



2023

ANNUAL Report

Rockglen  Killdeer
CREDIT  UNION



rockglenkilldeercu.ca
(306) 476-2244
info@rkcu.ca

Rockglen Killdeer

CREDIT UNION

(Killdeer Credit Union Limited 1948-1958)

Incorporated as Credit Union No. 211 on November 12, 1948

Founding Members

Ole Fagerhaugh

James A. McGowan

Otto F. Pakula

K. R. Bennett

Richard D. Ellis

Clarence McKee

George Johnson

Edith Barker

Donald M. Currie

Nick Panko

Original Directors

James McGowan (President)

Richard D. Ellis (Vice-President)

Edith Barker

Olive Fagerhaugh

Ole Fagerhaugh

Present Directors

Vacant

Chad McGonigal - 18 Years

Lee Smith - 3 Years

Wendy Spagrud - 7 Years

Tasha Pituley - 9 Years

Marv Bakke - 20 Years

Laurie Disney - 3.5 Years

Occupation

Vacant

Rancher/RM Foreman

Boilermaker

Rancher

Teachers Aid/Spin Instructor

Farmer

Rancher/Farmer

Term Expiry

2024

2024

2024

2025

2025

2026

2026

Present Staff

Breanna Sleightholm - 11.0 Years

Candice Chase - 10.0 Years

Germonde de Boer - 9.5 Years

Glennis Thomson - 20.5 Years

Nicole Tessier - 7.5 Years

Sarah Kirby - 9.5 Years

Stephanie Bakken - 8.5 Years

Tammy Bloom - 4.5 Years

Laura Bjornson - 0.5 Years

Position

Loans Officer I

Member Service Supervisor

Member Service Representative

Accounting Clerk

Loans Officer II

General Manager

Member Service Representative

MSR/Loan Clerk

Casual Member Service Representative

Rockglen-Killdeer Credit Union Limited
76th Annual General Meeting - April 15th, 2024

Agenda

- A) Confirmation of a Quorum
- B) Call to Order
- C) Appointment of a Secretary
- D) Approval of the proposed Agenda
- E) Reading and approval of the April 17th, 2023 Annual General Meeting Minutes
- F) Business arising out of the Minutes
- G) Reports

Board of Director's

Marv Bakke

Credit Committee

Breanna Sleightholm

Nomination Committee

Chad McGonigal

Management Discussion &

Analysis

Sarah Kirby

Auditor's

Sarah Kirby

Financial

Sarah Kirby

Apportionment of Surplus/(Loss)

Sarah Kirby

- H) Adoption of Reports Presented
- I) Appointment of Auditor - Virtus Group LLP
- J) Other Business

Presentation and Recognition of Directors and Staff

Questions and/or Comments

Door Prizes

- K) Adjourn

ROCKGLEN-KILLDEER CREDIT UNION LIMITED
75th ANNUAL GENERAL MEETING – APRIL 17, 2023
ROCKGLEN COMMUNITY HALL

A quorum of 15 members who are entitled to vote were present.

Darlene Loucks called the meeting to order at 6:52 p.m.

Candice Chase was appointed secretary.

Wendy Spagrud & Tasha Pituley: To approve the proposed agenda.

Carried

Tammy Bloom & Stephanie Bakken: That the minutes of the **April 11, 2022** Annual General Meeting be accepted as read.

Carried

Business arising out of the minutes: Nil

Election Results:

Laurie Disney & Marv Bakke – 3 year terms

were elected by acclamation to the Board of Directors.

Laurie Disney & Mike Bakken: That all reports be accepted as presented.

Carried

Breanna Sleightholm & Shawn Mulvena: That the audit firm of Virtus Group be appointed as our auditors for 2023.

Carried

Other Business:

None

Staff Member Recognition

Breanna Sleightholm – 10 years of Service

Board of Director and/or Committee Member Recognition:

Wendy Spagrud – 6 years of service

Darlene Loucks 7.5 years of service as a director. Thank you award as an outgoing director.

Questions and/or Comments: Nil

Wendy Spagrud & Dave Kirby: That the meeting adjourn at 7:42p.m.

Carried

Board of Director's Report

People

As of December 31, 2023 we saw a slight increase in memberships from 1,182 to 1,186. An increase in membership is always a welcome trend and we look forward to serving these new members.

Educating our staff and directors is always important for new products and operational efficiencies. A budget of \$17,100 has been allocated for training so that our staff and directors stay current to the changing markets and to ensure we are serving our membership to the best of our abilities.

Our staff compliment remained stable in 2023 with a total of 9 employees including our part time and casual staff members.

Money

Member loans increased by 4.58% and member deposits grew by 8.28%. As of February 2024 we are showing an operating profit of \$103,000 which is \$18,000 more profit than February 2023. We anticipate a profit in 2024 and will be monitoring the changes in interest rates as the Bank of Canada competes with inflation.

Key Credit Union Deposit Guarantee Corporation Ratios:

	Standard	Dec 2023	Dec 2022
Eligible Capital/Risk Weighted Assets	>8.00%	19.64%	19.42%
Leverage Ratio (Capital)	>5.00%	12.42%	12.27%
Return on Assets after Tax	>0.50%	0.90%	2.09%
Operating Efficiency	<80.0%	69.69%	52.65%
Net Performing Loans/Assets	<80.0%	66.66%	68.77%

Our number one strategic goal is to remain an autonomous Credit Union, meaning that we do not desire to merge with another Credit Union. Autonomy means that our members, who also form our Board of Directors, can decide what's best for our community and to ensure we are here providing financial services long into the future. When the Credit Union absorbs net profit, it increases our Capital position, which in turn increases the total lending limit that we can lend to our members. As land values and equipment costs continue to rise, we know that increasing our ability to lend to our members is imperative to the success of the Credit Union.

We continue to have a strong capital position at 19.64% when compared to the system average of 16.43%. Our policy for Return on Assets is 0.25% - 1.25%; we anticipated a medium profitability in 2023 and were pleased with our second-best year of profit at \$453,900 in net income. Our leverage ratio (relationship between core capital and assets) at 12.42%, is strong. Our operating efficiency increased from the previous year at 69.7% but remains well below the target of 80%. Our Net Performing Loans have remained stable with a slight decrease from 68.7% to 66.7% which is within our target range of 60%-80% making us more profitable.

Our 2024 Business Goals and Targets:

	2024 Target	Dec 2023	Dec 2022
Assets (millions)	\$52.3	\$50.4	\$46.8
Performing Member Loans (millions)	\$35.4	\$33.7	\$32.6
Loan Delinquency >90 Days	<3.00%	1.79%	0.04%
Member Deposits (millions)	\$44.9	\$43.4	\$40.3
Leverage Ratio (Capital)	13.28%	12.42%	12.27%
Return on Assets after Tax	0.82%	0.87%	2.09%

In 2022 our deposits decreased by 9.16% (4 million). In 2023 our member deposits increased by \$3.6 million. Members are taking advantage of the higher investment rates as term deposits alone grew by \$2.9 million in 2023.

A return of 0.82% was budgeted for 2024 as we anticipate a profitable year due to current interest rates and continuing loan growth. Our return on Credit Union investments was increased dramatically from \$256,700 in 2022 to \$598,700 in 2023. We budgeted for prime to stay the same in 2024, however we anticipate further movement as we continue to battle inflation.

