

BIGGAR & DISTRICT CREDIT UNION
ANNUAL MEETING March 20, 2024
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 22, 2023
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 2024
14. New Business
15. 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
Jim Rickwood	1 st Vice President	2026
Matthew Craig	2 nd Vice President	2026
Stacie Beadle	Director	2024
Susan Echlin	Director	2025
Bernadette Garrett	Director	2026
Becky Huber	Director	2025
Sheila Itterman	Director	2025
Suzanne Johnson	Director	2024
Michele Keith	Director	2025

2023-2024 Board of Directors



Bob Atkinson



Jim Rickwood



Matthew Craig



Stacie Beadle



Susan Echlin



Bernadette Garrett



Becky Huber



Sheila Itterman



Suzanne Johnson



Michele Keith

OUR STAFF

Credit Services



Lorie
Angelopoulos



Kathy
Ferguson



Carla
Genis



Sandi
Gray



Josie
Ireland



Jade
Kushner



Peggy
Lake



Hailey
Metz



Jocelyn
Poletz



Jenna
Scott



Sara
Thompson

Member Services



Kaitlyn
Baroni



Erin
Boisvert



Cherry
Dalisay



Tracy
Goring



Katarina
Knezevic



Ashton
Larochelle



Shayla
McPhee



Lorraine
Metz



Fabiola
Neufeldt



Deb
Penley



Becky
Ramsay

Wealth & Investment Services



Ashley
Booker



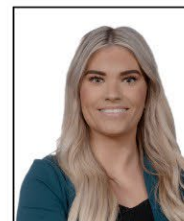
Pamela
Eaton



Lyndsey
Poole



Jennifer
Qessy



Alyssa
Williams

Support Services



Destiny Baroni



Marissa Cempron



Shantelle Downton



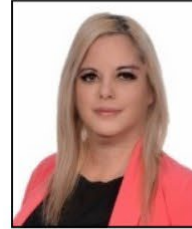
Carlene Genis



Ian Hawkins



Bryce Kramer



Cherie Lilley



Brock Silvernagle

Insurance Services



Shadi Achkar



Janice Christensen



Leisha Desrosiers



April Garrett



Breanne Harrabek



Lisa Haynes



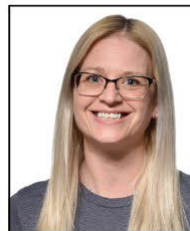
Tanya Hebert



Raelynn Hooper



Emmett Keith



Casey Langton



Britney McAvoy



Stephanie Nichol



Leah Woytko

Accounting Services



Nina Carruthers



Susan Harris



Amy Haynes



Dylan Haynes



Donna Robillard

LONG-TERM SERVICE AWARDS

Five Year Service Awards

Carlene Genis

Carlene started her career at Biggar & District Credit Union in 2018 in the Technology department. Her interest in telling the credit union story, and creating the best work environment for staff, motivated her to enrich her education in this area. She is currently the Manager of Human Resources and Marketing.

Carlene and husband, Evert, enjoy glamping and spending time with their kids.



Peggy Lake

Peggy started her career in the financial industry in 1980 and moved to the credit union system in 1990 at Affinity Credit Union. She joined Biggar & District Credit Union in 2018 and is proud to be part of this organization. She currently is a Member Account Manager on the Consumer Lending Team.

Peggy and her husband Bob are faithful Saskatchewan Roughrider fans – Go Riders!

Jenna Scott

Jenna changed direction in her career in 2018 when she joined the Consumer Lending Team as a Member Account Manager.

Jenna is currently on maternity leave where she, husband Alex, and Avery, are enjoying the twins.



Alyssa Williams

Alyssa started with Biggar & District Credit Union in 2021 after she worked at another credit union for a few years. She started as a Member Services Representative and quickly moved to the Wealth Team where she is the Financial Services Officer.

Alyssa enjoys spending time with boyfriend Jared McLeod and their dog, Taber when she's not playing golf.

Ten Year Service Awards



Cherry Dalisay

Cherry started on the Frontline as a Member Services Representative in 2013. She has been a tremendous asset to the organization and is always willing to support members with their daily transactions.

Cherry is married to Rene and their three sons keep them busy.

Fifteen Year Service Awards

Ian Hawkins

Ian started working at the Biggar & District Credit Union as a lending account manager after he spent several years farming in the Landis area. Over the next 10 years, he progressed his career within the lending department, taking on the roles of Business Development Manager for Landis and eventually Regional Manager. In 2022, Ian transitioned out of the lending department, taking on the position of VP Support Services. He now spends his time managing the back office operations of the Credit Union which includes the areas of IT, HR & Marketing and Finance.



Twenty Year Service Awards

Bryce Kramer



Bryce returned to the Biggar and District Credit Union in 2012 after he gained valuable experience with other credit unions. Since returning, he has held the position of Manager of Credit and Risk, VP of Service Deliver, Chief Operating Officer and currently holds the role of Chief Executive Officer.

Bryce and his wife Melanie have two children and a golden retriever. In his spare time Bryce enjoys golfing and keeping up with the kids.

**MINUTES OF THE BIGGAR AND DISTRICT CREDIT UNION
ANNUAL GENERAL MEETING HELD AT THE BIGGAR AND DISTRICT CREDIT UNION
MARCH 22, 2023**

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

Erin Boisvert volunteered to be the secretary for the evening.

Bob Atkinson thanked everyone for attending in person and joining the Teams meeting. He mentioned that the AGM booklets were available at all three branches for members who would like to see one. 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 the staff, board, or management at any time.

Janice Christensen made a motion to adopt the agenda as presented. Dale Martin seconded. Carried.

Bob read the minutes from the 2022 annual meeting. Dean McCallum moved that the minutes be accepted as presented. Bill Downton seconded. Carried.

