



# 2020 ANNUAL Report

*Biggar & District*  
— Credit Union —  
*building better communities*



Saskatchewan  
Credit Unions

[saskcu.com](http://saskcu.com)

**BIGGAR & DISTRICT CREDIT UNION**  
**ANNUAL MEETING March 17, 2021**  
*Serving Biggar and area since 1949*

**AGENDA**

1. Call to Order
2. Appoint Secretary
3. Adopt Agenda
4. Minutes of the Meeting held March 18, 2020
5. Affidavit of Completion of Reports / Proof of Notice
6. President's Message
7. Directors' Reports
8. Management Discussion and Analysis
9. Auditor's Report
10. Financial Statements
11. Question Period
12. Adoption of Reports
13. Appointment of Auditors for 2021
14. Employee Service Awards
15. New Business
16. Door Prizes
17. Adjournment

## **VISION**

Working together to build a prosperous community and to provide the best full financial service.

## **MISSION**

We provide innovative, high quality financial products and services designed to meet the needs of our members and our community.

## VALUES

To maintain continuity with the system direction, the board and management of Biggar & District Credit Union 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 practices.

### **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.

## DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expiry</u>
Bob Atkinson	Director	2021
Stacie Beadle	Director	2021
Matthew Craig	Director	2023
Anthony Danskin	Director	2022
Wayne Dollansky	1 <sup>st</sup> Vice President	2021
Sandi Gray	Director	2023
Sheila Itterman	2 <sup>nd</sup> Vice President	2022
Michele Keith	Director	2022
Jim Rickwood	President	2022

### 2020-2021 BOARD OF DIRECTORS



Bob Atkinson



Stacie Beadle



Anthony Danskin



Matthew Craig



Wayne Dollansky



Bernadette Garrett



Sandi Gray



Sheila Itterman



Michele Keith



Jim Rickwood

## OUR STAFF

### MEMBER SERVICES



Cherry Dalisay



Shelly Eaton



Kathy Ferguson



Terry Fyson



Carla Genis



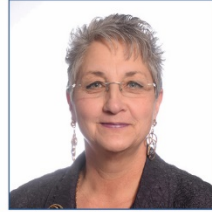
Tracy Goring



Dolores Kobelsky



Jade Kushner



Lorraine Metz



Cherie Lilley



Fabiola Neufeldt



Karla O'Brian



Deb Penley



Karen Silvernagle



Lorie Trinidad

### LENDING SERVICES



Lorie Angelopoulos



Jill Barber



Ian Hawkins



Alexandra Johnson



Peggy Lake



Jocelyn Poletz



Jenna Scott

### WEALTH MANAGEMENT



Ashley Booker



Pam Eaton



Dean McCallum



Lyndsey Poole



Cheri Steeg



## ADMINISTRATION



Marissa Cempron



Shantelle Downton



Carlene Genis



Cathy Hicks



Diane Larouche Ellard



Bryce Kramer



Brock Silvernagle



Bill Hammel  
CEO/GENERAL MANAGER

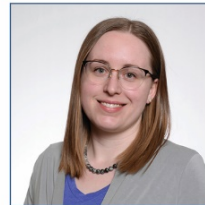
## INSURANCE SERVICES



Janice Christensen



Leisha Desrosiers



Chelsea Edwards



Breanne Harrabek



Lisa Haynes



Raelynn Hooper



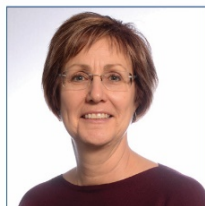
Casey Langton



Stephanie Nichol



Michelle Rea



Anita Silvernagle  
Manager



Chandra Archdekin  
Hail Insurance Broker

# **MINUTES OF THE BIGGAR AND DISTRICT CREDIT UNION ANNUAL GENERAL MEETING HELD AT THE BIGGAR AND DISTRICT CREDIT UNION MARCH 18, 2020**

President Jim Rickwood declared that 19 members were in attendance and called the meeting to order at 7:00 pm.

Adam Johb volunteered to be the secretary for the evening.

Jim Rickwood thanked everyone for tuning in online, and mentioned that the AGM booklets were available at all three branches for members who would like to see one, and those who are watching online. He also noted that questions could be directed to staff, board or management at any time.

Bob Atkinson made a motion to adopt the agenda as presented. Ron Crozier seconded. Carried.

Adam Johb read the minutes of the 2019 Information Meeting.

Karen Silvernagle moved that the minutes be accepted as presented, Stacie Beadle Seconded, Carried.

Jim Rickwood reviewed the Affidavit of Completion of Reports and the Proof of Notice.

Jim Rickwood read the President's Message and introduced the Board of Directors.

The following reports were presented:

People – Dale Martin

Money – Bryce Kramer

Development – Sheila Itterman

Jim Rickwood talked about the Pandemic Plan that is in place and in effect by the credit union as it relates to COVID-19.

Stacie Beadle presented the results of the directors' election. She explained that there were three vacancies, and a total of 439 votes. Three were spoiled, leaving a total of 436 votes. There were 286 votes in the Biggar branch, 57 in the Perdue branch and 93 in Landis. The three candidates voted in were Sandi Gray, Bernadette Garrett and Matt Craig.

Motion to destroy the ballots was made by Dale Martin. Seconded by Sheila Itterman, Carried.

Bill Hammel presented the Management Discussion & Analysis. Bill highlighted the challenging times ahead due to the COVID-19 pandemic. He also touched on market code, cooperative principals, and our strategy. He discussed that there were some issues that came about because of the merger with Landis Credit Union. However, it went smoothly overall. He thanked the staff for their hard work and dedication in the past year especially in regards to the merger.

Bill discussed that we have changed our working relationship with Unity Credit Union and now will work together on a project-by-project basis.

Bill also highlighted that our pandemic plan has been enacted as outlined in our Business Continuity Plan. He made it clear we are in uncharted waters and that we are staying updated and acting according to government recommendations. We are also taking preventative measures to ensure the safety of our staff, members and community. We are staying educated on how to handle this situation appropriately and using self-quarantines, work



from home and social distancing. Bill stressed that we have a plan and our objective is to continue to provide service to the members.

Dean McCallum gave an update on the markets. He noted that the markets are changing rapidly, as evidenced by 2019 being an exceptional year and the first quarter of 2020 showing a dramatic turn downwards so far. COVID-19 and a price war causing drop in oil prices are two major factors that are resulting in the volatility of the markets. He mentioned that history shows these events to happen from time to time, however not often in this severity. However, over the course of time markets tend to rebound.

Anita Silvernagle gave the Insurance Agency Report. She noted 2019 was a good year but early 2020 has some concerns due to COVID-19. She noted how business may change and how severe weather events are a concern for the insurance industry. Technology is changing to meet their clients' needs and requests, but this leaves open the possibility of cyber-attack, extortion and/or data breaches. She mentioned that Cyber Coverage could help with this and urged clients to inquire with their office. She thanked her staff and clients for a good year.

Bryce Kramer gave the Audit Report and recapped the financial statements. He mentioned that a full copy is available at any branches. He talked about the management's responsibility in the statement, and the auditor's responsibility. He read the auditor's statement.

There was a comment from Ron Crozier that he was disappointed that Choice Rewards were not on the debit card and that the debit card has a dollar limit per transaction. Bill Hammel replied with the difference between the debit card and Global Payment Card (GPC) and explained that the GPC card was part of a company called CUETS who dropped doing business with all credit unions, not just us.

Ron Crozier asked about MBNA, and what that is. Bill replied that MBNA is a company owned by TD Bank, and MBNA took over the old CUETS name and dropped credit unions.

Ron Crozier asked about loans to staff members and if staff got preferred rates on loans. Bill replied that staff members receive the same rates as other members with no preferential rates.

Ron Crozier asked about aggregate limit on how much we can lend to each member; Bill replied approx. \$4.4 million Motion to adopt reports by Ron Crozier, second by Bernadette Garrett, Carried.

Dale Martin thanked Virtus Group for their work and made a motion for Virtus Group to be our auditors for 2020. Second by Karen Silvernagle. Carried.