Development

Over the last few years we have been working on updating our MemberDirect online banking platform to a new platform called Forge. This program will be serviced by the same company that maintains MemberDirect. The new Online Banking platform was completed and rolled out to the membership in November 2023.

We encourage everyone to download our mobile app and try out the remote cheque deposit feature. Technology is changing rapidly and we want to make your banking experience as quick and easy as possible.

By June of this year, you will be asked to change your online banking password from numbers only to alphanumeric, which includes letters and numbers. This new password feature will make it harder for fraudsters to hack your password and access your online banking.

There continues to be more mergers or "partnerships" in the Credit Union system, however at Rockglen-Killdeer Credit Union, our desire is to remain autonomous. We continue to listen to our members and make decisions based on their needs and what they want to see from their Credit Union. As we remain financially strong and are able to successfully serve our Community and local area; autonomy will be our path for the future. Our Credit Union is monitoring the availability of services that are required for us to remain compliant with regulations, while staying competitive with the services we offer. We will continue to act on what the Board and Management feel is best for Rockglen-Killdeer Credit Unions' future.

Closing

Our Credit Union Vision and Mission Statements, Core Values, Strategic Planning and our Staff Performance Management plans speak about Community. We continue to support our Communities with many promotional items donated and, when possible, cash donations.

Each year that we are profitable, we add 2.5% of our pre-tax profit to our Community Donation account. In 2023 we were able to add \$13,500 in addition to the \$15,000 that was donated to the Wood Mountain Regional Park Solar Heater project! We are happy to see a full calendar of events in the newsletter and we encourage community groups to contact us for sponsorships. We believe in investing in our Community's future. Requests for funding can be brought to the Credit Union and will be reviewed by the General Manager &/or Board of Directors. Supporting our Community through donations has always been a priority of the Credit Union and we will continue to do so when we are financially able.

On behalf of the Board of Directors and Staff, I would like to thank our members for your continued support. We look forward to continually growing the strength of the Rockglen-Killdeer Credit Union now and into the future. Please do not hesitate to contact any Board or Staff member if you have any questions, suggestions, or comments.

Respectfully,



Marvin Bakke
President

Board of Directors April 2023



Left to Right:

Laurie Disney, Darlene Loucks (outgoing), Lee Smith, Wendy Spagrud, Chad McGonigal, Tasha Pituley, Marvin Bakke (incoming) & Larry Weisgerber

Credit Committee Report

In August 2021 we moved from a Board Credit Committee structure to an Internal Credit Committee structure. This means that the majority of loans are approved in-house by our lending staff consisting of the GM & two loan officers. In circumstances where the loan request is more than 20% of Capital or \$1,230,000 we would need Board Credit Committee Approval from three appointed directors.

In 2023 our loan delinquency was 1.77% for loans that were overdue more than 90 days which is an increase from 2022 at 0.04%. As of February 29, 2024 it has reduced to 0.06%. The 2023 Statement of Income indicates a provision for credit loss expense of \$68,389; this increased amount reflects possible future losses in our impaired loans. In 2021 we had a recovery of \$1,893 as these Impaired loans continued to be paid down by the members. We were fortunate that we did not have any written off loans in 2023. We continue to monitor delinquency closely as it can sometimes lead to a loss. Although we don't want to see loan write offs, it is an unfortunate part of being in the business of lending money. Thank You to our Membership and our Lending Staff for their continued reliability.

This table shows the loans reviewed by Management, Credit Committee & Board Credit Committee in 2023 and 2022.

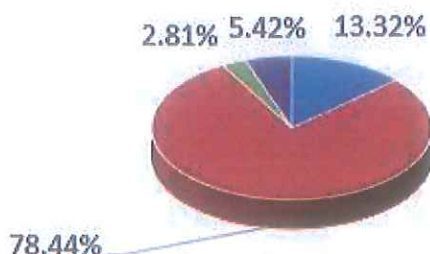
Loan Statistics Report

December 31, 2023

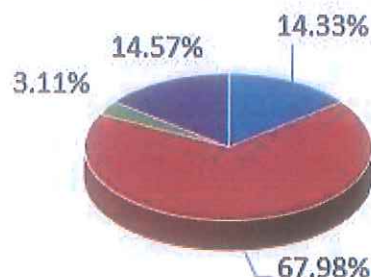
	This Month		Year To Date		Prior Year To Date	
	Number	Amount	Number	Amount	Number	Amount
Loans Approved						
By Management	12	360,559	128	3,647,501	125	2,888,821
By Internal Credit Committee	2	300,000	23	5,464,993	21	3,102,149
By Board Credit Committee	0	0	6	2,920,965	5	4,609,559
Loan Extensions & Deferrals						
Loan Extensions	3	380,623	21	1,208,283	20	1,132,068
Loan Deferrals	0	0	0	0	0	0
Loans Declined						
	1	N/A	5	N/A	13	N/A
Loans Written Off						
	0	0	0	0	0	0
Delinquency						
Total Delinquency 31 - 90 Days						147,552
Total Delinquency 3 to 6 Months						214,532
Total Delinquency 7 to 12 Months						384,076
Total Delinquency over 1 Year						0
Total Loan and Lease Delinquency						746,160
% of Total Performing Loans						2.21%
% Del. >90 Days of Total Performing Loans						1.77%

This table shows the loan portfolio mix at year end for 2023 and 2022.

Loan Mix This Month End



Loan Mix Previous Year



*Other is Syndicated Loans & Leases

Blue-Consumer

Red-Ag

Green-Commercial

Purple-Other

In order to maintain a stronger Loan to Asset ratio, we will be financing a few larger lease pools from Calidon Equipment Leasing, whom we already have a relationship with. While our loan demand remains stable, we continue to pursue loans from other sources to help us achieve our lending targets. If you are considering leasing something from Calidon, please tell them you would like Rockglen-Killdeer Credit Union to finance your lease. RKCUC had \$4.4 million in leases at year end, decreasing from \$5.2 million in 2022. In 2024 we will be financing more leases to help maintain our profitability.

As part of your insurance coverage, we remind you to assign your insurance to the Credit Union for all assets pledged as security on a loan. This can include your house, outbuildings, bins, equipment and cattle. Thank You.

Respectfully
Breanna Sleightholm
Loans Officer

Nomination Committee Report

The Nomination Committee's goal is to find an equal number of candidates as there are open positions. The Open Nomination period is available for additional nominations for a minimum of 15 days. For the 2024 Board of Director election there were three positions open, all for three-year terms.

The Committee contacted members of the credit union to fill the three positions. The following nominees were elected by acclamation as no other names were brought forward.

Darlene Loucks	3 Year Term	Former director with 8 years experience
Amanda Ellis	3 Year Term	New to the board of directors
Gary Miller	3 Year Term	New to the board of directors

Respectfully
Chad McGonigal, Chairperson

The qualifications of a director are as follows.

