



Crossroads
CREDIT UNION



2018 ANNUAL REPORT



*Photo Credit Helga Zbeetneff
Crossroads Country Calendar Winner*

**CROSSROADS CREDIT UNION
11th ANNUAL MEETING
AGENDA**

- 1) Registration**
- 2) Call to Order – Business Meeting**
- 3) Confirmation of Quorum and Notice of Meeting**
- 4) Selection of a Chairperson**
- 5) Adoption of Agenda**
- 6) Minutes of the 2018 Annual Meeting**
- 7) Business Arising Out of the Minutes**
- 8) Message from the Board**
- 9) Message from the CEO – Jeff Bisschop**
- 10) Wadena School of Dance
(Community Investment Fund participant)**
- 11) Report of the Auditor and Financial Statements – Rhonda Fullawka**
- 12) Question Period**
- 13) Adoption of Reports**
- 14) Appointment of Auditor for 2019**
- 15) Report of Election Committee**
- 16) Declaration of Office**
- 17) Door Prize Draws**
- 18) Adjournment**

April 16, 2019 - Wadena

**CROSSROADS CREDIT UNION
ANNUAL MEETING MINUTES
CANORA – APRIL 17, 2018**

Registration

The annual meeting supper commenced at 6:00pm at the Rainbow Hall in Canora with attendance as per the register of 61.

Call to Order – Business Meeting

Board President Murray Bottcher called the business meeting to order at 6:45pm and welcomed those in attendance.

Confirmation of Quorum and Notice of Meeting

CEO Jeff Bisschop provided confirmation of Quorum and Notice of Meeting.

Selection of Chairperson

President Murray Bottcher asked for consensus from the membership that Walter Ostoforoff be Chairperson for the business meeting. Consensus was provided.

Adoption of Agenda

Brittany Halkyard – Bryan Heshka moved that the agenda be adopted.

CARRIED

Minutes

A copy of the Minutes of the April 4, 2017 Annual meeting held in Canora was included with the annual report.

Emma Owen – Zenith Kotyk moved that the minutes be adopted as presented.

CARRIED

Business arising out of the minutes

No business arising out of the minutes.

Message from the Board and CEO

President Murray Bottcher presented the message from the Board.

CEO Jeff Bisschop presented the message from the CEO.

The Crossroads Story

Leanne Woloshyn, Emma Owen and Darcy Griffith presented the Crossroads Story.

Report of the Auditor and Financial Statement

Manager of Finance and Risk Rhonda Fullawka presented the Auditors Report and Financial Statements.

Question and answer period followed.

Adoption of the Reports

Leanne Christianson – Rick Kozmanuik moved that the reports be accepted as presented.

CARRIED

Appointment of Auditor for 2018

Duane Sweatman – Dave Masters that we appoint Meyers Norris Penny (MNP) as auditors for 2018.

CARRIED

Report of the Election Committee

CEO Jeff Bisschop presented the 2018 Board of Directors Election Report.

Terms of Directors expired in three Districts of Crossroads Credit Union – Central, Northern and Western Districts. The following elections were required:

Central District	one nominee (3 year term)
Northern District	one nominee (3 year term)
Western District	one nominee (3 year term)

Advertisements were placed in local district newspapers, website and social media requesting nominations of interested members wishing to let their name stand for election to the Board of Directors.

The nominations received within the advertised deadline were examined and confirmed that the Nominees qualified to serve as Directors under the Regulations of the Credit Union Act and Crossroads Credit Union Bylaws.

Results are:

Central District

Two candidates filed nomination papers within the advertised deadline.

The candidates were:

Arlette Bogucky
Kerry Trask

An election was held in the Canora Branch from March 26 to April 4, 2018 and Arlette Bogucky was elected for a three year term.

Northern District

One candidate filed nomination papers within the advertised deadline. As the number of candidates equaled vacancies, the following candidate is declared elected by acclamation for a three year term.

The candidate was:

Leanne Christianson

Western District

One candidate filed nomination papers within the advertised deadline. As the number of candidates equaled vacancies, the following candidate is declared elected by acclamation for a three year term.

The candidate was:

Murray Bottcher

Declaration of Office

CEO Jeff Bisschop read out the Declaration of Office.

Door Prize Draw

Door prize was drawn with the following winner: Dana Antonovitch

Adjournment

Cathy Trach moved adjournment at 7:45pm.

President Murray Bottcher

Secretary Jeff Bisschop

Message from the Chair & CEO



It was yet another strong financial performance for Crossroads Credit Union in 2018. While everything we do centres on helping our members thrive financially, we wouldn't be here to serve them if we weren't strong and stable ourselves. We're pleased to say Crossroads met all its internal and regulatory targets again in 2018.

One of the things that helps our credit union prosper in these times of great disruption is our focus on what really matters. In 2018 we updated our mission, vision and values to better reflect who Crossroads is today and where we're headed. As we plan and carry out our work with the limited resources available, these guiding statements direct our work, helping us decide what's most important.

At the top of that list is our relationship with members. As a small financial institution, that's our bread and butter. As a local financial institution, it's something we can do better than anyone else. It's our mission to make it easy and beneficial for members to have a full relationship with us. In 2018 we introduced enhancements to our mobile app and launched VirtualWealth®, a service that combines the convenience of online investing with the expertise of professional investment advice.

One of the keys to strong member relationships is our hardworking, dedicated employees. We'd like to acknowledge their work in 2018. Each year we ask more of them and they continue to deliver. They face constant change as we evolve to meet growing regulatory expectations, deliver new products and serve members in new ways. Thriving in this industry means working efficiently and it can be a delicate balancing act to do that without sacrificing member service. We know it's not easy, but our employees help us make it look like it is.

Crossroads saw significant growth in 2018. Part of that came when we welcomed several new members following the closure of the TD Bank branch in Preeceville. We're happy we could be there to provide a viable local option and we look forward to growing these new relationships for years to come.

We know that if our community thrives, so do we. This is the reason we gladly give back to those who've supported us over the years. In 2018 we donated more than \$18,500 to local organizations and projects. We distributed another \$34,500 through our Community Investment Fund. Because we care about the causes our members care about, we asked them to help us decide how we should distribute this year's allocation. Hundreds of members voted to choose which projects received major funding in 2018.