Jim Rickwood introduced the full board of directors.

Bill Hammel presented long-term service awards to the following staff:

5 years – Ashley Booker and Casey Langton

40 years – Kathy Ferguson

Jim Rickwood asked if there was any new business. There was none.

No Door prizes were handed out.

Ron Crozier made a comment applauding the annual Wine & Cheese Event.

Ron Crozier then adjourned the meeting at 8:21 pm.

**AFFIDAVIT OF COMPLETION OF REPORTS  
FOR THE ANNUAL MEETING OF BIGGAR & DISTRICT CREDIT UNION  
MARCH 17<sup>TH</sup>, 2021**

I, Bill Hammel, General Manager of Biggar & District Credit Union make oath and say:

1. The 2020 financial statements were completed  
Monday, February 22, 2021 and
2. The 2020 financial statements were made available  
to the membership Wednesday, February 24, 2021 which is at  
least 10 days prior to the annual meeting.

Sworn before me at the town of )  
Biggar, in the Province of )  
Saskatchewan, this 3<sup>rd</sup> day of )  
March, 2021 )



Bill Hammel



A Notary Public in and  
for the Province of Saskatchewan  
My commission expires  
June 30, 2025

## PROOF OF NOTICE

I, Bill Hammel of the town of Biggar in the Province of Saskatchewan, Treasurer of the Biggar & District 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. Notice was posted in the credit union on February 11, 2021 and published in the Independent.

Sworn before me at the town of Biggar  
in the Province of Saskatchewan  
this 3<sup>rd</sup> day of March, 2021

)  
)  
)



Bill Hammel



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A Notary Public in  
and for the Province of Saskatchewan  
My commission Expires June 30, 2025

## PRESIDENT'S MESSAGE

Much can be said for the ability to adapt and become quick followers in technology, industry programs, and standards of operation. Keeping our organization's skills honed requires the skillset to make the new path easily navigated with the successful delivery of services and products that our membership seeks. This remains a cornerstone for the Biggar and District Credit Union. Members have entrusted our organization to strive for premium service and product delivery and I believe we have not failed in that quest throughout the journey since 1949. Our focus is always on the best interests of our membership and the towns, municipalities and areas we serve.

At the start of 2020 the global COVID-19 pandemic forced us to cancel public events and turn toward technology to deliver our annual meeting. The staff exceeded our expectations of being quick followers in the financial services industry and developed a strategy to present our message to our members within a few short days. Little did we know that this was the first of many challenges to come during a year where the leadership and focus of the staff once again displayed the high standard of service we are known for, and that defines us.

Organizational evolution never stops. It certainly never slowed down in 2020. Technology plays a major role in the financial industry and the board believes that we are on the right track to meet the needs of our members. We remain relevant while maintaining our independent brand, a high standard of service and a focus on building better communities. We are proud to have recently added an accounting agency to the services we have to offer. We look forward to its place in Biggar's future.

The board recognizes and are unmeasurably appreciative of the dedication of the entire team in making Biggar and District Credit Union, Biggar and Landis Insurance Agency and Biggar Accounting Agency a huge success. Thank you all!

What can we say about Bill, other than a huge thank you for being the one who mentored and encouraged us to be more than we thought we could be, who elevated the organization to one that is recognized for its excellence in our community and in the financial services industry – all with the humble qualities that encompass you. I am certain I speak for everyone when I say that our gratitude cannot be expressed loudly enough. Thank you.

Operationally, we had a very successful year by all standards. Our Credit Union and agency branches had the challenge of providing services "differently" throughout the pandemic, but the staff embraced the challenge, overcame the barriers and endured throughout while ensuring the safest environment for not only themselves but for our greatest asset - our membership.

The members' dedication to the organization has once again resulted in a very successful year with a profit of \$1,374,880. The board of directors are very honoured to declare a 5% dividend return in the amount of \$361,769.

Thank you all for participating in our annual meeting presentation. Your support will continue to make us strong, relevant and allow us to continue to build better communities for today, tomorrow and future generations.



Jim Rickwood  
President

## Directors' Report

### ***PEOPLE***

#### **Members:**

In 2020, our membership numbered 4067. There are 2,910 members in the Biggar branch, 408 members in the Landis branch and 749 members in the Perdue branch.

#### **Directors:**

In 2021 three positions became available. Each position is for a three-year term. We had four candidates running for the three open positions. COVID-19 restrictions limited how many people could be in our branches at any one time, so we held an online vote. The voting period was March 4-10, 2021.

We would like to thank Bob Atkinson, Stacie Beadle, Teagon Polsfut and Linda White for running for these three positions. The results of the elections will be announced later in the meeting.

Increasing regulatory expectations make ongoing education a constant requirement of our directors. In addition to their regular and committee meetings, they attend various training sessions throughout the year. The ability to use online forums for training and meetings was essential in 2020 and helped control educational costs. Ongoing development for directors continues with training sessions built into most regular meetings. The directors' dedication to educate themselves and keep current in an ever-changing environment is commendable.

In 2020, the board of directors held 11 regular meetings, 7 committee meetings, and 10 special meetings. The special meetings included webinars, workshops and strategic planning sessions. Attendance by director was as follows:

<b>DIRECTORS' ATTENDANCE REPORT</b>		
Director	Regular Meetings	Special/Committee Meetings
Atkinson	8/11	9/10
Beadle	11/11	12/12
Craig	8/9	6/7
Danskin	9/11	5/6
Dollansky	10/11	8/9
Fick	2/2	4/4
Garrett	8/9	5/5
Gray	11/11	6/6
Itterman	11/11	11/13
Keith	11/11	10/10
Martin	2/2	3/3
Rickwood	11/11	11/11

## **Staff:**

If you really want to find out what people are made of, put them to work in a global pandemic! Our employees displayed resilience, dedication and commitment to members by finding ways to meet their needs, and keep everyone safe on a daily basis. Their efforts went above and beyond in dealing with the uncertainty, and balancing work and family concerns caused by COVID-19.

Our organization has many outstanding professionals on staff, in all areas of the business – credit union and insurance agency. Staff are committed to finding and adding value for our members, and that is what drives them to continually develop themselves – personally and professionally; significant after-hours studying is required for most courses they take. Employees receive ongoing training in Heart of Coaching, a program designed to build high performing teams. A coaching culture fosters better communication among coworkers which helps us work together to understand and provide for our members' needs.

As part of our annual compliance regime, and to stay abreast of technology and trends, all employees train annually in areas such as Fraud Prevention, Anti-Money Laundering, Privacy and Robbery Prevention. In addition to that, the products, services and technologies that we offer are constantly evolving so ongoing learning is a necessity.

The Landis branch staff have been part of our credit union family for two years now and were always ready to pitch in where needed. Ian Hawkins managed the branch and helped out in Biggar at peak times. Kathy Ferguson continued to assist with lending administration and Deb Penley and Tracy Goring served members on the front line.

Peggy Lake managed the Perdue branch. Cherie Lilley joined the Perdue branch; she replaced Alexandra Johnson who moved to the lending area in Biggar. Carla Genis also served members in Perdue, and Shelly Eaton continued to assist with lending administration.

The Member Service team in Biggar welcomed Tracy Goring to the front line. Cherry Dalisay went on maternity leave – congratulations to her and husband Rene on the birth of a little boy, Rein! Connor Newton and Carla Genis returned as summer students.

The Wealth Management team transitioned to a new leader, Pam Eaton. Dean McCallum retired after 25 years in the credit union system. The team continued to grow their knowledge base as they worked towards achieving their Personal Financial Planners designations.

Bryce Kramer, VP of Support Services, directed back-office functions. Brock Silvernagle joined the team as Technology Coordinator. Adam Johb and Keaton Donahue resigned from the lending department to pursue other ventures, and Donna Robillard put her retirement on 'hold' to assist in that area for the short term. Jenna Scott went on maternity leave – congratulations to her and husband Andrew on the birth of a baby girl, Avery.

Biggar & Landis Insurance Services staff welcomed Chelsea Edwards in October. Chandra Archdekin



continues to work as a contract employee selling hail insurance.