- Must be an individual, 18 years of age or older and have capacity
- Must not be an undischarged bankrupt
- Must be, and remain, eligible for fidelity bonding
- Must not have been convicted of a criminal offence related to theft, fraud or breach of trust for which he or she has not been pardoned
- Must not have been convicted of an indictable offence pursuant to the Criminal Code within the last five years other than a criminal offence mentioned above
- Must not have been convicted of an offence under The Credit Union Act, 1998 and sentenced to a term of imprisonment within the last five years, or if not within the five years and the individual was not sentenced to a term of imprisonment; or it has been more than five years since the completion of any term of imprisonment imposed as a result of a conviction for an offence under the Act
- Must be a member of the credit union for a minimum of one year as at the closing date for nominations except where elected or appointed by investment shareholders, in which case the nominee need not be a member
- Must comply with constraints on investment share ownership set out in Division 6, Part X of the Act, if applicable
- Must not be a professional adviser to the credit union
- Must not be an employee of the credit union or of CUDGC
- have been a member of the Credit Union for a minimum of one (1) year as at the Closing Date for Nominations;
- use the Credit Union as his/her Primary Financial Institution;
- not be involved in legal proceedings against the CU or any of its affiliates or subsidiaries, in the previous year;
- not be a spouse of a person involved in legal proceedings against the CU or any of its affiliates or subsidiaries;
- not have any loans or credit in arrears (in excess of 60 days) with the Credit Union in the previous year or have any Judgment registered against them;
- not be an employee of the Credit Union within 24 months of the Closing Date for Nominations;
- not be a Director or employee of a business selling competitive products or services except as a representative of the Credit Union;
- not be a spouse of an employee or Director of the Credit Union.

Management Discussion and Analysis

Vision

Collaborative effort to build a more economically viable community while providing an enriched financial experience.

Reviewed June 2022

Mission

The Rockglen-Killdeer Credit Union is to enhance the social and economic health of the communities it serves.

The Rockglen-Killdeer Credit Union provides access globally through a fine selection of quality financial products and services based on the values of honesty and integrity.

By demonstrating confidentiality and professional ethics, the Rockglen-Killdeer Credit Union builds the trust of its members.

The Rockglen-Killdeer Credit Union recognizes the need for ongoing education of staff and directors to identify and adapt to changing environments.

The Rockglen-Killdeer Credit Union remains financially stable with local control, identity and co-operative principles.

Reviewed June 2022

Core Values

Financial Performance/Productivity: We are a financially sound co-operative. Our flexibility enables us to deal with change ensuring long-term prosperity and stability.

World-Class Service: Through training and education we develop attentive, well-informed, knowledgeable staff and management who, in a changing environment, provide an enriched financial experience to our members.

Co-operative Principles and Philosophy: Founded by co-operative principles, we are supportive and responsive to the needs of our communities.

Autonomy: Through the use of alliances and alternate service delivery we are committed to sustaining an independent, locally owned co-operative.

Professional Ethics/Integrity: Through confidential, professional, accurate and attentive service, we build the trust of our members.

Communication: By encouraging open communication, we inform and motivate membership, staff, management and directors. This creates harmony and cooperation within the Credit Union.

Training and Learning: We provide directors, employees, and members with learning opportunities to be part of a changing environment.

Reviewed June 2022

Credit Union Market Code

The Market Code is a guideline and commitment that credit unions agree to follow. Also known as a “code of practice” it typically outlines standards that members can expect when dealing with the credit union. The Market Code is about consumer protection and it includes a provision for handling of complaints.

The credit union and its employees have always been committed to delivering a high quality of service to members and customers. The Market Code that follows builds on this commitment. This Market Code identifies the market practice standards and how the credit union subscribes to the standards.

The Market Code represents the standards the credit union embraces as an organization, the way the credit union conducts itself and how it will continue to treat existing and potential members and customers as it works to maintain the member’s trust, while living out our co-operative values.

The credit union subscribes to the co-operative principles as endorsed by the International Co-operative Alliance and the international credit union operating principles as endorsed by the World Council of Credit Unions. The credit union is member-owned and democratically controlled. The goal is to provide a measurable economic and social benefit to members and communities by incorporating the following values in all that it does:

- ***Co-operation and Accountability*** – *Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Co-operatives work together through a belief that we can accomplish more together than alone. The credit union takes into account the effect of its 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.

- **Communication** –The credit union communicates in an open, effective and timely manner.
- **Community Impact** –The credit union actively supports the development of communities locally, provincially and beyond. Communities are stronger because of the credit union system.
- **Employee Satisfaction** –The credit union respects its employees and their contribution to its success. The credit union encourages employee involvement and participation. It recognizes and rewards them for their creativity, teamwork and achievement. The credit union supports employee development by providing training and educational opportunities. The credit union respects its employees' need to balance personal and professional lives.
- **Financial Strength** –The credit union's strong financial performance allows it to invest in its members and the community for future growth. It balances the need for financial results with the needs of members and communities. The trust and confidence of members is maintained through sound business practice.
- **Product and Service Excellence** –The credit union works with members and communities to understand their needs, and respond with innovative, high quality products and services. Credit union employees provide friendly, knowledgeable and helpful service.
- **Professional Conduct** – Members' financial affairs are conducted with integrity and in a professional manner. The credit union ethical principles are rooted in concern for the individual. Confidentiality is integral to the way the credit union does business.

Market Code is reviewed by all staff and directors on an annual basis. The last major changes to Market Code were made in December 2021.

Training is an annual requirement for all employees of the Credit Union, as well it is written into job profiles. It is also part of the new staff orientation process where all new staff must read the Code of Conduct and all related Market Code Policies and Procedures. Training for existing staff this year was to read the Code of Conduct and review the Market Code Policies and Procedures. A sign off sheet documents completion of this and is held at the Credit Union to confirm completion.

Version – December 2021

Co-operative Principles

As a true co-operative financial institution, Rockglen-Killdeer 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.

Adopted by the International Co-operative Alliance in 1995

Introduction

Rockglen-Killdeer Credit Union is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Rockglen-Killdeer Credit Union is able to provide financial services to members and non-members. As at December 31, 2023 Rockglen-Killdeer Credit Union had 1,186 members and no non-members. Non-members do not participate in the democratic processes of the credit union.

Our credit union serves the communities of Rockglen and area through our one location. We provide a range of financial services including lending/lease services for agricultural, commercial and consumer purposes. We also provide deposit services such as chequing and savings accounts, term deposits and registered plans. Transactions can be processed through our deposit accounts by payment and debit cards, cheques, electronic debits/credits, through internet banking, e-transfers, ATM withdrawals and over the counter.

Strategy

The vision of Rockglen-Killdeer Credit Union is a “Collaborative effort to build a more economically viable community while providing an enriched financial experience”. We develop Strategic & Business Plans to monitor specific objectives throughout the year that support this vision. Individual staff performance management plans are utilized to achieve our objectives. Regular updates to the Strategic and Business Plan are used to measure and monitor our progress toward achieving our objectives. We regularly review our Strategic Plans which reaffirms our desire to remain as an independent, autonomous credit union, however we will continue to monitor our surrounding market and stay abreast of future opportunities and risks.

Our strategic key focus areas & preliminary strategies for 2022 - 2024 are listed below.

- | | |
|-----------------------|--|
| People &
Community | <ul style="list-style-type: none">• We are a caring organization that operates according to our vision, mission and values. We ensure our people (Board, management and staff) have the tools and education necessary to adapt to the changing environment and provide a truly positive member experience.• Promote community involvement and stimulate member awareness so as to be recognized as a contributor to the communities we serve.• Ensure our people (board, management, and staff) have the skills and competencies to execute our strategies.• Ensure we equip our people with the tools and training they require. |
|-----------------------|--|

Financial

- Balance the need for achieving sufficient profitability to ensure our long-term sustainability while delivering an enriched financial experience for our members and building an economically viable community.
- We will achieve sufficient financial strength (profitability, capital, liquidity) to achieve our strategies and deliver an outstanding member experience.
- Achieve operational results that will meet or exceed standards.
- Pretax profit of $\geq 0.25\%$ of average assets after loan allowances and/or foreclosed property expenses.
- Ensure delinquency ≥ 90 days is 3% or less on December 31st.
- Achieve annualized loan growth each year according to budget.
- Achieve annualized deposit growth each year according to budget.
- Maintain growth of loans & leases from 60% to $\leq 80\%$ of assets.
- Grow capital.

