

# Community Savings

the unions' credit union

## Annual Report 2015





## Our Vision

To be the credit union of choice within the working community.

## Our Mission

To provide the working community a fair opportunity at a better life, by empowering them with banking products and investments that are always in their best interest.

## Core Values

**We** treat people the way we would want to be treated.

**We** only develop products and services that are in our members' best interest.

**We** are on side with union beliefs of fair wage and treatment of workers.

**We** support community initiatives that help empower the individual.

## Building Bridges, Enriching Lives

*"The staff is all very experienced and friendly, I have a great experience every time I stop by. I guess the best experience was one of my first visits when I was trying to re-mortgage and buy another place at the same time, for me this was a nightmare but Don, the loans manager at the time, had us set up and out within 15 minutes. I hope they never change as it is by far the best banking institution I have ever dealt with."*

**Bob Higgs, Community Savings Member**

*"The branch manager (Carla) is one of the most thoughtful people I know. I lost my husband in March, 2011. I was looking for employment and he was on a disability pension. She heard I was struggling with bills and relying on food banks for groceries and went out of her way to give me gift cards from Safeway to buy some fresh meat, vegetables and dairy. I admit I was overcome with tears and know I can never thank her, or the great people at the branch, enough for making me feel like a person that mattered. I'm sure they would be proud to know their efforts are greatly appreciated."*

**Pat Robertson, Community Savings Member**

*"I work in prestigious West and North Vancouver, but for the past twenty years I have been banking in Port Coquitlam. This should tell you how much I value my relationship with Community Savings. It all comes down to service. Whether it's meeting me halfway or finding a creative solution, they will do what it takes to get the deal done. In the end, I know that I can depend on Community Savings."*

**Robert Baillie, Community Savings Member**

*"Community Savings has delivered to us the most effective relationship; listening to our needs and expectations no matter how or what, and giving us good and effective responses. Any time we call Community Savings with a question or concern, we know we will get a prompt response."*

**Raj Bhandall, Community Savings Member**

*"There is a reason that I keep coming back to Community Savings, I can sum it up in one word: confidence. When I submit an application, I know that it will be handled in a timely and professional manner. I have been in the construction industry for quite some time now. Experience has taught me that a knowledgeable lender can save you a lot of headaches and more importantly money. That is why I've been dealing with Community Savings for over 20 years."*

**Ron Paziuk, Community Savings Member**





## UNIONS - Still Making A Difference

***“Don’t it always seem to go, you don’t know what you got ‘til it’s gone”***

**- Joni Mitchell**

Since our inception, Community Savings has supported the principle that union membership not only contributes to individual financial security but affords larger economic benefits as well. This philosophy was given additional credence in a recent Canadian Centre for Policy Alternatives analysis, “The Union Card – A Ticket Into Middle Class Stability”. The authors\*<sup>1</sup> of this research conclude:

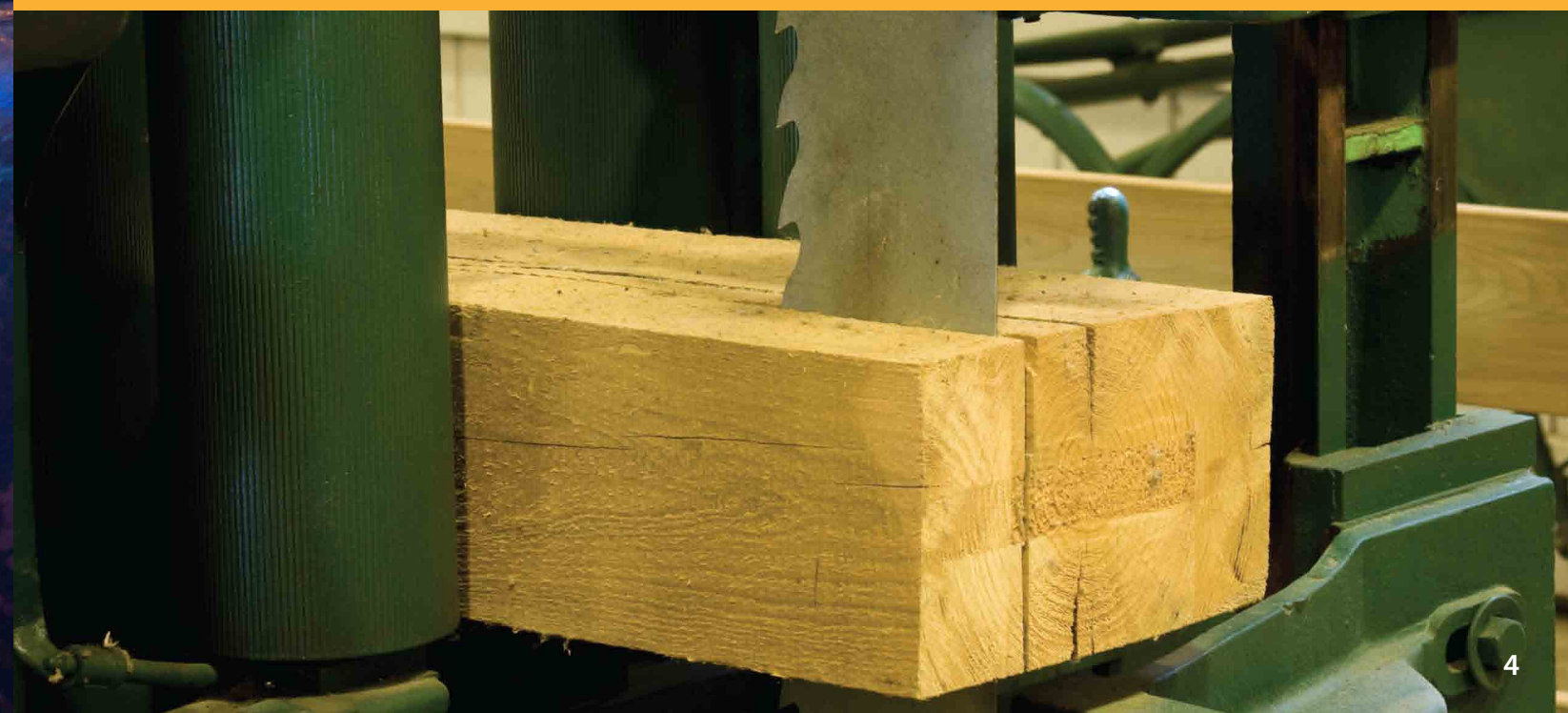
*“Because union density has been in steady decline in the private sector, individuals losing union representation and experiencing income losses will inevitably outnumber those gaining union representation and experiencing income gains. And this, in turn, suggests that the change in union density in the private sector over the past 30 years is an important driver of growing income polarization and inequality.”*

