how the lessons he learned along the way can be an inspiration to us all.

Salvation Army Toy Mountain

This year our Princess St. Branch in Kingston collected toys and monetary donations for the Salvation Army Toy Mountain. Their branch lobby was overflowing with toys and we also collected \$720 in donations.

Amherstview Lion's Club

Comtech Fire Credit Union matched donations made by our members and staff this year for the Amherstview Lion's Club. \$1,200 was raised and used to provide food hampers and toys for 150 deserving families in need in the local community.

Refer to the *Giving Back to our Communities* page for a complete listing of our charitable efforts and community support in 2022.



CFCU Board Chair, Michael Neely at Camp Bucko's Appreciation Day on August 16, 2022

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.

2022 FINANCIAL REVIEW

Once again, the strength and stability of our Credit Union continued to be proven throughout the year. In 2022, we maintained our profitability, provided competitive rates of return, and continued to focus on the safety and soundness within our operating environment.

Our assets decreased by \$30 million or 7%, and contributed to the year-end balance sheet totalling \$389 million at December 31, 2022. This decrease was a result of reducing our excess liquidity from the prior year.

Overall, the loan portfolio increased in 2022 by a total of \$11 million or 3%, with residential mortgages and personal loans increasing \$24 million, and commercial mortgages decreasing \$13 million. The loan portfolio ended the year at \$334 million. 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. Overall, at the end of 2022, 98% of Comtech Fire's loan portfolio was secured by assets which the Credit Union holds title on.

Total deposits from members decreased 8% or \$30 million over the prior year, to a total of \$344 million. A large portion of this decrease was 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 70% 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 2022 at \$22 million. Under the new Credit Union and Caisses Populaires Act, 2020 and accompanying Regulations which came into



force on March 1, 2022, our total capital ratio was 15.09% at year-end, compared to the regulatory minimum of 8%. We continue to exceed all regulatory capital structure requirements.

From this capital, Comtech Fire paid Class B dividends to participating members in 2022 at rates 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 2023.

As a result of the prior year adjustments to the loan portfolio on both the retail and commercial sides, interest on loans to members decreased 12% from 2021, totalling \$13 million dollars in 2022.

Investment income increased 19% to \$725,779, due to the rising 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 19% to \$4.8 million, which is due to the decrease in deposit balances. Combined with the changes to interest on loans to members and investment income, net interest income decreased \$503,794 to \$8.9 million; however, this decrease was offset by a decrease in the provision for impaired loans of just under \$1 million, and resulted in an increase to our net interest margin of 6% from the prior year.

Ancillary revenues in insurance premiums, commissions, mortgage penalties and other administration charges and gains decreased 31% from the prior year to a combined total of \$2,234,387. A decrease of \$1.1 million in mortgage penalties on early payouts is the main reason for the overall decrease in 2022.

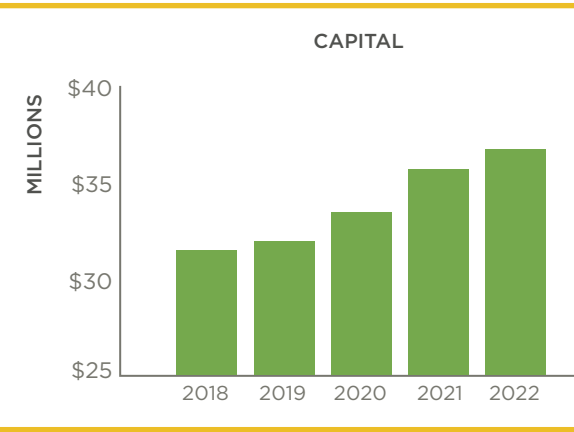
Operating expenses decreased year-over-year by 3% to \$8.8 million which is mainly a result of decreased legal and professional fees, decreased lending costs, and decreased insurance premiums.

Overall, the Credit Union reported a net profit for the year, after tax, of \$1,600,983.

Lastly, annual pension gains and losses are recorded on the statement of profit and other comprehensive income. In 2022, the discount rate used for estimating the defined benefit obligation increased 200 basis points from the 2021 year-end rate. As a result, the plan experienced actuarial gains during the 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 2022, net of taxes, is \$163,274. As a result of the pension gain, total comprehensive income for the year was \$1,764,257.

Our results for 2022 showed the strength and resilience of our core business lines. As we head into 2023, we will build upon our strong and stable foundation, and are confident that we have positioned our Credit Union for sustained success.



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.