Rewarding our members directly has always been an important part of how we give back at Crossroads. We've paid over \$5.2 million in patronage payments since 1998. Over that last few years, stricter regulatory requirements have forced us to rethink our approach. For the last couple of years, we've allocated our profits to retained earnings to allow us to meet our financial targets and build capital. In 2018 we began our three-year plan to pay out member equity accounts. The board is reviewing our Member Patronage Program in 2019 to ensure it provides value to our members as a whole while allowing the credit union to maintain capital.

Member loyalty plays no small part in our ongoing success. We'd like to thank our members for choosing us as a partner in their financial journey. As a co-operative financial institution, we literally would not be here without you. We look forward in 2019 to building on what we've created together over the years.

In Co-operation,

Walter Ostoforoff, Chair

Jeff Bisschop, Chief Executive Officer

Business environment

As a business and a financial institution, Crossroads is affected by a variety of external factors, including:

- economic and business trends around the world and here at home
- changes in the Saskatchewan credit union sector
- developments in the financial services industry

The world economy is predicted to grow about 3% in 2018. This is down only slightly from 2017 despite trade issues and continued fears of negative consequences from Brexit.

Closer to home, the Canadian economy grew about 3% in 2018. This growth was spurred primarily by consumer spending thanks to an unemployment rate that sat near a 40-year low for much of the year.

Saskatchewan's economy saw modest growth of 1.7% in 2018. In contrast to the national trend, consumer spending in the province fell 4.5%. The province was hurt by weak natural resource prices, especially for oil and uranium. Changes to mortgage rules and interest rate increases slowed housing sales and construction in Saskatchewan and elsewhere.

On a positive note, potash production was up, manufacturing sales were strong, and the 2018 harvest was better than anticipated. Despite dry growing conditions for most of the year, late season rain brought a small increase in crop volumes. Early snow delayed harvest in some areas and contributed to reduced quality for some. Yields varied across the province, but were about average overall.

With less reliance on the energy and mining sector than some regions of the province, the economy here in the parkland remained fairly stable. Our agriculture sector saw another good year. Some timely rains helped produce an above average crop. It seemed like a never-ending harvest, but with a break in the weather and neighbours coming together harvest was completed and in the bin.

Saskatchewan credit unions

Saskatchewan credit unions are full-service co-operative financial institutions, ranging in size from \$19 million to more than \$6 billion.

Credit Union Deposit Guarantee Corporation of Saskatchewan (CUDGC) is the primary regulator of the province's credit unions. The Corporation holds credit unions to standards similar to those used to regulate financial institutions across the country and around the world. Regular monitoring ensures credit unions operate according to those standards and identifies potential issues early enough to allow credit unions to take corrective action.

The Corporation guarantees the full repayment of funds held in Saskatchewan credit unions. There's no limit to the size of deposit covered. All deposits are fully guaranteed. The guarantee is made possible through a comprehensive deposit protection regime and a focus on prevention.

The Corporation promotes responsible governance by individual credit unions as well as the strength and stability of the credit union system as a whole.

Credit unions are well-known for their innovation, customer service and community support. For the **14th year in a row**, Canadians ranked credit unions first among all financial institutions for overall customer service excellence in the IPSOS Financial Service Excellence Awards.

SASKATCHEWAN CREDIT UNIONS

- 40 credit unions
- 481,000 members
- over 380 elected board members
- 247 service outlets in 218 communities
- assets of \$23.8 billion
- revenue of \$1.07 billion
- \$19.2 billion in loans
- over \$10.3 million returned to members as patronage equity contributions and dividends
- over 3,300 employees

Figures as at December 31, 2018.

Management discussion and analysis

Mission statement

We will make it easy and beneficial for our member-owners to have a full relationship with us.

Vision statement

Everyone in Crossroads Country has the Financial Confidence to succeed in any direction they choose.

Value proposition

We differentiate ourselves through service. Our goal is to make meaningful connections with each member, taking time to build rapport that changes every transaction into a superior experience.

Our values

Grassroots

Grassroots encompasses the concepts of a **full service, member owned, democratically governed,** and **sustainable** financial institution. We pride ourselves on sound business practices, providing a full suite of financial products and services. Every member of Crossroads is an owner and has the power to cast one vote to elect the board of directors.

Integrity

Commitment, efficiency, honesty and **security** are important to Crossroads because our members are our story and we are committed to helping them achieve their goals. Our members place their trust in us and we go above and beyond industry standards with processes and procedures to maintain this trust and build relationships. We also uphold strict privacy and financial safeguards to ensure that Crossroads' members are protected.

Passionate

We strive to be **friendly, understanding, co-operative,** and **personal** with every member. It is our goal to know our members better than anyone else, because in doing so, we provide the best possible service and advice. We are passionate about teamwork and collaboration because as a team, we can achieve more and help our members become financially confident.

Reputable

We are focused on **community involvement,** pride ourselves on being **educators** and **leaders,** and will go **above and beyond.** We lead by our reputation, not only by going above and beyond for our members, but by actively promoting financial literacy in our communities. Through volunteering, donations and sponsorships, we support our communities, our grassroots, and help them to continue to flourish.

Quality

Crossroads is a **member-focused** organization, driven by **continuous improvement, innovation, and proactive** actions. When our members succeed, we succeed, so we invest in these relationships by adapting to their needs, no matter where they are in life. By being proactive, we prepare our members for the future now, so that they are ready for their next chapter when it begins.

Credit Union Market Code

Crossroads Credit Union voluntarily adheres to a *Credit Union Market Code*, jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee Corporation to ensure the protection of credit union members. The code sets out guidelines in the following areas:

- the process for handling complaints regarding the service, products, fees or charges of Crossroads Credit Union
- fair sales, including the roles and relationship of staff to all members/clients in accordance with the financial services agreement
- our financial planning process
- how we protect the interests of those who do business with Crossroads Credit Union by ensuring all member/client information is kept confidential and used only for the purpose for which it is gathered
- professional standards
- how we ensure our capital structure aligns with our risk philosophy
- the business and industry standards we follow for financial reporting
- governance practices and how we adhere to the intent and stipulation of our corporate bylaws, approved by the membership of Crossroads Credit Union
- how we employ risk management to ensure all risks are measured and managed in an acceptable fashion

Co-operative Principles

As a co-operative financial institution, Crossroads 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

Crossroads Credit Union is a provincially-regulated, financial service co-operative. We provide a full suite of financial services in Saskatchewan's Parkland. Members elect a 10-person board of directors to govern our operations. They provide strategic direction to a management team responsible for day-to-day operations.