***“In other words, the union card has long been Canada’s calling card for the middle class. Without it, stability within the middle class is greatly compromised.”***

This consequence of lost union density comes as no surprise to Community Savings. Indeed, working people are still best served by union membership. Additionally, the presence of organized labour produces a multitude of positive economic and social benefits.

Yet the passage of time and our capacity for assumption tends to create common amnesia. The origin of our working rights and freedoms, and the struggle to enshrine those values, has been generally lost to contemporary consciousness. Our funding of the Labour Heritage Centre’s publication of a book chronicling BC Labour History is one of our ongoing efforts to protect and build upon labour’s precious legacy.

Since Canada’s early days unions struggled to organize workers and improve conditions, both on the job and in the life they earned. However, it was not until the Second World War that unions received true recognition. If the First World War gave Canada its’ courageous identity, the Second World War proved its’ industrial might. It took a terrible war to do it, but labour finally won their place at the table!







# UNIONS - Still Making A Difference

Post war Canada saw a new age of empowerment for Canadian working people and their unions. Recognizing that the struggle for human rights encompasses the political arena as well, they moved to give political voice to our aspirations through affiliation to the New Democratic Party. Medicare, the Canada Pension Plan, Old Age Security and Employment Insurance were benefits won through union political action. And unions did not rest there. Today's employment laws were generated by union equal rights initiatives and advocacy.

Just some of the many workplace benefits brought to us by unions include:

**40 hour work week - 8 hour day - breaks - weekends - vacations - statutory holidays - overtime - occupational health & safety - workers compensation - sick leave - short & long term disability - minimum wage - health care benefits - protection from discrimination - pay equity - just cause for discipline/dismissal - maternity & parental leave - family leave - duty to accommodate - right to join a union**

Unions raise the bar for all workers. In order to compete for skilled employees, non union employers must meet the 'union standard' or run the risk of losing valuable human resources.

Unionized workers are an important part of the local economy too. Higher incomes support local businesses, which create local jobs and bolster the local tax base. Those taxes support public works and services that add to everyone's quality of life. When retirement arrives, union pensions also mean less reliance on social programs and family resources.\*2

When unions fight for fairness and defend those unable to do so alone, their success belongs to us all.

\*1 Hugh Mackenzie and Richard Shillington  
\*2 Canadian Labour Congress - "The Union Advantage"





## Message from the President & CEO



Your credit union has continued to improve and grow over the past year. We are proud of our accomplishments and results in 2015. Although we ended the year well, the past twelve months have not been without challenges. Higher regulatory costs have limited our ability to grow or expand as we would have liked. It is encouraging that the current government is taking a consultative approach with credit unions seeking input to possible changes to the legislation that governs credit unions of British Columbia. On a more positive note, the credit union has achieved strong loan growth in both our commercial and retail portfolios. Deposits have also continued to grow as we build a better credit union. Improved risk management practices and changes to structure have allowed us to be more efficient while also enhancing our risk profile.

These positive changes could not have been possible without the hard work and tremendous support of our employees. I am so grateful to all of our staff who have put in so much effort to support those necessary changes under challenging circumstances. Furthermore, we are constantly receiving feedback from our Members about our staff and the exceptional Member Service that they provide on a daily basis. Thank you to each of our dedicated staff members.

We also never stop looking for opportunities to build stronger relationships with our Union Organizations and Members. It is important for us to be clear in our commitment by supporting organized labour efforts and events that recognize workers. Through sponsorships, donations and participation at community events, we are able to communicate our messaging. We are very proud to be the primary sponsor of the BC Labour History Book Project coordinated by the Labour Heritage Society; a legacy organization of Jack Munro. Compiling decades of photos and records, the researchers and authors are writing a history of the labour movement in British Columbia. The book and materials will be used in post-secondary labour studies, with a goal to make it available in the public schools as well.

The future ahead is promising for Community Savings Credit Union. Our Port Coquitlam branch will be relocating this year to another location within the community. The new location will be more highly visible and have improved access for our Members. The branch will utilize improved technology for the delivery of credit union services. Further growth in commercial and retail loans will benefit the credit union with more stable earnings and use of our excess liquidity.

I would also like to thank our Board of Directors for their support and commitment to our vision. Our Board Members have worked hard to improve their governance and contributions to the credit union. And most of all, an important thank you to our Community Savings members. It is with your support that your credit union continues to grow and strengthen.

