

**Crossroads**  
CREDIT UNION

# **2022 Annual Report**

***Photo Credit: Coreen Buchinski***  
***2023 Crossroads Country Calendar Entry***

**CROSSROADS CREDIT UNION**  
**15<sup>th</sup> ANNUAL GENERAL MEETING**  
**Sturgis Community Hall / Virtual Meeting**

**April 19, 2023 at 7:00pm**

**AGENDA**

- 1) Call to Order – Business Meeting**
- 2) Confirmation of Quorum and Notice of Meeting**
- 3) Adoption of Agenda**
- 4) Minutes of the 2022 Annual Meeting**
- 5) Business Arising Out of the Minutes**
- 6) Message from the Board President – Walter Ostoforoff**
- 7) Message from the Chief Executive Officer – Jeff Bisschop**
- 8) Report of the Auditor and Financial Statements – Rhonda Fullawka**
- 9) Question Period**
- 10) Adoption of Reports**
- 11) Appointment of Auditor for 2023**
- 12) Report of Election Committee**
- 13) Fraud Presentation - Leanne Woloshyn, Risk and Compliance Officer**
- 14) Door Prizes**
- 15) Adjournment**

**CROSSROADS CREDIT UNION  
ANNUAL MEETING MINUTES  
Canora Branch – April 19, 2022**

**Registration**

Board President Walter Ostoforoff welcomed everyone in attendance to the 14<sup>th</sup> annual meeting of Crossroads Credit Union.

**Call to Order – Business Meeting**

Walter Ostoforoff called the meeting to order at 7:00pm.

**Confirmation of Quorum and Notice of Meeting**

CEO Jeff Bisschop provided confirmation of Quorum and Notice of Meeting with 34 members and 2 guests in attendance.

**Adoption of Agenda**

**Motion:** Shannon Leson and Tracy Heshka moved that the agenda be adopted as presented.

CARRIED

**Minutes**

A copy of the April 19, 2021 Annual meeting minutes was included within the annual report.

**Motion:** Cindy Balaberda and Kim Ryczak 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 Walter Ostoforoff presented the message from the Board.

CEO Jeff Bisschop presented the message from the CEO.

**Report of the Auditor and Financial Statements**

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

Question and answer period followed.

### **Adoption of the Reports**

**Motion:** Carla Bugera and Mikaela Twerdoclib moved that the reports be accepted as presented.  
CARRIED

### **Appointment of Auditor for 2022**

**Motion:** Kristin Olson and Arlette Bogucky moved that we appoint Meyers Norris Penny (MNP) as auditors for 2022.  
CARRIED

### **Report of the Election Committee**

We had Terms of Directors expired in two Districts of Crossroads Credit Union, the Central and Northern Districts. The following elections were required:

Central District	two nominees for 3-year terms
Northern District	one nominee for a 3-year term
Western District	No election was required.

#### ***Results are:***

**Central District:** Two candidates filed nomination papers for two vacancies and no election was required.

Betty Tomilin was **re-elected** by acclamation for a three-year term, and Shannon Leson was **elected** by acclamation for a three-year term.

#### **Northern District**

**Two** candidates filed nomination papers for one vacancy.

An election was required and the two candidates were:

**Duane Karcha and Veronica Wilgosh**

Veronica Wilgosh was elected for a three-year term.

Congratulations to our new directors and welcome to the Board of Crossroads Credit Union.



## **Director Retirement**

Board President thanked our departing directors. Jim Vewchar served for 1 year on the board in the Central District and Ivan Peterson served 6 years on the board in the Northern District.

## **Adjournment**

Calvin Homeniuk adjournment the meeting at 7:20pm.

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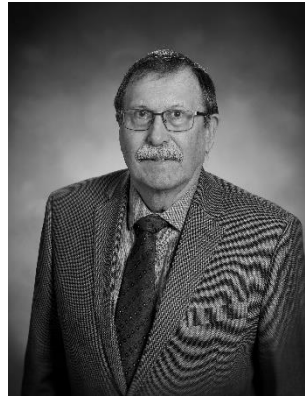
President Walter Ostoforoff

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Secretary Jeff Bisschop

## MESSAGE FROM THE CHAIR & CEO

2022 can be characterized as a year of unprecedented change and staff resilience. Crossroads Credit Union strategy over the next 3 years, we plan to focus on increasing our member's financial confidence by providing tailored, accessible service while diligently focusing on our financial stability. In order to successfully execute on this strategy, we will focus on 4 key initiatives. We will support our staff to deliver tailored service. We will invest in our service delivery platforms to expand our accessibility. We will promptly adapt to changes in our revenue streams to effectively manage our financial stability. We will continue to support Crossroads Country in an impactful way.



By supporting our staff with training, development and other resources needed to meet members ever changing needs, staff stepped up to put members first. They adjusted to new ways of working and new ways of providing the exceptional service our members expect, whether meeting on the farm, virtually, or behind the front lines. They did all of this while we continued work to strengthen our culture, processes and practices behind the scenes.



We continued to invest in additional service delivery platforms in 2022. Our new online and mobile banking platforms along with a new user-friendly website were key in 2022. Our members have shown a growing preference for these options in recent years, with 71% of transactions done online. We'd like to thank our members for their willingness to adapt and for their patience as we navigated through our new digital banking channel in 2022.

Crossroads also helped members financially in 2022. We got money out into Crossroads Country by giving members access to over \$70 million in loans. Whether our members were buying their first home or starting a

small business, Crossroads was there providing much needed advice to help our members thrive. During a year which saw a great deal of changes it would be normal to see some frustration and discontent. We are proud to say Crossroads satisfaction with members remained level. Our



member satisfaction index decreased slightly from 89.22% in 2021 to 88.89% in 2022. We don't take this number for granted and continue to work every day to keep our members financially confident.

