

# Experience the Credit Union Difference

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## 2013 ANNUAL REPORT

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Churchbridge Credit Union



Saskatchewan  
Credit Unions

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CHURCHBRIDGE CREDIT UNION  
68<sup>TH</sup> ANNUAL GENERAL MEETING

MONDAY, APRIL 28<sup>TH</sup>, 2014  
6:00 PM

AGENDA

1. Registration and Supper
2. Call to Order
3. Adoption of Agenda
4. Reading of the Minutes from the Last Annual General Meeting held APRIL 22nd, 2013
5. Business Arising from the Minutes/Adoption of the Minutes
6. President's Report
7. Management Discussion and Analysis
8. Auditor's Report
9. Presentation of the Financial Statements
10. Motion to Accept Reports
11. Appointment of Auditors
12. Election Report
13. Long Term Service Awards Presentations
14. Question Period
15. Presentation from Yorkton Storm Hunters
16. Door Prizes
17. Adjournment

### **2013 President's Report**

As president of the Board of Directors, I'm pleased to report that 2013 was another very successful year for Churchbridge Credit Union. I would like to thank our dedicated staff and management for their commitment to providing professional service to our members. Also, I would like to thank our members for their support and commitment, which enables us to achieve our continued growth and success.

We have been very fortunate to see continued growth and positive net profits, considering the low interest rate environment. The board is also very proud to once again be able to continue to pay a member profit sharing dividend back to our members for 2013.

Economic forecasts indicate that 2014 will be another solid year for the province, as Saskatchewan is expected to have the second highest growth rate in the country. The forecasted economic stability will help to ensure that credit unions continue to play a significant role in the Saskatchewan financial industry. Also in 2014 we will continue to experience the overwhelming speed of change in the financial services and technology industry. Continuing to survive as an independent Credit union is becoming more of a challenge with all of these changes and the costs associated with them.

In November of 2013, the board received some shocking news that our General Manager, Perry Wishlow, had applied for and accepted the position of CEO for the Crossroads Credit Union in Canora. This announcement resulted in the boards of Churchbridge and Crossroads Credit Union's agreeing to a Shared Management agreement.

This agreement means that both Credit Unions will have one common CEO, but each Credit Union will remain as an independent autonomous credit union, and will maintain their own board of directors with local decision making and control. Both Credit Unions will also share other management services wherever it makes sense.

Since November the management teams of both Credit Unions have been meeting regularly to examine both the needs and resources required to make this a successful arrangement. The goal is to determine best practices in both organizations, which will lead to improved processes, which inevitably provides a better member experience.

We would like to thank Perry for his years of dedication and professionalism as the General Manager of Churchbridge Credit Union, and helping us achieve the financial growth we are experiencing today. We wish Perry and Gayle all the best in their new home, your presence in our community will be greatly missed.

Finally, I would like to commend my fellow board of directors and thank them for their commitment of time and effort, as we all work together on our members behalf.

Thank you



Rodney Flunder, Board President



**CHURCHBRIDGE CREDIT UNION  
BRANCHES IN  
CHURCHBRIDGE, LANGENBURG & MACNUTT**

**INCORPORATED APRIL 20, 1945**

**BOARD OF DIRECTORS**

<b><u>NAME</u></b>	<b><u>ADDRESS</u></b>	<b><u>OCCUPATION</u></b>	<b><u>TERM EXPIRES</u></b>
Robert Rathgeber	MacNutt	Farmer	2014
Larry Severin	Langenburg	Farmer	2014
Wendy Lutz	Churchbridge	Retired Teacher	2014
Debbie Fuhr	Langenburg	Home Maker	2013
Randy Kaeding	Churchbridge	Farmer	2013
Cal Swanson	Churchbridge	Miner	2015
Rodney Flunder	Churchbridge	Retired Farmer	2015

**EXECUTIVE**

President	Rodney Flunder
Vice President	Cal Swanson
Secretary	Debbie Fuhr
Treasurer	Perry Wishlow



Back Row 1 - r Robert Rathgeber, Wendy Lutz, Larry Severin, Randy Kaeding  
Front Row 1- r Cal Swanson, Rodney Flunder, Deb Fuhr

*Mission Statement*

The Churchbridge Credit Union is committed to serving our community's needs.  
We provide a full range of financial products and services.

## STAFF

<u>NAME</u>	<u>POSITION</u>	<u>CREDIT UNION EXPERIENCE</u>
Katie Rodman	Casual Member Service Rep	3 Months
Megan Schaan	Casual Member Service Rep	4 Months
Ada Andres	P/T Member Service Rep	11 Months
Kendra Patzwald	P/T Member Service Rep	1.5 Years
Rebecca Kitz	P/T Member Service Rep	1.5 Years
Tricia Arseneault	P/T Member Service Rep	2 Years
Stephanie Pasloski	Casual Member Service Rep	2 Years
Rachael Chapple	Member Service Rep	3.5 Years
Lois Laboucane	Loans Officer	4.5 Years
Janessa Liepert	Member Service Rep	5 Years
Cheryl Kitz	Senior MSR	5.5 Years
Deidra Schaan	Loans Officer	6 Years
Elliana Margarit	Loans Officer Trainee	6.5 Years
Andrew Barker	Loans Supervisor	11.5 Years
Rachele Marlowe	Office Assistant	12.5 Years
Brenda Yanke	MSR Supervisor	15.5 Years
Audrey Petracek	P/T Member Service Rep	16.5 Years
Gaylene Putland	Support Services Assistant	16.5 Years
Sherry Popp	Senior MSR	17 Years
Connie Olm	Support Services Manager	19.5 Years
Susan Miller	Accounting Assistant	20 Years
Iva Petracek	Manager of Admin	24.5 Years
Brad Schultz	Manager of Retail	27.5 Years
Susan Bewcyk	Financial Advisor	27.5 Years
Rhonda Moskaluke	Loans Assistant	30 Years
Perry Wishlow	General Manager	33 Years
Charlene Popp	Branch Manager	37.5 Years