Thank you

Respectfully,

Doug Eveneshen  
President and Chief Executive Officer



## Message from the Board of Directors



The Board of Directors for Community Savings Credit Union has worked closely with management over the past year in continuing to strengthen our credit union. It has also been a year that has brought significant opportunity to work together with our staff and management to further our union and community involvement with our partners. Our dedication and commitment to organized labour and union principles is at the core of our business, and we value the support and business of our unions and working members.

We are proud of our legacy of building strong communities and our commitment to the working families of our province. Community

Savings has made significant contributions to the communities we serve through donations and sponsorship. One of the largest contributions we have made is our commitment to the BC Labour Heritage Book. This legacy book is being published to share with and engage youth in understanding the history of organized labour in our province and the struggles of the early workers to improve working conditions for all British Columbians.

We remain committed to a fair living wage for all British Columbians as the first financial institution in British Columbia to become a 'Living Wage Employer'. Being a 'Living Wage Employer' comes with a commitment to a higher minimum wage than what is regulated. It is a commitment to battle poverty by committing to a fair wage for all. We are working hard to ensure that the needs of our members are met for the future.

Moving forward we are continuing to work in collaboration with the Community Savings management team to plan for the future during these times of changing economic conditions. Our employees have the experience and are equally committed to making our credit union stronger. We are proud and grateful for all of our staff for their commitment to our vision and support.

On behalf of the Board of Directors, I would like to thank our staff for their hard work and dedication throughout the year. The accomplishments that they have achieved have been exceptional. Their support is what makes Community Savings strong for our future.

Thank you to our members, both new and longer-term members, who share in our values and are critical to building the future for our credit union. We are so grateful to our labour union partners and the working families who have contributed to our evolution and growth over the past 71 years to become more relevant for our members. We look forward to continuing to build on our heritage with a strong commitment to our labour union principles and legacy.

Respectfully,

Colleen Jordan  
Chair, Board of Directors







## Year In Review

### 2015 Management Discussion And Analysis

#### Cautionary Note Regarding Forward-Looking Statements

This annual report contains forward-looking statements about our operations, goals, and expected financial performance. These statements are subject to risks and uncertainties which may affect results, including legislative or regulatory changes, interest rates, and general economic conditions in British Columbia and Canada (among others). These issues should be given careful consideration and readers should not place undue reliance on our forward-looking statements.

Community Savings Credit Union continues to show strength through the growth of the various loan and deposit portfolios despite challenges imposed by a low interest rate environment. Our net income before "Other Comprehensive Income" (OCI) and after taxes for the year ending September 30, 2015 was \$897,358, versus \$416,247 for the same period of 2014. This increase in net income was the result of various initiatives to reduce costs while simultaneously seeking higher interest rates in commercial loan growth and repricing of our deposit portfolio. The decrease in the Bank of Canada Bank Rate has also been beneficial to the credit union, contributing to our increased earnings. It is expected that these benefits will continue into 2016.

#### Financial Margin

Financial margin is the difference between interest earned on loans and investments and interest paid on deposits and other liabilities. Our financial margin increased from \$9,022,461 in 2014 to \$9,541,514 in 2015. Despite the low interest rate environment the credit union experienced growth of 21.5% in our commercial mortgage portfolio which has resulted in the generation of greater margin from this business. Interest expense was lower by \$788,787 as deposit rates were reduced concurrently with the drop in Bank Rate during the year.

#### Non-Interest Income

Non-interest income includes commissions, service fees, wealth management income and fee income from loans and lines of credit. Non-interest income decreased marginally from \$1,455,045 to \$1,449,839 primarily due to a reduction in mortgage penalty income.



# Year In Review

## Non-Interest Expenses

Non-interest expenses (operating expenses) decreased by 1.9% (\$189,283) for the year ending September 30, 2015 over the prior year. This decrease was the result of an initiative to reduce costs and seek operating efficiencies throughout the credit union. Some additional costs will be reflected in 2016 due to the relocation of our Port Coquitlam branch as we move to a more visible location within the community. Operating expenses continue to be tightly controlled and managed with the expectation that the non-interest expenses as a percentage of assets will remain at similar levels in 2016 as 2015.