Crossroads Credit Union has been on a fantastic culture journey. The organization began with a Defensive Culture in 2018. We embarked on a difficult journey which included implementing a complete, assessment-based training program for our leaders and staff. Two years later in 2020, Crossroads won Culture Transformation Award (Human Synergistics) for transforming their culture from a Defensive one to a Constructive one. This concerted effort was so successful that Crossroads was featured in a Human Synergistics International Webinar in 2022.

In 2022, Crossroads again significantly improved its culture scores, and was recognized by Human Synergistics winning the Culture of Excellence Award. Crossroads now has one of the most constructive cultures in the nation.

Our financial results were also positive in 2022. We have done a lot of work to ensure our credit union remains financially stable. We continue to hold healthy levels of capital and liquidity. Thanks to our strong deposit growth, our assets rose to \$338.8 million. Profitability was up significantly, we earned \$ 5.74 million in income. \$3.76 million was

by way of a special dividend for the sale of Concentra Bank held on our behalf by SaskCentral. With strong earnings from operations, our Board of Directors have elected to pay out patronage of \$376,346 for 2022 to be paid in 2023. To ensure long term stability Crossroads Credit Union will use excess earnings to increase our capital. This allows us to grow and continue to invest in our credit unions future.

At Crossroads, we put our money where our members are. We share our profits with members and invest in our communities. We gave back more than \$60,000 through sponsorships, donations, and Community Investment Fund allocations.



2022 was a busy year for our board. Significant work was done ensuring we were executing on our Key Strategic Initiatives. The most noticeable was ensuring our branches create an environment that supports advice-based service and member experiences. The board through strategic planning provided the visionary leadership to management of what the future looks like for Crossroads. In 2022 we have already executed on some of those strategies. A new mobile and online banking platform which we will continue to update as members needs change. Our Virtual Branch, a first for Crossroads and a roadmap to be full service by 2024, has been very successful based on member feedback. Our boards commitment to members is truly evident and they always put the members at the centre of everything we do.

The board was relatively stable in 2022. Jim Vewchar served on the Board for 1 year and did not seek re-election. Shannon Leson was elected by acclamation in the Central District. Veronica Wilgosh was elected in the Northern district replacing Ivan Peterson.

We said goodbye to Ivan Peterson, who resigned after serving 6 years on the board. We wish him all the best and thank him for his dedication and service.

2022 was a year of change, we saw the Bank of Canada raise interest rates numerous times to combat inflation. We look forward in 2023 with optimism and confidence. This last year has shown that our credit union is extremely adaptable. Crossroads continues to embrace change and is looking forward to meeting members ever changing needs.

In Co-operation,

Walter Ostoforoff, Board President  
Jeff Bisschop, Chief Executive Officer

## BUSINESS ENVIRONMENT

Though we operate in Saskatchewan, the past year has shown that most businesses are affected by events across the country and around the world. As a financial institution, Crossroads is influenced by issues such as:

- financial markets, interest rates and the value of the Canadian dollar
- Bank of Canada's monetary policy
- developments in the financial service sector or credit union system
- changes in regulation or legislation



The Canadian economy grew 5.9% in 2022, despite numerous rate increases by the Bank of Canada.

Unemployment sits at 5% as employers compete for staff and many positions remain vacant for months at a time.

- Saskatchewan's economy grew 6.0% in 2022 led by Food and Transportation. Saskatchewan had the third lowest unemployment rate among the provinces at 4.3 per cent in January 2023 and below the national average of 5.0 per cent.

Saskatchewan's strong economic recovery continues with exports reaching a new record high of \$52.4. billion in 2022, an increase of 41.6 per cent compared to the value of exports in 2021.



Saskatchewan farms had a big year with Farm Cash Receipts exceeding 21 billion. This was mainly due to record high grain prices on all major crops.

Closer to home, the economy in our trading area did fairly well. Commodity prices remain very high, and we believe most of our members and communities will continue to be in a strong position. Our trading area has a large agricultural base and that sector performed extremely well in 2022. The lower cost of living in our small towns was a benefit to anyone whose income was affected.

## Saskatchewan credit unions

Saskatchewan credit unions are full-service co-operative financial institutions, ranging in size from \$40.85 million to more than \$7.2 billion.

Credit Union Deposit Guarantee Corporation of Saskatchewan is the primary regulator of the province's credit unions. The Corporation holds credit unions to standards similar to those used to regulate national and international financial institutions.

Regular monitoring ensures credit unions operate according to those standards and identifies potential issues early enough to allow credit unions to take corrective action.

### SASKATCHEWAN CREDIT UNIONS BY THE NUMBERS

- 33 credit unions
- 497,000 members
- 317 elected board members
- 224 service outlets in 197 communities
- assets of \$28.6 billion
- revenue of \$1.43 billion
- over \$21 billion in loans
- over \$18.86 million returned to members as patronage equity contributions & dividends
- over 3,400 employees

The Corporation guarantees the full repayment of all funds held in Saskatchewan credit unions. There's no limit to the size of deposit covered. 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.



Canada's credit unions are once again the top pick for customer service excellence at the 2022 Ipsos Financial Service Excellence Awards. Canada's credit unions have ranked first in this category for 18 years in a row.

Canada's credit unions won six Ipsos awards this year, an increase from the five awards they were presented last year. Newly among them was the award for best Financial Planning and Advice, a testament to credit unions' relationships with their members and commitment to supporting their financial well-being.

The full list of categories in which Canada's Credit Unions were winners includes:

- Customer Service Excellence (solo win)
- Values My Business (solo win)
- Financial Planning and Advice (new win)
- Branch Service Excellence (solo win)
- Online Banking Excellence
- Live Agent Telephone Banking Excellence

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUR SERVICE MODEL

We are member centric. Our members are the centre and their needs drive everything we do. It's not about price, it's about the service. That's our value.



### OUR VISION

Where we're headed

Everyone in Crossroads Country has the **financial confidence** to succeed in any direction they choose.



### OUR MISSION

How do we get there?

