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ANNUAL
REPORT

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CHURCHBRIDGE CREDIT UNION
78th ANNUAL GENERAL MEETING
MONDAY APRIL 22, 2024

AGENDA

1. Call to Order
2. Adoption of Agenda
3. Review of Compliance Requirements
 - Affidavit of Completion of Reports / Proof of Notice
4. Reading of the Minutes from the Last Annual General Meeting held April 24, 2023
5. Business Arising from the Minutes / Adoption of the Minutes
6. President's Message
7. CEO Report / Financial Discussion
8. Motion to Accept Reports
9. Appointment of Auditors for 2024
10. Election Report
11. Long Term Service Awards Presentations
12. Question Period
13. Door Prizes
14. Adjournment

CHURCHBRIDGE CREDIT UNION
With Branches in Churchbridge and Langenburg

INCORPORATED APRIL 20, 1945

BOARD OF DIRECTORS

<u>NAME</u>	<u>DISTRICT</u>	<u>OCCUPATION</u>	<u>TERM EXPIRY</u>
Brenda Becker	Churchbridge	Office Administration	2025
Howard McCullough	Langenburg	Retired Town Administrator	2026
Kevin Popp	Langenburg	Farmer	2025
Marilyn Debnam	Churchbridge	Saskatchewan Health Authority	2024
Mike Dirven	Churchbridge	Business Owner	2026
Janelle Herechuk	Langenburg	Mining Industry	2026
Kristen Groeneveld	Churchbridge	Government Services	2024



EXECUTIVE

President – Brenda Becker
 Vice President – Howard McCullough
 Treasurer – Ryan Tebbutt
 Secretary – Shawna Sawchuk

STAFF

<u>Name</u>	<u>Position</u>	<u>Cooperative Experience</u>	
Sadie McGriskin	Member Service Representative	3	Months
Charlee Mitschke	Member Service Representative	6	Months
Aiden Mussell	Member Service Representative	7	Months
Pamela Marfleet	Marketing Coordinator	7	Months
Ioana Abdi	Member Service Representative	1	Year
Carrie Tanchyk	Loans Assistant	1	Year
Alyssa Demchynski	Member Service Representative	1.5	Years
Nicole Lanski	Human Resources Coordinator	1.5	Years
Shawna Sawchuk	Executive Assistant	1.5	Years
Lori Peterson	Member Service Representative	1.5	Years
Kyla Evans	Accounting Coordinator	1.5	Years
Martina Crowdis	Wealth Advisor	2	Years
Nicole Rathgeber	Office Assistant	3	Years
Kayla Marshall	Accounting / Support Services Assistant	4.5	Years
Sydney Hugel	Loans Officer Trainee	5.5	Years
Chelsea Rathgeber	Member Service Representative Supervisor	6	Years
Randi Jacob	Wealth Advisor	6.5	Years
Tehra Lauer	Member Service Representative Supervisor	8	Years
Klarence Lindstrom	Wealth and Compliance Assistant	9.5	Years
Megan Schaan	Wealth and Compliance Assistant	10	Years
Kendra Patzwald	Technical Support / Project Coordinator	12.5	Years
Lois Laboucane	Loans Service Supervisor	14.5	Years
Janessa Liepert	Loans Officer	15	Years
Danielle Shackleton	Office Assistant	15.5	Years
Courtney Bennett	Loans Officer	16	Years
Elliana Margarit	Loans Officer II	16.5	Years
Keri Melnyk	Member Service Representative	17	Years
Deidra Schaan	Loans Assistant	17	Years
Andrew Barker	Vice President of Lending Services	21	Years
Rachele Marlowe	Member Service Representative Supervisor	22.5	Years
Ryan Tebbutt	CEO	23.5	Years
Brenda Yanke	Wealth and Compliance Manager	25.5	Years
Gaylene Putland	Member Services Manager	26.5	Years
Connie Olm	Vice President of Deposit and Support Services	29.5	Years



**THE 77TH ANNUAL GENERAL MEETING OF THE CHURCHBRIDGE CREDIT UNION
APRIL 24, 2023**

The annual general meeting was held at the Langenburg Community Centre with 120 members and 6 non-members signing the attendance register.

CALL TO ORDER

Brenda Becker, President, called the meeting to order at 5:36 PM.

ADOPTION OF AGENDA

1. Motion made by Wendy Lutz, seconded by Kevin Popp to adopt the agenda as presented. Carried.

COMPLIANCE REQUIREMENTS, PREVIOUS ANNUAL GENERAL MEETING MINUTES, NEW BUSINESS, ADOPTION OF MINUTES

Compliance requirements for the current annual general meeting and minutes from the last annual general meeting held on April 25, 2022 were read by Shawna Sawchuk.

There was no new business arising from the minutes of the annual general meeting on April 25, 2022.

2. Motion made by Perry Kitz, seconded by Glenda Lemcke to adopt the minutes of the April 25, 2022 Annual General Meeting as presented. Carried.

PRESIDENT'S REPORT

The President's report was presented by Brenda Becker. The return of the patronage payment to members was announced as well as the continuation of investing in our communities with the Community Investment Program. Board of Directors changes – Wendy Lutz and Judy Miller are stepping down, Jennifer Marlowe vacated her position in September (to be filled through the nomination process this spring). Reviewed the Board's responsibilities within the organization – monitoring compliance and financial strength, reviewing and setting policy for the organization as well as enhancing knowledge. Thank you to members for continued support and commitment. Thank you to fellow board members for working together on behalf of the membership.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis was presented by Ryan Tebbutt.

2022 was a year of uncertainty – returning to post-pandemic ways, inflation reaching 8.1%, Bank of Canada increasing policy rate by 4% in less than a year with another increase announced in January 2023, increasing interest rates. Churchbridge Credit Union continued to see decent growth on both sides of the balance sheet with activity slowing during the year's progression.

In 2022, Churchbridge Credit Union focused on 5 key areas:

- Financial – maintain and build financial strength to support managed growth;
- Community – being a leader in communities through investment and support;
- Members – increase depth of member relationships to meet their needs;
- Internal business – having efficient and relevant member focused processes;

- People and culture – strive to attract and retain member-focused people that align with our culture.

Highlights of the financial statements were provided:

- Asset growth (page 15) – \$249.3 million; on-book assets were \$221.6 million, off-book mutual funds were \$27.7 million, an increase of 3.1% over 2021.
- Loan Portfolio (page 16) – \$170.6 million, an increase of 7.6% over 2021.
- Deposit growth (page 17) – member deposits totaled \$200.3 million; this continued in an upward trend, an increase of 4.3% over 2021.
- Mutual Fund Portfolio – \$27.6 million; there was a decline in the portfolio due to market volatility brought on by economic uncertainties, a decrease of 13.3% from 2021.
- Profitability (page 18) – up by \$3.7 million from 2021. In 2021, income was reduced due to increased delinquencies. In 2022, rates increased to reduce inflation leading to an increase in interest revenue and expenses; members were investing in short-term products taking advantage of deposit rates. The significant change came from the sale of assets by SaskCentral, an organization owned in part by all Saskatchewan credit unions. SaskCentral was a key owner of Concentra Financial, who entered sale negotiations with Equitable Bank, which sale was finalized in 2022. SaskCentral passed much of the sale proceeds back to Saskatchewan credit unions but they were not received until early 2023 – the income was recognized in the correct year of the sale by way of a one-time accounts receivable. Without the sale proceeds, Churchbridge Credit Union would have maintained a comparable and profitable year (excluding 2021).
- Member profit sharing dividend – for 2022, 9.1% of year-end profits will be paid out to members, totaling \$385,000. In the last 23 years, Churchbridge Credit Union has paid a total of \$6.52 million to its members.
- Capital (page 19) – we are within regulatory requirements and expectations.
- Privacy. Churchbridge Credit Union Board and staff annually review privacy policies and take applicable courses. From a board perspective, member names are not shared, they do not approve loans (as was done in the past), that is the responsibility of the Lending Department. From an employee perspective, only those staff who need to know specific information to conduct business will access member information, our systems monitor employee activity.

AUDITOR'S REPORT

The Auditor's Report was presented by Mandy Price from Baker Tilly.

Mandy introduced herself as well as Brittany Maddaford, the new audit lead of Churchbridge Credit Union. Mandy explained that members appoint the firm who then performs an audit of the financial statements each year. The firm reports on the responsibility of management as overseen by the Board of Directors. Churchbridge Credit Union was issued a clean audit report, meaning that there were no irregularities to report for the 2022 year.

