

Salmon Arm Savings and Credit Union

77th Annual General Meeting

May 2nd, 2023

* Please note that this event is being recorded

SASCU

Welcome

Kenthen Thomas
Teacher & Storyteller



Board Chair's Welcome

SASCU



Motion - Rules

To accept the Rules of Order for the May 2, 2023, SASCU Annual General Meeting.

Agenda

1. Board Chair Welcome
2. Registrar's Report
3. Call Meeting to Order
4. Appoint Recording Secretary
5. Approval of Rules of Order
6. Approval of Agenda
7. Approval of Minutes
8. Business Arising out of the Minutes
9. Report of Directors
10. Report of Management
11. Report of the Auditor, Approval of Financial Statements
12. Report of Other Committees
13. Announcement of Election Results
14. Unfinished Business
15. Appointment of Auditor
16. Q&A and Door Prizes
17. Adjourn

Motion - Agenda

To accept the Agenda as presented at the May 2, 2023, SASCU Annual General Meeting.

Motion - Minutes

To accept the Minutes of the SASCU
2022 Annual General Meeting.

Report of the Directors

Dave Witt, Board Chair

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Highlights



- Strong financial results despite external challenges.
- Strong progress on the digital strategy.
 - Automating routine processes
 - Digitization of forms
 - Use of “bot” technology
 - New functionality for members.
- Gave \$375,000 in community donations, sponsorships and scholarships.

75th Anniversary Legacy Project

- People helping people
- Sicamous Beach Park
- International Credit Union Day.
- Members integrated into sculpture.



Report of Management

Barry Delaney, President & CEO

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Greek Proverb

*A society grows great when old men
plant trees in whose shade they
know they shall never sit.*

– anonymous

Your SASCU Team



Executive Leadership Team



Sheri Hamilton,
Vice President, People & Culture

Barry Delaney,
President & CEO

Tom O'Connor,
Vice President, Digital & Technology

Jennifer Black,
Vice President Finance & Credit

Doug Ebner,
Vice President, Strategy & Innovation

Julie Langham Wall,
Vice President, Experience & Brand

Strategic Plan 2024

To be our members' life long financial partner

AREAS OF FOCUS

Member Success



Digital Development



Our Communities



STRATEGIES

Advice

Growth

Member
Digital

Staff
Digital

People/
Culture

Healthy
Community

The Big Picture

Consolidation

Shifting Consumer Needs

Cost of Increasing Regulation

Pace of Change

Cooperation is in our DNA

Annual Results 2022

key numbers

1,445

New Members

\$222,000

Insurance Profit

\$52M

Loan Growth

\$856,000

Wealth Management Profit

(\$10M)

Deposit Reduction

\$6.3M

Strong SASCU Profit

\$68.3M

Satisfactory Capital Levels @ 16.4%.

