



2021 ANNUAL REPORT

Biggar & District
— Credit Union —
building better communities



Saskatchewan
Credit Unions

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BIGGAR & DISTRICT CREDIT UNION
ANNUAL MEETING March 23, 2022
Serving Biggar and area since 1949

AGENDA

1. Call to Order
2. Appoint Secretary
3. Adopt Agenda
4. Minutes of the Meeting held March 17, 2021
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 2022
14. Employee Service Awards
15. New Business
16. 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	2024
Stacie Beadle	1 st Vice President	2024
Matthew Craig	Director	2023
Anthony Danskin	Director	2022
Sandi Gray	Director	2023
Sheila Itterman	2 nd Vice President	2022
Michele Keith	Director	2022
Teagon Polsfut	Director	2023
Jim Rickwood	President	2022

2021-2022 BOARD OF DIRECTORS



Bob Atkinson



Stacie Beadle



Matthew Craig



Anthony Danskin



Bernadette Garrett



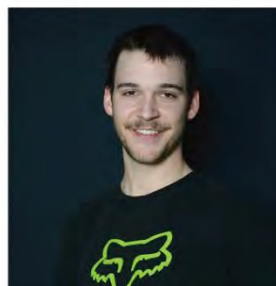
Sandi Gray



Sheila Itterman



Michele Keith



Teagon Polsfut



Jim Rickwood

OUR STAFF

MEMBER SERVICES



Cherry Dalisay



Shelly Eaton



Kathy Ferguson



Terry Fyson



Tracy Goring



Dolores Kobelsky



Jade Kushner



Cherie Lilley



Hailey Metz



Lorraine Metz



Fabiola Neufeldt



Deb Penley



Karen Silvernagle



Alyssa Williams

WEALTH MANAGEMENT



Ashley Booker



Pamela Eaton



Lyndsey Poole



Jennifer Quesy



Cheri Steeg

LENDING SERVICES



Lorie Angelopoulos



Jill Barber



Carla Genis



Ian Hawkins



Alexandra Johnson



Peggy Lake



Jocelyn Poletz



Jenna Scott

ADMINISTRATION



Marissa Cempron



Shantelle Downton



Carlene Genis



Cathy Hicks



Bryce Kramer



Diane Larouche Ellard



Brock Silvernagle



Bill Hammel
CEO

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

ACCOUNTING SERVICES



Amy Haynes



Dylan Haynes

LONG-TERM SERVICE AWARDS

Five Year Service Awards



Breanne Harrabek

Breanne started working at Biggar & Landis Insurance Services in February 2016 as a Motor Vehicle Representative. Since then, she has worked as a Home Broker, Ag Broker and Commercial Broker. Breanne obtained her CAIB designation in 2018.

Breanne and her husband Brenen enjoy spending time camping, traveling and hanging out with family & friends.

Jade Kushner

Jade Kushner started working at the Synergy Credit Union in Kindersley in February 2016 as an MSR. She and her husband Braden moved back to Biggar in 2018. Jade started working at the Biggar and District Credit Union in December 2018. Braden and Jade welcomed their baby boy on April 6, 2021, and she's currently on maternity leave. She will be starting as a lending specialist when she returns to the credit union.

Jade loves spending time at the lake with family and friends.



Deb Penley

Deb began working as a part-time Member Service Representative on May 2, 2016 at Landis Credit Union and has continued in that position since the amalgamation with Biggar and District Credit Union in 2019.

Deb is married to her husband Perry, they have one daughter and five grandchildren. She enjoys curling, pickle ball, winter and summer fishing, camping and time with her family. Deb is also active in the community – singing with the community choir and is a councillor for the village of Landis.

Cheri Steeg

Cheri joined our Credit Union family in November of 2016 as a Financial Services Officer. She now wears many hats: Financial Services Officer/Mutual Funds Investment Specialist/Compliance Officer.

Cheri and her husband Kelly have two children, Reid and Presley. She is very active in the community - giving her time to Biggar Dance Festival and Biggar Minor Hockey.



Ten Year Service Award



Pamela Eaton

Pam worked in the financial services industry in Saskatoon for 13 years before joining the Biggar & District Credit Union in May of 2011. She is the Manager of Deposit Services as well as an Investment Advisor with Credential Securities.

Pam and her husband Dean own a cattle farm north of Biggar. They enjoy travelling as well as going to the lake in the summer.

Fifteen Year Service Award

Cathy Hicks

Cathy started at the Biggar & District Credit Union in June 2006 and manages the Human Resources and Marketing area. She commutes from Martensville, where she lives with her husband Brian. Cathy plans to retire after this year and looks forward to spending more time at the lake and with their seven grandchildren.



Twenty Year Service Award



Shelly Eaton

Shelly started at the Biggar & District Credit Union in April 2001. She has been in her current position as a Member Services Representative II since 2018. Shelly and her husband Grant also farm in the Perdue Community. Shelly is looking forward to her retirement this June and spending time with her children, grandchildren, family and friends.

Twenty-Five Year Service Award

Lisa Haynes



Lisa's time at the Biggar Credit Union started in high school with the Work Education program in 1994, but in April of 1996 she officially started her paying career on the front line as an MSR and then moving on to the lending department as admin support. In 2006 she took a position with the newly acquired insurance office and has spent the past 16 years as an insurance advisor with Biggar and Landis Insurance Services. She is licensed to sell all types of insurance but her main focus is life insurance, living benefits and insured investments.

Lisa has 3 grown children Dylan, Keaton and Kolby and considers herself very lucky they all still call Biggar their home. When not at work Lisa spends her time volunteering in the community with various organizations and raising Black Angus Cattle with her family on their farm just outside of Biggar.

Thirty Year Service Award

Lorie Angelopoulos

Lorie started her Credit Union career in Estevan. After moving to Biggar, she started with Biggar and District Credit Union in June of 1991. Lorie works in the lending department and after 30 years, still enjoys going to work every day.