Bob Atkinson reviewed the Affidavit of Completion of Reports and the Proof of Notice.

Bob Atkinson delivered the President's Message.

The following reports were presented:

Director's report – Video – Introduction of the board of directors in place for 2022.

Bob Atkinson explained that there was no Director Election this year as there were four vacancies and four nominees. Elected by acclamation were Bernadette Garrett, Mathew Craig, Jim Rickwood, and Suzanne Johnson.

People Report– Video - Introduction of staff/departments from Biggar and District Credit Union, Biggar and District Insurance Services & Biggar and District Accounting Services.

Money Report – Video – Covering the financial results for 2022. Announcement of patronage payment of 5% on interest earned or paid in 2022. Total patronage payment of \$335,362.00.

Bryce Kramer introduced himself and did a quick recap of 2022.

Bryce spoke of the past year and its many changes. These changes brought forward new challenges resulting in a positive outcome for Biggar & District Credit Union. Bryce referred to the ongoing technology changes such as the new online banking platform as well as the new website. The new online banking platform will create many opportunities with advantages for future growth and better security. Bryce also updated us on the many community initiatives that have happened over the past year. There have been many staff changes because of retirements. Bryce thanked the staff, members, board and clients for their patience and cooperation during a year of many changes.

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.

Bob Atkinson invited questions from the membership.

Question from Joe Scott : Why are Agri Invest interest rates so low?

Answer from Bryce Kramer : We have an ALCO committee that monitors rates offered by the competition. Our current rates on Agri-Invest accounts are in line with other institutions and competitors.

Janice Christensen made a motion to adopt the reports, seconded by Lorie Angelopoulos. Carried.

Bernadette Garrett moved that Virtus Group be our auditors for 2023. Seconded by Becky Huber.

Bryce Kramer presented long-term service awards to the following staff:

5 years – Marissa Cempron, Stephanie Nichol

10 years – Janice Christensen

15 years – Lyndsey Poole

25 years – Michelle Rea, Karen Silvernagle

40 years – Bill Hammel

45 years – Tim Goddard

Bob Atkinson asked if there was any new business. There was none.

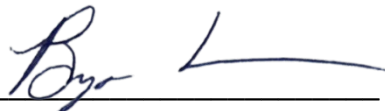
Bill Downton adjourned the meeting at 7:49 pm.

**AFFIDAVIT OF COMPLETION OF REPORTS
FOR THE ANNUAL MEETING OF BIGGAR & DISTRICT CREDIT UNION
MARCH 20th, 2024**

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

1. The 2023 financial statements were completed
Monday, February 26, 2024, and
2. The 2023 financial statements were made available
to the membership Friday, March 8, 2024, 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 8th day of)
March 2024)


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 and on social media on February 8, 2024, and published in the Independent.

Sworn before me at the town of Biggar)
in the Province of Saskatchewan)
this 8th day of March 2024)



Bryce Kramer



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

PRESIDENT'S MESSAGE

Another year has come and gone and 2023 made for an interesting year. In the wake of the pandemic, there is war, higher interest rates, inflation, and locally a drought that seems to drag on like a house guest who overstayed their welcome.

On the brighter side, the Biggar and District Credit Union continues to grow and thrive. This year as you have noticed we are trying something new as far as annual meetings go. A noon-hour virtual meeting to give our members a look into how we did in 2023 and our plans for the future. This we hope will give busy people the opportunity to attend on their device while enjoying their lunch.

Those of you who miss the annual supper meetings will be able to enjoy a gathering with fellow members for a meal and some entertainment as we celebrate our 75th anniversary. The first is on April 6, 2024, in Perdue then on April 13, 2024, in Landis followed by one in Biggar in October.

Yes! Biggar & District Credit Union is 75 years old this year, started back in 1949 by some forward-thinking community-minded men and women who saw a better way for banking to be done. Through co-operation, neighbors help neighbors with local control. We have come a long way but have not lost sight of what was important then as it is now. A strong community-first financial institution that serves its members with the best products, people, and services that continue to innovate, improve, and grow meeting the needs of our members.

We now serve three communities with a full range of financial services from loans to investments and financial planning. With our subsidiaries Biggar & District Insurance and Biggar Accounting all your insurance and accounting needs too. I am sure the founding members would be proud of the path and success of the Biggar & District Credit Union.

With the first year under their belt, our new executive team led by Bryce is in a strong position to continue to build our credit union's future success. The board of directors would like to thank them and all our staff for their hard work and dedication that made 2023 another successful year for our credit union. But without our members' support none of this would be possible so thank you.



Bob Atkinson

President

Directors' Report

PEOPLE

Members:

In 2023, our membership numbered 3904. There are 2,804 members in the Biggar branch, 399 members in the Landis branch, and 701 members in the Perdue branch.

Directors:

Three director terms expired in March of 2023. Suzanne Johnson, Jeffery Wheaton and Darlene Wilson were nominated to fill the three positions that became available in 2024 and an election was not necessary. We would like to thank Bob Atkinson and Stacie Beadle for their dedication over their past terms and look forward to working with our new board members.

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 2023 and once again helped control educational costs. Ongoing development for directors continues, with training sessions built into most regular meetings. The directors' dedication to educating themselves and keeping current in an ever-changing environment is commendable.

