

ANNUAL REPORT

2022



Biggar & District
— Credit Union —
building better communities



Saskatchewan
Credit Unions

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BIGGAR & DISTRICT CREDIT UNION
ANNUAL MEETING March 22, 2023
Serving Biggar and area since 1949

AGENDA

1. Call to Order
2. Appointment of Secretary
3. Adoption of Agenda
4. Minutes of the Meeting held March 23, 2022
5. Affidavit of Completion of Reports / Proof of Notice
6. President's Message
7. Directors' Reports
8. CEO Introduction and Message
9. Auditor's Report
10. Financial Statements
11. Question Period
12. Adoption of Reports
13. Appointment of Auditors for 2023
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	President	2024
Stacie Beadle	1 st Vice President	2024
Matthew Craig	2 nd Vice President	2023
Susan Echlin	Director	2025
Sandi Gray	Director	(April – August 2022)
Bernadette Garrett	Director	2023
Becky Huber	Director	2025
Sheila Itterman	Director	2025
Michele Keith	Director	2025
Teagon Polsfut	Director	2024

2022-2023 BOARD OF DIRECTORS



Bob Atkinson



Stacie Beadle



Matthew Craig



Susan Echlin



Bernadette Garrett



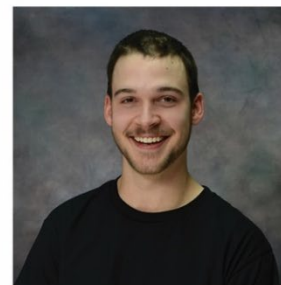
Becky Huber



Sheila Itterman



Michele Keith



Teagon Polsfut

OUR STAFF

MEMBER SERVICES



Josianne Arseneault



Kaitlyn Baroni



Erin Boisvert



Cherry Dalisay



Kathy Ferguson



Tracy Goring



Cherie Lilley



Lorraine Metz



Fabiola Neufeldt



Deb Penley



Karen Silvernagle

WEALTH MANAGEMENT



Ashley Booker



Pamela Eaton



Lyndsey Poole



Jennifer Quessy



Alyssa Williams

LENDING SERVICES



Lorie Angelopoulos



Carla Genis



Tim Goddard



Sandi Gray



Hailey Metz



Jade Kushner



Peggy Lake



Jocelyn Poletz



Jenna Scott

ADMINISTRATION



Destiny Baroni



Marissa Cempron



Shantelle Downton



Carlene Genis



Ian Hawkins



Cathy Hicks



Bryce Kramer



Diane Larouche Ellard



Brock Silvernagle



Bill Hammel
CEO

INSURANCE SERVICES



Shadi Achkar



Janice Christensen



Leisha Desrosiers



Breanne Harrabek



Lisa Haynes



Tanya Hebert



Raelynn Hooper



Emmett Keith



Casey Langton



Britney McAvoy



Stephanie Nichol



Michelle Rea



Leah Woytko



Anita Silvernagle
Manager

ACCOUNTING SERVICES



Nina Carruthers



Susan Harris



Amy Haynes



Dylan Haynes



Donna Robillard



Raymond Rondeau

LONG-TERM SERVICE AWARDS

Five Year Service Awards



Marissa Cempron

Marissa started working at the Biggar and District Credit Union in March 2017 as a Special Projects Coordinator. Later on, she became an Administrative Support Officer. Now she is the Finance Coordinator where she handles the accounting, bookkeeping, and payroll processing of the Biggar & District Credit Union.

Marissa and her husband Noel have three children. She enjoys hiking and spending time with her young family.

Stephanie Nichol

Stephanie started at Biggar & District Insurance Services in January 2018 as a Motor Vehicle Representative. Since then she has worked in the home department.

December 26th, 2022 Stephanie and her partner Dakota welcomed their baby boy Kohen to the world and she is currently on mat leave. You can find her at the lake, whether it's ice fishing or summer fishing



Ten Year Service Award



Janice Christensen

Janice started working at Biggar & Landis Insurance Services in October 2012. She was hired as a Motor Vehicle Rep and Accounting Clerk for the office. Since then, she was relieved of the accounting duties and has worked as a broker for Auto and Home and is settling into her happy place as an Agro Broker.

Janice and her husband John love spending time at their site at the lake, camping, and fishing. Their greatest joy is when the kids and grandkids are around to share things with them.

Fifteen Year Service Award

Lyndsey Poole

Lyndsey started her credit union career in 2007 at Affinity Credit Union. In 2008 she made the move to Biggar and started at Biggar and District Credit Union as an MSR. Lyndsey joined the Financial Services team in 2009 and has been working hard raising kids and taking courses all the while. She obtained her Personal Financial Planning designation in November 2020 which is something she is very proud of.

Lyndsey and her husband Bryan have three boys – Evan, Tyson, and their newest addition Blake whom they welcomed in June 2021. The Pooles love to fill their summers making memories at the family cabin.



Twenty-Five Year Service Awards



Michelle Rea

Michelle began her cooperative journey in 1997 at the Landis Co-op. In 2007 she started her insurance career with Biggar & Landis Insurance Services (now Biggar & District Insurance Services).

Michelle lives on the family farm near Springwater with her 2 dogs and has 2 grown children.

Karen Silvernagle

Karen started with Biggar & District Credit Union in December 1997. She has one son Brant, a daughter-in-law Jaylynn, and two grandchildren Aurora and Bradley.

Karen enjoys spending time with family (especially her grandchildren), and friends, reading, playing cards, and taking hot winter vacations.



Forty Year Service Award



Bill Hammel

Bill Hammel started working at the Biggar Credit Union in April 2007 but has worked in the credit union system for over 40 years in various locations around the province.

Bill is married to Lissa, who is the Chief Financial Officer at Great Plains College and together they have 2 grown children Devyn and Destiny. Bill and Lissa are enjoying their new home at Lac Pelletier.

Forty-Five Year Service Award

Tim Goddard

Tim Goddard started working in the cooperative system in 1973, shoveling snow for the Cabri Co-op. He first started in the Credit Union System as a Manager Trainee at Mossbank, a branch of Assiniboia Credit Union, in 1977. This is where he met Sheila. They were married in 1979 and together raised two boys, Bryan & Jeff. In 1979, Tim started in Bellegarde, a branch of Redvers Credit Union, as the Branch Manager. In 1980 they moved to Bulyea where he was the General Manager of Wecan Savings & Credit Union. Shaunavon Credit Union was his next location, where he looked after the Rural Branches and worked as a Controller. Tim returned to the General Manager position in 1989 at Rockglen-Killdeer Credit Union and stayed there until the end of 2021.