Although community events were limited this past year because of the pandemic, agency and credit union employees continue to be involved in numerous organizations and events, serving their own interests as well as representing the credit union.

Succession planning continues to evolve with impending retirements and staff changes. It is important to transfer knowledge, cross-train and develop staff to provide seamless coverage and service for our members.

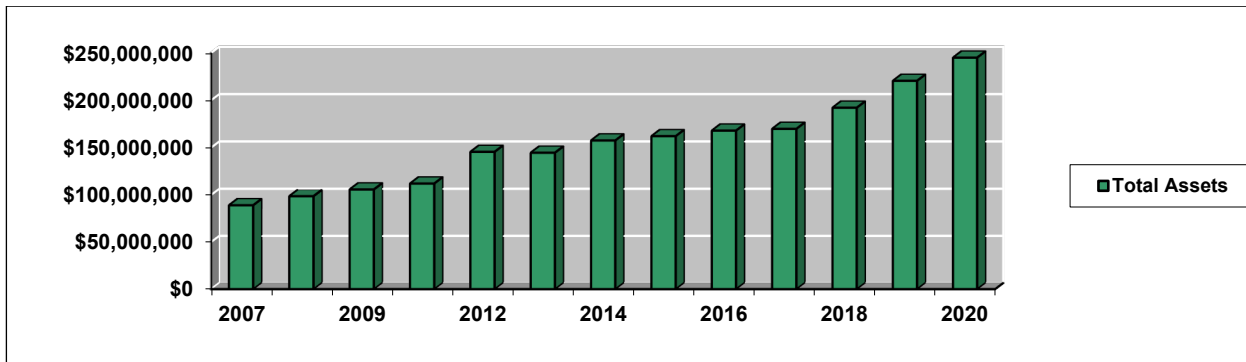
The personal and professional development of our employees enhances the way we serve our members' needs, as well as how we interact in the community and with our families. The dedication to learning and openness to change truly shows our staff's commitment to the credit union and our members.

## Directors' Report

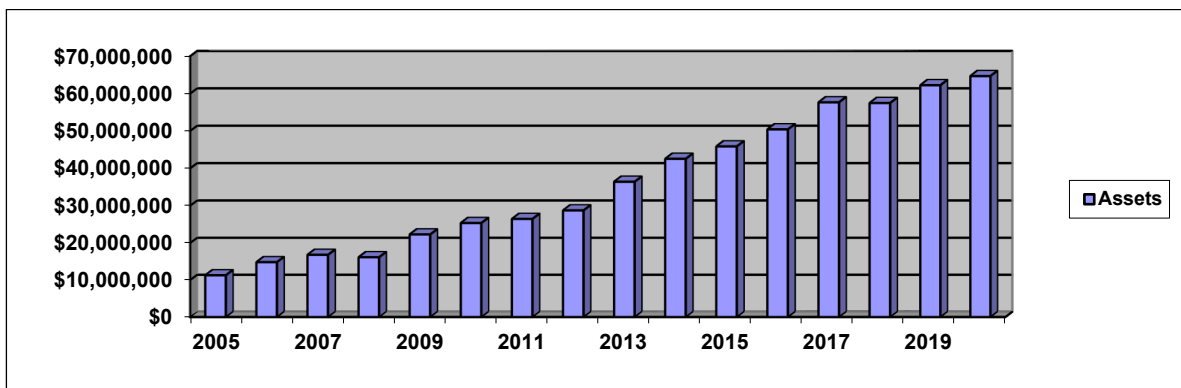
### ***MONEY***

#### **Assets:**

In 2020 total assets increased from \$220,648,851 to \$245,145,665 for an increase of \$24,496,814 or 11.10%. The provincial average growth was at 7.24%. As you can see, we are above the provincial growth. Our growth is across all sectors, but largest dollars is in the Agriculture sector. This growth appears to be tied to COVID as higher than normal growth is reported across the country.

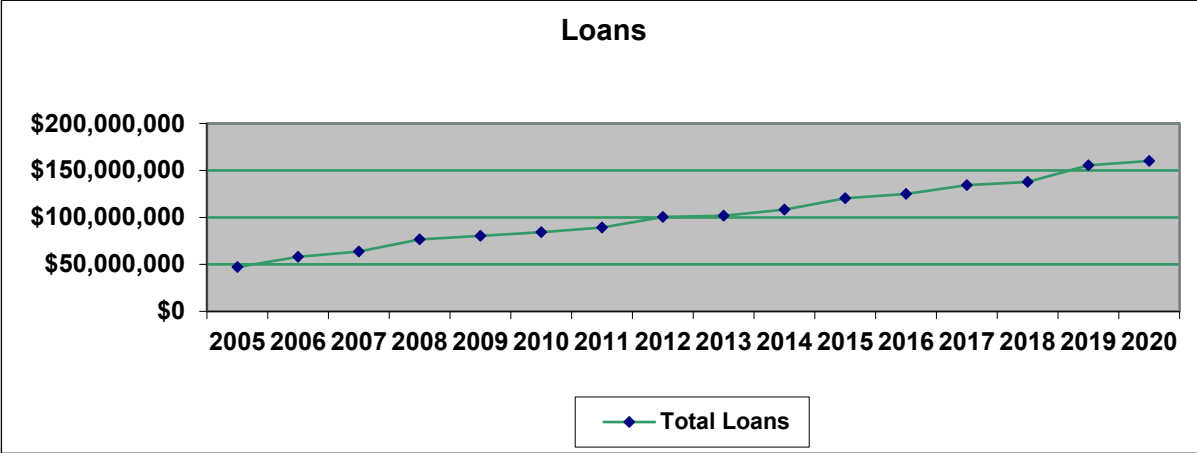


Off Balance Sheet investments are showing an increase from \$62,249,744 to \$64,696,607 for an increase of \$2,446,863. This is an increase of 3.93%. This is reflective of the markets, as well as members looking for products with better yields. Our Wealth Management Department offers a wide range of investment products from stocks to mutual funds to GIC's.



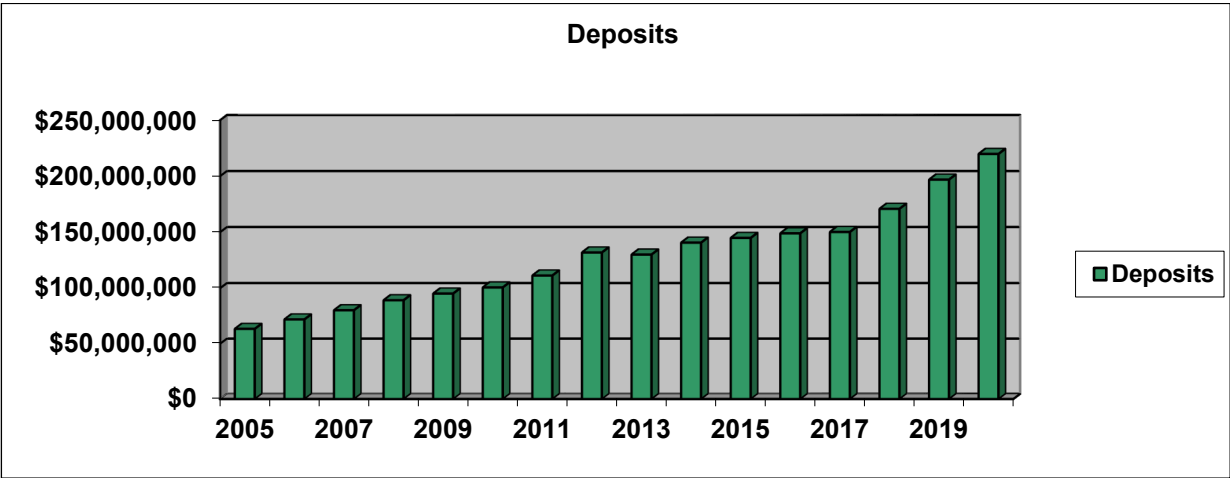
Total combined assets managed by your credit union are \$309,842,272. This compares to \$282,898,595 last year. Overall assets have grown by \$26,943,677 or 9.52%.