In 2023, the board of directors held 11 regular meetings, 11 committee meetings, and 5 special meetings. The special meetings included webinars, workshops, and strategic planning sessions. Attendance by the director was as follows:

DIRECTORS' ATTENDANCE REPORT		
Director	Regular Meetings	Special/Committee Meetings
Atkinson	8/11	11/16
Beadle	11/11	11/13
Craig	10/11	11/14
Echlin	10/11	7/12
Garrett	10/11	9/12
Huber	8/11	11/15
Itterman	10/11	11/12
Polsfut	1/11	2/6
Keith	11/11	10/11
Rickwood	8/9	5/5
Johnson	9/9	6/7

Staff:

2023 will be remembered as the year when our staff showed resilience and dedication to the success of the Biggar & District Credit Union. They not only supported the transition of those in new positions following the retirements and internal promotions in 2022, but they also applied themselves and stepped up to the challenge to be part of building a great organization by providing excellent member service and support to their teams.

Pam Eaton's first year as VP of Deposit and Investment Services was marked by internal staff movement, resulting in opportunities to bring new staff members on board. Investing in our staff and providing growth opportunities are always priorities. The Frontline Team excelled under the leadership of Tracy Goring in training new staff. Shayla McPhee, Becky Ramsay, Ashton Larochelle, and Katarina Knezevic were hired as Member Service Representatives. Athenna Andales and Jacob Evanisky became the summer students. Cherie Lilley accepted the Marketing Coordinator position and Josie Ireland became a Lending Specialist. Alyssa Williams, Jennifer Quessy, Lyndsey Poole, and Ashley Booker made up the Wealth team.

Jocelyn Poletz stepped into the VP of Credit Services role, and she repositioned the lending team to build lasting relationships with our members. Carla Genis moved from the Lending Specialist to a Business Account Manager role in the Ag/Commercial team. She worked closely with Sandi Gray, Jade Kushner, and Josie Ireland. Sara Thompson joined the Consumer Lending team and worked with Peggy Lake and Lorie Angelopoulos to provide the best lending services to our members. Jenna Scott went on maternity leave.

Ian Hawkins continued in the role of VP of Support Services, directing the back-office marketing, human resources, finance, and technology functions. Cherie Lilley replaced Diane Larouche-Ellard when she retired as the Marketing Coordinator. Bryce Kramer, CEO, continued to support the growth of the organization with his value-added approach to member service.

Staff at Biggar & District Insurance Services continue to serve their customers in the offices in Biggar, Landis, and Perdue. April Garrett was hired, and Leah Woytko returned from maternity leave. Several staff members moved internally as they obtained their required qualifications.

Amy Haynes returned from maternity leave to join Dylan at the Biggar & District Accounting Services. Sue Harris, Nina Carruthers, and Donna Robillard joined the team on a part-time basis during tax season.

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.

Succession planning is continuing with the new wave of retirements on the horizon. We continually find ways to transfer knowledge, cross-train, and develop staff to provide seamless coverage and service for our members. Leadership training plays an important part in building a strong team and Carlene Genis, Tracy Goring, and Breanne Harrabek attended leadership training facilitated by Kerri Schwebius in Unity. Several staff members also attended the Saskatchewan Young Leaders Retreat at Jackfish Lake where they networked and learned with other young leaders in the credit union system.

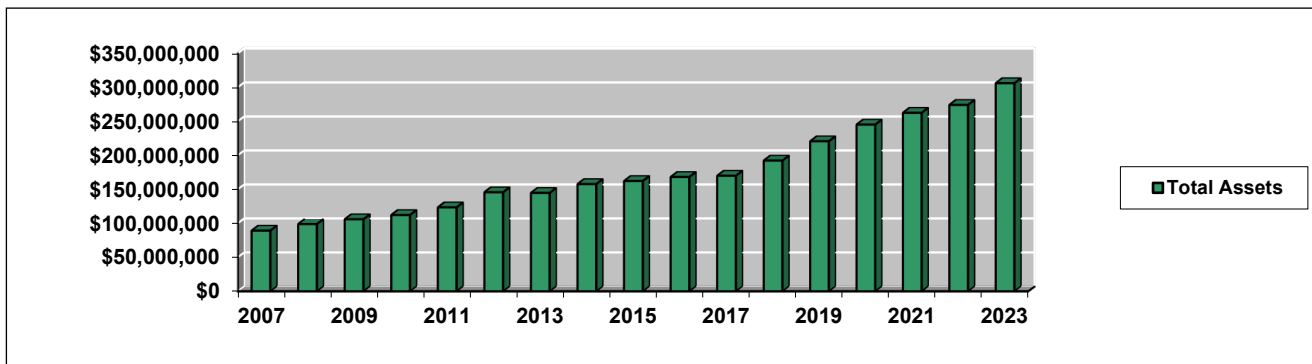
Our employees' personal and professional development enhances how we serve our members' needs and how we interact in the community and with our families. Our staff continues to be involved in numerous organizations and events, serving their interests, and representing the credit union, insurance office, 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

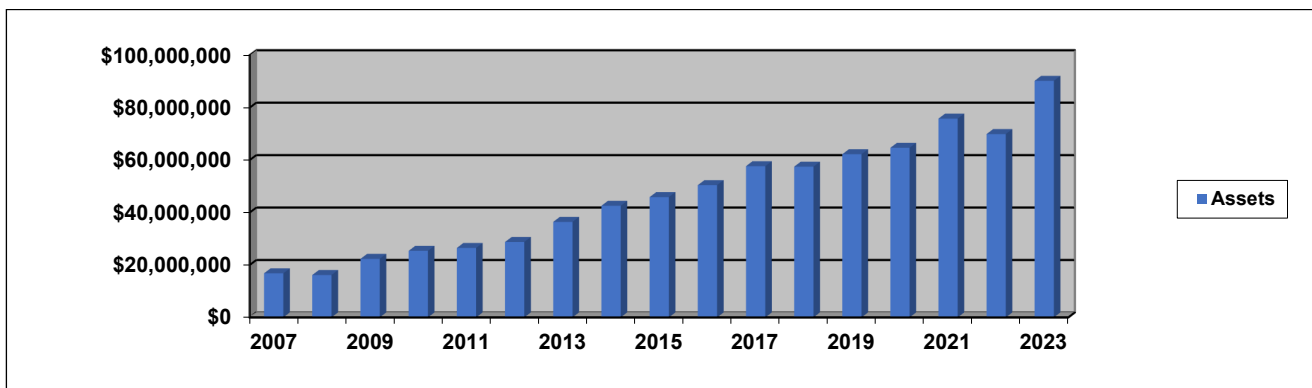
MONEY

Assets:

In 2023 total assets increased from \$274,102,820 to \$306,097,670 for an increase of \$31,994,850 or 11.67%. It was a year of significant growth as we well surpassed the provincial average of 4.43%. Our growth came from all sectors, but the largest dollars were generated from the Agricultural sector, with strong commodity prices being one of the main drivers.