Tim started at Biggar & District Credit Union in January 2022 as Regional Manager. Forty-Five years on December 12, 2022, in 155 words or less!



MINUTES OF THE BIGGAR AND DISTRICT CREDIT UNION ANNUAL GENERAL MEETING HELD AT THE BIGGAR AND DISTRICT CREDIT UNION MARCH 23, 2022

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 link to the PDF copy on the Teams call for those who are watching online. He also noted that questions could be directed to staff, board, or management at any time.

Dale Martin made a motion to adopt the agenda as presented. Teagan Polsfut seconded. Carried

Jim read the minutes from the 2021 annual meeting. Dean McCallum moved that the minutes be accepted as presented, and Stephanie Nicholls seconded. Carried.

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

Jim Rickwood delivered the President's Message and introduced the Board of Directors via a slide show.

The following reports were presented:

People – Michele Keith

Money – Ian Hawkins

Development – Stacey Beadle

Jim Rickwood explained that there was no Director Election this year as there were four vacancies and four nominees. Elected by acclamation were Sheila Itterman, Michele Keith, Rebecca Huber, and Susan Echlin. He said he will not be returning to the board this upcoming year but highly recommended the experience to anyone considering it.

Bill Hammel presented the Management Discussion & Analysis and discussed some of the challenges brought on by the pandemic. He expressed thanks for members tuning in virtually and added that it is a challenge to engage everyone without the supper and wine that we enjoyed in the past. He also touched on market code, cooperative principles, 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. Bill introduced the credit union staff.

Anita Silvernagle gave the Insurance Agency Report. She expressed gratitude to the community, staff, clients, and credit union for their support throughout the year. She also explained how severe weather dominated the year and how it impacts premiums. Anita announced that the credit union has purchased Perdue Agencies so this will mean re-branding to become Biggar and District Insurance Services for all three branches now. She thanked Brad Buettner for his past service, and appreciation for the business being kept local. Anita then introduced her staff.

Dylan Haynes gave an update for Biggar & District Accounting Services. He thanked the community for the support and explained the types of services they are offering; he then introduced the staff.

Bryce Kramer reported via video from the branches: from Landis, he spoke to Jill Barber about the happenings in Landis and the renovations taking place there. In Perdue, he got an update from Tim Goddard – some news here was that Shelly Eaton is retiring in June. Bryce then proceeded to Perdue Agencies to talk to Anita Silvernagle and was informed that the insurance office would be part of Biggar & Landis Insurance Services and begin operating on April 4, 2022. Bryce headed back to Biggar and interviewed Karen Silvernagle about the recent renovations in the Biggar branch; he then met with Shantelle Downton to hear about the latest changes in technology – the new online banking system.

Brian Heinrichs gave the Audit Report and stated that it was a clean audit and they received everything they asked for. He thanked the management for their cooperation and the members for the business opportunity. He also announced that their accounting firm has also joined in the donations to the Biggar Revitalization efforts.

Jim Rickwood invited questions but there were none.

Pam Eaton made a motion to adopt the reports, seconded by Bernadette Garrett. Carried.

Bernadette Garrett moved that Virtus Group be our auditors for 2022. Seconded by Stephanie Nicholls. Carried.

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

5 years – Breanne Harrabek, Jade Kushner, Deb Penley, Cheri Steeg
10 years – Pam Eaton
15 years – Cathy Hicks
20 years – Shelly Eaton
25 years – Lisa Haynes
30 years – Lorie Angelopoulos

Jim Rickwood announced that on April 1, there would be a celebration of the 25th Anniversary of the Perdue Branch. Celebrations are in the works.

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

Teagan Polsfut adjourned the meeting at 8:14 pm.

**AFFIDAVIT OF COMPLETION OF REPORTS
FOR THE ANNUAL MEETING OF BIGGAR & DISTRICT CREDIT UNION
MARCH 22RD, 2023**

I, Bryce Kramer, Chief Executive Officer of Biggar & District Credit Union make oath and say:

1. The 2022 financial statements were completed

Monday, February 27, 2023, and
2. The 2022 financial statements were made available

to the membership Friday, March 10, 2023, 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 10th day of)
March 2023)


Bryce Kramer



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

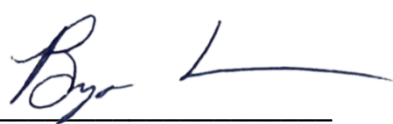
PROOF OF NOTICE

I, Bryce Kramer 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 9, 2023, and published in the Independent.

Sworn before me at the town of Biggar)
in the Province of Saskatchewan)
this 10th day of March 2023)



Bryce Kramer



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

PRESIDENT'S MESSAGE

First, I'd like to introduce myself. My name is Bob Atkinson and I have served 13 years as a board member on both the Biggar & District Credit Union and the Landis Credit Union (before the merger).

2022 was another busy and successful year for our credit union. In March we held our third online AGM, due to the pandemic. This year we are happy to present a new way of hosting the AGM, with three supper events, in Biggar, Landis, and Perdue followed by a live-streamed annual meeting. Hosting the meeting this way will allow us to get together in each of our branch communities on the same evening, and share a meal. All members present will be able to participate in the business meeting portion of the evening, thanks to the remote live-streaming technology that we have adapted to over the past three years.

Our business base is expanding as we continue to provide our communities with needed financial services, in keeping with our mission of working together to build prosperous communities and to provide the best full financial service.

The new Perdue office of Biggar & District Insurance Services is a perfect example. When Perdue Agencies became available, we took advantage of the opportunity to expand our service offering in Perdue and purchased the business.

Biggar & District Accounting Services opened in Biggar at the beginning of 2021 with two staff members. It is a busy and successful business, with a staff of six by the end of 2022.

As with any healthy organization people retire, and here at Biggar & District Credit Union this past year has been a big one on that front with five of our senior staff retiring. We have had a succession plan in place to help us manage the change and have worked for several years to make sure the transition would be as smooth as possible. Most of the new management is from within our organization. This means they know and like the direction and culture of our credit union. This does not mean everything will be the same. With new people come new ideas and energy. Our credit union is looking forward to a great and bright future.

