



Churchbridge Credit Union

# ANNUAL REPORT 2022

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**CHURCHBRIDGE CREDIT UNION**  
**77<sup>th</sup> ANNUAL GENERAL MEETING**  
**MONDAY APRIL 24, 2023**

**AGENDA**

1. Call to Order
2. Adoption of Agenda
3. Reading of the Minutes from the Last Annual General Meeting held April 25, 2022
4. Business Arising from the Minutes / Adoption of the Minutes
5. Affidavit of Completion of Reports / Proof of Notice
6. President's Report
7. CEO Report / Management Discussion and Analysis
8. Auditor's Report
9. Presentation of the Financial Statements
10. Motion to Accept Reports
11. Appointment of Auditors for 2023
12. Election Report
13. Long Term Service Awards Presentation
14. Question Period
15. Door Prizes
16. 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
Kevin Popp	Langenburg	Farmer	2025
Marilyn Debnam	Churchbridge	Saskatchewan Health Authority	2024
Jennifer Marlowe	Churchbridge	Accountant	2024 (April 2021 – August 2022)
Judy Miller	Langenburg	Business Owner	2023
Wendy Lutz	Churchbridge	Retired Teacher	2023
Howard McCullough	Langenburg	Retired Town Administrator	2023



**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>	
Caitlyn Gustafson	Member Service Representative	1	Month
Ioana Abdi	Member Service Representative	4	Months
Carrie Tanchyk	Loans Assistant	5	Months
Alyssa Demchynski	Member Service Representative	8	Months
Nicole Lanski	Support Services Assistant	9.5	Months
Shawna Sawchuk	Executive Assistant	11	Months
Lori Peterson	Member Service Representative	11	Months
Kyla Evans	Accounting Coordinator	11.5	Months
Martina Crowdus	Wealth Advisor	1	Year
Atul Bhatt	Member Service Representative (January to August)	1	Year
Victoria Leier	Member Service Representative (January to May)	1	Year
Nicole Rathgeber	Member Service Representative	2	Years
Kristin Atkinson	Member Service Representative (January to April)	3	Years
Kayla Clay	Member Service Representative/Accounting Assistant	3.5	Years
Sydney Brady	Loans Assistant/Loans Officer Trainee	4.5	Years
Chelsea Rathgeber	Office Assistant	5	Years
Randi Russett	Wealth Advisor	5.5	Years
Tehra Lauer	Marketing and Training Coordinator	7	Years
Klarence Lindstrom	Wealth and Compliance Assistant	8.5	Years
Megan Schaan	Wealth and Compliance Assistant	9	Years
Kendra Patzwald	Technical Support/Project Coordinator	11.5	Years
Lois Laboucane	Loans Service Supervisor	13.5	Years
Janessa Liepert	Loans Officer	14	Years
Cheryl Kitz	Member Service Representative Supervisor	14.5	Years
Danielle Shackleton	Office Assistant	14.5	Years
Courtney Bennett	Loans Officer	15	Years
Elliana Margarit	Loans Officer II	15.5	Years
Keri Melnyk	Member Service Representative	16	Years
Deidra Schaan	Loans Assistant	16	Years
Andrew Barker	Vice President of Lending Services	20	Years
Rachele Marlowe	Member Service Representative Supervisor	21.5	Years
Ryan Tebbutt	CEO	22.5	Years
Brenda Yanke	Wealth and Compliance Manager	24.5	Years
Gaylene Putland	Member Services Manager	25.5	Years
Connie Olm	Vice President of Deposit and Support Services	28.5	Years



Churchbridge Branch



Langenburg Branch

**THE 76<sup>TH</sup> ANNUAL GENERAL MEETING OF THE CHURCHBRIDGE CREDIT UNION  
APRIL 25, 2022**

The annual general meeting was held at the Churchbridge Evergreen Club with 31 members and 1 guest signing the attendance register.

**CALL TO ORDER**

Brenda Becker, President, called the meeting to order at 7:00 PM.

**ADOPTION OF AGENDA**

1. Motion made by Elliana Margarit, seconded by Brenda Yanke to accept the agenda as presented. Carried.

**PREVIOUS ANNUAL MEETING MINUTES, NEW BUSINESS, ADOPTION OF MINUTES**

Compliance requirements for the current annual general meeting and the minutes from the last annual general meeting held April 26, 2021 were read by Shawna Sawchuk.

There was no new business arising from the minutes.

2. Motion made by Janessa Liepert, seconded by Cheryl Kitz to adopt the minutes of the April 26, 2021 Annual General Meeting as presented. Carried.

**PRESIDENT'S REPORT**

The President's report was presented by Brenda Becker. A brief overview of the Board of Directors was provided and their responsibilities to the Credit Union. Thank you's to the Board for their commitment and guidance with a shout out to the newest members of the Board – Marilyn Debnam and Jennifer Marlowe; thank you to management and staff for their dedication and commitment through these challenging times; thank you to members for continued trust and support of Churchbridge Credit Union.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis was presented by Ryan Tebbutt.

Overall it was a decent year, considering the ongoing economic uncertainties (pandemic, interest rates, etc). Highlights were provided regarding the changes from the past year:

- Asset growth (page 10) increased 5.9% over last year.
- Loan portfolio (page 11) remained strong with a growth of 9.9% increase from 2020.
- Deposit growth (page 12) remained strong with an increase of 8.7% from 2020.
- Profitability (page 13), there was lower income this year mainly due to economic uncertainties leading to an increase in delinquencies and with this, the Board decided to pause the Member Profit Sharing program for 2021 with the alternative of members receiving a payment from their retained equity accounts.
- Capital (page 14) – we are within regulatory requirements and expectations.

### **AUDITOR'S REPORT**

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

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 2021 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 are published; a full version of the financial statements are available upon request at the branches. Mandy reiterated that there were no irregularities to report.

- Page 35, Statement of Financial Position – this is a snapshot of the Credit Union's finances at specific time, being year end December 31, 2021; this document outlines the Credit Union's assets, liabilities and equity – it is noted there was an overall increase in these areas from 2020 to 2021.
- Page 36, Statement of Income and Comprehensive Income – this shows overall income throughout 2021, as Ryan mentioned, the net profit for 2021 was just over \$500,000.
- Page 38, Cash Flow Statement – this shows how cash moves through the Credit Union.
- Page 39, Notes to Financial Statements – is a summary of notes for the financial statements, more extensive notes can be found in branch with the full version of the financial statements.

