

Crossroads
CREDIT UNION

2023 Annual Report

Photo Credit: Alyssa Halvorson
2024 Crossroads Country Calendar Entry

CROSSROADS CREDIT UNION
16th ANNUAL GENERAL MEETING
Virtual Meeting
April 17, 2024 at 7:00 pm

AGENDA

- 1) **Call to Order – Business Meeting**
- 2) **Confirmation of Quorum and Notice of Meeting**
- 3) **Adoption of Agenda**
- 4) **Minutes of the 2023 Annual Meeting**
- 5) **Business Arising Out of the Minutes**
- 6) **Message from the Board President – Betty Tomilin**
- 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 2024**
- 12) **Report of Election Committee**
- 13) **Adjournment**

CROSSROADS CREDIT UNION ANNUAL MEETING MINUTES Canora Branch – May 3, 2023

Registration

Board President Walter Ostoforoff welcomed everyone in attendance to the 15th annual meeting of Crossroads Credit Union.

Call to Order – Business Meeting

Walter Ostoforoff called the meeting to order at 7:02pm.
Chris Balyski will moderate tonight's meeting.

Confirmation of Quorum and Notice of Meeting

CEO Jeff Bisschop provided confirmation of Quorum and Notice of Meeting with 44 members in attendance and 7 members joining us virtually.

Adoption of Agenda

Motion: Dale Zubko and Duane Sweatman moved that the agenda be adopted as presented.
CARRIED

Minutes

A copy of the April 19, 2022 Annual meeting minutes was included within the annual report.
Motion: Sharon Ripa and Kim Ryzak 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: Nicole Niezgoda and Kim Mcleod moved that the reports be accepted as presented.
CARRIED

Appointment of Auditor for 2023

Motion: Leanne Woloshyn and Kristen Olson moved that we appoint Meyers Norris Penny (MNP) as auditors for 2023.

CARRIED

Impromptu question and answer period ensued, regarding the upcoming changes in service and renovation plan for the Sturgis branch. Members in attendance expressed concern regarding the removal of cash services, its effects on the seniors and the local economy, and that the renovation and transition of the Sturgis branch to advice center will not add value to the community or the membership. The CEO explained the data and strategy that led to the decision made by the Board of Directors.

Report of Election Committee

Veronica Wilgosh reported, terms of Directors expire in all districts of Crossroads Credit Union, the Central, Northern and Western districts. The following elections we required:

Central District

One nominee for three-year term

Results:

ONE candidate filed nomination papers for one vacancy. Marcel Michaud was elected by acclamation for a three-year term.

Northern District

Two nominees for a three-year term.

Results:

TWO candidates filed nomination papers for one vacancy.

Election was required and the two candidates were: Duane Karcha and Florian Balawyder. Duane Karcha was elected for a three-year term.

Western District

One Nominee for three-year term

Results:

ONE candidate filed nomination papers for one vacancy. Duane Sweatman was elected by acclamation.

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

Director Retirement

Board President thanked our departing directors. Walter Ostoforoff for serving 12 years in the Central District and Dale Zubko for serving 8 years in the Northern District.

Fraud Presentation

Risk and Compliance Officer Leanne Woloshyn presented the fraud presentation.

Door Prizes

Leona Poworoznyk

Eugene Boychuck

Dave Masters

Marina Soltys

Greg Olson

Adjournment

Shannon Leson adjourned the meeting at 8:26pm.

President Betty Tomilin

Secretary Jeff Bisschop

MESSAGE FROM THE CHAIR & CEO

2023 was a year of change, not only at Crossroads Credit Union but around the world. Crossroads Credit Union's high-level strategy didn't need to pivot. Our focus over the year, was on increasing our member's financial confidence. Financial confidence is about the member's ability to make well-informed decisions about their financial well being. In order to successfully execute on this strategy, we focused on 4 key initiatives. We supported our staff to deliver tailored service. We invested in our service delivery platforms to expand our accessibility. We adapted to changes in our revenue streams to effectively manage our financial stability. We continue to support Crossroads Country in an impactful way.