FINANCIAL STATEMENTS

The Financial Statements were presented by Mandy Price from Baker Tilly.

Within the Annual Report only a summary of the financial statements is published; a full version of the financial statements are available upon request at the branches. Mandy reiterated that there were no irregularities to report in 2022.

- Auditor's Report on Summary Financial Statements (page 38) – summary pages are copies of the same pages that appear in the full financial statements, report indicates Baker Tilly had an unqualified opinion on the full financials, meaning nothing out of the ordinary to report, in other words a clean audit report for 2022.
- Statement of Financial Position (page 39) – statement that identifies the assets, liability and equity at year-end; compares current year to previous year.
- Statement of Income and Comprehensive Income (page 40) – highlights loan interest and investment income being reported separately as well as the related interest expense, the spread on the interest that drives the profitability of a credit union. Mandy noted the bottom line of the report, Net Comprehensive Income at \$3.8 million, this indicates a very healthy year, a good portion of that deriving from the revenue from the sale of the Concentra business.
- Cash Flow Statement (page 42) – statement detailing cash flows in and out of the Credit Union.
- Notes to Financial Statements (page 43) – more extensive notes are found in the full financial statements.

MOTION TO ACCEPT REPORTS

3. Motion made by Maureen Zerr, seconded by Elliana Margarit to adopt the reports as presented. Carried.

APPOINTMENT OF AUDITOR

4. Motion made by Deb Dirven, seconded by Janessa Liepert to appoint Baker Tilly as the auditors for Churchbridge Credit Union for 2023. Carried.

ELECTION REPORT

Kevin Popp presented the Election Report on behalf of the Nomination Committee. The following positions were open for election in 2023:

- three 3-year term positions, 2 in the Langenburg District and 1 in the Churchbridge District;
- one 1-year term position in the Churchbridge District.

Congratulations to the following nominees who were (re)elected by acclamation: Howard McCullough (Langenburg), Janelle Herechuk (Langenburg), Mike Dirven (Churchbridge) and Kristen Groeneveld (Churchbridge, term position). Congratulations.

LONG TERM SERVICE AWARDS PRESENTATION

Board:	Howard McCullough – 5 years; presented by Brenda Becker
Staff:	Chelsea Rathgeber – 5 years; presented by Connie Olm on behalf of Gaylene Putland
	Randi Jacob – 5 years; presented by Brenda Yanke
	Elliana Margarit – 15 years; presented by Andrew Barker
	Courtney Bennett – 15 years; presented by Andrew Barker
	Cheryl Kitz – 15 years; presented by Connie Olm on behalf of Gaylene Putland
	Andrew Barker – 20 years; presented by Ryan Tebbutt
	Gaylene Putland – 25 years; presented by Connie Olm

QUESTION PERIOD

Brenda Becker, President, presented an open question period; no questions were asked at this time. The new building in Langenburg was addressed, noting capacity has been reached in the current location with no room for expansion as was done with the Churchbridge branch many years ago. The new location will be at the old Buck n' Up site. An architect has been hired but are only in the beginning stages, as of today no design concept is available for the new building. A question period was presented; one question arose regarding the costs of the project. Brenda confirmed the Credit Union is in good financial position to move forward with the project and in consultation with an engineering firm we were advised that now would be a good time to consider the project, but due to its beginning stages, disclosure regarding any costs associated with the project are not readily available at this time.

DOOR PRIZES

Door prizes were drawn for and distributed.

ADJOURNMENT

Motion made by Kevin Popp, seconded by Sharon McCullough to adjourn the meeting. Brenda Becker, President, adjourned the meeting at 6:41 PM.



President



Secretary

**AFFIDAVIT OF COMPLETION OF REPORTS
FOR THE ANNUAL MEETING OF CHURCHBRIDGE CREDIT UNION
APRIL 22, 2024**


I, Ryan Tebbutt, CEO of Churchbridge Credit Union, make oath and say that:

1. The 2023 financial statements were completed Tuesday April 9, 2024; and
2. The 2023 financial statements were made available to the membership Wednesday April 10, 2024, which is at least ten (10) days prior to the annual meeting.

Sworn before me)
at the Town of Churchbridge,)
in the Province of Saskatchewan,)
this 10th day of April, 2024.)



RYAN TEBBUTT



A Commissioner for Oaths in and for
the Province of Saskatchewan.
My commission expires: Sept 30, 2025

PROOF OF NOTICE

CANADA)
)
PROVINCE OF SASKATCHEWAN) I, Ryan Tebbutt,
) of the Town of Langenburg,
) in the Province of Saskatchewan,
) CEO of Churchbridge Credit Union

TO WIT:


That I have personal knowledge that the notice of this annual meeting was duly prepared and given to its members as required by the Bylaws of the Credit Union and *The Credit Union Act, 1998*.

Notice was posted in our credit union offices, on our website, Facebook and Instagram social media pages on March 7, 2024, and was published in The Four-Town Journal beginning March 7, 2024.

Sworn before me)
at the Town of Churchbridge,)
in the Province of Saskatchewan,)
this 10th day of April, 2024.)



RYAN TEBBUTT



A Commissioner for Oaths in and for
the Province of Saskatchewan.
My commission expires: Sept 30, 2025

MESSAGE FROM THE PRESIDENT

It is my pleasure as Board President to report that yet again we have experienced another profitable year, a testament to the dedication and hard work of everyone involved.

Last April we welcomed three new Board members – Janelle Herechuk, Mike Dirven and Kristen Groeneveld. Their fresh perspectives and insights have undoubtedly enriched our discussions and decisions. A past director had stepped down mid-term and we were pleased to have Kristen fill the remainder of the term. However, amidst the excitement of new beginnings Kristen, will be departing due to other growing commitments. Her contributions to our Board will be greatly missed.

One of the highlights of the past year has been the meticulous planning and groundwork laid for the construction of our new office in Langenburg. This ambitious endeavor signifies our commitment to serving our members better and providing them with modern efficient facilities. We eagerly anticipate breaking ground and seeing this project come to fruition in the coming year.

None of our achievements would be possible without the dedication and hard work of our staff and management. Their unwavering commitment to excellence ensures that we continue to thrive and serve our members with distinction. To each and everyone of them, I extend my heartfelt gratitude.

Last but certainly not least, I want to express my appreciation to my fellow Board members. Your tireless dedication, thoughtful insights and collaborative spirit have been instrumental in steering our credit union towards continued success. Together we have overcome challenges, seized opportunities and outlined a course for a prosperous future. As we reflect on the past years accomplishments and look ahead to the opportunities that await us, I want to thank all our members for their faithful support. Let me reaffirm our commitment to serving you with integrity, innovation and excellence.

Together, we will continue to uphold the values that define our Credit Union and ensure a bright future for all.



Brenda Becker
President, Board of Directors
Churchbridge Credit Union

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Churchbridge Credit Union is an independent Saskatchewan credit union owned by its members. Under the current credit union legislation, Churchbridge Credit Union can provide financial services to members and non-members. As of December 31, 2023, **Churchbridge Credit Union** had **3,175** members and **346** non-members. Non-members *do not* participate in the democratic processes of the Credit Union nor are they eligible to participate in our Member Profit Sharing patronage program.

Our Credit Union has branches in **Churchbridge** and **Langenburg**. We serve the communities and surrounding areas of Churchbridge, Langenburg, MacNutt, Bredenbury and further. We provide a full range of services including financial, investment, commercial, agricultural and personal loans and mortgages, as well as insurance and wealth management services.

PURPOSE

Invest in you.

VALUES

We are inviting, caring, empowering, knowledgeable, accountable and we are an awesome team!



CREDIT UNION MARKET CODE

Churchbridge Credit Union adheres to the Credit Union Market Code. This Code was jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee Corporation to ensure the protection of credit union members. A new national Code built off the existing Code was developed. The Code sets forth guidelines for the following areas:

- **Fair sales** by outlining the roles and relationship of staff to all members/clients and in accordance with the financial services agreement.
- **Professional standards** to preserve a positive image of Churchbridge Credit Union among our members, clients and communities.
- **Transparency and disclosure** are providing members with relevant and appropriate information to allow them to make informed financial decisions.
- **Complaint handling** which outlines the process for handling and resolving complaints that arise from the provision of financial services to members.
- **Protection of vulnerable members** recognizes vulnerable members have a greater need for targeted financial advice, strategies and support.
- **Privacy** to protect the interests of those who do business with Churchbridge Credit Union. Privacy is the practice to ensure all member/client information is kept confidential and used only for the purpose for which it was gathered.
- **Financial planning process** to advise members/clients on the risks and benefits associated with financial planning services.
- **Capital management** to ensure our capital structure aligns with our risk philosophy.
- **Financial reporting** to adhere to business and industry standards.
- **Governance practices** to adhere to the intent and stipulation of our corporate bylaws, which are approved by the membership of Churchbridge Credit Union.
- **Risk management** to ensure all risks are measured and managed in an acceptable fashion.

