

2022  
ANNUAL REPORT



We put the *accent* on service. 

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WWW.ACCENTCU.CA

# ACCENT ON COMMUNITY



# ABOUT US

## *Vision*

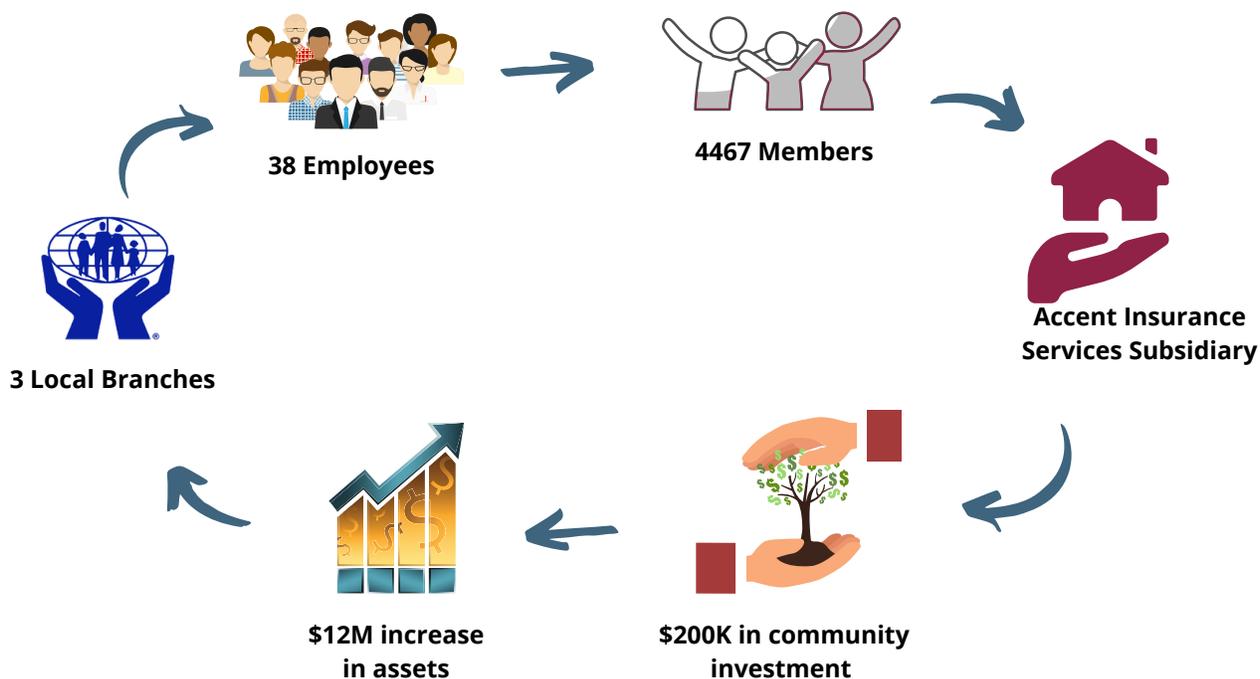
Accent Credit Union is more than our name.  
It's our commitment.  
"We put the Accent on Service"

## *Mission*

We are dedicated to providing the right product  
and the right service at the right time.

## *Values*

Stability & Security | Employee Satisfaction | Integrity &  
Honesty | Communication | Product Excellence



# BOARD & CEO MESSAGE

## *Message from the Board of Directors*

On behalf of the Board of Directors, I am pleased to present the 2022 annual report for Accent Credit Union. 2022 was another year of change as we adapted to a post pandemic world. Accent is very committed to our communities so were very happy to be able to resume many of our organizational and community events.

The rising interest rates shifted the way we do business and we are extremely proud of our staff as they have continued to adapt and change in the face of this economic uncertainty. Our vision is to place the accent on service, and staff have done just that. We thank all of you for demonstrating your teamwork by supporting our members in providing excellent service while facilitating product, service and technology changes. One change that you will notice are the renovations to the Quill Lake branch. These much needed updates provide a bright place for employees to work and a welcome environment for our members.

I would like to recognize my fellow directors. As the Board we provide sound governance and risk oversight. Approving the strategic direction of the credit union is one of our primary objectives. The foundation of the organization is built on people and culture, member service, growth and innovation, and long term sustainability.

Most importantly, to you our members, we thank you for your continued support and trust in Accent. We do our best to deliver the right products and exceptional service to help you reach your financial goals. As we look forward to 2023, the board and staff will continue to focus on your needs as “We put the Accent on Service!”

**Margaret Odelein, President**

## *Message from the CEO*

In 2022 Accent Credit Union experienced significant progress in striving to meet the needs of our membership. The last year saw one of the most aggressive interest rate hikes in Canada’s history. The Bank of Canada increased its policy rate from 0.25% in March of 2022 to its current level of 4.50%, in response to the high rate of inflation. Through this, economic growth remained strong in our trading area resulting in strong financial results. In 2022 we experienced asset growth of 4.50% and loan and deposit growth of 2.50%.

We continue to make our online services more accessible while remaining confident that our face to face branch services meet expectations.

In November of 2022, SaskCentral sold its shares in Concentra Bank to Equitable Bank. This resulted in a significant dividend distribution for Saskatchewan credit unions, including Accent. The overall sale of the company is reflected in our 2022 profit and capital.

This past year, Accent continued to demonstrate our commitment to community through our sponsorships, volunteer representation, as well as engagements in events that align with who we are; giving back to the communities we serve.

