



# 2014

ANNUAL REPORT

Tandia partners alongside our members each and every day to help build healthy and prosperous futures. Our members are also owners – which means you can expect better rates and lower fees than big banks offer. We also believe in using our profits to make a positive financial, social and environmental impact on the communities we all call home. That's what cooperative banking is all about. And it's so much bigger than the other kind.



**Banking we can  
all be proud of.**



# Table of Contents

BOARD OF DIRECTORS REPORT	4
PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REPORT	5
FINANCIAL PERFORMANCE HIGHLIGHTS	6
AUDIT AND OPERATIONAL RISK COMMITTEE REPORT	7
FINANCIAL RESPONSIBILITY REPORT	8
LENDING SERVICES REPORT	9
COMMUNITY IMPACT REPORT	10
REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS	13
SUMMARY STATEMENT OF FINANCIAL POSITION	14
SUMMARY STATEMENT OF COMPREHENSIVE INCOME	15
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY	16
SUMMARY STATEMENT OF CASH FLOWS	17
OUR TEAM	18

Tandem Financial Credit Union Limited operating as Tandia™

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Deposits are insured by the Deposit Insurance Corporation of Ontario. Deposits in registered plans are fully insured. Other Canadian dollar deposits are insured up to \$100,000. For further information on deposit insurance, please ask for a brochure, call DICO at 1.800.268.6653 or log on to the website at [www.dico.com](http://www.dico.com).

# Board of Directors Report



**Elaine Simon**  
Board Chair

The inaugural year for Tandia's Board of Directors was indeed an unprecedented one. The Board of Directors put in countless hours formulating committees and setting schedules, and reviewing and implementing policies appropriate for Tandia. Board Governance policies were also refined and instituted. Most importantly, your Board of Directors spent time providing strategic direction to our new entity, Tandia. With integration as the main theme

for 2014, what took on added importance for your directors was that delicate balance that mergers bring up of not wanting to lose our sense of community-based decision making. We did not, nor do we now, want to ever forget our roots.

The Board met over a series of four sessions to clarify for senior management that very philosophy. In addition to these strategic sessions, your Board members have continued to develop a skill set as required by our regulator, the Deposit Insurance Corporation of Ontario (DICO). Each one of your directors has attended professional development sessions in and around the GTA or made use of online webinars. Being an environmentally conscious Board, the decision was made to move to a paperless application which stores Board and Committee material on secure iPads.

Your Board has most recently completed a full Board Assessment as well as individual director self-assessments. Again, DICO will want to see the inventory of skills that come as a result of this process. The Board of Tandia is committed to exceeding the regulator's expectations.

Our focus for 2015 will be to complete the banking system conversion and integration activities. Additionally we will be looking at ways to better serve the needs of all our members. Technology is an integral component to the delivery options available to our members and we are in the process of developing our rollout plan for remote deposit capture which will allow members to make deposits by taking a photo of their cheque. Also, work has commenced to launch our very own Tandia application for mobile phones to make it easier for members to manage their finances while "on the go".

Understanding our members' needs and whether we are meeting and/or exceeding their expectations will be important for Tandia as we position ourselves for the future. We are poised for a very strong year and are excited about the future for Tandia.

## BOARD OF DIRECTORS

### TERM EXPIRY

Jacqueline Aird	2017
Carol Churchward	2015
Nancy DiGregorio	2017
Pauline Gladstone	2017
Wayne Joudrie	2016
John Lamberink, <i>Vice Chair</i>	2016
Sharon O'Driscoll	2017
Dan Popov	2015
Elaine Simon, <i>Chair</i>	2016
Michael Veerman	2016



## IN MEMORY OF DAVID STAPLES

David Staples was an integral part of the amalgamation process joining Prosperity ONE Credit Union and Hamilton Teachers' Credit Union and he continued to serve as a dedicated member of the Board of Directors until his passing in December 2014. David was also a former Chair of the Teachers Credit Union Board of Directors. With gratitude, and on behalf of the membership, we acknowledge, celebrate and pay tribute to his positive contribution to this organization since 1996.



# President and Chief Executive Officer's Report



**Richard Davies**  
President & CEO

2014 was an exciting year with the uniting of Hamilton Teachers' Credit Union Limited and Prosperity ONE Credit Union Limited to create Tandia. Our focus was on integrating our employees, processes and branches. The amalgamation has positioned Tandia well for the future. The new organization has the economy of scale that

will allow us to improve efficiency as well as invest in new products and services, plus assist in covering the increasing costs of mandatory regulations that have become the norm following the financial crisis of 2009.