CO-OPERATIVE PRINCIPLES

As a true co-operative financial institution, Churchbridge Credit Union acts in accordance with internationally recognized principles of co-operation:

Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are organized in a democratic manner.

Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all the following purposes – developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in

proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training, and Information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

STRATEGIC PLANNING

The vision of Churchbridge Credit Union is to be the leading provider of a full range of financial services in Churchbridge, Langenburg and surrounding areas. To monitor specific objectives throughout the year that support this vision, we have developed a performance management framework that establishes measures and monitors our progress toward achieving our goals.

Our key strategic objectives in 2023 focused in the following areas:

Financial Focus

Objective: *Maintain and build our financial strength to support managed growth.*

Desired State: *We will have the financial results necessary to fund our Strategic Priorities.*

Our continued financial strength is fundamental to our ability to execute on our strategies, maintain a patronage program and products and services to our members. Our financial strength will encompass net earnings, efficient operations and capital and liquidity strength.

Member Focus

Objective: *Increase the depth of member (internal and external) relationships. Explore potential member relationships outside our traditional trading area.*

Desired State: *We strive to meet the current and emerging needs of our members.*

Serving our members is why we exist. Our competitive advantage is built on:

- Work to enhance our financial relationships with current and potential members through quality advice.
- Understanding the needs of those in our communities who have not yet become members.
- Educating our members and the communities within our trade areas about our organization, products and services.
- Recognize which products, services and technological options are well utilized or best suited to our member needs.

People and Culture Focus

Objective: *Attract and retain member focused people (employees and board) that align with our culture and the seven co-operative principles.*

Desired State: *We have people that support and develop deeper financial relationships with members. Support our people in their career progression within our Credit Union.*

Our people, regardless of whether their functional roles are internally or externally focused, are critical to successfully executing our strategies and delivering on our value proposition to our members.

We accomplish this through:

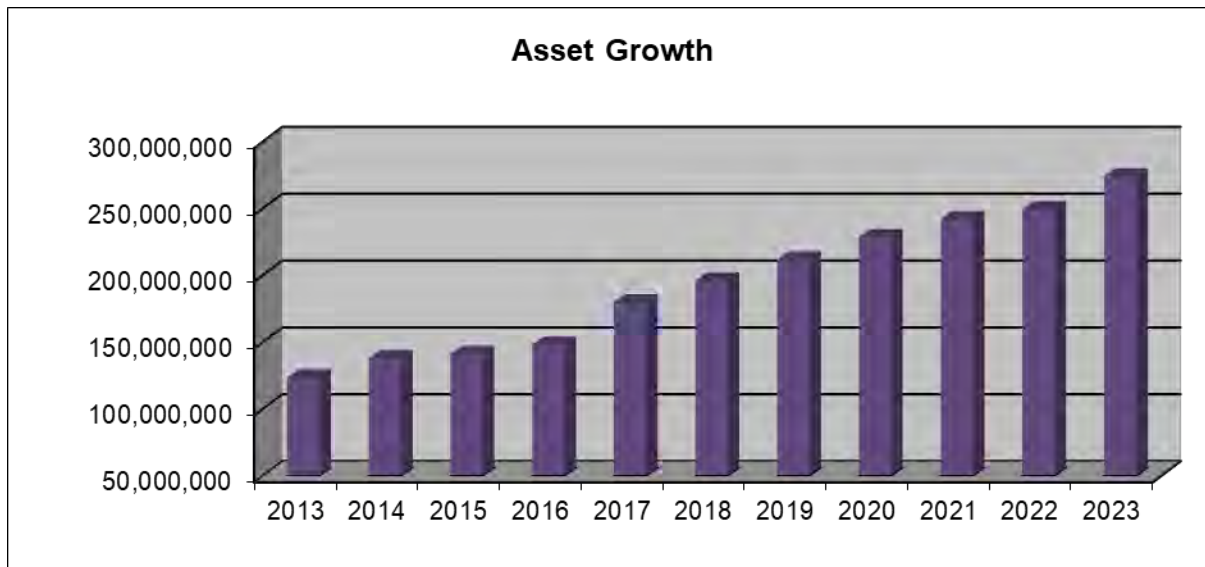
- Ensuring we continue to attract, train and retain qualified board members.
- Understanding our people's retirement plans and our people's career aspirations to ensure smooth succession (position and knowledge).
- Ensure our people understand their roles, our products and services and the technology platforms we utilize.

FINANCIAL RESULTS

The following report will discuss the different aspects of our year on a financial basis including reports on assets, loans, deposits, profitability, capital and liquidity management.

Assets

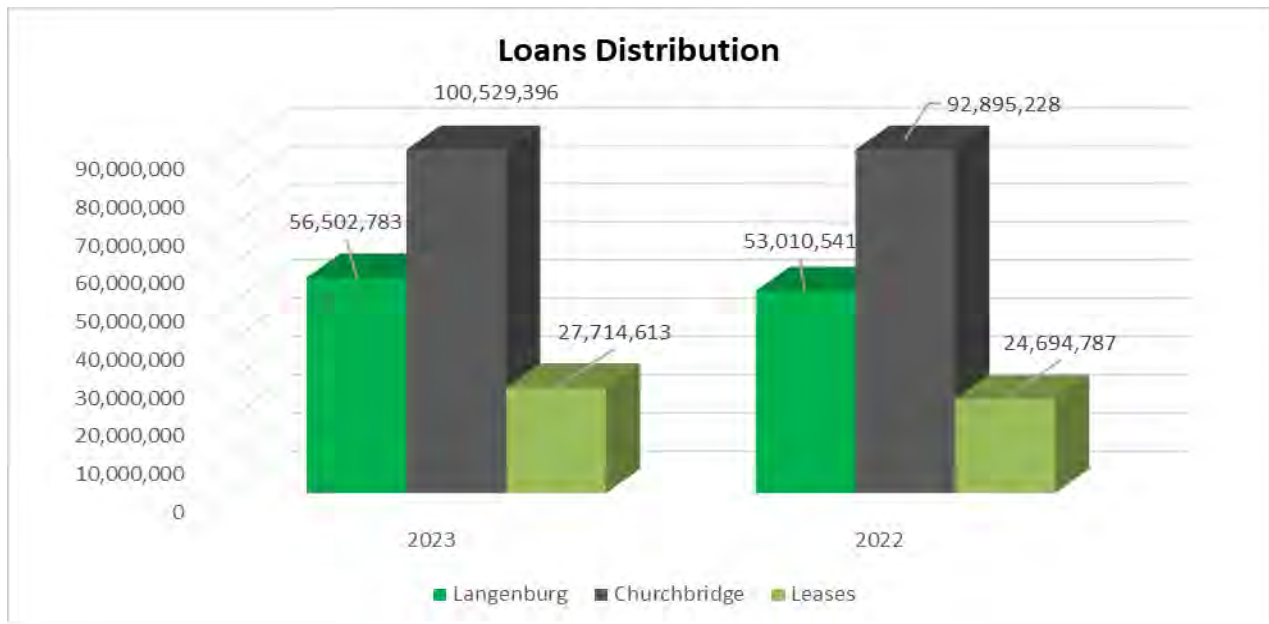
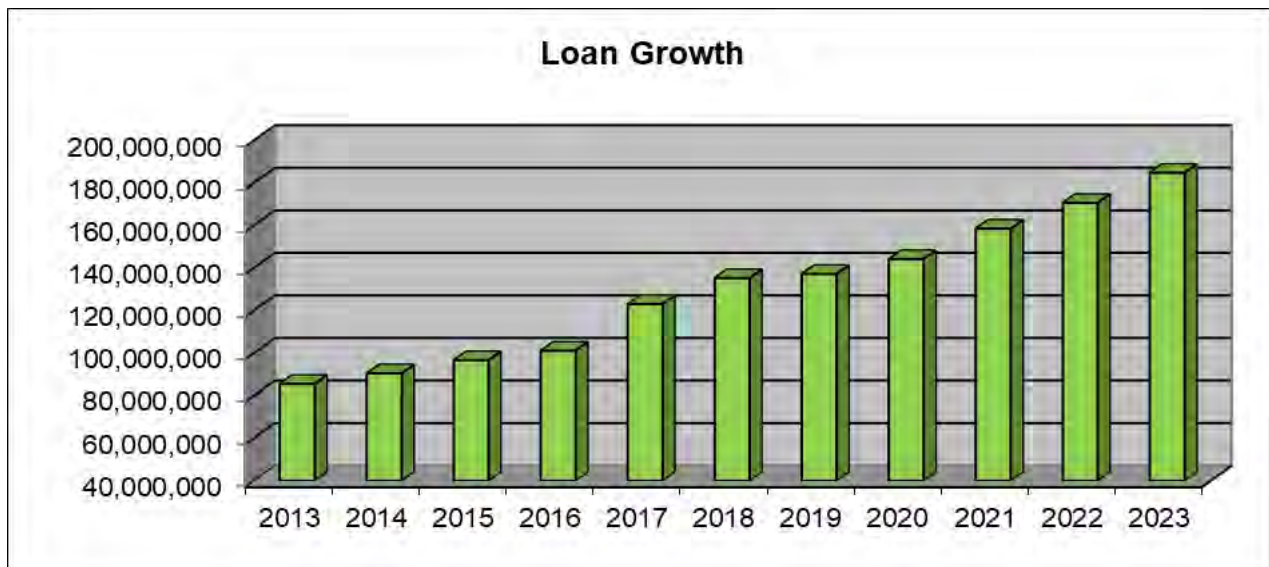
Our assets at year-end were **\$273,827,939**, which includes both our “on book” assets of **\$238,367,568** and “off book” mutual funds amount of **\$35,460,371**. This is an increase of **\$24,570,293** or **9.9%** over 2023. Both loan and deposit growth were strong throughout 2023.