I would like to thank our staff for their commitment to Accent Credit Union. You are the face of our organization. We appreciate your dedication to our members, for continuously putting the accent on service and for working as a team in supporting the operations of our Credit Union.

On behalf of the board and staff of Accent Credit Union, we thank you, our members, for your continued support and dedication to our credit union and local communities. We are looking forward to another great year ahead!

**Guy Martin, CEO**

## BOARD MANDATE & RESPONSIBILITIES

The governance of Accent Credit Union is anchored in the co-operative principle of democratic member control. The board of Accent Credit Union is responsible for the strategic oversight, business direction and supervision of management of Accent 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. The board of directors is accountable to the members of Accent 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 for sound operations.

## MEET OUR BOARD



Richard Coffyne



Annette Dube



Heather Elmy



Shawn Holter



Joanne Hope



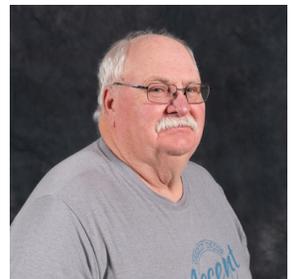
Linus Jones



Margaret Odelein



Sheila Renz



Ed Yablonski

# CORPORATE GOVERNANCE

The board is currently **composed** of **9** individuals elected by the membership as determined by our bylaws. Terms are for three years and tenure is not limited. Nominations are made by the membership. Voting is by paper ballot, in branch, and election results are announced at the Accent Credit Union annual general meeting. The board holds monthly board meetings and yearly strategic planning sessions. In addition to regular board meetings, directors attend special board meetings and the annual general meeting. In 2022, we had a mix of both in person and virtual meetings. Directors serve on one or more board committees. This partitioning of responsibilities enables a clear focus on specific areas of activity vital to the effective operation of our credit union.

Directors of Accent Credit Union receive **remuneration** for items related to credit union business or training. Allowable reimbursement expenses are for meetings, travel, meals, accommodations, and mileage. The Board annually reviews directors' compensation and makes recommendations to ensure it remains competitive with other provincial credit unions. In 2022 remuneration paid was \$31,600 plus travel/meeting expenses of \$4,619.

Board **development and training** continues to be a key strategic priority to ensure our board members fulfill their role of providing oversight in corporate governance. Directors are enrolled in the Credit Union Director Achievement (CUDA) program and the online learning resource Board 360. During 2022 the board training expenses totaled \$7,413.

## Board Committees

### Executive

To act in the capacity of, and on behalf of the board of directors between regular or special board meetings on all board matters except those which the board may not, in compliance with legislative requirements, delegate. The committee consists of Guy Martin (CEO), Margaret Odelein (President), Heather Elmy (Vice-President) and Linus Jones.

### Governance

The primary function of the committee is to ensure a Governance Model and Review process is in place, along with Board training, education, orientation, evaluation, board compensation/insurance and policy review and development processes are in place. This committee consists of Sheila Renz (Chair), Joanne Hope, Linus Jones, Annette Dube, and Margaret Odelein.

### Audit & Risk

The purpose of the committee is to ensure an independent review of the credit union's operation on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to requirements of The Credit Union Act, 1998, The Credit Union Regulations, 1999, The Credit Union Insurance Business Regulations, and The Standards of Sound Business Practice. The committee will also ensure that the credit union's enterprise risk management framework and risk appetite statement are appropriate to optimize liquidity, market/interest rate, credit/concentration, legal and regulatory, operational, strategic risk, and emerging/reputational risk for the protection and creation of shareholder value. This committee consists of Ed Yablonski (Chair), Richard Coffyne, Shawn Holter, and Heather Elmy.

### Building

To work with management in the development of policies and plans relevant to credit union facilities. This committee consists of Guy Martin (CEO), Richard Coffyne (Chair), Joanne Hope, Shawn Holter, and Margaret Odelein.

### Conduct Review

The purpose of the conduct review committee is to ensure that all proposed related party transactions with Accent Credit Union are fair to the credit union and that the relationship has not affected the exercise of the best judgment of the credit union. This committee consists of Joanne Hope (Chair), Linus Jones, Sheila Renz, and Annette Dube.

### Nominations

To oversee the nomination and election processes for elections of credit union directors. This committee consists of Linus Jones (Chair), Margaret Odelein, Richard Coffyne, Heather Elmy.

### Accent Insurance Board

Guy Martin (CEO), Trisha Vigoren (Management Rep), Margaret Odelein, Richard Coffyne, and Heather Elmy.