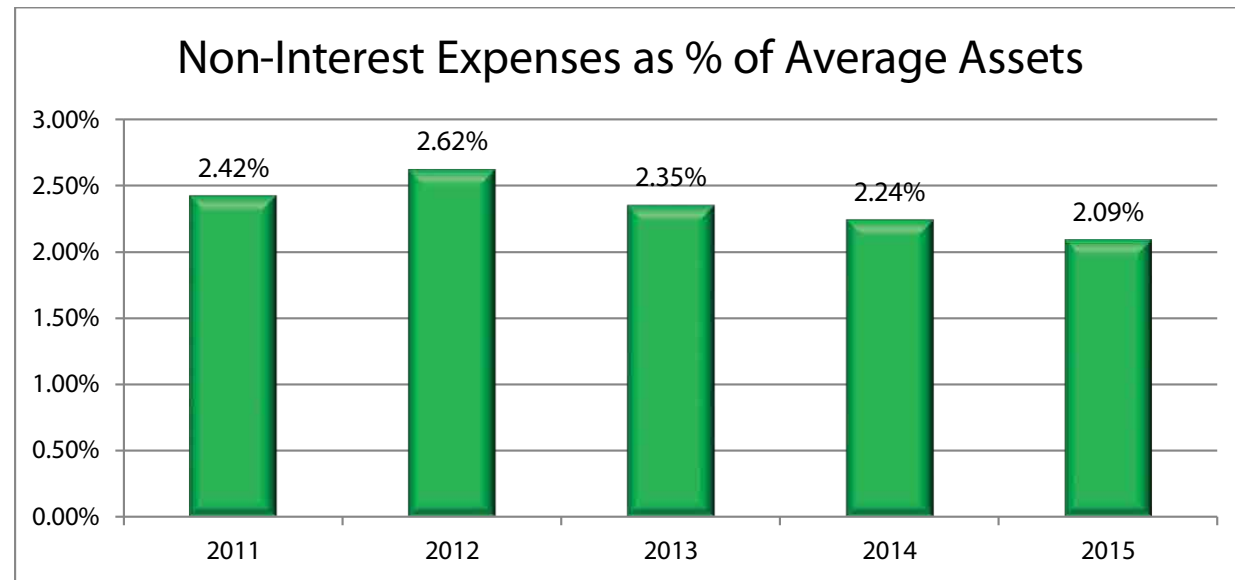


Figure 1: Non-Interest Expenses as % of Average Assets

## Loans

Member loans, net of allowances, increased from \$349,587,787 as at September 30, 2014 to \$377,552,590 as at September 30, 2015, representing an increase of \$27,964,803 (growth of 8.0%). This growth is anticipated to moderate somewhat in 2016.

## Deposits

Member deposits grew from \$437,970,147 as at September 30, 2014 to \$458,229,173 as at September 30, 2015, representing an increase of \$20,259,026 (growth of 4.6%). A significant shift of deposits was reflected in our demand deposits; growing by \$45,677,903, while term deposits decreased by \$23,293,464. This shift in deposits was primarily due to a small number of large deposits that are anticipated to leave during the coming 12 months. The growth experienced in deposits is not expected to continue because of the likelihood that these deposits will move away from the credit union. The credit union has liquidity of 22.38% as at September 30, 2015; sufficient to accommodate expected shifts in deposits in the foreseeable future.

## Borrowings

Member deposits are used to fund Member loans. Credit facilities are available through Central 1 Credit Union to fund short-term liquidity needs of the credit union if Member deposits are insufficient to meet funding requirements. During the fiscal year ending September 30, 2015 the credit union did not require borrowings from Central 1 Credit Union. However, with the forecasted growth in both the commercial and retail loan portfolios in future years, borrowings from Central 1 Credit Union may be necessary to fund short-term needs.

## Members' Equity and Capital

Members' equity increased to \$22,904,006 as at September 30, 2015 from \$21,790,155 as at September 30, 2014, representing an increase of \$1,113,851 (growth of 5.1%). Growth in members' equity will be used to support the growth of your credit union in future years.

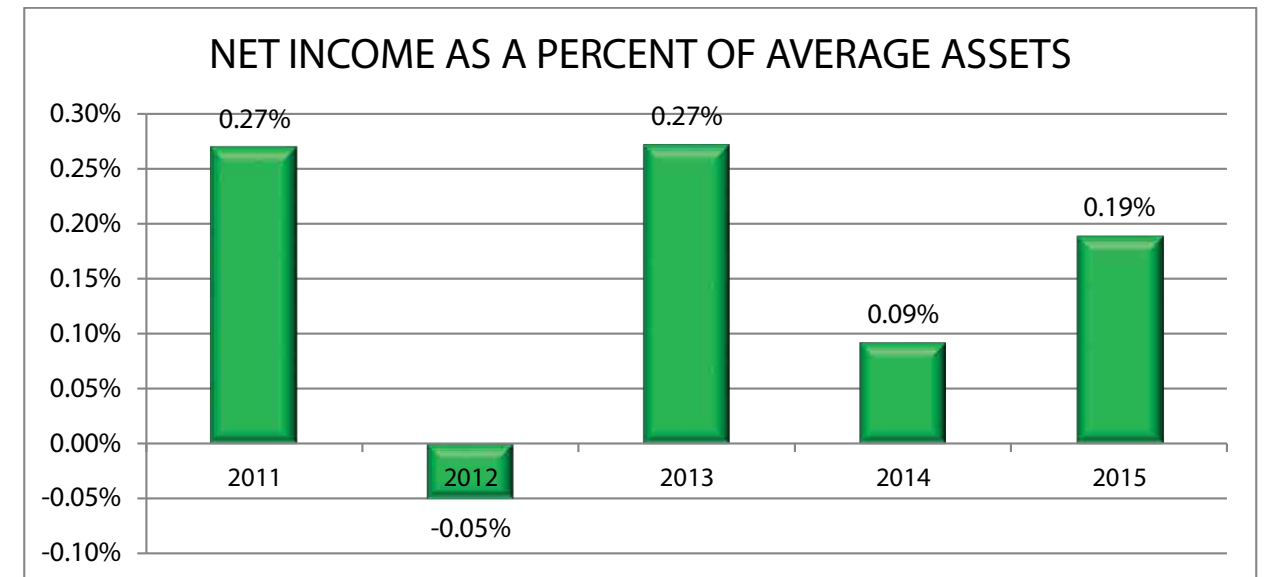


Figure 2: Net Income as a Percent of Average Assets as at September 30th of Each Year.







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## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARIZED FINANCIAL STATEMENTS

To the Members of Community Savings Credit Union

The accompanying summarized financial statements of Community Savings Credit Union, which comprise the summarized statement of financial position as at September 30, 2015, and the summarized statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Community Savings Credit Union as at and for the year ended September 30, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated December 15, 2015.

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

### Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of the summarized financial statements in accordance with the basis described in note 1.

### Auditors' Responsibility

Our responsibility is to express an opinion on the summarized 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 summarized financial statements derived from the audited financial statements of Community Savings Credit Union as at and for the year ended September 30, 2015 are a fair summary of those financial statements, in accordance with the basis described in note 1.