I would like to thank all of our members, staff, and the board of directors for making 2022 such a success for Biggar & District Credit Union. I would encourage any member that is interested to become a director. It is a worthwhile experience, working with a great team of fellow directors and senior staff.

A handwritten signature in blue ink, appearing to read 'B. Atkinson', with a long horizontal flourish extending to the right.

Bob Atkinson
President

Directors' Report

PEOPLE

Members:

In 2022, our membership numbered 3920. There are 2,825 members in the Biggar branch, 402 members in the Landis branch and 693 members in the Perdue branch.

Directors:

Four directors on the 2023-2024 board were elected by acclamation. Bernadette Garrett, Matthew Craig, Jim Rickwood and Suzanne Johnson were nominated to fill the four positions that became available in 2023.

Increasing regulatory expectations make ongoing education a constant requirement of our directors. In addition to their regular and committee meetings, they attend training sessions throughout the year. The ability to use online forums for training and meetings was essential in 2022 and once again 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 2022, the board of directors held 11 regular meetings, 9 committee meetings, and 16 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	9/9
Beadle	10/11	12/13
Craig	10/11	7/9
Danskin	2/2	2/2
Echlin	8/9	6/8
Garrett	9/11	11/11
Gray	5/7	4/4
Huber	7/9	6/6
Itterman	10/11	13/13
Polsfut	7/11	2/5
Keith	10/11	8/8
Rickwood	2/2	6/6

Staff:

Our staff is to be commended on their resilience, dedication, and commitment to members as shown by the ways they embraced the many changes during the year. 2022 will be known as the year of staff changes as all departments and each of the subsidiaries experienced staff turn-around. This was due mainly to planned retirements, internal promotions, and the acquisition of the Perdue Agency.

Beside dealing with the uncertainties and balancing work/life/family obligations, they still found time to add value for our members, customers, and clients daily.

Our organization has experts in all areas because of the commitment of our staff to their ongoing personal and professional development. 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 Protecting 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.

Sandi Gray replaced Jill Barber as an account manager in the Landis branch this year. Kathy Ferguson continued to assist with lending administration and Deb Penley and Hailey Metz served members on the front line. Tim Goddard joined the lending team in January 2022 as the regional manager in the Perdue branch. He worked alongside Carla Genis as a lending specialist and Cherie Lilley on the front line. Shelly Eaton retired after more than 20 years in the credit union system.

Investing in our staff and providing growth opportunities are always priorities. Alyssa Williams moved from the front line to the Wealth Management Team, and Hailey Metz is now part of the Lending Team. This, and Dolores Kobelsky's retirement, left gaps in the Member Service team in Biggar. Erin Boisvert, Kaitlyn Baroni, and Josianne Arseneault were welcomed to the team. Madeline Ellard and Emmett Keith returned as summer students. Lorraine Metz, Fabiola Neufeldt, and Cherry Dalisay trained the new staff members while providing excellent service to our members. Tracy Goring trained alongside Karen Silvernagle for her new role as Team Lead in 2023 after Karen's retirement at the end of 2022.

The Wealth Management team welcomed Alyssa Williams after Cheri Steeg resigned to pursue secondary education. Alyssa began training as an Investment Specialist. Lyndsey Poole returned from maternity leave and joined Ashley Booker in providing expert advice to our members. Pam Eaton prepared for her new role as VP of Deposit and Investment Services in 2023.

Jenna Scott returned from maternity leave to join Peggy Lake and Lorie Angelopoulos on the Consumer Lending Team. Jade Kushner returned from maternity leave and started her role as a lending specialist, working closely with Jocelyn Poletz and Sandi Gray.

Ian Hawkins continued in the role of VP of Support Services, directing back-office functions.

The Technology Team welcomed Destiny Baroni as the Project and Support Officer as Carlene Genis joined the HR and Marketing Team where Cathy Hicks coached and mentored her to become the manager of HR/Marketing in 2023. Shantelle Downton, Brock Silvernagle, and Diane Larouche-Ellard played a vital role in the implementation of the new digital banking platform.

Bryce Kramer trained closely with Bill Hammel, to transition to his new role as CEO in 2023. Cathy, Bill, and Karen retired at the end of 2022, signifying the end of a multi-year process of succession planning.

Biggar & Landis Insurance Services changed their name to Biggar & District Insurance Services with the acquisition of the Perdue Agency. Staffing the new office with trained staff became the focus for the year. Britney McAvoy, Shadi Achkar, Tanya Hebert, Leah Woytko, and Emmett Keith were hired and started their training immediately. Leah and Stephanie Nichol went on maternity leave and are spending time with their baby boys. Anita Silvernagle and Michelle Rea retired at the end of 2022 and Breanne Harrabek worked diligently to replace Anita in 2023 as the Office Manager.

Amy and Dylan Haynes, managers at Biggar & District Accounting Services, welcomed their baby boy in September 2022. Amy went on maternity leave and Dylan hired Sue Harris (bookkeeper), Nina Carruthers (accountant), Donna Robillard (administrative assistant), and Raymond Rondeau (senior accountant) on a part-time basis to provide their clients with great service and advice.

Succession planning is continuing with the new wave of retirements on the horizon. We continuously find ways to transfer knowledge, cross-train and develop staff to provide seamless coverage and service for our members.

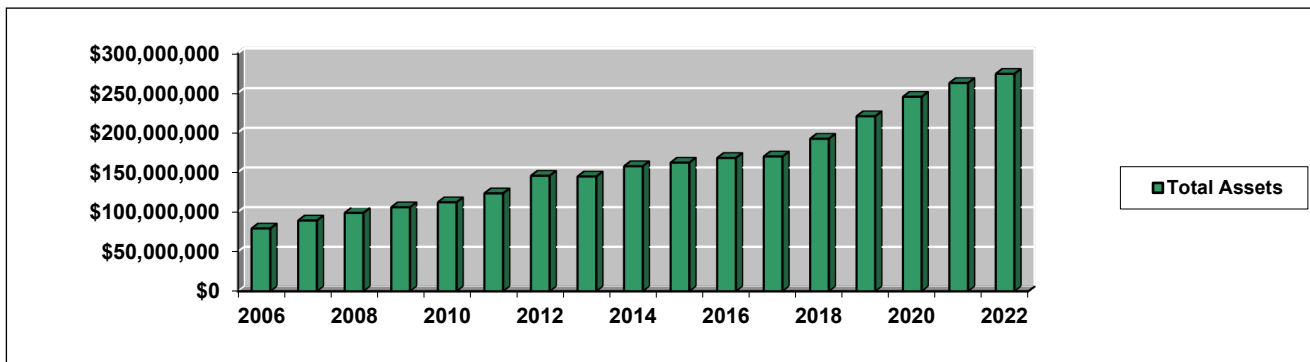
Our employees' personal and professional development enhances how we serve our members' needs and how we interact in the community and with our families. Our staff continues to be involved in numerous organizations and events, serving their interests and representing the credit union, insurance office, and accounting firm in their communities. The dedication to learning and openness to change truly shows our staff's commitment to the organization and our members.

