



ANNUAL
REPORT 2018



come in. compare. come out ahead.

OUR VISION

Your member owned financial partner providing a safe, trusted and innovative environment offering financial security to current and future generations.

OUR MISSION

To create a partnership between members and their credit union for mutual financial success.

Oshawa Community Credit Union Board of Directors and all employees are committed to:

- Respecting the dignity and privacy of individuals.
- Assisting in the development of each person's self-reliance.
- Providing quality service and competitive products.
- Protecting the financial resources of our members.
- Improving the quality of life for people within our community.
- Operating within sound business policies, the Act and Regulations.
- Honouring the philosophy of "**People Helping People**".



79th Annual General Meeting

AGENDA

Meeting of
Tuesday, April 9, 2019 at 7:00 p.m.
Oshawa Community Credit Union
Main Floor

1. Registration
2. Adoption of the Agenda
3. Adoption of the minutes of the previous Annual General Meeting (*pages 2-9*)
4. Report to the Membership (*pages 10-15*)
5. Report of the Audit Committee (*pages 16*)
6. Report of the Auditor (*pages 17-19*)
7. Reports of the Committees of the Board (*pages 20*)
8. Unfinished Business
9. New Business;
 - a) Elections
 - b) Appointment of the Auditors
 - c) Proposed Amendment to the Credit Union By-Law under Article 8 – Meetings of Members (*pages 21*)
 - d) Other Business that is properly brought to the attention of the Board of Directors
10. Adjournment

Note: Pages provided at the back for your use.



Annual General Meeting

Tuesday, April 10, 2018 at 7 p.m.

R. Vanderkwaak, Chair of the Board of Directors, called the meeting to order at 7 p.m. with members and visitors in attendance at the Oshawa Community Credit Union office.

R. Vanderkwaak opened the meeting and welcomed everyone to the 78th Annual General Meeting for Oshawa Community Credit Union Limited.

The membership observed a moment of silence in memory of our deceased members.

R. Vanderkwaak introduced the members of the Board and Associate Director.

R. Vanderkwaak introduced J. Remillard, Acting CEO, L. Treen, Administration Manager, G. Greer, CFO and J. Henninger, I.T. Specialist and Support Manager.

R. Vanderkwaak introduced the following guests:

Roman Sochaniwsky, Deposit Insurance Corporation of Ontario (DICO)

Abid Khawaja, Deposit Insurance Corporation of Ontario (DICO)

Sharon Wilson, Dan Lawrie Insurance Broker

Chris Innis, CEO, Autoworkers Community Credit Union

Dan Collier, VP of Finance, Autoworkers Community Credit Union

Chris Williams, Board Member of United Employees Credit Union

Glen Smith, Board Member, United Employees Credit Union,

Cam Tidman, Board Member, United Employees Credit Union

Bob Brown, Board Member, United Employees Credit Union

Eve Ah-chin-kow, CFO, United Employees Credit Union

Rob Wellstood, CEO, Kawartha Credit Union and Board Member of Central 1

Mike Rooke, Tinkham LLP, Chartered Professional Accountants.

Rob Wellstood was invited to address the membership and guests attending the meeting. R. Wellstood congratulated OCCU on the excellent financial results year-ending 2017. R. Wellstood stated that he has been recently re-elected to the Board of Central 1 and appreciates the opportunity to address the membership. Central 1 is going through several changes and has introduced a new strategic plan focused on helping credit unions succeed in areas such as payments and digital banking specific to a new style of electronic means. Emphasis at Central 1 is how they are going to assist

credit unions to succeed. R. Wellstood stated that client importance is a focus for Central 1 and was happy to receive information from J. Remillard that OCCU is seeing the changes come to fruition. Central 1 has been instrumental in initiating the new National Credit Card program and transition credit unions currently utilizing InfoNet to MemberDirect. These are positive changes.

R. Wellstood advised that Mark Blucher joined Central 1 as the new CEO in January 2018.

L. Treen reported 39 members and 11 visitors in attendance. R. Vanderkwaak declared a quorum existed according to By-Law #1 which requires a minimum of 20 members to constitute a quorum.

**Moved by S. Clark, seconded by K. Bulloch:
That the Agenda be accepted.**

Motion carried.

Moved by M. Goodson, seconded by J. Zamora:

That the Minutes of the 77th Annual General Meeting of April 4, 2017 be accepted.

Motion carried.

R. Vanderkwaak presented the Report to the Members.

**Moved by J. Moore, seconded by H. Smith:
That the Report to the Members be accepted.**

Motion carried.

R. Vanderkwaak stated that OCCU has been serving people in the Durham Region and surrounding areas for over 75 years. Since inception we have grown from a small credit union to now having assets in excess of \$98M. Although our grass roots are firmly planted in Oshawa and the surrounding communities, OCCU welcomes everyone in Ontario to become a member.

J. Remillard presented the financial results for year ending 2017:

- Target Loan Growth of 4%, actual 0.84% however the financial margin exceeded budget.
- 157 loan applications were reviewed with a value of \$29.6. The value reviewed in 2017 is comparable to the 175 (\$28.6M) reviewed the previous year. In 2016 we experienced record growth due to the heated housing market, however the slowdown in 2017 did not affect the number of loans reviewed, rather the amount issued.