Chartered Professional Accountants

December 15, 2015  
 Vancouver, Canada

## Community Savings Credit Union

### Summarized Statement of Financial Position

September 30, 2015, with comparative information for 2014

	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 25,855,122	\$ 33,723,351
Investments	78,597,413	77,711,794
Loans	377,552,590	349,587,787
Derivatives	601,008	286,313
Premises and equipment	1,175,736	1,341,689
Intangible assets	151,540	242,228
Income taxes receivable	-	26,410
Deferred income tax assets	461,278	407,376
Other assets	1,096,202	924,842
	<b>\$ 485,490,889</b>	<b>\$ 464,251,790</b>
<b>Liabilities and Members' Equity</b>		
Deposits	\$ 458,229,173	\$ 437,970,147
Members' shares	1,360,696	1,420,468
Income taxes payable	80,028	-
Other liabilities	2,916,986	3,071,020
	<b>462,586,883</b>	<b>442,461,635</b>
Members' equity:		
Contributed surplus	2,851,000	2,851,000
Retained earnings	19,682,924	18,785,566
Accumulated other comprehensive income	370,082	153,589
	<b>22,904,006</b>	<b>21,790,155</b>
	<b>\$ 485,490,889</b>	<b>\$ 464,251,790</b>

See accompanying note to the summarized financial statements.

Approved on behalf of the Board:

 Director

 Director



## Community Savings Credit Union

### Summarized Statement of Comprehensive Income

Year ended September 30, 2015, with comparative information for 2014

	2015	2014
Interest income:		
Loans	\$ 12,590,781	\$ 13,155,977
Cash and cash equivalents and investments	1,868,958	1,573,496
	14,459,739	14,729,473
Interest expense:		
Deposits	4,918,225	5,707,012
	4,918,225	5,707,012
Net interest income	9,541,514	9,022,461
Provision for (recovery of) credit losses	60,812	(72,429)
Non-interest income	1,449,839	1,455,045
Total operating income	10,930,541	10,549,935
Non-interest expense:		
Salaries and benefits	6,045,813	6,208,206
Administrative	3,496,388	3,445,913
Depreciation	382,858	460,223
	9,925,059	10,114,342
Income from operations	1,005,482	435,593
Distribution to members	10,418	13,481
Income before provision for income taxes	995,064	422,112
Provision for (recovery of) income taxes:		
Current	151,608	93,789
Deferred	(53,902)	(87,924)
	97,706	5,865
Net income	897,358	416,247
Other comprehensive income, net of income taxes:		
Item that will be reclassified to net income:		
Net unrealized gain on cash flow hedges, net of income taxes of \$40,320 (2014 - \$24,385)	216,493	139,749
Total other comprehensive income, net of income taxes	216,493	139,749
Comprehensive income	\$ 1,113,851	\$ 555,996

See accompanying note to the summarized financial statements.

## Community Savings Credit Union

### Summarized Statement of Changes in Members' Equity

Year ended September 30, 2015, with comparative information for 2014

	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total members' equity
Balance on September 30, 2013	\$ 2,851,000	\$ 18,369,319	\$ 13,840	\$ 21,234,159
Net income	-	416,247	-	416,247
Other comprehensive income:				
Hedging reserve - cash flow hedges:				
Net unrealized gains	-	-	139,749	139,749
Balance on September 30, 2014	2,851,000	18,785,566	153,589	21,790,155
Net income	-	897,358	-	897,358
Other comprehensive income:				
Hedging reserve - cash flow hedges:				
Net unrealized gains	-	-	216,493	216,493
Balance on September 30, 2015	\$ 2,851,000	\$ 19,682,924	\$ 370,082	\$ 22,904,006

See accompanying note to the summarized financial statements.





# Community Savings Credit Union

## Summarized Statement of Cash Flows

Year ended September 30, 2015, with comparative information for 2014

	2015	2014
Cash resources provided by (used in):		
Operating activities	\$ 335,929	\$ 914,172
Investing activities	(29,014,297)	(21,970,617)
Financing activities	20,810,139	23,242,229
Increase (decrease) in cash and cash equivalents	(7,868,229)	2,185,784
Cash and cash equivalents, beginning of year	33,723,351	31,537,567
Cash and cash equivalents, end of year	\$ 25,855,122	\$ 33,723,351

See accompanying note to the summarized financial statements.

Note to the Summarized Financial Statements

Year ended September 30, 2015

### 1. Basis of presentation:

These summarized financial statements have been prepared in accordance with Section 128(4) of the Financial Institutions Act and are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at and for the year ended September 30, 2015. Those audited financial statements were approved by the Credit Union's Board of Directors on December 15, 2015 and can be obtained at any of our branches.



# Governance Report

Community Savings Credit Union (CSCU) is governed by a board of directors elected by the credit union's members. The board of directors is responsible under law for the management of the credit union's business and its affairs. It has the statutory authority and obligation to protect and enhance the assets of the credit union in the interests of all members. The duties and responsibilities of the Board are set out in the mandate for the Board and include providing the mission and goal for the credit union, developing a governance system and an overall risk appetite to manage and monitor applicable risks.

**Board Committees** - Directors are required to serve on committees of the board and are accountable for carrying out legislated and delegated responsibilities as described in each committee's Terms of Reference. These committees include:

**Audit Committee** - The purpose of the Audit Committee is to review and report on annual financial statements and returns, to review reports of the Auditor, and review prescribed reports, transactions or matters and liaise between the Auditor and Board of Directors.

**Board Executive Committee** - The Board Executive Committee consists of the Board Chair, the Vice Chair and the Secretary Treasurer. The Board Executive Committee provides guidance and oversight in the effective functioning of the Board of Directors.

