

Bow Valley Credit Union

2021 Q2 Financials



Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	April 30, 2021	October 31, 2020
Assets		
Cash	\$ 35,095,498	\$ 11,530,815
Investments and accrued interest	34,941,541	40,771,527
Loans to members and accrued interest	322,244,338	320,032,553
Derivative financial assets	749	36,340
Other assets	987,516	619,240
Income taxes receivable	-	202,046
Deferred income tax asset	-	-
Property and equipment	11,165,868	11,437,546
Intangible assets	22,627	31,884
	<hr/>	<hr/>
	\$ 404,458,137	\$ 384,661,951
Liabilities		
Member deposits and accrued interest	\$ 372,226,768	\$ 352,565,757
Loans payable	-	-
Accounts payable and accrued liabilities	4,096,531	4,290,316
Derivative financial liabilities	749	36,340
Income taxes payable	-	-
Deferred income tax liability	221,000	221,000
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	\$ 376,545,048	\$ 357,113,413
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 229,587
Common Shares	3,316,549	3,219,126
Investment Shares	6,069,681	6,065,913
Retained Earnings	18,526,859	18,033,912
Accumulated Other Comprehensive Income	-	-
	<hr/>	<hr/>
	27,913,089	27,548,538
	<hr/>	<hr/>
	\$ 404,458,137	\$ 384,661,951

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020
Financial Income		
Interest On Member Loans	\$ 5,211,133	\$ 5,891,271
Investment	125,975	347,081
	<u>5,337,108</u>	<u>6,238,352</u>
Financial Expense		
Interest on member deposits	1,588,831	2,280,691
Interest on borrowings	34,303	56,082
	<u>1,623,134</u>	<u>2,336,773</u>
Financial margin before profit share	3,713,974	3,901,579
Profit Share	120	0
Financial margin	3,713,854	3,901,579
Charge for loan impairment	100,834	203,678
Financial margin after charge for loan impairment	3,613,020	3,697,901
Other Income	848,166	808,591
Gross Margin	4,461,186	4,506,492
Operating Expenses	4,461,186	3,688,988
Income before income taxes	541,525	817,504
Provision for income taxes		
Current	48,578	30,622
Net income and comprehensive income	\$ 492,947	\$ 786,882

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020
Retained Earnings, beginning of period	\$ 18,033,912	\$ 17,606,061
Add: Net Income	492,947	786,882
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	\$ 18,526,859	\$ 18,392,943

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020
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)

	Six Months Ended April 30, 2021	Six Months Ended April 30, 2020
Cash flows from operating activities:		
Net income	\$ 429,947	\$ 275,970
Adjustments for:		
Change in non-cash items:		
Net interest income	(3,713,854)	(3,901,579)
Provisions for impaired loans	100,834	203,678
Provisions for deferred income taxes	0	0
Depreciation	367,512	433,090
Loss on disposition of property and equipment	0	0
	<u>(2,752,561)</u>	<u>(2,477,929)</u>
Changes in other assets:		
Changes in other assets	(368,276)	(2,572,334)
Changes in accounts payable and accrued liabilities	(193,785)	1,569,086
Changes in income taxes payable and receivable	202,046	552,259
	<u>(360,015)</u>	<u>(450,989)</u>
Changes in member activities (net):		
Changes in member loans	(1,947,655)	(16,310,299)
Changes in member deposits	19,661,011	9,985,644
	<u>17,713,356</u>	<u>(6,324,655)</u>
Cash flows related to interest:		
Interest received on member loans	5,178,067	5,667,506
Interest received on investments	190,727	411,751
Interest paid on deposits	(1,588,831)	(2,280,691)
Interest paid on borrowings	(34,303)	(56,082)
	<u>3,745,660</u>	<u>3,742,484</u>
Cash flows from financing activities:		
Issuance of common and investment shares	13,006	8,333
Redemption of common and investment shares	(473,420)	(417,268)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(460,414)</u>	<u>(408,935)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	269,134	3,428,033
Purchase of investments	5,496,100	(2,686,330)
Additions to intangible assets	0	0
Additions to property and equipment	(86,577)	(225,686)
	<u>5,678,657</u>	<u>516,017</u>
Net increase (decrease) in cash	23,564,683	(5,404,007)
Cash, beginning of period	11,530,815	10,001,561
Cash, end of period	\$ 35,095,498	\$ 4,597,554

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Six Months Ended April 30, 2021

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, 2020. 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, 2020.

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

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