Directors' Report

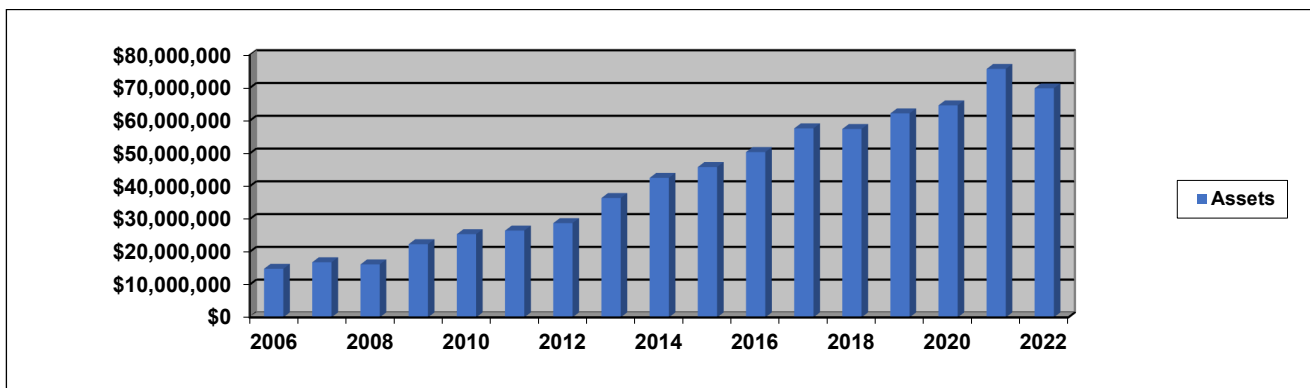
MONEY

Assets:

In 2022 total assets increased from \$262,516,120 to \$274,102,820 for an increase of \$11,586,700 or 4.41%. The provincial average growth was at 4.18%. As you can see, we are slightly above the provincial growth. Our growth is across all sectors, but largest dollars is in the Agriculture sector. This level of growth is more typical to the pre-COVID years as people have returned to more normal lifestyle and spending habits.

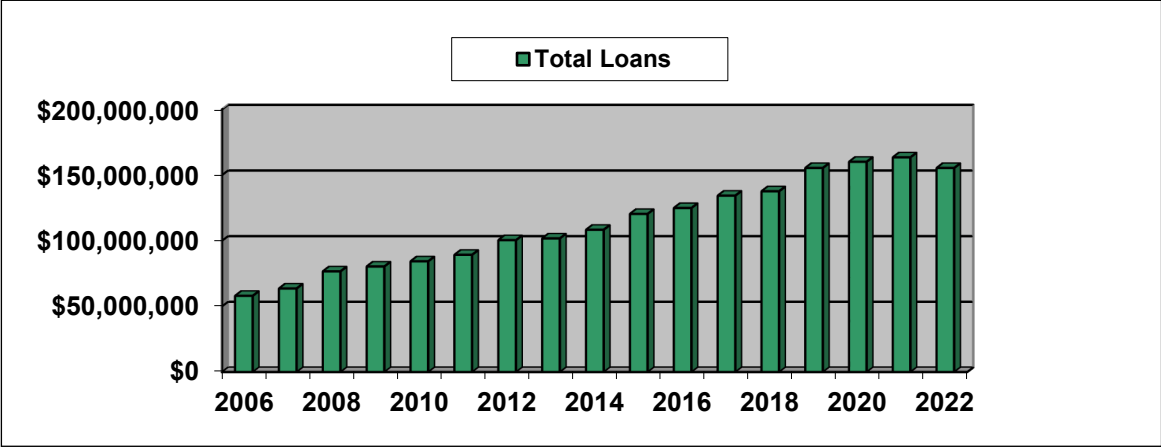


Off Balance Sheet investments are showing a decline from \$75,817,656 to \$69,926,364 for a decrease of \$5,891,292, or 7.77%. This is reflective of the markets, as well as members shifting from stocks/mutual funds to guaranteed returns from attractive term deposit rates. Our Wealth Management Department offers a wide range of investment products from stocks to mutual funds to GIC's.



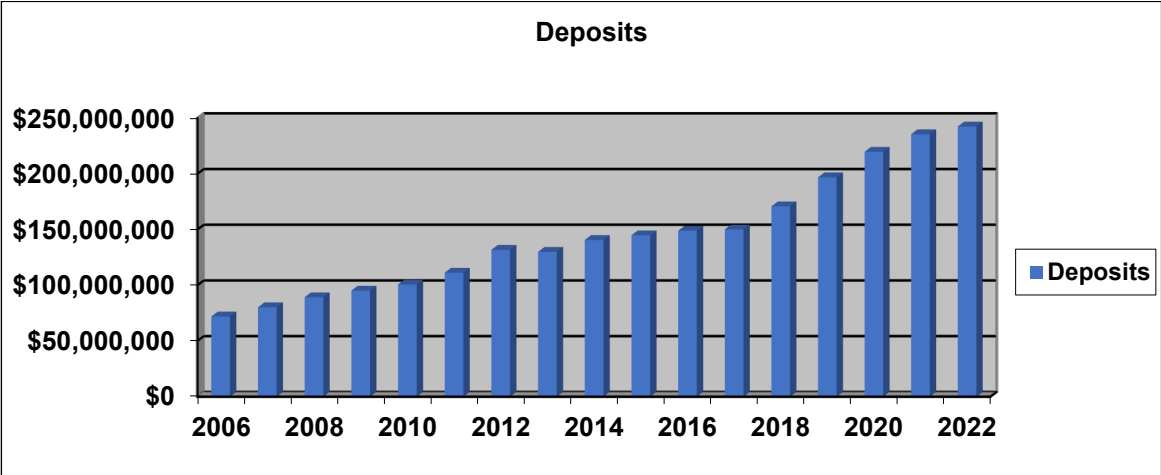
Total combined assets managed by your credit union are \$344,029,184. This compares to \$338,333,776 last year. Overall assets have grown by \$5,695,408 or 1.68%.