Member Loans

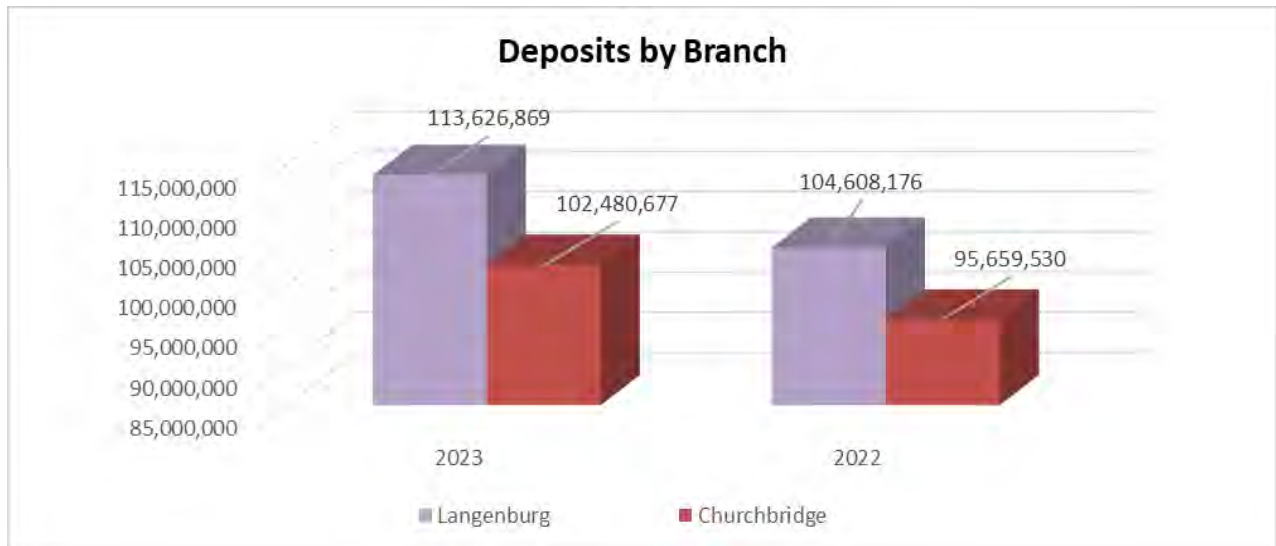
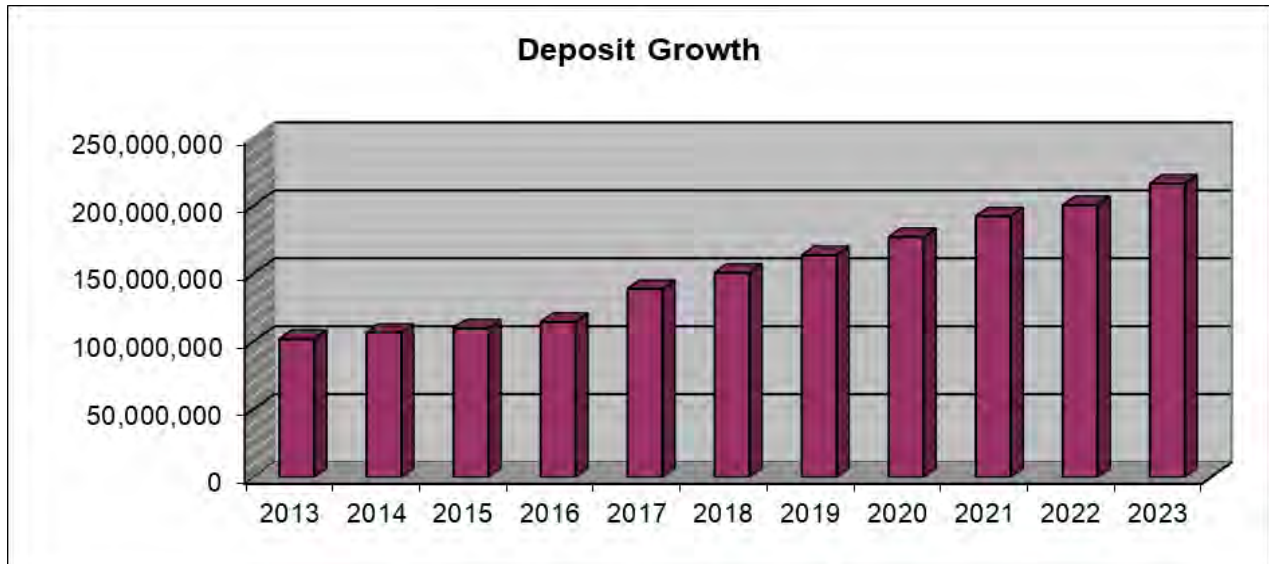
Our member loans, which form most of our assets, at year-end, were at **\$184,746,791**, which is up **8.3%** from 2022. Our overall delinquency at year-end was at **0.79%**. Our key measure of delinquency over 90 days sat at **0.2%**. This is a decrease from last year which was **0.33%**.

In 2023, we approved **637** in new credit applications totaling **\$54,228,782**. For 2022, we approved **\$47,232,913** in new credit. Within the totals approved are member loan requests and we partner with other credit union system partners to buy credit to utilize excess liquidity. By doing this, it helps diversify our loan portfolio and enhance our revenue generating opportunities. From time to time we also sell loans to partner credit unions. In addition to new credit applications, there were also **1,247** credit reviews and **142** mortgage renewals.



Deposit Growth

As of year-end, member deposits totaled **\$216,107,546**, which is an increase of **\$15,839,840** or **7.91%** in 2023. As expected, due to higher deposit rates, interest bearing product lines experienced the most growth throughout 2023.



Our “off book” Mutual Fund Portfolio increased throughout 2023. There were new sales as well as some market improvements, but there was still volatility throughout most of the year. As in any other year, what is happening in our member’s lives has an impact on this portfolio. Some funds may flow out for personal usage, some may flow between on and off book and occasionally we see funds flow to an external advisor. The portfolio showed an increase of **\$7,809,596** or **28.2%** from 2022, ending the year with a balance of **\$35,460,371**.

Profitability

Our income prior to our **Member Profit Sharing Dividend** and **Retained Earnings** allocations was **\$1,277,542** and was distributed as follows:

Member Profit Sharing Dividend	\$ 385,000
Retained Earnings	\$ 892,542

In 2022 our income included sale proceeds of a credit union system owned company which gave a large boost to credit unions across Saskatchewan. For 2023, profitability returned to traditional levels.