# ORGANIZATIONAL STRUCTURE

## MANAGEMENT TEAM



**Guy Martin**  
Chief Executive Officer



**Trisha Vigoren**  
Manager, Finance &  
Corporate Services



**Maureen Nieth**  
Manager, Retail Services



**Roy Ramler**  
Manager, Lending Services  
Kelvington



**Lyle Thibault**  
Manager, Lending Services  
Quill Lake/Jansen

## CORPORATE SERVICES TEAM



**Ellie Atkin**  
Finance Administrator



**Lacey Nicholls**  
Human Resources &  
Marketing Administrator



**Heidi Craig**  
Clearing Administration Clerk



**Shannon Hrytzak**  
Clearing Administration Clerk



**Elaina Bindig**  
Technology Administrator

## RETAIL TEAM SUPERVISORS



**Debbie O'Neil**  
Member Service Supervisor  
Kelvington



**Trina Gabriel**  
Member Service Supervisor  
Quill Lake/Jansen

# ORGANIZATIONAL STRUCTURE

## RETAIL TEAM



**Cara Andreas**  
Member Service  
Representative  
Kelvington



**Maria Choquette**  
Member Service  
Representative  
Kelvington



**Amy Ealey**  
Member Service  
Representative  
Jansen



**Melissa Klinger**  
Member Service  
Representative  
Jansen



**Shelly Lidster**  
Member Service  
Representative  
Quill Lake



**Sara McChesney**  
Member Service  
Representative  
Kelvington



**Kerri Polachek**  
Member Service  
Representative  
Kelvington



**Elizabeth Sitter**  
Member Service  
Representative  
Quill Lake



**Verna Winters**  
Member Service  
Representative  
Quill Lake

## LENDING TEAM



**Tanice Balaski**  
Loans Officer  
Kelvington



**Corinne Binsfeld**  
Loans Officer  
Quill Lake



**Ursula Bussiere**  
Loans Clerk  
Quill Lake



**Greg Harcourt**  
Loans Officer  
Quill Lake



**Michelle Hrynkiw**  
Loans Clerk  
Kelvington



**Kayla Ingram**  
Loans Officer  
Quill Lake



**Denise Kroeker**  
Loans Officer  
Quill Lake



**Angel Liebrecht**  
Loans Officer  
Jansen



**Nicole Wakelam**  
Loans Clerk  
Quill Lake



**Haylee Woytkiw**  
Loans Officer  
Kelvington

# ACCENT ON STAFF



# COOPERATIVE PRINCIPLES

As a co-operative financial institution, Accent Credit Union acts in accordance with internationally recognized principles of co-operation:

- ✔ **VOLUNTARY & 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.
- ✔ **MEMBER ECONOMIC PARTICIPATION**  
Members contribute equitably to, democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative.
- ✔ **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.

# MARKET CODE

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

- ✔ **FAIR SALES**  
Accent Credit Union's actions and decisions regarding member advice, information, and recommendations are objective and reflective of the financial needs and the roles and responsibilities of the member and the credit union.
- ✔ **TRANSPARENCY & DISCLOSURE**  
Accent Credit Union provides existing and potential members with relevant and appropriate information to allow them to make informed financial decisions.
- ✔ **PROFESSIONAL STANDARDS FOR EMPLOYEES**  
Accent Credit Union has well trained and well informed employees who are able to provide financial information and advice members can trust. Business is conducted in a manner that maintains our good reputation by exercising reasonable and prudent professional judgment in the provision of products and services.
- ✔ **PRIVACY**  
Accent Credit Union protects the interests of members by ensuring all information is kept confidential and used only for the purpose for which it was gathered.
- ✔ **COMPLAINT HANDLING**  
Accent Credit Union has an established internal complaint handling process that provides timely and responsive service to member's complaints.
- ✔ **LOW FEE ACCOUNT**  
Accent Credit Union offers a basic account that will accommodate all persons. A low fee account is an option for individuals who conduct limited monthly transactions.

# CORPORATE STRATEGY

Accent Credit Union is an independent Saskatchewan credit union owned by our members. Under the current credit union legislation, Accent Credit Union is able to provide financial services to members and non-members. As of December 31st, 2022 Accent Credit Union had 4,467 members and 0 non-members. Non-members do not participate in the democratic processes of the credit union.

Our credit union serves the communities of **Quill Lake, Kelvington, Jansen**, and surrounding areas. We provide a full range of financial services including: retail and commercial deposit services, consumer, agricultural and commercial lending services, card services, mobile banking, financial planning, investments, wealth services and more.

Accent Credit Union owns the subsidiary **Accent Insurance Services** with locations in Quill Lake and Humboldt.

Our **competitive advantage** and niche continues to be providing outstanding service in our local communities. The strategy outlines our key long-term strategic initiatives and success measures which position us to achieve our mission to 'Deliver the right product and the right service at the right time to our members'. Equipping and supporting our people and building the desired culture positions us to remain in step with our member's financial needs and deliver the best member service, ensuring we remain relevant to our members now and long into the future.

Our **vision** is to place the **accent on service**. To go the extra mile in understanding and meeting the needs of the member while ensuring the credit union's long term sustainability is always in view. Since the creation of Accent Credit Union, the Board and Management have worked to establish a strong culture of "oneness" in the organization, which has included a major focus on mentoring, training, and coaching, realignment of work processes and structures to ensure staff are working together behind the scenes and ultimately making it easier for the member to do business with us. This work continues as we focus on positioning our people and culture to deliver exceptional member service, anticipate our member's financial needs, and deliver relevant and sustainable products and services efficiently across all our delivery channels (physical and virtual).



# CORPORATE STRATEGY

Our strategy map outlines our key long-term strategic initiatives and success measures which successfully position us to achieve our stated mission to our members.

