

2023 Annual Report



AGENDA

78th ANNUAL MEETING

TUESDAY, MARCH 26th, 2024

- 1) Call to Order – 7:00 p.m.
- 2) Adoption of Agenda
- 3) Proof of Report
- 4) Proof of Notice of Meeting
- 5) Approval of the 77th Annual Meeting Minutes
- 6) President's Report
- 7) Annual Report
- 8) Auditor's Report
- 9) Auditor Recommendation
- 10) Nominating Committee Report
- 11) Driving Rural Prosperity
- 12) Presentations
 - Long Service Awards
- 13) Other Business
 - Oath of Secrecy
- 14) Adjournment

**CYPRESS CREDIT UNION LIMITED
MINUTES OF THE 77th
ANNUAL MEETING**

The 77th Annual Meeting for the year ending December 31, 2022 was held on March 23, 2023 commencing at 7:10 p.m.

Barry introduced invited guests attending the meeting:

- Curt Wagner – Meyers Norris Penny
- Blair Wingert – Chief Executive Officer, Prairie Centre Credit Union
- Adam Johb – Chief Operating Officer, Prairie Centre Credit Union

It was moved by Joan Kuntz, and seconded by Graham Markert, the agenda of the 77th Annual Meeting be accepted as presented. Carried.

The Proof of Notice and Proof of Reports were presented by Glen Goddard. He reported there were 68 members in attendance representing a quorum.

Audited Financial Statements were made available March 6th and notice of meeting was posted in branch and advertised in Maple Creek News February 27, March 2, 7, 9, 14, 16 and 23.

Minutes

The minutes of the last annual meeting were provided to attendees. A motion to adopt the minutes, as presented, was made by Jordan Schell and seconded by Kevin Angerman. Carried.

Business Arising from the minutes: None declared.

Presidents Report

Barry Elderkin gave the President's Report located on page 4 of the booklet. He recognized that there were many events that occurred throughout the year and Cypress Credit Union was still able have a successful year. The booklet highlights all of board's duties and the importance of their duties. He recognized each of the board members and thanked our 3 directors that resigned in 2022 - Larry Garrecht, Norman Rubbelke and Gordon Cameron.

Projects that occurred over the year were highlighted and emphasis was given for the importance of a balance between online/digital services and our branch network. We implemented a new online banking platform in 2022 as well as undergoing a structural change.

Our board had a busy year with developing a strategic plan. All policies were reviewed, and ongoing training occurred. Kelly Bakanec was recognized for achieving his professional director designation.

President Elderkin highlighted the sale of Concentra Trust to Equitable Bank. Through this we received a dividend for over 3 million. This money was put to reserves to ensure we maintain our requirements of Deposit Guarantee Corporation.

Barry thanked Glen, management, and staff for their dedication. He closed by acknowledging our members and their support to our Credit Union.

The floor was opened for questions. None arose.

Annual Report

Glen reviewed the Management Discussion and Analysis Report noting the financial statement starting on page 6 of the report. He reviewed our numbers where our assets sit today and how they changed from last year.

Our profit for 2022 was a net profit of \$3,936,990 after tax. This is an increase of \$3,252,032. He explained most of this came from was the sale of Concentra. We see a profit of \$927,848 without the sale of Concentra. We are on a strong footing profit wise. The revenue was put into our capital. This grew from \$16,859,738 to \$20,796,728. We are now over CUDGC capital requirements in all areas.

We see a decrease in member deposits of 1.24% and we still carry off balance sheet deposits.

Loans have seen a 5.62% increase over 2021. Our lending is what makes us profitable. We are thankful for all of that support and need to see the continued support.

Auditor's Report

Curt Wagner of MNP presented the auditor's report. He congratulated Cypress Credit Union on another successful year. MNP is hired to give an impartial opinion of the financial statement. The auditors' opinion was reviewed and noted that the statements represent a clean audit and a fair summary of the audited consolidated financial statements.

A full report is available for those who would like one.

The floor was opened for questions, None arose.

Appointment of Auditors

On behalf of the audit committee, Graham Markert recommended the firm of MNP be engaged as external auditors for another year. Seconded by Stacey Jacksteit. Carried.

The Board and staff continue to participate in ongoing training including how to recognize phishing scams and money laundering activities. Cyber attacks are becoming more common, and researchers are telling us there are two more cyber gangs surfacing everyday worldwide. If you get a phone call or email that doesn't seem right, please phone a friend, family member, or the Credit Union. The staff would be more than happy to advise you. These cyber attacks aren't something to be afraid of but just something we want everyone to be aware of.

The Board is responsible for helping choose the recipients for two scholarships; the Cypress Credit Union as well as the Johny Hein Memorial Scholarship. The 2023 recipients were Adam Hudec for the Cypress Credit Union scholarship and Emma Brost for the Johny Hein Memorial Scholarship. Congratulations to both recipients. The implementation of these scholarships is part of Cypress Credit Unions commitment to the ongoing development of our youth as well as part of the commitment to the communities we serve. The deadline for the scholarships is March 31st of each year.

On December 17th at 4:15 AM, a wheel loader stolen from the RM of Burstall, was used to smash through the wall at the Burstall Branch to steal money from the ATM. This resulted in approximately \$200,000.00 damage, forcing the branch to close. A temporary wall was installed and after engineers deemed the structure safe, a door was installed in the temporary wall. The business was opened out of the back door on January 18, 2024. Our hope is that all repairs will be completed by the end of April. The board would like to say a big thank you to the Burstall membership and staff for their patience while the work is completed to rectify this senseless act.

Our members are at the heart of everything we do. We regularly and proactively seek opportunities that help us remain competitive, relevant, sustainable, and true to our local roots; so that we can continue providing value to our members and communities for years to come. With a shared interest in maintaining innovative and sustainable services for our members and strengthening our rural communities, the Board of Directors from Cypress Credit Union, Diamond North Credit Union, and Prairie Centre Credit Union have come together to explore the potential of a merger.

The three credit unions have created a Joint Partnership Committee of board representatives to lead the exploration process. If the discussions proceed as expected, due diligence will be carried out, and a business case will be completed. If the three Boards approve the business case and secure regulatory consent, a merger will be recommended to the membership for their approval in fall 2024.

We are excited about this opportunity to create additional value for our members and continue supporting our rural communities. We look forward to sharing more information as our talks progress over the coming months.