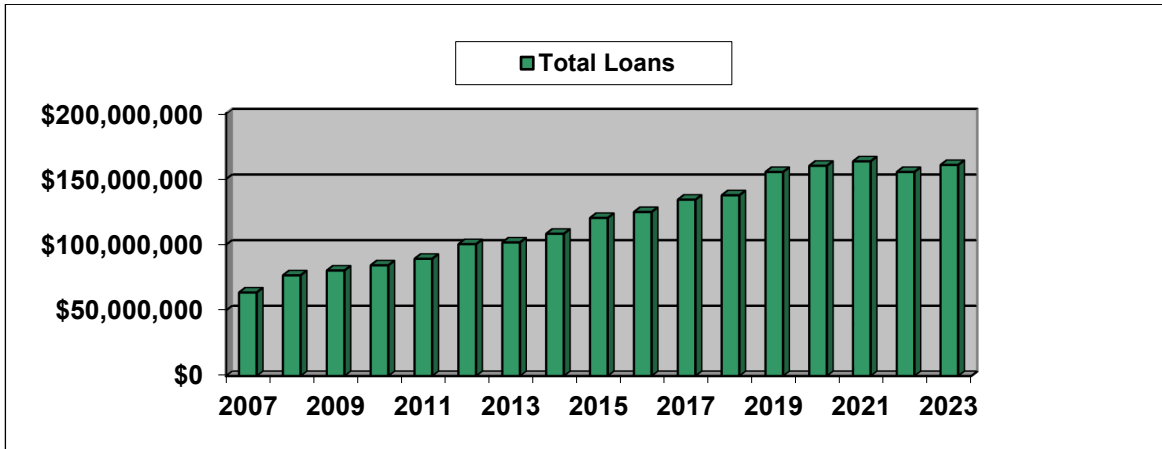


Off Balance Sheet investments are also showing a strong increase from \$69,926,364 to \$90,240,266 for an increase of \$20,313,902, or 29.05%. This is reflective of the markets, as well as new deposits being invested through our Credential office. Our Wealth Management Department offers a wide range of investment products from stocks to mutual funds to GIC's.



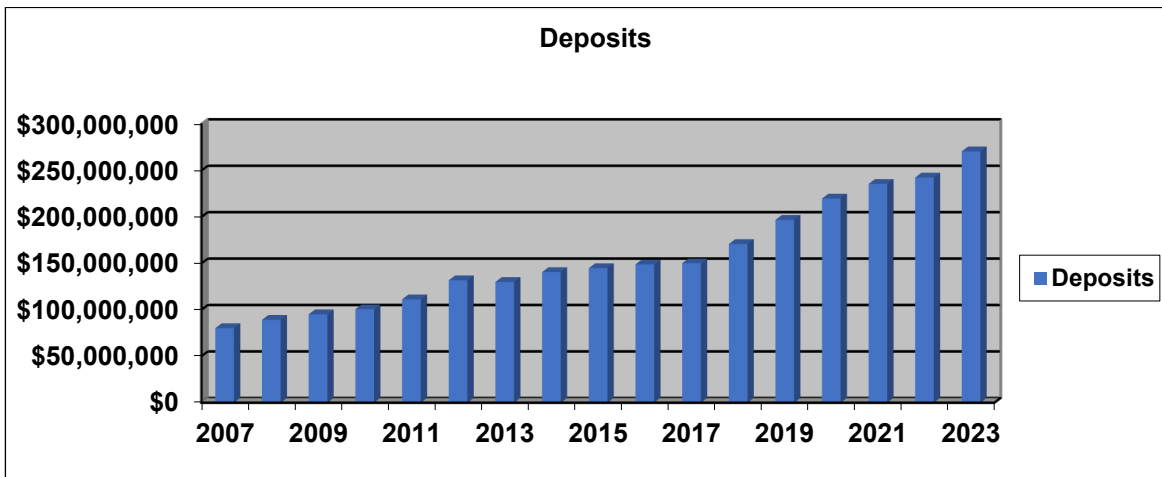
Total combined assets managed by your credit union are \$396,337,936. This compares to \$344,029,184 last year. Overall assets have grown by \$52,308,752 or 15.20%.

Loans were at \$155,393,935 last year and have risen to \$160,726,833. This is an increase of \$5,332,898 or 3.43%. In looking across the provincial credit unions, we see that the provincial average experienced a growth of 5.61%. Our lending risk is managed through a diverse portfolio and we maintain low delinquency of 0.13%. The provincial average is 0.73%. Your board of directors is very pleased with the responsible manner in which members handle their loan payments.



Liabilities:

Through 2023, member deposits increased from \$242,485,960 to \$270,674,198 which is an increase of \$28,188,238 or 11.62%. In comparison, the provincial average growth is at 3.53%. The largest increase was mainly in the agriculture sector which has experienced strong commodity prices.