Churchbridge Branch



Langenburg Branch



MacNutt Branch

# Management Discussion and Analysis

## ***Introduction***

Churchbridge Credit Union is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Churchbridge Credit Union is able to provide financial services to members and non-members. As at December 31<sup>st</sup>, 2013 Churchbridge Credit Union had 2,872 members and 369 non-members. Non-members *do not* participate in the democratic processes of the credit union nor the Member Profit Sharing patronage program.

Our credit union serves the communities of Churchbridge, Langenburg, MacNutt and surrounding areas. In these communities we provide a full range of financial services including: financial, investment, commercial, agricultural and personal loans, mortgages, insurance, wealth management services, SGI License Issuer, etc.



**Churchbridge Credit Union**  
Bringing Communities Together

## **MISSION**

*The **Churchbridge Credit Union**  
Is committed  
to serving our community's needs.*

*We provide  
a full range of financial products  
and services.*



# VALUES

To maintain continuity with the system direction, the board and management of Churchbridge Credit Union have made the decision to adopt the system values as defined in the *System Strategic Direction 2007 and Beyond* acknowledging its current values all align with this document.

## **1. Cooperation and Accountability**

We work together through a belief that we can accomplish more together than alone. We take into account the effect of our actions on others. In the tradition of our founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

## **2. Communication**

We communicate in an open, effective and timely manner.

## **3. Community Impact**

We actively support the development of our communities locally, provincially and beyond. Our communities are stronger because of the credit union system.

## **4. Employee Satisfaction**

We respect our employees and their contribution to our success. We encourage employee involvement and participation. We recognize and reward them for their creativity, teamwork and achievement. We support their development by providing training and educational opportunities. We respect their need to balance personal and professional lives.

## **5. Financial Strength**

Our strong financial performance allows us to invest in members and the community for future growth. We balance the need for financial results with the needs of our members and communities. The trust and confidence of our members is maintained through sound business practice.

## **6. Product and Service Excellence**

We work with our members and communities to understand their needs, and respond with innovative, high quality products and services. Our employees provide friendly, knowledgeable and helpful service.

## **7. Professional Conduct**

Members' financial affairs are conducted with integrity and in a professional manner. Our ethical principles are rooted in concern for the individual. Confidentiality is an integral part of the way we do business.

## ***Credit Union Market Code***

Churchbridge Credit Union voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee to ensure the protection of credit union members. The code sets forth guidelines for the following areas:

- **Complaint handling**, which outlines the process for dealing with all complaints regarding the service, products, fees or charges of Churchbridge Credit Union.
- **Fair sales** by outlining the roles and relationship of staff to all member/clients and in accordance with the financial services agreement.
- **Financial planning process** to advise member/clients on the risks and benefits associated with financial planning services.
- **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.
- **Professional standards** to preserve a positive image of Churchbridge Credit Union among our members, clients and communities.
- **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 also 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 of 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 general 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 the Churchbridge, Langenburg, MacNutt 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 2013 focused in the following Strategic Results Areas (SRA):

### **People (Staff, Management & Board)**

- Continue to invest in leadership through the training and continuous learning of our employees and elected officials.
- Continue with training for the new staff to build up the experience base we require
- Ensure our compensation and benefits program is competitive.
- Ensure our Succession Plan is reflective of our needs for key resources.
- Continue to provide enhanced training along with refresher training to staff on a regular basis in addition to ongoing regular training. This may be based on the needs of employees and timed with product campaigns and seasonal products and services.
- Continue to focus on sales training, including coaching and mentoring of staff, supervisors and managers.
- Implement the organizational re-structure.
- To ensure continued board development the board will continue with board training and development as required and further discuss the need for a board self-evaluation or a board evaluation process.

### **Finance**

- Continue to manage the growth within regulatory requirements to ensure ratios meet requirements and equity levels are maintained above standards.
- Develop in-depth Capital and Liquidity Plans.
- Continued management and monitoring of Enterprise Risk Management.
- Develop models of projected growth taking into account staff growth and other additional expenses projected to determine the best course of action and to provide additional information for discussion based on projections.
- Review our current Service Fee Structure.

### **Business Growth and Development**

- Continued focus on the Wealth Management growth potential.
- Continue with the current levels of managed profitable growth targeted between 8-12%.
- Utilize our current expertise in Agriculture lending to develop new member relationships &/or expand on existing member relationships in this market.

- Ensure products and services are meeting member needs and remain competitive.
- While maintaining current levels of managed growth focus on strengthening staff knowledge, training and sales expertise to ensure the credit union is positioned for the long term while building capital through profitable growth.
- Determine ways for the credit union to become more profitable.