Crossroads manages more than \$272 million in assets. From branches in Canora, Preeceville, Sturgis and Wadena, we serve more than 6,900 members and non-members. Non-members don't own shares in the credit union, participate in the democratic process or benefit from our Member Equity Program. We promote the credit union difference and the advantages of membership to all non-members.

We pride ourselves on providing highly personalized service to our individual, non-profit, farm and commercial members. We offer deposit accounts, loans and investments, card products, financial planning, wealth management and insurance. We provide wealth management services through a personal financial planner at Credential Financial Strategies Inc.®

Strategies

It's our mission to make it easy and beneficial for our members to have a full relationship with us. For us those mutually rewarding relationships are part of the credit union advantage.

Through an annual strategic planning session, our board and management set the strategic direction that brings this mission to life. An operational plan aligns management's activities with the strategic direction of the board.

We continue to set ourselves apart through the quality of our personal service to members. We work hard to know our members better than anyone else does and demonstrate the value of this knowledge by the quality of our products, services and service delivery. We're knowledgeable experts, who can turn simple transactions into experiences because we're local, we know our members and we care.

Four fundamental strategic goals guide our work:

Members – We will have informed, loyal member owners who trust the credit union to help them to achieve their goals.

Staff – We will have educated, inspired and empowered staff consistently enhancing mutually-rewarding member owner relationships.

Community – We will work with our community partners to foster mutually-rewarding member owner relationships.

Financial – We will drive sufficient earnings to fund our priorities on behalf of our member owners.

Through our planning, we identified the following themes for our work:

- building our professional competencies
- building member relationships
- shifting to meet members' desire for digital and mobile channels
- strengthening our impact in the communities we serve
- maintaining strong financial results for the sustainability of our credit union

Our pricing strategy is governed by the principles of credit risk management. We look for an appropriate balance between risk and return. At Crossroads, we accept moderate enterprise level risk if it creates high quality, personal service for our member owners. We won't take on risks that may jeopardize our reputation or brand and we have no appetite for risks that compromise our capital strength and financial sustainability.

We distinguish ourselves as a member-service-centred organization that provides fair value for members and our credit union. We depend on non-interest revenue. We outsource and contract out projects to gain the advantage of external expertise and extend the collective capacity of our management team.

Value proposition – We differentiate ourselves from other financial institutions through the quality of our service. We work to make a meaningful connection with each member, taking the time to build rapport that changes every transaction into a superior experience. We build and sustain mutually-rewarding relationships with each member by:

- knowing our members better than anyone else does
- converting each transaction into an experience the member will remember
- making it easy for members to deal with us

Ultimately, this drives growth and prosperity for our members and our credit union. We know that if our communities thrive, we thrive.

Key performance drivers & results

At Crossroads, we use a balanced scorecard to set business goals, monitor progress and measure results. Financial and non-financial measures extend the credit union's vision and strategy into objectives across four balanced perspectives: members, staff, community and financial.

Financial performance

Financial performance – Build and maintain great financial results.		
	2018 targets	2018 results
Leverage ratio	5.50%	9.02%
Eligible capital/risk-weighted assets	13.40%	14.79%
Tier 1 capital/risk-weighted assets	11.40%	14.02%
Efficiency ratio (operating expenses/gross margin)	76-79%	67.24%
Return on assets	0.50%	0.87%
Liquidity (total loans/total assets)	75-80%	73.88%
Loan delinquency	<1.5%	0.98%

Growth – Overall growth was much stronger than budgeted, thanks in part to an influx of new members following the closure of the TD Bank branch in Preeceville. Assets grew 7.75% to nearly \$273 million, which was more than double our target of 3.11%. Loans grew 3.66% to \$201 million and deposits rose 7.5% to \$245 million.

Continued growth in our wealth management business led to a healthy 20.86% growth in off-balance sheet assets, which was above our 15% target.

At 73.88%, our loan to asset ratio was slightly below our target range of 75-80%.

Profitability – Profits allow us to build capital, manage growth and take advantage of opportunities. Crossroads earned \$2.38 million in income in 2018. Continued attention to operating costs and strong non-interest revenue helped generate a profitability of 0.87%. This is well above our budget of 0.63% and well above our 2017 result of 0.62%. Our operating expense ratio came in below budget at 2.52% (2.69% in 2017).

Our efficiency ratio (a measure of how much revenue is spent on operating costs) was 67.24% in 2018. This is down from 75.26% in 2017.

Asset quality – Our loan portfolio contains a mix of high quality commercial, agricultural and consumer loans. We take a prudent approach to lending to ensure we maintain a low level of loan delinquency. At 0.98%, delinquency is up slightly from 2017 but still well below internal (1.5%) and regulatory targets (3.0%).

Liquidity – Managing liquidity is central to sound financial management. Liquidity for credit unions comes from member deposits and profitability. Crossroads carefully manages its balance sheet to ensure we hold liquidity to meet member borrowing needs and cash flow demands.

A liquidity plan ensures Crossroads maintains an optimal level of liquidity to:

- meet regulatory requirements
- support operational plans
- address unexpected events

At year end, our operating liquidity sat at 106.49%. We achieved a loan to asset ratio of 73.88%, slightly below our target range of 75-80%.

SaskCentral is the statutory liquidity manager for the Saskatchewan credit union system. Credit unions are required to hold enough liquidity at SaskCentral to participate in the national payments system. This supports our ability to clear cheques nationally and internationally. Crossroads continues to meet this regulatory requirement.

Capital management – A capital plan guides our approach to managing capital, ensuring we meet or exceed regulatory standards. The plan forecasts our capital strength and outlines how we'll maintain that strength over time. Our capital plan considers our corporate tolerance for risk and demonstrates the requirement to balance both quantity and quality of capital appropriate for the credit union. Our policies set the amounts and types of capital we want to hold. Our bylaws outline how we allocate any surplus.

Management is responsible for:

- implementing the plan
- reporting regularly on progress
- providing expert advice on the topic

Holding adequate capital is one way financial institutions demonstrate strength and stability. Provincial legislation dictates capital requirements for credit unions and lays out how we can maintain, raise and control capital. Our regulator, Credit Union Deposit Guarantee Corporation of Saskatchewan, sets regulatory minimums through its Standards of Sound Business Practice, directives and guidelines. Credit unions must ensure they hold a level of capital that matches their risk profile and meets internal targets under normal and stressed conditions.

Though we're beyond growing capital and into maintenance mode, we continue to pay close attention to profitability. In 2018 capital grew \$2.2 million from operations. Equity grew to 9.1% of assets in 2018 with the bulk of that growth (8.6%) coming from retained earnings.