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

## WHAT IS CROSSROADS COUNTRY?

Crossroads Country is not just a place; it's a feeling. A close-knit community of people, regardless of physical location, who through all seasons are united by prairie values. It's about grassroots, hometowns, and co-operation. This feeling of belonging to a family that is always willing to lend a helping hand is part of what makes Crossroads a direction worth choosing.

## 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 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.



## Who we are

Crossroads Credit Union is a provincially regulated co-operative financial institution that serves over 6,800 members and non-members in the Canora, Preeceville, Sturgis and Wadena area or what we call Crossroads Country, offering a full range of financial products and services.

A 10-person volunteer Board of directors is elected to govern our operations. It provides strategic direction and oversight to a management team responsible for day-to-day operations.

Crossroads manages more than \$338.8 million in assets with a staff of 50 professionals.

Non-members do not own shares in the credit union, do not participate in the democratic process or benefit from our Member Patronage Program.

We serve individual, non-profit, farm and commercial members with highly personalized service. Crossroads provides wealth management services through a personal financial planner at Credential Financial Strategies Inc®. We complement our personal service with the convenience of online and mobile banking.

## Strategies

We aspire to make it easy and beneficial for members to have a full relationship with us. Achieving this requires:

- Being member-centric
- Building long-term sustainable operations
- Making it easy for our members and staff to succeed
- Reducing friction
- Collaborating internally and with other like-minded organizations to achieve mutual goals

Being principles-based to lead by example Crossroads' Board and management meet each year to set the strategic direction that brings that mission to life. An operational plan aligns management's activities with that strategic direction.

## STRATEGIC PILLARS

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### MEMBERS



We will deepen member relationships. We will continue to build capacity and our member's financial confidence by moving to advice-based service.

### PEOPLE



We will develop/grow our people. We will support and promote continuous learning and development. We will enable a culture where we have the right people, doing the right thing at the right time.

### COMMUNITY



We will disperse our community outreach dollars in an impactful way to ensure our local communities benefit from our presence.

### FINANCIAL



We will grow our off-book to increase non-interest revenue because of shrinking margins and revenue. We will enhance our ability to make data driven decisions.

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## Our value proposition

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

### BUILDING RELATIONSHIPS



Knowing our members better than anyone else.



Converting each transaction into an experience.



Making it easy for members to deal with us.

## Strategic Direction

Over the next three years, we plan on increasing our members' financial confidence by providing tailored, accessible service while diligently focusing on our financial stability.

- We will support our staff to deliver tailored service.
- We will invest in our service delivery platform to expand our accessibility.
- We will promptly adapt to changes in our revenue streams to effectively manage our financial stability.
- We will continue to support Crossroads Country in an impactful way.

These are the outcomes of the strategic direction:

- Staff will continue to deepen financial relationships with our members by identifying their financial goals.
- Members will start to see Crossroads as a true partner in their lives (business and/or personally). They will seek our advice before they make financial decisions.
- Board, Members and Staff will see the value in Crossroads and more will advocate on our behalf.
- Crossroads is in a sustainable position that allows us to continue investing in the members and staff.

## Key performance drivers & results

A balanced scorecard helps Crossroads 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

Driving sustainable earnings to fund our priorities		
	2022 targets	2022 results
Achieve a ROA (after tax) within 10% of budget	0.47-0.57%	1.71%
Maintain capital levels in excess of our ICAAP	13.48%	16.22%
Membership using our off-book services	12.4-14.9%	12.43%
Maintain our efficiency	68.4-83.4%	51.44%
Increase Collabria card utilization	13.5-16.5%	15.38%

**Growth** – 2022 turned the corner whereby loan growth significantly exceeded deposit growth. Total assets grew 3.45% to \$338.8 million, which is right on budget of 3.52%. Expectations were to see the surplus of liquid funds run off book, which did happen, and from deposit growth of 8.56% prior year, we only saw growth of 1.45% in 2022 bringing it to \$301.1 million.

Loan growth significantly exceeded budget of 4.0% and ended the year at 9.82%, which brought our loan portfolio up to \$238.1 million.



Off balance sheet assets saw growth of 5.06%, which is much lower than 2021. Net sales were \$8 million; however, market movement was down. In addition to our wealth portfolio, this included \$4.5 million in participation loans.

Due to our significant loan growth, our loan to asset ratio was 70.34%, a nice increase from 66.19% in 2021. This is below our target range of 75-80%.

**Profitability** – Profits allow our credit union to build capital, manage growth and invest in strategic initiatives. In 2022 Crossroads earned \$5.7 million in income. Profitability was 1.71%, which is significantly up from 2021. Our results were supported by a dividend of \$3.76 million from the sale of Concentra Bank which was held by SaskCentral. 2022 saw numerous interest rate increases from the Bank of Canada. Because of this, we were able to gain a small increase to our interest margin, which also contributed to our profitability.

Efficiency ratio is a measure of how much revenue is spent on operating costs. A low ratio indicates efficient use of resources. Our ratio was at 51.44% in 2022. This is significantly down from 2021; however, a major factor was the large dividend we received.

**Capital management** – A capital plan guides our approach to managing capital, ensuring we meet or exceed regulatory standards. The plan forecasts our ability to support operations, growth and risk over time. Our capital plan considers our corporate tolerance for risk and demonstrates how Crossroads will balance the appropriate quantity and quality of capital for the credit union.

Board-approved 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



Capital requirements for credit unions are dictated by provincial legislation that 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 hold a healthy level of capital, Crossroads continues to pay close attention to profitability. In 2022 capital grew

\$5.7 million from operations. Equity sat at 10.4% of assets which comes 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 2022, our ratio of eligible capital to risk-weighted assets sat at 16.22%. Tier 1 capital as a percentage of risk-weighted assets was at 15.96%. Both were above our internal targets. Our leverage ratio was 10.35%.