### **Technology**

- Replace our current telephone banking service.
- Implement required upgrades for Member Direct home banking.
- Implement history archiving.
- Make the best use of technology to remain current at manageable cost levels.
- Implement the new computer equipment and server upgrades.
- Stay informed of what competitors are offering and determine if these changes (if any) are requirements that would benefit the members based on an affordable cost versus benefit basis.
- Create added awareness with members to ensure they are aware and familiar with the high tech services we offer.
- Explore the options and advantages of expanding the use of social media.

### **Member Communications**

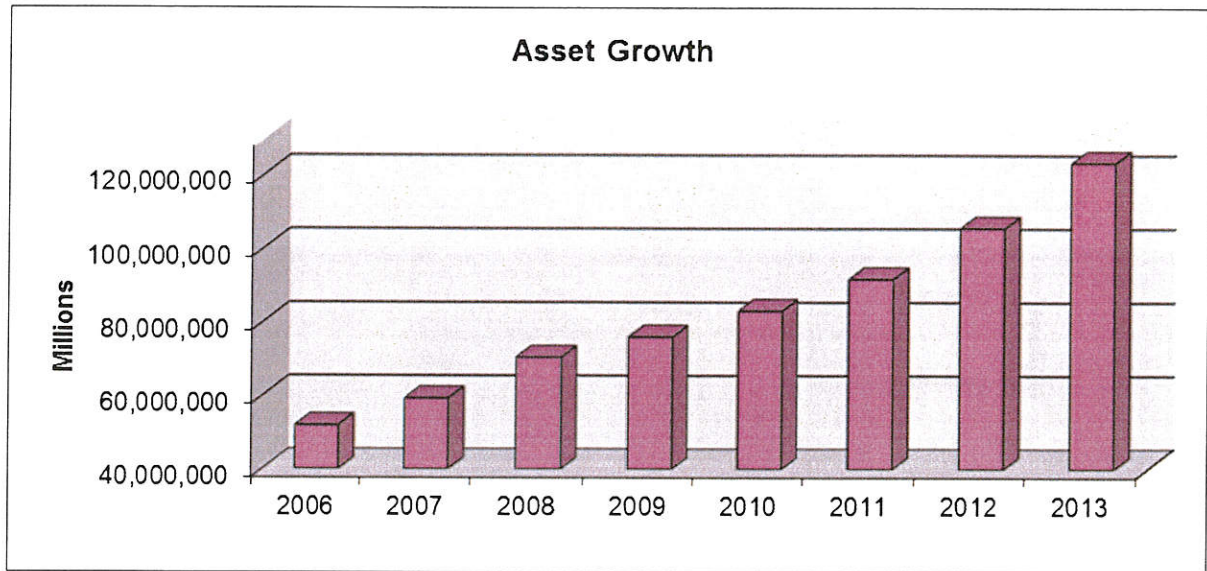
- Develop a program that focuses on increasing awareness with members and the general public on the products and services we offer.
- Develop a program that creates awareness and understanding with the general public on the difference the credit union makes to the members and the community.
- Determine target groups for focused campaigns. Different demographics require different marketing approaches or different messages. No need to focus the same attention or message on loyal members.

## ***Financial Results***

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

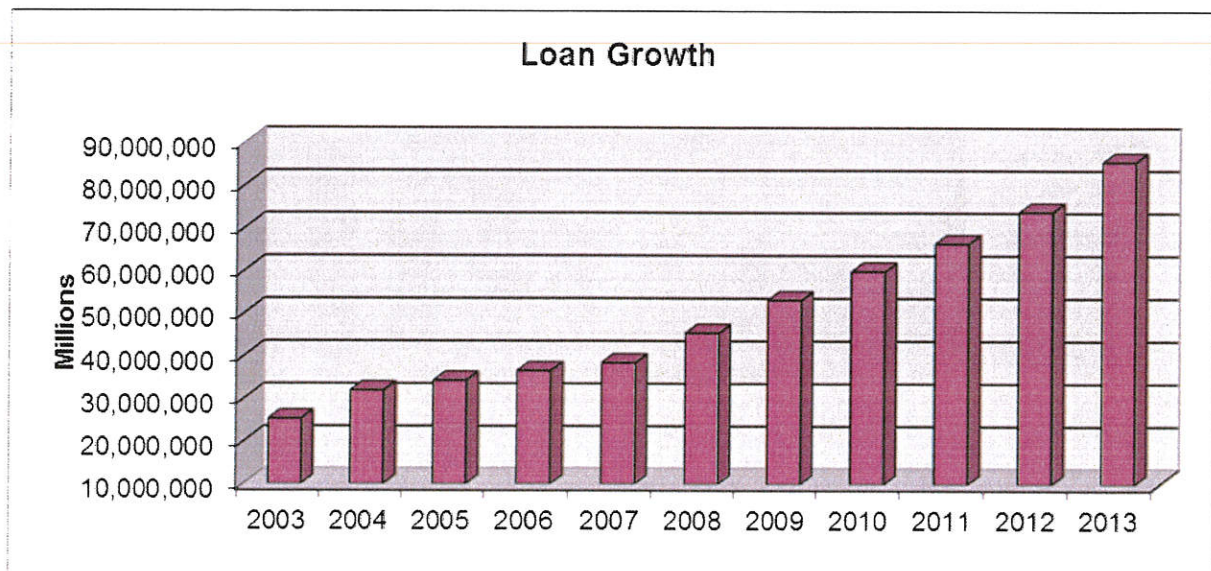
### **Assets**

Our assets at year end were **\$123,424,747**, which includes “on book” assets of **\$110,960,242** and mutual funds in the amount of **\$12,464,505**. This is an increase of **\$17,787,705** or **16.84%** from 2012.