### **MOTION TO ACCEPT REPORTS**

3. Motion made by Lois Laboucane, seconded by Andrew Barker to adopt all of the reports as presented. Carried.

### **APPOINTMENT OF AUDITOR**

4. Motion made by Wendy Lutz, seconded by Shelly Marlowe to appoint Baker Tilly as the auditors for the Churchbridge Credit Union for 2022. Carried.

### **ELECTION REPORT**

Jennifer Marlowe presented the Election Report on behalf of the Nomination Committee. Two positions were open for election on the Board of Directors, one in each of the Churchbridge and Langenburg Districts. Nominations were open throughout March and closed on March 28<sup>th</sup>. Brenda Becker was re-elected by acclamation for the Churchbridge District. Kevin Popp was re-elected by acclamation for the Langenburg District. Congratulations.

### **LONG TERM SERVICE AWARDS PRESENTATION**

Board:	Brenda Becker – 5 years; presented by Ryan Tebbutt
Staff:	Kendra Patzwald – 10 years; presented by Connie Olm
	Deidra Schaan – 15 years; presented by Andrew Barker
	Keri Melnyk – 15 years; presented by Brenda Yanke
	Shelly Marlowe – 20 years presented by Brenda Yanke

**QUESTION PERIOD**

Brenda Becker, President, presented an open question period; no questions were asked at this time.

**DOOR PRIZES**

Door prizes were drawn for and distributed.

**ADJOURNMENT**

Brenda Becker, President, adjourned the meeting at 7:35 PM.

Brenda Becker  
President

Shawna Sanchuk  
Secretary

**AFFIDAVIT OF COMPLETION OF REPORTS  
FOR THE ANNUAL MEETING OF CHURCHBRIDGE CREDIT UNION  
APRIL 24, 2023**

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

1. The 2022 financial statements were completed Thursday March 23, 2023; and
2. The 2022 financial statements were made available to the membership Tuesday April 4, 2023, 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 day 17<sup>th</sup> of April, 2023. )

  
\_\_\_\_\_  
RYAN TEBBUTT

D. MacLean  
A Commissioner for Oaths in and for  
the Province of Saskatchewan.  
My commission expires: July 31, 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 6, 2022, and was published in The Four-Town Journal beginning March 9, 2023.

Sworn before me )  
at the Town of Churchbridge, )  
in the Province of Saskatchewan, )  
this day 17<sup>th</sup> of April, 2023. )

  
\_\_\_\_\_  
RYAN TEBBUTT

R. MacLean  
A Commissioner for Oaths in and for  
the Province of Saskatchewan.  
My commission expires: July 31, 2025

## MESSAGE FROM THE PRESIDENT

I am very happy to report a successful year for Churchbridge Credit Union.

As we look forward to where we are going, it's often beneficial to reflect on where we have been. We have managed our way through the pandemic years and the challenges that were presented to our employees, members and communities. Although we did not come through completely unscathed, with strong leadership we were able to weather the storm.

In 2022 we were able to host an in-person annual meeting once again and return to our board room after meeting virtually and social distancing for 2 years.

Forging our path forward requires strategic leadership and board collaboration, which is something we have witnessed in abundance from our organization throughout the past year.

In 2021, our Board had to make some financially responsible decisions regarding the payout of patronage. I am happy to say we were able to declare a patronage payment based on our 2022 financial results. We continue to invest in our communities with our Community Investment Program.

Going forward, our Board will look somewhat different with the departure of some very valuable Board members. Wendy Lutz, a long-time Board member of over 20+ years, has decided to retire. One of our newest-appointed Board members, Jennifer Marlowe, moved out of the country late last year leaving a term position to be filled through the nomination process this spring. Judy Miller has also decided to step down after serving a full term of 3 years. I sincerely want to thank these dedicated Board members for their cooperation, input and commitment to the rest of the Board and our Credit Union. We will certainly miss you.

Our Board members continually enhance their knowledge so they can keep up with government regulations and monitor the Credit Union's compliance and financial strength, as well as review and set policies for the organization.

We continue to be profitable and offer many of the newest electronic services to help our members in their busy lives. We are a strong presence in our communities and surrounding areas through countless donations and volunteer hours.

We thank our members for their continual support and commitment which helps us achieve our growth and profitability.

Finally, I want to thank my fellow Board members for their cooperation, time and effort in working together on behalf of the membership.

Sincerely,



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, 2022, **Churchbridge Credit Union** had **3,109** members and **314** 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 and Bredenbury. 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

*We strive to be progressive and dedicated, ensuring our members and our communities are our top priority.*

## VALUES

*Churchbridge Credit Union believes in integrity, community involvement, innovation, teamwork, providing excellent member service, supporting our staff and the co-operative principles.*



**Churchbridge Credit Union**  
Bringing Communities Together

## **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. 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.
- **Complaint handling** which outlines the process for dealing with all complaints regarding the service, products, fees or charges of Churchbridge Credit Union.
- **Protection of Vulnerable Members** recognizes vulnerable members have a greater need for targeted financial advice, strategies and support.
- **Financial planning process** to advise members/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.
- **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 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 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 2022 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.

### **Community Focus**

**Objective: *Be a leader in our communities through investment and community support.***

**Desired State: *We are recognized for our long-term commitment to our communities through our investment, volunteerism and sponsorships.***

Investing in our communities, through volunteerism and sponsorship, are at the core of who we are as a credit union. Also, educating our communities about our Purpose and Values.

### **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:

- Ensuring we actively develop and increase our financial relationships with our members.
- Increase our visibility (across all channels) in underserved communities.
- Increase our profitable agricultural portfolio through locally originated loans.
- Continually seeking to better understand our member's needs.
- Understanding the needs of those in our communities who have not yet become members.

### **Internal Business Processes Focus**

**Objective: *Ensure efficient and relevant member focused processes.***

**Desired State: *We will choose cost-effective technology and processes that provide the greatest benefit for the Credit Union and our members.***

As our member expectations, communities and the general financial environment continue to evolve, we will take a proactive approach in determining our future.