As noted last year, in 2022 we saw rates increase by over **4%** throughout the year and another **0.75%** in 2023. This led to an increase to interest revenue and interest expenses. The interest expense side increased much faster as many members were investing in short-term products, so they were able to take advantage of deposit rates not seen in many years. On the interest revenue side (loans), the repricing to market rates will take longer. Approximately **20%** of our loan portfolio is variable rates so those lending products adjust immediately with movements to prime. The remainder of the loan portfolio are traditionally locked in to terms up to five years. As those loans mature or new loans are taken out, those will be priced to market. In 2023 we saw our margin tighten up for most of the year, but we could see that margin start to improve in the last quarter of the year. There is still much of our portfolio that will continue to reprice over the next few years. As one could expect for our industry, there will always be the chance of losses, however, we manage those losses based on policy, procedural and industry guidelines and expectations. Our **provision for expected loan losses** had a slight bump up from the prior year to **\$59,949**.

The Credit Union strives to achieve a reasonable profit. This helps us build a strong capital base, which is essential for the financial health and long-term existence of our Credit Union. Having a satisfactory level of profitability allows us to improve services we provide to our members, and it also allows us to further allocate **Member Profit Sharing Dividends**.

We are proud to say that for 2023, we will be paying out **30.1%** of our year-end profits back to our members in the form of a **Member Profit Sharing Dividend**. This amounts to **\$385,000** in Member Profit Sharing Dividends for 2023, giving us a total of **\$6.9 million** paid out in the last **24 years**. Thanks to you, "**Our Members**". It is because of your continued outstanding support that we can make this happen. The Board of Directors is committed to returning a portion of the Credit Union's profits back to the members who have helped generate these profits by utilizing our products and services.

The sharing of our profits with our members is what sets us apart from our competitors.

CAPITAL MANAGEMENT

Churchbridge Credit Union recognizes a need to build the Credit Union's capital position to continue to meet regulatory and sound operational requirements. Adequate capital levels will enable the Credit Union to sustain its liquidity requirements, to safely fund development initiatives and provide leverage to effectively manage performance standards.

The Credit Union has developed a **Capital Plan** to identify optimal capital ranges for the Credit Union. The measures the Board of Directors and Management will employ to work towards those optimal capital ranges is based on the following statements:

- If we have too little capital, it restricts the Credit Union's ability to grow and generate good returns. It also increases the risk of having insufficient funds to cushion against unexpected losses or liquidity needs.
- If we have too much capital, it could be considered that the Credit Union is not generating sufficient return on its capital.

Churchbridge Credit Union's **Capital Plan** is directly related to its service delivery strategies and risk philosophy. The Credit Union holds a low to moderate appetite for risk. We have focused on traditional financial services and have managed a low level of risk in our loan and investment portfolio. Churchbridge Credit Union has been able to adjust to any economic changes by maintaining a reasonable profit margin and by taking a managed approach to its deposit and loan growth.

Credit unions operate in a highly regulated environment where **Credit Union Deposit Guarantee Corporation (CUDGC)** sets regulatory standards to which each credit union must adhere. The standards segregate between two types of capital – **Tier 1** and **Tier 2**, with Tier 1 capital being the primary capital and having the highest quality. The standards require that each credit union hold a minimum common equity Tier 1 capital ratio of 8.5% of risk-weighted assets and a total eligible capital ratio of 10.5% of risk-weighted assets. In addition, credit unions are currently required to maintain a minimum **Leverage Ratio** standard >5% and guideline >7% for total eligible capital (eligible capital divided by total assets), with the total assets adjusted for deduction from capital and the addition of certain off-balance sheet items. The standards accurately measure the need for capital based on a credit union's corporate risk profiles. It considers not only the quantity of capital, but also the quality of capital and assets.

In 2023, Churchbridge Credit Union's capital grew by **\$892,542** from operations and reduced by **\$283,731** from the prior year Board approved payment from member equity accounts.

In 2023, Churchbridge Credit Union continues to well exceed the statutory requirements in all three areas. Our **Leverage Ratio** decreased from **9.14%** to **8.89%**. Our **Tier 1 Capital to Risk Weighted Assets** decreased from **14.46%** to **13.97%**. Our **Total Eligible (Tier 1 and Tier 2) Capital to Risk Weighted Assets** decreased from **17.0%** to **16.47%**. Through analysis of our **Internal Capital Adequacy Assessment Process (ICAAP)**, we have calculated our optimal capital target level to be **14.73%**. This process is reviewed quarterly to ensure we understand and strive to remain at or above our optimal capital level.

As noted above, we did see a slight decline in capital measurements from the prior year. Within our balance sheet, many of the items on our balance sheet carry different risk weightings. Cash and investments; loans and the type of loan (i.e., personal vs ag vs commercial) items; fixed assets; accounts receivable; approved and undisbursed loans; and many other items all hold different risk weightings that can make our capital measurements change over time. In 2023, our

agriculture and commercial portion of the lending portfolio increased the most, and those items hold a higher risk weighting which may reduce these capital measures. Retained earnings is another key item used in these measures which is tied to profitability. For 2023, we grew in loans, but those loans take time to have a direct effect on profitability. Basically, profitability lags growth, which is the rationale for the slight decrease in capital measures. Unmanaged growth can have a negative impact on capital and liquidity measures, so it is very important to manage our balance sheet as prudently as possible.

We build our Tier 1 capital through profitability, which contributes to total retained earnings and our Tier 2 capital is a result of allocations to member equity accounts, which has been an integral part of our long-term capital growth strategy. Managed growth of the member equity accounts is an important part of our overall Capital Plan.

Capital is a very limited resource. The ability to raise capital is restricted to profits from operations, which is either kept in retained earnings or shared with members through patronage payments to our members equity accounts. Our policy is to allocate our earnings in the following order:

1. Build our capital until capital standards are met.
2. Ensure that we build an additional capital base up and above standards to support future growth, development and to provide financial soundness.
3. Patronage allocations or dividends (Member Profit Sharing Program).

Churchbridge Credit Union's strategy is to continue to grow our capital levels. We plan to manage our growth and our profitability and ensure we can manage the ever-changing requirements in the banking world.

Churchbridge Credit Union manages capital in accordance with its capital management plan and Board approved capital policies, both of which are reviewed on a regular basis. The Capital Plan is developed in accordance with the regulatory capital framework provided by CUDGC and is regularly reviewed and approved by the Board of Directors.

LIQUIDITY MANAGEMENT

One of Churchbridge Credit Union's primary objectives is to prudently manage liquidity to ensure the Credit Union can generate or obtain sufficient cash or cash equivalents in a timely manner and at a reasonable price to meet commitments as they come due, even under stressed conditions.

The Credit Union maintains a liquidity plan in support of its liquidity policy and CUDGC regulatory guidance. The liquidity plan undergoes regular reviews and is approved by the Board of Directors. As per the plan, the Credit Union maintains a stock of high-quality assets while regularly measuring and monitoring its available liquidity and performs stress tests to identify sources of liquidity strain. To complement its management liquidity process, the Credit Union also maintains an external borrowing facility with SaskCentral to help manage clearing and settlement and unforeseen funding requirements. At December 31, 2023, the credit facility was not in use.

The Credit Union's liquidity is measured by an operating liquidity ratio, which considers projected cash inflows as a percentage of projected cash outflows. As of December 31, 2023, the ratio was **157.91%** compared to 2022 at **142.55%**. The Credit Union's target range is **50%** to **200%** for this measure.

Credit unions in Saskatchewan also hold statutory liquidity deposits with SaskCentral. The amount of this deposit was **10%** of member deposits and is adjusted quarterly. As of January 1, 2024, the standard drops to **8.65%**, but throughout 2023, credit unions were allowed to move towards the new standard.

CUDGC issued **Liquidity Standards** which came into effect on January 1, 2017. The standards provide a framework, which allows CUDGC to assess whether we maintain adequate and appropriate liquidity levels. A key component of the Liquidity Standards is the introduction of the **Liquidity Coverage Ratio (LCR)**. The objective of the **LCR** is to ensure that we have an adequate stock of unencumbered high quality liquid assets (HQLA) that:

- Consist of cash or assets that can be converted to cash at little or no loss of value.
- Meet its liquidity needs for a 30-calendar day liquidity stress scenario, by which time it is assumed corrective actions have been taken by the Credit Union and/or CUDGC.

The Credit Union completed an assessment of the **LCR** on December 31, 2023, and our ratio was **648.2%**. This ratio continues to exceed the regulatory minimum standard of **100%**. This ratio also exceeds the Credit Union's expectation to remain greater than **150%**.