Lorie and her husband Cory enjoy summers fishing and relaxing at Candle Lake. They also enjoy spending as much time as they can with their family, Amy & Trey and Tanner & Morgan. Lorie is starting to plan for retirement and is looking forward to the exciting things that will be in her future.



MINUTES OF THE BIGGAR AND DISTRICT CREDIT UNION

ANNUAL GENERAL MEETING HELD AT THE BIGGAR AND DISTRICT CREDIT UNION

MARCH 17, 2021

President Jim Rickwood declared that a quorum had been reached and called the meeting to order at 7:00 pm.

Cathy Hicks volunteered to be the secretary for the evening.

Jim Rickwood thanked everyone for joining the Zoom meeting and mentioned that the AGM booklets were available at all three branches for members who would like to see one, and there is a PDF copy on the website for those who are watching online. He also noted that questions could be directed to staff, directors, or management at any time.

Brenda Bindig made a motion to adopt the agenda as presented. Ian Hawkins seconded. Carried.

Jim allowed a few minutes for the review of the minutes from the 2020 annual meeting. Dale Martin moved that the minutes be accepted as presented, Carlene Genis 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 via slide show.

The following reports were presented:

People – Sheila Itterman

Money – Bryce Kramer

Development – Matthew Craig

Jim Rickwood talked about the election for our board of directors and how it was done electronically for the first time. He thanked the IT team and all staff for ensuring that it was done so smoothly. He announced that there were 830 votes counted this year – almost double of last year's numbers. He explained that there were three vacancies on the board this year and 4 candidates had been nominated. The three candidates voted in were Bob Atkinson, Stacie Beadle, and Teagon Polsfut. He thanked Linda White for letting her name stand as well.

Motion to destroy the ballots was made by Dean McCallum. Second by Janice Christensen. Carried.

Bill Hammel presented the Management Discussion & Analysis and discussed some of the challenges brought on by the COVID-19 pandemic. He also touched on market code, cooperative principals, and our strategy. He thanked the staff for their hard work and dedication in the past year especially regarding the pandemic and some of the extra work it has caused. He also thanked members for their patience and cooperation while we took measures to keep everyone safe yet continued to provide service to the members.

Anita Silvernagle gave the Insurance Agency Report. She noted 2020 was a challenging year and yet we have much to be thankful for. She expressed gratitude to the community, staff, clients, and credit union for their support throughout the year. Anita explained how the Hard Market affects the insurance world and that, combined with the pandemic will contribute to more challenges in 2021.

Bryce Kramer gave the Audit Report and recapped the financial statements. He mentioned that a full copy is available at any of the branches. He read the auditor's statement. Brian Heinrichs thanked management and staff for their cooperation in a successful audit, and he thanked the members for the business opportunity.

Jim Rickwood invited questions but there were none.

Penny McCallum made a motion to adopt the reports, seconded by Bill Fisher. Carried.

Wayne Dollansky moved that Virtus Group be our auditors for 2021. Second by Pam Eaton. Carried.

Bill Hammel introduced the staff via slide show presentation. He then presented long-term service awards to the following staff:

5 years – Lorraine Metz and Raelynn Hooper

10 years – Shantelle Downton, Fabiola Neufeldt, Terry Fyson

20 years – Jill Barber

25 years – Dean McCallum

Bill announced Dean's retirement after 25 years in the credit union system and congratulated him on a job well done.

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

3 names were randomly selected for door prizes – winners were Bill Fisher, Brenda Bindig, Trina Duhaime.

Brock Silvernagle asked that people give feedback about the Zoom meeting, either verbally or by email. This will help us to improve for future years.

Deb Penley adjourned the meeting at 8:30 pm.

**AFFIDAVIT OF COMPLETION OF REPORTS
FOR THE ANNUAL MEETING OF BIGGAR & DISTRICT CREDIT UNION
MARCH 23RD, 2022**

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

1. The 2021 financial statements were completed
Monday, February 28, 2022, and
2. The 2021 financial statements were made available
to the membership Friday, March 4, 2022, 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 4th day of)
March 2022)



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 3, 2022, and published in the Independent.

Sworn before me at the town of Biggar
in the Province of Saskatchewan
this 4th day of March 2022

)
)
)



Bill Hammel



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

PRESIDENT'S MESSAGE

It would be difficult to compare the past two years of pandemic to any other time since the Biggar and District Credit Union formed in 1949. Now that we are in the endemic stages of Covid-19, we can look back and be proud of how quickly the management and staff team ensured that precautions and protocols were in place to ensure continuity of safe service delivery throughout the health crisis and hold our first ever annual meeting to be held virtually. Who would have thought the annual meeting would be held in virtual format three consecutive times. Not only were alternate ways of doing business identified, created, and applied, the adaptations made our organization identify service delivery improvements and alternatives that can be applied to future operations. Having said that, focus on top-notch member service remained first and foremost and is the cornerstone of Biggar and District Credit Union and its subsidiaries. Bill and our management team have assembled the best group of staff, and the degree of professionalism comes as no accident. It is a result of a commitment to ongoing training, mentorship and dedication to the communities, municipalities, and membership we serve. Thank you to Bill and the credit union team as well as the subsidiaries teams for their service excellence!

Although commitment to our organizational values and ideals remains, change occurs. As technology becomes a bigger part of our lives, it encompasses all operations within our credit union, but change does not only occur at that level. Opportunities for improvements are constantly being identified and a great example would be the recent improvements made to the member service area in the Biggar Branch. Confidentiality is always paramount, and these renovations will ensure that membership transactions will be offered in the best possible environment. Our subsidiary of Biggar and District Accounting Services is another example of a recent change that provides the public with quality service while supporting local economies. Within the upcoming year several changes will also occur in the familiar faces within the organization due to retirements and it is important to remember that the same level of expertise will be provided through effective succession planning. Remaining relevant is always a focus and we strive to provide the best services possible and always welcome memberships comments and concerns. Later in this evening's annual meeting we will be announcing yet another exciting addition to our subsidiaries.