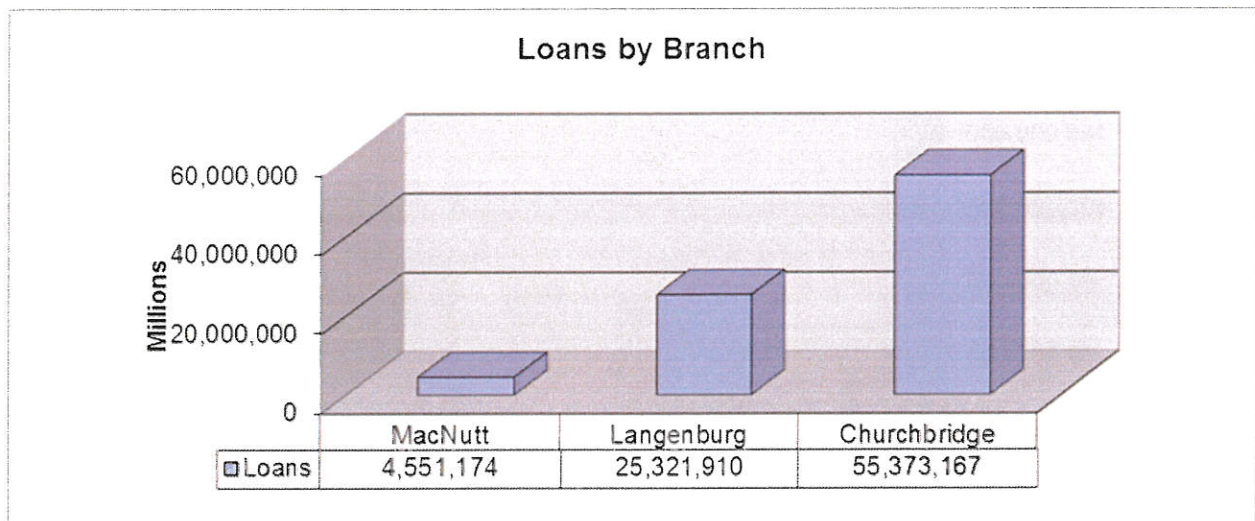


### Member Loans

Our member loans which form a majority of our assets at year end, were at **\$85,545,369**, which is up **\$11,710,273** or **15.86%** from 2012. Our overall delinquency at year end was at **1.98%**, which is an increase of **1.17%** from 2012. Our over 90 day delinquency increased **.23%** from last year's total of **.12%**. In 2013, we approved &/or extended **688** loans, which is down **22** from last year. In dollars this amounted to **\$38,086,818**, which is up **\$9,443,894** or **33%** from 2012. We anticipate that 2014 will be a busy year in lending, with the demand in residential mortgages leading the way.