We will accomplish this through:

- Proactively engaging like-minded credit unions in pursuing opportunities that add value for our members (current and future).
- Understand which bank customers use our services.
- Ensuring our business model is robust and flexible to evolve with the changing environment (e.g. technology, products and services, branch structure, etc.).

## **People and Culture Focus**

**Objective:** *Attract and retain member focused people (employees, management and board) that align with our culture.*

**Desired State:** *We have people that support and develop deeper financial relationships with members. Our people feel they are well supported by the Credit Union in their growth and development.*

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:

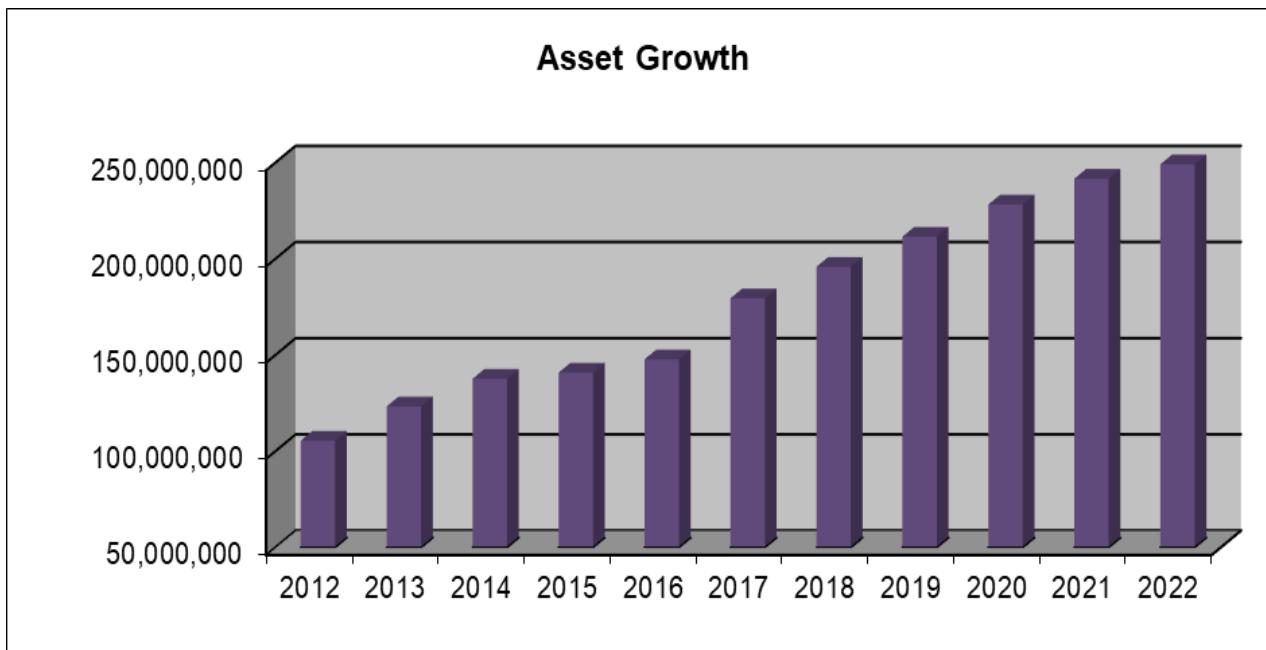
- Ensuring we maintain highly engaged people.
- Ensuring a smooth corporate knowledge transition across the organization.
- Ensure we continue to attract, train and retain qualified board members and staff.
- Understanding our people's retirement plans to ensure smooth succession.