The year 2021 certainly brought forward challenges in the form of the continuing pandemic and drought. In our agriculturally based economy, the devastation was widespread and affected everyone in one form or another. Despite the hardships in the economy, Biggar and District Credit Union had a very successful year with a profit of \$1,569,743 and with the dedication of our membership, the board of directors are very honoured to declare a 5% dividend return in the amount of \$336,631.

Having been a director for the past seven years, it has been a unique learning experience that I am grateful to have been part of. Board participation is an opportunity for self-development while learning the cooperative values of the credit union system and its goal of building better communities and I would highly recommend becoming involved.

On behalf of the board of directors of Biggar and District Credit Union I would like to thank everyone participating in this our third virtual 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 2021, our membership numbered 3891. There are 2,795 members in the Biggar branch, 401 members in the Landis branch and 695 members in the Perdue branch.

Directors:

Four directors on the 2022-2023 board were elected by acclamation. Sheila Itterman, Michele Keith, Rebecca Huber and Susan Echlin were nominated to fill the four positions that became available in 2022.

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 2021 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 2021, the board of directors held 11 regular meetings, 16 committee meetings, and 10 special meetings. The special meetings included webinars, workshops and strategic planning sessions. Attendance by director was as follows:

DIRECTORS' ATTENDANCE REPORT		
Director	Regular Meetings	Special/Committee Meetings
Atkinson	10/11	9/10
Beadle	11/11	16/16
Craig	9/9	9/10
Danskin	9/11	7/8
Garrett	9/11	10/11
Gray	11/11	13/13
Itterman	11/11	17/17
Polsfut	7/9	7/7
Keith	11/11	11/13
Rickwood	11/11	20/20

Staff:

Our staff is to be commended on their resilience, dedication and commitment to members as shown by the ways they served throughout the second year of the pandemic. Besides dealing with the uncertainties of the pandemic and balancing work/life/family obligations, they still found time to add value for our members daily.

Ongoing personal and professional development has resulted in our organization possessing experts in all areas of the organization. Continual learning is a priority, and our staff members are constantly furthering their education; 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 Vulnerable Members, 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 has been part of our credit union family for three years now and was always ready to pitch in where needed. Ian Hawkins trained Jill Barber to manage branch, and Ian returned to the Biggar branch on a full-time basis. Kathy Ferguson continued to assist with lending administration and Deb Penley and Hailey Metz served members on the front line. Jocelyn Poletz managed the Perdue branch, working alongside Shelly Eaton in lending administration, and Cherie Lilley on the front line.

The Member Service team in Biggar welcomed Alyssa Williams and Hailey Metz to the front line. Cherry Dalisay returned from maternity leave, and Madeline Ellard and Emmett Keith joined the team as summer students. Jade Kushner took a leave to bring baby Barrett into the world; congratulations to her and Braden!

The Wealth Management team welcomed Jennifer Quessy; she began training as an Investment Specialist. Lyndsey Poole went on maternity leave in June – congratulations to her and Bryan on the birth of little Blake!

Ian Hawkins took on the role of VP of Support Services, directing back-office functions. Bryce Kramer transitioned to the Chief Operations Officer position and continued to lead the re-organization of the Lending Department.

Biggar & Landis Insurance Services staff continued to provide service in Landis as well as Biggar. Chandra Archdekin continued to work as a contract employee selling hail insurance.

We acquired Dylan and Amy Haynes with the start-up of the Biggar & District Accounting Services. They are both Chartered Professional Accountants and jointly manage the accounting office.

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.

The organizational structure continues to evolve as succession planning manages the changes caused by impending retirements. It is important to transfer knowledge, cross-train and develop staff to provide seamless coverage and service for our members.

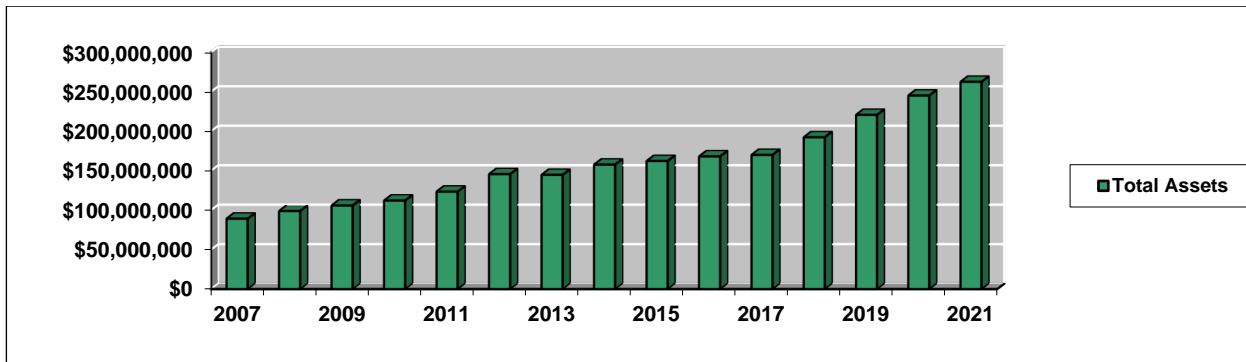
The personal and professional development of our employees enhances the way we serve our members' needs, as well as how we interact in the community and with our families. The dedication to learning and openness to change truly shows our staff's commitment to the credit union and our members.