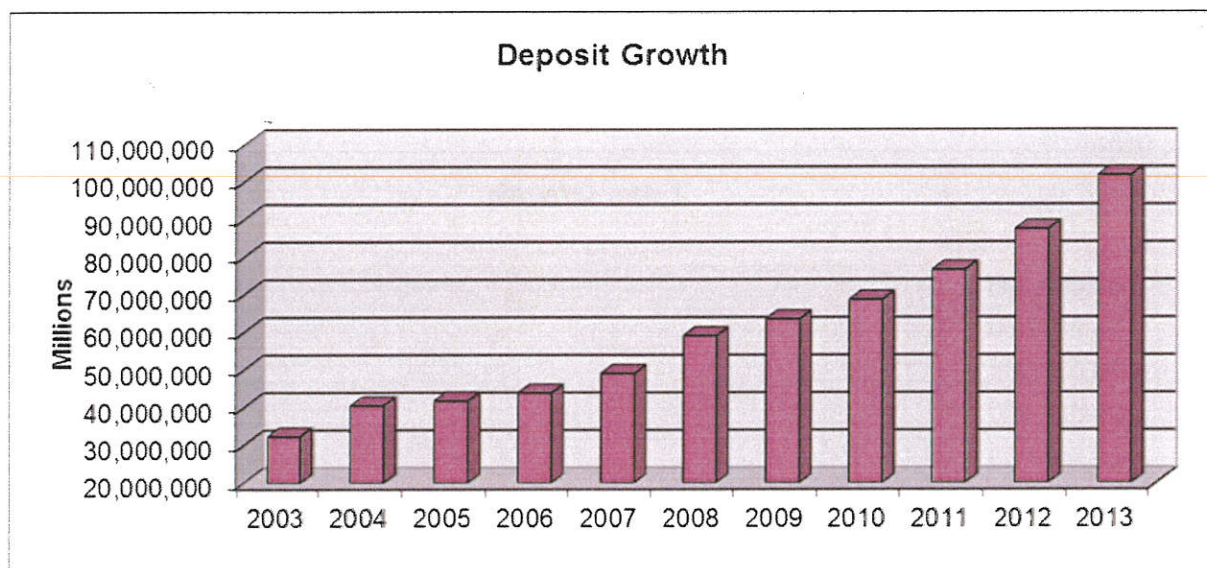




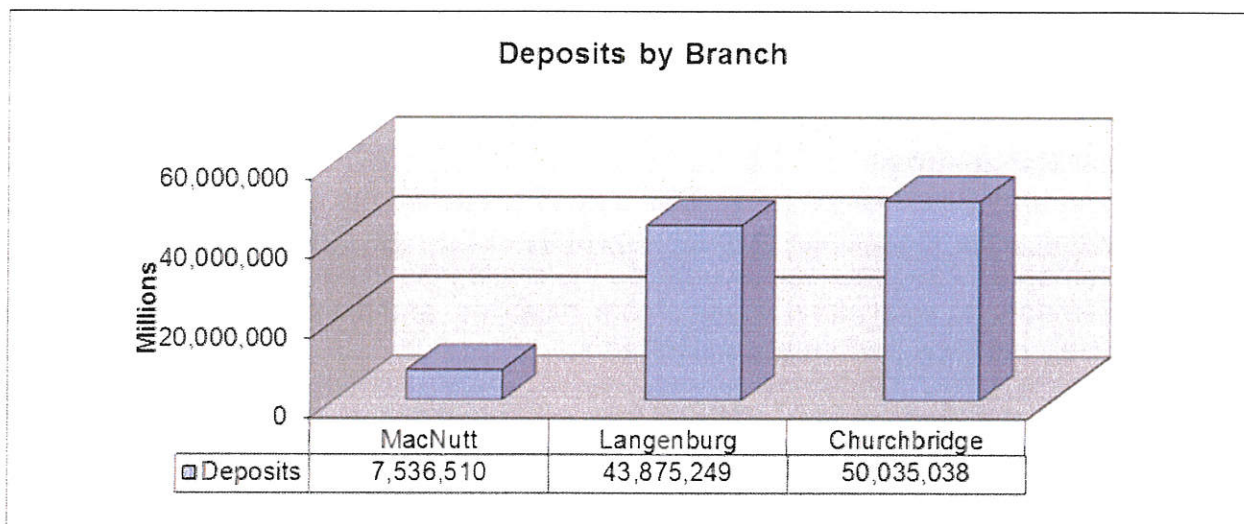


### Deposit Growth

As of year end member deposits totaled **\$101,811,814** which is an increase of **\$14,348,534** or **16.41%**. The majority of the growth is in the Tax Free Savings, AgrilInvest, Chequing, CU Save and Premium Investment Accounts. The Tax Free Savings and AgrilInvest accounts continue to be very popular accounts in 2013.







Along with exceptional deposit growth, we continue to see tremendous growth in our Mutual Fund Portfolio. Our portfolio increased in 2013 from **\$9,804,232** to **\$12,464,505**, which is an increase of **\$2,660,273** or **27.13%**.

### **Profitability**

Our income prior to our **Member Profit Sharing Dividend** and reserve allocations was **\$862,906** and was distributed as follows:

Member Profit Sharing Dividend	<b>\$275,000</b>
Retained Earnings	<b>\$587,906</b>

Our profitability was up **\$158,492** from 2012.

The increase in profits is mainly attributed to the growth in loans we had in 2013.

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

We are proud to say that for 2013 we will be paying out **32%** of our year-end profits back to our members in the form of a **Member Profit Sharing Dividend**. This amounts to **\$275,000** in Member Profit Sharing Dividends for 2013, giving us a total of nearly **\$3.6** million paid out in the last fourteen years. It is through your continued excellent support that we're able to make this happen. The Board is committed to returning the Credit Unions profits back to the members who have helped generate these profits, through the use of Credit Union products and services.

The sharing of our profits with our members is what sets us apart from all of other financial institutions.

### **Capital Management**

Churchbridge Credit Union recognizes a need to sustain the credit union's capital position in order to continue to meet regulatory and sound operational requirements. Adequate capital enables the credit union to sustain its liquidity requirements, to safely fund development initiatives, and provide leverage to effectively manage performance standards.

In general, the purpose of the Capital Plan is to identify optimal capital ranges for Churchbridge Credit Union and the actions that Board and Management will employ to work towards those optimal ranges.

- Too little capital 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.
- Too much capital and 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 has traditionally held a moderate appetite for risk. It has focused on traditional financial services, managed a low level of risk in its loan and investment portfolio. Liquidity has been maintained within a very comfortable range. This has proven to be a very valuable strategy through the recent downturn in the economy. Churchbridge Credit Union has been able to adjust to these changing times by maintaining a reasonable profit margin and manageable growth.

Regulators have issued more stringent standards for holding and reporting capital in financial institutions. The **Deposit Guarantee Corporation (DGC)** implemented a new capital framework in July 2013. A fundamental shift in capital management, the new standard more accurately measures 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.

In 2013 Churchbridge Credit Union's capital grew **\$587,906** from operations and **\$126,618** from patronage allocations to member equity accounts. Retained earnings represented **6.05%** of equity, we also have **.08%** allocated to a collective loan allowance which is eligible for use in calculating equity holdings, plus we have another **1.64%** in member held equity accounts, bringing our total equity to **7.77%**, which is a drop of **.48%** from 2012. The drop is attributed to the above average deposit growth we achieved in 2013.