Internal Business Processes

- Ensure we maintain the organizational structure best suited to providing our members and community with local decision making, ongoing financial investment, and an enhanced member experience into the future. We have no appetite to merge with a large credit union. However, we have no desire to miss opportunities to partner with other credit unions and adapt our organizational model (as required) if it is in the best long-term interest of our members and community.
- Ensure we have the technology and processes in place to support our people and enable them to deliver an outstanding member experience in our communities.
- Ensure we maintain compliance with evolving regulatory standards and guidelines in line with our risk appetite.
- Understand the range of credit union model options available to us.
- Enhance our governance, risk management and compliance frameworks.

Member Experience

- Create a positive financial experience for our members by demonstrating we understand their needs and proactively provide solutions best fitted to meeting these needs.
- Promote new and existing products and services that support and enhance our member experience.
- Clearly define what the optimal member experience looks like
- Educate members on Credit Union products/services

Enterprise Risk Management

Our credit union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our communities now and in the future. This process is called Enterprise Risk Management or ERM for short and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation.

Through our Strategic Planning sessions and through the course of each year, risks are identified, measured and discussed regularly during board and committee meetings. These risks are rated from Low, Modest, Moderate and High ratings depending on the severity of the risk.

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, products becoming obsolete 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.

Management identified four Strategic Risks related to:

- Moderate Risk - Desire to remain an autonomous Credit Union may no longer be a viable strategy
- Modest Risk - Inability to successfully attract and retain qualified Board members increases regulatory scrutiny and threatens our autonomy
- Modest Risk - Risk the Board does not have sufficient formal governance training resulting in increased attention from the provincial regulator
- Modest Risk - Lack of clarity around IT governance of IT and cyber security risks prevents us from properly understanding and managing these risks resulting in increased regulatory scrutiny

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 changes in interest rate or foreign exchange.

No items are identified as Market Risk.

Liquidity Risk

Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans without incurring unacceptable investment losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

Managing liquidity is a fundamental component of RKCUC's sound financial management practices. On and off-balance sheet assets and liabilities must be managed to ensure that cash inflows have an appropriate relationship to approaching cash outflows. Funding requirement analysis reveals that a loan to asset ratio in a range of 60% to 80%, diligent management of liquid assets to ensure an appropriate response to the potential of a liquidity event and taking all opportunities to achieve a reasonable return on assets within the risk profile of the credit union will contribute to RKCUC's long term financial viability and prosperity.

Liquidity risk management principles (13 key principles), liquidity monitoring tools, quarterly reporting requirements, and the regulatory Liquidity Coverage Ratio (LCR) came into effect in 2017. It is the Board and management's responsibility to ensure RKCUC's Liquidity Management Plan utilizes the 13 liquidity principles to assess current gaps and adhere to the risk tolerances set within its liquidity management framework. Risk tolerances are still under development with this new reporting requirement.

RKCUC's liquidity requirements will be met primarily through the growth of member deposits. If member deposit growth is not adequate to sustain the demands of the liquidity requirements, RKCUC will utilize its SaskCentral line of credit as a fall back for predominantly short term liquidity requirements. The current available line of credit of \$950,000 is rarely drawn upon.

The liquidity management practices currently in place have proven to be adequate for the operations of our Credit Union. Maintaining a loan-to-asset ratio in a comfortable target range will enable active management of liquidity. If loan growth significantly outpaces deposit growth management will enact the strategies outlined in the Liquidity Plan. A key element of the credit union's liquidity management will be to ensure High Quality Liquid Assets are strategically invested to optimize the liquidity position of the credit union. As of December 31, 2023 our Liquidity Coverage Ratio was 650%, well above the minimum requirement of 100%.

No items are identified as Liquidity Risk.

Credit Risk

Credit risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. Credit risk comes primarily from our direct lending activities and to a lesser extent from lease financing, syndicated loans, loan pools and investments.

One item is identified as a Modest rated Credit Risk.

- Risk the credit union incurs significant losses on its credit portfolio resulting in decreased profitability and capital strength.

Earnings Risk

Earnings Risk is the danger that earnings may fluctuate widely due to changes in economic conditions, demand for services or other factors.

One item was identified as a Moderate Earnings Risk.

- Risk that compressed interest margins and inability to control operating costs inhibits our ability to achieve profitability targets.

Legal & 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.

One item was identified as a Low rated Legal and Regulatory Risk.

- Risk RKCUC is not in compliance with CUDGC standards of sound business practice.

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.

One item was identified as a Modest Operational Risk.

- Modest Risk - Losing our support organizations results in additional pressure on human resources and ultimately results in additional costs.

Information & Technology Risk

Informational and technology risk is the risk of inadequate or the inability to assess and respond to new and emerging technology trends and/or fraud.

No items are identified as Information & Technology Risk.

Insurance Risk

Insurance risk is the risk that inadequate insurance coverage is maintained for legal/liability coverages for credit unions assets, operations, directors, employees and/or members. The risk that there is inadequate insurance coverage in order to maintain/continue operations should a catastrophe strike.

No items are identified as Insurance Risk.

Residential Mortgage Risk

Mortgage Insurance (also known as mortgage guarantee and home-loan insurance) is an insurance policy which compensates lenders or investors for losses due to the default of a mortgage loan.

As we do not participate in an insured mortgage program, our policy requires a minimum 20-25% down payment for all residential properties at the time of purchase. In the event of an economic downturn, our Credit Union would be well secured regarding Residential Mortgage Risk as our down payment requirement would provide a buffer for a down turn in housing market values. Currently we do not offer Home Equity Lines of Credit which would further reduce our Residential Mortgage Risk.

As of December 31, 2023 our Non-Insured residential mortgages total \$3,176,791 or 9.4% of our total loan portfolio.

Interest Rate Risk

Interest Rate Risk (IRR) refers to the current or prospective risk to a credit union's capital (equity) and earnings arising from adverse movements in interest rates. When interest rates change, the present value and timing of future cash flows change. Such changes will affect the underlying value of a credit union's assets, liabilities and/or off-balance sheet items, and hence, its economic value. Changes in interest rates also affect a credit union's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII).

Excessive IRR can pose a significant threat to a credit union's current capital base and/or its future earnings if not managed appropriately.