2023 GUIDED BY THE FUTURE

As we shifted from the robust economy we experienced early in 2022, towards a less certain forecast at years end, we were reminded of our Credit Union's proven ability to remain steady during unpredictable times.

We are well attuned to the ebbs and flows required to stabilize imbalances in our economy, and our staff, board and management rose to the challenge once again. The numbers reflected our hard work and dedication this past year and ensured we entered 2023 a strong and vibrant Credit Union.

In the coming year, we will continue to invest in our people and our processes, and will be gathering feedback from our more than 12,000 members with routine check ins and a survey program that allows them to provide valuable insights into how we can continue to serve them at a high level.

Year after year, the use of self-serve options both online and through the mobile app continues to gain momentum and change the way we bank. The flexibility and freedom is undeniable and ensures we can remain a reliable resource for our members to bank anywhere, at anytime.

While continued enhancements to streamline the user experience and improve the digital experience remains at the forefront of our technological pursuits in 2023, staying focused on our members, staff and communities will always be our top priority.

While operationally our Credit Union looks very different than it did 82 years ago, we are still deeply committed to serving our membership at a grassroots level – people helping people, communities staying connected, seeing and supporting the underserved.

We know that we will continue to be a proud and thriving Credit Union whatever comes our way, if we simply focus on our foundation and continue to be guided by our values.



CORE OPERATING STRATEGY

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

SPECIAL THANKS

We have an incredible network of individuals that make up our staff and management, our associations and partners, and our members and community at large.

As CEO, I would like to thank our staff, executive team and Board of Directors for their dedication to our members year after year. They embody the concept of community and put our core values into practice day after day.

To our valued associations and business partners, you set the standard for us to serve our communities and are united in your desire to contribute to the greater good.

To our loyal members, 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 push us to learn, grow, serve and emerge stronger than ever.



Dave Birak | CEO



BOARD OF DIRECTORS



Ms. C. Fagnan
Associate General Counsel,
Green Infrastructure Partners Inc.
Toronto, ON
Board service – 2 years
Term Expires 2023



Mr. J. Stubbs
Chartered Professional
Accountant, CA
Alliston, ON
Board service – 19 years
Term Expires 2024



Ms. M. Kopanarov
Mirable Marketing
North York, ON
Board service – 1 year
Term Expires 2023



Mr. S. Marks
Retired Captain/Acting District
Chief, Toronto Fire Services
Ottawa, ON
Board service – 1 year
Term Expires 2025



Mr. S. McDermott
SJM Consulting
Ottawa, ON
Board service – 10 years
Term Expires 2023



Mr. M. Neely
Retired Captain,
Toronto Fire Services
Mississauga, ON
Board service – 17 years
Term Expires 2025



Mr. H. Doherty
Platoon Chief,
Toronto Fire Services
Pickering, ON
Board service – 8 years
Term Expires 2024



Mr. T. Wright
Chartered Professional
Accountant, CMA
Stittsville, ON
Board service – 12 years
Term Expires 2025



Ms. J. McDonnell
Retired Trust Examiner,
Canada Revenue Agency
Battersea, ON
Board service – 13 years
Term Expires 2024

CREDIT REPORTS

COLLECTION REPORT

	DECEMBER 31, 2022			DECEMBER 31, 2021		
	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING	NO. OF LOANS	PRINCIPAL \$	TOTAL \$ OWING
Credit-impaired	-	-	-	-	-	-
Repayment lapse 90 to 179 days	2	246,262	253,330	5	75,470	75,527
Repayment lapse 180 to 365 days	6	240,970	249,494	2	16,656	16,656
Repayment lapse 365 days and greater	5	28,545	33,012	10	1,016,730	1,103,347
Total of loans in collection related to the Allowance for Impaired Loans	13	515,777	535,836	17	1,108,856	1,195,530

LOAN REPORTS

Balance as of December 31	2022	2021
	\$	\$
Variable Rate Loans	401,798	531,288
Lines of Credit and Overdrafts	6,718,587	7,655,546
Fixed Personal Loans	70,292	119,655
Fixed Commercial Loans	-	2,308
Residential Equity Lines of Credit	26,367,676	26,820,340
Commercial Equity Lines of Credit	4,410,617	10,191,801
Residential Mortgages	168,604,762	143,005,527
Commercial Mortgages	129,129,206	136,210,410
Total Value of Loans Outstanding	335,702,938	324,536,875
Total Value of Loans Outstanding (less allowance)	334,412,792	323,598,446