Kelly Bakanec, President

Management Discussion and Analysis

Cypress Credit Union has been in the community to serve you as a cooperative partner for 78 years. The Board of Directors strategically guides our credit union to fulfill the vision statement which is **“Working together to be the financial institution of choice for a growing and diverse membership.”**

To remain a vibrant and viable business in the communities we serve, we strive to meet the many expectations this statement suggests such as:

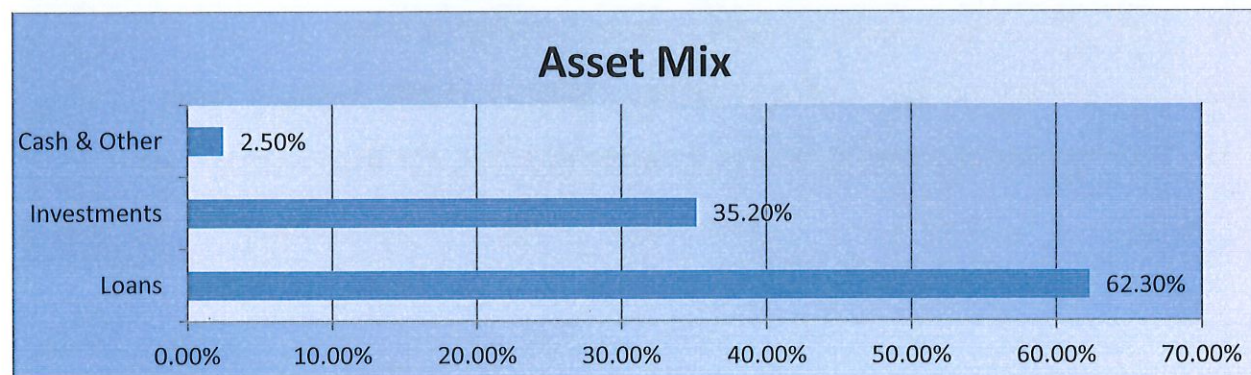
- ✓ Financial viability
- ✓ Products and Services to meet your need
- ✓ People development
- ✓ Community development and leadership
- ✓ Protection and stability

In this regard, the board has provided strategic initiatives to management and staff to ensure continued achievement. This report will outline how we have accomplished the many bottom lines we have been mandated to fulfill.

As a credit union we must ensure our capital remains strong now and into the future. As our growth increases, we must ensure our capital as a percentage of assets grows as well. Your Board continuously monitors this area.

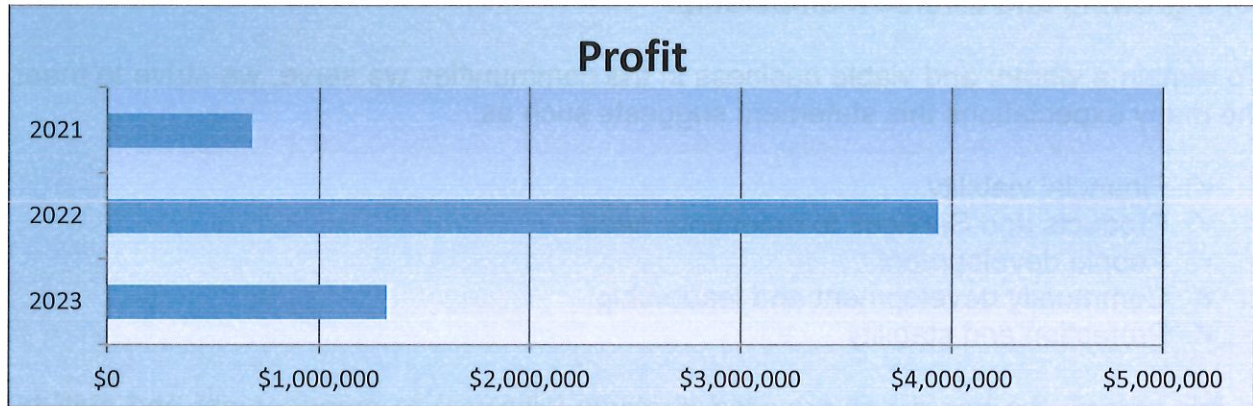
Asset Mix

The accompanying graph provides a breakdown of Cypress Credit Union assets as of December 31, 2023. These percentages vary throughout the year. These assets are comprised of loans in the amount of \$162,534,128 and investments of \$67,653,456. The remainder is made up of cash and other in the amount of \$30,734,539 for a total of \$260,922,123.



Financial

2023 proved to be another successful year for your credit union. We realized a net profit of \$1,404,440 after tax, which is a decrease of approximately \$2,532,550 from 2022. We paid \$ 408,762 in income tax this year, which is up from last year by \$69,101.

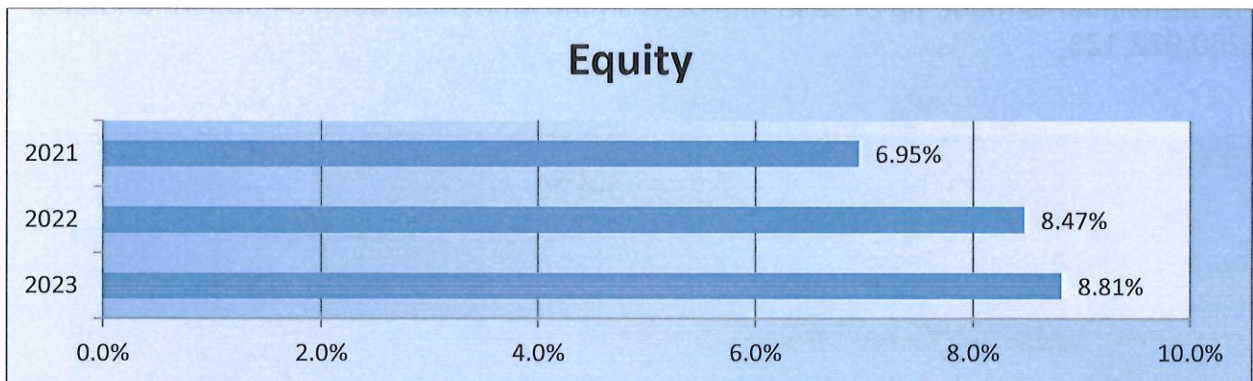


Equity

Your credit union has continued to build its equity over the past number of years.

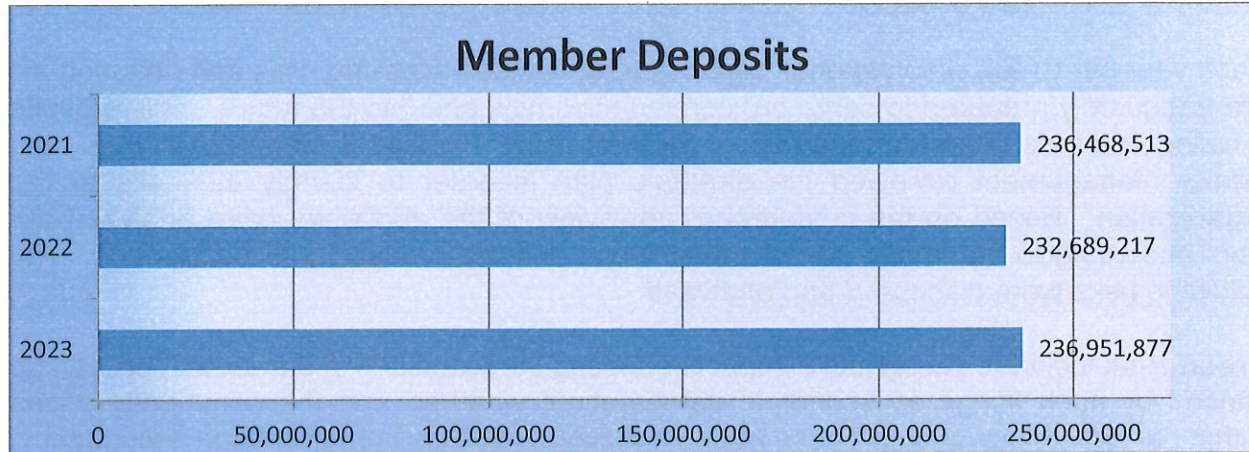
As a result of profit levels generated in 2023, our audited financial statement shows an increase in our equity of \$1,404,440. Equity grew from \$20,796,728 to \$22,201,168 or 8.51% of assets.