We are fortunate to have employees who are dedicated and committed to our organization and our members. They have worked diligently to minimize the impact of the transition and to ensure that the familiar faces you know in the branches are still serving your needs. An important goal for 2014 was the alignment of the majority of human resource practices and this was achieved.

Early in 2014 we anticipated that our banking system conversion would take place in the fall. However, the complexity of the project required an extension of the date to ensure a smooth transition. We successfully launched our new 'tandia.com' website in the fall of 2014.

Interest rates remained at extremely low levels in 2014 and continued to put pressure on our financial margin. Regardless of the challenging economic times, Tandia had a remarkable first year. Total Assets under Administration surpassed \$1 billion, with strong growth both on the balance sheet as well as our members' off-book wealth services assets.

In mid 2013, the Toronto Catholic School Board Employees (TCSBE) Credit Union merged with Teachers Credit Union, a partner who shared a similar bond and vision with their members. In early 2014, the finishing touches were put on a branch renovation, improving the environment for both members and staff. Prior to this merger, the former credit union struggled to achieve deposit and loan growth. Post-merger, resources and support were available including

business development and a wealth services presence. By the end of 2014, the branch attained deposit growth of 11% and lending grew by 26%. We are very proud of the progress and contribution this branch is making to the success of Tandia.

Also early in 2014, we began the transition from the operating name 'Tandem Financial' to 'Tandia'. As plans were being put in place for the amalgamation, it was originally intended that the new credit union would operate as 'Tandem Financial'. Once the support of the membership for amalgamation was formally received, further consideration of the operating name led to the decision to use 'Tandia' to ensure market uniqueness and full identity ownership in the trademark world. The root 'tand' is retained from tandem to reflect the value of collaboration and 'dia', the Spanish word for 'day', expresses a forward-looking approach to working daily to meet the needs of members.

Over the summer, we rebranded our branches including new signage. Along with the new logo, the signage includes the phrase 'cooperative banking' which supports the Ontario credit union awareness campaign currently running online and on television. It helps promote broader understanding of what we offer in our communities.

In advance of our amalgamation, the Board of Directors spent significant time and effort to develop the strategic direction for the new organization, ensuring we stayed true to the roots of the former organizations while looking forward to the future. Tandia will continue to maintain a strong focus on the education community, develop within the communities where we have a branch presence and look for new opportunities to work with other employer groups and entrepreneurs.

We are currently updating all materials to reflect our new name and brand and we have adopted the use of images made up of thumbprints. Each thumbprint represents each member's uniqueness and, when brought together, they illustrate how we are helping one another and creating something more powerful. Our new tagline, 'Banking we can all be proud of', reflects our hope that our members are proud of the financial institution they have chosen and for our employees to be proud of the contributions they make to our members' lives every day.

# Financial Performance Highlights



**Sandy Alward**  
SVP, Finance &  
Administration

The focus for 2014 was on growing our new organization while continuing with the integration of operations between the former Prosperity ONE Credit Union and former Teachers Credit Union. The business case for the amalgamation had a 10% growth expectation for the first year of operations, which Tandia exceeded by 2%. Total

Assets under Administration reached \$1.1 billion, an increase of 12%. It should be noted that the comparative audited financial statements include only the assets, liabilities and equity of the former Teachers Credit Union.

The total loan portfolio grew by \$282 million with organic growth of \$70 million or 15% and \$212 million of the former Prosperity ONE loans to reach \$753 million at the end of 2014. The credit union experienced significant growth in the total retail loan portfolio and finished the year at \$588 million, an increase of 10%. Commercial loans and mortgages increased 23% to \$165 million and make up 22% of the total loan portfolio.

Members' deposits increased by \$275 million with organic growth of \$48 million or 11% and \$227 million of the former Prosperity ONE deposits to end the year at \$690 million. Deposit rates continued to be attractive and members earned \$10 million in interest. Tandia's Wealth Services team had an exceptionally successful year with total growth of off-balance sheet wealth deposits of 18% over 2013 (net of fair market value adjustments). Wealth management assets ended at over \$200 million which make up 24% of the total Assets under Administration and continued to contribute significantly to operating income during 2014.

The demand for lending was higher than deposit growth and the difference was funded by Central 1 borrowings in addition to the continued use of securitizing residential mortgages. The credit union securitized \$12 million in mortgages and totaled \$81 million. The liquidity ratio was solid, reflective of the strong deposit growth and remained well above the minimum operating level at 6.7%.

With the continued low interest rate environment since 2010 and the slow economic recovery, the competitive pricing in the market put downward pressure on the credit union's financial margin which ended at 2.12% as a percentage of assets. Mortgage and loan rates remained at historic low levels and most recently declined further following the Bank of Canada's cut of the overnight rate.