We monitor the ratio of eligible capital (retained earnings plus member held equity) and tier 1 capital (retained earnings) against risk-weighted assets. Regulatory standards also require us to calculate a leverage ratio. This is an indicator of our total capital relative to total assets and certain off-balance sheet exposures, such as loans to members that have been committed to, but not yet disbursed.

We carefully manage our balance sheet to avoid the negative effects that can come when loan growth exceeds deposit growth. At the end of 2018, our ratio of eligible capital to risk-weighted assets sat at 14.79%. Tier 1 capital as a percentage of risk-weighted assets was at 14.02%. Both were above our internal targets. Our leverage ratio was 9.02%, which is up slightly from 2017 and well above our target of 5.5%.

We set minimum capital levels for our credit union well above regulatory minimums to maintain enough capital to meet our needs even in times of significant loss or unplanned growth. Current policy is to ensure we maintain the optimal amount of capital according to ICAAP (Internal Capital Adequacy Assessment Process).

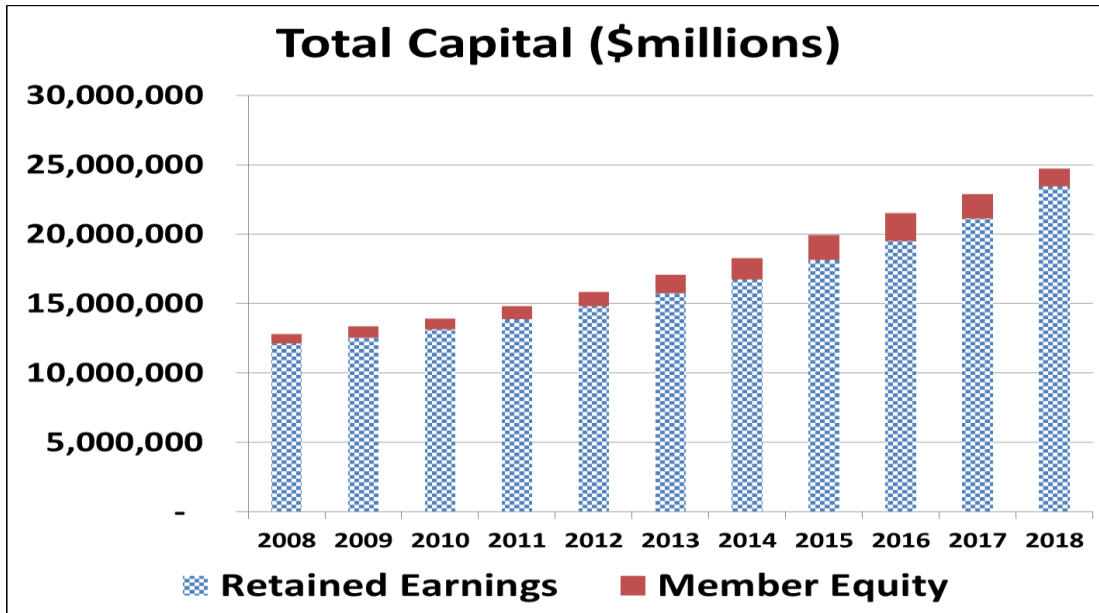
	Provincial standard	CCU target
Leverage ratio	5.0%	5.5%
Total tier 1 capital/risk weighted assets	8.5%	11.4%
Total eligible capital/risk weighted assets	10.5%	13.4%

Capital is a limited resource for credit unions. We’re restricted to raising capital through profits from our operations. We keep this in retained earnings or (historically) share it with members through patronage payments to member equity accounts. Crossroads allocates earnings in the following order:

1. capital until capital standards are met
2. additional capital to support growth, development, safety and financial soundness
3. patronage allocations or dividends (Member Equity Program)

Credit unions obtain tier 1 capital through profitability, which contributes to total retained earnings. Allocations to member equity accounts have traditionally been an important part of our capital growth strategy. As a result, managed growth of member equity is an important part of our overall capital plan.

If capital ratios fall below regulatory limits, we will not make allocations (without regulatory approval) to member equity accounts and will allocate net earnings to retained earnings. We may also restrict discretionary staff incentive pay.



Traditionally, we focused on ensuring our members received patronage, even if we didn't meet our policy targets. We've paid over \$5.2 million in patronage payments to our members through cash and equity account allocations since 1998. That's no longer an option with enhanced enterprise risk management and new regulatory requirements.

For the second year in a row we allocated our profits to retained earnings and did not pay member patronage. This decision allowed us to reach our target for return on assets and build high quality, permanent capital so that, even in times of significant loss or unplanned growth, our capital levels remain well above regulatory minimums.

The board approved the full payout of member equity accounts with a balance of \$100 or less in 2018. Equity accounts with balances greater than \$100 will be paid out over a two-year period.

Looking forward – Rewarding our members for their loyalty remains a priority for us. Given changing regulatory requirements, we're reviewing our Member Equity Program in 2019 to ensure it provides value to our membership as a whole, while still allowing the credit union to maintain capital.

Stakeholders

Members – We wouldn't be here without our members. They're the centre of everything we do and we work hard to make it easy and beneficial for them to deal with us. We set ourselves apart by making meaningful connections, taking the time to build rapport and making every transaction a superior experience.

We survey our members annually to gauge our success. We're pleased to say that our member satisfaction index (the percentage of members satisfied or very satisfied with overall service quality) rose from 88.37% in 2017 to 89.22% in 2018.

In 2018 we introduced VirtualWealth®. The service combines the convenience of online investing with the expertise of professional investment advice. VirtualWealth is powered by Aviso Wealth, the team behind Qtrade Investor, one of Canada's top-ranked online brokers (based on ratings by the Globe and Mail, MoneySense and Surviscor) and NEI Investments, Canada's Responsible Investing leader.

Aviso is a national financial services company owned by the Credit Union Centrals, The Co-operators/CUMIS and Desjardins. Aviso manages close to \$60 billion in assets and has major operations in Vancouver and Toronto with regional offices across Canada.