**Community Involvement Committee** - The purpose of the Community Involvement Committee is to develop policy regarding the philanthropic initiatives of the Credit Union. The committee works with management in selecting potential organizations or projects that match the Credit Union's corporate philosophy in its corporate giving.

**Conduct Review Committee** - The Conduct Review Committee ensures procedures are designed to prevent conflicts of interest, resolve them if they occur and to restrict the flow of confidential information. They are responsible to disclose who provides a service or product under transactions arranged by the credit union and to disclose such other matters as may be required by the Financial Institutions Act.

**Corporate Governance Committee** - The Corporate Governance Committee is charged with creating and promoting corporate governance policies to build practices consistent with the credit union's core values and rules, to promote an environment where good governance is part of the culture of the Credit Union and to ensure compliance.

**Enterprise Risk Management Committee** - The role of the Enterprise Risk Management Committee is to manage risk, not eliminate it. The objective of the Enterprise Risk Management Committee is to enhance value and to preserve the long-term sound business and financial operations of the credit union.

**Investment and Lending Committee** - The purpose of the Investment and Lending Committee is to ensure that the Credit Union has written Investment and Lending Policies which reflect prudent standards and ensure procedures are followed and reviewed regularly.

**Nominations Committee** - The purpose of the Nominations Committee is to ensure that there is the appropriate number of nominees for the election of the Board of Directors and to oversee and administer the election of the Directors to the Board on behalf of and reporting to the credit union membership. The Nominations Committee recruits and recommends candidates to ensure the Board has a strategic and diverse mix of relevant skills, attributes, and business knowledge to meet the needs of the credit union's leadership and strategic talent.

**Personnel Committee** - The Personnel Committee is responsible to ensure there is a compensation philosophy including guidelines on compensation and overseeing succession planning for the senior executive team. They are also responsible to ensure sound human resources policies, including policies relating to health and safety are in place and implemented.

**Ad Hoc Committees** - Ad Hoc committees fulfill the duties and responsibilities as assigned by the Board of Directors and report back in a timely manner.



# Corporate Governance Disclosure

Director backgrounds are as follows.

For the fiscal year 2015, CSCU Directors are:

**Colleen Jordan – Chair of the Board, Director since: 1998**

**Committees: Board Executive Committee (Chair); Personnel Committee (Chair); Investment and Lending Committee; Community Involvement Committee; Audit Committee.**

Ms. Jordan has spent 15 years as Secretary – Treasurer of CUPE BC division and is currently in her fifth term on Burnaby City Council.

**Ken Isomura – Vice Chair, Director since: 1996**

**Committees: Board Executive Committee; Personnel Committee; Corporate Governance Committee; Enterprise Risk Management Committee; Investment and Lending Committee; Nominations Committee.**

Mr. Isomura has held many union roles including Labour Staff Representative for the United Way, and member of the Executive Committee for the IWA during his 35 year career in the forestry industry.

**Gary Kroeker – Secretary Treasurer, Director since: 1975**

**Committees: Board Executive Committee; Personnel Committee; Enterprise Risk Management Committee (Chair); Conduct Review Committee; Audit Committee.**

Mr. Kroeker has held positions with the IUOE at both the local and international levels including General Vice President. He was also on the Executive Board for the BC Federation of Labour.

**Brian Cochrane – Director since: 2009**

**Committees: Community Involvement Committee (Chair); Corporate Governance Committee; Investment and Lending Committee; Nominations Committee.**

Mr. Cochrane is currently the Business Manager, Chair of Pensions and Benefits, and Training Association Trustee for the IUOE, Local 115. Brian is also a Director for the Transportation Career Development Association.

**Ken Bauder – Director since: 2005**

**Committees: Enterprise Risk Management Committee; Conduct Review Committee; Audit Committee.**

Mr. Bauder was the Secretary Treasurer of the ILWU Canada and also worked for the Provincial Government in the Ministry of Labour.

**Mary LaPlante Derksen – Director since: 2006**

**Committees: Investment and Lending Committee (Chair); Nominations Committee (Chair); Community Involvement Committee; Audit Committee.**

Ms. LaPlante Derksen was the Financial Secretary for the Hospital Employees Union for 22 years prior to joining the Community Savings Board of Directors.

**Phillip Legg – Director since: 1992**

**Committees: Corporate Governance (Chair); Audit Committee (Chair); Enterprise Risk Management Committee.**

Mr. Legg has served as the Director of Research and legislation for the BC Federation of Labour. Currently, he is the Worker Representative on the Board of Directors for WorkSafe BC.

**Jagdip Singh Sivia – Director since: 2000**

**Committees: Audit Committee; Community Involvement**

Mr. Sivia is active in the construction business. As President of Maskeen Development Ltd. and member of the Canadian Home Builders Association, he has brought a wealth of knowledge to the board. Mr. Sivia retired from the Board of Directors in February 2015.

**Dave Wilson - Director since: 1997**

**Committees: Corporate Governance Committee; Investment and Lending Committee; Community Involvement Committee.**

Mr. Wilson's experience ranges from the International Brotherhood of Electrical Workers, to the Telecommunications Workers Union, to his current role as President of the Union Label Trades Council.

**Trevor Oram – Director since: 1991**

**Committees: Conduct Review; Corporate Governance; Enterprise Risk Management Committee.**

Mr. Oram has served as a Business Agent as well as President of the BC Ferry and Marine Workers Union during his 35 years career with the BC Ferry Corporation. Mr. Oram retired from the Board of Directors in February 2015.