By supporting our staff with training, development, and other resources, we were able to meet our member's ever-changing needs. Members are looking for services that are quicker, faster and easier. We spent all of 2023 looking at our current processes to see if we could streamline to create a better member and staff experience. Our staff worked hard to adjust to new ways of working and new ways of providing exceptional service to our members. Through this process we were able to uncover new opportunities and ways to work together. 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 2023. We continued to invest in our digital banking platforms. Our members have shown a growing preference for these options in recent years, with 72% of transactions done online. We'd like to thank our members for their willingness to adapt and for their patience as we continue to grow our new digital banking channel in 2023.



Crossroads also helped members financially in 2023. We got money out into Crossroads Country by giving members access to over \$63 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. Crossroads has committed significant resources to start to provide much needed advice to our members.

Recent surveys suggest that over half of Canadians are living paycheck to paycheck. We found this to be heartbreaking, knowing we have member owners who are lying awake at night worrying. Our staff's commitment to having those tough conversations is truly inspirational. Our board's ongoing vision to our advice driven strategy was clear when we agreed to invest capital in an advice centre. With change, it is normal to see some frustration and discontent. We are proud to say Crossroads stayed the course and continues to educate on the importance of advice.

Crossroads Credit Union took a deep dive into the employee experience in 2023. We used the information to help the board and management better understand what our employees experience day to day. This has been a valuable process which has been instrumental in helping us drive positive change. As Crossroads continues to improve the employee experience the member experience will improve.

Our financial results were also positive in 2023. 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 growth, our assets rose to \$349.4 million. Profitability remained steady at \$2.29 million in income. With strong earnings from operations, our Board of Directors have elected to pay out patronage of just over \$340,000.00 for 2023 to be paid in 2024. 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 \$75,000 through sponsorships, scholarships, donations, and Community Investment Fund allocations.



2023 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 2023 we have already executed on some of those strategies. We continue to drive forward our digital banking platform. Our Virtual Branch, with extended hours and plans 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 2023. Walter Ostoforoff retired after 12 years on the board and was replaced by Marcel Michaud. Dale Zubko finished his term and Duane Karcha was elected.

We wish both Walter and Duane all the best and thank them for their dedication and service.

2023 was a year of change, we saw interest rates soar as costs for goods and services continued to increase. We are seeing household budgets tighten as 2023 came to a close. We look forward to 2024 when interest rates are expected to come down based on the country's chief economists. This last year has shown that our credit union is extremely adaptable as we position ourselves to the future. Crossroads continues to bring positive change to our members through brave conversations and knowledgeable advice.

In Co-operation,

Betty Tomilin, 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 3.9% in 2023, despite high interest rates set by the Bank of Canada. Unemployment sits at 5.8% as employers compete for staff and many positions remain vacant for months at a time.

Saskatchewan's economy grew in 2023. Saskatchewan has one of the lowest unemployment rates in the country at 4.7%.

Saskatchewan's strong economy continues with exports just under \$50 billion which is just off the record set in 2022.

Saskatchewan farms had another big year with Farm Cash Receipts exceeding last years record. This was mainly due to high grain prices and above average crops (in east central Saskatchewan) on all major crops.



Closer to home, the economy in our trading area did fairly well. Commodity prices remain strong, and our trading area continues to show growth in population and new business. Our main economic driver is agriculture and that sector performed well in 2023. 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 \$50.48 million to more than \$7.7 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

- 32 credit unions in communities across Saskatchewan
- The credit union offer products and services to 445,000 members
- More than 300 elected board members
- 224 service outlets in 197 communities
- assets of \$26.4 billion
- revenue of \$1.3 billion
- over \$19.7 billion in loans
- over \$7 million returned to members as patronage equity contributions & dividends
- over 3,000 employees

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:

- Complaint handling, which outlines the process for dealing with all complaints regarding the service, products, fees, or charges of Crossroads Credit Union.
- Fair sales by outlining the roles and relationship of staff to all members/clients in accordance with the financial services agreement.
- Financial planning process to advise member/clients on the risk and benefits associated with financial planning services.
- Privacy to 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.
- Protection of vulnerable members
- Professional standards
- Capital management to ensure our capital structure aligns with our risk philosophy. Financial reporting to adhere to business and industry standards.
- Governance practices to adhere to the intent and stipulation of our corporate bylaws, which are approved by the membership of Crossroads Credit Union
- 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:

1. **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.
2. **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.
3. **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.