We also monitor the ratio of eligible capital (retained earnings plus member held equity plus collective loan allowance) against risk weighted assets. New regulatory standards also require us to calculate a leverage ratio, which is an

indicator of the credit union's total capital relative to its assets and certain off balance sheet exposures, such as loans to members that have been committed to, but not yet disbursed.

Loan growth in excess of asset growth tends to have a negative effect on capital ratios. However, through careful balance sheet management and controlled growth, the credit union maintains strong capital levels. We achieved an eligible capital to risk weighted asset ratio of **12.51%** and tier 1 capital to risk weighted asset ratio of **9.75%** at the end of 2013.

We obtain tier 1 capital through profitability, which contributes to total retained earnings. Allocations to member equity accounts have traditionally 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 limited resource. The ability to raise capital is restricted to profit from operations, which is either kept in retained earnings or shared with members through patronage payments to member equity accounts. Earnings are allocated in the following order:

1. Capital until capital standards are met
2. Additional capital to support growth, development and financial soundness
3. Patronage allocations or dividends (Member Equity Program)

Churchbridge Credit Union's strategy is to continue to grow our capital levels. We plan on managing our growth and our profitability, so that we can achieve this strategy.

## Key Performance Drivers

To monitor our success in accomplishing our goals and objectives, we have established the following key performance drivers:

<b><u>Result Areas</u></b>	<b><u>Target/Goal</u></b>	<b><u>Actual</u></b>	<b><u>Peers</u></b>
Deposit Growth	8.0%	16.41%	8.02%
Off-Balance Sheet Growth (Mutual Funds)	10.0%	27.13%	11.23%
Loan Growth	8.0%	15.86%	15.70%
Loan Delinquency (>90 days)	< 3%	.35%	.39%
Leverage Ratio	10.0%	7.72%	7.70%
Tier 1 Capital/Risk Weighted Capital	12.0%	9.75%	11.57%
Total Eligible Capital/Risk Weighted Assets	14.0%	12.51%	12.46%
Non-interest Revenue	\$819,584	\$803,001	\$620,039
Profit (Prior to tax & Patronage Div)	\$813,014	\$952,307	\$941,842



## ***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 laid out by Credit Union Deposit Guarantee Corporation. Management completes a process of identifying risks annually that is reported to the Audit and Risk Committee. Through this process, the following risks have been identified according to their potential impact on Churchbridge Credit Union.

### **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.

### **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.

### **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.

## ***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 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 is composed of 7 individuals elected by the membership. Terms are for three years. Nominations are made by the membership. Voting is by secret ballot, in branch the week prior to our annual general meeting, and election results are announced at the annual general meeting.

#### ***Committees***

The responsibilities of the board of a modern financial services organization involves an ever-growing list of duties. Churchbridge Credit Union maintains a number of 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.



# CHURCHBRIDGE CREDIT UNION'S MEMBER PROFIT SHARING DAY

The Board Has Approved **\$275,000** To Be Returned To  
Our Members.

We have paid over **\$3.4 Million** in Member Profit Sharing in the  
last 15 years.

Join us on

***Friday, June 13***

**Churchbridge Branch**

in conjunction with our June Daze BBQ in Churchbridge

**11am - 1:30pm**

at the Churchbridge Curling Rink

**1:30 - 4:00**

for Coffee and Donuts in Churchbridge Branch

**Langenburg & MacNutt Branches**

**10am - 4:00pm**

for Coffee and Donuts



# GRAD 2013



The **Churchbridge Credit Union** is proud to support education in our communities. To promote this effort we present scholarships each year to students enrolling into post secondary education. The Scholarships are awarded based on academic merit, community involvement and credit union membership.

For 2013, the scholarships were awarded as follows:

- ♦ Churchbridge Public School - Avery Cornelius
- ♦ Langenburg High School - Prairie Schappert
- ♦ Parkland Regional College - Jaylyne Kentel





# 2013 Community Investment Program

The Churchbridge Credit Union believes companies such as ours have the ability and the responsibility to step forward to support the social, cultural and economic enrichment of our communities. To maintain our commitment to our communities, Churchbridge Credit Union sets aside an annual pledge of up to 1% of pre-tax profit to non-profit organizations for substantial donations. In 2013, the Churchbridge Credit Union gave away **\$8,000** to local organizations.



\$3,500 CPS Millwright Program



\$3,500 Langenburg Arts Council



\$1,000 MacNutt Recreation Centre

# Community

We strongly believe in community involvement as an investment in our future and our community's future. This is demonstrated through sponsorships, corporate giving and volunteering. Some Examples of our support:

- ♦ Big Brothers Big Sisters
- ♦ Bredenbury Centennial
- ♦ Bredenbury Lions Calendar
- ♦ Bredenbury Quad Derby
- ♦ Calder Poker Derby
- ♦ Calder Rec Board
- ♦ Churchbridge Arena
- ♦ Churchbridge Business Association
- ♦ Churchbridge Centennial
- ♦ Churchbridge Curling Club
- ♦ Churchbridge Daycare
- ♦ Churchbridge Evergreen Centre
- ♦ Churchbridge June Daze(BBQ & Ball Drop)
- ♦ Churchbridge Lions Calendar
- ♦ Churchbridge Lion's Men's Night Out
- ♦ Churchbridge Ladies Night out
- ♦ Churchbridge Gun Club
- ♦ Churchbridge CanSkate
- ♦ Churchbridge Recreation
- ♦ Community Corner(Four Town Journal)
- ♦ CPS Yearbook
- ♦ CPS Scholarship
- ♦ CPS Grad
- ♦ CPS Track Ribbons
- ♦ CPS Football game warrior
- ♦ Daffodils for Cancer
- ♦ Family & Friends Grad Luncheon - Chbg & Lbg