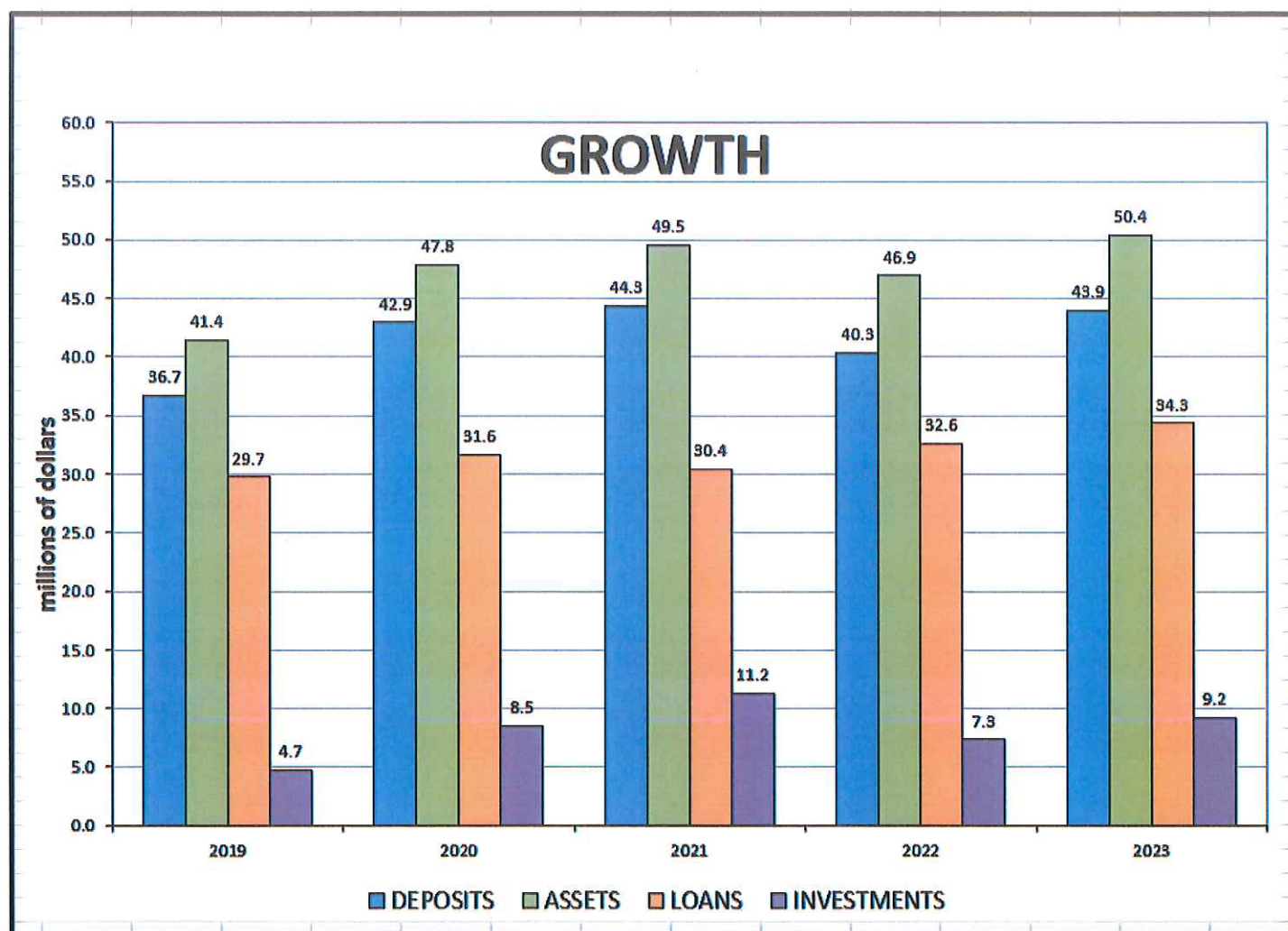
The Credit Union mitigates its IRR through our Interest Rate Risk Plan to meet regulatory requirements, operate within parameters as set out in the Board Policy and Risk Appetite Statement, and to protect the underlying value of our credit union's assets, liabilities, and its economic value.

Regulatory Matters

No additional matters to be disclosed at this time.

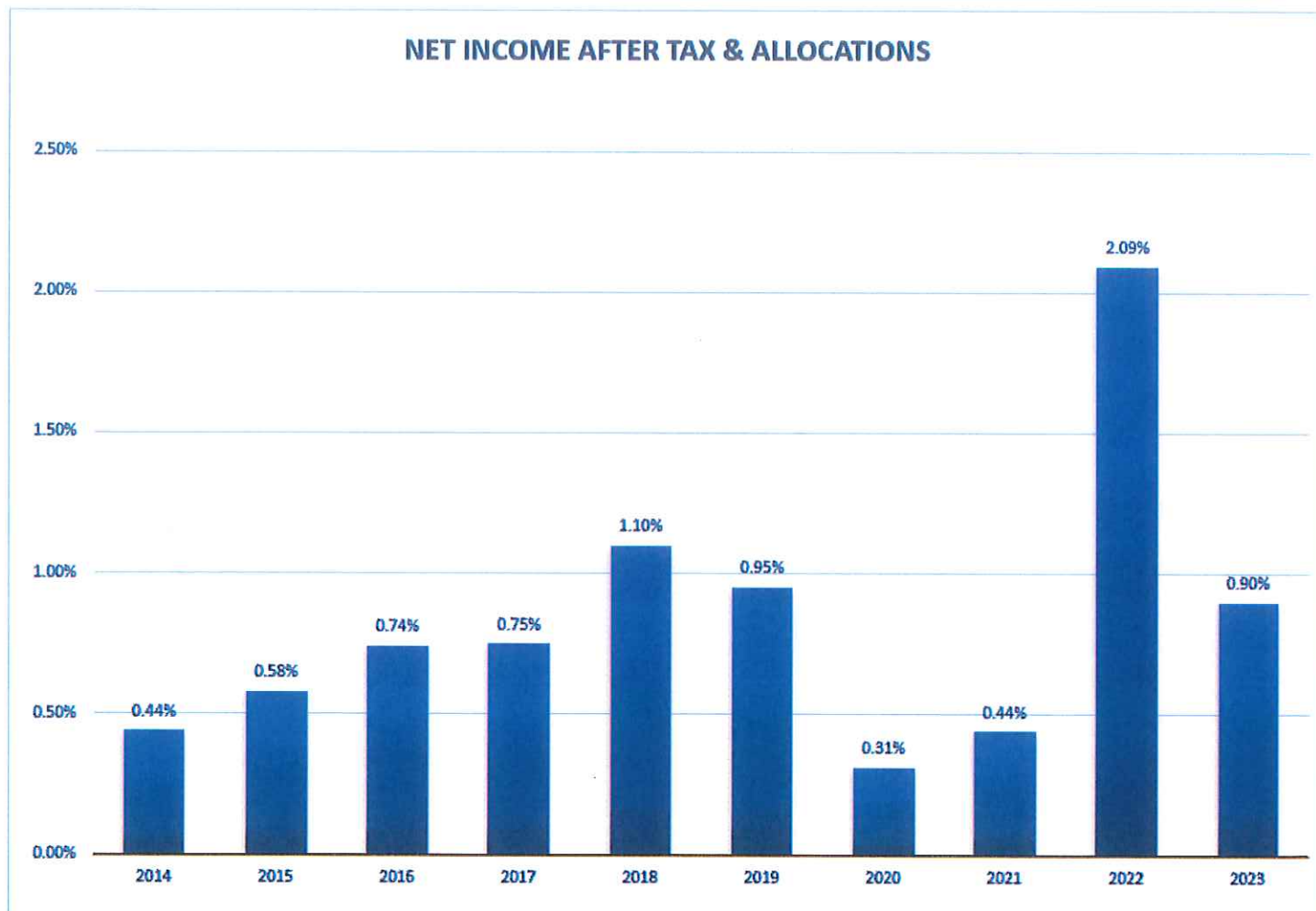
Growth

In 2023 we experienced growth in many areas as we saw our assets grow from 46.9 million to 50.4 million. Our loan portfolio had a positive year and grew to 34.3 million, increasing our profitability and year end capital. We continue to adapt our policies to ensure that our loan products are competitive within the financial market. The chart below shows a comparison over the last few years for our deposits, assets, loans and credit union investments.