We set minimum capital levels for our credit union well above regulatory standards 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 indicated by our internal capital adequacy assessment process (ICAAP). This allows us to:

- meet regulatory and operational requirements
- allow flexibility for changes in business plans
- signal financial and capital strength
- co-ordinate our growth with our capital management requirements
- provide member patronage options

	Provincial Standard	CCU Target
Common equity tier 1/risk weighted assets	7%	11.9%
Total tier 1 capital/risk weighted assets	8.5%	11.9%
Total eligible capital/risk weighted assets	10.5%	13.5%
Leverage ratio	>5%	6.5%

Capital is a limited resource for credit unions. We are restricted to raising capital through profits from our operations. We keep this in retained earnings or share it with members through patronage payments. 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. member patronage allocations or dividends

**Regular audits** – All aspects of our operations are regularly reviewed through a combination of internal and external audits. In addition, 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 2022 that review focused on Corporate Governance, AML, Compliance and Internal Controls.

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, information technology, human resources and payroll administration.

Crossroads also pays 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.

**Looking to the future** – As we head into 2023, we can expect to face many of the same challenges that were experienced in 2022, until inflation comes down to near target levels. After seeing numerous interest rate increases in 2022, we should see this level out in 2023, and start to see some decreases in 2024. We are expecting to see normal levels of deposit growth and a bit more aggressive loan growth.

## Members

Informed, loyal member owners who trust us to help them achieve their goals

	2022 targets	2022 results
Growing level of assets per member	6.3-7.7	3.76
Member perceptions of value	76% - 93%	81.8%
Change in channel use by member (non branch)	5.34-6.53%	4.62%
Members with full relationship	17.5-21.4%	18.57%

Putting members first has always been our priority. Our vision is to ensure that everyone in Crossroads Country has the Financial Confidence to succeed in any direction they choose. And it is our mission to achieve this by making it easy and beneficial for our member-owners to have a full-relationship with us.

In 2022, we hosted 9 Financial Literacy sessions for our members, helping them to build their financial confidence.

We continue to strive bringing tailored, accessible service and solutions to our member-owners.



Our member satisfaction index (the percentage of members satisfied/very satisfied with overall service quality) for 2022 was 88.89%.

In 2023 we will refocus our energy on projects that help us make it easy and beneficial for members to deal with us. This includes:

- continuing to enhance our processes to deliver easy, friction-free service
- investing in technology to support the member experience
- working to understand and support members' financial goals

## People

Educated, inspired and empowered staff who make it easy and beneficial for our members to have a relationship with us

	2022 targets	2022 results
Employee engagement score	40-48	8
Member perception of professional competence	76–93%	80.18%
85% of staff and board have 75% - 100% of their business at Crossroads	76-93%	71.11%

**Employees** – Our success depends on a team of skilled professionals, who 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 entered the year with a plan to focus on our culture, and training and development that allows our employees to build capacity and focus on our members in a tailored and accessible way. Our strategy for using technology was refreshed to enhance employee effectiveness and the member experience. Technology allowed us to meet regularly as a team, no matter where we were working from. It also meant we could safely go ahead with training

planned to support staff and leadership development. An internally developed customer relationship management tool will help us improve service and build meaningful relationships with members.



Though we didn't take a formal approach to continuous improvement, our team made several changes throughout the year to remove bottlenecks or points of friction for members and co-workers. This included:

- Flexible work arrangements
- Mobility for our Advisors
- Introduction of our Virtual Branch
- Introduction of Online Chat
- A new Digital Banking experience

## Community

Working with community partners to foster mutually rewarding member owner relationships

	2022 targets	2022 results
Member perceptions of community profile	80-98%	85.41%
Learning events hosted	10.8-13.2	9
Employee Volunteerism hours	175.5-214.5	195.95



When our communities succeed, so does Crossroads Credit Union. We are committed to investing in our communities, helping to build a strong foundation to build upon and enhance the quality of life for the people in Crossroads Country. When you make a deposit into your account at Crossroads, you are making a deposit into your community. Giving back is fundamental for credit unions.

Our annual member survey told us that members appreciate our community support. More than **85% of respondents agree** that Crossroads:

- makes a difference in our communities
- demonstrates social leadership through community involvement
- demonstrates economic leadership through its donations, sponsorships, scholarships and the Crossroads Community Investment Fund

**Looking to the future** – We will continue to evolve our approach to community support, ensuring our investments benefit our credit union and our communities. We look forward to new opportunities in 2023.

## Enterprise risk management



As a financial institution, Crossroads Credit Union must manage the risks it faces to achieve its business objectives. We use an enterprise risk management process to articulate the degree of risk the credit union is willing to accept to optimize value to the organization and its stakeholders. Enterprise risk management helps us identify, analyze and systematically address the risks inherent in our business.

The process is required by our primary regulator, Deposit Guarantee Corporation of Saskatchewan, and is an important element of our governance and strategic planning.

Risks are analyzed through our Internal Capital Adequacy Assessment Process (ICAAP) and are addressed in our capital plan. All moderate and high severity risks are reported to the Audit & Risk committee and board of directors on a quarterly basis.



## **Risk philosophy**

Navigating uncertainty effectively will help to strengthen our corporate performance, creating and preserving value by ensuring that we deliver quality member services and products. Proactively managing risk ensures that we respond to uncertainty, reducing unexpected outcomes and strengthening the confidence of our many stakeholders.



## **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 categorization**

Crossroads uses industry standard categorization to identify and group key risks.

## **Risk commitment**

Crossroads Credit Union's Board and management committee are committed to establishing a risk-informed decision-making culture. A risk informed culture 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. It is consistent with the Standards of Sound Business Practice set out by Deposit Guarantee Corporation of Saskatchewan.

Objectives:

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

## **Risk appetite**

Our risk appetite includes qualitative statements and quantitative measures. Together, they describe the amount and type of risk we're willing to accept in pursuit of our strategic objectives. Qualitative risk appetite statements provide balanced thought and action. Collectively, they describe a forward-looking view of the acceptable risk profile of the credit union.

