

Bow Valley Credit Union

2020 Q1 Financials



growing together

Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	January 31, 2020	October 31, 2019
Assets		
Cash	\$ 3,322,080	\$ 10,001,561
Investments and accrued interest	30,557,245	35,388,957
Loans to members and accrued interest	319,852,450	309,533,057
Derivative financial assets	49,615	42,363
Other assets	2,714,765	919,428
Income taxes receivable	552,259	552,259
Deferred income tax asset	-	-
Property and equipment	7,177,312	7,276,569
Intangible assets	47,606	30,121
	<hr/>	<hr/>
	\$ 364,273,332	\$ 363,744,315
Liabilities		
Member deposits and accrued interest	\$ 336,235,732	\$ 337,354,151
Loans payable	410,219	-
Accounts payable and accrued liabilities	1,900,139	627,880
Derivative financial liabilities	49,615	42,363
Income taxes payable	-	-
Deferred income tax liability	190,820	190,820
	<hr/>	<hr/>
	\$ 338,786,525	\$ 338,215,214
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 529,891
Common Shares	3,443,842	3,101,903
Investment Shares	4,160,934	4,291,246
Retained Earnings	17,882,031	17,606,061
Accumulated Other Comprehensive Income	-	-
	<hr/>	<hr/>
	25,486,807	25,529,101
	<hr/>	<hr/>
	\$ 364,273,332	\$ 363,744,315

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Financial Income		
Interest On Member Loans	\$ 3,004,719	\$ 2,840,159
Investment	108,329	124,303
	<u>3,113,048</u>	<u>2,964,462</u>
Financial Expense		
Interest on member deposits	1,172,043	936,618
Interest on borrowings	20,069	17,713
	<u>1,192,112</u>	<u>954,331</u>
Financial margin before profit share	<u>1,920,936</u>	<u>2,010,131</u>
Profit Share	0	0
Financial margin	<u>1,92,936</u>	<u>2,010,131</u>
Charge for loan impairment	108,161	111,920
Financial margin after charge for loan impairment	<u>1,812,775</u>	<u>1,898,211</u>
Other Income	397,637	340,713
Gross Margin	<u>2,210,412</u>	<u>2,238,924</u>
Operating Expenses	1,797,001	2,073,432
Income before income taxes	<u>413,411</u>	<u>165,492</u>
Provision for income taxes		
Current	137,441	87,354
Net income and comprehensive income	<u>\$ 275,970</u>	<u>\$ 78,138</u>

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Retained Earnings, beginning of period	\$ 17,606,061	\$ 17,613,253
Add: Net Income	275,970	78,138
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	\$ 17,882,031	\$ 17,691,391

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Accumulated Other Comprehensive Income, beginning of period	\$ -	\$ -
Add: Unrealized Gains/(Losses) Investments	-	-
Accumulated Other Comprehensive Income, end of period	\$ -	\$ -

Bow Valley Credit Union Ltd.

Statement of Cash Flows (unaudited)

	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Cash flows from operating activities:		
Net income	\$ 275,970	\$ 78,138
Adjustments for:		
Change in non-cash items:		
Net interest income	(1,920,936)	(2,010,131)
Provisions for impaired loans	108,161	11,920
Provisions for deferred income taxes	0	0
Depreciation	77,868	106,066
Loss on disposition of property and equipment	0	0
	<u>(1,458,937)</u>	<u>(1,814,007)</u>
Changes in other assets:		
Changes in other assets	(1,795,337)	(212,881)
Changes in accounts payable and accrued liabilities	1,272,259	(90,933)
Changes in income taxes payable and receivable	0	(200,340)
	<u>(523,078)</u>	<u>(504,154)</u>
Changes in member activities (net):		
Changes in member loans	(9,856,861)	(2,703,891)
Changes in member deposits	(1,118,419)	(7,650,377)
	<u>(10,975,280)</u>	<u>(10,354,268)</u>
Cash flows related to interest:		
Interest received on member loans	2,870,939	2,831,311
Interest received on investments	164,613	116,715
Interest paid on deposits	(1,172,043)	399,964
Interest paid on borrowings	(20,069)	(17,713)
	<u>1,843,440</u>	<u>3,330,277</u>
Cash flows from financing activities:		
Issuance of common and investment shares	5,240	5,570
Redemption of common and investment shares	(345,426)	(368,972)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(340,186)</u>	<u>(363,402)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	3,434,528	0
Purchase of investments	1,340,900	3,153,021
Additions to intangible assets	(22,258)	0
Additions to property and equipment	21,390	(4,039)
	<u>4,774,560</u>	<u>(3,148,982)</u>
Net increase (decrease) in cash	(6,679,481)	(6,556,572)
Cash, beginning of period	10,001,561	11,535,553
Cash, end of period	\$ 3,322,080	\$ 4,978,981

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Three Months Ended January 31, 2020

1) Basis of Presentation

The interim financial statements of Bow Valley Credit Union Ltd. ("the Credit Union") have been prepared by management in accordance with International Financial Reporting Standards accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended October 31, 2019. The disclosures provided below are incremental to those included with the annual financial statements. Certain information and note disclosure normally included in year-end financial statements prepared in accordance with International Financial Reporting Standards are not included. The interim financial statements should be read in conjunction with the financial statements and the notes in the Credit Union's annual report for the year ended October 31, 2019.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

Airdrie Cooper's Town

201 401 Cooper's Blvd
403.948.6737

Airdrie Kingsview

1600 Market Street SE
403.948.2109

Banff

216 Banff Ave
403.762.3368

Calgary

121 Sage Valley Common NW
403.232.4500

Canmore

810 8th St
403.678.5549

Cochrane

212 5th Ave W
403.932.3277

bowvalleycu.com

