

# From the Big Chair

Due to continued health restrictions, we were forced to hold our first completely virtual Annual General Meeting (AGM). We were concerned for challenges such as software glitches, bandwidth, connections and age of devices, but the meeting went smoothly and technology did not let us down.

2020 was an interesting year. Overall, our financial results were still good despite all the challenges, but some of the results were not as strong as in past years. Despite all the economic challenges, our assets increased over \$28.5 million to end the year at just over \$298.1 million. Growth came from member deposits, as a result of less spending due to the pandemic, receipt of government support and a decent year for agricultural producers. Memberships were stable at 4549, down just slightly from 2019. We finished paying for the renovation, but depreciation costs began. We finished the parking lot and the staff area in the back corner. We remained the 13th largest credit union in Saskatchewan and the largest single branch credit union in the province. The number of credit unions continued to decrease due to mergers.

With the economic uncertainty resulting from COVID, demand for loans was low. Performing loans ended the year at only 66.75% of assets and totaled \$201.2 million; a decrease of almost \$6 million from 2019. Delinquency over 90 days ended the year at 1.35%, which was an increase from 2019 but considering all the negative economic factors, we were still pleased with the result. Through the year, payments on over 200 loans were deferred, but fortunately the majority of members helped have started making payments again.

Margin is still the largest generator of revenue for our credit union. In 2020 margin was challenged significantly by prime rate decreasing 1.5% over a very short period of time. This had a significant impact on our operating results. Adding to this was the decrease in our loan portfolio. The combined effect left us in a position to qualify for the Canadian Emergency Wage Subsidy offered by the Federal Government. We did not receive any funds in 2020 but will in 2021. In the end, we generated an operating surplus of \$1,272,280 after an allocation of \$400,000 for member patronage. The operating surplus was a significant decrease from 2019. Despite this, we believe that patronage makes us different from our competitors and we want to return a portion of our earnings to members who supported us through an interesting year.

Many of our operating expenses continued despite the pandemic, but because the

pandemic hit early in the year, things like conferences and training sessions were cancelled, reducing our expenses. We started depreciating the renovation in 2020, which is a significant cost. The provision expense almost doubled. We are required to hold a collective or general allowance calculated by applying several economic factors to our loan portfolio. Due to the economic challenges a substantial increase in the collective allowance was generated. Based on all the factors outlined, our efficiency increased to 65.49% from 54.41%.

Two of the primary measures of financial strength are capital and liquidity. We are pleased to report that we met or exceeded all regulatory requirements related to both.

There were four director positions to fill. Four nominations were received. Incumbent Keith Wilson, returning directors Rhonda Brandle and Christine Lang, and new director Terri McAleer were declared elected by acclamation. Kerrigan Bowey joined Abby Rutley as the newest Junior Board member.

While we have no interest in merging at this time, we sought ways to work together. We have found the sharing of thoughts, ideas and approaches invaluable in these changing times.

In 2020, marketing was focused more on keeping members informed than promoting our products and services. We kept members informed of health restrictions and our ability to serve members, the requirements in order to do business, government programs and the credit union's involvement in them and support to members and the community.

The pandemic did not slow advances in technology. Technology allowed us to serve members from a distance. Google Pay was implemented to allow Android users to pay with their phones. Mobile Pay was discontinued. Integrated Voice Response (IVR Banking) was decommissioned as the utilization was minimal and there are other options. The Office 365 suite of products was introduced. DocuSign was used extensively to obtain electronic signatures. The drive thru ATM was officially opened. We began implementation of a Customer Relationship Management program. We began work on a new public website as our online banking platform is being updated, which will encompass the website, online banking and mobile app. The Canadian Payments Association has mandated a significant change for payments, which is being worked on by the Canadian system. We continue to learn about Open Banking, or Consumer Directed Finance as it has

come to be known.

Community support always ranks near the top of our list of accomplishments. We made donations to the Food Bank, Museum, Unity Library, Dance Studio and Community Resource Centre. Sizeable donations were made to the Unity Golf Club and Unity Curling Club as support for their projects. Annual scholarships were provided to the grads through their virtual ceremony. Members were rewarded takeout meals offered through all the restaurants in town. Those eligible for a service charge refund received a gift certificate to be used at Unity merchants. This was done to demonstrate the benefits of belonging to the credit union as well as supporting the community. 104.9 FM radio did a "Spotlight on Unity" outside our front doors. We rounded out the year by participating in the Winter Lights Parade.

As 2021 begins, uncertainty continues as the pandemic still looms. We anticipate more technological advances, both for the benefit of the credit union and for members. We will monitor activities in the system and determine their effect on our organization. It remains our belief that Unity Credit Union must evolve and change to remain relevant for our current members and our members of the future. If we can get through 2020 by adapting and changing, with your continued support and commitment to the credit union, "We'll always be there." Continue to stay safe.

Gerald Hauta  
Chief Executive Officer



**Unity Credit Union**  
120 - 2<sup>nd</sup> Avenue East  
P.O. Box 370  
Unity, SK S0K 4L0

Phone: 306-228-2688  
Fax: 306-228-2185

Monday - Friday  
8:30 a.m. - 4:30 p.m.

[www.unitycu.ca](http://www.unitycu.ca)  
Email: [info@unitycu.ca](mailto:info@unitycu.ca)