**Our Mission: Deliver the right product and the right service at the right time to our members.**

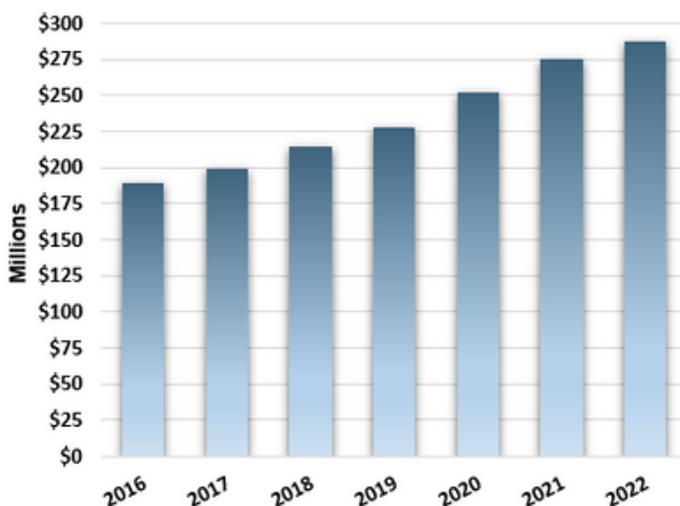
<i>Strategic Theme: Invest in the future to remain relevant to our members</i>	
<b>Long Term Sustainability</b>	<p><i>Strategic Initiatives:</i></p> <ul style="list-style-type: none"> <li>• Maintain financial strength (earnings/liquidity/capital)</li> <li>• Explore opportunities for increased efficiencies</li> <li>• Identify and manage external risks while maintaining compliance</li> <li>• Retain and grow our relationships with collaborative working partners.</li> <li>• Attract and retain the youth membership in our communities and surrounding areas and develop long-term relationships.</li> <li>• Investigate external investment opportunities.</li> </ul>
<i>Strategic Theme: Ensure our member service is the best around</i>	
<b>Member Service</b>	<p><i>Strategic Initiatives:</i></p> <ul style="list-style-type: none"> <li>• Ensure our teams have the knowledge to deliver in a professional manner creating the Accent service experience</li> <li>• Build member relationships and deliver a consistent member experience across all delivery channels</li> <li>• Proactively engage our members (i.e. anticipate their needs and deliver relevant products we can afford)</li> </ul>
<i>Strategic Theme: Ensure we are in step with our member's financial needs</i>	
<b>Growth and Innovation</b>	<p><i>Strategic Initiatives:</i></p> <ul style="list-style-type: none"> <li>• Increase member wallet share</li> <li>• Explore new business lines</li> <li>• Maintain profitable and sustainable subsidiaries.</li> <li>• Adopt relevant and affordable technology to support the member experience (member and internal)</li> </ul>
<i>Strategic Theme: Ensure our people are satisfied, working to their potential, and we are evolving to continue to meet our member's financial needs.</i>	
<b>People and Culture</b>	<p><i>Strategic Initiatives:</i></p> <ul style="list-style-type: none"> <li>• Ensure a supportive environment with open communication which fosters empowered staff who are equipped to provide exceptional member service</li> <li>• Provide training opportunities to develop technical and personal competencies which lead to positional excellence and seamless transitions across the organization</li> <li>• Build and transfer corporate knowledge in the organization to ensure critical work is supported</li> <li>• Ensure succession planning for all critical positions within the organization</li> <li>• Continue to contribute to our communities through investment, sponsorship, volunteerism, and leadership</li> </ul>

# FINANCIAL PERFORMANCE

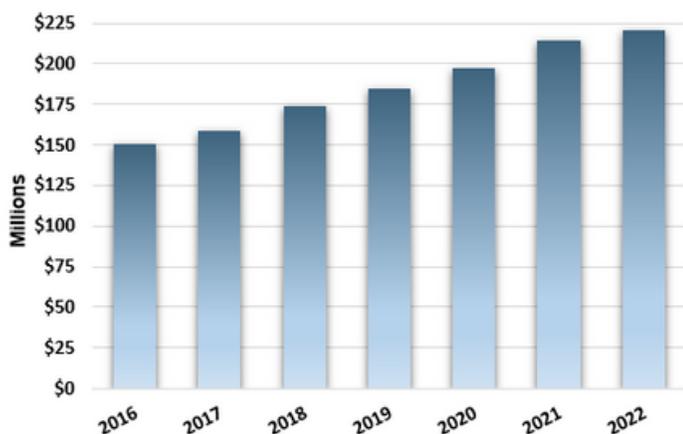
The financial performance review provides an analysis and summary of our Consolidated Financial Statements and includes key performance graphs. Each year, through our strategic plan, we create a budget which incorporates our operating and financial goals. The following summary illustrates our financial performance results as they relate to our targets.

Accent Credit Union experienced another year of growth in 2022. We ended December 31, 2022 with assets of \$287 million compared with \$275 million at the end of 2021, representing growth of 4.5%. This is comparable to the system average growth rate of 4.18%. Since 2010, we've experienced asset growth of over \$158 million or 122% growth.

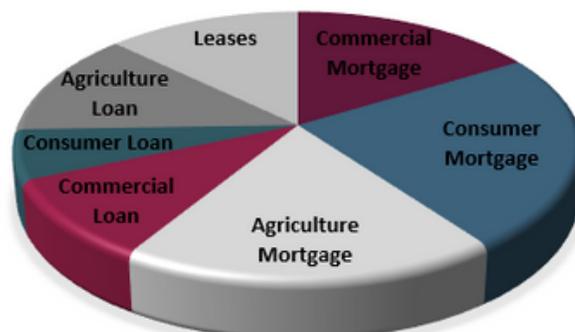
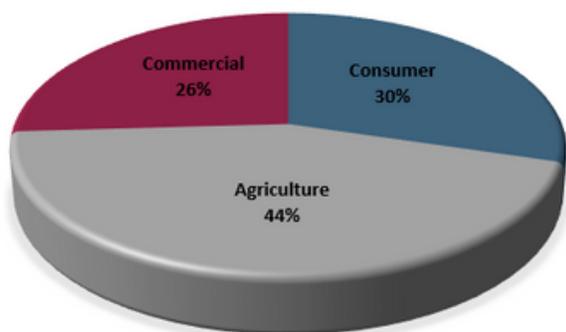
**Assets**



