

From the Big Chair

The purpose of the Annual General Meeting (AGM) is to inform members of the workings of their credit union. We continued the virtual meeting for the business review, but held two open houses to welcome members for informal discussions.

Due to what has happened to banks in the world, we wish to remind members that deposits held in Saskatchewan Credit Unions are fully guaranteed by the Credit Union Deposit Guarantee Corporation. Prevention is the key deposit protection strategy. Prevention includes three lines of defense: sound credit unions, strong levels of liquidity and capital, and a strong guarantee fund, which ensures even the largest deposits are fully guaranteed.

In 2022, asset growth was less than the last couple of years. Asset growth is driven by member deposits. These did not increase as much as they have because members began to use their funds. Funds were used for holiday travels and all forms of other activities. Total assets increased over \$5.6 million or 1.74% to end the year at another all-time high of \$330,397,453. Memberships were relatively stable at 4380. We remained the 12th largest credit union in Saskatchewan and the largest single branch credit union in the province. At year end there were 36 credit unions in Saskatchewan but this number will decrease in 2023 due to announced mergers.

The loan portfolio saw slow and steady growth ending the year at \$218.8 million, which like assets, was another all-time high. The growth continued to be a combination of local demand, financing leases, and syndicating loans with neighbouring credit unions. While delinquency over 90 days ended the year at 0.34%, we still had a few files with deferred payments, which lowered the result, but did not lessen the risk on these files.

In 2022, we received a significant boost to our operating surplus. As the largest shareholder of Concentra Bank, SaskCentral has wanted to sell their shares for some time to lower the risk to their organization. In 2022, they were successful in finalizing a sale to Equitable Bank. The sale included the continuation of service to credit unions. The sale resulted in a significant dividend for credit unions in Saskatchewan as the shareholders of SaskCentral. Unity Credit Union was allotted a dividend of over \$3.2 million. Due to the way the sale was structured, this dividend was essentially tax free, so it represented revenue to the credit union. Without those funds, the credit union still would have had a good year. We continue to generate the majority of our revenue from margin, which improved as the year progressed

due to the frequent and significant increases to prime rate. Later in the year, despite continued increases to prime rate, mortgage and deposit rates increased marginally in comparison and by the end of the year, the yield curve inverted meaning long-term borrowing and investing rates were lower than one year rates. Our venture capital investments continued to do well in 2022 as did our wealth management business.

Overall, our operating expenses increased in 2022. The increases in prime rate drove increases in member interest costs. We returned to more normal operations and had several personnel changes, which increased costs. We used the "extra" Concentra sale proceeds to pay expenses we would normally have paid over longer periods of time and made donations to the community. We continued to increase our allowance for loan losses. After making an allocation of \$500,000 for return to members, we realized an operating surplus of \$4,146,967, a significant increase due to the Concentra sale. This will be used to build capital to strengthen the credit union into the future. Two of the primary measures of financial strength are capital and liquidity. We met or exceeded regulatory requirements related to both.

There were three director positions to fill. Three nominations were received. Incumbent Anita Parker, Brett Kuhn and Brittane Herbertson were declared elected by acclamation. Danielle Bowker joined Ashlyn Greenwald as the newest Junior Board member.

The credit union system and the partners we have relied on for many years continue to change. We have continued to seek ways to work with our neighboring credit unions to support each other. This was the driving force behind our investment with peer credit unions to create National Consulting Limited to continue services cut by other providers.

For many years, we have utilized relationship pricing on non-mortgage loans and have expanded this concept to mortgages and now member deposits as well. The new pricing structures recognize the relationship with members at the time of applying for a loan or investing funds and continues through the lifetime of the transaction. They also work well with the new Member Rewards Program. This program rewards members at the end of the year based on their relationship with the credit union, the utilization of our services, and the overall profitability of the credit union.