4. **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.
5. **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.
6. **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.
7. **CONCERN FOR COMMUNITY:** Co-operatives work for the sustainable development of their communities through policies approved by their members.

PURPOSE, VISION AND VALUES



Our world revolves around our members, they are at the center and their needs drive everything we do. We strive to know them better than anyone else so that our members know we have their backs and are here for them *every step* of the way on their financial path.

We believe in our purpose; we believe we not only make a difference in the lives of our members, but also in our communities. It's always been about people helping people.

The success of Crossroads truly is the success of our membership.

This is our value!

VISION	Everyone in Crossroads Country has the Financial Confidence to succeed in any direction they choose.
MISSION	We will make it easy and beneficial for our member-owners to have a full relationship with us.
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 .

**This is
Crossroads
Country
Core
VALUES**

GRASSROOTS

We are deeply rooted in people helping people, we continue to think outside the box. We believe in local decision making, we are small enough to understand and large enough to make a difference.

INTEGRITY

Our members are our story; we are committed to seeing them achieve their goals, it's our job to be fully transparent with our members about their finances.

PASSIONATE

We love being on a first name basis with our members, it is our goal to know our members better than anyone else, because in doing so we can provide tailored and accessible service and advice.

REPUTABLE

We go above and beyond for members and communities our goal is to provide financial literacy that enables confidence, which leads to better communities and economies.

QUALITY

We prepare our members now for future life events. We aim to never stop enhancing what we have to offer, we are always improving to make things better and easier for our members every day. Our goal is to prepare our members for the next chapter of their stories.



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, home towns, and cooperation. 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.

Photo Credit: Larissa Makowsky
2019 Crossroads Country Calendar Winner

THIS IS Crossroads Country

2023

CROSSROADS YEAR IN REVIEW



6,800+

members

\$23,000+ in donations



65+ organizations, causes
& projects supported



50

smart, caring
employees

\$56,830 invested back into the
community via the Community Investment
Fund

\$ 349.4

million in assets



\$262.8

million in loans



\$340,154 Patronage Allocation

Scholarships



\$3,000 Post Secondary

\$2,500 High school



87%

member
satisfaction

OUR
MISSION

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



Crossroads Credit Union 2023 Year in Review

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 \$349.4 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

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

 <p>MEMBERS</p> <p>We will deepen member relationships to provide value to all our membership. We will continue to build capacity and our member's financial confidence by moving to advice-based service. Our branches will create an environment that supports advice-based service and member experiences.</p>	 <p>PEOPLE</p> <p>We will promote continuous learning in a way that supports development and empowers our people to think beyond the traditional way we do things. We will enable a culture where we have the right people, doing the right thing at the right time.</p> <p>We have the courage to try new things and adjust them along the way.</p>
 <p>COMMUNITY</p> <p>We will disperse our community outreach dollars in an impactful way to ensure our local communities benefit from our presence.</p>	 <p>FINANCIAL</p> <p>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.</p>

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 to increase 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		
	2023 targets	2023 results
Achieve a ROA (after tax) within 10% of budget	0.58%-0.70%	0.66%
Maintain capital levels more than our ICAAP	13.6%	15.86%
Membership using our off-book services	12.2-14.9%	12.80%
Maintain our efficiency	63.9%-78.1%	69.39%
Increase Collabria card	13.5%-16.5%	45%



Growth – 2023 was another year for strong loan growth, far outpacing deposit growth. Total assets grew 2.94% to \$349.4 million, which was slightly under budget of 3.42%. We continued to see the surplus of liquid funds run off book and we only saw deposit growth of 1.95% in 2023 bringing it to \$310.2 million.