**Loans Growth**



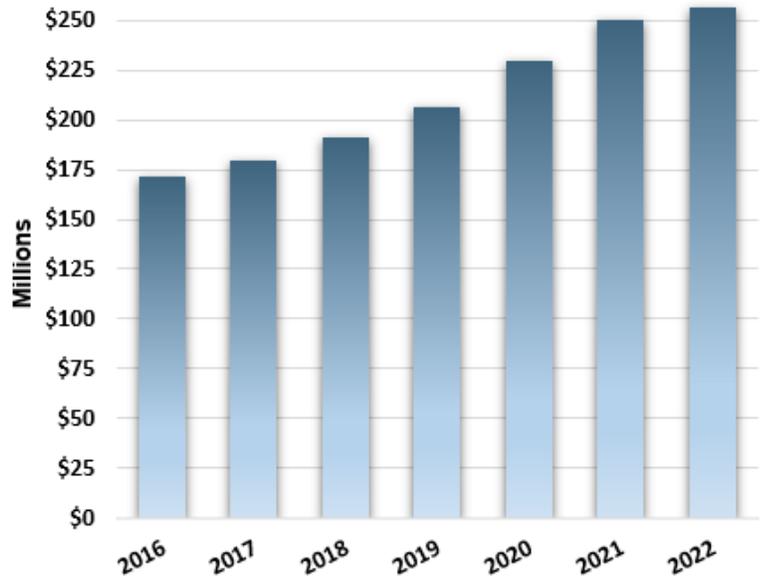
Accounting for 76% of our book of assets, our total performing loans portfolio at December 31, 2022 was \$220 million. To supplement our organic member loans we also purchase lease pools. We experienced overall loan growth of 3%. We continue to focus on loan growth as one of our key financial areas. Since 2010 we have experienced loan growth of \$127 million or 137% growth.



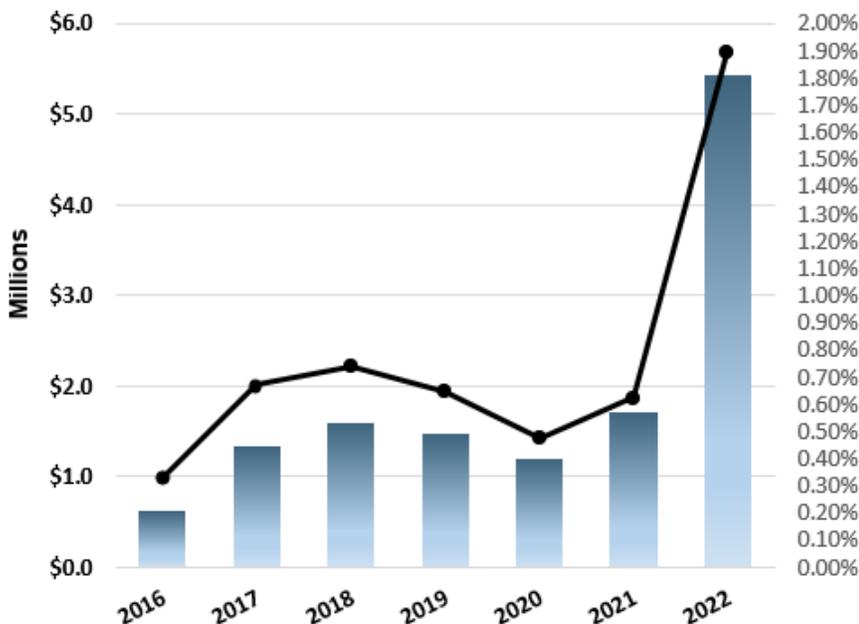
# FINANCIAL PERFORMANCE

The credit union's liabilities consist mainly of member deposits from personal, agricultural and commercial members. To maintain our balance sheet and to fund our loans demand, we strive to keep our deposit growth in line with our loans. At December 31, 2022, deposits were up to \$257 million compared with the previous year's balance of \$250 million. This is an increase of approximately 3%, right in line with our loans growth.

## Deposit Growth



## Income & Return on Assets



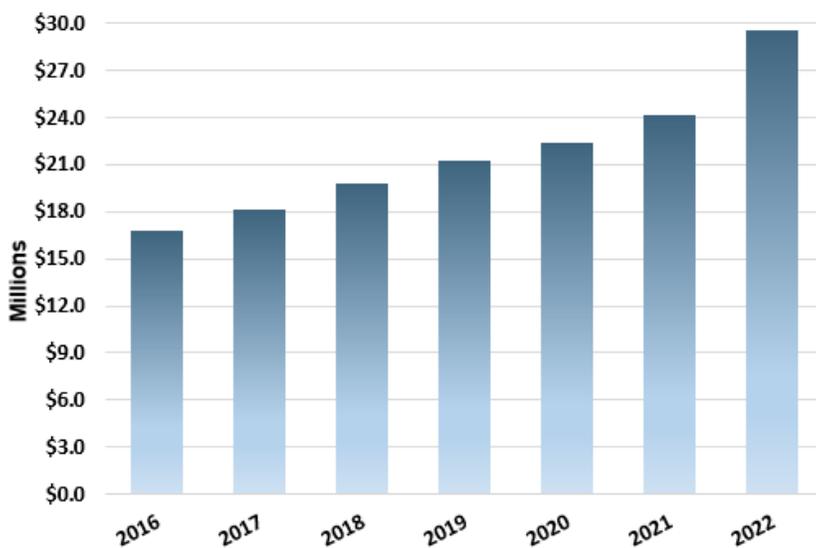
Our main source of revenue is generated through loan interest, investment interest, service charges & fees and commissions. In 2022, SaskCentral sold their shares in Concentra Bank, generating a dividend return for Saskatchewan credit unions. Accent received a \$3.5 million dividend. Over the last few years, we have maintained our operating expenses right around 2% of assets. Our largest operating expense is personnel. Other expenses include occupancy, technology and security. ROA is a measure of funds generated from day to day operations in comparison to total assets. Total comprehensive income after tax in 2022 was \$5.4 million.