## **FINANCIAL RESULTS**

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

### **Assets**

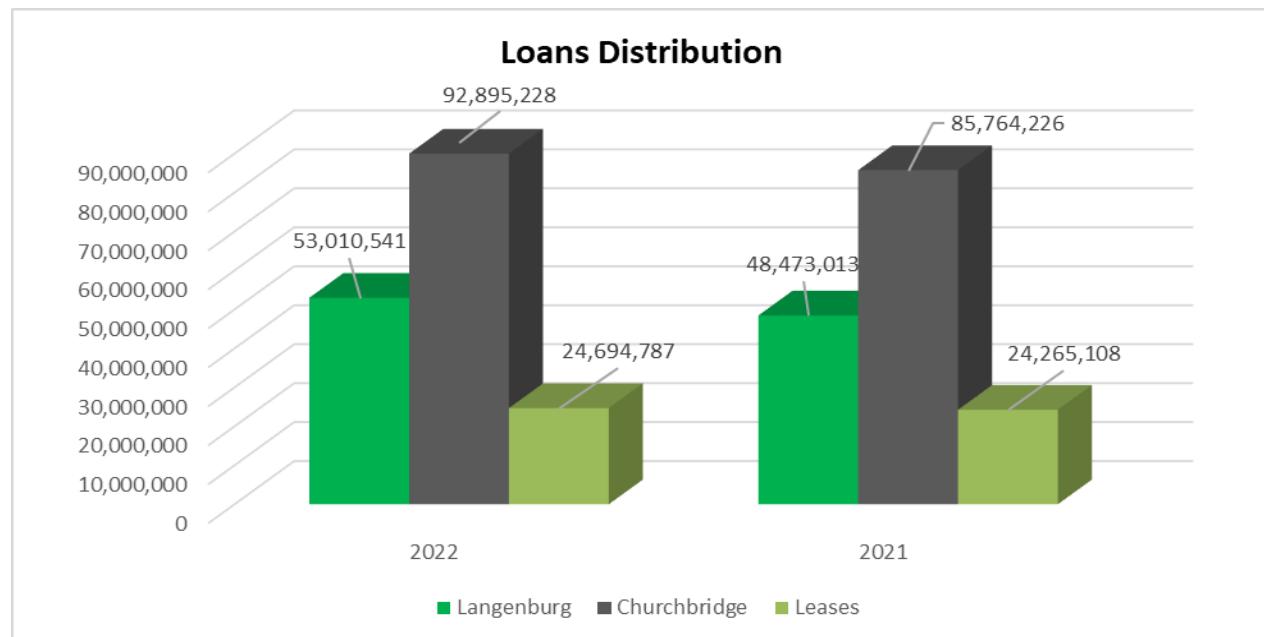
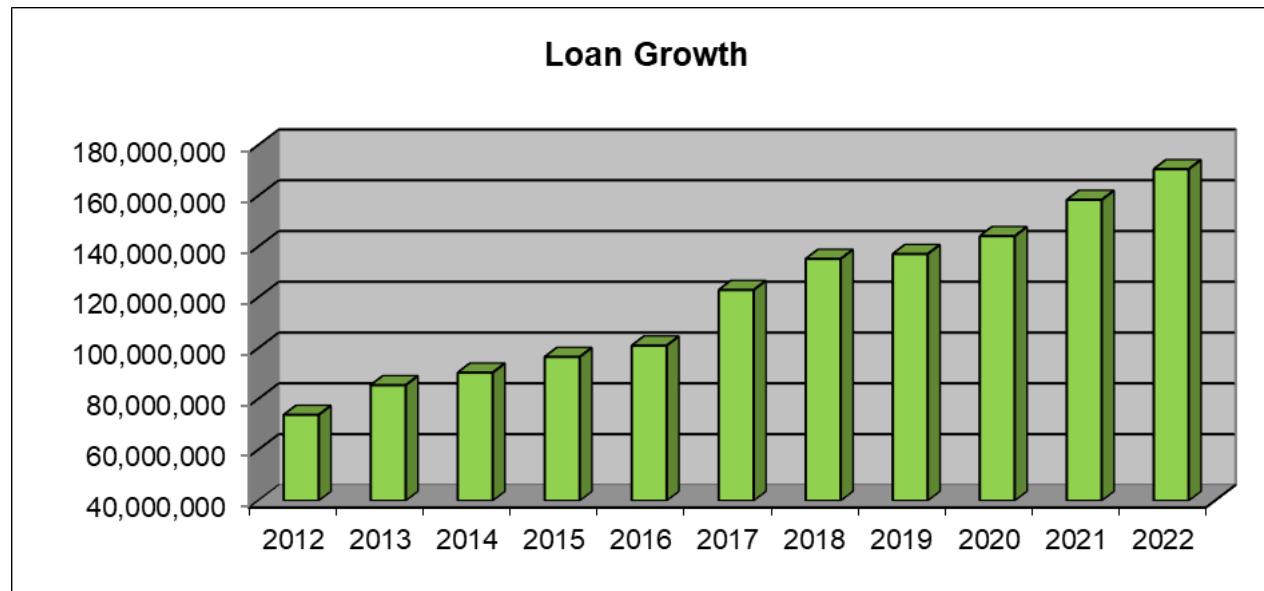
Our assets at year-end were **\$249,257,646**, which includes both our “on book” assets of **\$221,606,871** and “off book” mutual funds amount of **\$27,650,775**. This is an increase of **\$7,456,150** or **3.1%** over 2021. Even with operations through a pandemic over the past few years, we continue to see decent growth. Both loan and deposit growth were strong throughout 2022.



## Member Loans

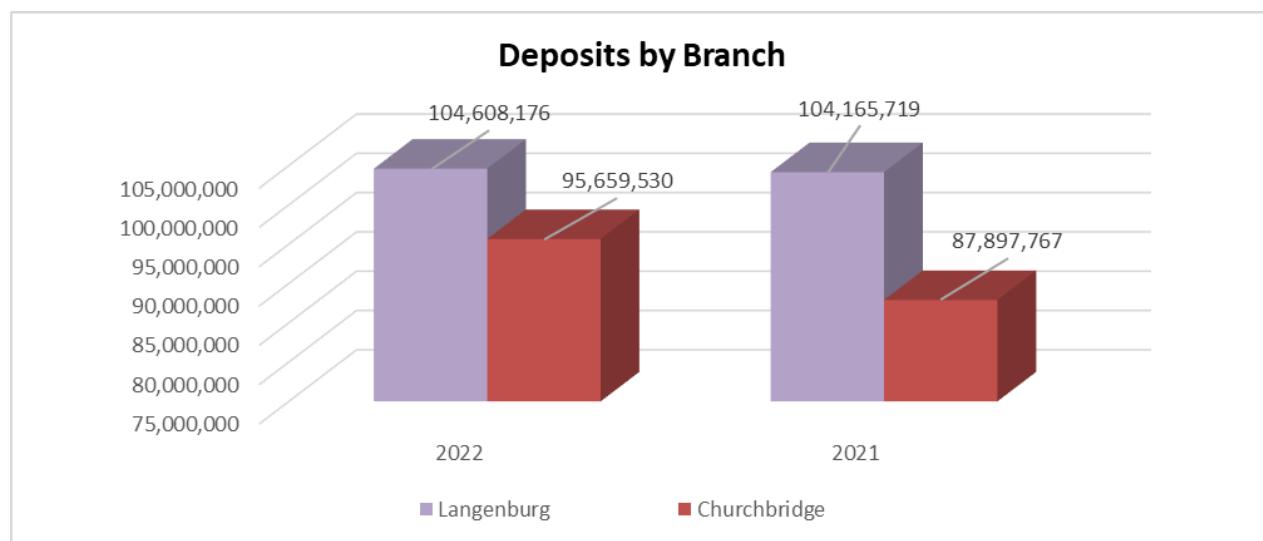
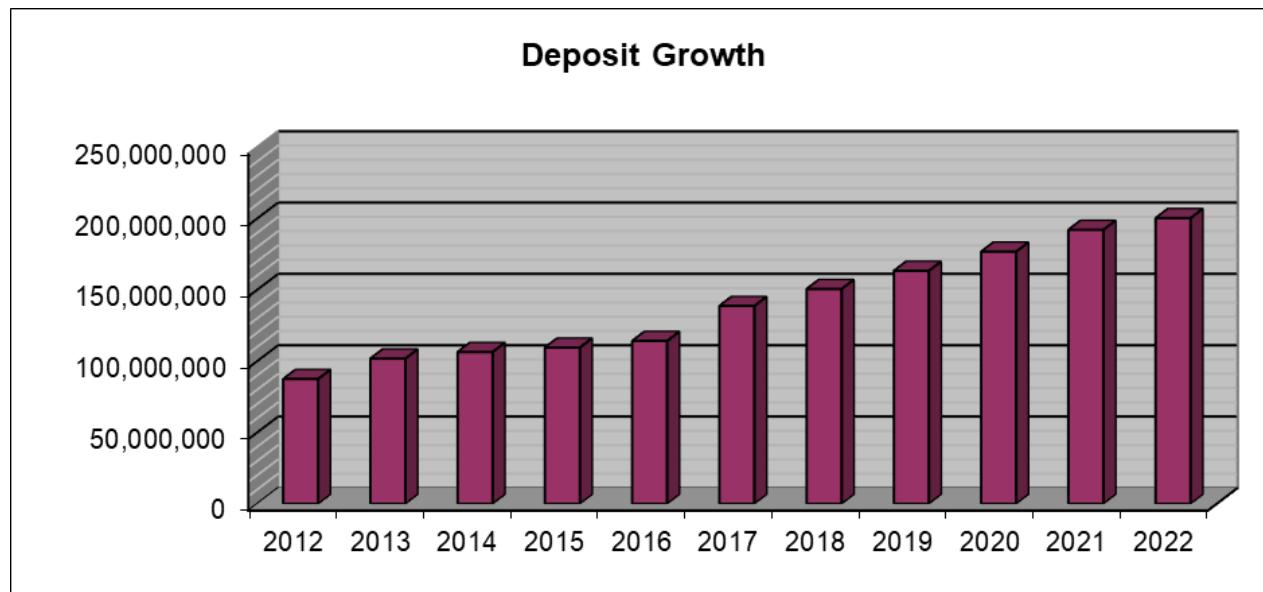
Our member loans, which form most of our assets, at year-end were at **\$170,600,556**, which is up from **\$158,502,347** or **7.6%** from 2021. Our overall delinquency at year-end was at **0.55%**, which is a decrease of **1.38%** from 2021. Our over 90-day delinquency was at **0.33%**, which is a decrease of **1.45%** from last year's total of **1.78%**. In 2022, we approved, renewed, extended or amended **823** loans, which is up **77** from the previous year. In dollars, this amounted to **\$84,940,028** in loans, which is up **\$12,327,108** or **17%** from 2021.