Loan growth significantly exceeded budget of 4.0% and ended the year at 9.7%, which brought our loan portfolio up to \$261.2 million.

Due to our significant loan growth, our loan to asset ratio was 74.93%, a nice increase from 70.31% in 2022. This is very close to our target range of 75-80%.

Off balance sheet assets saw growth of 11.7%, which comes primarily from our off-book wealth portfolio. Net sales were \$3.8 million, and the balance is from market movement. In addition to our wealth portfolio, this included \$4.2 million in participation loans.

Profitability – Profits allow our credit union to build capital, manage growth and invest in strategic initiatives. In 2023 Crossroads earned \$2.29 million in income. Profitability was .66% which is significantly lower than 2022; however, this is back to normal after we saw a large dividend in 2022. 2023 continued to see a few interest rate increases from the Bank of Canada. Because of this, we were able to gain a slight 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 69.39% in 2023.

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 amount and type 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 2023 capital grew \$2.29 million from operations. Equity sat at 10.8% 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 2023, our ratio of eligible capital to risk-weighted assets sat at 15.86%. Tier 1 capital as a percentage of risk-weighted assets was at 15.62%. Both were above our internal targets. Our leverage ratio was 10.71%.

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 2023 that review focused on Credit, Regulatory Compliance, Asset – Liability Management and Internal Controls. We also regularly review several areas internally, including privacy, wealth management, deposit services, information technology, corporate governance, AML, 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 2024, we can expect to face many of the same challenges that were experienced in 2023, until inflation comes down to target levels, and interest rates start to decrease throughout the year. 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		
	2023 targets	2023 results
Growing level of assets per member	2.70%	3.76
Member perceptions of value	85%	59%
Change in channel use by member (non branch)	5.34-6.53%	4.62%
Members with full relationship	17.20%-21.3%	19.07%

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 2023, we hosted 14 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 for 2023 was 87%.

In 2024 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

	2023 targets	2023 results
Member perception of professional competence	85%	72%
85% of staff and board have 75% - 100% of their business at Crossroads	76-93%	69%

Employees — Staff are our number one asset. Crossroads purpose, vision and mission all centre around the lives of our members being enriched through financial confidence, meaning our members succeed in any direction they choose, feeling secure and informed about their financial choices. This comes from reliable service and advice. In 2023, Crossroads launched an employee experience program because our success depends on a team of skilled professionals.

We entered the year with a plan to focus on our employee experience which envelops culture and engagement, 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 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

	2023 targets	2023 results
Member perceptions of community profile	89%	80%
Learning events hosted	10	14
Employee Volunteerism hours	195	272



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. Giving back isn't just something we do—it's at the heart of who we are. Crossroads

Credit Union is more than a financial institution; we're your partners in building a community that thrives.

Your money. Your community. Your future.

Our annual member experience survey told us that members appreciate our community support. **80% 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
- Is viewed as a community partner

Looking to the future – Investing in you – our members – is at the heart of what we do. Each step we take is with the intention of strengthening our foundation, enhancing our services, and enriching our communities. This is Crossroads Country, a direction worth choosing.