R. Vanderkwaak advised that the Board of Directors approved profit sharing with members for the 12th consecutive year. Total distributions for 2017 was \$130,305. The Board is also pleased to announce that since issuing the Class B Special Shares in 1997, OCCU has met the target return every year.

J. Remillard advised the membership that the Board and management have worked very closely to implement a long term strategic plan. We are facing many challenges, however the Board, management and staff are willing to rise to the challenge in efforts to secure the viability of OCCU. J. Remillard highlighted the three key challenges:

- *Human Capital* – J. Remillard introduced the long tenure employees and 5 new hires since 2015. Succession planning continues to be the number one concern that will impact the viability of OCCU.

- *Technological Infrastructure* – there are many projects pending to be completed, including implementation of MemberDirect; launch of a new National Credit Card Program; Central 1 IFRS 9 Loan Loss Model implementation and a switch of debit card providers from CUETS to Everlink.
- *Digital Marketing Campaign* – an enhanced Mortgage Referral Program has been launched. Advertisements will be posted on social media sites such as Google and Facebook with the ability to click through to OCCU's site for more information and the opportunity for OCCU to follow up with the person via e-mail. A comprehensive tracking feature to record traffic to the site is also available and will be used to fine tune the campaign.

L. Treen advised the membership that with board approval management initiated and implemented a succession plan and a structured training regime for not only new employees but for long tenure employees aspiring to expand their knowledge in order to better serve the members and work towards advancement. Board, management and employees all recognize the need for a succession plan in anticipation of many long-tenure employees targeting to retire within the next 3 – 5 – 7 years. The employees have been very supportive of the succession planning and many have assumed the role as mentor to the newer employees. Other aspects of the program include online training through CuTraining, self-study courses through CuSource, webinars offered by associate companies and in-house training sessions offered by various local companies.

J. Remillard also noted that employees have committed to work on contract after retirement to support and mentor their successors. K. Reid, previous Operations Manager, returned to work on a contract basis this past winter to support J. Henninger complete the year-end functions.

J. Henninger highlighted the upcoming projects for 2018:

- Transition from CUETS to Everlink to support the member debit cards. New ATM cards will be mailed out mid-April. The existing pin will be attached to the new card. Members will not be required to come to the office.
- National Credit Card Program will be launched August 1, 2018. The program will offer a range of products including rewards program.
- MemberDirect Integrated, a new internet banking platform will be implemented in 4Q18.
- OCCU will continue to enhance our “on line” presence as most of our transactions are completed through electronic means.

Question from member: Will the new credit card provider offer lower interest rates? At this time, we do not have this information, however we are aware that there are 10 – 12 product offerings including VISA.

Question from member: Will the new internet platform allow members to apply for a loan? MemberDirect has this functionality. At this time a decision has not been made to adopt this feature.

J. Remillard stated there will be changes to the functionality and look of the new site. Therefore, the implementation has been scheduled for Q418 to allow management to communicate effectively with the members.

Question from member: When will the old debit cards be deactivated and will this be communicated to members? The old cards will be deactivated after the first transaction is completed with the new card, otherwise all old cards will be deactivated July 31, 2018. The process will be communicated with members through electronic means and in office.

Question from member: How does the Credit Union attract new members? The Board approved a 3 – 5 year strategic plan, including the launch of the enhanced Mortgage Referral Program advertised through digital marketing and the conversion to MemberDirect Integrated platform, which offers direct banking solutions and competitive products and services.

R. Vanderkwaak called upon J. Henninger to present the I.T. Specialist and Support Manager's Report.

J. Henninger highlighted the projects that were completed in 2017:

- Rogers phone and internet conversion was completed. The new high-speed internet lines have allowed us to provide Wi-Fi to both our staff and members along with a cost savings of 81.76%.
- Continue to move towards transferring our Verafin subscription to their new cloud services.
- Migrated our cloud data from an American data storage center to a Canadian data storage center with the highest level of security.
- Continue to communicate electronically with members using e-blasts for Credit Union news and updates.

**Moved by W. Clark, seconded by D. Nicholls:
That the I.T. Specialist and Support Manager's Report be accepted. Motion carried.**

R. Vanderkwaak called upon H. Berkers, Member of the Audit Committee, to present the report.

H. Berkers advised that she is presenting the report on behalf of H. Smith, Chair of the Audit Committee. H. Berkers stated that the primary role of the Audit Committee is to ensure that our Credit Union meets all necessary regulatory and Board imposed standards. The Committee meets regularly with G. Greer, CFO and the Internal and External Auditors. Audit Reports received indicate excellent controls are in place and that the operation is well managed in a number of respects, not just in the area of finances. All significant recommendations made by the Committee and the Auditors have been implemented and the Committee executes its affairs in accordance with the Credit Unions and Caisse Populaires Act, the Regulations, the Audit Committee Charter and the Credit Union's By-Laws.