Annual Results 2022

KEY NUMBERS

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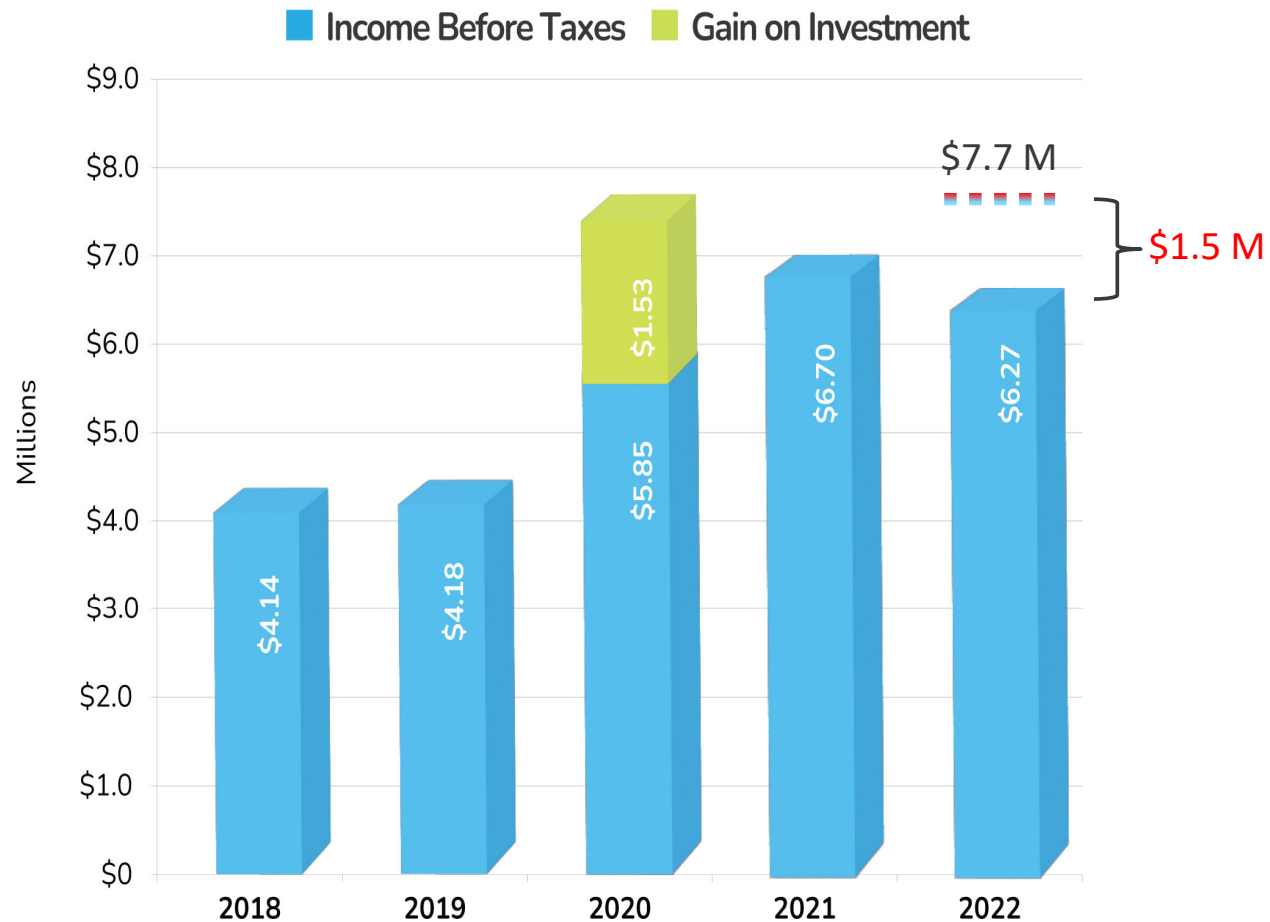
Credit Union Profit

\$68.3M

Capital Levels @ 16.4%

Income Prior to Taxes and Dividend

Income is down slightly from 2021 due to a write down of \$1.5 million in our Insurance business.



Digital Implementation



- Tax Free Savings Accounts (TFSA)
- Business Account Change of Signors
- Personal Account Openings
- Signature Cards
- Booking appointments with Advisors