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
Strategic Risk	Moderate	Risk arising from an inability to implement appropriate business plans, strategies, decision-making, resource allocation and adapt to changes in the business environment.
Credit Risk	Moderate	Risk arising from a counterparty's inability or unwillingness to fully meet its on and off-balance sheet contractual obligations.
Market Risk	Modest	Risk arising from: <ol style="list-style-type: none"> 1. movements in interest rates, primarily from timing differences in the repricing of assets and liabilities 2. changes in the market price of an asset or liability 3. movements in foreign exchange rates
Legal and Regulatory	Modest	Risk arises from potential non-compliance with laws, rules, regulations, prescribed practices or ethical standards.
Liquidity Risk	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.
Operational Risk	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	
	2023	2022	\$	%
Stock of Level 1A Weighted Assets	17,954,861	15,446,519	2,508,342	16.24%
Stock of Level 2A Weighted Assets	1,370,837	2,158,436	-787,599	-36.49%
Stock of Level 2B Weighted Assets	2,228,927	3,522,034	-1,293,107	-36.71%
High Quality Liquid Assets (HQLA)	21,554,625	21,126,989	427,636	2.02%
Retail Deposit Run-Off	12,861,168	12,992,600	-131,432	-1.01%
Unsecured Wholesale Funding Run-Off	7,752,065	8,242,560	-490,495	-5.95%
Additional Requirements	1,741,259	1,705,815	35,444	2.08%
Total Prescribed Outflows	22,354,492	22,940,975	-586,483	-2.56%
Total Prescribed Cash Inflows	1,976,769	5,496,510	-3,519,741	-64.04%
Net Prescribed Cash Outflows	20,377,723	17,444,465	2,933,258	16.81%
Liquidity Coverage Ratio (LCR)	105.78%	118.73%		

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 by Amortization 2023

Amortization Period	Number	Balance	% of Portfolio
10 Years or Less	227	8,858,057	14.2%
More than 10 up to 15 Years	151	12,765,975	20.5%
More than 15 up to 20 Years	154	17,636,049	28.3%
More than 20 up to 25 Years	157	23,008,884	37.0%
	689	62,268,965	100.0%

Residential Mortgage Loan Portfolio

	2023	%	2022	%	Change	%
Insured	14,334,985	23.0%	14,793,587	24.2%	-458,602	
Uninsured	47,933,980	77.0%	46,239,000	75.8%	1,694,980	
Total	62,268,965		61,032,587		1,236,378	2.0%

GOVERNANCE AT CROSSROADS

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

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.

CROSSROADS BOARD OF DIRECTORS

Our Board of Directors (Board) is committed to governance excellence and is representative of the members we serve. Made up of our members and elected by our members – our Board provides leadership and ensures that members' views are represented. The election of Crossroads' Board of Directors is a key component of democratic co-operative governance. By participating in the democratic process, our members have a say and shape and direct the future of Crossroads. Our members elect our Board of Directors through a one member, one vote process following our bylaws. Our Board is composed of 10 directors, elected to serve the interests of our membership.

The Board's Nominations Committee is responsible for overseeing the nomination process, recommending candidates, and the election of directors per provincial legislation. Voting is done by electronic ballot. We announce election results yearly at our Annual General Meeting.



Chris Balyski | Northern District

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.

Term ending: 2024

Board Meeting Attendance: 9/11
Committee Meeting Attendance:
 Community Investment Fund: 3/3
 Nominating/Governance: 1/1



Arlette Bogucky | Central District 2nd Vice President

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

Term ending: 2024

Board Meeting Attendance: 11/11
Committee Meeting Attendance:
 Community Investment Fund: 3/3
 Conduct Review: 1/1
 Nominating/Governance: 1/1
 Executive Committee: 6/6
 Audit and Risk Committee: 5/5



Murray Bottcher | Western District

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.

Term ending: 2024

Board Meeting Attendance: 11/11
Committee Meeting Attendance:
 Audit and Risk: 5/5
 Executive: 3/3
 Community Investment Fund: 3/3
 Nominating/Governance: 1/1



Calvin Homeniuk | Central District

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.

Term ending: 2026

Board Meeting Attendance: 10/11
Committee Meeting Attendance:
 Community Investment Fund: 3/3
 Audit & Risk Committee: 3/5
 Conduct Review: 1/1
 Nominating/Governance: 0/1



Duane Karcha | Northern District

Duane, lives with his wife Sharon on a farm near Preeceville. They have four married children and six grandchildren. They operate a grain trading company serving local producers. Duane is also the secretary of the local Gateway Coop Board. Duane believes in local economic growth and supports what Crossroads Credit Union offers to both our members and community.