**Online brokerage services are offered through Qtrade Investor, a division of Credential Qtrade Securities Inc. VirtualWealth is a trade name of Credential Qtrade Securities Inc.*

It remains our vision that everyone in Crossroads Country has the financial confidence to succeed. In 2018 we helped empower our members with:

- fraud awareness workshops to help our senior members understand how to protect themselves from this ever-growing threat
- our annual Ag Outlook seminar, which gives our farm members the most current and relevant agricultural forecasting
- the introduction of a new credit card line through Collabria
- a new Lock'N'Block anti-fraud feature on the mobile banking app

We also used our marketing campaigns to meet our members online with helpful financial information. A fun meme-paign used humorous social media posts to catch attention and provide useful information. We took our key message to members from our traditional trade fair to the online world in 2018 using social media, our web site, and in-branch screens to provide information and education on all things financial.

Employees – We depend on our team of skilled professionals to help us provide the excellent service that sets us apart. They continue to deliver as we ask them to do more than ever to maintain our efficiency. We refocused our energy in 2018, streamlining our plans and concentrating on those activities that best support our strategic direction.

By participating in cross-functional Strategic Advisory Committees, employees continue to support strategic and operational planning. Through this process, they provide valuable advice, research, and support for the entire organization.

Board of directors – Our strategic direction is overseen by an elected volunteer board of directors. The board ensures our credit union is well-managed and adheres to all legislation, regulation and standards. The role of a director has become more complex as regulatory expectations of financial

institutions grow. Recognizing this, our board is dedicated to professional development and took part in several workshops and webinars in 2018, including sessions on:

- planning and oversight
- risk oversight
- credit risk
- role of the audit committee

Looking forward – In 2019 we’ll focus on preparing our team for the future. We’re introducing a new training and development plan, with a focus on coaching and advice skills. We’ll also conduct a cultural assessment. A major focus of our work in 2019 will be ensuring our work environment supports employees and allows our team to operate as a well-oiled machine.

Process

Process – Apply the right process.		
	2018 targets	2018 results
Loan growth	3.0%	5.26%
Asset growth (deposits + investments)	3.11%	3.66%
Mutual fund growth	15%	20.86%
Net financial margin	2.60%	3.14%
Other income	0.70 to 0.80%	0.71%
Operating expenses	2.50 to 2.75%	2.52%

Balanced scorecard – A balanced scorecard helps us set priorities and make the most of our limited resources. A three-year operational plan focuses the actions of staff and management on the credit union’s strategic priorities. We use the balanced scorecard to align individual objectives with those of the organization.

Regular audits – All aspects of our operations are regularly reviewed through a combination of internal and external audits. Every three years our regulator, Credit Union Deposit Guarantee Corporation of Saskatchewan, conducts a supervisory review.

Each year we perform a comprehensive internal audit of our operations and a third-party review of specific aspects of our organization. In 2018 that review focused on deposit services, regulatory compliance, and anti-money laundering compliance.

Twice a year, an external auditor examines our credit function to ensure we operate according to relevant policy and procedures. We also regularly review several areas internally, including privacy, wealth management, deposit services, human resources and payroll administration.

Risk management and compliance – Regulators have recently placed increased importance in this area. Risk is a natural part of the financial services industry. We address this by factoring risk

management into all aspects of our operations. We also pay close attention to ensuring we comply with all relevant policies, standards and legislation. All staff and directors are trained each year on the topics of money laundering and terrorist financing.

Governance – We continue to involve Crossroads staff in our strategic planning process. Employees sit on strategic advisory committees, providing valuable feedback and participating in the development of our three-year plan. In 2018 a group of employees collaborated with our board and management to update Crossroads’ mission, vision and values. The new guiding statements define who we are today and what we want to be in the future.

Looking to the future – In 2019 our board will focus on HR and succession planning to ensure it remains well positioned for the future. This work will include terms of reference for required committees that ensure our board skills and competencies are consistent with the needs of the organization. Director development plans will support their ability to contribute at the committee and board level.

Learning & growth

Learning and growth – The right people, working with the right information and empowered within the right culture.		
	2018 targets	2018 results
% of employees who score 200 or more on their balanced scorecard	33.3-40.7%	60%

We recognize the vital role employees play in meeting our strategic objectives and pride ourselves on being local, knowledgeable experts creating experiences rather than simple transactions. Developing our internal competencies is one way we set the organization – and its employees – up for success. In 2018 we:

- developed the tools we need to maintain the member relationships we depend on
- continued to work on our coaching and advising skills

Looking forward – As we focus on bringing our new mission to life, we look at everything we do through the lens of making it easy and beneficial for members. In 2019 we’ll work to enhance staff familiarity with digital and mobile processes, positioning them to support members as we offer more digital options.

Enterprise risk management

We use an enterprise risk management process to measure and assess risks. This process is required by our primary regulator, Deposit Guarantee Corporation of Saskatchewan, and is an important element of our governance and strategic planning processes. We use enterprise risk management to identify, analyze and systematically address risks to our organization.

A statement of risk appetite defines the level of risk Crossroads is willing to take in the course of business. This helps us balance risk and return, and supports decision making across our operations. A series of risk management principles reinforce effective risk management across the credit union, supporting a risk-informed approach to our work.

Throughout this process, Crossroads manages each area of risk based on business need and guided by board policy. Senior management identifies risks and develops action plans for any issues that go beyond tolerance levels set by the board. Our audit and risk committee reviews this information quarterly. Our board evaluates management's assessment and risk mitigation strategies annually. This information influences how we allocate human, capital and other resources.

Proactively managing risk ensures we respond to uncertainty, reducing unexpected outcomes and strengthening the confidence of our stakeholders. Many of the risks we face may not have immediate financial impact; however, they still have potential to prevent us from meeting our long-term strategic objectives.

Risk philosophy statement

Crossroads Credit Union is willing to take on only those risks that it fully understands and can manage within acceptable levels.

Risk commitment

Crossroads Credit Union's board and management are committed to establishing a risk-informed decision-making culture. This enables us to optimize the risk/reward trade-off and more effectively exploit opportunities we identify. Our risk framework aligns with ISO international best practices and ensures risk management is a core capability and integrated into our decision-making processes.

Risk mandate

Our risk framework mandate is to ensure known and emerging risks are identified and managed within acceptable risk appetites and tolerances set out by the board. Our risk framework applies to all key decisions and business processes.

Consistent with our regulators' Standards of Sound Business Practice, our process will:

- identify risks to which the credit union is exposed
- measure our exposure to identified risks
- ensure that an effective risk monitoring program is in place
- monitor risk exposures on an ongoing basis
- control and mitigate our risk exposures
- report to board and management on our risk exposures

Statements of risk appetite

Crossroads Credit Union has established qualitative statements and quantitative measures. Together they describe the amount and type of risk Crossroads is willing to accept in pursuit of its

strategic objectives. Qualitative risk appetite statements provide balanced thought and action. Quantitative limits allow sufficient flexibility for board and management to manage risks and optimize the value of our business activities.