Risk Category	Appetite	Definition
<b>Strategic Risk</b>	Moderate	Risk arising from an inability to implement appropriate business plans, strategies, decision-making, resource allocation and adapt to changes in the business environment.
<b>Credit Risk</b>	Moderate	Risk arising from a counterparty's inability or unwillingness to fully meet its on and off-balance sheet contractual obligations.
<b>Market Risk</b>	Modest	Risk arising from: <ol style="list-style-type: none"> <li>1. movements in interest rates, primarily from timing differences in the repricing of assets and liabilities</li> <li>2. changes in the market price of an asset or liability</li> <li>3. movements in foreign exchange rates</li> </ol>
<b>Legal and Regulatory</b>	Modest	Risk arises from potential non-compliance with laws, rules, regulations, prescribed practices or ethical standards.
<b>Liquidity Risk</b>	Modest	Risk arising from the inability to generate or obtain necessary cash or equivalents in a timely manner, at a reasonable price, to meet on and off-balance sheet commitments as they come due, without incurring unacceptable losses.
<b>Operational Risk</b>	Modest	Risk arising from problems in the performance of business functions or processes, which can result from deficiencies or breakdowns of internal controls or processes, technology failures, human errors or dishonesty, or natural catastrophes.

## Liquidity risk

Managing liquidity is essential to maintaining the safety and soundness of our credit union. Crossroads Credit Union does this by adhering to a liquidity management framework, minimum targets and strategies documented in a Liquidity Plan that is approved by the Board annually.

The principles of Crossroads' liquidity management framework include:

- Maintain a stock of liquid assets.
- Maintain a strategy, policies and tolerances that are approved annually by the Board.
- Measure, monitor and manage liquidity.
- Conduct regular stress testing and contingency planning.
- Ensure internal controls are in place to manage the liquidity risk process.
- Manage market access to funding sources.

Adequate levels of liquidity are required to meet regulatory requirements and the day-to-day cash needs and loan demands of our members. Crossroads must be able to generate or obtain sufficient cash or cash equivalents in a timely manner and at a reasonable price to meet commitments as they come due, even under stressed conditions.

SaskCentral is the statutory liquidity manager for the Saskatchewan credit union system. Credit unions are required to hold 10% of member deposits in statutory liquidity funds and adjust those figures quarterly. We hold a line of credit with SaskCentral to help manage clearing and settlement and unforeseen funding needs.

An important measure of liquidity risk Crossroads employs is the Liquidity Coverage Ratio (LCR). The objective of the LCR is to ensure that a credit union has an adequate stock of unencumbered high-quality assets that:

- consists of cash or assets that can be converted to cash at little or no loss of value
- meets its liquidity needs for a 30-day calendar stress scenario, by which time it is assumed corrective actions have been taken by the credit union

Crossroads has met and exceeded the minimum LCR requirements established by Credit Union Deposit Guarantee Corporation.

Liquidity Coverage Ratio			Change	
	2022	2021	\$	%
Stock of Level 1A Weighted Assets	15,446,519	18,747,399	-3,300,880	-17.61%
Stock of Level 2A Weighted Assets	2,158,436	2,198,195	-39,759	-1.81%
Stock of Level 2B Weighted Assets	3,522,034	3,852,371	-330,337	-8.57%
<b>High Quality Liquid Assets (HQLA)</b>	<b>21,126,989</b>	<b>24,797,965</b>	<b>-3,670,976</b>	<b>-14.80%</b>
Retail Deposit Run-Off	12,992,600	12,393,082	599,518	4.84%
Unsecured Wholesale Funding Run-Off	8,242,560	8,225,861	16,699	0.20%
Additional Requirements	1,705,815	1,729,458	-23,643	-1.37%
Total Prescribed Outflows	22,940,975	22,348,401	592,574	2.65%
Total Prescribed Cash Inflows	5,496,510	15,151,996	-9,655,486	-63.72%
<b>Net Prescribed Cash Outflows</b>	<b>17,444,465</b>	<b>7,196,405</b>	<b>10,248,060</b>	<b>142.41%</b>
<b>Liquidity Coverage Ratio (LCR)</b>	<b>118.73%</b>	<b>342.42%</b>		

## Credit risk

Regulatory guidelines require Crossroads to provide additional disclosures regarding our residential mortgage portfolio. The guideline reaffirms the need for credit unions to have a stress-testing regime that considers unlikely but plausible scenarios and their impact on the residential mortgage portfolio. Crossroads performs stress testing, which is considered in the internal capital adequacy assessment process (ICAAP).

Residential mortgages are secured by residential properties. As the residential



mortgage portfolio is secured by residential properties, which are subject to a decrease in market value in an economic downturn, Crossroads Credit Union ensures prudent practices surrounding security, including maximum LTV (loan-to-value) ratios consistent with regulatory guidelines for residential mortgages (80%). Individual maximum LTV ratios are determined based on a risk assessment of the mortgage.

Insured residential mortgages are mortgages in which our exposure to default is mitigated by insurance through Canada Mortgage & Housing Corporation (CMHC).

In line with the Residential Mortgage Underwriting Guideline, Crossroads will continue to review its mortgage underwriting practices and documentation to ensure it meets the standards. Crossroads does not believe it has undue risk in its uninsured mortgage portfolio or underwriting practices and that current risk weighted asset-based concentration provisions in the ICAAP sufficiently address risk in the residential portfolio.