One of the primary drivers of the increase in operating expenses relate to one-time amalgamation expenses reaching \$1.2 million, which increased the overall expenses by 1% from the prior year of the combined credit unions. The loan provision increased significantly in 2014 and ended at 0.19% of average assets, an all-time high for both legacy credit unions. This is largely related to the credit union's first significant commercial loss which reduced overall income.

While operating revenues reached \$35 million, an increase of 12% from the prior year combined levels, the credit union's overall profitability was lower compared to prior years. The total comprehensive income for the year ended at \$367 thousand, which is slightly lower than the business case profit expectation of \$400 thousand. The credit union would have had a record year for earnings of \$2.9 million without the commercial loss of \$1.3 million and the one-time amalgamation cost of \$1.2 million.

This slower growth in earnings relative to the strong asset growth resulted in a slight decline in our capital ratio, however, the credit union has remained in compliance with all legal requirements for Regulatory Capital. Regulatory Capital totals \$44 million and represents 5.2% of total assets and 11.2% of total risk weighted assets. The credit union distributed \$476 thousand to members who hold Class B Investment Shares and Profit Shares.

In 2015, Tandia will continue to internally align processes and complete the major tasks of integration to ensure the credit union is positioned for continued growth. Despite the economic challenges, revenue growth is expected to be favourable and increases in operating expenses will be limited to support Tandia's strategic focus on improving the strong capital base through higher earnings in order to be well positioned for future opportunities.

# Audit and Operational Risk Committee Report



**Mike Veerman**  
Audit & Operational  
Risk Committee Chair

Every credit union is required to establish an Audit Committee that is composed of members appointed by the Board from among the directors as set out in the Credit Unions and Caisses Populaires Act, 1994 and Ontario Regulation.

The 2014 Audit and Operational Risk Committee members were: Mike Veerman (Chair), Jackie Aird and Dan Popov. Elaine Simon attends meetings as Ex-Officio.

## **The Audit and Operational Risk Committee's oversight role encompasses four critical responsibilities:**

1. Review of financial reporting
2. Risk management and controls
3. Audit activities
4. Compliance activities

At the start of each year the Audit and Operational Risk Committee develops a plan that addresses all the areas to ensure that it achieves its mandate of responsibility. Oversight by the committee relates to monthly financial reporting, quarterly internal audit reporting to evaluate internal controls and review of the Enterprise Risk Management (ERM) Framework.

In addition, any ongoing emerging risks or compliance issues are reviewed and reported to the Board of Directors. It is the responsibility of the Audit and Operational Risk Committee to report any updates, recommendations or reviews to the full Board of Directors in a timely fashion.

## **Highlights from 2014 are as follows:**

- Grant Thornton LLP – Audit Plan 2014
- Set goals and objectives for internal audit; reviewed results quarterly
- Received monthly Fraud Reports and quarterly Anti-Money Laundering Reports
- DICO – Third Party Examination
- Credit Risk and Insurance Management Service review and report
- Review and approve Board Policies pertaining to the Audit and Operational Risk Committee
- Confirmed that for year ended December 31, 2014 there were no material findings outstanding

With the 2014 Audit Plan concluded, the Audit and Operational Risk Committee is satisfied with the policies, procedures and internal controls engaged by management in conducting the business of Tandem Financial Credit Union Limited.



# Financial Responsibility Report

The information in this annual report and the accompanying summarized financial statements are the responsibility of Management and have been approved by the Board of Directors.

Management is responsible for preparing the financial statements and for ensuring their reliability and accuracy. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). When required to make estimates, management did so to the best of its knowledge.

The accounting system of Tandem Financial Credit Union Limited (operating as Tandia) and related internal controls and procedures are designed to ensure the reliability of financial information and, to a reasonable degree, safeguard assets against loss or unauthorized use. These procedures include standards in hiring and training employees, an organizational structure with clearly defined lines of responsibility, written and updated policies and procedures, planning and follow-up of projects and budget controls. In addition, in the course of carrying out duties, the Internal Auditor may confer at any time with the Audit and Operational Risk Committee. Composed entirely of directors of Tandia, this Committee ensures that management has fulfilled its responsibilities with respect to financial information and the application of internal controls. During 2014, the Audit and Operational Risk Committee met nine (9) times.

Deposit Insurance Corporation of Ontario will examine the affairs of Tandia to ensure that the provisions of its constituent legislation, particularly with respect to the protection of depositors, are duly observed and that Tandia is in sound financial condition.