Loans were at \$163,491,346 last year and have fallen to \$155,393,935. This is a decline of \$8,097,411 or -4.95%. In looking across the provincial credit unions, we see that the provincial average experienced a growth of 6.33%. Our lending risk is managed through a diverse portfolio and shows us with a low delinquency at 0.16%. The provincial average is 0.59%. Your board of directors is very pleased with the responsible manner in which members handle their loan payments.



Liabilities:

Through 2022, member deposits increased from \$235,581,011 to \$242,485,960 which is an increase of \$6,904,949 or 2.93%. In comparison, the provincial average growth is at 3.46%. The largest increase was mainly in the agriculture sector which has experienced strong commodity prices.

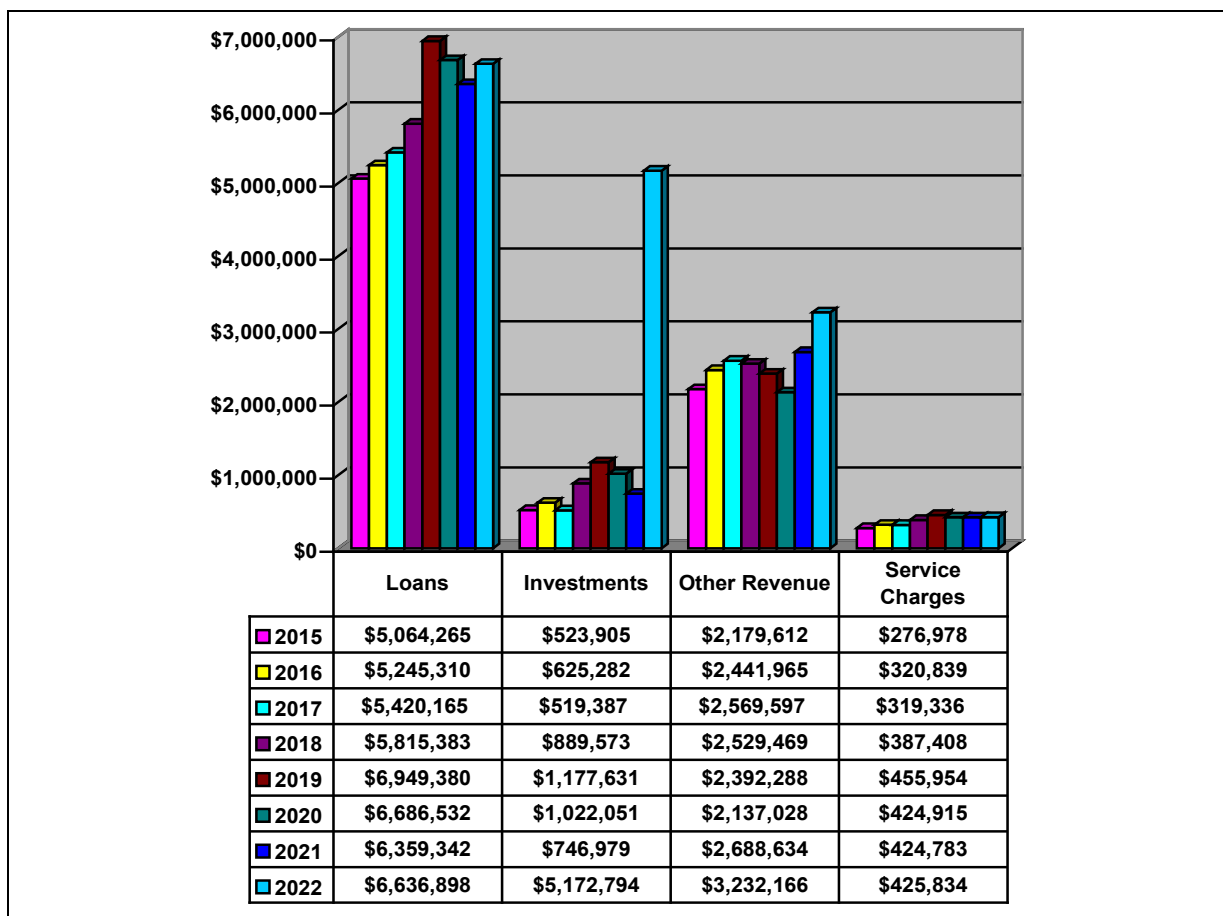


Capital Management:

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 6% with a Board set minimum of 6.5%. Our Leverage Ratio position is 9.88%. 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 17.32%. CUDGC has a minimum standard of 10.5%, while our board is looking for at least 12%. 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.