#### Residential Mortgage Loan Portfolio

	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>	<b>Change</b>	<b>%</b>
Insured	14,793,587	24.2%	13,590,505	23.8%	1,203,082	
Uninsured	46,239,000	75.8%	43,458,792	76.2%	2,780,208	
<b>Total</b>	<b>61,032,587</b>		<b>57,049,297</b>		<b>3,983,290</b>	<b>7.0%</b>

#### Residential Mortgage Loan Portfolio by Amortization 2022

<b>Amortization Period</b>	<b>Number</b>	<b>Balance</b>	<b>% of Portfolio</b>
10 Years or Less	194	8,356,245	13.7%
More than 10 up to 15 Years	119	10,938,310	17.9%
More than 15 up to 20 Years	156	18,418,484	30.2%
More than 20 up to 25 Years	147	23,339,337	38.2%
	<b>616</b>	<b>61,052,376</b>	<b>100.0%</b>

## Corporate structure and governance

Crossroads Credit Union operates under provincial legislation in the province of Saskatchewan.

We are regulated by the Credit Union Deposit Guarantee Corporation (CUDGC) of Saskatchewan and the Financial and Consumer Affairs Authority. We are 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 regularly report to the Credit Union Deposit Guarantee Corporation and are subject to periodic risk-based examinations.

Crossroads uses an "agency" model of governance in which:

- 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.

## Board of directors

**Mandate and responsibilities** –The Board is responsible for the credit union's strategic direction, business direction, evaluates the CEO performance and oversees a management team to ensure the credit union is managed soundly and prudently.

The Board sets policy and ensures Crossroads adheres to applicable legislation, regulation and standards.

### **Composition – Crossroads members elect a 10-person board through a voting process.**

Directors are elected by district to serve three-year terms. They must be members in good standing for at least two years. As set out in our bylaws, the Nominating and Governance Committee leads the Board's nomination and election process.

Our current Board includes:

- five directors from the central district (Canora)
- three from the northern district (Preeceville, Sturgis)
- two from the western district (Wadena)



## Chris Balyski

Chris was born and raised in Preeceville. He has been in retail for 30+ years and is currently the Home Centre Manager at Gateway CO-OP (Preeceville Branch) and also a Board Member Trustee for the Good Spirit School Division. Chris and his wife Amanda have 2 children. He and his family are very active and enjoy being involved in the community. Chris joined the Board in 2021.

**Northern District**

### Meeting Attendance

**Board** 10/11

### Committee Meeting Attendance

Community Investment Fund 2/3  
Nominating/Governance 2/2

**Term Ends: 2024**



## Arlette Bogucky

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

**Central District**

### Meeting Attendance

**Board** 11/11

### Committee Meeting Attendance

Community Investment Fund 3/3  
Conduct Review 1/1  
Nominating/Governance 2/2

**Term Ends: 2024**



## Murray Bottcher

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 Advisory Board, 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.

**Western District**

### Meeting Attendance

**Board** 10/11

### Committee Meeting Attendance

Audit and Risk 5/6  
Executive 3/3

**Term Ends: 2024**



## Calvin Homeniuk

Calvin has lived in Canora for most of his life. He is married to his wife Simone and they have 3 daughters. He is involved with the Senior hockey team as President and General Manager. He served on Canora town council back in the 90s. Calvin joined the Board in 2020.

**Central District**

### Meeting Attendance

**Board** 11/11

### Committee Meeting Attendance

Community Investment Fund 3/3  
Conduct Review 1/1  
Nominating/Governance 2/2

**\*\*\*\*\*Term Ends: 2023**



## Shannon Leson

He is a fully licensed Funeral Director, Embalmer and Salesperson. Shannon and his wife Shawna are owners of Leson's Funeral Home. He is also a board member trustee for the Good Spirit School Division. Shannon is very involved in the community and professional industry and participates in many local and area activities. Shannon joined the Board in 2022.

**Central District**

### Meeting Attendance

**Board** 8/8

### Committee Meeting Attendance

Conduct Review 1/1

**Term Ends: 2025**



### Walter Ostoforoff (*Board 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 Certified Management Accountants (CMA) of Saskatchewan executive and CMA Canada committees. He's been involved in the community association, minor hockey and baseball. Walter joined the Board in 2011.

**Central District**

#### Meeting Attendance

Board 11/11

#### Committee Meeting Attendance

Executive 8/8  
Ex-officio on all other communities

\*\*\*\*\***Term Ends: 2023**



### Duane Sweatman

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

**Western District**

#### Meeting Attendance

Board 10/11

#### Committee Meeting Attendance

Audit and Risk 3/6  
Community Investment Fund 2/3

\*\*\*\*\***Term Ends: 2023**



### Betty Tomilin – *1st Vice President*

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 joined the Board in 2016.

**Central District**

#### Meeting Attendance

Board 10/11

#### Committee Meeting Attendance

Audit and Risk 6/6  
Executive 8/8

**Term Ends: 2025**



### Veronica Wilgosh

Veronica is presently the CEO for National Consulting Limited and has been employed in the credit union system for the last 33 years. The way we do business today is radically changing and having products and services that meet members changing needs while providing a positive member experience is critical to the overall success and growth of credit unions today. Veronica joined the Board in 2022.

**Northern District**

#### Meeting Attendance

Board 7/8

#### Committee Meeting Attendance

Audit and Risk 2/3  
Conduct Review 1/1

**Term Ends: 2025**



### Dale Zubko - 2<sup>nd</sup> Vice President

Dale and his wife Sharon have lived in Preeceville since 1983, is semi-retired from farming and the oil patch. He enjoys spending time with extended family of sixteen, curling, travelling and a good book. Dale joined the Board in 2015.

**Northern District**

#### Meeting Attendance

Board 10/11

#### Committee Meeting Attendance

Audit and Risk 4/6  
Executive 5/5  
Nominating/Governance 1/2

\*\*\*\*\***Term Ends: 2023**

## Board Committees 2022

### Audit and Risk Committee

Oversees risk management and ensures the integrity of financial reporting, adequacy of internal controls, and adherence to relevant legislation, regulations and standards. The committee ensures that the credit union's enterprise risk management framework is appropriate to optimize risk and protect and create shareholder value.

### Community Investment Fund Committee

Primary purpose is to invest resources into major projects that align with our business purpose, generate member engagement and build our brand in a high-profile manner. The committee also reviews applications for eligible sponsorships over \$1,000.