The independent auditors appointed via the Amalgamation Agreement, Grant Thornton LLP, have the responsibility of auditing the financial statements in accordance with Canadian generally accepted auditing standards and of expressing their opinion. Their report follows. They may, at any time, confer with the Audit and Operational Risk Committee on all matters concerning the nature and execution of their mandate, particularly with respect to the accuracy of financial information provided by Tandia and the reliability of its internal control systems.

**Tandem Financial Credit Union Limited** (operating as Tandia)

Burlington, Ontario

February 25, 2015

**Richard Davies**  
President & CEO

**Sandy Alward**  
SVP, Finance & Administration

# Lending Services Report

The following chart summarizes the credit union's lending portfolio including securitized loans. The December 31, 2013 statistics represent the lending portfolio of the former Teachers Credit Union while the December 31, 2014 statistics represent Tandia.

The portfolio mix has been adjusted based on the combined organizations and it is noted that we have a strong mix of residential mortgage loans exceeding 70% of the total book while commercial mortgages exceed 20% of total outstandings.

Growth through the year would be considered strong for a year of amalgamation, averaging 10% for the entire portfolio broken down by category to represent 0.4% for personal loans; 8.8% for residential mortgages; and 19.4% for commercial (primarily in commercial mortgages).

## LOAN PORTFOLIO (000'S)

	2014	Portfolio Mix	2013	Portfolio Mix
Personal Loans	\$56,736	7.6%	\$41,981	8.9%
Residential Mortgage Loans	\$532,104	70.9%	\$324,346	68.6%
Commercial Mortgages and Loans	\$165,103	21.5%	\$106,608	22.5%
Total	\$750,943	100%	\$472,935	100%

## ALLOWANCE

The provision for impaired loans is monitored on a regular basis by management, the Audit and Operational Risk Committee, external auditors and regulators. The allowance is comprised of two components; the first being the specific allowance which is calculated based on specific accounts that are in arrears or have been identified as doubtful. The second is the collective allowance which is a buffer for potential losses and would be calculated based on historical performance and management's prudent estimates which are reviewed by the external auditors.

The credit union's results were materially impacted by two factors during 2014. The first being the amalgamation of the two credit unions which immediately increased the lending portfolio substantially thereby requiring an increase in the collective allowance and secondly a commercial account where a significant loss was incurred. This was the credit union's first significant write-off since introducing commercial lending in 1999.

On a positive note, the credit union is well positioned in regards to delinquency with total delinquencies in excess of 30 days sitting at 0.36% of the entire portfolio at year end, well below industry standards.

## ALLOWANCE (000'S)

	2014	2013
Specific Allowance	\$560	\$417
Collective Allowance	\$1,163	\$815
<b>Total Allowance</b>	<b>\$1,723</b>	<b>\$1,232</b>
Write-offs	\$1,604	\$28
Recoveries	(\$85)	(\$7)
<b>Net Write-offs</b>	<b>\$1,519</b>	<b>\$21</b>

# Community Impact Report

## AT TANDIA, OUR COMMITMENT IS TO FUNDAMENTALLY CHANGE THE BANKING EXPERIENCE FOR THE BETTER.

Because we believe that financial institutions should be more accountable to the people they serve each and every day; because we believe that there's more than one way to measure success; and because we believe that our profits should have a positive financial, social and environmental impact on the communities in which we live and work.

To this end, the strength and spirit of our former credit unions now lives on in Tandia. 2014 was a year of working to bring our shared vision for a better banking experience – 'banking we can all be proud of' - to life. There's nothing we can be more proud of than giving back generously to the community. It's an important part of what Tandia stands for and what cooperative banking means, and it also reflects our corporate values of respect and integrity - and demonstrates that they are not just words on a page, but that we live them every single day.

While both of the former credit unions over many years did an admiral job of giving back through their respective 'Community Development Fund' and 'Team ABC' community giving programs, 2014 gave us the opportunity to begin working together and share ideas while maintaining the charitable fundraising activities and commitments previously made. In the process, we found a unifying cause for community support that Tandia can embrace, enhance and grow moving forward – children in need in our communities. In 2015, we will further develop our framework for supporting this cause as well as explore and develop the environmental aspect and scope of our vision.

Throughout 2014, Tandia raised over \$62,000 and donated over \$70,000 (with surplus charitable funds) to benefit causes in our communities. We would like to share with you some highlights of our major community impact initiatives.

## 2014 Community Impact Highlights

### ADOPT-A-SCHOOL PROGRAM

The 'Adopt-A-School' program has been making a positive impact in high-needs schools in Brant County, the greater Hamilton area and Halton since 2009. Each year a group of schools was identified and funds have been contributed directly to those schools to help fund nutrition programs, supplies, school trips, equipment and technology. Also, staff have been supported and encouraged to volunteer at these schools.