Understanding and Engaging Youth



Youth Council 2021-2022

Community



Let's Play

- Minor hockey
- Minor Baseball
- Martial arts

Community Prosperity

- Lunch Programs
- Hand-Up to the disadvantaged
- Launch-a-Preneur

Endowments

- Community Youth
- Environmental Projects

Shuswap Christmas Car Giveaway



Darcy and Genean Blair

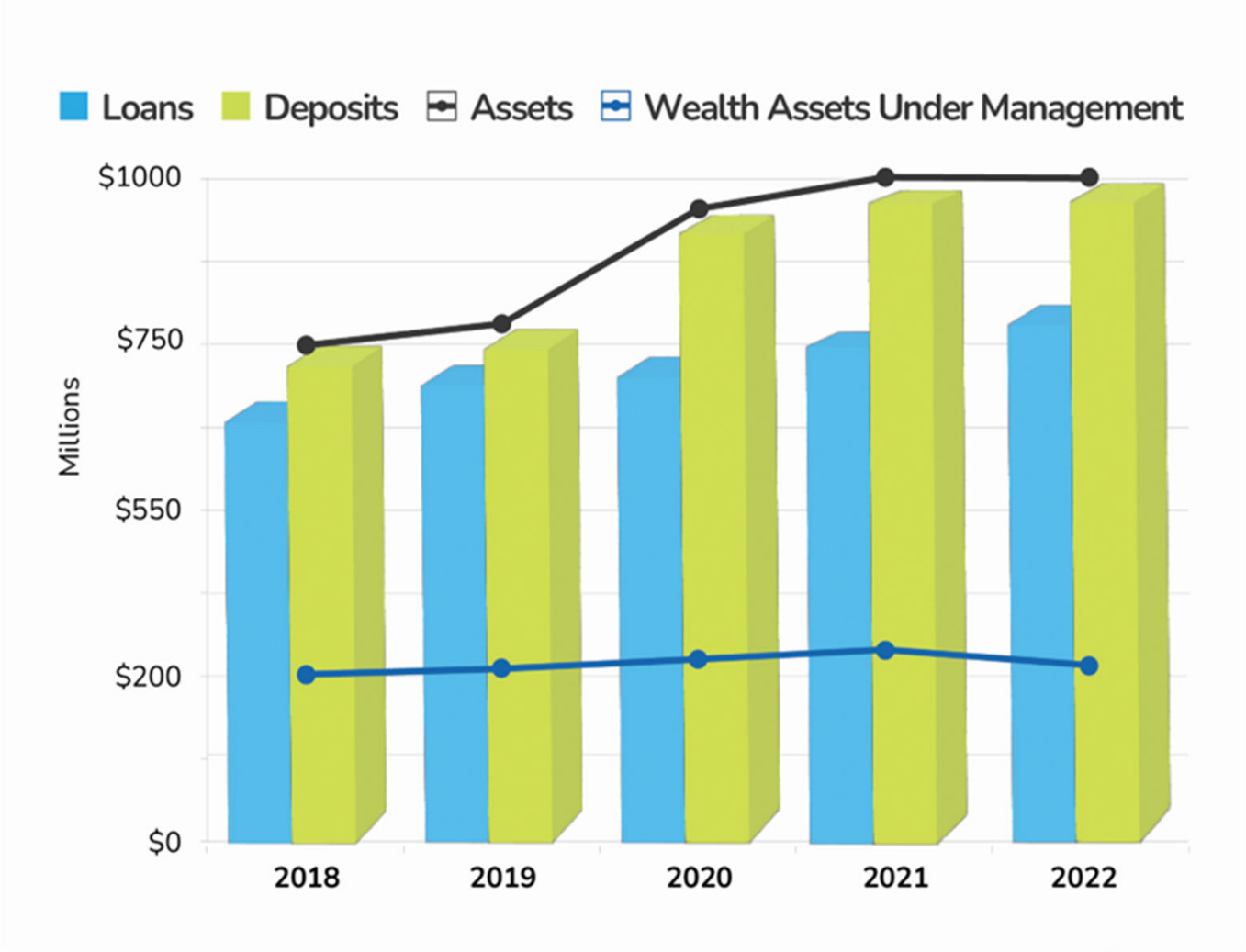
Report of Management

Jennifer Black, VP Finance & Credit

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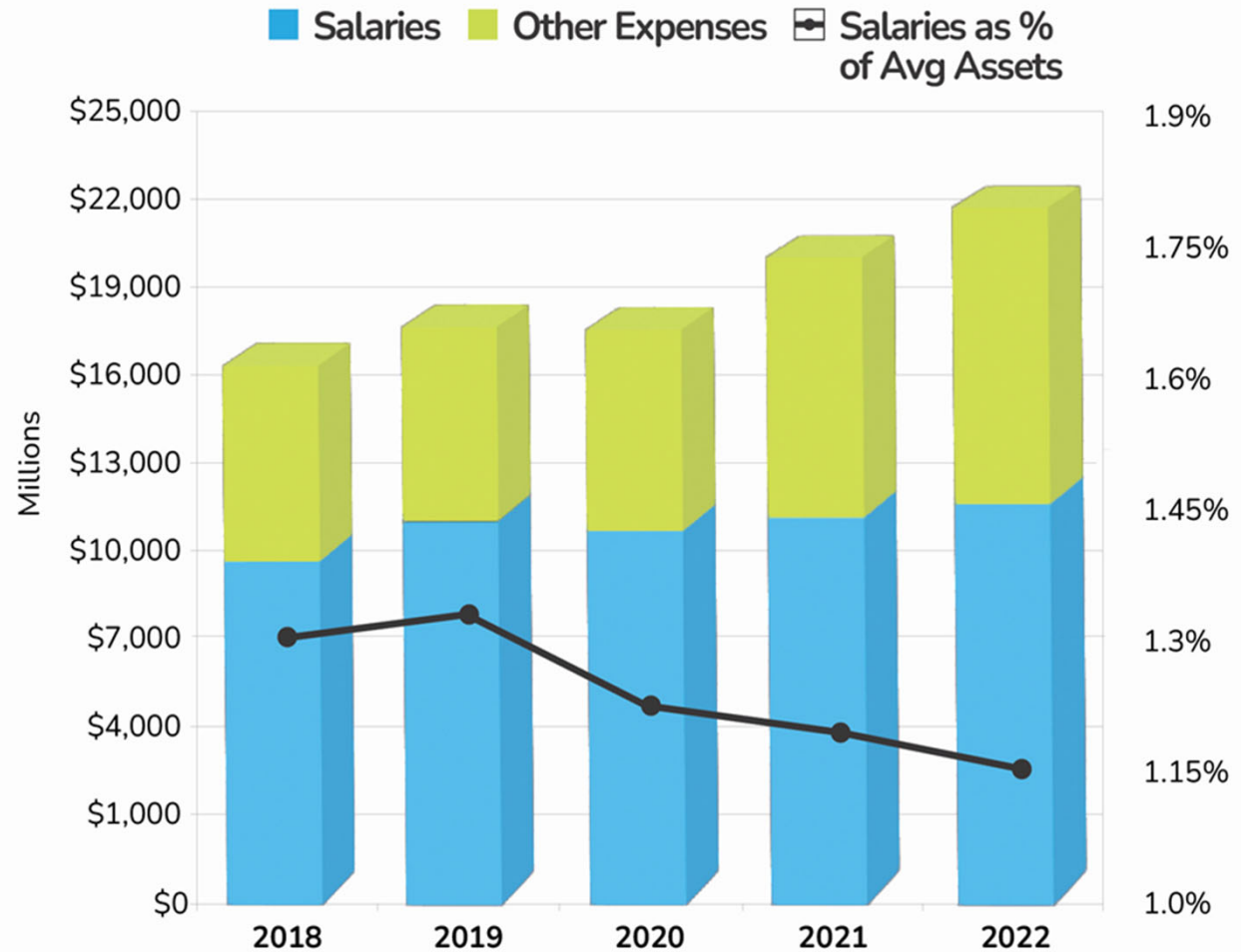
Loans and Deposits