Loans were at \$155,415,345 last year and have grown to \$160,126,620. This is a growth of \$4,711,275 or 3.04%. In looking across the provincial credit unions, we see that the provincial average experienced a growth of negative 1.06%. Our lending risk is managed through a diverse portfolio and shows us with a low delinquency at 0.39%. The provincial average is 1.40%. Your board of directors is very pleased with the responsible manner in which members handle their loan payments.



**Liabilities:**

Through 2020 member deposits increased from \$196,908,386 to \$219,885,587 which is an increase of \$22,977,201 or 11.69%. Again, there appears to be a COVID impact of people not spending. In comparison, the provincial average growth is at 9.36%. The largest increase is mainly in the agriculture sector.

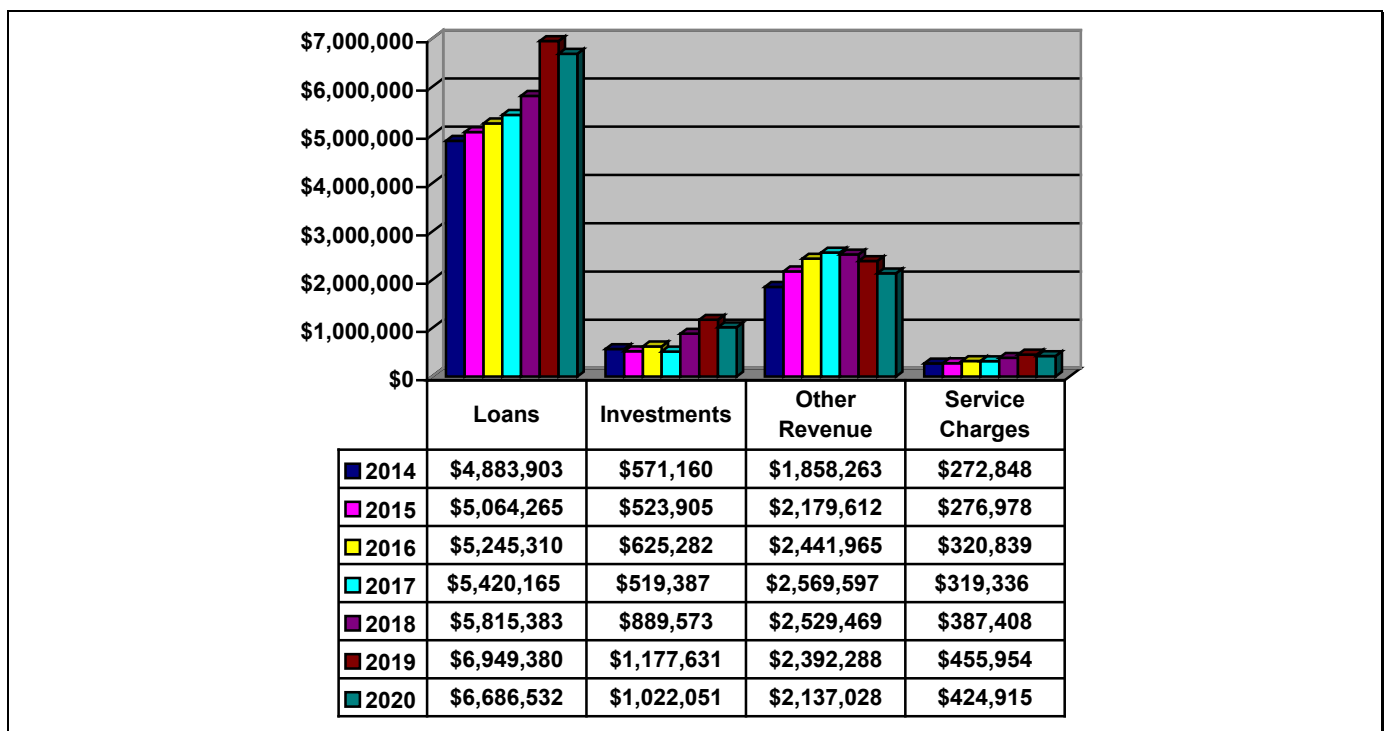


### **Capital Management:**

Two key ratios that CUDGC (our regulator) uses to measure the strength of credit union capital are Tier 1 Capital and Risk Weighted Assets. For our Leverage Ratio, we are looking for a minimum of 5% with a Board set minimum of 6%. Our Leverage Ratio position is 8.91%. This is our equity and reserves less any goodwill or intangible assets as a percentage of total assets. Our Eligible Capital to Risk Weighted Assets are currently at 15.35%. CUDGC has a minimum standard of 8%, while our board is looking for at least 10.5%. As you can see, our credit union has a strong equity position. It is a representation of past financial success, and serves as the financial cushion that allows your credit union to expand product lines and develop new services.

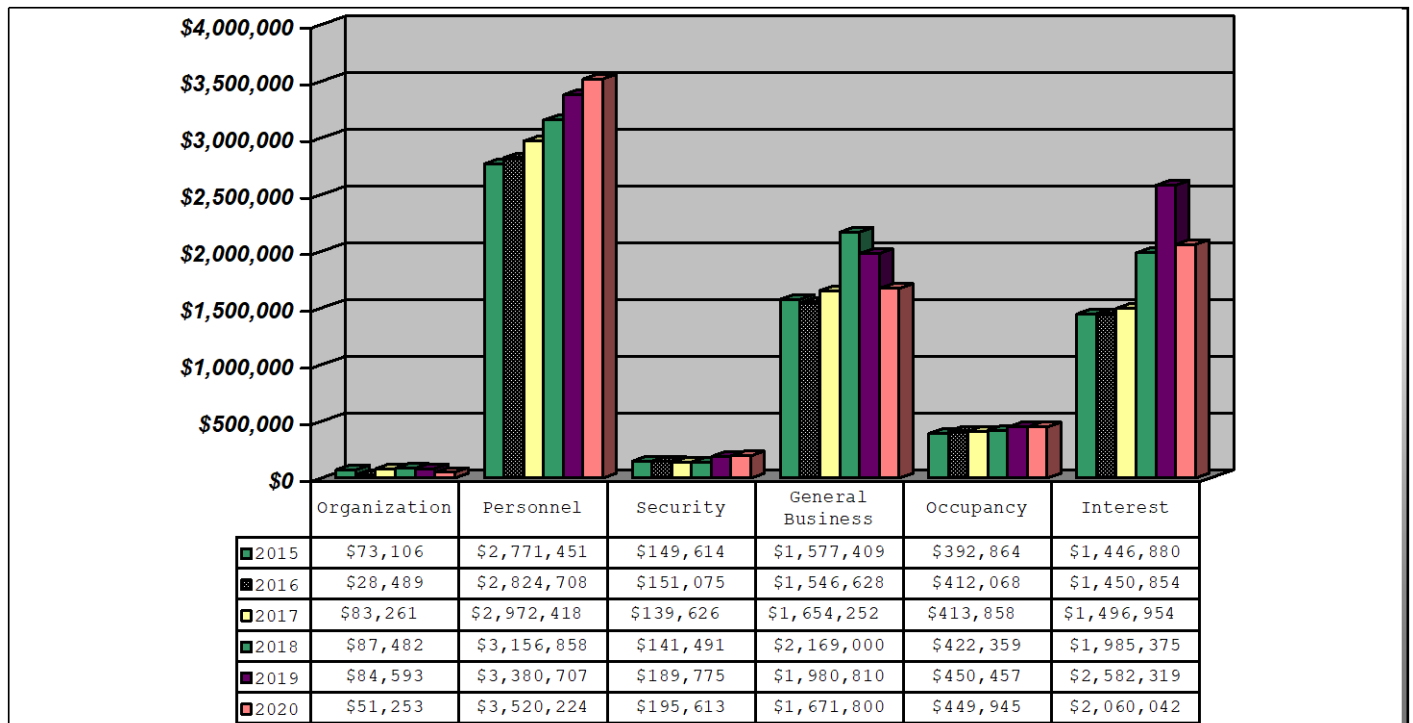
### **Income:**

Net income in 2020 was \$1,374,880 compared to last year's income of \$1,422,494. This equates to about 0.56% of assets. It should be noted that in 2020 we had some challenges with a tightening interest margin with lower rates. Our largest impact is in our other income. This is due to lower income from loan insurances due to low loan demand, also some losses on policies through the insurance agency has affected our revenues from SGI and Wawanesa. However, we are in line with other years overall.