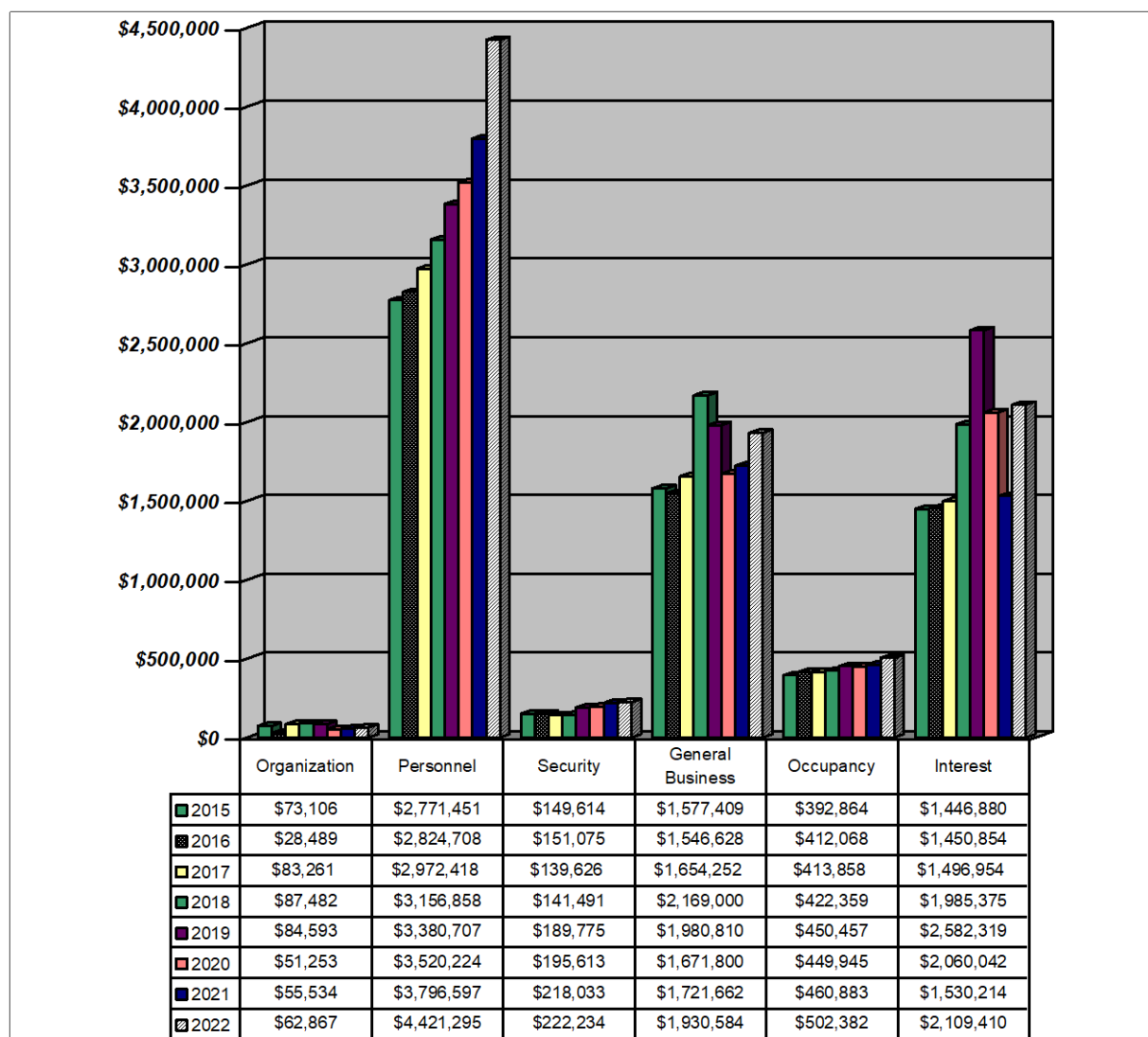
Income:

Net income in 2022 was \$4,907,199 compared to last year's income of \$1,569,743. This equates to about 1.79% of assets. It should be noted that the bottom line in 2022 is abnormally strong due to a large dividend (\$3.15M) received from the sale of our shares in Concentra Bank. Aside from this, 2022 was still a stronger year for the Credit Union than 2021. Interest revenue was up because of the Bank of Canada increases. Non-interest revenue was also higher than the previous year, largely due to the expansion of our insurance agency into Perdue. Revenue from service charges remained relatively steady in 2022.



The above graph shows a breakdown of our revenue sources. There is an increase in revenue in all categories. The substantial difference in investment revenue is a result of the sale proceeds of our shares in Concentra Bank, combined with higher returns on a larger portfolio of investments.

Expenses:

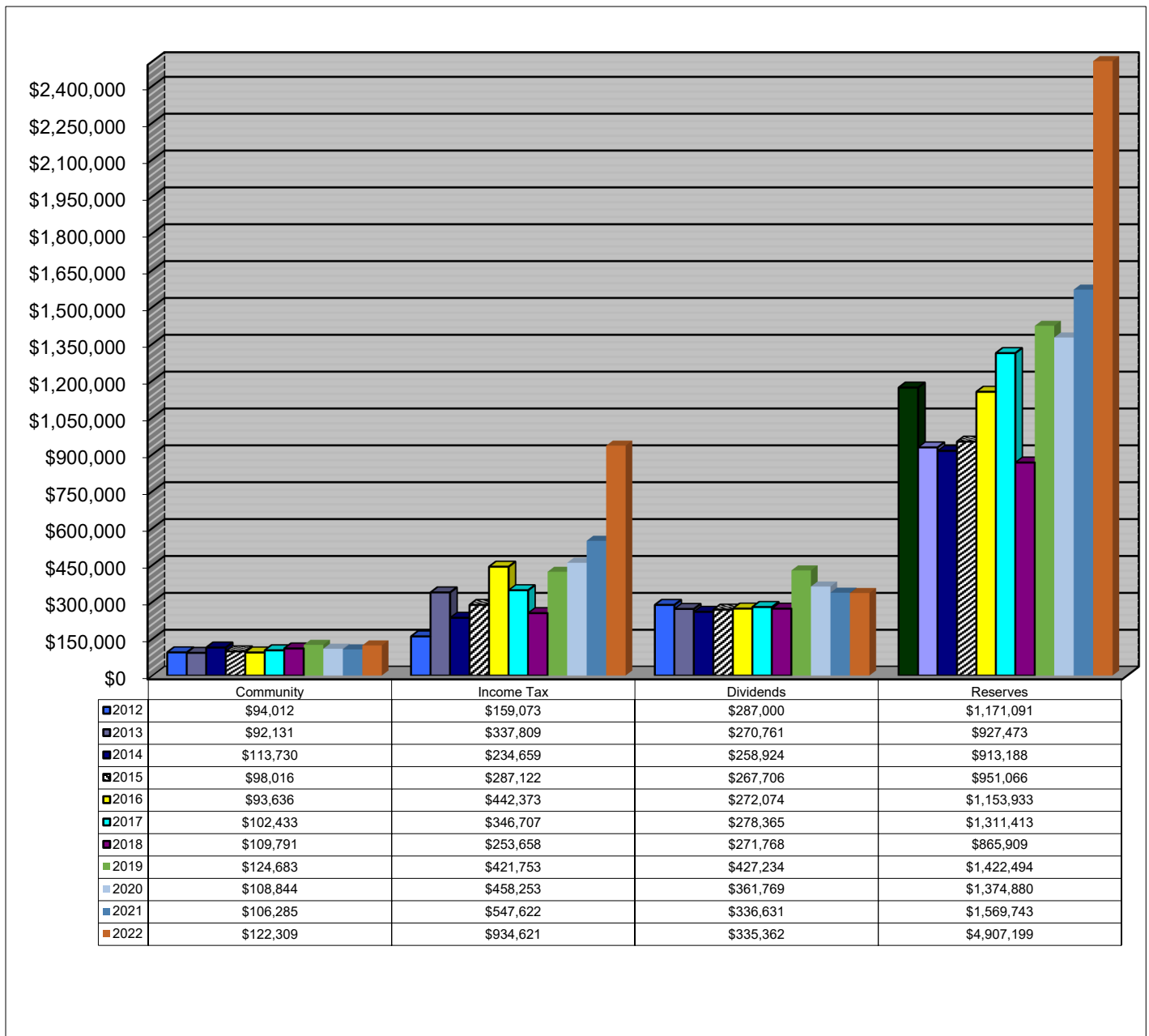


All expense categories are up from the prior year. Personnel, General Business, and Interest expenses are showing the largest increases, while all other categories have more modest changes. The increased personnel costs can be largely attributed to our succession plan, which has allowed us to cross train staff in preparation of multiple retirements at the end of 2022. General Business increased due to costly IT upgrades to our online banking platform and the higher interest expenses are a result of owing our members more return on their deposits. We continue to focus on finding efficiencies as we work through 2023. Our priority remains to provide improved products and services, while giving members the high level of proactive customer service they expect.

Profit Distribution:

Your board of directors has once again declared a 5% dividend for 2022. This equates to \$335,362 that will be paid back to our members. Approximately \$122,309 went back to our communities in the form of monetary donations, sponsorships, promotional gifts and advertising. An additional \$27,792 of free financial services was provided to community organizations in 2022.

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



Directors' Report

DEVELOPMENT

New Products and Services:

Biggar & Landis Insurance Services purchased Perdue Agencies and rebranded as Biggar & District Insurance Services. The grand opening of the Perdue Office was held on June 21st, 2022. As an organization, we are committed to providing full financial service and are excited to extend our service offering to include insurance services to the people in the Perdue area.

On June 14, 2022, we launched our new Digital Banking and Mobile App, providing us with an up-to-date platform on which to build and expand. As technology is ever-changing and advancing, the upgrade was a necessity. The new Digital Banking platform is more secure with added security features such as OTP (one-time passcode) for high-risk transactions, additional alerts, and self-serve username and password reset. It has a more personalized feel allowing members to update their profile picture, create a unique username, and update personal information, putting more control in the members' hands.

We added secure messaging for our members to contact us and gave them the ability to make inter-member transfers. With an inter-member transfer, you can transfer to another Biggar & District Credit Union member without having to send an e-Transfer. It is safe and secure, and the funds are instantly deposited.

We were pleased to implement a new feature, Small Business Digital Banking. Small Business Digital Banking offers a unique set of features in addition to personal digital banking services. It supports two-to-sign signer rolls, higher e-Transfer limits to suit business needs, and delegate management, where a signer can add and manage delegates. Delegate access privileges can be set up for posting capabilities or be limited to viewing privileges. Making it perfect for giving small business owners access to their accountants or bookkeepers.

Mobile Wallet was introduced in November, which includes Apple Pay, Google Pay, and Samsung Pay. You can now add and maintain your debit cards through the App on your mobile device and smartwatch. Mobile wallet has built-in security features that protect your personal information and reduce debit fraud.

Community Support and Development:

We receive several requests for sponsorship, donations, and staff involvement for events throughout the year. In 2022 we supported organizations in each of our branch communities and surrounding areas including Biggar Senior Nationals Hockey, Perdue Ag Society, and the Village of Perdue towards a revitalization of their basketball court. We sponsored the Concordia Brass Band concert for seniors at the Landis Community Complex and the Biggar NCCP Youth Production, as well as the Biggar & District Music Festival, to name a few.

“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 members donate \$5 per pay period to the cause. In 2022 our staff donated just under \$6,000 to 12 causes including Landis, Biggar, and Perdue Volunteer Fire Departments, Perdue and Landis Library, Biggar & District Family Centre, and Biggar & District Food for Thought.

Our credit union remains a strong corporate citizen and community leader through our educational scholarships. In 2022 we provided four \$1,000 post-secondary scholarships. Two scholarships were awarded in Biggar to Angelica Neufeldt, and Valentina Sanchez; one scholarship was awarded to Lyndon Ochs of Landis, and one in Perdue to Luke Gray. 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. We were pleased to host Spring Community Cleanups in Biggar, Perdue, and Landis this year. 2022 was the first in-person cleanup since 2019 in Biggar and Perdue and the first ever in Landis.

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.)

In 2022 we held two sessions of our Ready Set Succeed financial literacy program for grade 12 students. The first was held in May with students from Biggar, Perdue, and Landis attending virtually. In November we held a session for the 2023 graduating class. The fall session was held in person in the Biggar Branch and live streamed to participants attending at the Perdue Branch. Previous years’ feedback suggested that in-branch sessions would be appreciated by the students and staff, so we were pleased to provide that service to the students.

Member education remains a priority for us. On November 6th our Wealth Management team held a seminar on Registered Disability Savings Plans. It was a hybrid in-person and live-streamed event.

Biggar & District Credit Union is well known for building better communities and getting involved with community events. In 2022 we were the title sponsor of Biggar Town and Country Fair Days. On August 16th we invited everyone to join our staff and Fat Cat at the Fat Cat Splash Park to celebrate the fourth anniversary of the splash park. It was a hot day and the event was well attended. Fat Cat is always popular with the young and young at heart. On November 25th Fat Cat was there to help Light Up The Night at the Festival of Lights at Schmirler Park and unveil our light displays; one each for Biggar & District Credit Union, Accounting Services, and Insurance Services.

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 of December 31, 2022, Biggar and District Credit Union had 3920 members and 122 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 8 members.