Deposit decline as the pandemic ends and members begin spending again



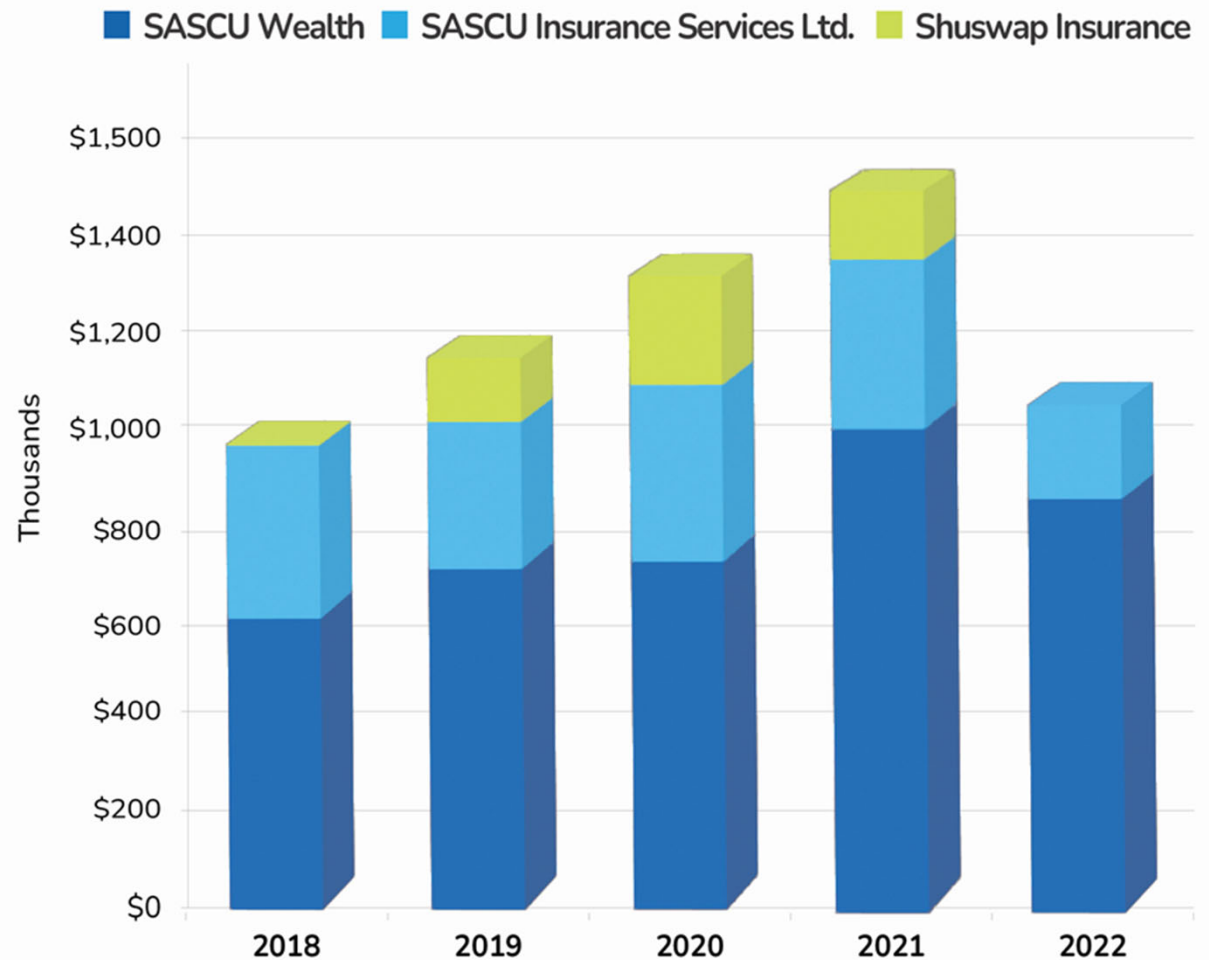
Expenses

Salaries and general expenses increase as 2022 returns to normal operating and investment activities