Our main objectives are:

- to ensure capital is protected
- to ensure we don't take on more risk than we can afford to handle
- to achieve tangible benefits resulting from the risk appetite process

Enterprise risk management framework

Our enterprise risk management framework manages risks in the following categories:

RISK CATEGORY	Definition	RISK MANAGEMENT APPROACH
Credit risk	Risk of financial loss due to a borrower or counter party failing to meet its obligations in accordance with agreed terms.	Management of credit risk will ensure the ability for Crossroads to remain financially strong as it moves through the various cycles.
Market risk	Potential for a negative impact on the credit union's financial position and/or earnings resulting from adverse changes in certain market variables including, interest rates and foreign exchange rates.	Management of market risk will produce stable financial margin, regardless of rate fluctuations, while optimizing profit of the credit union.
Liquidity risk	Risk of having insufficient cash resources or equivalents to meet financial obligations without having to raise funds at unfavourable rates or selling assets on a forced basis.	Effectively managing the risk of having insufficient liquid resources to meet the credit unions' cash or funding requirements will enable us to meet our short- and long- term obligations while ensuring capacity for growth.
Strategic risk	Risk arising from an inability to implement appropriate business plans, strategies and resource allocation.	Effectively managing strategic risk results in good business decisions and effective execution, which enables us to successfully implement our strategies. This results in better financial performance and enables us to successfully seize opportunities.
Operational risk	Risk arising from problems in the performance of business functions or processes.	Effective management of operational risk minimizes day-to-day losses, reduces the impact of catastrophic losses and improves the ability of the credit union to achieve our business objectives.
Legal & regulatory risk	Risk arising from potential non-compliance with laws, rules, regulations or ethical standards in the jurisdiction in which the credit union operates.	To effectively manage the success and reputation of the credit union, will ensure it complies with or adapts to current and changing regulations, laws, regulatory expectations and ethical standards.

Corporate structure and governance

Crossroads Credit Union operates under provincial legislation in the province of Saskatchewan. We're regulated by the Credit Union Deposit Guarantee Corporation of Saskatchewan and the Financial and Consumer Affairs Authority. We're required to comply with the Corporation's Standards of Sound Business Practice as well as:

- *The Credit Union Act, 1998*
- *The Credit Union Regulations, 1999*
- *The Credit Union Insurance Business Regulations*
- our own credit union bylaws and policies
- other applicable provincial and federal laws

We report regularly to the Credit Union Deposit Guarantee Corporation and are subject to periodic risk-based examinations.

Crossroads Credit Union uses an "agency" model of governance. This means that:

- The members elect the board of directors.
- The board appoints the CEO.
- The CEO hires the employees and engages suppliers.

Our governance practices are based on the Credit Union Governance Principles set out by the World Council of Credit Unions. The principles address governance at three levels: external, internal and individual.

External governance – All financial institutions, regardless of type, are expected to comply with the basic standards of transparency, auditing and financial reporting.

Internal governance – The co-operative nature of credit unions means we have an additional layer of governance related to our democratic, member-driven nature. This includes a commitment to "one member, one vote" and adhering to the International Credit Union Operating Principles.

Individual governance – To perform their collective duties, individual board members and managers are obligated to maintain ethical conduct and professionalism, and to speak with a single voice once board decisions are made. Board members are also expected to possess the skills and technical capacity necessary to fulfill their duties.

Board of directors

Mandate and responsibilities – A 10-person elected board of volunteer directors sets the strategic direction for Crossroads Credit Union. The board oversees our management team to ensure the credit union is managed and operated soundly and prudently. It sets policy and ensures Crossroads adheres to applicable legislation, regulation and standards.

Composition – Directors are elected by district and serve three-year terms. They must have been members in good standing for at least two years. Our current board consists of:

- five directors from the central district
- three from the northern district
- two from the western district

As set out in our bylaws, a Nominating and Governance Committee leads the board nomination and election process. Members elect directors by voting in each branch. Results are announced at our annual general meeting.

2018 Board of Directors



Back row: Arlette Bogucky, Duane Sweatman, Gary Herbert, Dale Zubko, Allan Wonsiak, Leanne Christianson
Front row: Betty Tomilin, Murray Bottcher, Walter Ostoforoff, Ivan Peterson

CENTRAL DISTRICT		NORTHERN DISTRICT	
Allan Wonsiak	2019*	Ivan Peterson	2019*
Arlette Bogucky	2021	Dale Zubko	2020
Betty Tomilin	2019*	Leanne Christianson	2021
Gary Herbert	2020		
Walter Ostoforoff	2020		
		WESTERN DISTRICT	
		Murray Bottcher	2021
		Duane Sweatman	2020
*Terms Expiring			

Board profiles

The following sat on Crossroads Credit Union's board at year end 2018.

Arlette Bogucky – Arlette is from Canora and owns and operates AB Classics. She also serves on the Leisure Services Board for the Town of Canora. Arlette joined our board in 2016.

Murray Bottcher, 1st Vice President – Murray is a retired educator and part-time farmer from Margo. He's an active member of many organizations, including the Margo Recreation Board, Moe Concordia Lutheran Church board, Margo Village Council, St. Peters Parish Council and Margo Fire Department. Murray joined the Crossroads board in 1999 and previously sat on the board of Kuroki Credit Union.

Leanne Christianson – Leanne moved to the Preeceville area in 1992 with her husband and children. She homeschooled her children for 18 years and helped with the family well drilling business. She works at the Preeceville & District Health Centre. Leanne joined the board in 2012.

Gary Herbert - Gary is a retired farmer from Canora. He joined the board in 1984.

Walter Ostoforoff, President - Walter is a farmer and accountant from Canora. He's a retired Chartered Professional Accountant (CPA) and a Fellow Chartered Professional Accountant (FCPA) with experience in management, personnel and finance. Walter is a past member of the Chartered Management Accountants (CMA) of Saskatchewan executive and CMA Canada committees. He's been involved in the community association, minor hockey and baseball. He joined the board in 2011.

Ivan Peterson, 2nd Vice President - Ivan was born in Preeceville and raised at Hazel Dell. He and his wife Gail have two sons and live in Sturgis. His careers included teaching, farming and an advisory role with Saskatchewan Crop Insurance. Ivan has served on a variety of health and financial boards. He feels very fortunate for his family, friends, work, sports and community involvement. Ivan was elected to the Crossroads Credit Union board in 2016.