- ♦ Family & Friends Grad Legacy Fund
- ♦ Fish & Game
- ♦ Harvest for Hunger
- ♦ Knights of Columbus
- ♦ Langenburg High Scholarship - Langenburg Branch
- ♦ Langenburg Lioness Calendar
- ♦ Langenburg Swimming Pool
- ♦ Langenburg School Yearbook
- ♦ Langenburg Eagle of the Month
- ♦ Langenburg Grad
- ♦ Langenburg Daycare
- ♦ Langenburg Minor Sports
- ♦ Little Poppets
- ♦ MacNutt Centennial
- ♦ MacNutt Curling Club
- ♦ MacNutt Light Horse 4-H Club
- ♦ Music for MS
- ♦ Parkland Regional College Scholarship
- ♦ Potashville Music Festival
- ♦ Quality of Life - Sunrise Care Home
- ♦ Relay for Life
- ♦ Snow-a-rama
- ♦ TeleMiracle
- ♦ United Soccer Organization
- ♦ Waldron Ladies Night Out
- ♦ Welcome Baskets
- ♦ Yorkton Chapter of the Red Hat Society

## HOCKEY:

- ♦ Langenburg Warriors
- ♦ Langenburg Pre-Novice Tournament
- ♦ MacNutt Kings Tourney



## CURLING:

- ♦ Churchbridge Ladies Bonspiel
- ♦ Churchbridge Farmers Bonspiel
- ♦ Churchbridge Seniors Bonspiel
- ♦ Langenburg Ladies Bonspiel
- ♦ Langenburg Seniors Bonspiel
- ♦ Langenburg Mixed Bonspiel
- ♦ Langenburg Men's Bonspiel
- ♦ MacNutt Mixed Bonspiel



## GOLF:

- ♦ Bredenbury Golf Open Tourney
- ♦ Bredenbury Par 3 Tourney
- ♦ Bredenbury Members Tourney
- ♦ Churchbridge Seniors Tourney
- ♦ Churchbridge Ladies Tourney
- ♦ Churchbridge Antler Acres Fun Golf Night
- ♦ Churchbridge Mens Golf
- ♦ Kaminski Tourney
- ♦ Langenburg Lions Golf



Plus Many Many More.....





## CREDIT UNION DEPOSIT GUARANTEE CORPORATION

### ANNUAL REPORT MESSAGE 2013

**January 2014**

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#### Deposits Fully Guaranteed

Credit Union Deposit Guarantee Corporation is the primary regulator for Saskatchewan credit unions. The Corporation is given its mandate through provincial legislation, *The Credit Union Act, 1998*, for the main purpose of guaranteeing the full repayment of deposits held in Saskatchewan credit unions. The Corporation has successfully guaranteed the repayment of deposits held in Saskatchewan credit unions for 60 years – since 1953. By guaranteeing deposits and promoting responsible governance, the Corporation contributes to confidence in Saskatchewan credit unions.

Keeping with the Corporation's approach of continually monitoring changes in the broader regulatory environment, the Standards of Sound Business Practice were redeveloped to further align with federal and international regulatory approaches. In addition to redeveloping the Standards in 2013, the Corporation implemented a revised capital framework and a new financial monitoring system. By monitoring risk in credit unions, the Corporation can identify potential issues early and credit unions can take corrective action.

The Corporation acknowledges that Saskatchewan credit unions have a long history of holding themselves to high standards, and have demonstrated their willingness to adopt credible, industry-based standards. This helps to ensure Saskatchewan credit unions can successfully meet the challenges of a rapidly changing financial services industry and increasing regulatory requirements.

For more information about deposit protection, the Corporation's regulatory responsibilities and its role in promoting the strength and stability of Saskatchewan credit unions, talk to a representative at the credit union or visit the Corporation's web site at [www.cudgc.sk.ca](http://www.cudgc.sk.ca).





Collins Barrow

**Report of the Independent Auditors on the Summary Financial Statements**

To the Board of Directors  
Churchbridge Credit Union

*Report on the Financial Statements*

The accompanying summary financial statements, which comprise the summary Statement of Financial Position as at December 31, 2013, the summary Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, are derived from the audited financial statements of Churchbridge Credit Union for the year ended December 31, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated March 19, 2014.

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

*Management's Responsibility for the Financial Statements*

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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

*Opinion*

In our opinion, the summary financial statements derived from the audited financial statements of Churchbridge Credit Union for the year ended December 31, 2013 are a fair summary of those financial statements, on the basis described in note 1.