Directors' Report

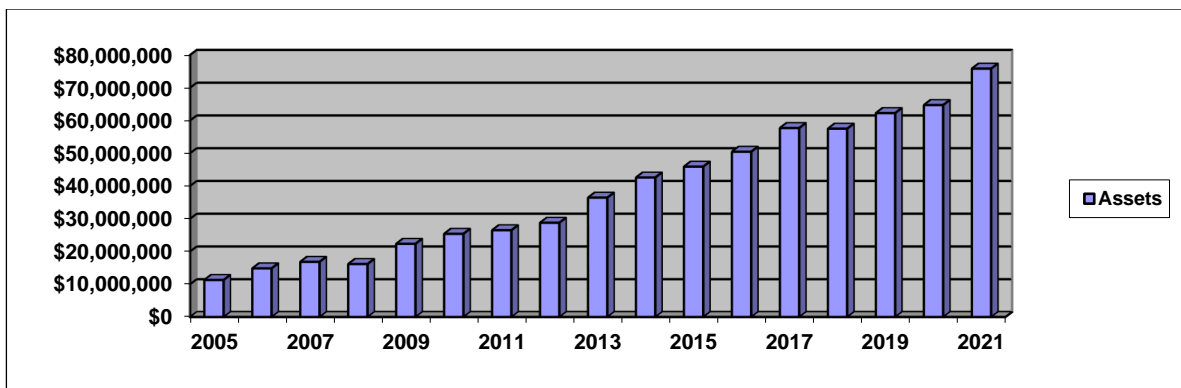
MONEY

Assets:

In 2021 total assets increased from \$245,145,665 to \$262,516,120 for an increase of \$17,370,455 or 7.09%. The provincial average growth was at 3.53%. 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.

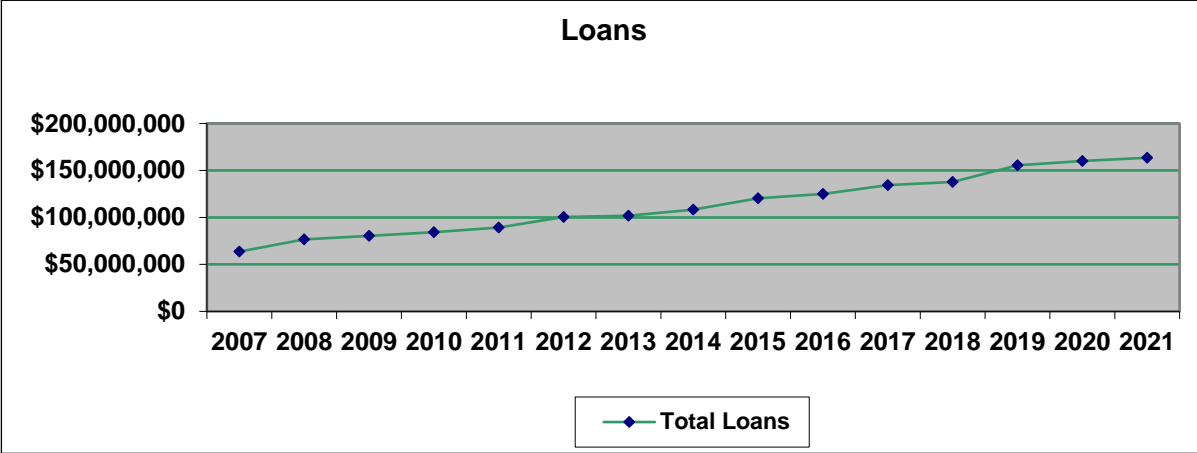


Off Balance Sheet investments are showing an increase from \$64,696,607 to \$75,817,656 for an increase of \$11,121,049. This is an increase of 17.19%. This is reflective of the markets, as well as members looking for products with better yields. Our Wealth Management Department offers a wide range of investment products from stocks to mutual funds to GIC's.



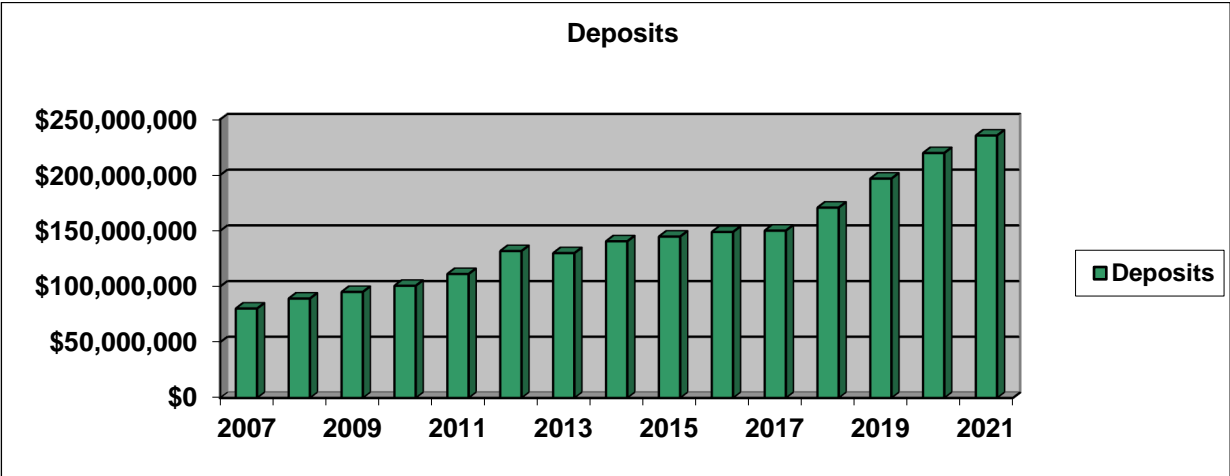
Total combined assets managed by your credit union are \$338,333,776. This compares to \$309,842,272 last year. Overall assets have grown by \$28,491,504 or 9.20%.

Loans were at \$160,126,620 last year and have grown to \$163,491,346. This is a growth of \$3,364,726 or 2.10%. In looking across the provincial credit unions, we see that the provincial average experienced a growth of 3.43%. Our lending risk is managed through a diverse portfolio and shows us with a low delinquency at 0.18%. The provincial average is 0.86%. Your board of directors is very pleased with the responsible manner in which members handle their loan payments.