**Moved by M. Goodson, seconded by E. Brazier:
That the Audit Committee Report be accepted. Motion carried.**

R. Vanderkwaak called upon Mike Rooke, CA (Tinkham LLP, Chartered Professional Accountants) to present the 2017 External Auditor Report:

M. Rooke advised the membership that the Condensed Financial Statements are included in the Annual Report. The full statements, including the auditors' notes are available upon request. The financials include the Balance Sheet and Summary of Comprehensive Income. M. Rooke also advised that the auditors' responsibilities are to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with the Canadian Auditing Standards. In Tinkham LLP's opinion, the summary financial statements derived from the audited financial statements of OCCU for the year ended December 31, 2017 are a fair summary of those financial statements in accordance with International Financial Reporting Standards.

M. Rooke highlighted the financial results:

- Overall assets increased by \$2M. Total assets \$98.2M as of 2017 primarily from member loans receivable.
- Profitable year for the credit union, growth factors specific to interest income increase.
- Reduction in the Operation Expenses, significant reduction under salaries and benefits.
- Strong Capital position.
- Strong offering of competitive products and dividends.

M. Rooke, congratulated the Board and management to their success.

Question from member: What are impairment losses on member loans? An estimate of the total loan portfolio of future loans that could possibly be impaired. This is a provision for losses that is governed by the accounting practices.

Question from member: What is included under Other Revenue? This is a composition largely related to service fees and rental income.

**Moved by J. Zamora seconded by J. Cartwright:
That the Audited Financial Statements for the year ending December 31, 2017 be accepted.
Motion carried.**

R. Vanderkwaak called upon K. Bulloch, Chair of the Policy and By-Law Committee to present the report.

K. Bulloch highlighted the key areas of work completed by the Committee:

- Extensive review of OCCU's By-Laws.
- Extensive review and restructure of Board specific policies with the general goal of compiling a Board of Directors' manual.

K. Bulloch noted that the Committee is very fortunate to have such knowledgeable and professional staff to help the Committee stay informed and up to date with new important requirements and regulations.

Moved by C. Blair, seconded W. Clark:

That the Policy and By-Law Committee Report be accepted.

Motion carried.

R. Vanderkwaak called upon C. Blair, Chair of the Budget/Planning Committee Report to present the report.

C. Blair advised the membership that the Committee and management collaborated to develop a three-year strategic plan and proposed 2018 Annual Business Plan including the Budget. Three key areas were identified, and strategies implemented to further develop and strengthen OCCU:

- Technology infrastructure
- Succession planning
- Marketing

Moved by K. Bulloch, seconded by M. Goodson:

That the Budget and Planning Committee Report be accepted.

Motion Carried.

R. Vanderkwaak called upon J. Moore, Chair of the Maintenance Committee to present the report.

J. Moore informed the membership that OCCU experienced substantial cost savings from the following projects executed in 2016:

- 28% cost savings resulting from the conversion to LED lighting and installation of an Energy Save Device for the three-heating ventilation and air conditioning units (HVAC).
- 81.76% cost savings resulting from the conversion to our telephone and internet lines and 48.83% long distance/toll cost savings.

J. Moore noted leases were renewed with our current tenants Step with Style and Palter McCarthy, Barristers and Solicitors. Parking leases were also renewed with ReMax Jazz Group and initiated with Right at Home Reality.

J. Moore noted that in 2017, the existing awnings were replaced, duct cleaning completed, and parking curbs and bollards approved to be installed this spring.

Comment from member: Cleaning up the front entrance of the property. Spring cleanup will commence this week.

L. Treen advised the membership that management was made aware back in December that some of the downtown businesses were taking action to reduce the vagrants loitering in their vestibules during the night. As a result, incidents with vagrants loitering has escalated within our vestibule. Group 4 Security regularly patrols the building; however, this has not proven to be a deterrent. In order to secure our building for members to feel safe while using our ATM, the Board approved to install a card reader and was completed today. Members and non-members wishing to use our ATM will be required to swipe a mag strip card to enter from 10:15 pm to 8 am. It is also our understanding that the banks downtown have chosen to lock and restrict any access to their vestibules to use the ATM machine from 11 pm to 6 am. Management will continue to monitor the situation and discuss with the board if this action will be required.

**Moved by N. Webster, seconded by C. Blair:
That the Maintenance Committee Report be accepted.**

Motion carried.

R. Vanderkwaak called upon H. Berkers, Member of the Nominating Committee, to present the report.

H. Berkers advised that she was presenting the report on behalf of G. Paterson, Chair of the Nominating Committee. The Associate Director position has been an excellent avenue to introduce new and younger candidates as part of the Board succession plan. These Associate Directors are required to complete governance courses and are provided with the opportunity to learn from veteran Board members. C. Salmers and A. Podgorney were selected as Associate Directors in September 2017. A. Muraleetharan resigned due to business commitments. As a result, four positions were open for nominations, however there were no external candidates.

**Moved by J. Cartwright, seconded by W. Clark:
That the Nominating Committee Report be accepted.**

Motion carried.