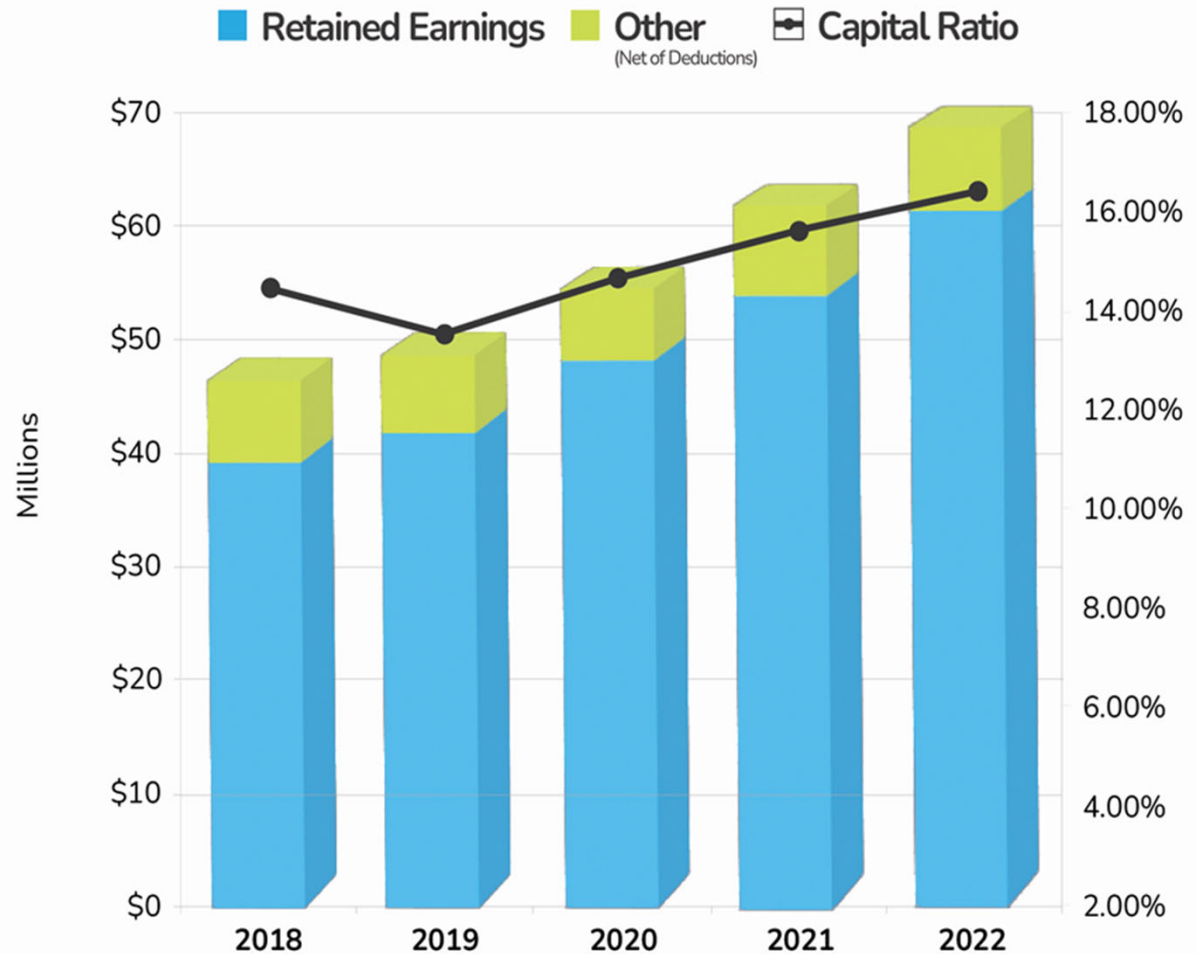
Wealth and Insurance

Combined earnings are down from previous years as a result of the drop in markets and full year of ICBC Enhanced Care.



Capital

Strong earnings continue to build capital



Report of the Auditor



Angie Spencer, CPA CA
Partner BDO



Salmon Arm Savings and Credit Union

Annual General Meeting - Auditor's Presentation

May 2, 2023





OVERVIEW OF THE AUDIT

- **BDO engaged to audit the consolidated financial statements of the Credit Union for the year ended December 31, 2022**
- **The Credit Union reports under International Financial Reporting Standards as required for credit unions and other publically accountable entities**
- **We completed our audit on March 15, 2023 and issued an unqualified audit opinion. The financial statements are free from material misstatement**
- **Our testing of internal controls within the organization determined no significant deficiencies**

Statement of Consolidated Balance Sheet

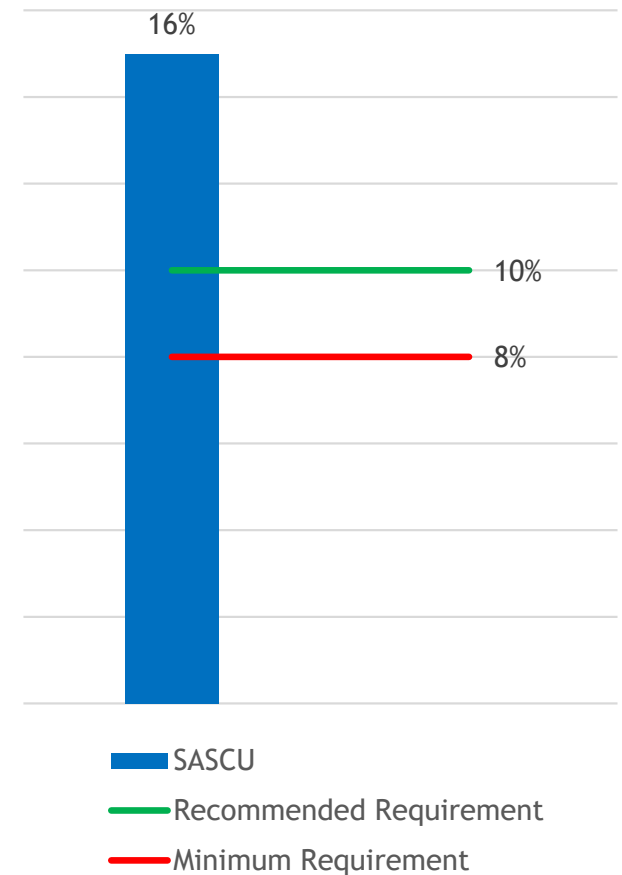
	December 31, 2022	December 31, 2021
<u>Assets</u>		
Cash	\$ 18,364,026	\$ 16,902,136
Investments	156,460,607	213,956,957
Loans to members	812,487,020	760,263,442
Property, plant and equipment	12,836,690	13,401,852
Goodwill and intangibles	3,384,063	4,782,720
Investment property	464,454	482,035
Other assets	3,790,470	3,685,441
	\$ 1,007,787,330	\$ 1,013,474,583
<u>Liabilities and Members' Equity</u>		
Accounts payable and accrued liabilities	\$ 5,025,721	\$ 5,230,768
Member deposits	944,376,479	953,812,880
Member shares	717,163	708,834
Members' equity	57,667,967	53,722,101
	\$ 1,007,787,330	\$ 1,013,474,583