Adding Member Equity with Credit Union Equity totals \$22,996,330 or 8.81%.



Member Deposits

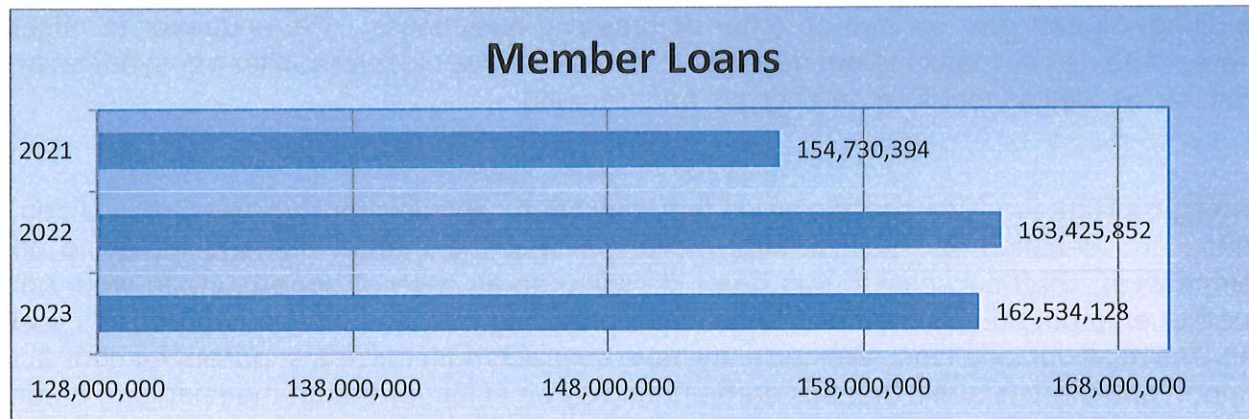
Member deposits for the end of the year totaled \$236,951,877 which represented an increase from 2022 of \$3,407,205 or just over 1.46%.



Cypress Credit Union also administers approximately \$68,000,000 in off balance sheet assets. These assets are not on our balance sheet. However, they are still considered our members' funds and we consider them as part of our member deposits. We have not included these figures in our deposit growth.

Member Loans

The loan balance as of December 31, 2023 was \$162,534,128. This represents a decrease of \$891,724 or 0.54% from 2022 year-end.



Members

2023 was an active year for new memberships. A total of 202 new, and 35 non-member accounts were opened. At year end we had 4305 members, and 205 non-members.

Enterprise Risk Management

Each year our Credit Union spends significant resources assessing risks and ensuring we are adequately prepared to serve our communities now and into the future. This process is called Enterprise Risk Management or ERM for short. The Board, General Manager, and Senior Management reviewed the strategic plan in order to identify the risks to the organization. Based on the comprehensive review of the above we have analyzed our risks according to the impact to our credit union and the probability of occurrence. The following risks were discussed and analyzed:

Credit Risk includes the negative impacts affecting the industries in our area. This can be caused by such things as economic deterioration, weather, and the commodity prices within our agricultural sector. These issues can have a definite impact on loan delinquency, profitability, and the image of our credit union. We continue to monitor economic factors that will adversely affect the continued viability of our industries. With a strong lending team, we monitor delinquency and keep abreast of the stability of our business community.

Residential Mortgage Risk: Cypress Credit Union has \$46,169,917 in residential mortgages of which approximately 23.4% are insured. We also have just under \$164,223 in approved HELOC (Home Equity Line of Credit). Cypress Credit Union has very limited risk in our residential mortgage portfolio.

Liquidity Risk includes the trend and stability of deposits, the adequacy of our liquidity in relation to our growth and diversification. This area is impacted by demographics, investment risk, profitability, interest rate risk, and the mix of our deposit and loan portfolios. Within our branch structure we maintain a diverse range of industries including, farming, ranching, oil and gas, as well as other commercial businesses. We endeavor to offset interest rate risk by matching our deposits to our loans. We closely monitor our syndication process, as well as focusing on analysis and trending.

Emerging Risk includes specific areas that may pose new risks for Cypress Credit Union. These are identified as the technology changes and the market demand for us to be competitive. Staff succession had been identified as an area of opportunity to work on. Another emerging risk is the need to continue providing new and innovative products and services at all our locations. We currently have contracts with outside suppliers for contract support and there is a risk that this agreement may be in jeopardy with the changing credit union landscape.

Operating Risk includes the cost of compensation to attract and retain qualified staff, afford effective technology solutions, issues concerning the financial system, ability to maintain key performance ratios, building issues, internal auditing, catastrophic events and card fraud. There are many things that affect these areas, such as, the cost of living, increases to minimum wage, the speed of change, training requirements, online banking issues, increasing costs for technology and insurance, as well as demographic changes. To combat these issues, we continue to do things such as using SaskCentral recommended compensation rates to ensure we keep within the marketplace. Our budgets are closely monitored in order to afford the technology that is required to keep up with our members' diverse needs. The successful implementation and usage of a business plan consistent with Board policy and the Standards of Sound Business Practice is the key to maintaining our performance ratios. We have Business Continuity and Pandemic plans for our organization.

Strategic Risk includes such things as the ability to recruit and retain board members, meeting future service delivery options, growing our on-balance sheet deposits, maintaining our sales and service culture, and our immediate objective; to grow our loans. Things such as economic downturn, population in rural areas, technology, products and pricing will affect these areas. We have utilized our strategic planning to identify our primary focus as loans growth. With internal planning, as well as documented policies and procedures, we will accomplish this. The board is diligent in their recruitment process to maintain branch representation.

Market Risk includes forecasting, trending, and ensuring our ability to maintain our presence. It includes items such as our location, technology, long term trends and recent forecasts, interest rate risk and capacity. We work closely with an external source that assists in budgeting, financial statements and investments. We have a clear policy outlining required mitigating activities as well as continuing education and awareness for the board and management.

Legal and Regulatory Risks includes the ability to maintain sound governance practices, including, all compliance regulations and capital ratios. Over the past year we have completed an internal audit and a compliance review. Staff and board complete compliance training on a yearly basis to ensure we remain well within guidelines.

Each year we work diligently to close any legislative gaps, and with our changing environment it is an ever-evolving goal. Proposed initiatives such as the Federal Credit Union legislation and the changing interprovincial initiatives will change the way we are able to serve our members and receive services from our alliance partners. We will continue to monitor all impacts to ensure services to the local communities in a cost-effective manner. As we move ahead, we will do so prudently and in a manner that will ensure the present and future viability of our credit union.