### Conduct Review Committee

Ensures related-party transactions are fair to the credit union and comply with legislation, standards of sound business practice, and with credit union or committee policies and procedures.

### Executive Committee

Acts on behalf of the Board of Directors between regular or special board meetings. Committee consists of the President, 1<sup>st</sup> vice-president and 2<sup>nd</sup> vice-president

### Nominating/Governance Committee

Oversees the nomination and election processes for credit union directors. It also oversees director education processes for the Board of directors.



**Compensation and attendance** – The Board meets at minimum 11 times each year. Each director serves on one or more Board committees.

The credit union paid \$35,875 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

**Director training** – Ongoing professional development helps the Board stay on top of changes in the industry and the changing role of a director. I. Participation in the Credit Union Director Achievement program is mandatory. The program provides a series of courses specifically designed for credit union directors. Directors typically take part in other credit union system and in-house educational sessions. They complete an annual survey to help identify other opportunities for director education.



### **Executive Leadership Team.**

Jeff Bisschop – Chief Executive Officer  
Rhonda Fullawka – Manager of Finance and Risk  
Wendy Peterson – Manager of Strategy and Innovation  
Cindy Balaberda – Manager of Corporate Services

## **Corporate social responsibility**

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. We demonstrate social and economic leadership by volunteering, through donations and sponsorships and our Community Investment Fund. We support our communities, our grassroots, and help them to continue to flourish.



## **Donations and sponsorships**

Crossroads Credit Union offers support in the form of donations and sponsorships to local charitable and non-profit organizations and groups who are working hard to make a difference in Crossroads Country.

In 2022 Crossroads Credit Union donated over \$21,000 in cash and merchandise to more than 60 organizations, events and projects in our trading area. Our team also volunteered 412.95 hours of personal and credit union time in 2022 in Crossroads Country. This is a big part of the Credit Union Difference.

## **Community Investment Fund (CIF)**

The Crossroads Community Investment Fund is available for non-profit organizations to apply for funding for projects that support community and economic development. The Community Investment Fund allows Crossroads Credit Union to make an impact within Crossroads County by offering direct financial funding towards community projects, programs or initiatives that are on a larger scale, that benefit as many people in Crossroads Country as possible and provide long-term sustainability. The fund was established in 2009 and since that time, we have allocated over \$470,000 to more than 130 community projects and initiatives.

In 2022, some enhancements were made to the CIF program. The last couple of years have been hard on our communities, and the non-profit organizations and community groups, many events and fundraisers were cancelled setting them back financially. We wanted to be there for our communities when they needed us the most. Community members were asked to nominate a non-profit organization or community group they believe make a difference in Crossroads Country for a chance to receive \$2,022 in funding from the CIF Fund. Our 2022 CIF program allocated \$2,022 to 22 Non-Profit Organizations and Community Groups, a total of \$44,484 was invested back into our communities supporting those community groups that make a difference in Crossroads Country.


### **The 22 Non-Profit Organizations that received \$2,022 in 2022 were:**

- Canora Community Childcare Centre
- Preeceville Economic Development Committee
- Canora Trakkers Snow Club
- Wadena Community Childcare Centre
- Sturgis Community Bingo
- Preeceville School
- Wadena Vohon Ukrainian Dance Club
- Preeceville Nursery School
- Wadena Seniors Club
- Canora Veselka Dance Club
- Canora Arts Council
- Sturgis 123 Care for Me
- Canora Composite School
- Firmly Rooted Home School
- Town of Canora Tourism Committee
- Preeceville & Community Skate & Bike Park
- Margo Community Rec Board
- Sturgis Barveenok Ukrainian Dance Club
- Assiniboine River Archery Club
- Buchanan Black Box Players
- Sturgis Figure Skating Club
- Rama Recreation Board

## Investing in our youth

Education is an important part of the success of our members and our communities. We are proud to support the youth in Crossroads Country by helping them to reach their goals through our scholarships.

Each year Crossroads awards \$500 scholarships to help local high school graduates with their post-secondary expenses. The candidates are chosen based on their demonstration of community involvement, extra-curricular activities, integrity, leadership, volunteer work and academic achievement. The final selection is determined by the high school's scholarship committee and approved by Crossroads. We also offer (3) \$1,000 scholarships to 3 full-time students who are members of Crossroads Credit Union and have completed at least one year of studies at an approved post-secondary institution and are continuing their studies.

2022 Scholarship Recipients	
 <b>High School Scholarships</b>	<b>Breanne Woloshyn</b> Canora Composite <b>Kiera Balyski</b> Preeceville School <b>Danika Soltys</b> Sturgis Composite <b>Madison Pomedli</b> Wadena Composite <b>Cole Serron</b> Invermay School
<b>\$1,000 Post-Secondary Scholarship (s)</b>	Haley Bilokraly Bailey Woloshyn Kelsey Chupa

## Investing in our employees

In the financial services industry, success depends on knowledge and relationships. Crossroads works hard to attract and retain highly skilled and motivated employees. We maintain a professional, motivated staff with the help of:

- career management
- professional development that's tied to corporate goals
- fair, equitable compensation and benefits, including bonus pay based on results
- a commitment to creating a constructive culture

We want our team to feel excited and engaged about their work. We're committed to investing in success, for the benefit of our employees and our credit union.

At Crossroads Credit Union, we ask a lot of our employees, which is why we give so much in return. In addition to our competitive salary and benefits, and one of the best matching pension plans, we provide our staff with perks, such as:

- vacation that goes beyond legislated requirements
- flex time and time off to volunteer
- paid education
- preferred service packages



## CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE 2022

January 2023

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Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions. The Corporation is also the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Together, these entities are **considered Provincially Regulated Financial Institutions or "PRFIs"**. The Corporation is mandated through provincial legislation, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016* in performing its duties. Provincial legislation also assigns responsibility for oversight of the Corporation to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan.