# CAPITAL MANAGEMENT

The Credit Union Deposit Guarantee Corporation prescribes capital adequacy measures and minimum capital requirements. The capital adequacy rules issued by CUDGC have been based on the Basel III framework, which is consistent with the financial industry in general. Our capital plan is developed in accordance with this framework and is regularly reviewed and approved by the board of directors.

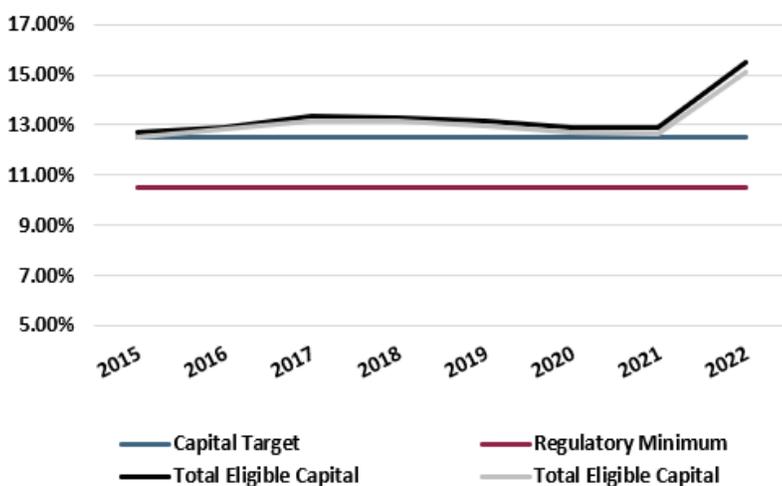
One of the primary measures of financial strength of a credit union is its capital position. Maintaining adequate capital above the regulatory minimum remains our key goal in order to meet operational requirements, absorb unexpected losses, protect member deposits, and provide capacity for growth while providing a satisfactory return for members. Capital levels ensure that Saskatchewan credit unions are able to weather unexpected events and remain financially strong as a system.

**Retained Earnings**



Accent Credit Union relies on profitability to grow its capital position and holds the majority of its capital in retained earnings. The credit union retains its annual earnings in order to meet its capital objectives. In 2022, our operating surplus of \$5.40 million was retained as capital.

**Capital Adequacy**



Credit Unions are required to use strict measures to determine capital adequacy and determine internal targets for each measure. Two of these measures include total eligible capital and the leverage ratio. The leverage test is a calculation of eligible capital to total leverage assets. The standard is 5%, our target was set at 7%, which we exceeded at 10% at year end. The second measure is the risk based test, which compares eligible capital to risk weighted assets. The standard is 10.50%, our target was set at 12.50% which, because of the Concentra dividend, we have surpassed at 15.48%. Capital Management is further covered within Note #17 of the Consolidated Financial Statements available at request from your branch office.

# RISK MANAGEMENT

Accent Credit Union is exposed to various risks within the financial industry. Risk is the downside that exists more or less in every aspect of a credit union's activities. Each year our credit union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our communities now and in the future. The key elements of the risk management framework are risk identification and categorization, risk mitigation and assessment, policy and procedure reviews and assessment, compliance and audit reviews, and reporting. Accent Credit Union uses a process called enterprise risk management (ERM) which is a requirement of credit unions in Saskatchewan as laid out by the Credit Union Deposit Guarantee Corporation. The ERM process not only provides for the direct management of each individual risk but provides for the management and monitoring of risk for the entire enterprise. ERM has been integrated into the corporate planning process. During annual strategic and operational planning sessions, management reviews the internal and external environment and identifies, analyzes and assesses the key risks that may impact the achievement of strategic objectives. During 2022 the board and management participated in a review and update of our ERM framework, strategic plan and review of our risk appetite statement. Through these processes, the following risks are identified according to their potential impact on Accent Credit Union.

## **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposures to this risk arise from deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters. Operational risk is managed through the use of policies and procedures, controls, and monitoring. Control and monitoring involves segregation of duties, extensive employee training and performance management. As well Accent Credit Union has business continuity planning, succession plans, appropriate insurance coverage, and technology solutions in place.

## **Strategic Risk**

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans, or failure to respond to changes in the competitive environment, customer preferences, product obsolescence, or resource allocation will impact our ability to meet our objectives. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve these goals, the resources deployed against these goals, and the quality of implementation. Accent Credit Union has an annual integrated strategic planning and reporting process which results in a strategic business plan and operational performance plan with integrated biannual reporting and review processes. This plan is then communicated and implemented in all departments of the Credit Union.