Capital Management

Credit Union Deposit Guarantee Corporation (CUDGC), regulator of Saskatchewan credit unions, prescribes capital adequacy measures and minimum capital requirements. These capital adequacy rules issued by CUDGC have been based on the Basel III framework, consistent with the financial industry in general. Under this approach, credit unions are required to measure capital adequacy in accordance with instructions for determining risk-adjusted capital and risk-weighted assets. Based on the prescribed risk of each type of asset a weighting of 0% to 150% is assigned. The ratio of regulatory capital to risk-weighted assets is calculated and compared to the standard outlined by CUDGC. Regulatory standards require credit unions to maintain a minimum total eligible capital to 10.50%.

Capital is the main concern for our credit union. Our policy goal for risk weighted capital is 13.5%. The continued pressure on capital due to the growth of the credit union means we will need to take proactive steps to increase profitability and reduce risks.

Liquidity Management

Managing liquidity is a fundamental component of Cypress Credit Union's sound financial management practices. On and off-balance sheet assets and liabilities must be managed to ensure that cash inflows have an appropriate relationship to approaching cash outflows. Funding requirement analysis reveals that a loan to asset ratio in a range of 60% to 80% is optimal, diligent management of liquid assets to ensure an appropriate response to the potential of a liquidity event and taking all opportunities to achieve a reasonable return on assets within the risk profile of the credit union will contribute to our long-term financial viability and prosperity.

Cypress Credit Union demonstrates strong and stable liquidity management practices with an Liquidity Coverage Ratio consistently higher than regulatory minimums. Your credit union makes minimal use of its line of credit funding facilities with SaskCentral and immediately addresses significant fluctuations generated by unanticipated member deposit activity. Line of Credit usage has been nominal in 2023. Cypress Credit Union currently does not hold additional liquidity facilities with other organizations.

Other initiatives include ongoing board, management, and staff training. Enhancing our capital plan, tying all ratios together, increasing non-interest income, as well as ensuring accurate and timely trending and reporting. Specific initiatives around member allocations, patronage distribution, non-interest revenue, professional investment and accounting management, credit facilities, loans management and sales culture will be incorporated into the processes of the credit union.

Where the Corporation determines a credit union is not in compliance with the Standards or Regulatory Guidance Documents, the Corporation may take any necessary action. Necessary action may include, but is not limited to:

- Reducing or restricting the credit union's authorities and limits
- Subjecting the credit union to preventive intervention
- Issuing a compliance order
- Placing the credit union under supervision or administration; and
- Issuing an amalgamation order.

Code of Conduct

Our credit union has adopted a Code of Conduct for the organization. This code reflects Cypress Credit Union's vision, mission and values, policies, practices and board resolutions and will guide the behavior of directors, key executives and staff, and demonstrate the commitment of the Credit Union to ethical practices. Our credit union is committed to supporting this code by ensuring employees and directors are provided with orientation and information that ensures understanding, awareness and commitment. This code outlines expected ethical behaviors and also states that at all times and wherever it operates, the credit union will comply with the letter and spirit of all applicable laws and regulations.

Standards of day-to-day conduct will be higher than those required by law. At a minimum, no employees, directors or delegates acting on behalf of Cypress Credit Union will at any time take any action that they know or reasonably should know will violate any applicable law or regulation. Our directors have a responsibility to act ethically and to be perceived to be acting ethically by the organizations and individuals with which they are associated.

Privacy Code

We are committed to keeping members' personal information accurate, confidential, secure and private. We adhere to a Privacy Code based on the Canadian Credit Union Association of Canada Model Privacy Code and the Model Code for the Protection of Personal Information. Ten interrelated principles form the basis of our Code for the protection of Personal Information ("The Code"). These principals are accountability, identifying purposes, consent, limiting collection, limited use, disclosure and retention, accuracy, safeguards, openness, individual access, and challenging compliance.

Market Code

Cypress Credit Union voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan credit unions, SaskCentral and Credit Union Deposit Guarantee to ensure the protection of credit union members. The code sets forth guidelines for the following areas:

- Complaint handling, which outlines the process for dealing with all complaints regarding the service, products, fees or charges of Cypress Credit Union.
- Fair sales by outlining the roles and relationship of staff to all member/clients and in accordance with the financial services agreement.
- Financial planning process to advise member/clients on the risks and benefits associated with financial planning services.
- Privacy to protect the interests of those who do business with Cypress Credit Union. Privacy is the practice to ensure all member/client information is kept confidential and used only for the purpose for which it was gathered.
- Professional standards to preserve a positive image of Cypress Credit Union among our members, clients and communities.
- 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 Cypress Credit Union.
- Risk management to ensure all risks are measured and managed in an acceptable fashion.

Glen Goddard, General Manager

Report of the Independent Auditor on the Summary Financial Statements



To the Members of Cypress Credit Union Limited:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2023, and the summary statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and the related note, are derived from the audited financial statements of Cypress Credit Union Limited (the "Credit Union") for the year ended December 31, 2023.

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

Summary Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 29, 2024.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary 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 financial statements are a fair summary of the audited 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 judgment 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Saskatoon, Saskatchewan

February 29, 2024

MNP LLP

Chartered Professional Accountants

MNP LLP

119 4th Ave South, Suite 800, Saskatoon SK, S7K 5X2

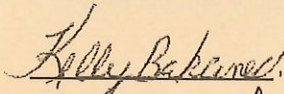
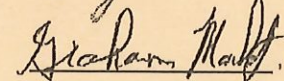
1.877.500.0778 T: 306.665.6766 F: 306.665.9910

Cypress Credit Union Limited
Summary Statement of Financial Position

As at December 31	2023	2022
Assets		
Cash and cash equivalents	\$ 27,437,460	\$ 23,825,446
Investments	67,653,456	61,972,389
Member loans receivable	162,534,128	163,425,852
Other assets	336,517	3,324,011
Property, plant and equipment	2,960,562	3,014,544
	\$ 260,922,123	\$ 255,562,242
Liabilities		
Member deposits	236,951,877	233,544,672
Other liabilities	954,026	378,226
Membership shares	815,052	842,616
	238,720,955	234,765,514
Members' equity		
Retained earnings	22,201,168	18,913,017
Contributed surplus	-	1,883,711
	22,201,168	20,796,728
	\$ 260,922,123	\$ 255,562,242

A full set of audited financial statements is available from the Credit Union

Approved on behalf of the Board

 Director
 Director

Cypress Credit Union Limited
Summary Statement of Comprehensive Income

For the year ended December 31	2023	2022
Interest income	\$ 10,900,530	\$ 10,604,654
Interest expense	4,516,906	2,364,346
Gross financial margin	6,383,624	8,240,308
Operating expenses	5,518,483	4,641,723
Other income	1,039,380	941,974
Provision for impaired loans	91,319	263,908
Income before provision for income taxes	1,813,202	4,276,651
Provision for income taxes	408,762	339,661
Comprehensive income	\$ 1,404,440	\$ 3,936,990