Another liquidity calculation we monitor on a regular basis is our **Loans to Assets (LTA)** ratio. This ratio calculates the percentage that our loans are in comparison to our assets. As of December 31, 2023, our performing loans were **77.13%** of assets, which is below our optimal operating range of **78%** to **82%**. The higher you are lent out equals a stronger profitability. This is due to loans generating a much better return than the return on an investment. Although we must be conscious of the impact a higher lent out ratio will have on our day-to-day liquidity requirements and capital ratios.

If our **LTA** ratio were to encroach upon the **82%** mark, we would implement mitigation strategies as documented in our liquidity plan to reduce the ratio to an acceptable level.

KEY PERFORMANCE INDICATORS

To monitor our success in accomplishing our goals and objectives we set expectations at the beginning of each year. In 2023 we established the following key performance indicators:

Result Areas	Target / Goal	Actual
Deposit and Mutual Fund Growth	1 – 3%	10.5%
Organic Loan Growth and Leases	1 – 3%	6.6%
Loan Delinquency (>90 days)	0.5 – 1.5%	0.2%
Leverage Ratio	9.0 – 9.5%	8.89%
Total Eligible Capital/Risk Weighted Assets	16.75 – 17.5%	16.47%
Profit (prior to taxes and patronage)	0.7 – 0.85%	0.64%
Efficiency Ratio	60 – 70%	75.2%

Targets were set based on expectations of the prime increases and overall feel of the economy with rising costs in almost every aspect of life. Our members continue to weather the economic storm in terms of deposit and loan activity as we outperformed growth expectations.

ENTERPRISE RISK MANAGEMENT (ERM)

Each year our Credit Union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our communities now and in the future. This process is called Enterprise Risk Management and is a requirement of credit unions in Saskatchewan as set out by Credit Union Deposit Guarantee Corporation. Management completes a process of identifying risks annually that are reported to the Audit and Risk Committee. Through this process, Management identifies risks and their potential impact on Churchbridge Credit Union operations. Below are the general areas utilized to identify these potential risks. The risks are assessed based on the likelihood and impact they would have if no safeguards were in place. Then they are reassessed based on current safeguards and scored either Low, Modest, Moderate or High. Any risks on the higher end of the scale take greater priority over those on the lower end. Regardless, all risks and emerging risks need consideration on some level.

Strategic Risk

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, customer preferences, product obsolescence or resource allocation will impact our ability to meet our objectives. This risk is a function of the compatibility of an organization’s strategic goals, the business strategies developed to achieve these goals, the resources deployed against these goals and the quality of implementation.

Market Risk

Market risk is the exposure to potential loss from changes in market prices or rates. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement.

Liquidity Risk

Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals or funding loans without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

Legal and Regulatory Risk

Legal and regulatory risk is the risk arising from potential violation of, or nonconformance with laws, rules, regulations, prescribed practices or ethical standards.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposures to this risk arise from deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters.

Credit Risk

Credit risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. Sources of credit risk include direct lending activities and holdings of investment securities.

RESIDENTIAL MORTGAGE LOAN PORTFOLIO

In accordance with **Credit Union Deposit Guarantee Corporation (CUDGC)** guidelines, Churchbridge Credit Union is required to provide additional credit disclosures regarding its residential mortgage portfolio.

Several years back, CUDGC introduced regulatory guidance relating to **Residential Mortgage Underwriting**. The guideline reaffirms the need for credit unions to have a stress-testing regime that considers unlikely, but plausible, scenarios and their impact on the residential mortgage portfolio. Results of these stress tests are considered in the Credit Union's **Internal Capital Adequacy Assessment Process (ICAAP)**. The Credit Union reflects assets with inherently greater risk through risk-sensitive increases in capital as identified through our ICAAP process.

The Credit Union is limited to providing residential mortgages of no more than **80%** of the collateral value, which is known as a **Loan to Value (LTV)** ratio. If the Credit Union obtains default insurance, we can lend at a higher loan to value ratio. The insurance is contractual coverage that protects the Credit Union against potential losses caused by the borrower's default. Government-backed entities or other approved private mortgage insurers can provide default insurance. Currently, the Credit Union uses **Canada Mortgage and Housing Corporation (CMHC)** to provide residential mortgage default insurance.

The Credit Union also provides **Home Equity Line of Credits (HELOC's)**, which is a form of non-amortizing (revolving) credit that is secured by a residential property. Unlike residential mortgages, most HELOC's are not structured to fit a predetermined amortization, although regular, minimum periodic payments are required. The Credit Union is limited to providing the non-amortizing HELOC component of a residential mortgage to a maximum authorized LTV ratio of less than or equal to **65%**.

At year-end, our **\$184,746,791** loan portfolio was comprised of **24.3%** of **uninsured** conventional residential mortgages and **13.8%** of CMHC **insured** residential mortgages and **0.01%** in **HELOC's**. In line with the **Residential Mortgage Underwriting Guidelines**, the Credit Union continues to review its mortgage underwriting practices and documentation to ensure it meets the guidelines standards. The Credit Union does not believe it has undue risk in its uninsured mortgage portfolio or underwriting practices and the current risk-weighted, asset-based concentration provision in the ICAAP sufficiently addresses risk in the residential portfolio.

REGULATORY MATTERS

Corporate Structure and Governance

The governance of Churchbridge Credit Union is anchored in the co-operative principle of democratic member control. Overall, our corporate structure is designed to hold accountable the areas of Member Service Delivery (Cash Services, Investments, Lending and Insurance), Technology, Human Resources, Corporate Finance, Corporate Governance and Legislation Compliance.

BOARD OF DIRECTORS

Mandate and Responsibilities

The Board of Directors is responsible for the strategic oversight, business direction and supervision of management of Churchbridge Credit Union. In acting in the best interests of the Credit Union and its members, the Board's actions adhere to the standards set out in *The Credit Union Act, 1998*, the *Standards of Sound Business Practice* and other applicable legislation.

The Board of Directors acknowledges its responsibilities as including:

- Exercising the powers of the Credit Union directly or indirectly through employees.
- Establishing and maintaining prudent policies for the operation of the Credit Union.
- Directing the management of the business affairs of the Credit Union.
- Acting honestly and in good faith with a view to the best interests of the Credit Union at the exclusion of other interests.
- Exercising the care, diligence and skill of a prudent person in directing the Credit Union's affairs.

The Board of Directors is accountable to the members of the Credit Union for directing the affairs of the Credit Union and maintaining policies, which are responsive to their needs and the needs of the Credit Union, for sound operations.

Board Composition

The Board of Directors is composed of seven (7) individuals elected by the membership, with four (4) Board members representing the Churchbridge District and three (3) Board members representing the Langenburg/MacNutt District. All terms are for three (3) years. Nominations are made by the membership. Voting is by secret ballot, in branch the week prior to our annual general meeting. The election results are announced at the annual general meeting.

Committees

The responsibilities of the Board of Directors in a modern financial services organization involve an ever-growing list of duties. Churchbridge Credit Union maintains several committees comprised of directors. This partitioning of responsibilities enables a clear focus on specific areas of activity vital to the effective operation of our Credit Union.

- **Executive Committee**
This Committee acts in the capacity of, and on behalf of, the Board of Directors between regular or special board meetings on all board matters, except those which the Board may not, in compliance with legislative requirements, delegate.
- **Audit and Risk Committee**
The purpose of the Committee is to ensure an independent review of the Credit Union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to requirements of *The Credit Union Act, 1998*, *The Credit Union Regulations, 1999*, *The Credit Union Insurance Business Regulations* and the *Standards of Sound Business Practice*. The Committee will also ensure that the Credit Union's enterprise risk management framework is appropriate to optimize liquidity, market, credit, regulatory, operational, location and strategic risk, for the protection and creation of shareholder value.
- **Member Relations Committee**
This Committee provides liaison between the Credit Union and its members and communities by monitoring needs, recommending services for Board consideration to meet those needs, planning activities that respond to expressed interests and recommending changes or amendment to service policies that may better serve member, customer, community and Credit Union needs.
- **Building and Properties Committee**
On behalf of the Board, the Committee works with Management in the development of policies and plans relevant to Credit Union service facilities and Credit Union owned housing facilities.
- **Nominating Committee**
This Committee oversees the nomination and election processes for elections of Credit Union directors.
- **Conduct Review Committee**
The purpose of the Conduct Review Committee (CRC) is to ensure that all proposed related party transactions are fair to the Credit Union and that the exercise of the best judgement of the Credit Union has not been compromised because of a real or perceived conflict of interest. Related party transactions will be reviewed and monitored by the CRC for compliance with legislation, standards of sound business practice and with Credit Union or committee policies and procedures. Apart from any review by the CRC, credit decisions are to be made by regular credit granting authority, policies and procedures.
- **New Building Committee (established 2023)**
The purpose of this Committee was to oversee the construction of the new branch in Langenburg. It is a mix of Board and employee representation. This Committee will be dissolved within the year the new building is open for operations.