The above graph shows a breakdown of our revenue sources. There is a decrease in revenue in all categories.

## **Expenses:**

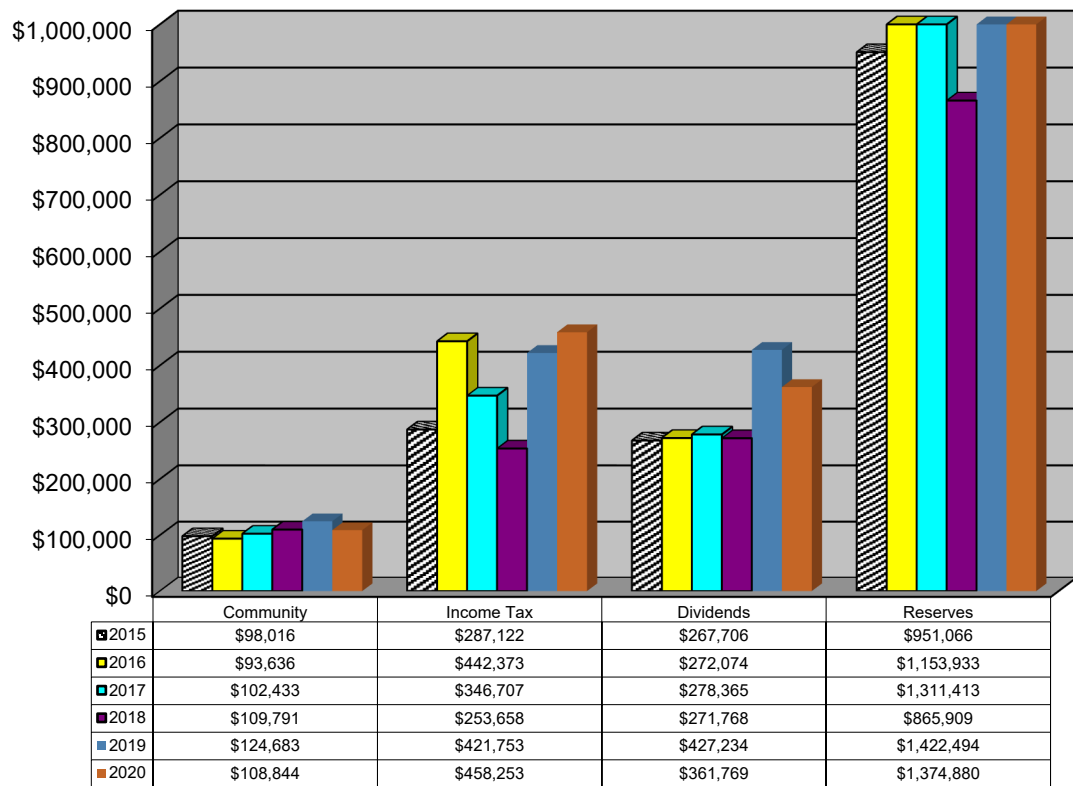


All expense categories are consistent with the prior year trends. Personnel expenses and security are showing increases, while all other categories have decreased. The impacts of COVID are the main reason for these decreases. As with everyone, the pull back of normality has caused a conservative spending approach. Our focus on finding efficiencies will continue into 2021. Our priority remains on providing improved products and services, and giving you the high level of pro-active customer service that you expect.

### **Profit Distribution:**

Your board of directors has once again declared a 5% dividend for 2020. This equates to \$361,769 that will be paid back to our members. Approximately \$108,844 went back to our communities in the form of monetary donations, sponsorships, promotional gifts and advertising. An additional \$27,648 of free financial services was provided to community organizations in 2020.

Below is a breakdown of how our profits have been distributed:





## **Directors' Report**

### ***DEVELOPMENT***

#### **New Products and Services:**

2020 was an unusual year in many ways. Regardless, our primary objective of providing exceptional products and services for our members did not waiver. In fact, we were able to complete a number of projects and find creative ways to add value for our members.

We continue to move towards paperless/online solutions for our members and our staff. We have implemented DocuSign, which allows members to sign documents remotely. CRM Doxim (Consumer Relationship Management) software gives us the ability to access current member information very quickly across the entire organization. These two innovative tools combined with OnBase ECM (Electronic Content Management) platform enable us to do away with much of the paper required with traditional files while building better member relationships. In short, these software products make us more efficient and effective at delivering exceptional service.

The implementation of Skype for Business in our credit union branches and the Biggar & Landis Insurance Services offices, allowed our staff to stay in touch whether they were working in the office or from home.

Our members asked us for a better way to send money abroad and we delivered. With AFL International Wire Transfers members can send money anywhere, anytime, around the globe. They have the control to make their own international money transfers for anything from overseas mortgage payments and overseas tuition fees to sending money to family.

We integrated CRA direct deposit into online banking. Members can easily sign up for, or manage their CRA direct deposits including CERB and CESB payments. In addition, we added the CEBA (Canadian Emergency Business Account) application form to our website, facilitating the application process for our business members.

In April, we installed a new ATM in the Biggar branch. With the implementation of a PINning Window, members can use our new ATM, or any credit union ATM, to reset their debit card PIN.

We completed the first phase of a three-part upgrade to online banking in November with the launch of a new public website. Parts two and three of the upgrade will come in 2021, with full integration of the online banking platform and a new mobile app.

Our online presence continues to expand. Our commitment to managing and reducing fraud risk for our members remains a top priority. Our data systems employ a variety of means to keep our members' information secure. We strive to educate the public about the importance of fraud awareness. Our greatest asset against online fraud for members continues to be Alerts – an anti-fraud tool available for online banking. With Alerts enabled, subscribed members will be the first to know if there is any unauthorized activity on their account. We strongly encourage all members who use online banking to sign up for Alerts.

### **Community Support:**

The COVID-19 pandemic brought on a new set of challenges for everyone in our communities. We, at the Biggar and District Credit Union wanted to ease some of the financial burden for the different groups in our area who could not do their normal fundraising activities. The “Caring Through COVID” Community Relief Fund was developed. We presented a total of \$25,150 in Caring Through COVID grants to several organizations in Biggar, Landis and Perdue including: Biggar & District Family Centre, Biggar Golf Club, Biggar Barracudas Swim Club, NCCP, Biggar Music Festival Association, Biggar Nationals Hockey Club, the Landis and District Community Initiative, Eagle Creek Regional Park, Perdue Ag Society, Perdue Minor Ball, the Perdue Pirates and the Perdue Rec Complex.

“Casual for a Cause” is a staff initiative that we are very proud to mention. Each year in July, staff members nominate organizations. From the pool of nominated groups, we vote for twelve (one per month) to receive funding. In exchange for the privilege of wearing jeans on Fridays, staff donate \$5 per pay period to the cause. In 2020, we collected over \$5,000 and donated it to local charities. In addition to monetary support, our staff is active in volunteering for many boards, sporting activities and community events.

### **Community Development:**

Our credit union remains a strong corporate citizen and community leader through our involvement in educational scholarships. In 2020, our post-secondary scholarship application criteria were changed to focus less on school grades and more on community involvement and leadership. We provided four, \$1,000 post-secondary scholarships. Two scholarships were awarded in Biggar to McKenna Boyle and Madeline Ellard. One in Landis to Payton Sittler and one in Perdue to Emily Anne Webb. In addition, Biggar & District Credit Union contributed \$1,500 to the scholarships at Great Plains College, Biggar Campus.