Statement of Consolidated Comprehensive Income and Members' Equity

	December 31, 2022	December 31, 2021
Financial income	\$ 29,767,469	\$ 24,027,104
Financial expense	7,870,708	5,073,260
Financial margin	21,896,761	18,953,844
Other income and expense	5,962,614	7,636,914
	27,859,375	26,590,758
Operating expenses		
Community Support	387,384	220,429
Employee salaries and benefits	11,637,234	11,315,345
Other	9,564,795	8,359,669
	21,589,413	19,895,443
Income before income taxes	6,269,962	6,695,315
Income taxes	1,343,143	1,232,973
Change in unrealized losses on investments	980,953	440,283
Comprehensive income for the year	\$ 3,945,866	\$ 5,022,059

Capital Adequacy and Regulation

- SASCU is regulated by BC Financial Services Authority and requires SASCU to demonstrate within approved guidelines for having adequate capital available
- The capital adequacy ratio guidance is based on the percentage of risk-weighted assets held in relation to debt, to safe-guard financial institutions against excessive leveraging
- The regulatory requirement is 8% capital base related to the business carried on by it
- SASCU has a capital adequacy ratio of 16.38%, well in excess of the required and recommended guidelines



QUESTIONS?

Motion – Auditors Report

To approve the Auditors Report for December 31, 2022 presented at the May 2, 2023, SASCU AGM.

Report of Other Committees

**Kelly Bennett, Community Relations &
Sponsorship Committee Chair**

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Community Relations

To build healthy communities we support organizations that are already doing wonderful things here in the Shuswap.