Liabilities:

Through 2021 member deposits increased from \$219,885,587 to \$235,581,011 which is an increase of \$15,695,424 or 7.14%. Again, there appears to be a COVID impact of people not spending. In comparison, the provincial average growth is at 4.77%. The largest increase is mainly in the agriculture sector.

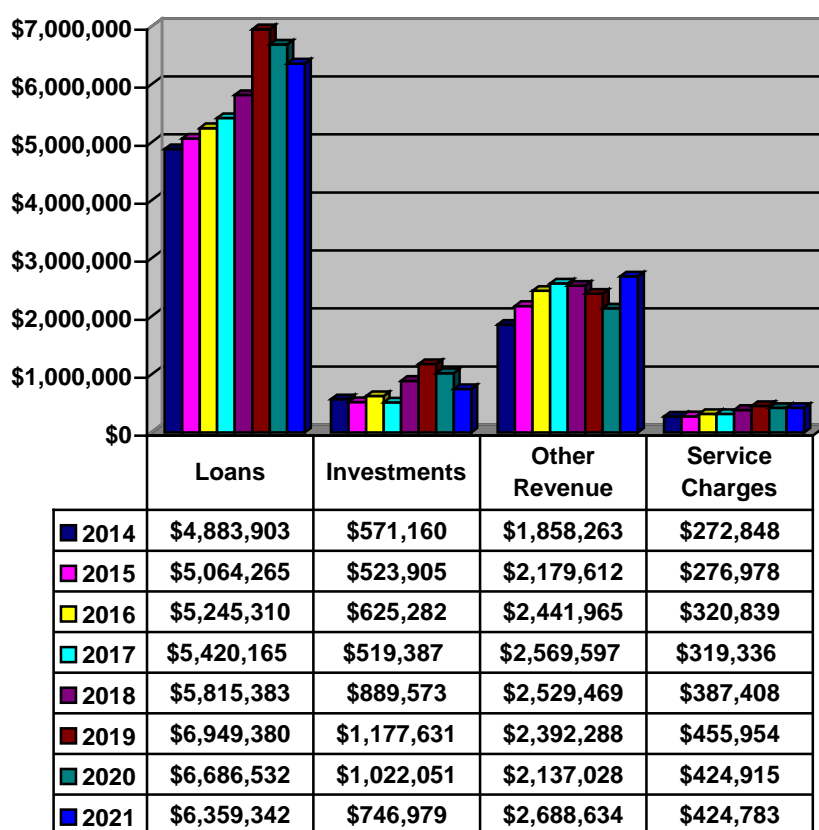


Capital Management:

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 8.99%. 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.

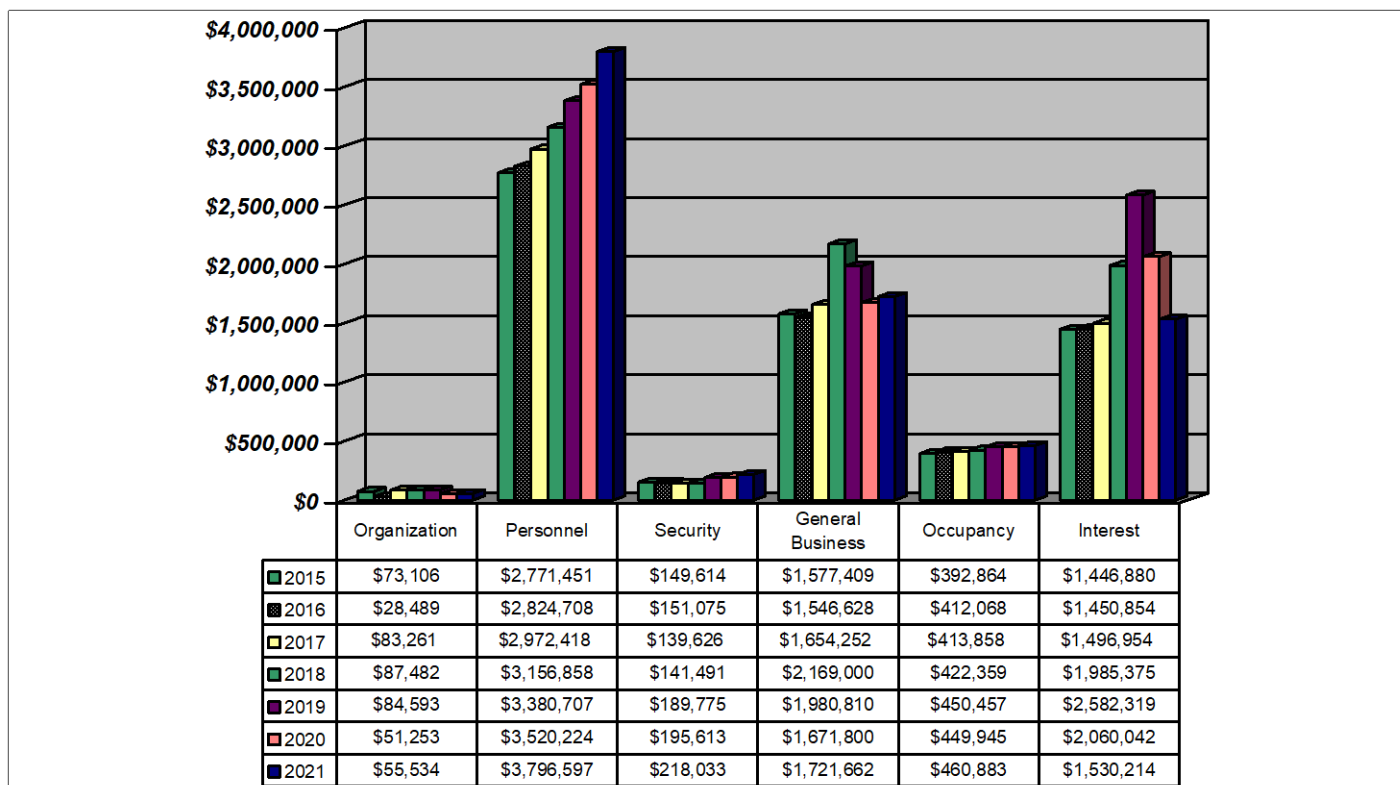
Income:

Net income in 2021 was \$1,569,743 compared to last year's income of \$1,374,880. This equates to about 0.60% of assets. It should be noted that in 2021 we had some challenges with a tightening interest margin with lower rates. Decreased interest revenue has had the largest impact on our bottom line in 2021. This was offset by stronger non-interest revenue earnings than in prior years. Revenue from service charges remained relatively steady in 2021.