In 2014, a total of \$21,000 was directed to 11 schools located in Brant County, the greater Hamilton area and the Halton region.



Genny DaCruz, left, and Mara Rossi, right, present a cheque to a representative of St. Joseph Elementary School in Acton



Emilie Hyde, left, presents a cheque to a representative of Major Ballachey School in Brantford



## CHARITABLE GOLF TOURNAMENT

Tandia continued with the former Prosperity ONE Credit Union's 30-year long tradition of an annual charitable golf tournament to raise funds for the 'Community Development Fund'. Through partnership with many organizations, the goal of the Community Development Fund was fostering community empowerment and sustainable growth.

The tournament took place on Monday August 25 at Blue Springs Golf Club in Acton and the golf course, the company, and the weather couldn't have been better. With the support of close to 100 golfers and many generous corporate sponsors over \$11,000 was raised. The Community Development Fund in turn distributed funds to a number of local charitable causes and community initiatives in the Halton region.



President & CEO  
Richard Davies  
(2<sup>nd</sup> left) golfed with  
Gary Renouf,  
Rick Ross and  
Larry Miller



The winning foursome:  
Scott James, Joel Ricci,  
Mike Cupido and  
Vince Vaccarello

Marianne D'Alessandro  
(left) from Food4Kids  
accepts a donation  
presented by  
Elaine Simon, Board Chair  
and Richard Davies,  
President & CEO



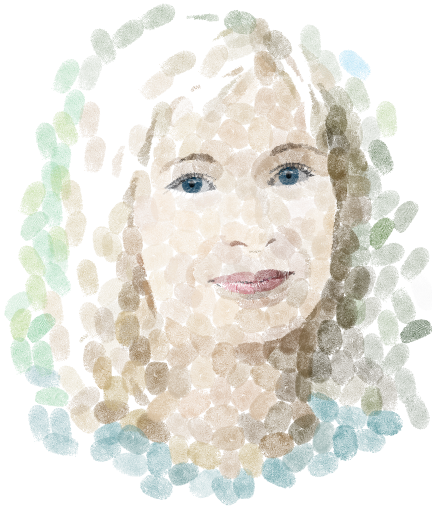
A team of Tandia employees volunteered at  
Food4Kids to assemble packages of healthy food

## WARM BELLIES INITIATIVE

We formally launched and celebrated our new Tandia brand in November 2014 with a new website, a substantial media campaign and in-branch celebrations that took place on Thursday November 13. The introduction of our brand promise, 'Banking we can all be proud of', inspired the Tandia team to do something really meaningful for our communities and the 'Warm Bellies' initiative was born.

The purpose behind Warm Bellies was meeting the specific nutritional needs of children over the winter months when colds and flu are on the rise. Tandia aligned with the local charity, Food4Kids, which provides packages of healthy food on Fridays for kids age 5 to 14 throughout the Hamilton and Halton regions with limited or no access to food each weekend. Tandia provided seed funding of \$10,000 and with the generous help of corporate partners Central 1, Dan Lawrie Insurance, Grant Thornton LLP, Ontario Credit Union Charitable Foundation, Tailgate Charlie's, The Landmark Group and Vicwest Inc., a cheque for \$25,000 was presented to Food4Kids as the highlight of our celebrations. An additional \$7,000 was donated to this worthy cause earlier in 2014. Food4Kids currently serves 900 kids in over 55 schools throughout Hamilton and Halton – to learn more visit [www.food4kids.ca](http://www.food4kids.ca).





## TANDIA'S VISION

To lead the cooperative banking movement by delivering unparalleled products and services, through a mutually rewarding relationship with our members and communities within which we operate.

Tandia is a member-owned, cooperative banking experience and that means a world of difference for our members. Our goal is to be the financial services provider of choice in our communities and our commitment to serve the education community in Ontario continues. With over 28,000 members across a branch network that extends from Brant County through Greater Hamilton, Halton and the GTA, Tandia employs over 175 staff members and administers over \$1 billion in assets.

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*continued from page 11*

## SPECIAL THANKS

In addition to an annual corporate contribution of profits back to our community, we gratefully acknowledge the kind and generous support of our employees who contribute both time and their own money to support our charitable giving and causes. Many of our staff give their own time to volunteer in schools and community organizations and provide monetary support through participation in Friday Dress Down Days, the Charitable Golf Tournament and

other draws and fundraising contests throughout the year. Our impact wouldn't be as big without them.