Loans granted during the year - number of loans and value	2022		2021	
	#	\$	#	\$
Variable Rate Loans	9	191,533	13	169,170
Lines of Credit	10	161,000	26	448,500
Fixed Personal Loans	5	17,566	1	12,573
Residential Equity Lines of Credit	56	12,196,135	65	14,022,170
Commercial Equity Lines of Credit	4	22,698,520	1	8,300,000
Residential Mortgages	196	80,052,831	146	55,683,897
Commercial Mortgages	16	52,540,818	19	28,141,587
Number of Loan Applications Received	327		194	
Number of Loan Applications Declined	36		37	

AUDIT COMMITTEE



Mr. J. Stubbs, Chair



Mrs. C. Fagnan



Mr. S. Marks



Mr. T. Wright

AUDIT COMMITTEE REPORT

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 2022, 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 2022 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 2022, 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.

Jeffrey Stubbs | Chair, Audit Committee



D. BIRAK, J. WOehl

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying summarized financial statements and the complete financial statements of Comtech Fire Credit Union Limited (collectively, “the financial statements”) are the responsibility of management and have been approved by the Board of Directors.

Management is responsible for the preparation and presentation of the financial statements, including responsibility for significant accounting judgements and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Credit Union’s external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

January 31, 2023

A handwritten signature in black ink, appearing to read 'D. Birak'.

Dave Birak
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Judy Woehl'.

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, 2022, 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, 2022.

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 January 31, 2023.

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

Waterloo, Ontario
Chartered Professional Accountants
Licensed Public Accountants
January 31, 2023

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME

year ended December 31, 2022

(in Canadian dollars)	2022	2021
	\$	\$
Interest on loans to members		
Personal loans	831,060	920,227
Residential mortgages	6,077,650	6,569,837
Commercial mortgages	6,076,821	7,235,469
Investment income	725,779	608,900
	13,711,310	15,334,433
Interest expense		
Dividends on savings dividend accounts	87,250	40,277
Interest on daily savings and chequing accounts	297,344	231,263
Interest on term deposits	3,236,263	4,187,785
Interest on registered products	1,158,794	1,439,655
	4,779,651	5,898,980
Net interest income	8,931,659	9,435,453
Provision for impaired loans	408,958	1,366,382
Net interest margin	8,522,701	8,069,071
Other operating income (net)	2,234,387	3,255,509
Total operating profit	10,757,088	11,324,580
Personnel expenses	3,910,568	3,845,785
Administrative expenses (schedule)	1,766,387	2,004,177
Occupancy	666,776	644,671
Pension expense	303,809	304,115
Deposit insurance premium	384,600	514,316
Depreciation of property and equipment	557,877	626,380
Depreciation of right-of-use assets	565,176	565,200
Data processing	496,948	429,199
Promotion, marketing and publicity	180,571	139,123
Total operating expenses	8,832,712	9,072,966
Dividends on investment shares	51,900	38,849
Profit before income taxes	1,872,476	2,212,765
Income tax expense	271,493	413,274
Profit for the year	1,600,983	1,799,491
Other comprehensive income, net of income taxes		
Items that will not be reclassified subsequently to profit or loss	163,274	318,892
Total comprehensive income for the year	1,764,257	2,118,383

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF CHANGES IN MEMBERS' EQUITY

year ended December 31, 2022

(in Canadian dollars)

	MEMBERS' SHARES	REVALUATION SURPLUS RESERVE	RETAINED EARNINGS	TOTAL
	\$	\$	\$	\$
As at January 1, 2021	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 income tax recovery of \$108,225)	-	-	(486,417)	(486,417)
Net increase in members' shares	366,888	-	-	366,888
As at December 31, 2021	21,213,954	264,552	12,241,520	33,720,026
Profit for the year	-	-	1,600,983	1,600,983
Other comprehensive income	-	-	163,274	163,274
Dividends on investment shares (net of income tax recovery of \$109,325)	-	-	(491,361)	(491,361)
Net decrease in members' shares	(998,988)	-	-	(998,988)
As at December 31, 2022	20,214,966	264,552	13,514,416	33,993,934