Term ending: 2026

Nominated in 2023
Board Meeting Attendance: 8/8
Committee Meeting Attendance:
 CIF Committee: 1/3



Shannon Leson | Central District

Term ending: 2025

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

Board Meeting Attendance: 6/11

Committee Meeting Attendance:

Community Investment Fund: 1/3

Nominating/Governance: 1/1



Marcel Michaud | Central District

Term ending: 2026

Marcel was born and raised in a small town near North Battleford. His teaching career took him to Germany for four years to teach for the Department of National Defence and later to become a Superintendent of Schools and Director of Education. He worked for the Ministry of Advanced Education for several years supporting good governance practices for boards at regional colleges. Marcel has a national designation in governance as a Professional Director with Governance Solutions Inc. from Ontario. He currently owns and manages a small farm north of Canora.

Nominated in 2023

Board Meeting Attendance: 7/8

Committee Meeting Attendance:

Nominating/Governance: 1/1



Duane Sweatman | Western District

Term ending: 2026

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.

Board Meeting Attendance: 9/11

Committee Meeting Attendance:

Audit and Risk: 5/5

Conduct Review: 1/1



Betty Tomilin | Central District

President

Term ending: 2025

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

Board Meeting Attendance: 11/11

Committee Meeting Attendance:

Audit and Risk: 5/5

Executive: 6/6

Community Investment Fund: 3/3

Conduct Review: 1/1

Nomination & Governance: 1/1



Veronica Wilgosh | Northern District

1st Vice President

Term ending: 2025

Veronica is presently the CEO for National Consulting Limited and has been employed in the credit union system for the last 34 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.

Board Meeting Attendance: 10/11

Committee Meeting Attendance:

Audit and Risk: 5/5

Conduct Review: 1/1

Executive Committee: 6/6

2023 BOARD COMMITTEES

AUDIT & RISK COMMITTEE

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

CONDUCT REVIEW COMMITTEE

Ensures related party transactions are fair to the credit union and comply with legislation, standards of sound business, 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; 1st vice president and 2nd vice president.

NOMINATING / GOVERNANCE COMMITTEE

Oversees the nomination and election process for credit union directors, as well as the director education process for the board of directors.

COMPENSATION AND ATTENDANCE

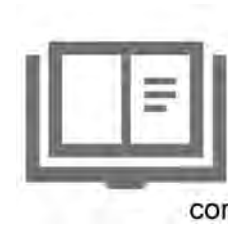
The Board meets at minimum 11 times each year. Each director serves on one or more Board committees.

The credit union paid \$31,640.00 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 OF DIRECTOR TRAINING



Ongoing professional development helps the Board stay on top of changes in the industry and the changing role of a director. 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
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

At Crossroads Credit Union, we're more than just financial services; we're a dedicated community partner committed to fostering positive change in Crossroads Country.

In 2023, we proudly extended our hand of support through donations and sponsorships totaling over \$23,000 to over 65 non-profit organizations and initiatives. These groups tirelessly work to enrich lives and strengthen Crossroads Country, and we're honored to play a part in their outstanding efforts.

Our dedicated team didn't stop there! They devoted a remarkable 549 hours of their personal time and credit union time in the past year, volunteering to support initiatives that matter to our members and our communities. This is the Credit Union Difference – a belief that together, through generosity and volunteerism, we can contribute to thriving, resilient, and supportive communities.

We're excited to continue this journey of giving and service in 2024 and beyond. Thank you to all the organizations and our remarkable team for your unwavering commitment to making Crossroads Country a better place for everyone.

Community Investment Fund (CIF)

Our members contribute to our profits and because of them we are proud to invest those profits back into the communities that make up Crossroads Country through our Community Investment Fund (CIF).

The CIF Fund allows Crossroads Credit Union to make an impact within Crossroads Country by offering direct financial funding towards community projects, programs or initiatives that are on a larger scale. These projects, programs and initiatives must benefit as many people in Crossroads Country as possible and provide long-term sustainability, helping to build a solid foundation and enhance the quality of life for the people living in Crossroads Country. The fund was established in 2009 and since that time, has allocated over \$530,000 to more than 150 community projects and initiatives.

