

# Bow Valley Credit Union

**2021 Q3 Financials**



# Bow Valley Credit Union Ltd.

## Balance Sheet (unaudited)

	July 31, 2021	October 31, 2020
<b>Assets</b>		
Cash	\$ 15,026,675	\$ 11,530,815
Investments and accrued interest	35,968,041	40,771,527
Loans to members and accrued interest	363,264,642	320,032,553
Derivative financial assets	98	36,340
Other assets	75,345	619,240
Income taxes receivable	-	202,046
Deferred income tax asset	-	-
Property and equipment	10,980,654	11,437,546
Intangible assets	297,039	31,884
	<hr/>	<hr/>
	\$ 426,332,494	\$ 384,661,951
<b>Liabilities</b>		
Member deposits and accrued interest	\$ 392,393,149	\$ 352,565,757
Loans payable	-	-
Accounts payable and accrued liabilities	4,057,842	4,290,316
Derivative financial liabilities	98	36,340
Income taxes payable	-	-
Deferred income tax liability	221,000	221,000
	<hr/>	<hr/>
	\$ 397,218,134	\$ 357,113,413
<b>Capital and Retained Earnings</b>		
Allocation Distributable	\$ -	\$ 229,587
Common Shares	3,184,356	3,219,126
Investment Shares	7,063,198	6,065,913
Retained Earnings	18,866,806	18,033,912
Accumulated Other Comprehensive Income	-	-
	<hr/>	<hr/>
	29,114,360	27,548,538
	<hr/>	<hr/>
	\$ 426,332,494	\$ 384,661,951

# Bow Valley Credit Union Ltd.

## Statement of Comprehensive Income (unaudited)

	Nine Months Ended July 31, 2021	Nine Months Ended July 31, 2020
<b>Financial Income</b>		
Interest On Member Loans	\$ 7,985,883	\$ 8,694,411
Investment	151,330	367,386
	<u>8,134,213</u>	<u>9,061,797</u>
<b>Financial Expense</b>		
Interest on member deposits	2,299,875	3,278,354
Interest on borrowings	56,712	66,263
	<u>2,356,587</u>	<u>3,344,617</u>
<b>Financial margin before profit share</b>	<u>5,780,626</u>	<u>5,717,180</u>
Profit Share	120	3,213
<b>Financial margin</b>	<u>5,780,506</u>	<u>5,713,967</u>
Charge for loan impairment	210,874	308,332
<b>Financial margin after charge for loan impairment</b>	<u>5,569,632</u>	<u>5,405,635</u>
Other Income	1,348,923	1,142,579
<b>Gross Margin</b>	<u>6,918,555</u>	<u>6,548,214</u>
Operating Expenses	6,011,412	5,622,235
<b>Income before income taxes</b>	<u>907,143</u>	<u>924,979</u>
<b>Provision for income taxes</b>		
Current	74,249	66,254
<b>Net income and comprehensive income</b>	<u>\$ 832,849</u>	<u>\$ 859,725</u>

## **Bow Valley Credit Union Ltd.**

### **Statement of Retained Earnings (unaudited)**

	<b>Nine Months Ended July 31, 2021</b>	<b>Nine Months Ended July 31, 2020</b>
Retained Earnings, beginning of period	\$ 18,033,912	\$ 17,606,061
Add: Net Income	832,894	859,725
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	<b>\$ 18,866,806</b>	<b>\$ 18,465,786</b>

## **Bow Valley Credit Union Ltd.**

### **Statement of Accumulated Other Comprehensive Income (unaudited)**

	<b>Nine Months Ended July 31, 2021</b>	<b>Nine Months Ended July 31, 2020</b>
Accumulated Other Comprehensive Income, beginning of period	\$ -	\$ -
Add: Unrealized Gains/(Losses) Investments	-	-
Accumulated Other Comprehensive Income, end of period	<b>\$ -</b>	<b>\$ -</b>

# Bow Valley Credit Union Ltd.

## Statement of Cash Flows (unaudited)

	Nine Months Ended July 31, 2021	Nine Months Ended July 31, 2020
<b>Cash flows from operating activities:</b>		
Net income	\$ 832,894	\$ 859,725
Adjustments for:		
Change in non-cash items:		
Net interest income	(5,780,506)	(5,713,967)
Provisions for impaired loans	210,874	308,332
Provisions for deferred income taxes	0	0
Depreciation	560,801	571,514
Loss on disposition of property and equipment	0	0
	<u>(4,175,937)</u>	<u>(3,974,396)</u>
Changes in other assets:		
Changes in other assets	(176,105)	(2,460,817)
Changes in accounts payable and accrued liabilities	(232,474)	1,474,416
Changes in income taxes payable and receivable	202,046	552,259
	<u>(206,533)</u>	<u>(434,142)</u>
Changes in member activities (net):		
Changes in member loans	(43,370,720)	(15,135,565)
Changes in member deposits	40,373,437	10,879,698
	<u>(2,997,283)</u>	<u>(4,255,867)</u>
Cash flows related to interest:		
Interest received on member loans	7,877,049	8,458,424
Interest received on investments	214,714	429,762
Interest paid on deposits	(2,299,875)	(3,278,354)
Interest paid on borrowings	(56,712)	(66,263)
	<u>5,735,176</u>	<u>5,543,569</u>
<b>Cash flows from financing activities:</b>		
Issuance of common and investment shares	1,025,014	932,363
Redemption of common and investment shares	(243,888)	(585,124)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(781,126)</u>	<u>(347,239)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	10,268,872	3,428,436
Purchase of investments	(5,528,770)	575,899
Additions to intangible assets	(294,217)	(22,258)
Additions to property and equipment	(86,574)	(265,066)
	<u>4,359,311</u>	<u>3,717,011</u>
<b>Net increase (decrease) in cash</b>	<b>3,495,860</b>	<b>943,414</b>
<b>Cash, beginning of period</b>	<b>11,530,815</b>	<b>10,001,561</b>
<b>Cash, end of period</b>	<b>\$ 15,026,675</b>	<b>\$ 10,944,975</b>

# **Bow Valley Credit Union Ltd.**

## **Notes to the Financial Statements**

**For the Nine Months Ended July 31, 2021**

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### **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.**

**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



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