We are proud to encourage “Going Green” in the community. Unfortunately, we had to cancel our Spring Community Cleanups in Biggar and Perdue due to COVID-19 restrictions. However, we were able to go ahead with Share the Warmth\*, another green initiative. Donations of warm winter clothing and other items donated by members of our community stay in our community. It is a great way to recycle and provide some much-needed warmth in our Saskatchewan winter. In 2020, we once again partnered with the Biggar & District Family Centre for the event. Even with social and physical distancing restrictions in place, the event was a success. (\*Share the Warmth is a SaskEnergy Initiative.)

The global COVID-19 pandemic challenged us to think differently about how to present the Ready Set Succeed program to grade 12 students. For the first time we went completely virtual with this program. The students from Biggar, Perdue and Landis and our staff enjoyed it tremendously. As well in December, we provided a virtual presentation to the grade 11 Apprenticeship Math class at BCS2000 to do with budgeting and banking.

In November our Wealth Management team hosted a virtual seminar on Saving for Your Child’s Education presented by June Zimmer, Vice President, Wealth, NEI Investments.

Although summer fairs in Biggar and Perdue were impacted by the pandemic, we were able to sponsor the Biggar Fair Days fireworks display and drive-in movies in the Biggar Rec Valley.

## Management Discussion and Analysis

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

Biggar and District 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. Recently, a new National Code has been developed. We will be reviewing ours to ensure we are still compliant with the National Code.

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 Biggar and District Credit Union.
- Fair sales by outlining the roles and relationship of staff to all members/clients and in accordance with the financial services agreement.
- 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 Biggar and District 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 Biggar and District 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 Biggar and District 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, Biggar and District 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.

### ***Introduction***

Biggar and District Credit Union is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Biggar and District Credit Union is able to provide financial services to members and non-members. As at December 31, 2020 Biggar and District Credit Union had 4,074 members and 314 non-members. Non-members do not participate in the democratic processes of the credit union nor the patronage program. In comparison to last year, you will see that the membership is up by 15 members.

Our credit union serves the communities of Biggar, Perdue, Landis and surrounding area through three branches. In these communities we provide a full range of financial services including: financial, investment, commercial, agricultural, personal, loans, mortgages, insurance, etc.

Our Insurance Agency subsidiary is 100% owned by Biggar and District Credit Union. Biggar and Landis Insurance Services provides insurance services through locations in Landis and Biggar.

### ***Strategy***

The vision of Biggar and District Credit Union is to be the leading provider of a full range of financial services in the Biggar, Perdue, Landis and surrounding areas of Saskatchewan. 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 2020 focused in the following Strategic Results areas:

### **People**

- Ensure human resource practices focus on recruitment, retention and training to provide for succession and new skills development
- Invest in our leadership to enable the credit union to compete through the exercise of sound governance
- Actively support diversity to represent our communities and hire the right person for the right job
- We respect the personal and professional goals that our people set
- Our team has a sense of benchmarks and goals and is recognized for their achievements
- We provide opportunities for our employees to develop to their full potential
- We encourage high performance levels through training, coaching and empowerment
- We support a co-operative culture where employees express confidence, faith, trust and commitment in their team members

### **Growth**

- As a financial solutions provider with an economic and social purpose we invest in our communities to demonstrate social responsibility
- Enhance our personal relationships with our members and customers through market intelligence
- Attract new members and customers through market intelligence, professionalism and a competitive range of products and services
- Strengthen loyalty of existing members and become their financial institution of choice
- Reach out to diverse groups to attract members, customers, future employees and leaders
- Increase our understanding of community demographics to provide market-focused products and services to existing and potential members and customers

### **Financial**

- Assure financial strength through sound business practices
- Take a proactive role in community development and become involved in efforts to grow and diversify our communities' economies

### **Service Delivery**

- Invest in technology as an early adopter to enable the system to compete for market share, enhance service through interconnectivity, realize the benefits of economies of scale, and grow our communities beyond geographic boundaries
- We will strive to meet and/or exceed all regulatory requirements (including federal legislation, provincial legislation, CUDGC, etc.)

Meeting the goal of our vision requires that Biggar and District Credit Union not only attract new members, but preserve existing memberships as well. We are pleased to show an increase in memberships through the year. To support our objective of increased customer loyalty, and remaining relevant for our members, we continue training for all of our employees. Special emphasis was placed on product knowledge and “Proactive Value Add” cultural training. Our goal is to enhance service to our existing members, as well as those who are new to our community.

### **Key Performance Drivers**

Each year we set corporate level targets and Key Performance Indicators. These are set to advance our goals and drive our desired results throughout the organization, and in the spirit of growth & continuing improvement. These indicators of performance are regularly measured and monitored.

The following are our corporate goals, targets and results:

<b><i>Results</i></b>	<b><i>Targets</i></b>	<b><i>Actual</i></b>	<b><i>Provincial</i></b>
Asset Growth	2.82%	11.10%	7.24%
Deposit Growth	2.50%	11.69%	9.36%
Off-Balance Sheet Growth	5.00%	3.95%	
Loan Growth	3.00%	3.05%	-1.06%
Loan / Asset Ratio	70.25%	64.91%	73.02%
Loan Delinquency (>90 days)	less than 2%	0.39%	1.40%
Leverage Ratio	9.72%	8.91%	8.56%
Risk Weighted Capital	15.91%	15.32%	13.90%
Non-interest Revenue	\$2.390 million	\$2.513 (1.08%)	0.71%
Profit (after tax)	\$ 1,182,929	\$1,374,860	
ROA (after tax, before dividend)		0.74%	0.46%

Overall, we have a financially strong organization. When we compare to our peers and the province, we find ourselves in the upper level of profitability and capital strength. Our regulatory body continues to raise the bar on expected capital, and liquidity levels. Our board of directors does have a Capital and Liquidity Plan in place. They are regularly monitoring the trigger points, and should our capital or liquidity be jeopardized, we will take steps to preserve our position of strength.

### **Enterprise Risk Management**

Annually, our credit union spends significant resources measuring and assessing risks to ensure we are adequately prepared to serve our communities now and in the future. This process is enterprise risk management or ERM for short, and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation. Management completes an annual process of identifying risks which is then reported to the Audit and Risk Committee. Through this process, the following risks have been identified according to their potential impact on Biggar and District 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.

Biggar and District Credit Union has a formal planning processes which result in a strategic business plan focused on strategic objectives as outlined earlier. The credit union uses a comprehensive reporting process to monitor performance relative to plans and provides regular updates to the Board. The Enterprise Risk Management process further identifies emerging risks and formulates plans as risks are identified. In addition, directors attend training as well as system meetings and conferences to hear other perspectives and learn from other credit unions.

In the past year, our Board has challenged the meaning of our vision and mission statements. What is the meaning of "Full Financial Services", "High Quality Products and Services", and "Needs of our Members and Community". When we look at this from a complete financial planning perspective, it includes deposits, loans, leases, investment brokerage, insurance, accounting services and legal services. When we did an environmental scan of our community, we found a need for accounting services. As a result, in 2021 we have opened Biggar and District Accounting Services.

We continue to challenge ourselves with our Technology Road Map to ensure we are fast followers to stay relevant and up to date for our members and clients of the future.

### ***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.

The credit union's market risk is impacted primarily by movements in interest rates specifically from the timing differences that exist between the re-pricing of loans, investments and deposits.

Foreign exchange risk occurs when members change Canadian funds for another currency, which in our case is predominantly US dollars. This risk is offset by the credit union maintaining a US Dollar Account with SaskCentral in a similar amount to funds held in members US Dollar accounts. When members exchange currency, we complete a similar transaction to offset any risk exposure. Foreign exchange risk is monitored on a regular basis and adjustments to the account at SaskCentral are made as required.

The credit union's exposure to changes in interest rate is monitored by management and reviewed by the Asset & Liability Committee (ALCO), who in turn reports to the Board.

We are a profitable organization, with mitigation processes in place to allow us to be competitive in the marketplace without exposing us to any undue market risk. To maintain this advantage, we cannot do it on our own. As a smaller credit union, we rely on other system players to work together to create and develop products, services and technologies, to meet your needs. We work with Innovation Credit Union to assist us with our balance sheet simulation. We also work with other regional credit unions for ways to improve our back office efficiencies and information sharing.