**Collins Barrow PQ LLP**

Yorkton, SK  
March 19, 2014

Per: *Mandy Piro* CA

**Churchbridge Credit Union**  
Churchbridge, Saskatchewan  
Statement of Financial Position as at December 31, 2013

	2013	2012
<b>Assets</b>		
Cash and cash equivalents	5,064,049	2,266,218
Investments	18,554,174	17,900,790
Loans	85,545,369	73,835,096
Accounts receivable	1,847	4,602
Prepaid expenses	60,916	63,462
Income tax receivable		14,944
Property, plant and equipment	1,590,234	1,598,646
Intangible assets	115,353	125,349
Deferred income tax assets	<u>28,700</u>	<u>23,700</u>
<b>Total Assets</b>	<b><u>\$ 110,960,642</u></b>	<b><u>\$ 95,832,807</u></b>
<b>Liabilities</b>		
Deposits	101,811,814	87,463,280
Accounts payable	593,871	550,832
Income tax payable	21,738	
Member equity accounts	1,792,320	1,665,972
Membership shares	<u>27,180</u>	<u>26,910</u>
<b>Total Liabilities</b>	<b><u>104,246,923</u></b>	<b><u>89,706,994</u></b>
<b>Equity</b>		
Retained earnings	6,713,719	6,125,813
Accumulated other comprehensive income	<u>0</u>	<u>0</u>
	<u>6,713,719</u>	<u>6,125,813</u>
<b>Total Liabilities and Equity</b>	<b><u>\$ 110,960,642</u></b>	<b><u>\$ 95,832,807</u></b>

Approved on behalf of the board:

 Director  
 Director

**Churchbridge Credit Union**  
Income Statement  
For the year ended December 31, 2013

	2013	2012
<b>Interest Income</b>		
Loan interest	3,940,773	3,514,779
Investments	<u>322,047</u>	<u>351,366</u>
	<u>4,262,820</u>	<u>3,866,145</u>
<b>Interest Expense</b>		
Deposits	1,199,769	1,192,217
Borrowed money	2,549	5,805
Patronage allocation	<u>275,000</u>	<u>240,000</u>
	<u>1,477,318</u>	<u>1,438,022</u>
<b>Net Interest</b>	2,785,502	2,428,123
Provision for credit losses	<u>96,565</u>	<u>2,288</u>
<b>Net Interest Margin</b>	2,688,937	2,425,835
Other income	<u>803,001</u>	<u>783,927</u>
<b>Net Interest and Other Income</b>	<u>3,491,938</u>	<u>3,209,762</u>
<b>Operating Expenses</b>		
Personnel	1,508,966	1,391,185
General business	990,550	989,402
Occupancy	155,373	154,893
Security	92,331	81,903
Organizational	<u>67,411</u>	<u>58,202</u>
	<u>2,814,631</u>	<u>2,675,585</u>
<b>Net Income Before Provision for Tax</b>	677,307	534,177
Income tax expense	<u>89,401</u>	<u>69,763</u>
<b>Net Income</b>	<u>\$ 587,906</u>	<u>\$ 464,414</u>

**Churchbridge Credit Union**  
Statement of Comprehensive Income  
For the year ended December 31, 2013

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	2013	2012
Net Income	<u>\$ 587,906</u>	<u>\$ 464,414</u>
Other Comprehensive Income	<u>\$ 0</u>	<u>\$ 0</u>
Comprehensive Income	<u>\$ 587,906</u>	<u>\$ 464,414</u>



**Churchbridge Credit Union**  
Statement of Changes in Equity  
For the year ended December 31, 2013

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	2013	2012
<b>Retained Earnings</b>		
Balance, beginning of year	6,125,813	5,661,399
Add: Net income for the year	<u>587,906</u>	<u>464,414</u>
Balance, end of year	<u>\$ 6,713,719</u>	<u>\$ 6,125,813</u>
<b>Unrealized Gains/Losses - AFS Financial Assets</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Equity</b>	<u>\$ 6,713,719</u>	<u>\$ 6,125,813</u>

**Churchbridge Credit Union**  
Cash Flows Statement  
For the year ended December 31, 2013

	2013	2012
<b>Cash Provided By (Used In):</b>		
Operations		
Net income for the year	<u>587,906</u>	<u>464,414</u>
Adjustment for:		
Provision for impaired loans	96,565	2,288
Net amounts recovered/(written off)	( 16,306)	( 279)
Depreciation and amortisation	160,197	140,152
Deferred income tax provision	<u>( 5,000)</u>	<u>( 2,900)</u>
	<u>235,456</u>	<u>139,261</u>
Changes in working capital items:		
Other assets	41,983	344
Interest receivable - investments	898	9,617
Interest receivable - loans	( 35,588)	( 14,415)
Interest payable - deposits	3,665	( 36,238)
Other liabilities	<u>43,039</u>	<u>( 155,650)</u>
	<u>53,997</u>	<u>( 196,342)</u>
	<u>877,359</u>	<u>407,333</u>
Investing activities		
Investments	( 654,283)	( 3,640,718)
Loans	( 11,754,948)	( 7,432,977)
Capital assets purchases	<u>( 141,789)</u>	<u>( 52,212)</u>
	<u>( 12,551,020)</u>	<u>( 11,125,907)</u>
Financing activities		
Deposits	14,344,873	10,894,029
Share capital	<u>126,619</u>	<u>179,274</u>
	<u>14,471,492</u>	<u>11,073,303</u>
<b>Net Cash Increase for the Year</b>	2,797,831	354,729
Cash position, beginning of year	<u>2,266,218</u>	<u>1,911,489</u>
<b>Cash Position, End of Year</b>	<u>\$ 5,064,049</u>	<u>\$ 2,266,218</u>

**Churchbridge Credit Union**  
Notes to Financial Statements  
For the year ended December 31, 2013

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**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, 2013 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.