We also acknowledge and appreciate the support of our members, suppliers and corporate partners and supporters who always respond generously with their participation and donations and sponsorships for our fundraising initiatives – we extend a sincere thank you to all.

## IN MEMORY OF TRACEY JUBINVILLE

Tracey Jubinville was a dedicated and loyal staff member since 2001 at the time of her passing in July 2014. Tracey held various positions during her career but spent the most time as a Member Service Representative at the Acton branch. With gratitude and on behalf of the membership, we acknowledge, celebrate and pay tribute to her positive contribution to the credit union. She is fondly remembered and missed by her co-workers and the members she served.





# Report of the Independent Auditor on the Summary Financial Statements



**Grant Thornton**

To the Members of

**Tandem Financial Credit Union Limited** (operating as Tandia):

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2014, the summary statements of comprehensive income, changes in members' equity, and cash flows for the year then ended, are derived from the audited financial statements of Tandem Financial Credit Union Limited as at December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated February 25, 2015. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Tandem Financial Credit Union Limited.

## **MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS**

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Note 1.

## **AUDITORS' RESPONSIBILITY**

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

## **OPINION**

In our opinion, the summary financial statements derived from the audited financial statements of Tandem Financial Credit Union Limited for the year ended December 31, 2014 are a fair summary of those financial statements, in accordance with Note 1.

Burlington, Canada  
Chartered Accountants

February 25, 2015  
Licensed Public Accountants

# Summary Statement of Financial Position

December 31	2014	2013
	(in thousands)	
<b>Assets</b>		
Cash and cash equivalents	\$ 7,457	\$ 15,054
Investments	56,023	41,873
Loans to members	753,173	472,045
Property and equipment	9,236	3,465
Other assets	3,417	2,603
Derivative financial instruments	868	478
Intangible asset	786	228
	<u>\$ 830,960</u>	<u>\$ 535,746</u>
<b>Liabilities</b>		
External borrowings	\$ 10,000	\$ 17,500
Secured borrowings	82,194	70,321
Payables and accruals	4,462	2,416
Deferred income taxes	221	69
Deposits of members	690,371	415,837
Derivative financial instruments	1,352	554
Shares	1,510	977
	<u>790,110</u>	<u>507,674</u>
<b>Equity</b>		
Shares	12,496	10,333
Retained earnings	15,262	15,470
Accumulated other comprehensive income	1,093	994
Contributed surplus	11,999	1,275
	<u>40,850</u>	<u>28,072</u>
	<u>\$ 830,960</u>	<u>\$ 535,746</u>

On behalf of the board

Elaine Simon,  
Chair Board of Directors

Mike Veerman,  
Chair, Audit & Operational Risk Committee

# Summary Statement of Comprehensive Income

December 31	2014	2013
	(in thousands)	
Financial income		
Interest on member loans	\$ 27,089	\$ 16,579
Other interest revenue	1,230	824
	<u>28,319</u>	<u>17,403</u>
Financial expense		
Interest on member deposits	10,412	6,312
Other interest expense	280	221
	<u>10,692</u>	<u>6,533</u>
Financial margin	17,627	10,870
Other income	6,973	4,288
Provision for impaired loans	1,548	100
Operating margin	<u>23,052</u>	<u>15,058</u>
Operating expenses		
Salaries and benefits	12,234	7,471
Occupancy	1,809	1,074
Computer, office and other equipment	1,692	1,305
Advertising and communications	1,140	589
Member security	842	496
Administration	2,495	1,035
Other	2,693	2,274
	<u>22,905</u>	<u>14,244</u>
Net income before taxes	147	814
Income tax (recovery) expense	(121)	56
Net income for the year	<u>268</u>	<u>758</u>
Other comprehensive income (net of tax)		
Items that may subsequently be reclassified to profit or loss		
Change in unrealized gains on available-for-sale investments	99	196
Total other comprehensive income for the year	<u>99</u>	<u>196</u>
Total comprehensive income for the year	<u>\$ 367</u>	<u>\$ 954</u>

# Summary Statement of Changes in Members' Equity

Year Ended December 31

(in thousands)