R. Vanderkwaak called for any new business.

#1 – Elections

R. Vanderkwaak turned the Chair over to H. Berkers to address the election process.

Directors Acclaimed:

Roy Vanderkwaak
Howard Smith
Kim Bulloch
Cameron Salmers

H. Berkers called upon the above noted directors to address the membership.

H. Berkers turned the Chair back over to R. Vanderkwaak.

#2 – Appointment of the External Auditors

R. Vanderkwaak called upon H. Berkers to explain the external audit selection process.

H. Berkers informed the membership there are a limited number of accounting firms that specialize in Credit Union audits. The Board and Management have been very satisfied with the services provided by Tinkham LLP, Chartered Professional Accountants.

**Moved by H. Berkers, seconded by G. Greer:
That OCCU appoint Tinkham LLP, Chartered Professional Accountants as external auditors
for the fiscal year 2018.**

Motion carried.

#3 Special Resolution to replace OCCU By-Law

R. Vanderkwaak called upon K. Bulloch to present the amendments as follows:

- Attend meetings by electronic means.
- Joint Accounts, all members over the age of 18 will be required to hold a share (5 \$20 shares).
- Terms of office for the Chair and officers of the Board – change from 2-years to 3-years.
- Minor changes relating to spelling and/or grammar.

Moved by K. Bulloch seconded by D. Nicholls:

That the membership by special resolution approve the repeal and replacement of the Credit Union By-Law. Motion carried.

Question from member: How are the shares distributed when dealing with a joint account? Normal practice is to issue a draft, including the shares, made payable to the joint holders.

Question from member: As a member of another credit union share requirements are only \$1. As a result, this credit union grew by 542 new members in 2017. Is OCCU considering reducing the shares requirement? We allow members to build their share over time and for the past 10 plus years a dividend has been paid on the capital share requirement. Members are investing in the credit union and we feel we have a niche in the market place, however, will take this comment under consideration for further investigation and discussion.

R. Vanderkwaak thanked the membership for their dedication and attendance this evening. He thanked all the Board of Directors for their support and contribution of their hard work that makes this Credit Union a successful organization. He also thanked the staff and management for their dedication and commitment.

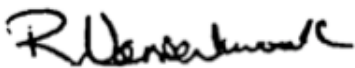
The membership observed a moment of silence in memory of the deceased members of the Humboldt Broncos Saskatchewan hockey team.

**Moved by M. Goodson, seconded by S. Broderick:
That the meeting be adjourned.**

Motion carried.

Meeting adjourned at 8:45 p.m.

Door prizes were raffled by L. Treen, S. Broderick and A. Munro.



R. Vanderkwaak, Chair



H. Berkers, Secretary



Report to the Membership

Celebrating Eighty Years

While the Oshawa Central Study Group Credit Union Limited was incorporated in 1952, (changing its name to Oshawa Community Credit Union Limited June 13, 1970), the Credit Union pre-existed in a variation of forms and names with an original charter for business dated 1939.

Since our inception we have grown from a small credit union to having assets nearing \$100 million. The Credit Union has seen membership growth over the years with the merging of local industrial credit unions and serves many employees of local hospitals, school boards, Durham Region and the City of Oshawa.



Our friendly staff at Oshawa Community Credit Union. Front row: Lori Hunsley, Linda Treen, John Remillard, Lori Kelly, Samantha Harrison, Amy Munro. Back row: Suzanne Bramham, Carolyn Terrion, Teresa Brudek, Sarah Broderick, Jakob Henninger, Sharan Yarrow, Jackie King.

OCCU (as we refer to ourselves), identifies as a financial co-operative existing to provide superior, personal, member-centric and member directed service.

2018 saw many significant “**firsts**” for OCCU and their members. Members, for the first time ever: received en masse, replacement debit cards mailed to their home and have the option to secure an OCCU VISA or OCCU MasterCard. Also, through our new internet banking platform (Member-Direct) in partnership with Central 1, we now offer an “app” with great features such as Deposit AnyWhere™ and Bio Metric login. Our members can expect more innovation to come.



OCCU is working to be at our members’ fingertips for electronic transactional services and communication but will continue to provide face-to-face contact for complex and significant decisions.