**Dennis Van den Hooff – Director since: 2014**

**Committees: Corporate Governance Committee; Investment and Lending Committee; Audit Committee.**

Mr. Van den Hooff has been involved in senior accounting and IT for 24 years and is a controller for the IUOE Local 115. He has been treasurer for several of the IUOE's pension plan's real estate corporations.

**Rick Sieb – Director since: 2015**

**Committees: Conduct Review Committee (Chair); Enterprise Risk Management Committee; Community Involvement Committee.**

Mr. Sieb has been an accredited real estate appraiser since 1989 and a close partner with Community Savings Credit Union. He is also a qualified arbitrator through the ADR Institute of Canada and a member of the Institute of Corporate Directors. Mr. Sieb is the owner of an appraiser firm that provides services to Community Savings Credit Union. Total amount paid to the appraisal firm during fiscal year was \$34,413.

**Lionel Railton – Director since: 1996**

**Committees: Audit Committee (Chair); Corporate Governance; Nominations Committee**

Mr. Railton has held several titles during his time with the IUOE, Local 115 including President. Currently, Mr. Railton is the International Representative for the IUOE. Mr. Railton retired from the Board of Directors October 1, 2014.



## Director Compensation Disclosure

CSCU Directors are expected to devote considerable time to fulfill their obligation to oversee the Credit Union and attend monthly board meetings, annual planning sessions, committee meetings etc. In order to attract and retain qualified Directors, to reward them for their professional expertise, and level of contribution expected of them, compensation is set at a rate comparable to other credit unions and financial institutions.

For fiscal year 2015, the compensation received for each Director is outlined in the table below, along with their meeting attendance.

Director Name	Roles	Directors fees	Board Meetings Attended	Committee meetings attended	Other expenses	Total
Colleen Jordan	Chair	\$7,100.00	10 of 12	21 of 26	-	\$7,100.00
Ken Isomura*	Vice Chair	\$5,600.00	6 of 12	11 of 32	\$622.00	\$6,222.00
Gary Kroeker	Secretary	\$5,500.00	10 of 12	18 of 20	-	\$5,500.00
Brian Cochrane	Director	\$4,850.00	10 of 12	14 of 20	-	\$4,850.00
Ken Bauder	Director	\$4,500.00	11 of 12	13 of 15	\$641.00	\$5,141.00
Mary Derksen ( La Plante)	Director	\$5,050.00	10 of 12	18 of 22	-	\$5,050.00
Trevor Oram**	Director	\$2,350.00	6 of 6	3 of 3	\$1,476.00	\$3,826.00
Lionel Railton***	Director	\$1,100.00	-	-	-	\$1,100.00
Phillip Legg	Acting Vice Chair	\$4,050.00	12 of 12	8 of 13	-	\$4,050.00
Dave Wilson	Director	\$4,900.00	10 of 12	15 of 18	\$295.00	\$5,195.00
Dennis Van den Hooff	Director	\$3,800.00	9 of 12	10 of 13	\$1,064.00	\$4,864.00
Rick Sieb****	Director	\$2,100.00	6 of 6	8 of 8	\$1,543.00	\$3,643.00
Jagdip Sivia**	Director	\$1,000.00	0 of 6	0 of 2	-	\$1,000.00
<b>Total</b>		<b>\$51,900.00</b>			<b>\$5,641.00</b>	<b>\$57,541.00</b>

\* On leave since March 2015

\*\* Retired February 2015

\*\*\* Retired October 2014

\*\*\*\* Director since February 2015

## CSCU Compensation Philosophy

Community Savings compensation philosophy applies equally to all employees as compensation is fundamental to our ability to attract, retain, reward and motivate the talented individuals needed for our long-term success. As a financial institution we depend upon highly-skilled individuals who specialize in a broad range of disciplines and as a result, our compensation program allows for attractive salary levels within relevant markets which are consistent with job content, responsibilities and requirements. In addition, we are proud to be a Living Wage Employer.

## Executive Compensation

### Program Philosophy & Objectives

One of our key objectives is to provide a reasonable and competitive total compensation opportunity consistent with market based compensation practices for our executive level positions. CSCU must attract individuals with the necessary skills and experience for each executive level role in order to achieve the strategies developed by the Board of Directors in support of our members.

The executive compensation program is designed to:

- Encourage, attract and retain high caliber executives
- Provide a competitive total compensation package
- Support a “pay for performance” culture through incentives
- Be flexible to reward individual accomplishments as well as organizational success

### Market Position

While our primary comparative markets are other financial institutions, we also understand that the market for executive talent is broader than this group alone. CSCU may rely on other salary survey data outside of this group, when appropriate, for specific functional competencies. In general, CSCU positions total compensation including benefits, at the 75<sup>th</sup> percentile of market data.

### Governance

The executive compensation program is administered by the Personnel Committee of the Board. The Committee meets to review the program and recommend changes on an as needed basis.

## CEO's Office

The CEO's total compensation is based on the guiding philosophy and principles that apply to all employees.

### Base Salary

Base salary is determined by the Personnel Committee of the Board of Director's and reviewed annually and compared with a variety of measures and market information. CEO compensation is based on our comparative asset groups across Canada as determined by an annual Central 1 Credit Union Survey of credit union compensation, in which Community Savings participates.

### Benefits and Perquisites

The CEO participates in the same comprehensive benefits plan as all other employees which provides for medical, dental, disability and insurance coverage. Additional perquisites provided to all employees and the CEO includes staff accounts and staff rates on loans and mortgages. The CEO also receives a car allowance in the amount of \$9,000 per annum.