FINANCIAL STATEMENTS

SUMMARIZED STATEMENT OF FINANCIAL POSITION

as at December 31, 2022

(in Canadian dollars)	2022	2021
	\$	\$
Assets		
Cash and cash equivalents	8,825,224	49,487,905
Investments	30,616,450	30,200,500
Loans to members	334,412,792	323,598,446
Accounts receivable	93,364	80,286
Accrued interest on members' loans	583,860	550,800
Current tax assets	24,216	-
Defined benefit asset	434,898	243,687
Right-of-use assets	4,156,202	4,722,503
Property and equipment	6,550,797	6,850,413
Investment property	1,980,197	1,980,197
Other assets	1,130,888	964,854
	388,808,888	418,679,591
Liabilities		
Deposits from members		
Savings dividend accounts	46,322,112	51,450,285
Daily savings and chequing accounts	57,399,556	57,355,571
Term deposits	156,964,229	169,631,500
Registered savings plans	82,882,368	94,936,609
	343,568,265	373,373,965
Accrued dividends on savings dividend accounts and Class B investment shares	234,323	184,861
Accrued interest on members' accounts	2,480,494	2,636,240
Accounts payable and other liabilities	1,728,852	1,732,938
Lease liabilities	4,342,562	4,854,688
Current tax liabilities	-	276,000
Deferred income tax liabilities	233,500	310,000
Members' shares	2,226,958	1,590,873
	354,814,954	384,959,565
Members' equity		
Members' shares	20,214,966	21,213,954
Revaluation surplus reserve	264,552	264,552
Retained earnings	13,514,416	12,241,520
	33,993,934	33,720,026
	388,808,888	418,679,591

On behalf of the Board


Michael Neely, Chair


Hugh Doherty, Secretary

FINANCIAL STATEMENTS

SUMMARIZED SCHEDULE OF ADMINISTRATIVE EXPENSES

year ended December 31, 2022

(in Canadian dollars)	2022	2021
	\$	\$
Legal and professional fees	400,593	505,716
Lending and collection costs	228,723	314,875
Directors meetings and honoraria	206,895	178,238
Bank charges and interest	180,745	187,362
Sundry	170,483	149,926
Automated teller machines	129,134	121,653
Telephone	87,212	81,925
Postage and mailing	72,969	67,671
Staff training and consulting	59,891	66,826
Share and loan insurance	56,394	52,393
Bonding insurance	49,915	124,500
Stationery and printing	33,439	44,564
Travel and seminar	29,172	25,354
Mutual fund fees	24,179	28,315
Central 1 member fees	18,564	35,512
Community involvement and donations	13,150	14,805
Annual meeting	4,927	4,542
	1,766,387	2,004,177

NOTE TO THE SUMMARIZED FINANCIAL STATEMENTS

year ended December 31, 2022

(in Canadian dollars)

1. Basis of Presentation

Management is responsible for the preparation of the summarized financial statements.

The summarized financial statements presented include the summarized statement of financial position, the summarized statement of profit and other comprehensive income, the summarized statement of changes in members' equity, and the summarized schedule of administrative expenses. They do not include the summarized statement of cash flows, summary of significant accounting policies, or notes to the financial statements.

The summarized statements of financial position, profit and other comprehensive income, changes in members' equity, and the summarized schedule of administrative expenses are presented in the same detail as the audited financial statements except the note referencing has been removed.

GUIDED BY OUR VALUES

GIVING BACK TO OUR COMMUNITIES

Comtech Fire was proud to sponsor, fundraise and volunteer across communities in Toronto, Kingston and Ottawa in 2022 with contributions to:

- Amherstview Community Sponsorship
- Amherstview Lion's Club
- Bell Pensioners Group and BTS
- Bell Tournaments
- Camp Faces
- Fire - Camp Bucko
- Fire - Canadian Fallen Fire Fighters
- Fire - recruit classes
- Fire - Union meetings
- Fire - various golf tournament sponsorship
- Fire - OAFC
- Fire - OPFFA Symposium
- Fire - Mississauga Benevolent Fund
- Fire - TPFFA Honour Wall
- Fire - TPFFA retirees
- Fire - Toronto PFFA and related charities
- Harmony House Women's Shelter
- Kevin Frost Special Olympics
- Kids Come 1st
- Ontario Credit Union Foundation
- Kingston Kidney Walk
- Kingston Blue Society
- Loyalist Township
- Partners in Mission Food Bank
- Salvation Army
- St. Paul's Breakfast Club
- Unifor



TPFFA Charitable Golf Classic - July 5, 2022



Toronto Professional Fire Fighters' Association's Kids Christmas Party at Variety Village on Dec 10, 2022



19th Annual Canadian Fallen Firefighters (CFFF) Memorial Weekend



#UniforTogether Constitutional Convention 2022



CFCU staff with deaf-blind champion Kevin Frost



CFCU supporting anti-bullying with Pink Shirt Day



CFCU team members supporting CNOY2023

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