A full set of audited financial statements is available from the Credit Union

Cypress Credit Union Limited
Summary Statement of Changes in Members' Equity

For the year ended December 31

	<u>Contributed surplus</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance, December 31, 2021	\$ 1,883,711	\$ 14,976,027	\$ 16,859,738
Comprehensive income	-	3,936,990	3,936,990
Balance, December 31, 2022	<u>1,883,711</u>	<u>18,913,017</u>	<u>20,796,728</u>
Comprehensive income	-	1,404,440	1,404,440
Transfer from contributed surplus to retained earnings	(1,883,711)	1,883,711	-
Balance, December 31, 2023	<u>\$ -</u>	<u>\$ 22,201,168</u>	<u>\$ 22,201,168</u>

A full set of audited financial statements is available from the Credit Union

Cypress Credit Union Limited
Summary Statement of Cash Flows

For the year ended December 31	2023	2022
Cash flows provided by (used for) the following activities:		
Operating activities	\$ 6,186,846	\$ 681,184
Financing activities	2,105,355	(3,006,925)
Investing activities	<u>(4,680,187)</u>	<u>1,836,649</u>
Increase (decrease) in cash and cash equivalents	3,612,014	(489,092)
Cash and cash equivalents, beginning of year	<u>23,825,446</u>	<u>24,314,538</u>
Cash and cash equivalents, end of year	<u>\$ 27,437,460</u>	<u>\$ 23,825,446</u>

A full set of audited financial statements is available from the Credit Union

Cypress Credit Union Limited
Note to the Summary Financial Statements
For the Year Ended December 31, 2023

1. Basis of the Summary Financial Statements

Management has prepared the summary financial statements from the December 31, 2023 audited financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited financial statements is available from the Credit Union. The detailed notes included in the audited financial statements are not included in these summary financial statements.

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



Vision, Mission & Values

VISION

Working together to be the financial institution of choice for a growing and diverse membership.

MISSION

Cypress Credit Union Limited is proactive in the provision of quality financial products and services supporting our existing and potential member or non-member needs.

With a sales culture, an empowered staff ensures these products and services are delivered with the highest standards of excellence, integrity and professionalism.

We seek new and innovative service delivery approaches. Viability and growth are sustained through financial responsibility. This is evident in our efficient and effective employment of technology and resources, both human and financial.

We are dedicated to the co-operative philosophy by providing an economic and social benefit to our members and their communities.

VALUES

Service Excellence, Honesty, Professional and Ethical Conduct

We conduct our business in an honest and professional manner. We treat people in the way we would want to be treated. We have a satisfying, positive working environment where a trained, professional staff provides courteous service and quality advice to each member or non-member.

Teamwork, Communication and Leadership

We are a cohesive group of empowered and valued people working with strong leadership and effective communication to achieve a common goal.

Financial Stability and Long-Term Prosperity

We are a financially sound organization that has the flexibility to deal with change and ensure long-term service to our community.

Creativity, Growth and Sales

We aggressively create innovative enhancements and additions to our services and products. We have benchmarks and objectives against which we measure our results. Our team has a sense of accomplishment and is recognized for its achievements.

Product Excellence

Our credit union is committed to provide a broad range of affordable products and services that best meet member and non-member financial requirements, with the most flexibility and convenience possible, while offering competitive rates.

Community Involvement

Our decisions have a significant impact on the vibrancy/health of our community. We present a positive image to the community by sponsoring community projects with the involvement of board and staff. We take a leadership role in promoting social and economic community development.

Open Communication

We ensure effective communication by providing processes and tools that enable us to create awareness, build understanding and encourage participation with all stakeholders.

Co-operative Principles and Philosophy

As a true co-operative financial institution, Cypress 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.



Strategies and Measures

Cypress Credit Union is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Cypress Credit Union is able to provide financial services to members and non-members. As at December 31st, 2023 Cypress Credit Union had 4305 members and 205 non-members. Non-members do not participate in the democratic processes of the credit union.

Our credit union serves the communities of Maple Creek, Consul, Tompkins, Fox Valley, Richmond, Burstall and surrounding areas, through six branches. In these communities, we provide a range of financial services including financial planning, deposit, agricultural, personal, mortgages, etc.

Strategy

The vision of Cypress Credit Union is to be the leading provider of financial services, deposit and loan services, etc. in the southwest area of Saskatchewan. Specific objectives to achieve this vision are as follows:

- ❖ Cypress Credit Union Limited continues to build on its brand equity through a focused approach on quality service, member relationship development and community involvement and support.
- ❖ Our growth will come primarily through the development of deeper relationships with our existing membership with a secondary focus on new member relationships. Our success in exceeding member expectations will grow our member base through referrals, and our reputation and supportive team culture will position us as the financial institute of choice for a growing and diverse membership.
- ❖ We have strong governance, management and staff resources that are assured through effective succession planning, recruitment strategies and board/employee personal and professional development.
- ❖ We are focused on being the financial institution of choice in our communities and will continue to build on the Cypress Credit Union Limited brand and welcome other credit unions in our region to be a part of the Cypress brand.

- ❖ Management will follow a balanced approach to ensure sustainability. (i.e. Sound Business Practices, profitability, effective and efficient business practices).
- ❖ Our positive team culture is the foundation to our success, and it supports our growth, relationship development and financial success strategies.

Our key strategic objectives in 2023 were to:

- ❖ Grow our credit union through a primary focus on attracting the wallet share of our existing membership.
- ❖ Focus on growth of the loan portfolio.
- ❖ Attract and retain the youth market (ages 18 – 35).
- ❖ Maintain strength, profitability, capital and risk assessments.
- ❖ Pursue innovative technology solutions to enhance the member experience and maintain a competitive position.
- ❖ Promote the value proposition of Cypress Credit Union to our members and non-members.
- ❖ Provide outstanding member experience through our full-service branch network.
- ❖ Be a leader in our communities through investment and community support.
- ❖ Be an employer of choice in the community.
- ❖ Create an environment and implement initiatives that lead to a strong governance regime.