Technology represents some of the most significant changes facing credit unions. The most disruptive change to members in 2022 was the change in online banking,

which came with multiple changes for members. We began migrating onsite storage to cloud storage. We researched and experimented with some analytical programs. A change in statements was supposed to be painless, but was not, although the process has improved recently.

A co-operative principle is Concern for Community. As a credit union, we are very conscious of this principle and try to put words into action. With the removal of restrictions, we began to return to more community involvement and support. Our accomplishments and involvement are highlighted in the annual report which can be found at https://www.unitycu.ca/media/1937/annual_report_2022_digital.pdf. With the extraordinary income we received in 2022, we agreed to a donation of \$50,000 each to the Hospital Auxiliary to help purchase beds for our local facility and to the Town of Unity to advance the walking paths.

As we look ahead to 2023 and beyond, all we see is constant change and increasing usage of technology. Changes in the system will continue. A modernized payment service and Open Banking represent significant change. Less credit unions and larger ones are the ongoing reality. It remains our belief that Unity Credit Union must continue to evolve and change to remain relevant for our current members and members of the future. We believe that with your continued support and commitment to the credit union, "We'll always be there."

Gerald Hauta
Chief Executive Officer



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UNITY CREDIT UNION NEWSLETTER

CU in the Community

Unity Miners Hockey Game



Pictured is FAT CAT and Courtney Roberts.

Unity Credit Union and Credential Financial Strategies co-sponsored the Unity Miners vs. Biggar Nationals hockey game in January. We served free coffee and hot chocolate, had a draw for Apple AirPods, and guaranteed the 50/50 at \$500!

Happy Retirement



Happy Retirement to Lynn Maze! Lynn worked at Unity Credit Union for 37 years in various roles, and over 43 years in the Credit Union system. We wish Lynn all the best in this new stage of her life!

Board of Directors

We are pleased to announce our 2023/2024 Unity Credit Union Board of Directors! The Board of Directors are chosen by our members. They come from all walks of life, bringing with them a wide variety of experience, skills, knowledge, and viewpoints. That's what makes our system so rich and unique.



Martin Berg Rhonda Brandle Brittane Herbertson



Brett Kuhn Colette Lewin Terri McAleer

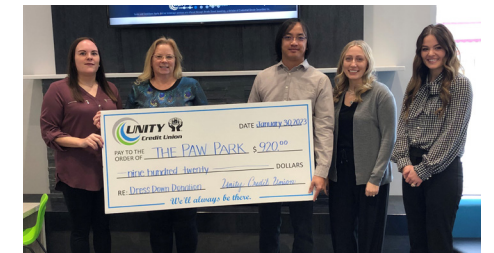


Kristine Moon Anita Parker Keith Wilson



Danielle Bowker Junior Board Member Ashlyn Greenwald Junior Board Member

The Paw Park Donation



Pictured is Chantal Winterhalt and Laura Howdle representing The Paw Park, with James Acuna, Rachel Davey, and Megan Heidt from Unity Credit Union.

Unity Credit Union staff have donated \$920 to The Paw Park! This represented staff donations to be able to "dress down" on Fridays.

Employee Feature



My name is Nagat Salem. I joined Unity Credit Union in July, 2022, as a Member Experience Representative. I

grew up in Edmonton, Alberta, and have been in Unity with my fiancé and two cats, Coco and Bean, since April, 2021. We officially settled into our new home in June, 2022. I enjoy spending my free time cooking, creating art, and going on adventures. I have been enjoying my time as a MER, as it allows me to get to know the members of the community. I am looking forward to seeing how I grow overall during my time at Unity Credit Union!

How to Handle Your Side Income

For many reasons, side businesses are on the rise. Whether a side business is necessary to make ends meet, or a hobby turns into an extra income stream, it is important to create a budget and set financial goals. A purposeful plan for your finances can help you build savings and invest in yourself, even if you're starting small.

It can be tempting to treat income earned from a side business as extra

income on top of a day job with few strings attached. While it's nice to feel the freedom of extra cash on hand, without a plan you might miss out on important goals or opportunities. Remember - you worked for that money. It's worth taking the time to make it work for you.