Our Partners in Success

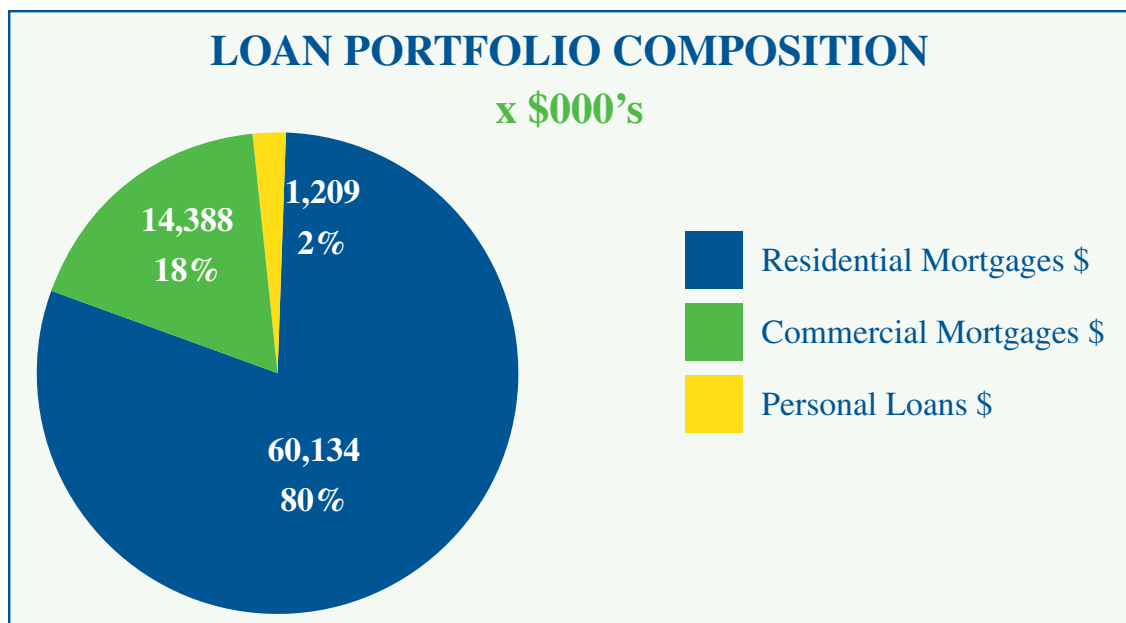
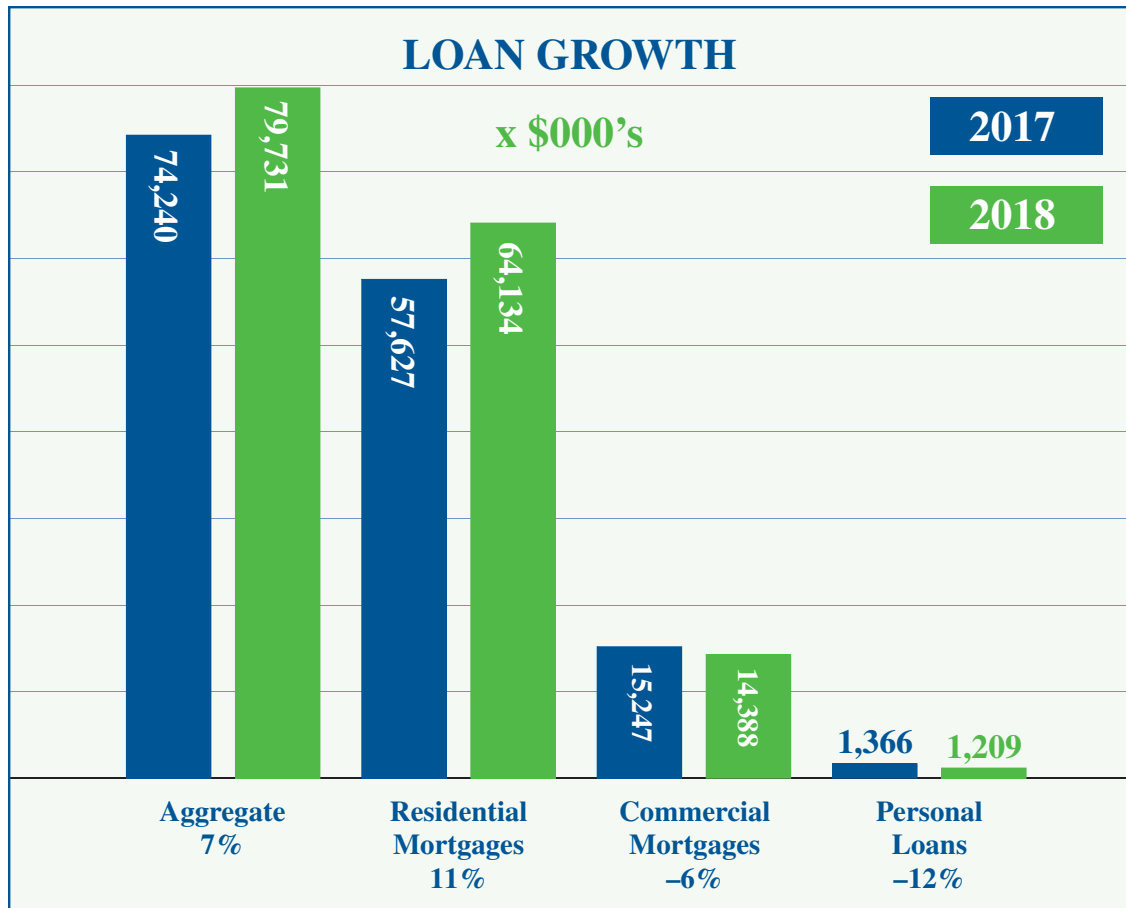