In terms of approved loans only, in 2021 approved loans totaled **\$37,657,627** and in 2022 the approved loans totaled **\$47,232,913**. This was an increase of **25.4%**.



## Deposit Growth

As of year-end, member deposits totaled **\$200,267,706**, which is an increase of **\$8,204,215** or **4.27%** in 2022. Almost all deposit product lines experienced growth throughout 2022.



Our “off book” Mutual Fund Portfolio declined in 2022. The key reason has been market volatility brought on by economic uncertainties. As in any other year, what is happening in our member’s lives also bring on changes to this portfolio. Some funds may flow out for personal usage, some may move back to on-book assets and occasionally we see funds flow to an external advisor. The portfolio showed a decrease of **\$4,565,810** or **13.3%** from 2021, ending the year with a balance of **\$27,650,775**.

## **Profitability**

Our income prior to our **Member Profit Sharing Dividend** and **Retained Earnings** allocations was **\$4,210,488** and was distributed as follows:

Member Profit Sharing Dividend	\$ 385,000
Retained Earnings	<b>\$3,825,488</b>

Our 2022 profitability was up **\$3,709,759** from the prior year. This was a drastic change from 2021 due to a few of reasons. In 2021, we had files which we had to make a hard decision to set allowances on. In turn, the Board of Directors had to make the difficult, yet financial prudent decision to not declare a patronage payment in 2021. In 2022, the high inflation led the government to increase rates to reduce inflation. Prime increased by 4% over the course of 2022. This led to an increase to interest revenue and interest expenses. The expense side increased faster as many members have been investing in short-term products, so they were able to take advantage of deposit rates not seen in many years. The repricing to market loan rates will take a bit longer. Products tied to variable rates were affected immediately. Products locked into fixed rate products, upon their maturities or new products, will reprice at the current market. We expect to see our margins tighten up from past years until the loan side reprices to market as much of the deposit side is already at market prices. Our **provision for expected loan losses** also reduced significantly by **\$1,235,921** in 2022.

The other piece to our significant change in income is due to the sale of an asset by SaskCentral. As you may be aware, all Saskatchewan credit unions are owners of SaskCentral. SaskCentral can declare patronage or dividends to their owners if they've met their regulatory and policy requirements. SaskCentral was a key owner of Concentra Financial. Concentra Financial entered into a sale agreement with Equitable Bank. SaskCentral passed through much of the profit of Concentra to the Saskatchewan credit unions. The sale price was finalized in 2022, but all credit unions did not receive the proceeds until early 2023. A one-time accounts receivable was set up before year-end, so this income was recognized in the correct year of the sale. Without these sale proceeds, Churchbridge Credit Union would still have had a very comparable, and profitable, year to other years, 2021 excluded.

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 2022 we will be paying out **9.1%** 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 2022, giving us a total of **\$6.52 million** paid out in the last **23** years. Thanks to you, "**Our Members**". It is because of your continued outstanding support that we are able to 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 2022, Churchbridge Credit Union's capital grew by **\$3,825,488** from operations and reduced by **\$283,731** from the prior year Board of Directors approved payment from member equity accounts.

In 2022, even without the Concentra sale proceeds our key ratios improved. Churchbridge Credit Union continues to exceed the statutory requirements in all three areas. Our **Leverage Ratio** increased from **8.04%** to **9.14%**. Our **Tier 1 Capital to Risk Weighted Assets** increased from **12.40%** to **14.46%**. Our **Total Eligible (Tier 1 and Tier 2) Capital to Risk Weighted Assets** increased from **15.47%** to **17.0%**. Through analysis of our **Internal Capital Adequacy Assessment Process (ICAAP)**, we have calculated our optimal capital target level to be **14.63%**. This process is reviewed quarterly to ensure we understand and strive to remain at or above our optimal capital level. We will also have a third party conduct a full review of ICAAP in 2023.

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 so that we can achieve this strategy.

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. Our Capital Plan will also go through a third party review in 2023.

## **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, 2022, 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, 2022, the ratio was **142.55%** compared to 2021 at **104.59%**. The Credit Union's target range is **50%** to **200%** for this measure.

CUDGC has also issued **Liquidity Standards** which came into effect on January 1, 2017. The standards provide a framework, which allows the Corporation 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 than 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 the CUDGC.

The Credit Union completed an assessment of the **LCR** on December 31, 2022 and our ratio was **671.0%**. This ratio continues to exceed the regulatory minimum standard of **100%**.