### ***Liquidity Risk***

Liquidity is required to meet the day to day cash needs and loan demands of our members. 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.

One of Biggar and District Credit Union's primary objectives is to prudently manage liquidity to ensure we can generate or obtain sufficient cash or cash equivalents in a timely manner, at a reasonable price, to meet commitments as they come due, even under stressed conditions. Biggar and District Credit Union's liquidity management framework, targets and strategies are established and documented in a Liquidity Plan as well as our financial plan.

The credit union's liquidity is measured by an operating liquidity ratio, which considers projected cash inflows as a percentage of projected cash outflows. At Dec 31, 2020, the ratio was 99.81%. The credit unions target range is 80% to 125% for this measure. CUDGC has also issued Liquidity Standards that 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 that can be converted to cash at little or no loss of value
- Meet its liquidity needs for a 30 calendar day liquidity stress scenario, by which time it is assumed corrective actions have been taken by the credit union and/or CUDGC

The credit union completes a regular assessment of the LCR and on December 31, 2020 our ratio was 378.45%. This ratio continues to exceed the regulatory minimum standard of 100%, and our target of 200% - 300%.

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, 2020, we were lent out 64.91%, which is just below our optimal operating range of 68% to 78%. The higher you are lent out, the better your profitability will be, this is due to the fact that loans generate a much better return than what an investment is able to. Although at the same time we must be cognizant 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 78% mark, we would then implement mitigation strategies as documented in our liquidity plan to reduce the ratio to an acceptable level.

### ***Credit Risk***

Credit risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. Biggar and District Credit Union has a low delinquency level. We also maintain a rigorous quarterly review process of our portfolio to assess this risk.

Our overall portfolio is very diverse with 43.5% in Consumer loans, 32.8% in Agriculture loans, and 23.7% as Commercial loans.

### ***Residential Mortgage Loan Portfolio***

In accordance with Credit Union Deposit Corporation guidelines, Biggar and District Credit Union is required to provide additional credit disclosures regarding its residential mortgage portfolio.

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 unions 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. Lending at higher loan to value ratio is permitted if the credit union obtains default insurance. The insurance is contractual coverage that protects the credit union against potential losses caused by the borrowers default. Default insurance can be provided by government-backed entities or other approved private mortgage insurers. Currently the credit union uses Canada Mortgage Insurance Corporation (CMHC) and Sagen 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 \$160,126,620 loan portfolio was comprised of 30.5% of uninsured conventional residential mortgages and 5.5% of CMHC insured residential mortgages and 1.56% in HELOC's. In line with the draft 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.

### ***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.

We are continually challenged in the legal and regulatory sector. With the continually increasing government regime, plus our regulator increasing operating standards, the impact to us is increased oversight, monitoring & reporting and thus, increasing our expenses. We continue to monitor these costs and look for efficiencies to enable affordability into the future.

We work with SaskCentral in providing services for Anti-Money Laundering monitoring and Internal Audits.

Some examples of the regulatory regimes that we must follow are; Money Laundering Legislation, Privacy Legislation, Cost of Credit Legislation, Incidental Insurance, Do Not Call List, Anti-spam Legislation, Foreign Account Tax Compliance Act, Records Management Framework, Multi Material Recycling Program,

Complaint Handling and Market Practice Code. The increase to our administration duties as a result of this legislation is huge. Therefore, staffing costs to stay compliant will also increase into the future.

### ***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.

As you can imagine, we were challenged with the COVID pandemic. We want to thank all our members for your patience, and helping us deal with the operational changes we had to make to accommodate Sask. Health Regulations. Our staff have done an amazing job of constant cleaning between each member and client, working from home, self-assessing, self-isolating if required, and ensuring all our members, client, and other staff members safety. Job well done by everyone!

In reviewing our Business Interruption Plan, we were pleased with its success. Our technology road map for the past few years has left us well prepared for this pandemic. Plus, the pandemic has actually accelerated our and our members and clients acceptance of the use of this technology. We can pretty much offer any service remotely.

### ***Corporate Structure and Governance***

The governance of Biggar and District 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 Agency), 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 Biggar and District 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.

## ***Directors***

### ***Board Composition***

The board is composed of 10 individuals elected by the membership. Terms are for three years and tenure is limited to two consecutive terms. Nominations are made by the membership. Voting is by electronic ballot, in branch, as well as remotely, and election results are announced at Biggar and District Credit Union's annual general meeting.

## ***Committees***

The responsibilities of the board of a modern financial services organization involve an ever-growing list of duties. Biggar and District 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.

- **Audit and Risk Committee**  
The Audit and Risk Committee oversees the enterprise risk management processes, financial reporting process, reviews financial statements, liaises with internal and external auditors and regulators, and reviews internal control procedures. The committee consists of at least three directors. The board determines the skills and abilities needed on the committee and chooses its members accordingly.
- **Governance, Policy & Board Development Committee**  
The Governance, Policy & Board Development Committee establishes and maintains current and relevant policies, effective governance guidelines, ensures the education, performance and succession of senior leadership, and ensures compliance with governance policies and Biggar and District Credit Union bylaws. It consists of three directors. The board outlines their terms of reference, guidelines and requirements.
- **Building and Properties Committee**  
The Building and Properties Committee oversees the review of major management plans for credit union service facilities. To develop and recommend to the board, policy relevant to service facilities. To consider special building and renovations projects and review related plans & budgets. To annually develop a budget for its activities during the upcoming year. Identification, understanding and management of risks that may affect Biggar and District Credit Union. It consists of at least three directors. The board determines the committee's terms of reference, guidelines and requirements.
- **Asset/Liability (ALCO) Committee**  
The ALCO Committee ensures appropriate asset/liability management planning and risk monitoring. To ensure that asset/liability management complies with all regulatory requirements, and sound business and financial practices. To establish and maintain a

balance sheet structure that will protect and enhance the credit union's financial margin and the value of the credit union's capital during all phases of interest rate cycle and varying economic and market conditions. To specify, in general terms, prudent guidelines for the management of asset cash flows in relation to liability cash flows. Review the existing pricing strategies of Biggar and District Credit Union for the purpose of ensuring competitive and profitable products and services.

- **Nominating Committee**  
The Nominating Committee oversees the nomination and election processes for elections of credit union directors. The committee is chosen through the oversight of the Governance, Policy and Board Development Committee.
- **Conduct Review Committee**  
The Conduct Review Committee ensures that Biggar and District Credit Union acts with the full integrity and objectivity of its directors and employees, by having in place policies, processes and practices that protect people and the organization from claims and from the perception of unfair benefit or conflict of interest. The committee is chosen through a nomination process from the directors. The committee is comprised of 3 committee members and 2 alternative members.

### ***Attendance***

The director attendance is reported in the annual report.

### ***Director Training***

All directors are enrolled in the Credit Union Director Achievement (CUDA) program and registered with the CUSOURCE online program. Several directors are graduates of the program. The Governance, Policy and Director Development committee oversees the directors' development. All directors are informed of the course offerings and given opportunities to attend. Outside training resources are also brought in when required, for director training.

### ***Evaluation***

The Board of Directors does a self-evaluation annually. This evaluation has two areas of focus. One is assessing their governance and their effectiveness as a whole board. The second focuses on their personal strengths and weaknesses and how to improve.



### ***Executive Management***

The executive management consists of Bill Hammel, CEO/General Manager, Dean McCallum, VP of Service Delivery and Bryce Kramer, VP of Support Services. Our executive team promotes professionalism, empowerment, and working as a team. Our executive team has a combined experience of 85 plus years in the financial services industry. We wish Dean all the best in his recent retirement. That said, we are now in the process of re-filling our executive team.

### ***Corporate Social Responsibility (CSR)***

Social responsibility and the well-being of our community is a high priority for Biggar and District Credit Union. Within our vision, mission and values we specifically mention our community development and community impact. We have a “Green Committee”, comprised of directors and staff volunteers, that specifically focuses on our impact to the community and our environment. Various campaigns/contests are held throughout the year to encourage contributing to a healthy environment, while at the same time, leading the community by our example (at home and at work), and enhancing our image as a socially responsible organization. With COVID, we have been restricted on some of our functions that we have done in the past.