Donations

Community Karate

Essie's Place

Kamloops Symphony Society

Literacy Alliance of the Shuswap
Society

North Shuswap Food Bank

Notch Hill Town Hall Association

Salmon Arm Boxing for Wellness
Society

Shuswap Association of Writers

Shuswap Children's Association

Shuswap Food Action Society

Shuswap Hospice Society

Shuswap Hut & Trail Alliance

Sicamous Curling Club

Swansea Point Community Hall

More Donations

Eagle Bay Community Association

Eagle Valley Food Bank

Enderby & District Food Bank

Food with Friends

North Shuswap Health Centre
Society

SA Salvation Army Food Bank

SAFE Society

Second Harvest Food Bank

Shuswap Association for Community
Living

Shuswap Theatre Society

Sorrento Food Bank

South Shuswap Transportation
Society

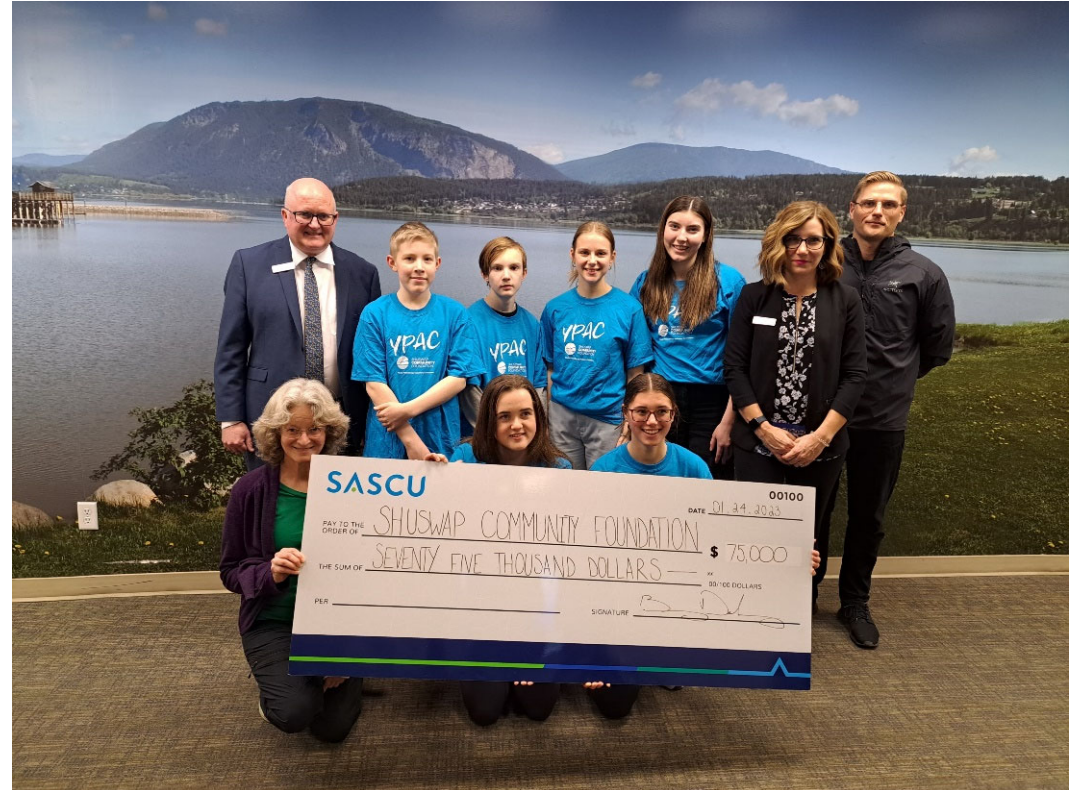
Community Sponsorships

Enderby Traditional Christmas Committee
Falkland Community Association
Monashee Music Festival
Salmon Arm Curling Club
Salmon Arm Economic Development Society
Salmon Arm Tennis Club
Canada – Ukraine Foundation
Women Who Whine

Shuswap Hospital Foundation
Shuswap Christmas Car Give Away
Shuswap District Arts Council
Shuswap Folk Music Society
Shuswap North Okanagan Rail Trail
Shuswap Recreation Society
Sicamous Chamber of Commerce
White Lake Society
Youth Excellence Society

Endowments

SASCU's Board of Directors approved the largest single donation in SASCU history to benefit youth in our community by donating \$75,000 to the SASCU Youth Endowment Fund, bringing the fund's balance to \$100,000.



Announcement of Election Results

**Joan Ragsdale,
Nominating Committee Chair**

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New Director



Ken Rogers,

Ken is a retired executive with roles including President, CFO and VP for several publicly traded companies. Ken fully appreciates the value of the Credit Union movement and looks forward to contributing to the betterment of our Shuswap community.

New Director



Tanja Carlson,

Tanja has been employed with Community Futures Shuswap for 20 years and has been the Business Development officer since 2008. She is excited about working with SASCU to build on its success and the learnings that will come along the way.

Re-Elected Director



Dave Witt,

Dave has served as a Director for six years and is currently SASCU's Board Chair. After 36 years in public education, he retired as Superintendent of School District #83. He considers SASCU to be a great asset to and supporter of the communities it serves.

Motion –Destruction of Election Materials

THAT ballots, tallies, reports and other material related to the election of directors be destroyed after 30 days.

Unfinished Business

Dave Witt, Board Chair

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Motion –Appointment of Auditor

That MNP be appointed Auditors for SASCU and its subsidiaries for the 2023 year and the Board will set the remuneration amount.

Q&A and Door Prizes



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