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, 2022, our loans were **76.56%** 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 exceed the **82%** mark, we would then implement mitigation strategies as documented in our liquidity plan to reduce the ratio to an acceptable level. Our liquidity plan is also set to have a full review done by a third party in 2023.

## **KEY PERFORMANCE INDICATORS**

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

<b>Result Areas</b>	<b>Target/Goal</b>	<b>Actual</b>
Deposit and Mutual Fund Growth	3 – 6%	2.51%
Organic Loan Growth and Leases	3 – 7%	8.6%
Loan Delinquency (>90 days)	0.25 – 1%	0.33%
Leverage Ratio	8.0 – 8.5%	9.14%
Total Eligible Capital/Risk Weighted Assets	15 – 17%	17.0%
Non-Interest Revenue	0.45 – 0.55%	0.46%
Non-Interest Expense	1.9 – 2.1%	1.86%
Profit (prior to taxes and patronage)	0.7 – 0.85%	2.04%
Efficiency Ratio	60 – 70%	47.45%

Just a note: many of the measures were positively impacted by the Concentra sale proceeds which resulted in much stronger results.

## **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 are reported to the Audit and Risk Committee. Through this process, the following risks were 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.

### **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 Corporation (CUDGC)** guidelines, Churchbridge Credit Union is required to provide additional credit disclosures regarding its residential mortgage portfolio.

A few 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 Insurance 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 **\$170,600,556** loan portfolio was comprised of **24.9% of uninsured** conventional residential mortgages and **15.0% of CMHC insured** residential mortgages and **0.01% in HELOC's**. In line with the **Residential Mortgage Underwriting Guidelines**, the Credit Union will continue 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 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 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 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***

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.

➤ ***Nominations Committee***

Oversees the nomination and election processes for elections of Credit Union directors.

➤ ***Conduct Review Committee***

The purpose of the Conduct Review Committee (the 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.

### **Compensation and Attendance**

The Board of Directors annually reviews directors' compensation and makes recommendations to ensure it remains competitive with other provincial credit unions. In 2022, we had budgeted \$13,998 and the actual remuneration was \$17,075. We also budgeted \$887 for mileage and our actual expense was \$1,673.

The Board holds monthly board meetings plus an annual strategic planning session and budget meeting each year. In addition to the above, the directors would also attend special board meetings, the annual general meeting and committee meetings.

In 2022, the Board of Directors held eleven regular board meetings. Average attendance at the regular board meetings was 84%.

### **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 2022, we budgeted \$16,875 for director training and development and our actual expenses were \$5,122.

### **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)**

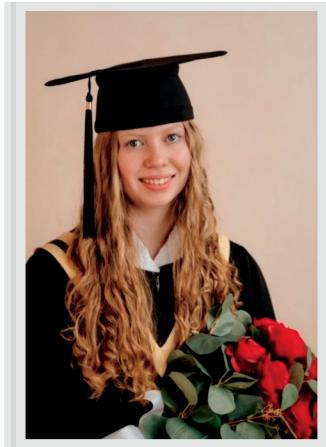
Churchbridge Credit Union places a high awareness on our social responsibility and the well-being of our communities. We believe that we have the ability and the responsibility to step forward to support the social, cultural and economic enrichment of our communities. We continue to support events in 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 2022 profitability, we have set aside **\$27,235**, which will be donated to worthwhile organizations within our communities. Since inception of the **Community Investment Program**, we have donated **\$376,700** towards worthwhile causes within the communities we serve.

Additionally, in 2022 our staff provided **1,167** volunteer hours within the communities we serve.

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

In 2022, \$500 High School scholarships were awarded to the following recipients:



**Amanda Waldherr**

Langenburg Central School    Churchbridge Public School



**Taiya Sauser**

Our \$1,000 Post-Secondary Scholarship was awarded to:



**Cody Varga**

Simon Fraser University

Scholarships  
2022





Donations collected for  
Shooting Star Preschool

**\$1395**



Donations collected for  
LCS Breakfast Program

**\$1458**

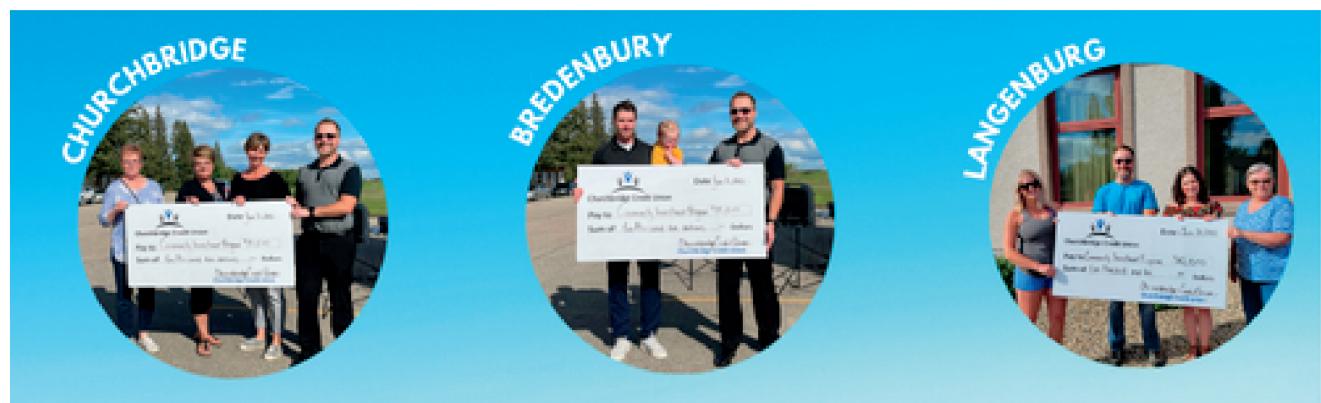


*Community  
Appreciation Days*



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 1.5% of pre-tax profit to non-profit organizations for substantial donations.

In 2022, Churchbridge Credit Union invested \$10,010 into our communities through local organizations. To date, we have invested over \$331,000 through this program.