	Shares	Retained earnings	Accumulated other comprehensive income	Contributed surplus	Total
Balance at December 31, 2012	\$ 10,205	\$ 15,146	\$ 798	\$ -	\$ 26,149
Net income	-	758	-	-	758
Distributions to members	-	(434)	-	-	(434)
Issue of profit shares	57	-	-	-	57
Issue of investment shares	273	-	-	-	273
Redemption of profit shares	(193)	-	-	-	(193)
Redemption of investment shares	(9)	-	-	-	(9)
Change in unrealized gains on available-for-sale investments	-	-	196	-	196
Increase in contributed surplus from Business Combination	-	-	-	1,275	1,275
Balance at December 31, 2013	10,333	15,470	994	1,275	28,072
Net income	-	268	-	-	268
Distributions to members	-	(476)	-	-	(476)
Acquisition of profit shares	519	-	-	-	519
Acquisition of investment shares	1,709	-	-	-	1,709
Issue of profit shares	37	-	-	-	37
Issue of investment shares	371	-	-	-	371
Redemption of profit shares	(310)	-	-	-	(310)
Redemption of investment shares	(163)	-	-	-	(163)
Change in unrealized gains on available-for-sale investments	-	-	99	-	99
Increase in contributed surplus from Business Combination	-	-	-	10,724	10,724
Balance at December 31, 2014	\$ 12,496	\$ 15,262	\$ 1,093	\$ 11,999	\$ 40,850

## 1. Basis of presentation

Management is responsible for the preparation of the summary financial statements. The summary financial statements presented include the summary statement of financial position and the summary statements of comprehensive income, changes in members' equity and cash flows. The financial statements do not include any other schedules, the summary of significant accounting policies or notes to the financial statements. The summary statement of financial position and summary statements of comprehensive income, changes in members' equity and cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

In addition, a copy of the full financial statement is available to any member, upon request, at any branch of the credit union.

# Summary Statement of Cash Flows

December 31	2014	2013
	(in thousands)	
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Net income	\$ 268	\$ 758
Provision for impaired loans	1,548	100
Depreciation and amortization	1,214	648
Deferred income taxes	(291)	-
Fair value of interest rate swap contracts	(80)	(295)
Distributions to members	(476)	(434)
Other non-cash items	199	(1,445)
	<u>2,382</u>	<u>(668)</u>
<b>Financing</b>		
(Repayment) advance of external borrowings (net)	(7,500)	13,000
Increase in secured borrowings	11,873	19,836
Increase in deposits of members (net)	47,188	35,131
Increase in shares (net)	155	135
	<u>51,716</u>	<u>68,102</u>
<b>Investing</b>		
Increase in loans to members (net)	(70,347)	(62,596)
Proceeds from (purchase of) investments (net)	2,746	(4,157)
Distributions received from CUCO Co-op investment	956	663
Purchase of property and equipment	(796)	(582)
Cash resources acquired upon business combination	5,746	5,825
	<u>(61,695)</u>	<u>(60,847)</u>
Net (decrease) increase in cash and cash equivalents	(7,597)	6,587
Cash and cash equivalents		
Beginning of year	15,054	8,467
End of year	<u>\$ 7,457</u>	<u>\$ 15,054</u>
Interest received	\$ 28,178	\$ 17,001
Interest paid	\$ 8,562	\$ 6,565
Income taxes paid	\$ 245	\$ 287
Patronage dividends paid	<u>\$ 21</u>	<u>\$ 47</u>