Duane Sweatman – Duane farmed in the Kelliher area with his wife Wanda for 22 years, raising four children. He moved to Wadena in 1996 when they bought Wadena Meats. He enjoys bowling, golf and his grandchildren. Duane joined the board in 2017.

Betty Tomilin – Betty is a retired teacher from Buchanan and currently works as a substitute teacher for the Good Spirit School Division. She's a member of the Buchanan Housing Authority and the Buchanan Black Box Players. Betty was elected to the Crossroads Credit Union board in 2016.

Allan Wonsiak – Allan is retired from a 32-year career in financial services, primarily in the credit union system at seven locations throughout Saskatchewan with experience in lending, financial planning and personnel.

He's been involved in Kinsmen, Lions clubs and the Mackenzie Society in Preeceville (as chairman) in addition to numerous other community boards and committees. He currently sits on the council of Saints Peter and Paul Ukrainian Catholic Church serving as recording secretary.

Allan is originally from and now resides in Canora. He was elected to the board in 2016.

Dale Zubko – Dale, his wife Sharon and their four daughters have lived in Preeceville for 34 years. He attended University of Saskatchewan and SIAST, studying agriculture and business. Dale spent 25 years in construction and the oil patch and has been involved with farming for the past 43 years. He was involved with the RM of Preeceville and St. John Lutheran Church council. He enjoys curling and spending time with his grandsons. Dale was elected to the board in 2015.

Committees

Several committees support the board in its responsibilities. Committees meet regularly and report to the board following each meeting.

The **Executive Committee** acts on behalf of the board of directors between regular or special board meetings on most board matters.

The **Conduct Review Committee** ensures related-party transactions comply with legislation, standards of sound business practice, and with credit union or committee policies and procedures.

The **Building & Property Committee** works with management to develop policies and plans relevant to credit union facilities.

The **Finance and Personnel Committee** works with management to develop financial and personnel policies and monitor operations relevant to the management of all areas of financial risk to the credit union.

The **Nominating & Governance Committee** oversees the nomination and election processes for election of credit union directors.

The **Audit & Risk Committee** oversees risk management and ensures the integrity of financial reporting, adequacy of internal controls as well as adherence to relevant legislation, regulations and standards.

The **Community Investment Fund Committee** allocates donations from our Community Investment Fund to community projects, ensuring our entire trading area receives equitable funding over a five-year period. The board allocates money to the fund on a yearly basis.

The **Board Recognition Committee** is designed to develop an ongoing director recognition program.

The **Board Education Committee** reviews the Director Education Program on a continued or as needed basis and to make recommendations to the board.

Compensation and attendance

The board meets monthly. All directors also serve on one or more board committees.

Average board and committee meeting attendance in 2018 was 92.8%. The credit union paid \$34,100 in per diems for attendance at board, committee and other related meetings.

The Executive Committee reviews director compensation every two years to ensure it remains competitive and appropriate. Director compensation includes:

- per diems for attendance at board and committee meetings or events related to Crossroads and the credit union system
- reimbursement for travel costs to attend meetings
- reimbursement for out-of-pocket expenses related to meetings

Board meeting attendance	
Arlette Bogucky	100%
Murray Bottcher	91%
Leanne Christianson	100%
Gary Herbert	100%
Walter Ostoforoff	100%
Ivan Peterson	91%
Duane Sweatman	82%
Betty Tomilin	82%
Allan Wonsiak	100%
Dale Zubko	82%

Director training

Ongoing professional development helps our directors stay on top of changes in the industry and their role. A Board Education Committee investigates and recommends professional development opportunities to the board. Directors also take part in other credit union system and in-house educational sessions. They complete an annual survey to help the credit union identify other opportunities for director education.

Participation in a national Credit Union Director Achievement program is mandatory. The program provides a series of standard courses designed specifically for credit union directors. Directors are expected to achieve the three levels of designation over their term on the board. Many of the courses are available online; others are provided through facilitated group sessions. Several directors are graduates of the program.

Management by Committee

- Jeff Bisschop, Chief Executive Officer
- Cindy Balaberda, Manager of Corporate Services (on leave)
- Rhonda Fullawka, Manager of Finance and Risk
- Wendy Peterson, Manager of Retail Services

Corporate social responsibility

Concern for Community is one of the Co-operative Principles that guides credit unions around the world. Giving back is part of our DNA as a credit union. It's built into everything we do and central to who we are. We demonstrate social and economic leadership through volunteering, donations and the Crossroads Community Investment Fund.

Community Investment

Our communities are the grassroots of Crossroads Credit Union. Supporting our communities is very important to us and we demonstrate social and economic leadership through volunteering, various donations and the Crossroads Community Investment Fund.

In 2018, Crossroads donated \$18,500 in cash and merchandise to 87 organizations, events and projects in our trading area.

We're deeply rooted in our communities and take our volunteerism seriously. We're proud of our co-operative roots and in 2018 our staff volunteered more than 1,975 hours of their time to projects and community initiatives that are important to them.

Our Community Investment Fund was established in 2009 and we allocate funds to non-profit organizations that support community and economic development. We're committed to providing a strong foundation to build upon and enhancing the quality of life for the people in our communities.

In 2018 our member owners chose through a voting process, which projects would receive major funding. Preeceville School Library was awarded \$10,000 for a library makeover. Canora Leisure Services and the Wadena School of Dance each received \$5,000 in funding for their projects. In total the 2018 Crossroads Community Investment Fund allocated \$34,500 to 10 non-profit organizations.

Investing in our youth – Each year we help deserving high school graduates pursue post-secondary education with \$2,500 in scholarships. We also award \$1,000 to a student currently attending a post-secondary institution.

GIVING BACK

- *\$18,500 in cash and merchandise*
- *87 organizations, causes & projects supported*
- *\$34,500 through Community Investment Fund*

2018 Scholarship Recipients	
<p style="text-align: center;">\$500</p> <p style="text-align: center;">High School</p> <p style="text-align: center;">Scholarship</p>	Dustin Flanders
	Paityn Zuravloff
	Shayna Dubas
	Stephanie Johnson
	Tyler Antoniuk
<p style="text-align: center;">\$1,000</p> <p style="text-align: center;">Post-Secondary Scholarship</p>	Regan Mikush

Investing in our employees – Success in the financial services industry depends heavily on knowledge and relationships. Crossroads Credit Union works hard to attract and maintain highly skilled and motivated employees. We maintain a professional, motivated staff with the help of:

- career management
- continuous staff development
- fair, equitable compensation and benefits

We want our people to feel excited and engaged about working with us. We're committed to investing in their success, for themselves and the benefit of the credit union.