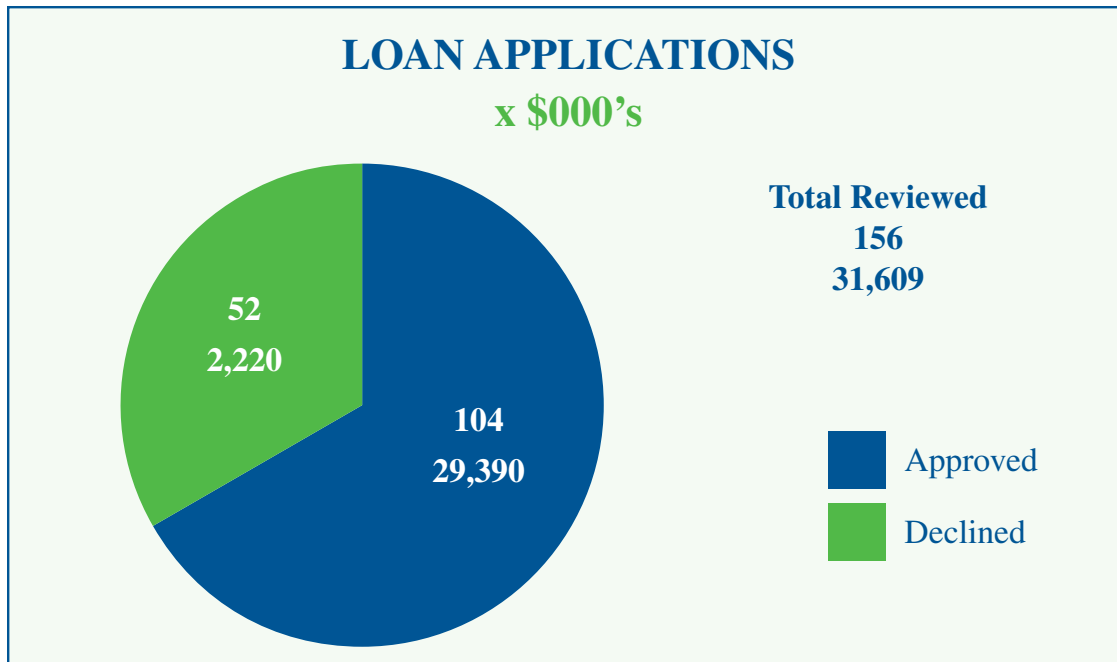
Select 2018 Performance Statistics

GROWTH	BUDGET	ACTUAL	DIFFERENCE
DEPOSITS	2.00%	0.91%	(1.09%)
FINANCIAL MARGIN	2.43%	2.58%	0.15%

Governance items such as the Strategic Plan (2019 – 2021), Annual Business Plan and budget are developed with the Budget and Planning Committee and then approved by the Board. Management provides monthly progress reports which include variances to budget. Deposit growth was short about \$1M for 2018, however loan growth was over budget by about \$2.5M. The Credit Union, however, continues to remain profitable, exceeding budget by over \$280K.

Monthly reports also include the progress of non-financial objectives, assessments of areas of risk to financial stability and unforeseen and unplanned for opportunities or threats. The Board is also responsible for ensuring that policies are refined and updated on an ongoing basis. Also, that compliance with all regulatory requirements mandated by the Deposit Insurance Corporation of Ontario (DICO) is maintained. One such requirement is set-out in By-law #6 which sets a ceiling





for delinquency of 1.60%. As of December 31, 2018, we had only one delinquent loan with a value of \$355,986 representing a rate of 0.45%.

The atmosphere and service level of the daily operations of the Credit Union is a reflection of the exceptional collaboration between board, management and staff.

For the **13th consecutive year** your Board of Directors approved profit sharing with members. Approximate distributions paid to members as of December 31, 2018 were as follows:

TYPE	FORM	RECIPIENT	COST (Aggregate)
Dividend	In Kind	Class B Special Shares	\$ 76,782
Interest	In Kind	Membership & Patronage Shares	\$ 16,785
Interest Bonus	In Cash	Depositors	\$ 23,530
Interest Rebate	In Cash	Borrowers	\$ 25,009
TOTAL			\$142,107

Your Credit Union is able to ensure long term prosperity in a competitive marketplace by having and executing a sound strategic plan based on the areas in which we excel.



2018-2019 Board of Directors



Roy Vanderkwaak
Chair



Don Nicholls
Vice-Chair



Henrietta Berkers
Secretary



Gillis Paterson



Jackie Moore



Howard Smith



Kim Bulloch



Cameron Salmers



Correna Blair

The 2019-2021 Strategic Plan is structured around the following three pillars:
Human Capital, Technology Infrastructure and increased Marketing.

Human Capital

The Board has approved an increase in the existing staff complement to support management's succession planning initiative. Three new Member Service Representatives have been hired, this will ensure a smooth transition upon the retirement of long term staff.

Technology Infrastructure

In unison with regulatory requirements, the Credit Union has implemented an IT Governance Strategy to strengthen and increase the Credit Union's IT infrastructure against cyber threats. Enhancements include both hardware and software with four key areas being: intranet upgrades, intranet management tools, cyber-security upgrades, and the development of a robust IT Governance policy.

The improved IT Infrastructure will also provide for an increased future presence in the digital space providing members "finger-tip" access to the Credit Union.