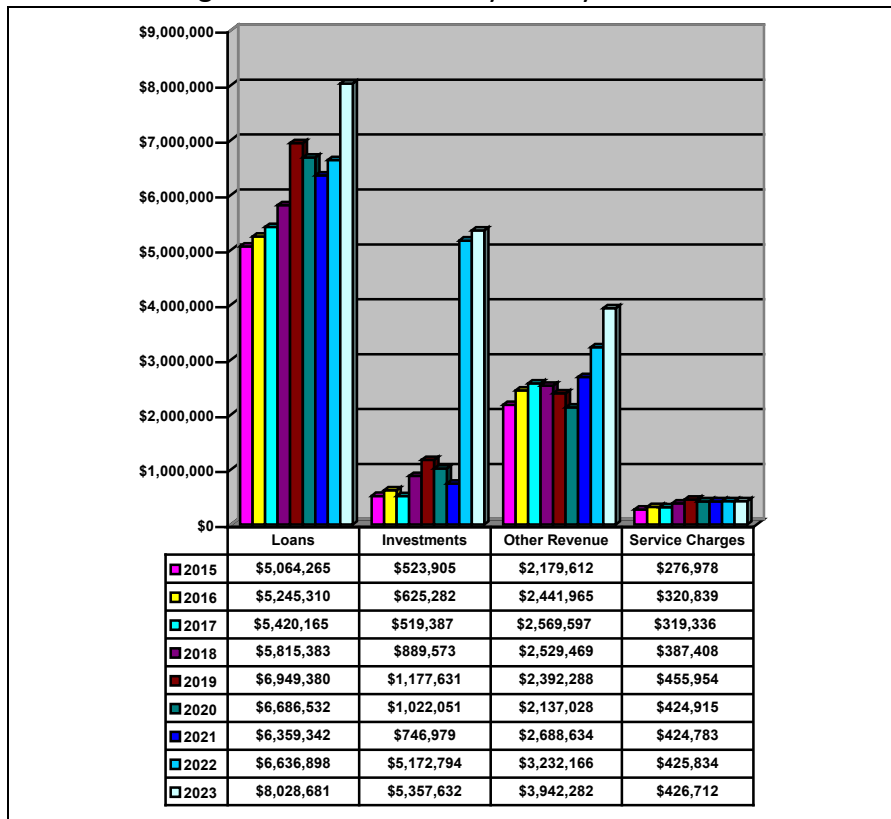


Capital Management:

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 10.22%. 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 18.93%. 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.

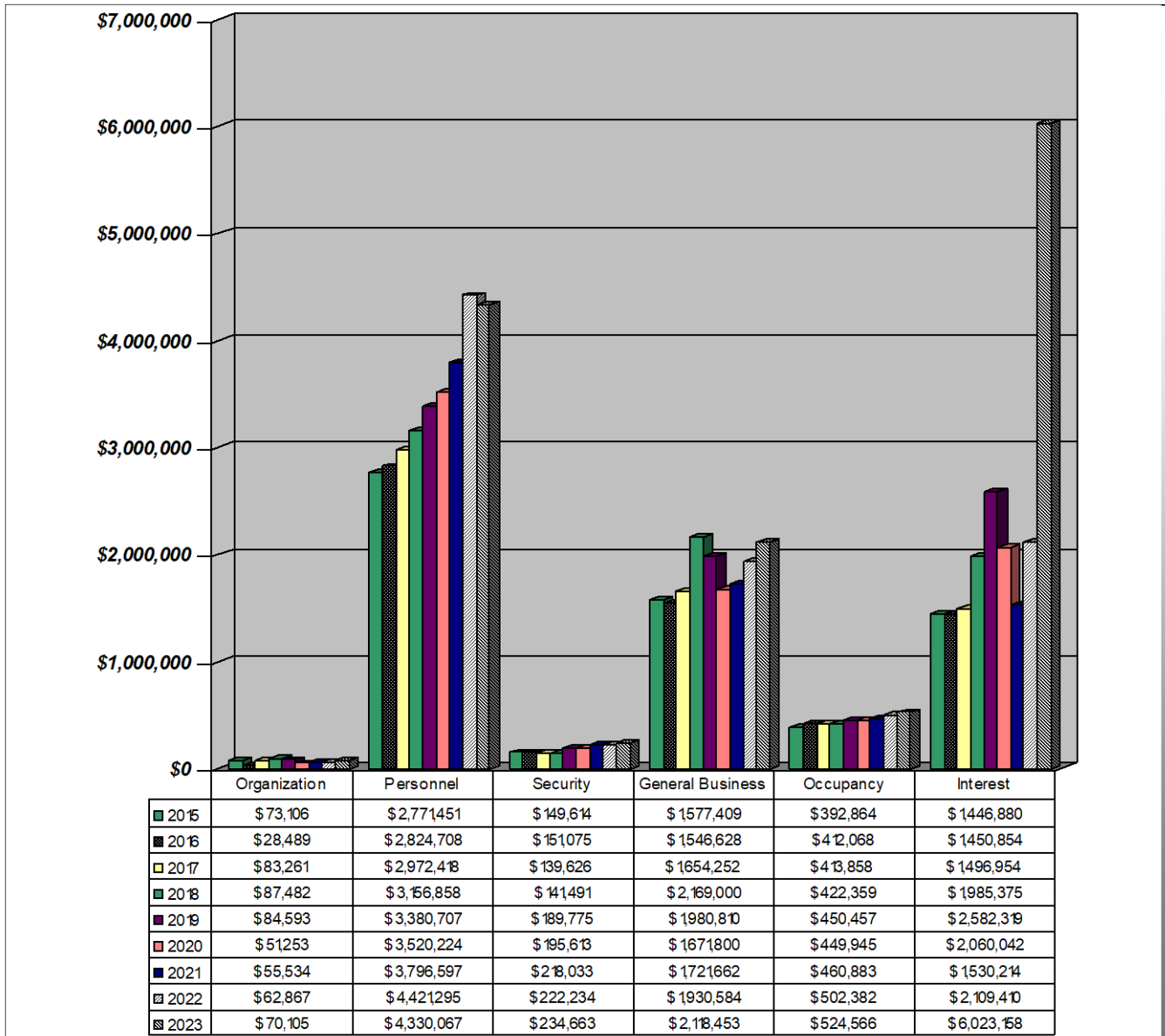
Income:

Net income in 2023 was \$2,857,318 compared to last year’s income of \$4,907,199. This equates to about 0.93% of assets. Although it appears that 2023 was not as strong as the prior year, that is not accurate as the bottom line in 2022 was significantly impacted by a large dividend (\$3.15M) received from the sale of our shares in Concentra Bank, making it unusually high. Overall, 2023 was a very good year for the Credit Union. Interest revenue remained strong due to the Bank of Canada increases. Non-interest revenue was also higher than the previous year, largely due to another strong year for our insurance agency. Revenue from service charges remained relatively steady in 2023.



The above graph shows a breakdown of our revenue sources. 2023 had an increase in revenue in all categories.

Expenses:

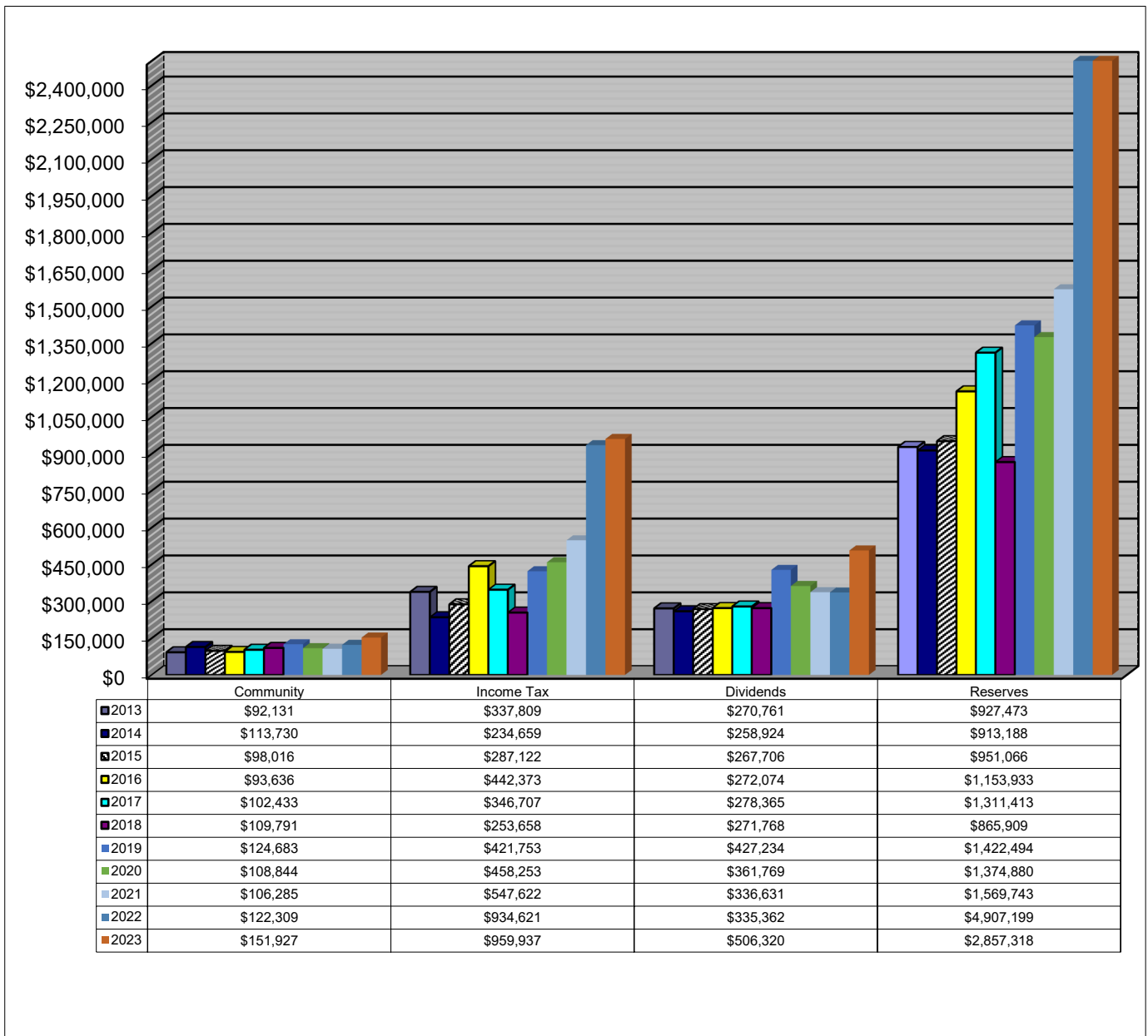


Majority of expense categories are up from the prior year; however most categories have experienced modest changes with the exception of the interest expense. This is due to the high interest rate environment we have been in for the last year and a half. Personnel costs decreased slightly in 2023 as a result of our succession plan. Multiple senior staff retired from the organization and were replaced with less experienced staff. We continue to focus on finding efficiencies as we work through 2024. 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 2023. This equates to \$506,320 that will be paid back to our members. Approximately \$151,927 went back to our communities in the form of monetary donations, sponsorships, promotional gifts and advertising. An additional \$27,166 of free financial services was provided to community organizations in 2023.