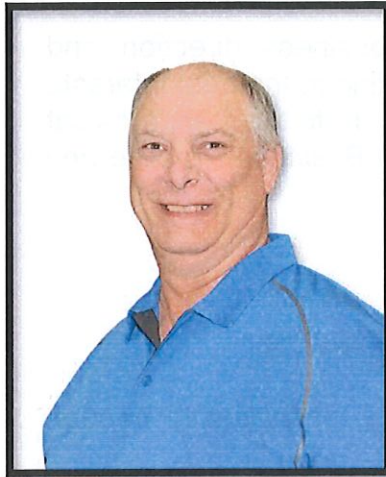
Financial

- Ensure efficiencies
- Research financial monitoring and planning tools
- International Financial Reporting Standards implementation

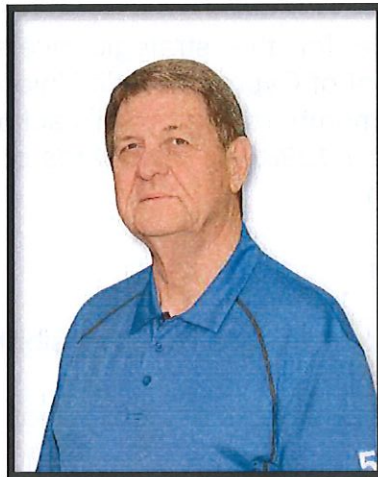
Our measurements and targets for these initiatives and for financial strength as well as the results are as follows:

- Efficiency Ratio 80% - (currently 74.34%, down from 75.12% in 2022)
- Delinquency 4 % (currently 2.40%, down from 2.46% in 2022)
- ROA targeted at 0.50%, (currently 0.51%, down from 1.54% in 2022)
- Loan to asset ratio 75% (currently 62%, down from 64% in 2022)
- Financial monitoring and planning tools have been implemented through an alliance with Prairie Centre Credit Union

Board Of Directors
Giving You A Voice



Kelly Bakanec - President
Fox Valley



Barry Elderkin
Maple Creek



Graham Markert
Maple Creek



Stacey Jacksteit
Maple Creek



Linda Lewis
Consul



Joan Kuntz
Maple Creek



Jordan Schell
Richmond



Kevin Angerman
Burstall



Charissa Bosch
Fox Valley

Mandate and Responsibilities

The board is responsible for the strategic oversight, business direction and supervision of management of Cypress Credit Union. In acting in the best interests of the credit union and its members, the board's actions adhere to the standards set out in *The Credit Union Act 1998*, the *Standards of Sound Business Practice* and other applicable legislation.

Board of Director Roles

The board of directors acknowledges its responsibilities as including:

- Exercising the powers of the credit union directly, or indirectly through employees.
- Directing the management of the business affairs of the credit union.
- Acting honestly, and in good faith, with a view to the best interests of the credit union at the exclusion of other interests.
- Exercising the care, the diligence and skill of a prudent person in directing the credit union's affairs.
- Establishing and maintaining prudent policies for the operation of the credit union.

To carry out these responsibilities the board will:

- Ensure the selection, the supervision and ongoing evaluation of qualified and competent management with the skills necessary to manage the sound operation of the credit union as evident through reference to experience, education and results achieved.
- Ensure that board and management skills and training are continually maintained at a level required to achieve sound business policies, practices and results.
- Review and maintain credit union policies, at least every two years, to ensure their continuing relevance and consistency with standards of sound business practice, the needs of members, and regulatory requirements.
- Review and maintain the credit union code of conduct, market practice compliance code and codes of compliance developed within provisions of *The Credit Union Act, 1998* and *The Credit Union Regulations, 1999*.

- Ensure the engagement of audit and inspection processes which inform the board of adherence to policies and practice requirements.
- Specify the content and frequency of management reports to the board to ensure accurate and timely performance monitoring and adherence to performance requirements, targets and standards.
- Ensure that the credit union has effective internal controls and measures that safeguard the assets of the credit union.
- Closely review and where possible implement recommendations of regulators, auditors and industry professionals which prevent or remedy deficient business practices.
- Annually review the codes of conduct and conflict of interest policies to ensure that they are adhered to, and that each director, official and employee is acting in the best interest of the credit union.
- Maintain effective board and/or management planning processes that promote the long-term viability of the credit union and establish and monitor business objectives.
- Appoint committees, delegate duties and responsibilities to them, and monitor their performance in relation to requirements.

RESPONSIBILITIES:

The Board of Directors is accountable to the members of the credit union for directing the affairs of the credit union and maintaining policies, which are responsive to their needs, and the needs of the credit union.

Maintenance of, and compliance with, this policy is the responsibility of the board of directors.

Management is responsible to regularly review and submit recommendations for improvement of this and other policies of the credit union.

Board members are remunerated a per diem for board meetings, committee meetings and planning sessions. In 2023 the total cost for meetings and development was approximately \$24,814.

BOARD COMPOSITION:

The Board of Directors of the credit union will be comprised of a minimum of five (5) directors and a maximum of thirteen (13) directors as determined by articles and bylaws.

The credit union procedure for the election of directors shall be as follows:

- Members located at Maple Creek Branch will elect 6 (six) Directors
- Members located at Fox Valley Branch will elect 2 (two) Directors
- Members located at Tompkins Branch will elect 1 (one) Director
- Members located at Richmond Branch will elect 1 (one) Director
- Members located at Consul Branch will elect 1 (one) Director
- Members located at Burstall Branch will elect 2 (two) Directors

The terms of office for directors will be three (3) years, staggered so that one-third of the director's terms of office will expire each year.

A director elected or appointed for a term of three years holds office until the close of the third annual meeting following the director's election or appointment.

A director elected or appointed to fill a vacancy in an unexpired term of office remains in office until the close of that term.

Within ten days following the annual meeting, the board of directors will elect a president, vice-president and one director at large, who will form the executive committee. The board will appoint an audit committee, conduct review committee and may appoint other committees deemed necessary for the operation of the credit union.

Where there is a vacancy on the board, and:

- There is a quorum of directors, the remaining directors may either exercise all the powers of directors or they may, subject to bylaws, fill the vacancy through appointment until the next annual meeting.
- There is not a quorum of directors, the remaining directors will call any necessary meetings of the credit union for the purpose of filling any vacancies.
- There are no directors remaining, any ten members may, in writing, appoint directors solely for the purpose of calling a general meeting to elect members to fill the vacant director positions.

Where an election of directors is required by The Credit Union Act, 1998 and The Credit Union Regulations, 1999 or credit union bylaws and does not take place at the proper time, the directors then in office shall continue in office until their successors are elected.

RESPONSIBILITIES:

Only the members of the credit union are entitled to elect its directors. Subject to articles and bylaws, only members of the board of directors may be appointed to any credit union committee.

For 2023 our board consisted of the following individuals and their attendance is also recorded as:

Director and Occupation	Years on Board	2023 Board Meeting Attendance	2023 Committee Meeting Attendance
Barry Elderkin, Retired	37	11 of 12	24
Joan Kuntz, Retired	32	12 of 12	17
Graham Markert, Farm/Ranch	24	12 of 12	7
Linda Lewis, Retired	18	12 of 12	16
Jordan Schell, Farmer	5	9 of 12	6
Kelly Bakanec, Farmer	38	12 of 12	12
Kevin Angerman, Gas Field Industry	24	11 of 12	5
Stacey Jacksteit, Farmer	9	10 of 12	4
Charissa Bosch, Librarian	1	9 of 9	3

BOARD COMMITTEES:

The **Executive Committee** acts on behalf of the board of directors between regular or special board meetings on most board matters. The 2023 members of this committee were:

Kelly Bakanec – President
Graham Markert – Vice President
Barry Elderkin

The **Conduct Review Committee** ensures related party transactions comply with legislation, standards of sound business practice and with credit union or committee policies and procedures. The 2023 members of this committee were:

Kelly Bakanec
Barry Elderkin
Graham Markert
Jordan Schell – alternate

The **Nominating Committee** oversees the nomination and election processes for elections of credit union directors. The 2023 members of this committee were:

Kelly Bakanec – executive official
Graham Markert
Kevin Angerman
Jordan Schell

The **Audit and Risk Committee** oversees the financial reporting process, reviews financial statements, liaises with internal and external auditors and regulators, and reviews internal control procedures. The committee consists of all directors. The board determines the skills and abilities needed on the committee and chooses its members accordingly. The 2023 members of this committee were:

All Board Members

The **Loan Monitoring Committee** recommends changes to credit policies to the Board of Directors, review detailed monthly report of all doubtful loans and delinquent loans that are past due 90 days and greater, review files where collection action or special circumstances are involved, review extensions, consolidations, exceptions and provide recommendation to management regarding appropriate action steps. The 2023 members of this committee were:

Barry Elderkin
Joan Kuntz
Linda Lewis
Stacey Jacksteit – alternate

The **Scholarship Committee** selects scholarship recipients from applications received and awards scholarships on behalf of Cypress Credit Union and the Johny Hein Memorial Fund. The 2023 members of this committee were:

Glen Goddard
Kelly Bakanec – executive official
Linda Lewis
Barry Elderkin
Joan Kuntz

The **Policy Review Committee** is committed to working closely with management to ensure the review and maintenance of prudent and practical policies are in place to govern all aspects of the operation of the credit union. The 2023 members of this committee were:

Chair – Graham Markert
All Board Members

* Chairman of each Committee is first named.

The full board participates in risk and strategic planning.

Our policy states that our board must obtain their Credit Union Directors Association (CUDA) training within their first 3 years. The present board has worked toward this accomplishment, which is no easy feat. They give of their time most willingly, and I want to thank all of them for their achievements.



Staff – Serving YOU

Staff has worked hard to provide timely service to YOU. We invest in training and development for staff to ensure we can meet the everchanging needs of our marketplace. Over the past year we've invested approximately \$30,300 in staff and Credential staff training. Training in 2023 included webinars which are in house training sessions brought to staff via the computer and telephone as well as we were able to resume some in person training.



Glen Goddard, General Manager, guided by organizational strategies and the Board of Directors, Glen provides vision, leadership and direction to the credit union. The General Manager has overall management responsibility for all credit union operations: human resources; policy development and implementation; financial management; lending and loans portfolio management; deposit administration; sales, marketing and promotion. He has been within the credit union system for over 41 years.

Cheryl Sulz, Manager of Support Services, manages the everyday operations of the member services and administration functions of Cypress Credit Union and ensures compliance with all legislation, regulations, by-laws, policies and procedures. This position takes a lead in Human Resource Management, as well as Technology and Special Projects. Cheryl has over 20 years of experience with Cypress Credit Union.



Shelly Kay, Manager of Deposits and Marketing, manages the day-to-day sales and administration of all deposit and investment products. This position leads the sales and service staff in the promotion of credit union services to current and potential members. Training of the team in elements of service and growth skills remains a continued education focus, as well as deposit product knowledge. She is responsible to ensure that all deposit products follow sound business practices, legislation, regulations, policies, and procedures. Shelly manages design, development, and implementation of the credit union marketing plan. Shelly as a diploma in Business Administration and brings 33 years of financial service experience to her position.



Larry Carnegie, P. Ag, Manager of Lending, manages the day to day lending operations. This position leads the Cypress Credit Union Lending Team in the promotion of lending products to current and potential members. Training of the team in the elements of lending remains a continued education focus as well as loan product knowledge. He is responsible that all lending products and loans are in compliance with sound business practices, legislation, regulations, policies and procedures. Larry also supervises the Relationship Development Managers. Larry has over 33 years of credit union experience. He has a Professional Agrologist designation from the Saskatchewan Institute of Agrologists.

Kerry Maynes, CFP, ACUIC, Manager of Wealth Services, leads in the delivery of wealth management services to the members of Cypress Credit Union. Managing the off-balance sheet investments of clients, she promotes and sells investment products within the scope of industry standards and regulations in support of the credit union's long term strategic plan. Kerry brings 26 years of credit union experience to the organization. She holds industry designations as a Certified Financial Planner and Associate of Credit Union Institute of Canada Management Studies Program.



Relationship Officers



Carla Collinge



Judy May



Dara Reamer



Carey Hellman

Branch Leader



Danica Lashmore

Member Experience Leader



Faith Halyung

Senior Member Service Representative



Donna Frank

Member Service Representatives



Sasha Saufert



Debbie Christie



Deb Moorhead



Kathy Dieterle



Conny Russell



Devon Calder



Vaughn Stephenson



Lecille Bachmier



Robbie Schmaltz



Kayla Maygard



Eve Erickson



Debra Sanderson

Member Service Representatives Continued...



Bette Jane Jahnke



Owen Gutfreund

Administrative Staff



Crystal Gallant



Marlene Menzies



Wendy Blumhagen



Sydney Windjack

Loans Analysts



Terry Fauth



Sabrina Paul

Proud to be Local

Southwest Saskatchewan is our home and we believe in putting our members and communities first. Our culture personifies the co-operative spirit and a strong commitment to the communities we serve. In 2023 we contributed more than \$25,658.62 in donations.



Maple Creek Ladies Golf



Fox Valley Terry Fox Run



Consul Junior Curling



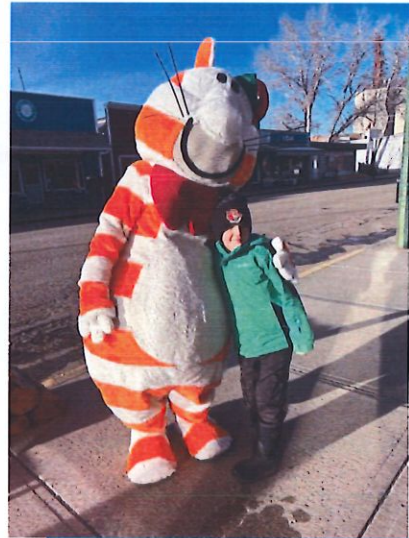
Burstall Member BBQ



Fox Valley & Maple Creek T-Ball Game



Burstall School Lunch



Maple Creek Cowtown Christmas

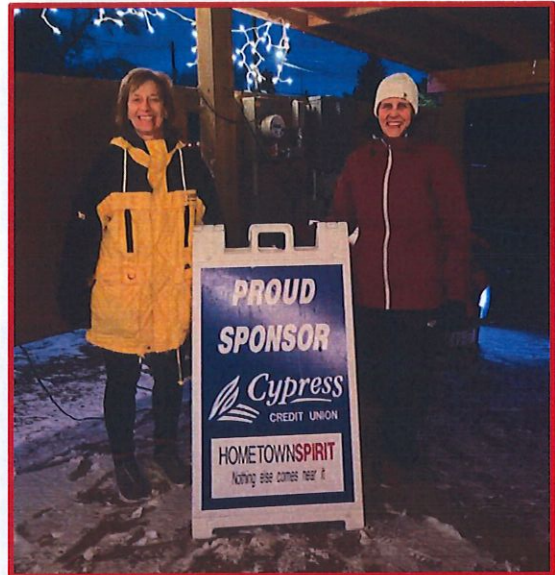
So much fun!