Profitability

Profitability is important for RKCUC especially as we strive to remain relevant and offer competitive rates for the membership. Profitability allows us to stay competitive in development of new products and services and stay viable as an independent credit union. Our net profitability targets are a minimum of 0.25% and a maximum of 1.25%. In 2022 our Net Income was extraordinarily high due to the sale proceeds of Concentra Bank causing us to exceed our profitability target by 0.84%. 2023 was another successful year showing a 0.90% profit. The last time we experienced a loss was in 2012 for - 0.20%. The chart below shows our Net Income over the last 10 years.

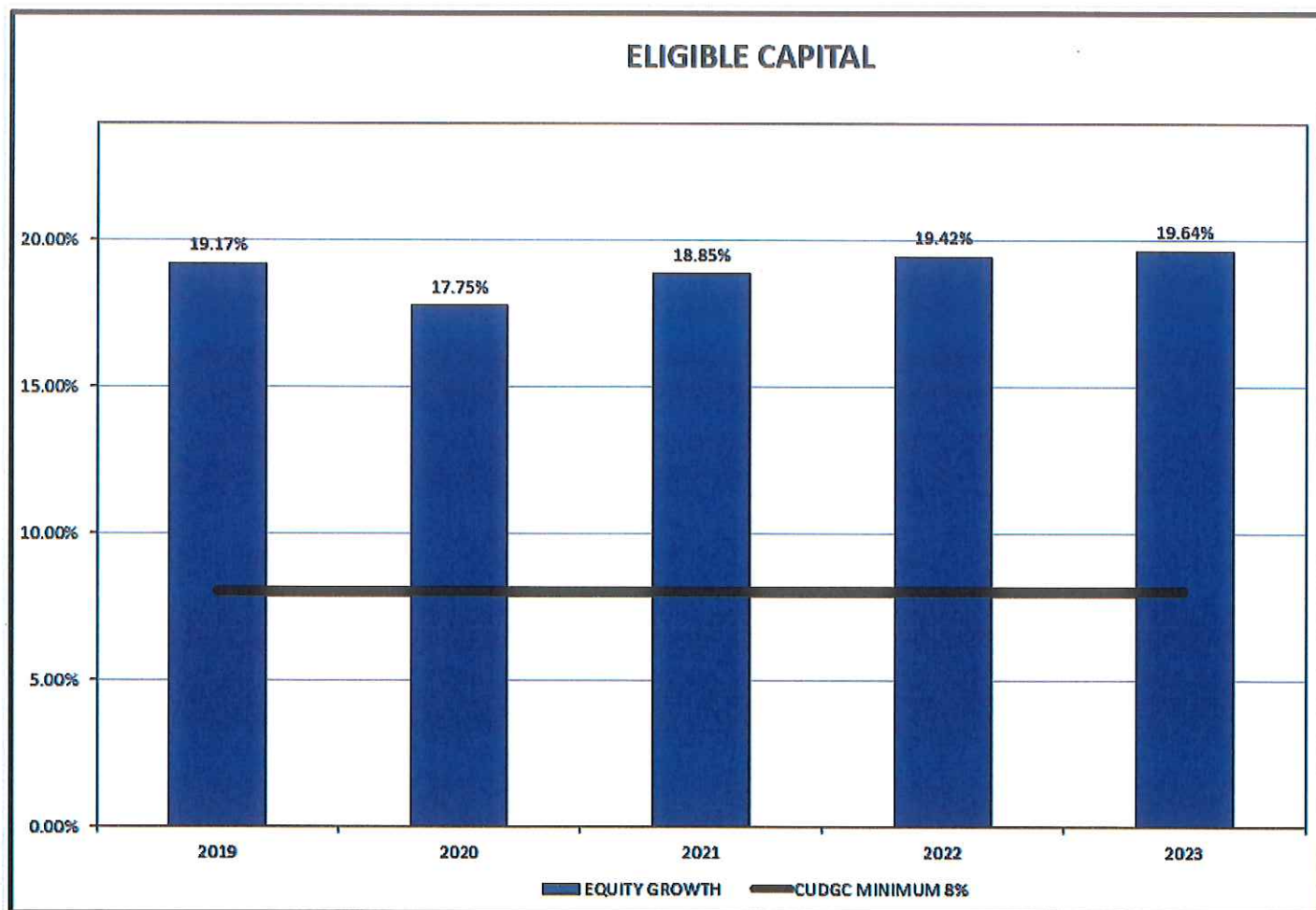


2022 – Extraordinary income of 0.84% excess profit due to sale of Concentra Bank Shares through SaskCentral

Capital Management

The Rockglen-Killdeer Credit Union has a comprehensive Capital Management Plan to assess capital adequacy for current and future operations. Our target for capital to risk weighted assets was 19.97%; at the end of 2023 our capital to risk-weighted asset ratio was slightly below budget at 19.64%.

Failure to meet the Credit Union Deposit Guarantee (CUDGC) current standard of 8% capital for risk-weighted assets would result in intervention by CUDGC, our regulators.



Corporate Structure and Governance

The governance of Rockglen-Killdeer Credit Union is anchored in the co-operative principle of democratic member control.

Board of Directors

Mandate & Responsibilities

The board is responsible for the strategic oversight, business direction and supervision of management of Rockglen-Killdeer 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.

Board Composition

The board is composed of 7 individuals elected on an "at large" basis by members. Terms are for 3 years and tenure is limited to 9 years (3 terms). Nominations are made by filing a nomination paper during the allotted time period prior to the annual meeting or by nominations made by the Nomination Committee. Voting is by paper ballot, done in-branch, and the election results are announced at RKCUC's annual general meeting.

<u>Directors</u>	<u>Experience</u>	<u>Term Expiry</u>	<u>Board Meeting Attendance</u>
Lee Smith	3 Year	2024	73%
Chad McGonigal	18 Years	2024	82%
Larry Weisgerber	3 Years	2024	91%
Wendy Spagrud	7 Years	2025	100%
Tasha Pituley	9 Years	2025	91%
Marvin Bakke	20 Years	2026	100%
Laurie Disney	3.5 Years	2026	91%

Compensation and Attendance

The Board of Directors and Committee Members are compensated for meeting attendance, travel, meals and out of pocket expenses related to the business of the Credit Union. In 2023 total remuneration and travel expenses paid to directors for meeting and training attendance was \$14,653.82. The Budget for 2023 was \$33,690.

Board/Committee compensation is reviewed approximately once every three years with management gathering board/committee compensation data from like-sized credit unions and sharing that information with the Board of Directors. This review was last conducted in 2022. All directors are required to attend at least 75% of board meetings annually. Our 2023 average board attendance was excellent at 90%. *Exceptions have been made for board members when their day job takes them away for an extended period, for health reasons and for holidays.

Director Training in 2023

- Current Trends & Seismic Shifts
- Strategic Thinking
- Finance & Risk
- Human Resource Governance
- Foundations of Governance
- Building an Effective Board of Directors
- Market Code, Privacy Act, Code of Conduct & Anti Money Laundering

Board and Committee Evaluation

In June 2019 the board approved a Board Assessment Survey to assist in evaluating board performance and board committees. The assessments are conducted in February and the results are reviewed at the March board meeting.