## **Legal and Regulatory Risk**

Legal and regulatory risk refers to the potential of violations of or non-conformance with laws, rules, regulations, prescribed practices, or ethical standards. Accent Credit Union operates in a heavily regulated environment. To manage this risk, Accent Credit Union has implemented a sound business structure, including progressive policies and procedures that are designed to ensure compliance.

# RISK MANAGEMENT

## Credit Risk

Credit risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. At Accent Credit Union, credit risk comes mainly from our direct lending activities and participation loans (loans purchased, but not administered by Accent Credit Union). To a lesser extent, our holding in our investment portfolio. Lending and credit risk management is performed in accordance with approved policies, procedures, standards, and controls. Loan portfolio concentrations are reported to the board. Credit risk is further mitigated through extensive training of loans personnel, strict delinquency control measures, management committee adjudication of higher risk applications, and regular monitoring and reporting.

## Market Risk

Market risk is the exposure to potential loss from changes in market prices or rates. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement. Accent Credit Union employs broad management processes around our market exposures and risk taking activities as follows:

- \*Defined market risk exposure limits, measuring and reporting processes.
- \*Management reporting to the board with respect to market risk exposure and management strategies.
- \*Providing oversight of market risk to the Board of Directors.

## Liquidity Risk

Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans, without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Accent Credit Union's liquidity risk management strategies ensure the optimal level of liquidity is maintained to meet regulatory and operational needs. The credit union has a liquidity plan to support our liquidity policies and regulations that is reviewed and approved annually by the board of directors. CUDGC requires all Saskatchewan credit unions to maintain 10% of our member deposits with SaskCentral which manages the provincial liquidity pool. As well, as per CUDGCs prescribed liquidity adequacy measures, the credit union maintains a stock of high quality liquid assets measured by the Liquidity Coverage Ratio (LCR). The objective of the LCR is to ensure that the credit union has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) in relation to the net cash outflows over a 30 day calendar stress scenario. Saskatchewan credit unions are required to maintain an LCR of 100%. Accent Credit Union has adopted a minimum tolerance of 125%. At the end of 2020 our LCR was 436%. Accent Credit Union's main source of funds are consumer, agriculture and commercial deposits. In addition to these member deposits, the credit union also retains a line of credit with SaskCentral.



# RESIDENTIAL MORTGAGES & HELOCS

Residential mortgages and home equity lines of credit (HELOC) are secured by residential properties. Insured residential mortgages are those that have a Canada Mortgage and Housing Corporation (CMHC) guarantee. Since these are backed by the guarantee, these mortgages represent less risk to the credit union.

The following table represents a breakdown by category:

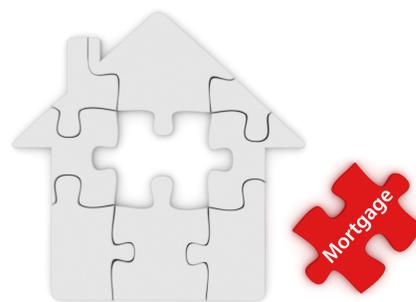
RESIDENTIAL MORTGAGES				HOME EQUITY LINES OF CREDIT	
Insured		Uninsured		Total	Total
\$7,453,659	14.40%	\$44,319,822	85.60%	\$51,773,481	\$637,000

The following table provides a summary of the percentage of residential mortgages that fall within the remaining amortization periods:

Amortization Period	#	Insured			Uninsured		
		\$	%	#	\$	%	
<10 years	3	\$69,033	0.1%	74	\$5,732,658	11.1%	
10-15 years	12	\$709,048	1.4%	55	\$4,084,042	7.9%	
15-20 years	12	\$1,509,539	2.9%	99	\$13,079,086	25.3%	
>20 years	30	\$5,166,039	10.0%	107	\$21,424,036	41.4%	

The following table provides the approved amount and related average loan-to-value (LTV) ratio for the residential mortgages and HELOCS originated in 2022:

	\$	Avg LTV
Uninsured Residential Mortgages	\$8,276,365	58.8%
Insured Residential Mortgages	\$1,553,027	94.8%
Home Equity Line of Credits	-	-



Accent Credit Union's mortgage portfolio is influenced by various economic factors including land values, home values, commodity prices and personal incomes. Local industries and the agricultural community are subject to uncontrollable market and weather conditions. In the event of an economic downturn our residential properties may see a decrease in market value. To mitigate this risk, the credit union has stringent mortgage underwriting policies and practices that ensure the safety and soundness of individual residential mortgage loans and adequate risk management of their loan portfolios. Stress tests are conducted on all residential mortgage loans. At a minimum, the qualifying rate for all uninsured mortgages is to be the greater of the contractual mortgage rate plus 2% or the five-year benchmark rate published by the Bank of Canada.

# THE CREDIT UNION GUARANTEE



## CREDIT UNION DEPOSIT GUARANTEE CORPORATION

ANNUAL REPORT MESSAGE 2022

**January 2023**

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Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions. The Corporation is also the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Together, these entities are considered Provincially Regulated Financial Institutions or “PRFIs”. The Corporation is mandated through provincial legislation, The Credit Union Act, 1998 and The Credit Union Central of Saskatchewan Act, 2016 in performing its duties. Provincial legislation also assigns responsibility for oversight of the Corporation to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan.

The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By promoting responsible governance and prudent management of capital, liquidity and guaranteeing deposits, the Corporation contributes to 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](http://www.cudgc.sk.ca).