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



Directors' Report

DEVELOPMENT

New Products and Services:

We supported several government initiatives throughout the year. The First Home Savings Account, a registered product encouraging people to save for a first home, was introduced and marketed to our members. The CEBA loan repayments went very well as our members honored their commitments on time.

In 2023, we increased our outreach to our members to provide financial literacy. Fraud is significantly increasing, and our members are not safeguarded against the attempts made by fraudsters. We hosted fraud awareness workshops in all locations in March and informed members throughout the year about current scams. We visited schools in Biggar and provided information on budgeting to grades 8 and 9; ending with a fun pizza party. We hosted the Ready Set Succeed program for grade 12s and participated in the Game of Life hosted by Biggar Central School 2000.

Building strong relationships with our members is essential in providing excellent member service. We introduced a digital business card to provide members with the opportunity to get to know our staff online. The OVOU business card is available on the email signature lines and the website.

We introduced the Cardwise platform that provided members with more control over their Collabria credit card. Members were receptive to the new look Collabria credit cards introduced early in the year.

Community Support and Development:

We receive several requests for sponsorship, donations, and staff involvement for events throughout the year. We choose opportunities that align with our cooperative principles and our strategic direction.

We supported organizations in each of our branch communities and surrounding areas including Biggar Senior Nationals Hockey, Perdue Ag Society, and Eagle Creek Jamboree. We sponsored the Concordia Brass Band concert for seniors at the Landis Community Complex, and continue to support the Biggar 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 2023 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.

In 2023 we partnered with several groups where we volunteered our time and expertise emphasizing our commitment to bring financial literacy to as many people as possible. The annual Ready Set Succeed program for grade 12 students was a huge success; Jocelyn Poletz and Alyssa Williams introduced budgeting to grade 8 and 9 students at St. Gabriel School, the Wealth team shared presentations on budgeting and the Registered Disability Savings Plan; staff from the credit union and insurance office attended the Game of Life event at Biggar Central School 2000; staff traveled to the Perdue and Landis locations to present the Fraud Awareness campaign.

Our credit union remains a strong corporate citizen and community leader through our educational scholarships. In 2023 we provided four \$1,000 post-secondary scholarships. Three scholarships were awarded in Biggar to Katelyn Fecht, Hayden McMahon, and Hailey Baroni; one scholarship was awarded to Wyatt Pavloff of Perdue. In addition, Biggar & District Credit Union contributed \$1,500 to the scholarships at Great Plains College, Biggar Campus.

We embrace learning that allows us to understand different perspectives and in 2023 Bryce Kramer, Jocelyn Poletz, Carlene Genis, and board member, Jim Rickwood, attended the Treaty Learning Journey presented by the Office of the Treaty Commission in Saskatoon. Staff was invited to attend a presentation on Metis culture on September 30th while sharing a traditional Metis meal. We believe that knowledge facilitates understanding.

We are proud to encourage “Going Green” in the community. We were pleased to host Spring Community Cleanups in Biggar, Perdue, and Landis this past year. These events were well attended and appreciated by the communities we serve.

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.)

Biggar & District Credit Union is well known for building better communities and getting involved with community events. In 2023 we took part in Biggar Town and Country Fair Days and brought in Ol’ McDales Friendly Farm for the community to enjoy. Fat Cat is always popular with the young and young at heart and he joined the 5th anniversary of the FatCat Splash Park and attended the Light Up the Night at the Festival of Lights at Schmirler Park to unveil our light displays.

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 Market Code has been moved over to National Consulting Limited, where it is being reviewed over 2024. Biggar and District Credit Union will adhere to the new code once completed.

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, 2023, Biggar and District Credit Union had 3900 members and 130 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 down by 20 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 2023 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 are 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	2.49%	11.67%	4.43%
Deposit Growth	2.00%	11.62%	3.53%
Off-Balance Sheet Growth	5.00%	29.05%	
Loan Growth	1.00%	3.43%	5.61%
Loan / Asset Ratio	57.20%	52.51%	74.71%
Loan Delinquency (>90 days)	less than 2%	0.13%	0.73%
Leverage Ratio	9.58%	10.22%	9.82%
Risk Weighted Capital	17.04%	18.93%	16.43%
Non-interest Revenue	\$2.90(1.18%)	\$4.3M (1.43%)	1.31%
Profit (after tax)	\$ 1,807,423	\$2,857,318	
ROA (after tax, before dividend)		0.93%	0.48%

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.

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 Equitable Bank (Concentra) 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. National Consulting Limited was created in 2022, after a purchase from SaskCentral. This company is owned by 25 credit unions in Saskatchewan and helps support in many of the back-office activities. With Biggar and District Credit Union have board representation their needs are always being heard.

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 account 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, 2023, the ratio was 116.45%. The credit union's 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, 2023, our ratio was 418.25%. 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, 2023, we were lent out 52.51%, 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. 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 48.8% in Consumer loans, 31.8% in Agriculture loans, and 19.4% as Commercial loans.

Residential Mortgage Loan Portfolio

In accordance with Credit Union Deposit Guarantee Corporation (CUDGC) 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 union's mortgage portfolio of amortized mortgages is broken down as follows:

Amortization period	# of Residential Mortgages		% of Residential Mortgages	
	Insured	Uninsured	Insured	Uninsured
<10 years	1	77	0.07%	7.28%
10-15 years	8	74	1.11%	16.44%
15-20 Years	20	82	4.04%	25.30%
>20 Years	26	100	7.98%	37.76%
Total	55	339	13.21%	86.79%

The credit union also provides Home Equity Line of Credit (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 2.19%

At year-end, our \$160,593,227 loan portfolio included 37.4% of uninsured conventional residential mortgages, 5.30% of insured residential mortgages and 2.19% 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 60.61% and 74.19% 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 National Consulting Limited in providing services for Anti-Money Laundering monitoring and Brightside for 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.