In 2023, the CIF program was revisited, and few enhancements were made to the program to simplify the nomination and selection process.

Projects and initiatives must fall under one of the 4 pillars to qualify for funding:

Community: (Capital Projects & Initiatives that focus on Community & Economic Development & Revitalization to help build stronger communities.)

Wellness: (Projects & Initiatives that focus on the wellbeing of people in Crossroads Country through wellness, nutrition and recreational programs and activities.)

Education: (Projects & Initiatives that focus on building a brighter future for the people in Crossroads Country through educational programs and activities helping to develop financial literacy in our communities.)

Health: (Community Health Care Projects & Initiatives that focus on advancement of healthcare services available for the people in Crossroads Country.)

The fund opens in June each year, at which time, members are asked to nominate a Non-profit organization raising funds for a project or program that they believe would make an impact in Crossroads Country for a chance to receive funding. In 2023 we allocated \$56,830 to 20 Non-profit organizations.

Here are the 2023 Crossroads Community Investment Fund Recipients:

- **Buchanan Community Centre** received **\$5,000** towards purchasing new padded chairs for their facility.
- **Sturgis Arena** received **\$5,000** towards upgrades to their facility.
- **Canora Golf Course** received **\$5,000** towards a fairway mower.
- **North Shore Recreation** received **\$3,330** for the purchase of 2 sets of Bleachers for the ball diamonds.
- **Preeceville Community Legion Hall** received **\$2,500** towards their goal of installing air conditioning.
- **Margo Community Hall** received **\$2,500** towards a new furnace.
- **Invermay Ag Society** received **\$2,500** towards building a structure close to the racetrack.
- **Canora Ag Society** received **\$2,500** towards building a permanent structure close to the racetrack.
- **Assiniboine River Archery Club** received **\$2,000** towards their program.
- **Buchanan Club 50** received **\$2,000** towards facility updates.
- **Whitehawk Arts Council** received **\$1,500** towards supporting their initiative of bringing professional live performing arts to the community.
- **Weneeda Park Lodge** received **\$1,500** towards updates to their facility.
- **Preeceville Senior Pats** received **\$2,500** towards advertising sponsorship.
- **Canora Cobras Senior Hockey** received **\$2,500** towards jersey sponsorship.
- **Invermay Minor Ball** received **\$2,500** towards their program.
- **Preeceville Nordic Ski Club** received **\$2,500** towards their program.
- **Sturgis Archery Club** received **\$2,500** towards their program.
- **Canora Nursery School** received **\$3,000** towards their education program.
- **Preeceville Nursery School** received **\$3,000** towards their education program.
- **Wadena Composite School** received **\$3,000** towards their school van.

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.

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, and employee experience.

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.

2023 Scholarship Recipients



High School Scholarships

Zoe Thomas
Canora Composite

Mia Mitchell
Preeceville School

Skylar Ryczak
Sturgis Composite

Azlyn Ekstrom
Wadena Composite

Hallie Pozniak
Invermay School

\$1,000 Post-Secondary Scholarship (s)

Ally Sleevea
Central District

Kiera Balyski
Northern District

Adrian Byman
Western District



CREDIT UNION DEPOSIT GUARANTEE CORPORATION

ANNUAL REPORT MESSAGE 2023

January 2024

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

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

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

Crossroads Credit Union
Summary Consolidated Financial Statements
December 31, 2023

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, 2023, 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, 2023.

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 29, 2024.