The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By promoting responsible governance and prudent management of capital, liquidity and guaranteeing deposits, the Corporation contributes to confidence in Saskatchewan PRFIs.

For more information about the Corporation's responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's web site at [www.cudgc.sk.ca](http://www.cudgc.sk.ca).

**Crossroads Credit Union**  
**Summary Consolidated Financial Statements**  
*December 31, 2022*

# Report of the Independent Auditor on the Summary Consolidated Financial Statements

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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, 2022, 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, 2022.

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

## Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited 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 23, 2023.

## Management's Responsibility for the Summary Consolidated Financial Statements

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

## Auditor's Responsibility

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

Humboldt, Saskatchewan

February 23, 2023

Chartered Professional Accountants

MNP LLP

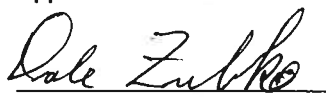
PO Box 2590, 2424 Westwood Drive, Humboldt SK, S0K 2A0

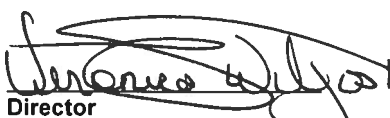
1.877.500.0789 T: 306.682.2673 F: 306.682.5910

**Crossroads Credit Union**  
**Summary Consolidated Statement of Financial Position**  
*As at December 31, 2022*

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	4,647,708	20,115,487
Investments	88,577,219	87,927,581
Member loans receivable	239,406,139	217,600,896
Other assets	4,350,481	443,630
Deferred tax asset	86,748	77,114
Property, plant and equipment	1,704,350	1,667,541
Goodwill	24,000	36,000
	<b>338,796,645</b>	<b>327,868,249</b>
<b>Liabilities</b>		
Member deposits	302,888,862	297,756,447
Other liabilities	480,540	424,640
Membership shares	32,550	32,555
	<b>303,401,952</b>	<b>298,213,642</b>
<b>Members' equity</b>		
Retained earnings	35,394,693	29,654,607
	<b>338,796,645</b>	<b>327,868,249</b>

Approved on behalf of the Board

  
 Director

  
 Director

**Crossroads Credit Union**  
**Summary Consolidated Statement of Comprehensive Income**  
*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Interest income</b>		
Member loans	9,716,403	8,985,670
Investments	5,747,084	1,153,002
	<b>15,463,487</b>	10,138,672
<b>Interest expense</b>		
Member deposits	2,736,117	1,950,330
Patronage allocation	376,346	-
Borrowed money	5,295	2,443
	<b>3,117,758</b>	1,952,773
<b>Net interest income</b>	<b>12,345,729</b>	8,185,899
<b>Provision for impaired loans</b>	<b>539,173</b>	207,671
<b>Net interest income after provision for impaired loans</b>	<b>11,806,556</b>	7,978,228
<b>Other income</b>	<b>2,182,518</b>	1,885,782
<b>Net interest and other income</b>	<b>13,989,074</b>	9,864,010
<b>Operating expenses</b>		
Personnel	4,416,141	4,265,697
Member security	294,794	273,642
Organizational	112,447	99,458
Occupancy	341,094	282,350
General business	2,506,680	2,314,990
	<b>7,671,156</b>	7,236,137
<b>Income before provision for (recovery of) income taxes</b>	<b>6,317,918</b>	2,627,873
<b>Provision for (recovery of) income taxes</b>		
Current	587,466	702,092
Deferred	(9,634)	(2,616)
	<b>577,832</b>	699,476
<b>Comprehensive income</b>	<b>5,740,086</b>	1,928,397



**Crossroads Credit Union**  
**Summary Consolidated Statement of Changes in Members' Equity**  
*For the year ended December 31, 2022*

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	<i>Retained earnings</i>	<i>Total equity</i>
<b>Balance December 31, 2020</b>	<b>27,726,210</b>	<b>27,726,210</b>
Comprehensive income	<b>1,928,397</b>	<b>1,928,397</b>
<b>Balance December 31, 2021</b>	<b>29,654,607</b>	<b>29,654,607</b>
Comprehensive income	<b>5,740,086</b>	<b>5,740,086</b>
<b>Balance December 31, 2022</b>	<b>35,394,693</b>	<b>35,394,693</b>

**Crossroads Credit Union**  
**Summary Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from member loans	9,278,901	9,040,197
Interest received from investments	1,674,351	1,145,230
Other income received	2,182,325	1,862,196
Interest paid on deposits	(2,289,098)	(2,066,857)
Cash paid to suppliers and employees	(7,481,761)	(7,170,350)
Patronage paid to members	(376,346)	-
Interest paid on borrowed money	(5,295)	(2,443)
Income taxes paid	(629,560)	(921,387)
	<b>2,353,517</b>	<b>1,886,586</b>
<b>Financing activities</b>		
Net change in member deposits	4,685,396	23,398,667
Net change in membership shares	(5)	25
	<b>4,685,391</b>	<b>23,398,692</b>
<b>Investing activities</b>		
Net change in member loans receivable	(21,906,914)	(5,448,189)
Purchases of investments	(340,361)	(19,578,283)
Purchases of property, plant and equipment	(219,412)	(94,102)
Advances to National Consulting Ltd.	(40,000)	-
	<b>(22,506,687)</b>	<b>(25,120,574)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(15,467,779)</b>	<b>164,704</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>20,115,487</b>	<b>19,950,783</b>
<b>Cash and cash equivalents, end of year</b>	<b>4,647,708</b>	<b>20,115,487</b>

**Crossroads Credit Union**  
**Note to the Summary Consolidated Financial Statements**  
*For the year ended December 31, 2022*

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**1. Basis of the Summary Consolidated Financial Statements**

Management has prepared the summary consolidated financial statements from the December 31, 2022 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited consolidated financial statements is available from the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summary consolidated financial statements is in agreement with the related information in the consolidated financial statements, and that the summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

# **THIS IS Crossroads Country**



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