\$2,500 to Langenburg Skating Arena for plant upgrades

\$2,000 to Churchbridge Sports Park for fence repairs

\$1,500 to Langenburg & District Curling Club for washroom upgrades

\$1,160 to Churchbridge Aquatic Centre for new deck chairs and a Square Terminal

\$1,000 to Bredenbury Community Fitness Centre for equipment upgrades

\$1,000 to Churchbridge Curling Club for a new refrigerator

\$500 to Bredenbury Walking Trails for signage for their new trails

\$350 to Little Poppets Nursery School for bookshelves

*Community Investment Program  
2022*





**FOX FM**



The **HEALTH FOUNDATION**  
OF EAST CENTRAL SASKATCHEWAN INC.

AIRWAVES FOR HEALTH 2021

**WE DONATED  
\$5,000**

**to the Airwaves for  
Health Telethon**

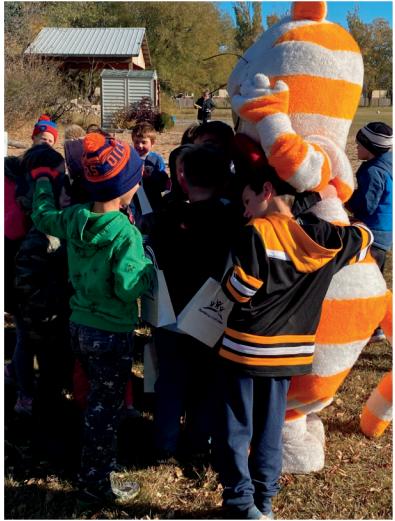


**\$10,000 donation to the  
Esterhazy Warriors Football  
Program and field upgrade.**



*Community Investment Program*  
**2022**





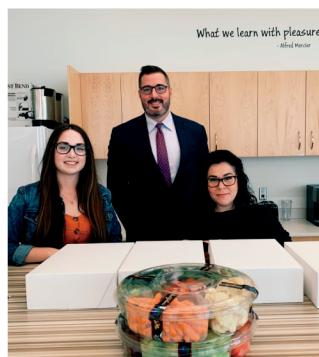
# Sponsorships & Community Events





# Sponsorships & Community Events





# Giving Back





# Giving Back



**Our staff pay \$1 every Friday to "dress down," and donate to causes near and dear to them. In 2022, our staff donated over \$1800 to local groups and organizations.**



**Staff Casual Day  
Donations**



# MEMBER PROFIT SHARING

## Program



The board of directors have approved **\$385,000** to be returned to our members, which is percentage of our 2022 profits:

*6.5% on Loans*

*9% on Deposits*

*15% on Service Charges*

Since the program's inception, we have paid over \$6.7 million in profit sharing with our members.

Please watch for future announcements for our Member Profit Sharing days this fall.



Churchbridge Credit Union



## CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2022

**January 2023**

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Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions. The Corporation is also the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Together, these entities are considered Provincially Regulated Financial Institutions or "PRFIs". The Corporation is mandated through provincial legislation, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016* in performing its duties. Provincial legislation also assigns responsibility for oversight of the Corporation to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan.

The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By promoting responsible governance and prudent management of capital, liquidity and guaranteeing deposits, the Corporation contributes to 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](http://www.cudgc.sk.ca).



## **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, 2022, the summary Statements of Income and Other 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, 2022.

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 March 23, 2023.

### *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**

*Baker Tilly SK LLP*

Yorkton, SK  
March 23, 2023

**Churchbridge Credit Union**  
 Churchbridge, Saskatchewan  
 Statement of Financial Position as at December 31, 2022

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	3,149,554	3,592,660
Investments	43,464,017	45,595,711
Loans	170,600,556	158,502,348
Accounts receivable	2,729,733	
Prepaid expenses	66,740	40,289
Income tax receivable		220,110
Property, plant and equipment	1,495,860	1,488,337
Intangible assets	47,511	23,654
Deferred income tax assets	52,900	121,800
<b>Total Assets</b>	<b>\$ 221,606,871</b>	<b>\$ 209,584,909</b>
<b>Liabilities</b>		
Deposits	200,267,706	192,063,487
Accounts payable	776,070	645,432
Income tax payable	144,598	
Member equity accounts	2,802,050	3,085,781
Membership shares	29,920	29,170
<b>Total Liabilities</b>	<b>204,020,344</b>	<b>195,823,870</b>
<b>Equity</b>		
Retained earnings	17,586,527	13,761,039
Accumulated other comprehensive income		13,761,039
<b>Total Liabilities and Equity</b>	<b>\$ 221,606,871</b>	<b>\$ 209,584,909</b>

Approved on behalf of the board:

Bruce Becker Director  
Wendy Lusk Director

**Churchbridge Credit Union**  
 Statement of Income and Comprehensive Income  
 For the year ended December 31, 2022

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	2022	2021
<b>Interest Income</b>		
Loan interest	6,306,353	5,574,863
Investments	<u>792,410</u>	<u>343,906</u>
	<u><u>7,098,763</u></u>	<u><u>5,918,769</u></u>
<b>Interest Expense</b>		
Deposits	2,224,152	1,490,323
Borrowed money	4,168	1,215
Patronage allocation	<u>385,000</u>	<u>1,491,538</u>
	<u><u>2,613,320</u></u>	<u><u>1,491,538</u></u>
<b>Net Interest</b>	<u><u>4,485,443</u></u>	<u><u>4,427,231</u></u>
Provision for expected credit losses - loans	( 2,511)	1,269,529
Provision for expected credit losses - foreclosed assets	<u>36,119</u>	<u>1,269,529</u>
	<u><u>33,608</u></u>	<u><u>1,269,529</u></u>
<b>Net Interest Margin</b>	4,451,835	3,157,702
Net income from other investments at FVTPL - designated	78,177	107,369
Net income from other investments at FVTPL - mandatory	2,722,501	46,921
Other income	<u>1,008,748</u>	<u>1,016,736</u>
	<u><u>8,261,261</u></u>	<u><u>4,328,728</u></u>
<b>Operating Expenses</b>		
Personnel	2,438,469	2,049,428
General business	1,155,233	1,189,328
Occupancy	218,118	204,140
Security	183,554	172,010
Organizational	<u>36,236</u>	<u>46,467</u>
	<u><u>4,031,610</u></u>	<u><u>3,661,373</u></u>
<b>Net Income Before Provision for Tax</b>	4,229,651	667,355
Income tax expense	<u>404,163</u>	<u>166,626</u>
<b>Net Income</b>	3,825,488	500,729
Other comprehensive income	<u>0</u>	<u>0</u>
<b>Comprehensive Income</b>	<u><u>\$ 3,825,488</u></u>	<u><u>\$ 500,729</u></u>