# Our Team

## SENIOR EXECUTIVE TEAM

Richard Davies  
*President & CEO*

Sandy Alward  
*Senior Vice President, Finance & Administration*

Kathy Clark  
*Senior Vice President, Sales/Service & Operations*

Christie Scobie  
*Executive Assistant*

## EXECUTIVE TEAM

Ray Hall  
*Vice President, Lending & Commercial Services*

Ted Sredzinski  
*Vice President, Finance*

## SENIOR MANAGEMENT TEAM

Joe Agro  
*Associate Vice President, Information Technology*

Dan Arnold  
*Director, Retail Lending*

Stephen Askew  
*Director, Commercial Services*

Kelly Darling  
*Associate Vice President, Human Resources*

Brenda Henderson  
*Regional Manager (West)*

Michael Knight  
*Regional Manager (East)*

Rachel Osborne  
*Associate Vice President, Marketing & Business Development*

Donna Sheppard  
*Associate Vice President, Member Solutions & Integration*

Jeffrey Silva  
*Director, Information Technology*

## MANAGEMENT

Susan Bell  
*Manager, Cash Operations (West)*

Elinor Berquist  
*Manager, Finance*

Harmeet Boparai  
*Manager, Member Solutions, Ancaster Branch*

Penny Brown  
*Manager, Broker Services*

Teresa Buonamici  
*Manager, Member Solutions, Stoney Creek Branch*

George Connell  
*Manager, Commercial Business Development*

Samantha D'Orazio  
*Manager, Cash Operations (East)*

Genny DaCruz  
*Acting Manager, Member Solutions, Acton Branch*

Pam Farrant  
*Assistant Manager, Member Solutions, Milton Branches*

Ana Gaspar  
*Manager, Member Solutions, TCSBE Branch*

Carrie Hathaway  
*Manager, Investment Services*

Nathan Heemskerk  
*Manager, Member Solutions Centre*

Laurie Horan  
*Manager, Investment Services*

Logan Horncastle  
*Manager, Member Solutions, James Street Branch*

Emilie Hyde  
*Assistant Manager, Member Solutions, Brantford Branch*

Tara Jarvis  
*Assistant Manager, Member Solutions, Upper Wentworth Branch*

Ismail Kazi  
*Manager, Administration*

Delyn Konstantinidis  
*Manager, Commercial Services*

Vanessa Leonard  
*Manager, Member Solutions, Upper Wentworth Branch*

Anne-Marie McLatchie  
*Assistant Manager, Member Solutions, TCSBE Branch*

Jane Morreale  
*Manager, Marketing & Communications*

Marianne Patzalek  
*Manager, Member Solutions, Brantford Branch*

Mark Pearce  
*Manager, Member Solutions, Georgetown Branch*

Anna Peticca  
*Manager, Member Solutions, Etobicoke Branch*

Carla Ricci  
*Manager, Business Development*

Jay Rodriguez  
*Manager, Member Solutions, Burlington Branches*

Rick Ross  
*Manager, Member Solutions, Milton Branches*

Mara Rossi  
*Manager, Business Development*

Lori Stewart  
*Manager, Risk Management & Compliance*

Cathie Vaillancourt  
*Senior Manager, Investment Services*

Jodi Venskus  
*Assistant Manager, Member Solutions, Scarborough Hospital Branch*

## STAFF

Rodrigo Albrecht

Shazia Ali

Amanda Arnott

Sue Baker

Susanne Bannan

Robena Baynton

Sandra Beaulieu

Sarah Bennett

Lisa Benning

Judy Berlinger

Rebecca Booth

Christine Booth

Erin Boyd

Barb Brown

Catherine Bujtor

Cheryl Buttle

Nicola Cacciaccaro

Debbie Cajucom-MacDonald

Lisa Canning

Maria Cavdamova

Gail Charette

Sharon Chin

Sandy Chuchmach

Mike Corman

Anne Cross

Zsuzsanna Daly

Allie d'Andrade

Rosa DeDieu

Martina Del Fine

Samantha Dixon

Anne Marie Equizi

Teresa Falbo

Ayesha Fatima

Randi Fede

Tisha Findlay

Samantha Fisher

Karen Freeborn

Robin Fronteddu

Denise Gilmore

Slavica Gligoric

Muriel Green

Carol Grisoni

Lori Hacking

Lisa Harte

Jennifer Hathaway

Denis Heroux

Alison Hill

Katie Hinks

Jason Hocevar

Brianne Hodson

Lindsay House

Lynne Jackson

Elena Jolliffe

Amanda Klip

Lucja Krawiec

Jacob Krstanovic

Rohin Kurian

Erin Kwiatkowski

Elizabeth Larocque

Georgina Levesque-Kun

Lisa Loder

Cristina Lotito

Betty Luu

Diane MacDonald

Leslie MacMillan

Karen MacNeil

Joe Mammone

Chris Marshall

Tina Martinello

Julia Mastrangelo

Veronica McCall

Terri McNeil

Victoria Mena

Michelle Merkley

Denise Messervey

Sandra Monaco

Julia Moody

Allison Morrow

Santina Muir

Cathy Munday

Susan Murphy

Kristy Nieboer

Ashley Nietlispach

Shana Oliverio

Anita Ouellet

Alex Ovrutsky

Erin Paquette

Jessica Pasichnyk

Darlene Pavoni

Susan Pearce

Sandra Pellizzari

Joanne Perna

Savi Persaud

Carina Pietrantonio

Ivan Popov

Andrew Pottruff

Monica Pozza

Lorie Purves

Holly Quinn

Dino Renzella

Patricia Ricardo

Barb Robertson

Kim Rochon

Stacey Rodwell

Linda Ross

Sarah Rudat

Laura Sciortino

Sara Scott

Steven Scott

Vita Seng

Ashley Sericchi

Brienne Siciliano

Paula Southward

Deborah Stanners

Bonnie Strapp

Ashley Sweet

Bernie Swick

Shama Syed-Bokhari

Qian Tang

Anita Tari

Lynda Tarves

Evie Tavares

Linda Thompson

Nancy Thompson

Brandon Turner

Lorraine Vaughan

Danielle Veniot

Julie Voong

Michelle Wadden

Myrna Willrich

Pat Winterburn

Josh Wolfe

Meng Zhang

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all be proud of.

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