# ACCENT ON COMMUNITY



**Accent Credit Union**  
**Summary Consolidated Financial Statements**  
*December 31, 2022*

To the Members of Accent Credit Union:

### **Opinion**

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2022, and the summary consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Accent Credit Union (the "Credit Union") for the year ended December 31, 2022.

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

### **Summary Consolidated Financial Statements**

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

### **The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 22, 2023.

### **Management's Responsibility for the Summary Consolidated Financial Statements**

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in Note 1.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Humboldt, Saskatchewan

February 22, 2023



Chartered Professional Accountants

**Accent Credit Union**  
**Summary Consolidated Statement of Financial Position**

*As at December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	<b>16,652,373</b>	12,985,442
Investments	<b>44,642,348</b>	45,926,986
Member loans receivable	<b>220,713,911</b>	214,412,872
Other assets	<b>3,813,250</b>	224,828
Deferred tax asset	<b>325,597</b>	288,283
Property, plant and equipment	<b>1,434,519</b>	1,303,629
Intangible assets	<b>18,500</b>	70,500
	<b>287,600,498</b>	275,212,540
<b>Liabilities</b>		
Member deposits	<b>256,786,247</b>	250,350,251
Other liabilities	<b>1,168,352</b>	659,071
Membership shares	<b>48,840</b>	48,765
	<b>258,003,439</b>	251,058,087
<b>Members' equity</b>		
Retained earnings	<b>29,597,059</b>	24,154,453
	<b>287,600,498</b>	275,212,540

Approved on behalf of the Board

Margaret Odelein  
Director

Joanne Hope  
Director

**Accent Credit Union**  
**Summary Consolidated Statement of Comprehensive Income**  
*For the year ended December 31, 2022*

	2022	2021
<b>Interest income</b>		
Member loans	9,424,845	8,229,621
Investments	4,684,057	529,513
	<b>14,108,902</b>	8,759,134
<b>Interest expense</b>		
Member deposits	3,242,505	2,760,938
Borrowed money	43,872	1,540
	<b>3,286,377</b>	2,762,478
<b>Net interest income</b>	<b>10,822,525</b>	5,996,656
<b>Provision for impaired loans</b>	<b>861,779</b>	380,703
<b>Net interest income after provision for impaired loans</b>	<b>9,960,746</b>	5,615,953
<b>Other income</b>		
Other income	861,857	837,424
Insurance agency revenue	777,364	756,129
	<b>1,639,221</b>	1,593,553
<b>Net interest and other income</b>	<b>11,599,967</b>	7,209,506
<b>Operating expenses</b>		
Personnel	2,895,048	2,443,625
Member security	256,987	239,582
Organizational	68,653	50,108
Occupancy	179,423	170,717
General business	1,465,963	1,347,280
Insurance agency expenses	544,871	620,832
	<b>5,410,945</b>	4,872,144
<b>Income before provision for (recovery of) income taxes</b>	<b>6,189,022</b>	2,337,362
<b>Provision for (recovery of) income taxes</b>		
Current	783,730	668,531
Deferred	(37,314)	(47,678)
	<b>746,416</b>	620,853
<b>Comprehensive income</b>	<b>5,442,606</b>	1,716,509

**Accent Credit Union**  
**Summary Consolidated Statement of Changes in Members' Equity**  
*For the year ended December 31, 2022*

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	<i>Retained earnings</i>	<i>Total equity</i>
<b>Balance December 31, 2020</b>	<b>22,437,944</b>	<b>22,437,944</b>
Comprehensive income	<b>1,716,509</b>	<b>1,716,509</b>
<b>Balance December 31, 2021</b>	<b>24,154,453</b>	<b>24,154,453</b>
Comprehensive income	<b>5,442,606</b>	<b>5,442,606</b>
<b>Balance December 31, 2022</b>	<b>29,597,059</b>	<b>29,597,059</b>

**Accent Credit Union**  
**Summary Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2022*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Interest received from member loans	9,331,619	8,281,774
Interest received from investments	981,360	582,097
Other income received	1,648,075	1,694,771
Interest paid on deposits	(2,995,524)	(3,106,164)
Cash paid to suppliers and employees	(4,645,448)	(4,624,242)
Interest paid on borrowed money	(43,872)	(1,540)
Income taxes paid	(855,061)	(457,323)
	<b>3,421,149</b>	<b>2,369,373</b>
<b>Financing activities</b>		
Net change in member deposits	6,189,015	21,017,234
Net change in membership shares	75	(915)
Advance to National Consulting Ltd.	(40,000)	-
	<b>6,149,090</b>	<b>21,016,319</b>
<b>Investing activities</b>		
Net change in member loans receivable	(7,069,592)	(18,003,822)
Purchases of investments	-	(7,497,154)
Proceeds on disposal of investments	1,430,059	-
Purchases of property, plant and equipment	(263,775)	(127,770)
	<b>(5,903,308)</b>	<b>(25,628,746)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,666,931</b>	<b>(2,243,054)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>12,985,442</b>	<b>15,228,496</b>
<b>Cash and cash equivalents, end of year</b>	<b>16,652,373</b>	<b>12,985,442</b>

**Accent Credit Union**  
**Note to the Summary Consolidated Financial Statements**

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*For the year ended December 31, 2022*

**1. Basis of the Summary Consolidated Financial Statements**

Management has prepared the summary consolidated financial statements from the December 31, 2022 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited consolidated financial statements is available from the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

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