Compensation and Attendance

The Board of Directors annually reviews directors' compensation and makes recommendations to ensure it remains competitive with other provincial credit unions. Directors are compensated for meetings, mileage and out of pocket expenses incurred while on Credit Union business. In 2023, we budgeted \$17,930 for remuneration and the actual was \$23,697. Additionally, we budget for mileage. The mileage budget was \$1,760; the actual expense was \$1,237.

The Board of Directors holds monthly board meetings and an annual strategic planning session. Additionally, the directors also attend, as required, special board meetings, the annual general meeting and committee meetings.

In 2023, the Board of Directors held eleven (11) regular board meetings. Average attendance at the regular board meetings was 93%.

Director Training

All directors are enrolled in the Credit Union Director Achievement (CUDA) program and registered with the CUSource online program. Some directors are graduates of the program. Also, the directors have a subscription to an online training program with CU Training. All directors are encouraged to attend director training when it is available. In 2023, we budgeted \$5,482 for director training and development and our actual expenses was \$5,624.

EXECUTIVE MANAGEMENT

The Executive Management Team consists of Ryan Tebbutt – Chief Executive Officer, Connie Olm – VP of Deposit and Support Services and Andrew Barker – VP of Lending Services.

CORPORATE AND SOCIAL RESPONSIBILITY (CSR)

Churchbridge Credit Union places a high awareness on our social responsibility and the well-being of our communities. We believe that we have the ability and the responsibility to step forward to support the social, cultural and economic enrichment of our communities. We continue to support events in our communities through scholarships, cash donations, donation of items and the donation of staff time.

Each year we allocate **2.5%** of our pre-tax profits into our “**Community Investment Program**”; with **1.5%** distributed annually to local non-profit organizations and the remaining **1%** set aside to help fund larger projects such as schools, health care, daycares, recreational projects, etc. Based on our 2023 profitability, we have set aside **\$38,000** for this program. Since inception of the **Community Investment Program** in 2010, we have donated **\$414,700** towards worthwhile causes within the communities we serve.

Additionally, in 2023 our staff provided **1,220** volunteer hours within the communities we serve.

2023 Highlights



\$27,235
INVESTED INTO LOCAL
NON-PROFIT ORGANIZATIONS

1070

GOURMET HOT DOGS SERVED AT OUR
COMMUNITY APPRECIATION DAYS



\$1104.25
IN DONATIONS COLLECTED FOR CASTLE CLOSET

\$1507.10

IN DONATIONS COLLECTED FOR THE
CHURCHBRIDGE CURLING CLUB



\$3,000
IN SCHOLARSHIPS AWARDED

1220

VOLUNTEER HOURS LOGGED BY STAFF



\$10,296.36
INVESTED INTO THE
CHURCHBRIDGE DAYCARE COOPERATIVE

\$5,000

DONATED TO THE
AIRWAVES FOR HEALTH TELETHON



\$800
DONATED TO LOCAL GROUPS & ORGANIZATIONS
FROM THE STAFF DRESS DOWN FUND

High School Scholarship Recipients



BRODY JOHNSON
CHURCHBRIDGE PUBLIC SCHOOL



KENDRA LABOUCANE
CHURCHBRIDGE PUBLIC SCHOOL

Post-Secondary Scholarship Recipient

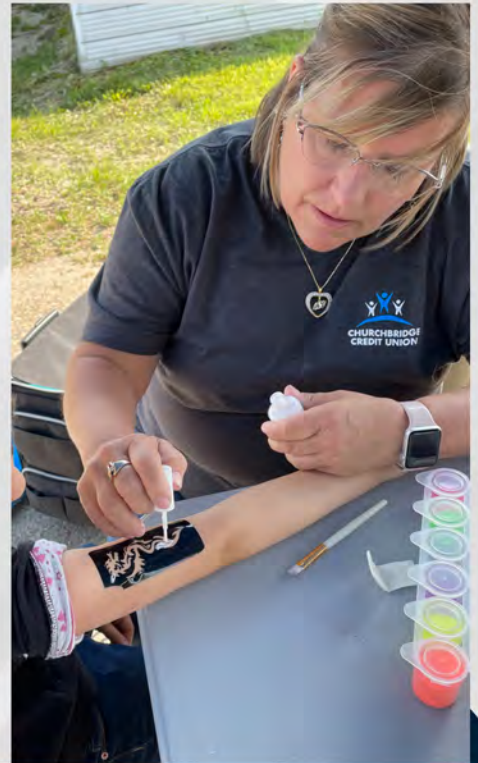


CHARLEE MITSCHKE
UNIVERSITY OF SASKATCHEWAN



COMMUNITY Appreciation Days





COMMUNITY *Events*





VOLUNTEERING & Giving Back







COMMUNITY INVESTMENT PROGRAM

2023

Recipients

LANGENBURG

Langenburg & District Daycare Co-operative - \$1,400

Langenburg & District Activity Centre - \$1,200

Langenburg United Soccer Organization - \$3,585

Langenburg Arts Council - \$2,500

Langenburg Swimming Pool - \$200

Langenburg Minor Ball Association - \$750

CHURCHBRIDGE

Churchbridge Minor Sports - \$3,950

Parkland Regional Library, Churchbridge Branch - \$300

Churchbridge Public School - \$4,000

Churchbridge Evergreen Club - \$2,850

Churchbridge Junior Golf - \$1,000

MACNUTT

Parkland Regional Library, MacNutt Branch - \$4,000

BREDENBURY

Town Of Bredenburg, Beautification Committee \$1,500

IN 2023, WE INVESTED IN ARTS, RECREATION, SENIORS, LITERACY, YOUTH, & SPORTS!

Member

PROFIT SHARING PROGRAM

The board of directors have approved \$385,000 to be returned to our members! This is a percentage of our 2023 profits. In the past 23 years, we have paid over \$6.9 million out to our members.

Join us at our Member Profit Sharing days in October!



Report of the Independent Auditors' on the Summary Financial Statements

To the Board of Directors
Churchbridge Credit Union

Opinion

The summary financial statements, which comprise the summary Statement of Financial Position as at December 31, 2023, the summary Statements of Income and Comprehensive Income, Changes in Equity and Cash Flow for the year then ended, and related notes, are derived from the audited financial statements of Churchbridge Credit Union for the year ended December 31, 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated April 9, 2024.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in note 1.

Auditors' 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.

Baker Tilly SK LLP

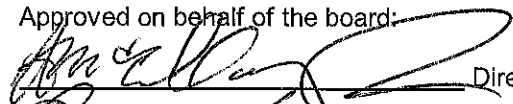
A handwritten signature in black ink that reads "Baker Tilly SK LLP".

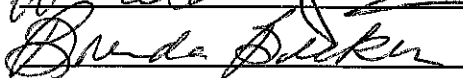
Yorkton, SK
April 9, 2024

Churchbridge Credit Union
Churchbridge, Saskatchewan
Statement of Financial Position as at December 31, 2023

	2023	2022
Assets		
Cash and cash equivalents	3,453,901	3,149,555
Investments	47,901,466	43,464,017
Loans	184,746,791	170,600,556
Accounts receivable	17,298	2,729,733
Prepaid expenses	87,136	66,740
Income tax receivable	83,414	
Property, plant and equipment	1,886,177	1,495,861
Intangible assets	157,985	47,512
Deferred income tax assets	<u>33,400</u>	<u>52,900</u>
Total Assets	<u>\$ 238,367,568</u>	<u>\$ 221,606,874</u>
Liabilities		
Deposits	216,107,546	200,267,710
Accounts payable	765,311	776,070
Income tax payable		144,598
Member equity accounts	2,985,023	2,802,050
Membership shares	<u>30,620</u>	<u>29,920</u>
Total Liabilities	<u>219,888,500</u>	<u>204,020,348</u>
Equity		
Retained earnings	18,479,068	17,586,526
Accumulated other comprehensive income	<u>0</u>	<u>0</u>
	<u>18,479,068</u>	<u>17,586,526</u>
Total Liabilities and Equity	<u>\$ 238,367,568</u>	<u>\$ 221,606,874</u>

Approved on behalf of the board:

 Director

 Director

Churchbridge Credit Union
Statement of Income and Comprehensive Income
For the year ended December 31, 2023

	2023	2022
Interest Income		
Loan interest	8,412,207	6,306,353
Investments	1,968,807	792,410
	<u>10,381,014</u>	<u>7,098,763</u>
Interest Expense		
Deposits	5,102,410	2,224,152
Borrowed money	8,593	4,168
Patronage allocation	385,000	385,000
	<u>5,496,003</u>	<u>2,613,320</u>
Net Interest	<u>4,885,011</u>	<u>4,485,443</u>
Provision for expected credit losses - loans	59,949	(2,511)
Provision for expected credit losses - foreclosed assets		36,119
	<u>59,949</u>	<u>33,608</u>
Net Interest Margin	4,825,062	4,451,835
Net income from other investments at FVTPL - designated	9,970	78,177
Net income from other investments at FVTPL - mandatory	264	2,722,501
Other income	1,036,878	1,008,748
	<u>1,036,878</u>	<u>1,008,748</u>
Net Interest and Other Income	<u>5,872,174</u>	<u>8,261,261</u>
Operating Expenses		
Personnel	2,865,790	2,438,469
General business	1,381,362	1,155,233
Occupancy	231,013	218,118
Security	205,308	183,554
Organizational	54,495	36,236
	<u>4,737,968</u>	<u>4,031,610</u>
Net Income Before Provision for Tax	1,134,206	4,229,651
Income tax expense	241,664	404,163
	<u>241,664</u>	<u>404,163</u>
Net Income	892,542	3,825,488
Other comprehensive income	0	0
	<u>0</u>	<u>0</u>
Comprehensive Income	<u>\$ 892,542</u>	<u>\$ 3,825,488</u>

Churchbridge Credit Union
Statement of Changes in Equity
For the year ended December 31, 2023

	2023	2022
Retained Earnings		
Balance, beginning of year	17,586,526	13,761,038
Add: Net income for the year	<u>892,542</u>	<u>3,825,488</u>
Balance, end of year	<u>\$ 18,479,068</u>	<u>\$ 17,586,526</u>

Churchbridge Credit Union
Cash Flow Statement
For the year ended December 31, 2023

	2023	2022
Cash Provided By (Used In):		
Operations		
Net income for the year	<u>892,542</u>	<u>3,825,488</u>
Adjustment for:		
Provision for impaired loans	59,949	33,608
Net amounts recovered (written-off)	(7,462)	(1,476,138)
Depreciation and amortisation	144,835	123,128
Deferred income tax provision	<u>19,500</u>	<u>68,900</u>
	<u>216,822</u>	<u>(1,250,502)</u>
Changes in working capital items:		
Other assets	2,608,626	(2,756,184)
Interest receivable - investments	(99,646)	(72,765)
Interest receivable - loans	(219,721)	(256,178)
Interest payable - deposits	1,160,669	247,083
Other liabilities	<u>(155,357)</u>	<u>495,346</u>
	<u>3,294,571</u>	<u>(2,342,698)</u>
	4,403,935	232,288
Loans	(13,978,999)	(10,399,497)
Deposits	<u>14,679,164</u>	<u>7,957,134</u>
	<u>5,104,100</u>	<u>(2,210,075)</u>
Investing activities		
Investments	(4,337,803)	2,204,459
Capital assets purchases	(506,833)	(116,469)
Intangible assets purchases	<u>(138,791)</u>	<u>(38,038)</u>
	<u>(4,983,427)</u>	<u>2,049,952</u>
Financing activities		
Share capital	<u>183,673</u>	<u>(282,981)</u>
Net Cash Increase (Decrease) for the Year	304,346	(443,104)
Cash position, beginning of year	<u>3,149,555</u>	<u>3,592,659</u>
Cash Position, End of Year	<u>\$ 3,453,901</u>	<u>\$ 3,149,555</u>

Churchbridge Credit Union
Notes to Summary Financial Statements
For the year ended December 31, 2023

1. Basis of the Summary Financial Statements

The following criteria have been applied by management in the preparation of these summary financial statements:

- (a) The information in the summary financial statements is in agreement with the related information in the credit union's December 31, 2023 audited financial statements; and
- (b) The summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the audited financial statements, including the notes thereto.
- (c) The audited financial statements can be obtained by request at the main branch at 103 Vincent Avenue E., Churchbridge, Saskatchewan.
- (d) The detailed notes included in the audited financial statements are not included in the summary financial statements as these notes are available in the audited financial statements which can be obtained as described above.



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2023

January 2024

Credit Union Deposit Guarantee Corporation (the Corporation) functions as the deposit guarantor for Saskatchewan credit unions and serves as the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Collectively, these entities are referred to as Provincially Regulated Financial Institutions or "PRFIs". The Corporation operates under provincial legislation, namely, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016*. The responsibility for overseeing the Corporation is assigned to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan as stipulated by provincial legislation.

Established in 1953, the Corporation holds the distinction of being the first deposit guarantor in Canada, ensuring the successful guarantee of deposits. Through the promoting of responsible governance and prudent management of capital, liquidity, and guaranteeing deposits, the Corporation plays a crucial role in fostering confidence in Saskatchewan PRFIs.

For more information about the Corporation's responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's web site at www.cudgc.sk.ca.

Saskatchewan Credit Union Assets (largest to smallest in assets) – Dec 31, 2023					
Rank	Credit Union	Assets	Memberships	Locations	Employees (FTE)
1	Affinity	\$ 7,717,795,591	132,506	50	786
2	Conexus	\$ 6,891,785,372	141,028	30	843
3	Cornerstone	\$ 2,011,010,462	29,056	15	258
4	Synergy	\$ 1,925,545,792	27,086	12	233
5	Prairie Centre	\$ 1,181,427,032	17,132	16	161
6	TCU Financial Group	\$ 710,616,664	14,257	5	88
7	Weyburn	\$ 709,732,972	7,987	3	89
8	Diamond North	\$ 683,338,089	12,093	8	78
9	Radius	\$ 583,417,023	5,758	8	52
10	Unity	\$ 352,214,160	4,423	1	29
11	Crossroads	\$ 350,148,184	6,529	4	46
12	Accent	\$ 310,966,828	4,602	3	33
13	Biggar & District	\$ 305,847,521	3,902	3	49
14	Cypress	\$ 260,869,392	3,978	6	34
15	Churchbridge	\$ 238,309,102	3,175	2	28
16	St. Gregor	\$ 228,108,117	2,625	2	9
17	Raymore	\$ 217,011,521	2,866	2	19
18	Foam Lake	\$ 194,729,170	3,139	1	16
19	Luseland	\$ 168,178,511	1,816	1	10
20	Doddsland	\$ 160,485,284	1,553	1	9
21	Stoughton	\$ 147,422,489	1,719	2	12
22	Prairie Pride	\$ 141,503,942	2,288	3	18
23	Bruno	\$ 122,596,498	1,129	2	11
24	Turtleford	\$ 109,055,974	2,078	1	14
25	Lafleche	\$ 107,848,292	1,764	2	8
26	North Valley	\$ 104,521,131	1,296	1	12
27	Sandhills	\$ 102,407,426	1,547	1	12
28	Bengough	\$ 89,153,614	1,377	3	8
29	Edam	\$ 78,887,725	1,147	1	9
30	Saskatoon City Employees	\$ 78,135,585	2,081	1	9
31	Kerrobert	\$ 74,570,451	1,221	2	8
32	Rockglen-Killdeer	\$ 50,481,851	1,186	1	8

Quick Facts

(as of December 31, 2023, unless otherwise indicated)

- There are 32 provincial credit unions and one federal credit union in communities across Saskatchewan.
- Provincial credit unions offer financial products and services to close to 445,000 members.
- Saskatchewan provincial credit union assets reached \$26.4 billion with revenue of more than \$1.3 billion.
- Provincial credit union lending amounts were more than \$19.7 billion.
- There are more than 300 board members who are locally elected by members of each credit union to provide strategic direction to their management teams.
- As independent financial institutions owned and controlled by their members, credit unions are shaped by community needs. Saskatchewan provincial credit unions range in asset size from \$50.48 million to more than \$7.7 billion.
- In 2023, Saskatchewan provincial credit unions returned over \$7 million to their members in the form of patronage equity contribution and dividends.
- Provincial credit unions are a major contributor to Saskatchewan's economy, employing close to 3,000 people.
- Funds held on deposit in Saskatchewan provincial credit unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention. Read more about the [guarantee](#).