Consul Hillbilly Olympics



Maple Creek Curling



Richmond Tree Lighting Ceremony

Community Pride



Maple Creek Jr Volleyball



Fox Valley Community Hall



Maple Creek Junior Golf Lunch





Food in the Field



Fox Valley



Burstall

We had the pleasure of delivering food to the local farmers and ranchers in the area!

"Farming just isn't a job, it's a way of life." - Author Unknown



2023 Scholarship Winners

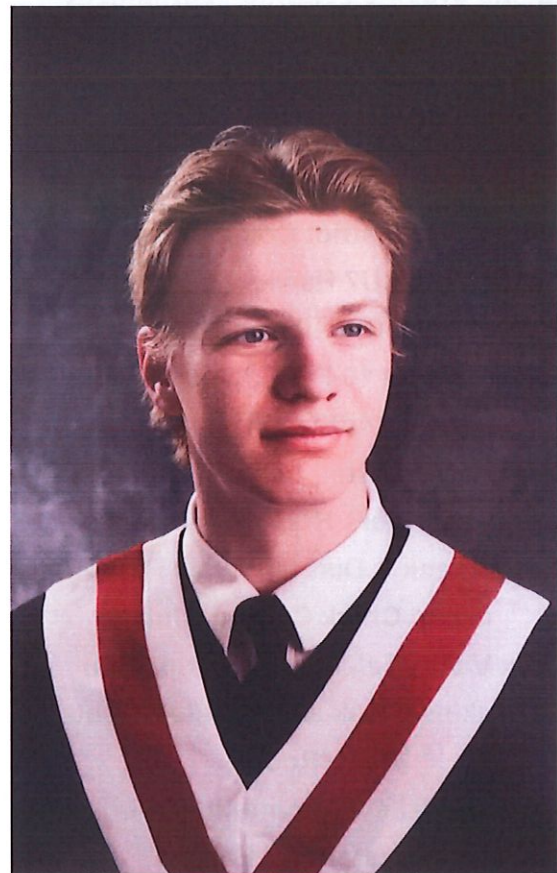
Cypress Credit Union and the Johnny Hein Memorial Scholarship Fund is pleased to offer scholarships to students in the areas served by Cypress Credit Union Limited. These scholarships have been implemented as a part of Cypress Credit Union's commitment to the ongoing development of our youth and as a part of the credit union's commitment to the communities we serve.



Emma Brost

Tompkins

Johnny Hein Memorial Scholarship



Adam Hudec

Fox Valley

Cypress Credit Union Scholarship

Congratulations!

Donations and Sponsorships 2023

Fox Valley Curling Club

Consul School Student of the Month

Consul School Safety Patroller of the Month

Consul Curling Club

Consul Reno Rascals Child Care

Maple Creek U9 Hawks Tournament

Piapot Curling Club

Maple Creek Senior Girls Basketball

Celebrating Rural Ranching Women

Tompkins Gunshow

Burstall & District Community Hall

Maple Creek U7 Hawks Tournament

Maple Creek Chamber of Commerce

4H District 10 Public Speeches

Consul Youth Curling Club

Burstall School

Tompkins Tigers Hockey Tournament

Maple Creek & District Music Festival

Maple Creek Curling Club

Fox Valley Telemiracle Fundraiser

Tompkins Steak and Lobster Night

Reno Rodeo

Fox Valley Community Hall

Burstall Fall Fair

Maple Creek Composite School

Maple Creek 4H Beef Club Achievement Day

Cowtown Young Guns

Maple Creek Cowtown Christmas

Cowtown Roughstock Event

Tompkins Christmas Through the Village

Richmond Rockets

Richmond Mother's Day Brunch

Tompkins Rolling Acres Golf Club

Consul School Hillbilly Olympics

Murraydale Stampede

Cowtown Productions Professional Bull Riding

Maple Creek Little Britches

Maple Creek Junior Golf

Consul Reno Rodders Car Show

Richmond Car Show

Maple Creek Mixed Best Ball Golf Tournament

Maple Creek Light Horse Show

Maple Creek Ladies Golf

Liebenthal German Supper Night

Fox Valley Fall Supper

Burstall Fall Fair Parade

Richmond Lions Calendar

Maple Creek Redmen Pancake Supper

Fox Valley Terry Fox Run

Maple Creek Junior Volleyball Tournament

Tompkins Harvest Festival

Richmond Fall Supper

Consul Playschool

Maple Creek Figure Skating Club

Maple Creek Curling Club

Piapot Lions Gun Show

Richmond Tree Lighting Ceremony

Richmond Lions Club

Fox Valley Hockey Tournaments



Saskatchewan System Facts

Quick Facts

(as of December 31, 2023, unless otherwise indicated)

- There are 32 provincial credit unions and one federal credit union in communities across Saskatchewan.
- Provincial credit unions offer financial products and services to close to 445,000 members.
- Saskatchewan provincial credit union assets reached \$26.4 billion with revenue of more than \$1.3 billion.
- Provincial credit union lending amounts were more than \$19.7 billion.
- There are more than 300 board members who are locally elected by members of each credit union to provide strategic direction to their management teams.
- As independent financial institutions owned and controlled by their members, credit unions are shaped by community needs. Saskatchewan provincial credit unions range in asset size from \$50.48 million to more than \$7.7 billion.
- In 2023, Saskatchewan provincial credit unions returned over \$7 million to their members in the form of patronage equity contribution and dividends.
- Provincial credit unions are a major contributor to Saskatchewan's economy, employing close to 3,000 people.
- Funds held on deposit in Saskatchewan provincial credit unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention. Read more about the [guarantee](#).



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.

Products and Services

To Assist YOU in your Financial Goals

Over the years we have added to and taken from the list of products and services that are provided to you. Whatever your needs are, we are there to help.

Deposit Products and Services

Chequing Accounts
MemberCard Debit Cards
Term Deposit Accounts
Xpress Online Banking

Savings Accounts
Investment Accounts
AgrilInvest

Youth and Student Services

Youth Accounts
Xpress Online Banking
Savings Accounts

e-Plan
MemberCard Debit Cards
Student Loans

Lending Services

Personal Loans
RRSP/Investment Loans
Consolidation Loans
Business and Agricultural loans
Term Loans
Loan Life and Disability Insurance
Critical Illness Insurance
Loss of Employment Insurance

Vehicle Loans
Lines of Credit
Residential Mortgages
CMHC Loans
Equipment Loans
Operating Loans
Quick Loans
Leasing

Registered Products

Registered Retirement Savings Plans
Registered Education Savings Plans
Registered Disability Savings Plans

Registered Retirement Income Funds
Tax Free Savings Accounts
First Home Savings Accounts

Wealth Management

Members have access to Wealth Management through an alliance with Aviso Wealth Inc.