### ***Capital Management***

Biggar and District 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 Biggar 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.
- To have too much capital could be perceived that the credit union is not generating sufficient return on its capital.

Biggar and District 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, along with the operation of an insurance agency with offices located in Biggar and Landis. Liquidity has been maintained within a very comfortable range. This has proven to be a very valuable strategy through past downturns in the economy. Biggar and District Credit Union is able to adjust, maintain profitability and continue to grow.

## Credit Union Quick Facts

### Quick Facts

(as of December 31, 2020, unless otherwise indicated)

- Today there are 36 credit unions in Saskatchewan serving 208 communities through 234 service outlets.
- Credit unions offer financial products and services to more than 486,000 members.
- Saskatchewan credit union assets reached over \$26.5 billion with revenue of over \$1.04 billion.
- Credit union lending amounts were over \$19.3 billion.
- There are 349 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 \$26 million to more than \$6 billion.
- In 2020, Saskatchewan credit unions returned over \$6.07 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 3,200 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.



## CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2020

**January 2021**

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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).

**BIGGAR AND DISTRICT CREDIT UNION**

**BIGGAR, SASKATCHEWAN**

**INDEPENDENT AUDITORS' REPORT AND  
SUMMARY CONSOLIDATED  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

## MANAGEMENT'S RESPONSIBILITY COMMUNICATION

**To the Members,  
Biggar and District Credit Union**

Management has responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgements and estimates in accordance with International Financial Reporting Standards.


In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors. An Audit and Risk Committee of Directors is appointed by the Board to review financial statements in detail with management and to report to the Board of Directors prior to their approval of the financial statements for publication.

Independent auditors appointed by the members audit the financial statements and meet separately with both the Audit and Risk Committee and management to review their findings. The independent auditors report directly to the members and their report follows. The independent auditors have full and free access to the Audit and Risk Committee to discuss their audit and their findings as to the integrity of the Credit Union's financial reporting and the adequacy of the system of internal controls.

Complete financial statements are available upon request.

DocuSigned by:  
  
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**General Manager**

DocuSigned by:  
  
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**Chair of Audit and Risk Committee**

## INDEPENDENT AUDITORS' REPORT

**To the Members,  
Biggar and District Credit Union**

The accompanying summary statements, which comprise the summary consolidated statement of financial position as at December 31, 2020 and the summary consolidated statements of changes in members' equity, comprehensive income and cash flows for the year then ended are derived from the audited financial statements of **Biggar and District Credit Union** for the year ended December 31, 2020. We expressed an unmodified audit opinion on those financial statements in our report dated February 22, 2021.

### *Summary Consolidated 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 auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of **Biggar and District Credit Union**.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *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 **Biggar and District Credit Union** for the year ended December 31, 2020 are a fair summary of those financial statements, in accordance with the criteria described in Note 1.

**February 22, 2021**

**Saskatoon, Saskatchewan**

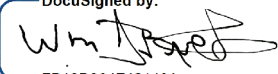
**Chartered Professional Accountants**

**BIGGAR AND DISTRICT CREDIT UNION**  
**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**  
**(with comparative figures for 2019)**

<b>ASSETS</b>		
	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash and cash equivalents	\$ 36,301,432	\$ 32,132,056
Investments	44,358,023	28,683,032
Loans receivable	160,126,620	155,415,345
Other assets	1,119,292	965,551
Property and equipment	3,240,298	3,452,867
	<u>\$ 245,145,665</u>	<u>\$ 220,648,851</u>
<b>LIABILITIES</b>		
Deposits	\$ 219,885,587	\$ 196,908,386
Other liabilities	3,052,760	2,907,717
Shares	20,120	20,430
	<u>222,958,467</u>	<u>199,836,533</u>
<b>MEMBERS' EQUITY</b>		
Retained earnings	22,187,198	20,812,318
Accumulated other comprehensive income	-	-
	<u>\$ 245,145,665</u>	<u>\$ 220,648,851</u>

**APPROVED BY THE BOARD:**

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 \_\_\_\_\_ Director  
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**BIGGAR AND DISTRICT CREDIT UNION**  
**SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(with comparative figures for the year ended December 31, 2019)**

	<u>2020</u>	<u>2019</u>
Retained earnings - beginning of year	\$ 20,812,318	\$ 17,531,624
Net income	1,374,880	1,422,494
Net assets acquired in business combination and aquisition of non-controlling interest	-	1,858,200
Retained earnings - end of year	<u>\$ 22,187,198</u>	<u>\$ 20,812,318</u>
Accumulated other comprehensive income - beginning of year	\$ -	\$ -
Other comprehensive income	-	-
Accumulated other comprehensive income - end of year	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL EQUITY</b>	<u><u>\$ 22,187,198</u></u>	<u><u>\$ 20,812,318</u></u>



**BIGGAR AND DISTRICT CREDIT UNION**  
**SUMMARY STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(with comparative figures for the year ended December 31, 2019)**

	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Interest revenue</b>		
Loan	\$ 6,686,532	\$ 6,949,380
Investment	1,022,051	1,177,631
	<u>7,708,583</u>	<u>8,127,011</u>
<b>Interest expense</b>		
Borrowed money	8,489	15,370
Member deposits	2,051,553	2,566,949
Patronage allocation	361,769	427,234
	<u>2,421,811</u>	<u>3,009,553</u>
<b>Net interest</b>	5,286,772	5,117,458
<b>Provision for credit losses</b>	126,747	35,111
<b>Net interest after provision for credit losses</b>	<u>5,160,025</u>	<u>5,082,347</u>
<b>Other income</b>	<u>2,561,943</u>	<u>2,848,242</u>
<b>Operating expenses</b>		
General business	1,671,800	1,980,810
Occupancy	449,945	450,457
Organizational	51,253	84,593
Personnel	3,520,224	3,380,707
Security	195,613	189,775
	<u>5,888,835</u>	<u>6,086,342</u>
<b>Income before income taxes</b>	1,833,133	1,844,247
<b>Income taxes</b>		
Current	469,753	423,953
Deferred (recovery)	(11,500)	(2,200)
<b>Net income before other comprehensive income</b>	<u>1,374,880</u>	<u>1,422,494</u>
<b>Other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<u><u>\$ 1,374,880</u></u>	<u><u>\$ 1,422,494</u></u>

**BIGGAR AND DISTRICT CREDIT UNION**  
**SUMMARY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(with comparative figures for the year ended December 31, 2019)**

	<u>2020</u>	<u>2019</u>
<b>Cash provided by (used in) operating activities:</b>		
Net income	\$ 1,374,880	\$ 1,422,494
Items not involving cash:		
- Amortization	361,230	419,419
- Provision for credit losses	126,747	35,111
Net change in other assets and other liabilities	(8,698)	(862,693)
	<u>1,854,159</u>	<u>1,014,331</u>
<b>Cash provided by (used in) investing activities:</b>		
Investments	(15,674,991)	3,125,162
Loans receivable	(4,838,022)	(17,785,019)
Property and equipment	(148,661)	(220,206)
	<u>(20,661,674)</u>	<u>(14,880,063)</u>
<b>Cash provided by (used in) financing activities:</b>		
Deposits	22,977,201	26,065,748
Business combination and aquisition of non-controlling interest	-	1,858,200
Shares	(310)	1,930
	<u>22,976,891</u>	<u>27,925,878</u>
<b>Increase in cash</b>	4,169,376	14,060,146
<b>Cash position - beginning of year</b>	<u>32,132,056</u>	<u>18,071,910</u>
<b>Cash position - end of year</b>	<u><u>\$ 36,301,432</u></u>	<u><u>\$ 32,132,056</u></u>

**BIGGAR AND DISTRICT CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(with comparative figures for the year ended December 31, 2019)**

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**1. Basis of the summary financial statements**

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2020 and December 31, 2019 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include a statement for each statement included in the audited financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements.

The audited financial statements of Biggar and District Credit Union are available upon request by contacting the Credit Union.