When starting to earn side income, build a budget for your ongoing expenses, save for taxes and future

investments in your business, and set some short-term and long-term goals. Start by building a rainy day fund and make a plan to meet your goals. Financial planning is empowering and provides peace of mind.

It's easy to fall into the trap of treating a side income as a bonus, but you can turn it into a tool to help achieve your goals with a little bit of planning. Make it count!

Graduating this Year? Time to Start Thinking About Retirement!

If you're set to graduate from high school, college, or university, we know you have a million things on your mind!

One thing likely not on your mind is retirement. While it's never too late to start saving for your retirement, the earlier you get started, the better.

- Let's consider someone who's 10 years away from their desired retirement date. If they were to invest \$554.90 monthly in a mutual fund with an average

rate of return of 8%, they would be able to build a nest egg of \$100,000.

- By starting 20 years earlier, they would only need to put away \$175.66 per month to get that \$100,000 nest egg.
- If they started 30 years ahead, that monthly contribution would only need to be \$66.66.
- Starting 40 years ahead, they would only have to put away \$28.50 per month to save \$100,000.

The sooner you can begin making regular contributions to an RRSP, the sooner you can begin taking advantage of the power of compound interest to maximize your savings.

If you have questions, please call us at 306.228.2688.



Financial Spring Cleaning



Spring is here and that means it's time for spring cleaning! While it feels good to clean off the patio furniture, put winter jackets back into storage,

or maybe even have a garage sale, it's also a great time to do some 'financial spring cleaning.'

Financial spring cleaning allows you to find new ways to tighten up or maximize your budget, or build one if you haven't already.

Start by taking a good look at your finances to build a complete

picture of expenses, savings, and opportunities to help achieve your goals. For example, you might find opportunities to save by reducing unexpected service fees or setting up automatic savings for a specific goal!

For advice about setting up a financial plan that is tailored to your specific goals, contact Unity Credit Union at 306.228.2688.

Getting Your Kids Active in Savings

Saving money, by its very nature, doesn't often generate feelings of excitement in many people - especially young kids. How can you help your kids get involved in saving? Let's take a look.

Set a Goal

Having a large but attainable goal makes it easier for kids to hand over that birthday money for deposit into a savings account - something like a dirt bike, go-kart, computer, gaming console, or something else of value. These goals should feel reachable, but also require some diligent savings to reach.

Create Guidelines

Having some guidelines for how money comes in or goes out will help your child keep a strong balance

and prevent them from spending their money frivolously. This means forming expectations. Take the example from the previous tip - birthday money. Whenever your child receives some birthday money, deposit it into their savings for them, remind them what they are saving for, and let them know how close they are to their goal. Also, set the expectation that this money is not to be withdrawn until the goal of their choice is reached.

Show Them Their Savings

Whenever your child makes a deposit, be sure to log in to their account and show them the difference their deposit has made. Having a real-time view of their savings reminds them of why they are doing it and proves they are moving closer to their goal. It can

be difficult for a child to fully grasp why they are being given money, only to have it immediately disappear.

While kids don't have bills to pay, they are advertised to relentlessly and have their own internal list of things they'd like to buy. Help them practice fiscal responsibility and restraint, which will go a long way for them later in life.

Use a Coin Counter

This machine counts the coins quickly, tallying the coins and displaying the amount on the screen. The process is exciting for young kids to watch. It shows them that their coins can add up to a lot of cash or money, which can then be deposited into their bank account.

Stress Relief

It's no secret that the average person's lifestyle is more stressful today than ever before. With more and more demands on our time, it's easy for our daily routine to become too hectic.

The last thing you need to be concerned about is your finances. Financial concerns are among the leading cause of stress, which can often lead to more serious health problems.

Fortunately, relief is only a phone call away. We have products, services, and professional advice that can help you monitor and maintain your financial situation. Give us a call today at 306.228.2688.