### Retirement Income Program

The CEO participates in Community Savings' RRSP plan whereby employees are paid a percentage of their base salary into an RRSP. The annual CEO contribution to the RRSP is included in the pension, benefits, perquisites amount shown below.

### Short Term Incentive Program

The CEO's short term incentive is based on the achievement of both organizational and individual objectives. For the fiscal year ending September 30, 2015, no bonus was paid to the CEO.

### CEO Compensation

For the fiscal year ending September 30, 2015, the CEO received the following compensation:

Base Salary:	\$184,744.00
Pension, benefits, perquisites:	\$45,771.00
Variable-based Pay (Bonus):	0.00
<b>Total Compensation Paid:</b>	<b>\$230,515.00</b>





## Annual Donations

Giving back to our communities has been a way of life at Community Savings Credit Union for over seven decades. We believe in fostering a spirit of generosity among our people, whether it involves helping a neighbour build a picket fence or helping an employee broaden their education. We accept the essential goodness of people and help supply a financial bridge that connects them to a better quality of life. Listed below are some of the community endeavours we supported last fiscal year.

### “Run For The Cure”

- BC Firefighters Burn Fund
- BC Labour Heritage Centre
- Burnaby Citizens Association
- Burnaby Community Services
- Burnaby Fire Fighters
- Burnaby North Community Association
- Carpenters Local 1907
- CLC Winter School Scholarships
- Habitat for Humanity
- Kwantlen Polytechnic University
- Labour Community Christmas Dinner
- Light Up the Heights

### Mary Manning Centre

- New West Fire Victims
- Protein for People
- Quadra Village Days
- Royal Columbian Hospital Foundation
- Senior Services Society
- Surrey Firefighters Cycle
- Surrey Food Bank
- Terry Fox Foundation
- Tournament of Hope
- UFCW “Light the Night Walk”
- Unifor Local 114
- United Way in the Lower Mainland
- Vancouver Labour Council Food Drive





## Head Office

Suite 1600 (16th Floor)  
Central City Tower,  
13450 - 102nd Avenue  
Surrey, BC V3T 5X3

[www.comsavings.com](http://www.comsavings.com)

Phone: 604.654.2000

Toll Free (in BC): 1.888.963.2000



### Burnaby

4590 Hastings Street  
Burnaby, BC V5C 2K4  
Branch Manager: Carla Gilliland



### New Westminster

1188 8th Avenue  
New Westminster, BC V3M 2R6  
Branch Manager: Tracey Weir



### Port Coquitlam

100 - 1125 Nicola Avenue  
Port Coquitlam, BC V3B 8B2  
Branch Manager: Carla Gilliland



### Surrey

900 - 7380 King George Boulevard  
Surrey, BC V3W 5A5  
Branch Manager: Ranjana Prasad



### Vancouver

5108 Joyce Street  
Vancouver, BC V5R 4H1  
Branch Manager: Lynn Staschuk



### Victoria

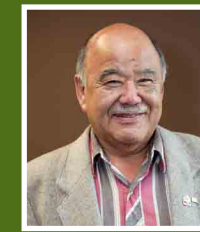
103 - 2750 Quadra Street  
Victoria, BC V8T 4E8  
Branch Manager: Kiyoko Shimizu-Forbes  
Tel 250.385.8431

## Board of Directors



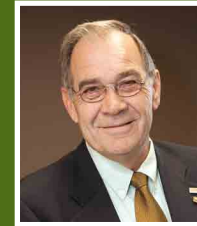
### Colleen Jordan (Chair)

Has spent 15 years as Secretary-Treasurer of CUPE BC Division and is currently in her fifth term on Burnaby City Council.



### Ken Isomura (Vice-Chair)

Has held many union positions including Labour Staff Representative for the United Way, and member of the Executive Committee for the IWA during his 35-year career in the forestry industry.



### Gary Kroeker (Secretary Treasurer)

Has held positions with the IUOE at both the local and international levels including General Vice-President. He was also on the Executive Board for the BC Federation of Labour.



### Ken Bauder

Was the Secretary-Treasurer of the International Longshore and Warehouse Union (ILWU) Canada and also worked for the Provincial Government in the Ministry of Labour.



### Brian Cochrane

Is currently the Business Manager, Chair of Pensions & Benefits, and Training Association trustee for the IUOE, Local 115. Brian is also a Director for the Transportation Career Development Association.



### Mary La Plante Derksen

Was the Financial Secretary for the Hospital Employees Union for 22 years prior to joining Community Savings' Board of Directors



### Phillip Legg

Served as Director of Research and Legislation for the BC Federation of Labour. Currently, he's the Worker Representative on the Board of Directors for WorkSafe BC.



### Rick Sieb

Has been a real estate appraiser with Intercity Appraisals Ltd. since 1989 and a close partner with Community Savings Credit Union. He is also a qualified arbitrator through the ADR Institute of Canada and a member of the Institute of Corporate Directors.



### Dennis Van den Hooff

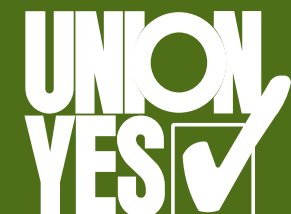
Has been involved in senior accounting and IT for 24 years and is a controller at the IUOE, Local 115. He has been treasurer for several of the IUOE's pension plans and real estate corporations.



### Dave Wilson

Experience ranges from the International Brotherhood of Electrical Workers, to the Telecommunications Worker's Union, to his current role as President of the Union Label Trades Council.

The majority of the Community Savings' Board of Directors are known leaders within the labour movement. Each board member is an advocate for hard-working people who strive to create a secure life for their families. The board works together with a common vision for the future of the credit union and the working community.





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