In reviewing our processes, procedure, policies, and plans, like our Disaster Recovery Plan, the organization prepares for these risks. Also, the uses of third parties like Brightside doing audits provide a different perspective to help prepare for challenges that may arise.

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 also oversees the nomination and election processes for elections of credit union directors. 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.

- **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 by nomination process, designating five directors in total. Three committee members and another two as alternative members.
- **ESG (Environmental, Social and Governance) Committee**
The ESG Committee ensures the Biggar and District Credit Union considers the environment, social and governance impacts it has. It reviews initiatives and makes recommendation on the green strategy of the organization and the social responsibilities of the organization.

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 Bryce Kramer, CEO and Ian Hawkins, VP of Service Delivery. In 2023 we welcomed Jocelyn Poletz and Pamela Eaton to our executive team as the VP of Credit Services and VP of Deposit and Wealth Services. Our executive team promotes professionalism, empowerment, and working as a team.

Corporate Social Responsibility (CSR)

Social responsibility and the well-being of our community is a high priority for Biggar and District Credit Union. Within our vision, mission and values we specifically mention our community development and community impact. We have an ESG 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.

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 & District 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, Perdue 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, 2023, unless otherwise indicated)

- There are 32 provincial credit unions and one federal credit union in communities across Saskatchewan.
- Provincial credit unions offer financial products and services to close to 445,000 members.
- Saskatchewan provincial credit union assets reached \$26.4 billion with revenue of more than \$1.3 billion.
- Provincial credit union lending amounts were more than \$19.7 billion.
- There are more than 300 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 provincial credit unions range in asset size from \$50.48 million to more than \$7.7 billion.
- In 2023, Saskatchewan provincial credit unions returned over \$7 million to their members in the form of patronage equity contribution and dividends.
- Provincial credit unions are a major contributor to Saskatchewan's economy, employing close to 3,000 people.
- Funds held on deposit in Saskatchewan provincial 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 2023

January 2024

Credit Union Deposit Guarantee Corporation (the Corporation) functions as the deposit guarantor for Saskatchewan credit unions and serves as the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Collectively, these entities are referred to as Provincially Regulated Financial Institutions or "PRFIs". The Corporation operates under provincial legislation, namely, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016*. The responsibility for overseeing the Corporation is assigned to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan as stipulated by provincial legislation.

Established in 1953, the Corporation holds the distinction of being the first deposit guarantor in Canada, ensuring the successful guarantee of deposits. Through the promoting of responsible governance and prudent management of capital, liquidity, and guaranteeing deposits, the Corporation plays a crucial role in fostering 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, 2023**

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**

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2023, the summary consolidated statements of changes in members' equity, comprehensive income and cash flows for the year then ended, and related notes, are derived from the audited financial statements of **Biggar and District Credit Union** for the year ended December 31, 2023.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 26, 2024.

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

**February 26, 2024
Saskatoon, Saskatchewan**

Virtus Group LLP
Chartered Professional Accountants

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Retained earnings - beginning of year	\$ 28,664,140	\$ 23,756,941
Net income	<u>2,857,318</u>	<u>4,907,199</u>
Retained earnings - end of year	<u>\$ 31,521,458</u>	<u>\$ 28,664,140</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>\$ 31,521,458</u></u>	 <u><u>\$ 28,664,140</u></u>

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Interest revenue		
Loan	\$ 8,028,681	\$ 6,636,898
Investment	5,357,632	5,172,794
	13,386,313	11,809,692
Interest expense		
Borrowed money	59,418	30,075
Member deposits	5,963,740	2,079,335
Patronage allocation	506,320	335,362
	6,529,478	2,444,772
Net interest	6,856,835	9,364,920
Provision for credit losses	130,720	41,738
Net interest after provision for credit losses	6,726,115	9,323,182
Other income	4,368,994	3,658,000
Operating expenses		
General business	2,118,453	1,930,584
Occupancy	524,566	502,382
Organizational	70,105	62,867
Personnel	4,330,067	4,421,295
Security	234,663	222,234
	7,277,854	7,139,362
Income before income taxes	3,817,255	5,841,820
Income taxes		
Current	1,032,937	757,021
Deferred (recovery)	(73,000)	177,600
	2,857,318	4,907,199
Net income before other comprehensive income	2,857,318	4,907,199
Other comprehensive income	-	-
Total comprehensive income	\$ 2,857,318	\$ 4,907,199

BIGGAR AND DISTRICT CREDIT UNION
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash provided by (used in) operating activities:		
Net income	\$ 2,857,318	\$ 4,907,199
Items not involving cash:		
- Amortization	528,074	467,347
- Provision for credit losses	130,720	41,738
Net change in other assets and other liabilities	3,466,675	(4,045,965)
	<u>6,982,787</u>	<u>1,370,319</u>
Cash provided by (used in) investing activities:		
Investments	(15,923,931)	(32,130,054)
Loans receivable	(5,463,618)	8,055,673
Business purchase premium	(81,068)	(60,712)
Property and equipment	(177,468)	(599,004)
	<u>(21,646,085)</u>	<u>(24,734,097)</u>
Cash provided by (used in) financing activities:		
Deposits	28,188,238	6,904,949
Shares	(284)	19
	<u>28,187,954</u>	<u>6,904,968</u>
Increase (decrease) in cash	13,524,656	(16,458,809)
Cash position - beginning of year	<u>26,087,285</u>	<u>42,546,094</u>
Cash position - end of year	<u>\$ 39,611,941</u>	<u>\$ 26,087,285</u>

BIGGAR AND DISTRICT CREDIT UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

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, 2023 and December 31, 2022 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.