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

Expenses:

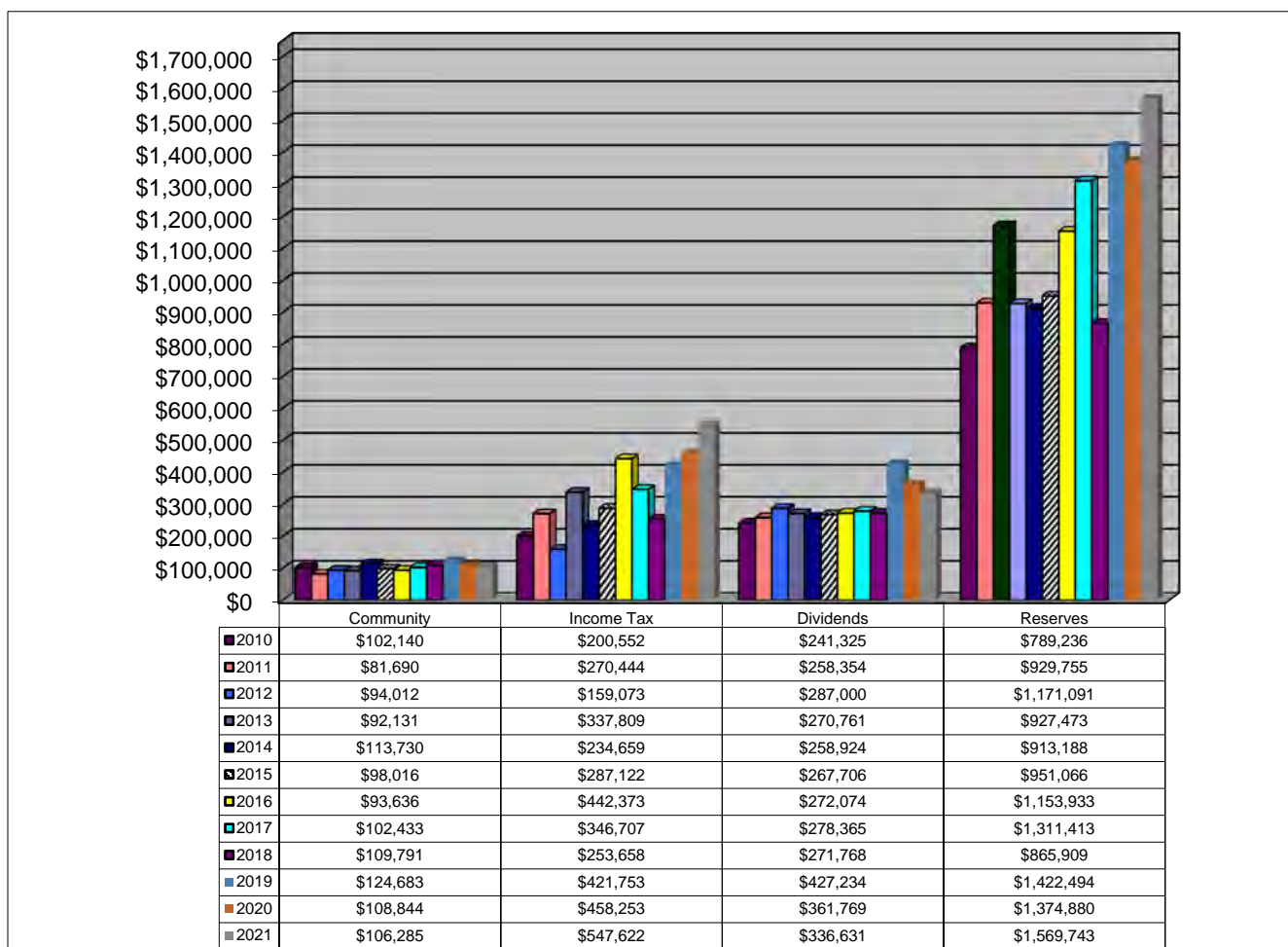


All expense categories are consistent with the prior year trends. Personnel expenses and security are showing increases, while all other categories have decreased. The increased personnel costs can be largely attributed to our succession plan, which has allowed us to cross train staff in preparation of multiple retirements at the end of 2022. The impacts of COVID are the main reason for the decreases in other areas. As with everyone, the pull back of normality has caused a conservative spending approach. Our focus on finding efficiencies will continue into 2022. Our priority remains on providing improved products and services, and giving members the high level of proactive customer service they you expect.

Profit Distribution:

Your board of directors has once again declared a 5% dividend for 2021. This equates to \$336,631 that will be paid back to our members. Approximately \$106,285 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 2021.

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



Directors' Report

DEVELOPMENT

New Products and Services:

Biggar & District Accounting Services, a subsidiary company wholly owned by Biggar & District Credit Union, was launched in January 2021. Our board of directors identified a need in the community for additional tax-planning and accounting services. The accounting firm is a natural fit with our vision of providing full financial services for our members. Biggar & District Accounting Services will operate from the offices located in the R.M. of Biggar building at 201, 2nd Avenue West in Biggar. Managers Dylan and Amy Haynes are both Chartered Professional Accountants.