OCCU Management



John Remillard
*Acting CEO
Credit Manager*



Linda Treen
Administration Manager



Jakob Henninger
*I.T. Specialist and Support
Manager*



Greg Greer
CFO

Marketing

In building on historical success, the Credit Union will continue to leverage its prime location. We are located at the downtown gateway for in-bound and outbound traffic. Long term analysis has indicated that our building and location are our top advertising source of new business. In light of this, a sign-marketing strategy and LED Digital Display boards with changeable messages will be installed on each of the north and south existing pylon structures.

OCCU remains committed to supporting our community. We recognize and thank our Board, staff, management and members for their loyalty and hard work.

In conclusion, employees, management and the Board of Directors have collectively joined efforts to ensure we work cooperatively and efficiently within a highly regulated framework and provide our 3,640 members with a financially strong Credit Union. Thank you to our members for choosing the Oshawa Community Credit Union for your financial services.

Respectfully,

Roy Vanderkwaak, Chairman
OCCU Board of Directors

John Remillard, Acting CEO
Oshawa Community Credit Union



Report from the Audit Committee

Every credit union has an Audit Committee whose role is, in great part, established under the Credit Unions and Caisse Populaires Act. The roles are further enhanced by The Deposit Insurance Corporation of Ontario (DICO). We ARE ALSO GUIDED BY OUR OWN DETAILED By-Laws and procedures. There is extensive guidance for the Committee to help fulfill their role. Our primary role is to ensure that our Credit Union is meeting all necessary regulatory and Board imposed standards. We are required to meet at least quarterly. We meet regularly with Greg Greer, our CFO, who reports extensively on our financial results and reviews his ideas about what the future will bring. We also meet with Rick Belsby, our Internal Auditor, to discuss his ongoing reviews of our financial activities. We also meet at the end of the year with our External Auditors Tinkham LLP Chartered Professional Accountants to discuss and then later review their audit plans and findings. Although this represents an emphasis on our financial affairs, the Committee is, as mentioned above, also responsible for ensuring that we meet a number of legal requirements including the oversight of risk management which covers a wide range of potential areas of concern.

I am extremely proud of the work that is being performed internally. We get constant reports of excellent work and control and of great staff support to those working 'behind the scenes'. Any recommendations from any of these parties have been implemented and that ensures that your credit union is being well managed in a number of respects, not just in the area of finances.

On a more formal note, we confirm that all significant recommendations made by the internal and external auditors and the Audit Committee have been implemented and that the Committee is conducting its affairs in accordance with the Credit Unions and Caisse Populaires Act, the Regulations, the Audit Committee Charter and the Credit Union By-Laws.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "H. Smith", is written over a horizontal line.

H. Smith, FCPA, FCA, Chair

Committee Members:

Henrietta Berkers

Kim Bulloch

Gillis Paterson

TINKHAM LLP | CHARTERED PROFESSIONAL ACCOUNTANTS

D C Tinkham FCPA FCA CMC LPA
P J Brocklesby CPA CA LPA
M Y Tkachenko CPA CA
M W G Rooke CPA CA LPA
A C Callas CPA CA
C R Braun CPA CA
G P Kroepflin CPA

300 - 2842 Bloor Street West
Toronto Ontario M8X 1B1
Canada

TEL 1 416 233 2139
TOLL FREE 1 877 283 3305
FAX 1 416 233 1788

TINKHAMCPA.COM

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of
OSHAWA COMMUNITY CREDIT UNION LIMITED

Opinion

The summary financial statements, which comprise the summary balance sheet as at December 31, 2018 and the summary statement of comprehensive income for the year then ended are derived from the audited financial statements of Oshawa Community Credit Union Limited for the year ended December 31, 2018.

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

Summary Financial Statements

Financial Reporting Standards. Reading the summary 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 summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated January 30, 2019.

Management's Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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

Toronto, Ontario
January 30, 2019



Licensed Public Accountants

**OSHAWA COMMUNITY CREDIT UNION LIMITED
SUMMARY BALANCE SHEET
AS AT DECEMBER 31, 2018**

	2018	2017
ASSETS		
Cash	\$ 2,966,001	\$ 8,398,334
Investments	15,706,599	14,234,502
Accrued interest	458,782	407,875
Receivables and prepaid	92,412	163,585
Member loans receivable	79,434,113	74,049,007
Future income tax asset	98,649	58,550
Capital assets	909,637	918,784
	\$ 99,666,193	\$ 98,230,637
 LIABILITIES, MEMBER ENTITLEMENTS AND MEMBERS' EQUITY		
Accounts payable and accrued liabilities	\$ 208,156	\$ 246,755
Income taxes payable	65,447	72,295
Member entitlements	88,243,268	87,430,769
Members' share capital	2,815,199	2,728,550
Retained earnings	8,334,123	7,752,268
	\$ 99,666,193	\$ 98,230,637

Approved on behalf of the Board:


_____ Director


_____ Director

A full set of audited financial statements is available from the Credit Union.