Executive Management

Sarah Kirby - General Manager

Committees

Rockglen-Killdeer Credit Union maintains a number of committees. These are our current board appointed committees:

- | | | |
|----------------|------------------|----------|
| • Executive | • Conduct Review | • Credit |
| • Audit & Risk | • Nomination | |

Purpose of the Executive Committee

- Marv Bakke (Chairperson), & Chad McGonigal

To act in the capacity of and on behalf of the Board of Directors between regular or special Board meetings on all Board matters except those which the Board may not, in compliance with legislative requirements, delegate. The Executive Committee is comprised

of the President, the Vice-President, and the General Manager as the recording Secretary. The Executive Committee met three times in 2023.

Purpose of the Audit and Risk Committee

➤ Board of Directors, Chad McGonigal (Chairperson)

The purpose of the Audit and Risk Committee is to ensure an independent review of the credit union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to requirements of The Credit Union Act, 1998, The Credit Union Regulations, 1999, The Credit Union Insurance Business Regulations, and the standards of sound business practice.

The Committee will also ensure that the credit union's enterprise risk management framework is appropriate to optimize liquidity, market, credit, regulatory, operational, location, and strategic risk, for the protection and creation of shareholder value. The Board of Directors will act as the Audit and Risk Committee. The Chairperson will be the Vice-President of the Board. No employee of the credit union may sit on the Audit and Risk Committee. The Audit & Risk Committee met 3 times in 2023.

Purpose of the Conduct Review Committee

➤ Wendy Spagrud (Chairperson), Lee Smith & Laurie Disney

The purpose of the Conduct Review Committee is to ensure that all proposed related party transactions are fair to the credit union and that the exercise of the best judgment of the credit union has not been compromised as a result of a real or perceived conflict of interest.

Related party transactions will be reviewed and monitored by the Conduct Review Committee (the "CRC") for compliance with legislation, standards of sound business practice and with credit union or committee policies and procedures. Apart from any review by the CRC, credit decisions are to be made through regular credit granting authority, policies and procedures. The Committee is comprised of three directors appointed by the Board with all remaining directors as alternates to the committee. The Board will appoint a Chairperson. The Conduct Review Committee met 4 times in 2023.

Purpose of the Nomination Committee

➤ Chad McGonigal (Chairperson), Laurie Disney & Tasha Pituley

To oversee the nomination and election processes for elections of credit union directors. The Committee will consist of at least three members selected by the Board, one of whom

should be a director who is not a candidate for re-election. The President is an ex-officio member of the Committee. The General Manager may act as staff resource to the committee. The Chairperson of the Committee will be a member serving on the Committee, as selected by the group. The Nomination Committee met once in 2023.

Purpose of the Credit Committee

The Credit Committee's purpose is to analyze and make decisions on credit applications within the provisions of policy and legislation and to recommend credit policies.

In August 2021 the board of directors approved moving to an Internal Credit Committee (composed of RKCUC employees) and External Board Credit Committee (composed of the board of directors).

Composition of Internal Credit Committee - Loan approvals \$342,000 to \$1,140,000

- Sarah Kirby (General Manager), Nicole Tessier (Loan Officer) & Bre Sleightholm (Loan Officer)

The Internal Credit Committee will consist of the General Manager and two Loan Officers. The chair of the committee will be the General Manager. A quorum of the committee is all three of the committee members. If necessary, committee members may attend the meeting via phone or electronic communications. If this is the case then the minutes must indicate that the named committee member attended remotely. In the event of a conflict of interest and/or non-availability of the designated member (s) of the Internal committee an alternate(s) from the External Credit Committee may fill in to have the quorum of three for the committee.

The Internal Credit Committee met 16 times from Jan 31st, 2023 - Dec 31st, 2023.

Composition of External Committee – Loan approvals > \$1,140,000 to \$2,343,000

- Chad McGonigal (Chairperson), Tasha Pituley, Larry Weisgerber, Marv Bakke

The external credit committee will consist of four directors, named by the board whose skills include sound credit judgment. The chair of the committee will be appointed by the board. An alternate to the chair can be any committee member as agreed by those present. A quorum of the committee is three directors. If necessary, committee members may attend the meeting via phone or electronic communications. If this is the case then the minutes must indicate that the named committee member attended remotely. In the event of a conflict of interest and/or non-availability of the designated member(s), the general manager or any director of the board will fill in.

The Board External Credit Committee met one time from January 1st to December 31, 2023.

Corporate Social Responsibility

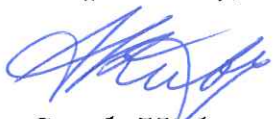
Rockglen-Killdeer Credit Union is known for the contributions we make to the communities we serve. We show our support in a variety of ways including donating Credit Union promotional items, by using our technology to build programs and posters, and offer monetary sponsorship. In 2018 we approved a policy to contribute 2.5% of pre-tax earnings to a Community Donation Fund. This will allow us to contribute to a reserve of funds for cash donations when our profitability permits us to do so.

In 2023 our credit union donated over \$23,500 in monetary donations or promotional items. Our staff and board take pride in volunteering in the community and helping where we can! The following is a summary of local organizations that received our community support this past year:

Borderland Music Festival
Community Calendar
Fife Lake Telemiracle Auction
Graduate Post-Secondary Awards
Kerry Brillion Fundraiser
Hospital Activity Book for Children
Newborn Baby Memberships
New Horizon Drop In Centre
Rockglen Community Rinks
Rockglen Curling Club
Rockglen School Hot Lunch

Rockin Beach Fire Works & Beach Bash
RRFC Christmas Gala
Saskatchewan Young Leaders
School/Community Newsletter
Senior Fun Day
Scout Lake Community Club
Telemiracle Basket Donations
Willow Bunch Golf Club
Wood Mountain High School Rodeo
Wood Mountain Regional Park Heater Project

Respectfully,



***Sarah Kirby,
General Manager***

ROCKGLEN-KILLDEER CREDIT UNION LIMITED

**INDEPENDENT AUDITORS' REPORT AND
SUMMARY FINANCIAL STATEMENTS**

DECEMBER 31, 2023

MANAGEMENT'S RESPONSIBILITY COMMUNICATION

To the Members,

Rockglen-Killdeer Credit Union Limited

Management is responsible for preparing the accompanying summary financial statements and is responsible for their integrity and objectivity. The basis of presentation adopted is not in conformity with International Financial Reporting Standards in that the financial statements do not contain all the required disclosures. The basis of presentation is considered by management to be most appropriate for the broad communication of financial information to members, however, readers are cautioned that these statements may not be appropriate for their specific purposes.

Complete financial statements are available upon request.

A blue ink signature, appearing to read 'W. K. B.', is written over a horizontal line.

President

A blue ink signature, appearing to read 'A. K. B.', is written over a horizontal line.

General Manager



**VIRTUS
GROUP**
Chartered Professional Accountants
& Business Advisors LLP

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Members,
Rockglen-Killdeer Credit Union Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2023, the summary statements of changes of members equity, comprehensive income, and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Rockglen-Killdeer Credit Union Limited for the year ended December 31, 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, which were prepared in accordance with International Financial Reporting Standards.

Summary Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 28, 2024.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements based on the audited financial statements prepared in accordance with International Financial Reporting Standards.