**Churchbridge Credit Union**  
Statement of Changes in Equity  
For the year ended December 31, 2022

	<b>2022</b>	<b>2021</b>
<b>Retained Earnings</b>		
Balance, beginning of year	13,761,039	13,260,310
Add: Net income for the year	<u>3,825,488</u>	<u>500,729</u>
Balance, end of year	<u>\$ 17,586,527</u>	<u>\$ 13,761,039</u>

**Churchbridge Credit Union**  
 Cash Flow Statement  
 For the year ended December 31, 2022

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	2022	2021
<b>Cash Provided By (Used In):</b>		
Operations		
Net income for the year	<u>3,825,488</u>	<u>500,729</u>
Adjustment for:		
Provision for impaired loans	33,608	1,269,529
Net amounts recovered (written-off)	( 1,476,138)	( 161,372)
Depreciation and amortisation	123,128	108,742
Deferred income tax provision	68,900	( 17,800)
	<u>( 1,250,502)</u>	<u>1,199,099</u>
Changes in working capital items:		
Other assets	( 2,536,074)	22,256
Interest receivable - investments	( 72,765)	1,637
Interest receivable - loans	( 256,180)	( 17,504)
Interest payable - deposits	247,083	( 41,342)
Other liabilities	<u>275,236</u>	( 704,485)
	<u>( 2,342,700)</u>	<u>( 739,438)</u>
	232,286	960,390
Loans	( 10,399,497)	( 15,383,650)
Deposits	<u>7,957,134</u>	<u>15,357,836</u>
	<u>(2,210,077)</u>	<u>934,576</u>
Investing activities		
Investments	2,204,459	187,774
Capital assets purchases	( 116,469)	( 43,816)
Intangible assets purchases	( 38,038)	( 26,330)
	<u>2,049,952</u>	<u>117,628</u>
Financing activities		
Share capital	( 282,981)	234,327
<b>Net Cash Increase (Decrease) for the Year</b>	<b>( 443,106)</b>	<b>1,286,531</b>
Cash position, beginning of year	<u>3,592,660</u>	<u>2,306,129</u>
<b>Cash Position, End of Year</b>	<b>\$ 3,149,554</b>	<b>\$ 3,592,660</b>

**Churchbridge Credit Union**  
Notes to Financial Statements  
For the year ended December 31, 2022

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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, 2022 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.

<b>Saskatchewan Credit Union Assets (largest to smallest in assets)</b>					
<b>Rank</b>	<b>Credit Union</b>	<b>Head Office</b>	<b>Assets</b>	<b>Members and Non-members</b>	<b>Locations</b>
1	Affinity	Saskatoon	\$ 7,223,310,621	141,668	56
2	Conexus	Regina	\$ 6,759,272,242	169,194	30
3	Innovation	N. Battleford	\$ 3,298,970,257	62,231	25
4	Cornerstone	Yorkton	\$ 1,905,187,715	37,440	15
5	Synergy	Lloydminster	\$ 1,706,158,975	28,785	11
6	Prairie Centre	Rosetown	\$ 1,183,671,410	18,447	16
7	TCU Financial Group	Saskatoon	\$ 736,603,000	14,667	5
8	Weyburn	Weyburn	\$ 689,473,500	9,237	3
9	Diamond North	Nipawin	\$ 637,787,206	15,732	8
10	Radius	Ogema	\$ 517,969,826	5,214	7
11	Crossroads	Canora	\$ 338,858,799	6,820	4
12	Unity	Unity	\$ 331,637,696	4,394	1
13	Accent	Quill Lake	\$ 288,216,195	4,467	3
14	Biggar & District	Biggar	\$ 274,012,613	4,197	3
15	Cypress	Maple Creek	\$ 255,634,127	4,566	6
16	Churchbridge	Churchbridge	\$ 221,740,208	3,423	2
17	St. Gregor	St. Gregor	\$ 213,587,846	2,521	2
18	Raymore	Raymore	\$ 199,587,147	3,113	2
19	Foam Lake	Foam Lake	\$ 182,083,589	3,117	1
20	Luseland	Luseland	\$ 164,601,079	1,763	1
21	Dodsland	Dodsland	\$ 152,244,458	1,533	1
22	Stoughton	Stoughton	\$ 136,570,049	1,789	2
23	New Community	Saskatoon	\$ 133,144,095	2,071	1
24	Prairie Pride	Alameda	\$ 130,470,820	2,817	3
25	Bruno	Bruno	\$ 109,853,579	1,575	2
26	Turtleford	Turtleford	\$ 105,793,187	2,061	1
27	North Valley	Esterhazy	\$ 105,718,477	1,557	1
28	Lafleche	Lafleche	\$ 101,949,282	1,756	2
29	Sandhills	Leader	\$ 96,151,373	1,891	1
30	Bengough	Bengough	\$ 91,521,639	1,392	3
31	Saskatoon City Employees	Saskatoon	\$ 78,262,681	2,170	1
32	Edam	Edam	\$ 70,905,144	1,128	1
33	Kerrobert	Kerrobert	\$ 66,006,508	1,231	2
34	Rockglen-Killdeer	Rockglen	\$ 46,878,760	1,182	1
35	Earl Grey	Earl Grey	\$ 40,852,180	778	1

## Quick Facts

**(as of December 31, 2022, unless otherwise indicated)**

- Today there are 33 credit unions in Saskatchewan serving 197 communities through 224 service outlets.
- Credit unions offer financial products and services to more than 490,000 members.
- Saskatchewan credit union assets reached over \$27.4 billion with revenue of over \$1.03 billion.
- Credit union lending amounts were over \$20 billion.
- There are 332 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 credit unions range in asset size from \$39.8 million to more than \$6.8 billion.
- In 2021, Saskatchewan credit unions returned over \$7.7 million to their members in the form of patronage equity contribution and dividends.
- Credit unions are a major contributor to Saskatchewan's economy, employing over 3,300 people.
- Funds held on deposit in Saskatchewan 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**.