OSHAWA COMMUNITY CREDIT UNION LIMITED
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2018

	2018	2017
Interest income		
Interest on residential mortgages	\$ 2,280,586	\$ 1,884,549
Interest on personal loans	107,241	121,966
Interest on commercial loans	629,785	669,304
Investment income	424,927	547,610
	<u>3,442,539</u>	<u>3,223,429</u>
Interest expense	<u>741,163</u>	<u>697,825</u>
Financial margin	2,701,376	2,525,604
Other revenue	<u>252,535</u>	<u>301,335</u>
	<u>2,953,911</u>	<u>2,826,939</u>
Expenses		
Advertising	66,540	54,289
Cash costs and clearing charges	144,200	115,731
Central 1 fees	18,340	15,021
Convention, training and annual meeting	20,695	18,677
Data processing	145,667	131,494
Depreciation	80,809	63,409
Equipment Maintenance	11,542	12,387
Insurance	132,921	120,431
Mortgage fees	15,712	7,991
Office	160,390	148,068
Occupancy	115,130	125,487
Professional services and consulting	134,951	152,190
Provision for impairment losses on member loans	65,527	21,532
Salaries and benefits	956,273	997,977
	<u>2,068,697</u>	<u>1,984,684</u>
Income before dividends and provision for taxes	885,214	842,255
Member dividends, bonus interest, and rebates	65,138	53,527
Provision for taxes	<u>146,473</u>	<u>94,298</u>
Net income for the year	673,603	694,430
Other comprehensive (loss) income, net of taxes	<u>-</u>	<u>(181,517)</u>
Net comprehensive income	<u>\$ 673,603</u>	<u>\$ 512,913</u>

A full set of audited financial statements is available from the Credit Union.



Report of the Committees of the Board

Maintenance, Nominating, Budget/Planning & Policy/By-law

Many significant items were completed by your Board through its various Committees in 2018.

The Maintenance Committee had the front entrance bollards and additional curbs installed for improved building security and improved control of property access and use.

The Nominating Committee hosted a Meet and Greet evening session where the candidates were invited and had opportunity to sit down and chat informally with existing Board members and the management team.

The Budget/Planning Committee were busy through out the year completing the regular Annual Business Plan for the Credit Union and retooling and updating our Vision and Mission Statements. A first for the Committee was the approval of the 2019 budget prior to the commencement of the fiscal year.

The Policy Committee continues to work on a comprehensive review of the Credit Union's policies, modernizing language and extracting procedural elements. The Policy Committee, in consultation with Internal Auditor Rick Belsby, also completed the regulatory annual review of the operating policies as per DICO's guidelines.

Respectfully submitted,

Jackie Moore, *Chair of the Maintenance Committee*

Cameron Salmers, *Chair of the Nominating Committee*

Don Nicholls, *Chair of the Budget / Planning Committee*

Kim Bulloch, *Chair of the Policy / By-law Committee*



Proposed By-Law Amendment

8.2 Order of Business at an Annual Meeting – The order of business at annual meetings of the Credit Union shall be as follows: See Section 212 of the Act.

Note: At all annual meetings of the members of the Credit Union, only the business stated in the notice of such meeting may be transacted.

- a) ~~Roll call or r~~Registration of members;
- b) Adoption of the minutes of the last meeting;
- c) Report to the Membership; ~~Report of the Board of Directors;~~
- e) ~~Report of the Chief Executive Officer;~~
- g) ~~Report of the Credit Manager;~~
- f) Report of the Audit Committee;
- g) Report of the auditor including audited financial statements;
- h) ~~Report of the various committees;~~
- i) Unfinished business;
- j) New business, including elections, appointment of Auditors;
- k) Adjournment.



Board of Directors

Term Expiry

Jackie Moore	Member of the Budget and Planning Committee Chair of the Maintenance Committee	2019*
Don Nicholls	Vice-Chair of the Board Member of the Policy and By-Law Committee Chair of the Budget and Planning Committee	2019*
Gillis Paterson	Member of the Budget and Planning Committee Member of the Audit Committee Member of the Maintenance Committee	2019*
Henrietta Berkers	Secretary of the Board Member of the Audit Committee	2020
Correna Blair	Member of the Policy and By-Law Committee Member of the Maintenance Committee	2020
Cameron Salmers	Member of the Budget and Planning Committee Chair of the Nominating Committee	2020
Kim Bulloch	Chair of the Policy and By-Law Committee Member of the Audit Committee Member of the Nominating Committee	2021
Howard Smith	Chair of the Audit Committee Member of the Nominating Committee	2021
Roy Vanderkwaak	Chair of the Board	2021



Employees of Oshawa Community Credit Union

John Remillard	Acting CEO/Credit Manager, Commercial Lender (Privacy Officer/Complaints Officer)
Linda Treen	Administration Manager (Compliance Officer)
Jakob Henninger	I.T. Specialist and Support Manager
Greg Greer	Chief Financial Officer
Sharan Yarrow	Level III
Teresa Brudek	Level III
Carolyn Terrion	Level II
Lori Kelly	Level II
Jackie King	Level II
Lori Hunsley	Level II
Sarah Broderick	Level I
Samantha Harrison	Level I
Amy Munro	Level 1
Suzanne Bramham	Level 1



NOTES



NOTES



214 King Street East, Oshawa, ON
905-576-4200 | www.oshawacu.com
Follow us on Facebook & Twitter  