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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Credit Union to express an opinion on the summary consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Humboldt, Saskatchewan

February 29, 2024

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

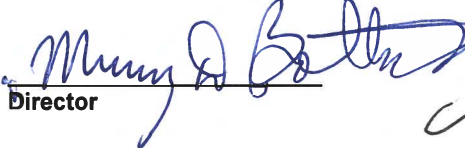
Crossroads Credit Union

Summary Consolidated Statement of Financial Position

As at December 31, 2023

	2023	2022
Assets		
Cash and cash equivalents	640	4,647,708
Investments	84,384,783	88,577,219
Member loans receivable	262,828,610	239,406,139
Other assets	480,571	4,350,481
Deferred tax asset	110,309	86,748
Property, plant and equipment	1,645,128	1,704,350
Goodwill	12,000	24,000
	349,462,041	338,796,645
Liabilities		
Line of credit	665,063	-
Member deposits	310,295,595	302,888,862
Other liabilities	783,351	480,540
Membership shares	32,690	32,550
	311,776,699	303,401,952
Members' equity		
Retained earnings	37,685,342	35,394,693
	349,462,041	338,796,645

Approved on behalf of the Board


Director


Director

Crossroads Credit Union
Summary Consolidated Statement of Comprehensive Income
For the year ended December 31, 2023

	2023	2022
Interest income		
Member loans	12,979,301	9,716,403
Investments	3,240,329	5,747,084
	16,219,630	15,463,487
Interest expense		
Member deposits	6,097,294	2,736,117
Patronage allocation	340,154	376,346
Borrowed money	21,364	5,295
	6,458,812	3,117,758
Net interest income	9,760,818	12,345,729
Provision for impaired loans	217,655	539,173
Net interest income after provision for impaired loans	9,543,163	11,806,556
Other income	1,776,576	2,182,518
Net interest and other income	11,319,739	13,989,074
Operating expenses		
Personnel	4,570,005	4,416,141
Member security	301,654	294,794
Organizational	109,060	112,447
Occupancy	358,022	341,094
General business	2,891,622	2,506,680
	8,230,363	7,671,156
Income before provision for (recovery of) income taxes	3,089,376	6,317,918
Provision for (recovery of) income taxes		
Current	822,288	587,466
Deferred	(23,561)	(9,634)
	798,727	577,832
Comprehensive income	2,290,649	5,740,086

Crossroads Credit Union
Summary Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2023

	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2021	29,654,607	29,654,607
Comprehensive income	5,740,086	5,740,086
Balance December 31, 2022	35,394,693	35,394,693
Comprehensive income	2,290,649	2,290,649
Balance December 31, 2023	37,685,342	37,685,342

Crossroads Credit Union
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Interest received from member loans	12,600,851	9,278,901
Interest received from investments	6,603,423	1,674,351
Other income received	1,797,620	2,182,325
Interest paid on deposits	(4,540,683)	(2,289,098)
Cash paid to suppliers and employees	(7,924,387)	(7,481,761)
Patronage paid to members	(340,154)	(376,346)
Interest paid on borrowed money	(21,364)	(5,295)
Income taxes paid	(536,523)	(629,560)
	7,638,783	2,353,517
Financing activities		
Net change in member deposits	5,850,122	4,685,396
Net change in membership shares	140	(5)
	5,850,262	4,685,391
Investing activities		
Net change in member loans receivable	(23,261,676)	(21,906,914)
Purchases of investments	-	(340,361)
Proceeds on disposal of investments	4,592,798	-
Purchases of property, plant and equipment	(132,298)	(219,412)
Advances to National Consulting Ltd.	-	(40,000)
	(18,801,176)	(22,506,687)
Decrease in cash and cash equivalents	(5,312,131)	(15,467,779)
Cash and cash equivalents, beginning of year	4,647,708	20,115,487
Cash and cash equivalents (deficiency), end of year	(664,423)	4,647,708
Cash and cash equivalents (deficiency) are composed of:		
Cash and cash equivalents	640	4,647,708
Line of credit	(665,063)	-
	(664,423)	4,647,708

Crossroads Credit Union
Note to the Summary Consolidated Financial Statements
For the year ended December 31, 2023

1. Basis of the Summary Consolidated Financial Statements

Management has prepared the summary consolidated financial statements from the December 31, 2023 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.

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