Auditor's Responsibility

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

February 28, 2024
Regina, Saskatchewan

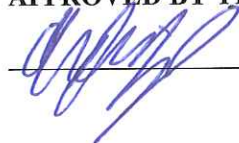
VIRTUS GROUP LLP
Chartered Professional Accountants

ROCKGLEN-KILLDEER CREDIT UNION LIMITED
SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(with comparative figures for 2022)

ASSETS		
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,769,521	\$ 6,151,110
Investments	9,203,439	7,271,430
Loans receivable	34,285,925	32,655,988
Other assets	24,417	598,038
Property and equipment	162,009	184,916
	<u>\$ 50,445,311</u>	<u>\$ 46,861,482</u>
LIABILITIES		
Deposits	\$ 43,900,131	\$ 40,304,343
Loans payable	-	539,204
Other liabilities	227,300	141,306
Shares	5,930	5,910
	<u>44,133,361</u>	<u>40,990,763</u>
MEMBERS' EQUITY		
Equity accounts	157,702	170,397
Retained earnings	6,154,248	5,700,322
Accumulated other comprehensive income	-	-
	<u>6,311,950</u>	<u>5,870,719</u>
	<u>\$ 50,445,311</u>	<u>\$ 46,861,482</u>

A full set of the audited financial statements is available from the Credit Union.

APPROVED BY THE BOARD:

 Director

 Director

ROCKGLEN-KILLDEER CREDIT UNION LIMITED
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>
EQUITY ACCOUNTS		
Equity accounts - beginning of year	\$ 170,397	\$ 182,803
Decrease in member equity accounts	<u>(12,695)</u>	<u>(12,406)</u>
Equity accounts - end of year	<u>\$ 157,702</u>	<u>\$ 170,397</u>
RETAINED EARNINGS		
Retained earnings - beginning of year	\$ 5,700,322	\$ 4,722,908
Net income	<u>453,926</u>	<u>977,414</u>
Retained earnings - end of year	<u>\$ 6,154,248</u>	<u>\$ 5,700,322</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME		
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>\$ 6,311,950</u></u>	<u><u>\$ 5,870,719</u></u>

A full set of the audited financial statements is available from the Credit Union.

ROCKGLEN-KILLDEER CREDIT UNION LIMITED
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	\$ 2,070,309	\$ 1,683,325
Investment	582,693	256,714
	<u>2,653,002</u>	<u>1,940,039</u>
Interest expense		
Borrowed money	2,514	2,698
Member deposits	910,852	398,888
	<u>913,366</u>	<u>401,586</u>
Net interest	1,739,636	1,538,453
Provision for credit losses	<u>68,389</u>	<u>62,902</u>
Net interest after provision for credit losses	<u>1,671,247</u>	<u>1,475,551</u>
Other income	<u>131,953</u>	<u>739,120</u>
Operating expenses		
General business	459,716	476,771
Occupancy	37,897	34,694
Organizational	56,732	27,757
Personnel	689,777	602,215
Security	60,219	57,681
	<u>1,304,341</u>	<u>1,199,118</u>
Income before income taxes	498,859	1,015,553
Income taxes		
Current	48,933	40,539
Deferred (recovery)	(4,000)	(2,400)
	<u>453,926</u>	<u>977,414</u>
Net income before other comprehensive income	<u>453,926</u>	<u>977,414</u>
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Comprehensive income	<u>\$ 453,926</u>	<u>\$ 977,414</u>

A full set of the audited financial statements is available from the Credit Union.

ROCKGLEN-KILLDEER CREDIT UNION LIMITED
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:		
Comprehensive income	\$ 453,926	\$ 977,414
Items not involving cash:		
- Amortization	48,687	56,282
- Provision for credit losses	68,389	62,902
Equity patronage allocation	(12,695)	(12,406)
Net change in other assets and other liabilities	659,615	(655,879)
	<u>1,217,922</u>	<u>428,313</u>
Cash provided by (used in) investing activities:		
Investments	(1,932,009)	3,995,629
Loans receivable	(1,698,326)	(2,319,648)
Property and equipment	(25,780)	(15,579)
	<u>(3,656,115)</u>	<u>1,660,402</u>
Cash provided by (used in) financing activities:		
Deposits	3,595,788	(4,043,276)
Loans payable	(539,204)	539,204
Shares	20	(25)
	<u>3,056,604</u>	<u>(3,504,097)</u>
Increase (decrease) in cash	618,411	(1,415,382)
Cash position - beginning of year	<u>6,151,110</u>	<u>7,566,492</u>
Cash position - end of year	<u><u>\$ 6,769,521</u></u>	<u><u>\$ 6,151,110</u></u>

A full set of the audited financial statements is available from the Credit Union.

ROCKGLEN-KILLDEER CREDIT UNION LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

1. 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 for the year 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 summarized financial statements.

The audited financial statements of Rockglen-Killdeer Credit Union Limited are available upon request by contacting the Credit Union.

Apportionment of Comprehensive Income/(Loss) Report – 2023

Net Comprehensive Income/(Loss) before Corporate Income Tax	\$498,859
Corporate Income Tax (12.5%)	\$44,933
<i>Net Comprehensive Income/(Loss)</i>	<i>\$453,926</i>

The net income of \$453,926 was transferred to Credit Union Reserves.



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.

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](#).

FOURTH QUARTER 2023

CREDIT UNION/CAISSE POPULAIRE SECTOR RESULTS

Province	Total Deposits	Total Loans	Total Assets	Total Credit Unions	Total Locations	Total Memberships
CREDIT UNIONS & CAISSES POPULAIRES (excluding Desjardins)						
(\$millions)						
British Columbia (1)	\$87,956	\$84,726	\$102,130	32	354	2,094,692
Alberta	27,710	28,735	33,372	13	198	641,127
Saskatchewan (1)	26,005	23,039	30,196	33	218	506,911
Manitoba (2)	38,264	36,778	43,213	17	184	735,101
Ontario (2)	66,519	73,267	84,410	56	496	1,632,508
New Brunswick (1)	5,600	5,387	6,857	7	66	219,266
Nova Scotia	3,762	3,061	4,341	23	69	143,500
Prince Edward Island	1,786	1,564	1,955	4	13	48,153
Newfoundland & Labrador	1,463	1,257	1,578	8	36	60,388
TOTAL	\$259,064	\$257,814	\$308,051	193	1,634	6,081,646
DESJARDINS CREDIT UNIONS & CAISSES POPULAIRES						
Quebec and Ontario (3)	\$197,773	\$216,891	\$264,323	210	469	4,967,660
COMBINED CANADIAN CREDIT UNION & CAISSE POPULAIRE SECTOR RESULTS						
TOTAL	\$456,837	\$474,704	\$572,373	403	2,103	11,049,306

Above Figures do not include affiliated companies of the credit union system, such as The CUMIS Group Ltd., The Co-operators Group Ltd. and Aviso Wealth.

(1) B.C., Saskatchewan and New Brunswick results include a federal credit union.

(2) Manitoba and Ontario results include a caisse populaire.

(3) Quebec results include caisses only. Quebec and Ontario data have been consolidated due to confidentiality of a single entity in Ontario.



Daycare Opens!!!



Volunteering at the Mother's Day Brunch



Halloween Fun



RKCU Caters Hot Lunch at School



Drop-In Centre \$6,000



Celebrating Credit Union Day!



Sod Planting at the Daycare