In March we held our first virtual vote for open positions on the board of directors. The Election Buddy platform was used for the vote and provided information about the candidates. We had record numbers of members participate in the election. Later in the year Election Buddy was used to contact members with a survey to help prepare them for a transition to a new online banking system coming in 2022.

We transitioned to Office365 early in the year and have embraced the Teams application as an organization. The combination of Office365 and Teams facilitates collaboration and communication among staff members, increasing effectiveness even when working remotely.

Two new financial management applications from the Intuit software company were made available to our internet banking members. QuickBooks Online is a cloud-based financial management software designed to reduce the time spent managing your business finances. Mint brings together everything from spending, balances, budgets and more in one powerful app.

In late 2020 we launched a new public website as the first stage of moving to a new online banking platform. Mid-way through 2021 we reevaluated our members' needs and wants for an online banking system and decided to provide them with a better option, called Xpress. This necessitated another public website change. The new website launched in December 2021, with no member service disruption.

The last quarter of 2021 our energies were focused on preparing for the new Xpress internet banking and mobile app system that will launch in 2022. We have heard the concerns of our members about our current online banking system and mobile app. We are pleased to say that our new system will give members everything they are looking for in a modern internet banking experience.

Credit unions are increasingly under attack from cyber criminals wanting to gain access to our sensitive information. We pro-actively rolled out the KnowB4 cyber security awareness program to teach our employees how to make smarter security decisions. It has been a huge success and our employees are becoming a strong human firewall against possible cyber-attacks.

Community Support:

Biggar & District Credit Union, along with its subsidiaries Biggar & Landis Insurance Services and Biggar & District Accounting Services, donated \$50,000 to the Biggar Revitalization Project. We feel this project is important in shaping the future of our community as well as honouring the work of past generations. Our members, employees and directors are connected to Biggar on so many levels, the rejuvenation of Biggar's core shows commitment to raising our families and doing our business here. Our staff and directors are encouraged to fulfill the plans inspired by the vision and generosity of the Brownlee family. We are, as our tagline boasts, "building better communities". This project fits well with our mission. The donation will sponsor the Gateway Rest and Relax area near the highway turnoff into Biggar – an inviting spot to stop for a picnic, stretch your legs, and explore the town.

Although requests for funding in 2021 was lower than other years due to COVID restrictions we were pleased to donate to a number of organizations in 2021 including: Biggar Arts Council, Biggar Golf Club, Biggar Museum and Gallery, Biggar Rec Valley, Perdue Pirates Senior Hockey, Perdue 4-H and Landis Vintage Snowmobile Rally.

"Casual for a Cause" is a staff initiative that we are very proud to mention. In exchange for the privilege of wearing jeans on Fridays, staff donate \$5 per pay period to the cause. In 2021 our staff donated over \$5,000 to 12 causes including: Landis Fire Department, Perdue Daycare and Sandra Schmirler Olympic Gold Park.

Community Development:

Our credit union remains a strong corporate citizen and community leader through our involvement in educational scholarships. In 2021 we provided four, \$1,000 post-secondary scholarships. Two scholarships were awarded in Biggar to Kalin Harrabek and Kolby Haynes; one scholarship was awarded to Harley Harris of Landis, and one in Perdue to Rylee Moody. 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. As we were not able to host our normal community cleanups, we decided to issue a challenge - a #TrashtagChallenge to be more precise. We challenged people in Biggar, Landis and Perdue to clean up a little piece of their community and post before and after pictures.

In October-November we were able to partner once again with Biggar & District Family Centre for 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. Once again, with social distancing restrictions in place, the event was a success. (*Share the Warmth is a SaskEnergy Initiative.)

2021 was the second year for a completely virtual Ready Set Succeed program for grade 12 students. The students from Biggar, Perdue and Landis and our staff enjoyed it tremendously. The feedback we receive from these sessions is very positive and helps us design financial literacy programming that helps set our graduating students up for financial success when they leave home.

On November 2nd our Wealth Management team hosted "Investing in Your Future" a live streamed event with expert presenters discussing the Importance of Power of Attorneys and Wills and Understanding Investment Basics.

Although the pandemic made hosting events challenging, we were pleased to be the title sponsor of Biggar's Town and Country Fair Days and help sponsor the Perdue Ag Society's Movie Night held on Canada Day.

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, 2021, Biggar and District Credit Union had 3,891 members and 104 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 183 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.

Our Accounting firm subsidiary is 100% owned by Biggar and District Credit Union. Biggar and District Accounting Services provides accounting services through our Biggar location.

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 2021 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. Although we did not see an increase in our membership this year, the decrease was mainly due to a cleanup in our banking system not an actual loss of members. 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:

<i>Results</i>	<i>Targets</i>	<i>Actual</i>	<i>Provincial</i>
Asset Growth	4.94%	7.21%	3.53%
Deposit Growth	5.00%	7.21%	4.77%
Off-Balance Sheet Growth	3.90%	17.19%	
Loan Growth	3.05%	2.15%	3.43%
Loan / Asset Ratio	65.38%	61.84%	73.02%
Loan Delinquency (>90 days)	less than 2%	0.17%	0.86%
Leverage Ratio	8.90%	8.92%	8.75%
Risk Weighted Capital	15.21%	15.61%	14.25%
Non-interest Revenue	\$2.593 million	\$3.05 (1.15%)	0.76%
Profit (after tax)	\$ 1,092,343	\$1,569,743	
ROA (after tax, before dividend)		0.73%	0.64%

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 process which results 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, 2021, the ratio was 107.20%. 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 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 CUDGC

The credit union completes a regular assessment of the LCR and on December 31, 2021, our ratio was 199.87%. This ratio continues to exceed the regulatory minimum standard of 100%, and is in line with 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, 2021, we were lent out 61.84%, which is 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 42.7% in Consumer loans, 34.4% in Agriculture loans, and 22.9% 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 borrower's 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 unions mortgage portfolio of amortized mortgages is broken down as follows:

Amortization period	# of Loans		% of Residential Mortgages	
	Insured	Uninsured	Insured	Uninsured
<10 years	1	99	0.25%	24.32%
10-15 years	7	63	1.72%	15.48%
15-20 Years	19	84	4.67%	20.64%
>20 Years	22	112	5.41%	27.52%
Total	49	358	12.04%	87.96%

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%. Currently HELOC's make up a very small portion of the credit union residential mortgage portfolio at 3.09%

At year-end, our \$162,980,705 loan portfolio was comprised of 30.9% of uninsured conventional residential mortgages and 5.53% of insured residential mortgages and 3.09% 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. The current risk-weighted, asset-based concentration provision in the ICAAP sufficiently addresses risk in the residential portfolio. The credit union has a practice of completing a shock test on our mortgage portfolio on an annual basis. Currently our shock test is showing an LTV on uninsured mortgages at 61.97% and 73.8% on insured mortgages. Based on our provisions from ICAAP, underwriting practices and current LTV on our mortgage portfolio, in the event of a market downturn, the credit union is adequately prepared.

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', clients', 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 client's 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 and Bryce Kramer, Chief Operating Officer. Our executive team promotes professionalism, empowerment, and working as a team. In 2022 we welcomed Ian Hawkins to our executive team as the VP of Support Services.

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, 2021, unless otherwise indicated)

- Today there are 35 credit unions in Saskatchewan serving 205 communities through 232 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](#).



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2021

January 2022

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.

BIGGAR AND DISTRICT CREDIT UNION

BIGGAR, SASKATCHEWAN

**INDEPENDENT AUDITORS' REPORT AND
SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS
DECEMBER 31, 2021**



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.

General Manager

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, 2021 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, 2021. We expressed an unmodified audit opinion on those financial statements in our report dated February 28, 2022.

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, 2021 are a fair summary of those financial statements, in accordance with the criteria described in Note 1.

February 28, 2022

Saskatoon, Saskatchewan

Virtus Group LLP

Chartered Professional Accountants

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
(with comparative figures for 2020)

ASSETS		
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 42,546,094	\$ 36,301,432
Investments	51,950,101	44,358,023
Loans receivable	163,491,346	160,126,620
Other assets	1,376,410	1,119,292
Property and equipment	3,152,169	3,240,298
	<u>\$ 262,516,120</u>	<u>\$ 245,145,665</u>
LIABILITIES		
Deposits	\$ 235,581,011	\$ 219,885,587
Other liabilities	3,159,122	3,052,760
Shares	19,046	20,120
	<u>238,759,179</u>	<u>222,958,467</u>
MEMBERS' EQUITY		
Retained earnings	23,756,941	22,187,198
Accumulated other comprehensive income	-	-
	<u>\$ 262,516,120</u>	<u>\$ 245,145,665</u>

APPROVED BY THE BOARD:

Steve Seale Director

B. Brant Director

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Retained earnings - beginning of year	\$ 22,187,198	\$ 20,812,318
Net income	<u>1,569,743</u>	<u>1,374,880</u>
Retained earnings - end of year	<u>\$ 23,756,941</u>	<u>\$ 22,187,198</u>
Accumulated other comprehensive income - beginning of year	\$ -	\$ -
Other comprehensive income	<u>-</u>	<u>-</u>
Accumulated other comprehensive income - end of year	<u>\$ -</u>	<u>\$ -</u>
 TOTAL EQUITY	 <u><u>\$ 23,756,941</u></u>	 <u><u>\$ 22,187,198</u></u>

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Interest revenue		
Loan	\$ 6,359,342	\$ 6,686,532
Investment	746,979	1,022,051
	<u>7,106,321</u>	<u>7,708,583</u>
Interest expense		
Borrowed money	9,704	8,489
Member deposits	1,520,510	2,051,553
Patronage allocation	336,631	361,769
	<u>1,866,845</u>	<u>2,421,811</u>
Net interest	5,239,476	5,286,772
Provision for credit losses (recoveries)	<u>(17,181)</u>	<u>126,747</u>
Net interest after provision for credit losses (recoveries)	<u>5,256,657</u>	<u>5,160,025</u>
Other income	<u>3,113,417</u>	<u>2,561,943</u>
Operating expenses		
General business	1,721,662	1,671,800
Occupancy	460,883	449,945
Organizational	55,534	51,253
Personnel	3,796,597	3,520,224
Security	218,033	195,613
	<u>6,252,709</u>	<u>5,888,835</u>
Income before income taxes	2,117,365	1,833,133
Income taxes		
Current	573,822	469,753
Deferred (recovery)	<u>(26,200)</u>	<u>(11,500)</u>
Net income before other comprehensive income	<u>1,569,743</u>	<u>1,374,880</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 1,569,743</u>	<u>\$ 1,374,880</u>

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash provided by (used in) operating activities:		
Net income	\$ 1,569,743	\$ 1,374,880
Items not involving cash:		
- Amortization	347,352	361,230
- Provision for credit losses (recoveries)	(17,181)	126,747
Net change in other assets and other liabilities	(150,756)	(8,698)
	<u>1,749,158</u>	<u>1,854,159</u>
Cash provided by (used in) investing activities:		
Investments	(7,592,078)	(15,674,991)
Loans receivable	(3,347,545)	(4,838,022)
Property and equipment	(259,223)	(148,661)
	<u>(11,198,846)</u>	<u>(20,661,674)</u>
Cash provided by (used in) financing activities:		
Deposits	15,695,424	22,977,201
Shares	(1,074)	(310)
	<u>15,694,350</u>	<u>22,976,891</u>
Increase in cash	6,244,662	4,169,376
Cash position - beginning of year	<u>36,301,432</u>	<u>32,132,056</u>
Cash position - end of year	<u>\$ 42,546,094</u>	<u>\$ 36,301,432</u>

BIGGAR AND DISTRICT CREDIT UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

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, 2021 and December 31, 2020 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.