We promote a coaching culture with sales and service at the centre of a collegial work environment. We believe in creating a healthy, respectful and inclusive work environment that provides the tools and supports our employees need to achieve their potential. Our succession planning and coaching processes help to inform the individual learning paths of our staff.

Our human resource policies reinforce our commitment to ensuring employee well-being in a safe and respectful workplace.

Crossroads Human Resource Policies	
<p>WORK/LIFE BALANCE</p> <ul style="list-style-type: none"> ✓ flexible work environment ✓ graduated retirement program ✓ sick day usage for dependants for whom employees have a duty of care 	<p>PERSONAL & PROFESSIONAL DEVELOPMENT</p> <ul style="list-style-type: none"> ✓ options that support lifelong learning and career-building opportunities ✓ individual learning plans that focus on improving behavioral skill sets so that each member exchange is ultimately solutions based
<p>SUCCESSION PLANNING</p> <ul style="list-style-type: none"> ✓ growing with Crossroads Credit Union through the achievement of professional goals 	<p>ENGAGEMENT IN OUR STRATEGIC DIRECTION</p> <ul style="list-style-type: none"> ✓ staff advisory committees ✓ board/management/staff retreat



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2018

January 2019

Deposits Fully Guaranteed

Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions, and the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral) (together, Provincially Regulated Financial Institutions or "PRFIs").

The Corporation is charged through provincial legislation, *The Credit Union Act, 1998*, with the main purpose of guaranteeing the full repayment of deposits held in Saskatchewan credit unions. The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By guaranteeing deposits and promoting responsible governance, the Corporation contributes to confidence in Saskatchewan credit unions.

For more information about deposit protection, the Corporation's regulatory responsibilities, and its role in promoting the strength and stability of Saskatchewan PRFIs, talk to a representative at the credit union or visit the Corporation's web site at www.cudgc.sk.ca.

Crossroads Credit Union
Summary Consolidated Financial Statements
December 31, 2018

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Crossroads Credit Union:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2018, and the summary consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Crossroads Credit Union (the "Credit Union") for the year ended December 31, 2018.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements, in accordance with Canadian Auditing Standard ("CAS") 810, "Engagements to Report on Summary Financial Statements."

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 consolidated 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 28, 2019.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with International Financial Reporting Standards.

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 Standards (CAS) 810, "Engagements to Report on Summary Financial Statements".

Humboldt, Saskatchewan

February 28, 2019

MNP LLP

Chartered Professional Accountants

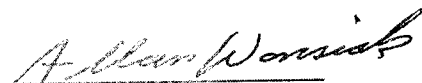
Crossroads Credit Union
Summary Consolidated Statement of Financial Position

As at December 31, 2018

	2018	2017
Assets		
Cash and cash equivalents	17,380,772	6,976,591
Investments	50,547,200	48,533,990
Member loans receivable	202,037,290	195,033,409
Other assets	241,150	254,735
Deferred tax asset	35,636	-
Property, plant and equipment	1,903,749	1,970,432
Goodwill	72,000	84,000
	272,217,797	252,853,157
Liabilities		
Member deposits	246,017,109	228,923,890
Other liabilities	1,499,322	1,019,340
Deferred tax liability	-	10,085
Membership shares	32,210	30,335
Equity accounts	1,217,959	1,751,264
	248,766,600	231,734,914
Members' equity		
Retained earnings	23,451,197	21,118,243
	272,217,797	252,853,157

Approved on behalf of the Board


 Director


 Director

Crossroads Credit Union

Summary Consolidated Statement of Comprehensive Income

For the year ended December 31, 2018

	2018	2017
Interest income		
Member loans	8,674,998	7,841,327
Investments	1,513,867	891,117
	10,188,865	8,732,444
Interest expense		
Member deposits	2,046,141	1,952,518
Borrowed money	5,925	6,464
	2,052,066	1,958,982
Net interest income	8,136,799	6,773,462
Provision for impaired loans	317,298	80,768
Net interest income before other income	7,819,501	6,692,694
Other income	1,809,328	1,698,169
Net interest and other income	9,628,829	8,390,863
Operating Expenses		
Personnel	3,542,222	3,689,121
Member security	226,578	220,650
Organizational	128,635	143,921
Occupancy	332,954	299,249
General business	2,473,391	2,023,185
	6,703,780	6,376,126
Income before provision for (recovery of) income taxes	2,925,049	2,014,737
Provision for (recovery of) income taxes		
Current	692,704	387,961
Deferred	(4,621)	(3,132)
	688,083	384,829
Comprehensive income	2,236,966	1,629,908

Crossroads Credit Union
Summary Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2018

	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2016	19,488,335	19,488,335
Comprehensive income	1,629,908	1,629,908
Balance December 31, 2017	21,118,243	21,118,243
Comprehensive income	2,236,966	2,236,966
IFRS 9 transition adjustments	95,988	95,988
Balance December 31, 2018	23,451,197	23,451,197

Crossroads Credit Union
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Interest received from member loans receivable	8,470,833	7,846,692
Interest received from investments	1,466,073	834,244
Other income received	1,798,087	1,692,653
Interest paid on deposits	(2,061,439)	(1,820,622)
Cash paid to suppliers and employees	(6,219,739)	(6,038,295)
Interest paid on borrowed money	(5,925)	(6,464)
Income taxes paid	(508,740)	(238,347)
	2,939,150	2,269,861
Financing activities		
Net change in member deposits	17,108,516	7,380,463
Net change in membership shares	1,875	510
Net change in equity accounts	(533,305)	(236,001)
	16,577,086	7,144,972
Investing activities		
Net change in member loans receivable	(7,303,832)	(10,690,061)
Purchases of investments	(1,723,710)	(1,760,561)
Purchases of property, plant and equipment	(84,513)	(11,636)
	(9,112,055)	(12,462,258)
Increase (decrease) in cash and cash equivalents	10,404,181	(3,047,425)
Cash and cash equivalents, beginning of year	6,976,591	10,024,016
Cash and cash equivalents, end of year	17,380,772	6,976,591

**This is
CROSSROADS COUNTRY**