Our credit union serves the communities of Biggar, Perdue, Landis and surrounding areas 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 District Insurance Services provides insurance services through locations in Landis, Perdue 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 Biggar, Perdue, Landis and the 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 2022 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. 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	4.98%	3.88%	4.18%
Deposit Growth	5.00%	2.72%	3.46%
Off-Balance Sheet Growth	3.90%	-7.77%	
Loan Growth	1.00%	-4.91%	6.33%
Loan / Asset Ratio	59.21%	56.78%	74.59%
Loan Delinquency (>90 days)	less than 2%	0.16%	0.59%
Leverage Ratio	8.85%	9.97%	9.81%
Risk Weighted Capital	15.99%	17.32%	16.44%
Non-interest Revenue	\$2.89M (1.04%)	\$3.5M (1.30%)	1.71%
Profit (after tax)	\$ 1,211,645	\$4,907,209	
ROA (after tax, before dividend)		1.79%	1.61%

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 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, 2022, the ratio was 44.5%. 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, 2022, our ratio was 173.73%. 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, 2022, we were lent out 56.55%, 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 44.4% in Consumer loans, 33.7% in Agriculture loans, and 21.9% 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	2	96	0.48%	23.95%
10-15 years	10	79	2.49%	19.70%
15-20 Years	21	83	5.24%	20.69%
>20 Years	24	86	5.98%	21.45%
Total	57	344	14.21%	85.79%

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 1.23%

At year-end, our \$154,948,639 loan portfolio was comprised of 31.6% of uninsured conventional residential mortgages and 5.70% of insured residential mortgages and 1.23% 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 57.00% and 66.01% 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 three year 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, 2022, unless otherwise indicated)

- As of January 1, 2023, there are 33 credit unions in Saskatchewan serving 197 communities through 224 service outlets.
- Credit unions offer financial products and services to more than 497,000 members.
- Saskatchewan credit union assets reached \$28.6 billion with revenue of more than \$1.43 billion.
- Credit union lending amounts were more than \$21 billion.
- There are 317 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 \$40.85 million to more than \$7.2 billion.
- In 2022, Saskatchewan credit unions returned over \$18.86 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 3,400 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 at www.cudgc.sk.ca.



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2022

January 2023

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, 2022**

MANAGEMENT'S RESPONSIBILITY COMMUNICATION

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

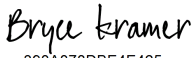
Management has responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgements and estimates in accordance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

398A878DBE4E425...
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, 2022 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, 2022. We expressed an unmodified audit opinion on those financial statements in our report dated February 27, 2023.

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, 2022 are a fair summary of those financial statements, in accordance with the criteria described in Note 1.

**February 27, 2023
Saskatoon, Saskatchewan**

Virtus Group LLP
Chartered Professional Accountants

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(with comparative figures for 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 26,087,285	\$ 42,546,094
Investments	84,080,155	51,950,101
Loans receivable	155,393,935	163,491,346
Other assets	5,196,907	1,376,410
Property and equipment	3,344,538	3,152,169
	<u>\$ 274,102,820</u>	<u>\$ 262,516,120</u>


LIABILITIES


Deposits	\$ 242,485,960	\$ 235,581,011
Other liabilities	2,933,655	3,159,122
Shares	19,065	19,046
	<u>245,438,680</u>	<u>238,759,179</u>

MEMBERS' EQUITY

Retained earnings	28,664,140	23,756,941
Accumulated other comprehensive income	-	-
	<u>\$ 274,102,820</u>	<u>\$ 262,516,120</u>

APPROVED BY THE BOARD:

DocuSigned by:

 Bernadette Garrett Director
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DocuSigned by:

 Stacie Bradle Director
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BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Retained earnings - beginning of year	\$ 23,756,941	\$ 22,187,198
Net income	<u>4,907,199</u>	<u>1,569,743</u>
Retained earnings - end of year	<u>\$ 28,664,140</u>	<u>\$ 23,756,941</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>\$ 28,664,140</u></u>	 <u><u>\$ 23,756,941</u></u>

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Interest revenue		
Loan	\$ 6,636,898	\$ 6,359,342
Investment	5,172,794	746,979
	<u>11,809,692</u>	<u>7,106,321</u>
Interest expense		
Borrowed money	30,075	9,704
Member deposits	2,079,335	1,520,510
Patronage allocation	335,362	336,631
	<u>2,444,772</u>	<u>1,866,845</u>
Net interest	9,364,920	5,239,476
Provision for credit losses (recoveries)	<u>41,738</u>	<u>(17,181)</u>
Net interest after provision for credit losses (recoveries)	<u>9,323,182</u>	<u>5,256,657</u>
Other income	<u>3,658,000</u>	<u>3,113,417</u>
Operating expenses		
General business	1,930,584	1,721,662
Occupancy	502,382	460,883
Organizational	62,867	55,534
Personnel	4,421,295	3,796,597
Security	222,234	218,033
	<u>7,139,362</u>	<u>6,252,709</u>
Income before income taxes	5,841,820	2,117,365
Income taxes		
Current	757,021	573,822
Deferred (recovery)	177,600	(26,200)
Net income before other comprehensive income	<u>4,907,199</u>	<u>1,569,743</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 4,907,199</u>	<u>\$ 1,569,743</u>

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash provided by (used in) operating activities:		
Net income	\$ 4,907,199	\$ 1,569,743
Items not involving cash:		
- Amortization	467,347	347,352
- Provision for credit losses (recoveries)	41,738	(17,181)
Net change in other assets and other liabilities	(4,045,964)	(150,756)
	<u>1,370,320</u>	<u>1,749,158</u>
Cash provided by (used in) investing activities:		
Investments	(32,130,054)	(7,592,078)
Loans receivable	8,055,673	(3,347,545)
Business purchase premium	(60,712)	-
Property and equipment	(599,004)	(259,223)
	<u>(24,734,097)</u>	<u>(11,198,846)</u>
Cash provided by (used in) financing activities:		
Deposits	6,904,949	15,695,424
Shares	19	(1,074)
	<u>6,904,968</u>	<u>15,694,350</u>
Increase (decrease) in cash	(16,458,809)	6,244,662
Cash position - beginning of year	<u>42,546,094</u>	<u>36,301,432</u>
Cash position - end of year	<u><u>\$ 26,087,285</u></u>	<u><u>\$ 42,546,094</u></u>

BIGGAR AND DISTRICT CREDIT UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

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, 2022 and December 31, 2021 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.