

Bow Valley Credit Union

2022 Q3 Financials



NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed financial statements of Bow Valley Credit Union Ltd. have been prepared by and are the responsibility of the Credit Union's management. The Credit Union's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	July 31, 2022	October 31, 2021
Assets		
Cash	\$ 8,089,427	\$ 19,581,149
Investments and accrued interest	39,164,163	36,470,401
Loans to members and accrued interest	426,864,017	371,795,849
Derivative financial assets	-	1,075
Other assets	515,871	2,488,829
Property and equipment	10,289,723	10,795,019
Intangible assets	263,411	282,754
	<hr/>	<hr/>
	485,186,612	\$ 441,415,076
Liabilities		
Member deposits and accrued interest	\$ 429,187,352	\$ 406,183,407
Accounts payable and accrued liabilities	3,700,459	4,417,202
Derivative financial liabilities	-	1,075
Deferred income tax liability	249,750	249,750
Term Borrowing	20,000,000	-
	<hr/>	<hr/>
	\$ 453,137,561	\$ 410,851,434
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 333,689
Common Shares	3,170,317	3,160,466
Investment Shares	8,134,335	7,957,363
Retained Earnings	20,744,399	19,112,124
	<hr/>	<hr/>
	32,049,051	30,563,642
	<hr/>	<hr/>
	\$ 485,186,612	\$ 441,415,076

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Nine Months Ended July 31, 2022	Nine Months Ended July 31, 2021
Financial Income		
Interest On Member Loans	\$ 9,146,814	\$ 7,985,883
Investment	291,494	151,330
	<u>9,438,308</u>	<u>8,139,213</u>
Financial Expense		
Interest on member deposits	2,163,354	2,299,875
Interest on borrowings	116,715	56,712
	<u>2,280,069</u>	<u>2,356,587</u>
Financial margin before profit share	7,158,239	5,780,626
Profit Share	940	120
Financial margin	7,157,299	5,780,506
Charge for loan impairment	257,623	210,874
Financial margin after charge for loan impairment	<u>6,899,676</u>	<u>5,569,632</u>
Other Income	1,520,032	1,348,923
Gross Margin	<u>8,419,708</u>	<u>6,918,555</u>
Operating Expenses	6,499,505	6,011,412
Income before income taxes	<u>1,920,203</u>	<u>907,143</u>
Provision for income taxes		
Current	287,928	74,249
Net income and comprehensive income	<u>\$ 1,632,275</u>	<u>\$ 832,894</u>

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Nine Months Ended July 31, 2022	Nine Months Ended July 31, 2022
Retained Earnings, beginning of period	\$ 19,112,125	\$ 18,033,912
Add: Net Income	1,632,275	832,894
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	<u>\$ 20,744,400</u>	<u>\$ 18,866,806</u>

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Nine Months Ended July 31, 2022	Nine Months Ended July 31, 2022
Accumulated Other Comprehensive Income, beginning of period	\$ -	\$ -
Add: Unrealized Gains/(Losses) Investments	-	-
Accumulated Other Comprehensive Income, end of period	<u>\$ -</u>	<u>\$ -</u>

Bow Valley Credit Union Ltd.

Statement of Cash Flows (unaudited)

	Nine Months Ended July 31, 2022	Nine Months Ended July 31, 2022
Cash flows from operating activities:		
Net income	\$ 1,632,275	\$ 832,894
Change in non-cash items:		
Net interest income	(7,157,299)	(5,780,506)
Provisions for impaired loans	256,470	210,874
Investment valuation allowance	1,153	0
Depreciation	567,412	560,801
	<u>(4,699,989)</u>	<u>(4,175,937)</u>
Changes in other assets:		
Changes in other assets	1,972,959	(176,105)
Changes in accounts payable and accrued liabilities	(158,949)	(232,474)
Changes in income taxes payable and receivable	(551,210)	202,046
	<u>1,262,800</u>	<u>(206,533)</u>
Changes in member activities (net):		
Changes in member loans	(55,046,775)	(43,370,720)
Changes in member deposits	22,983,785	40,373,437
	<u>(32,062,990)</u>	<u>(2,997,283)</u>
Cash flows related to interest:		
Interest received on member loans	9,168,206	7,877,049
Interest received on investments	203,303	214,714
Interest paid on deposits	(2,143,196)	(2,299,875)
Interest paid on borrowings	(116,715)	(56,712)
	<u>7,111,598</u>	<u>5,735,176</u>
Cash flows from financing activities:		
Issuance of common and investment shares	242,300	1,025,014
Redemption of common and investment shares	(399,336)	(243,888)
Lease Payments	(296,715)	0
Advance of term borrowing	20,000,000	0
	<u>19,546,249</u>	<u>781,126</u>
Cash flows from investing activities:		
Proceeds from sale of investments	11,500,000	10,268,872
Purchase of investments	(14,106,724)	(5,528,770)
Additions to intangible assets	(25,000)	(294,217)
Additions to property and equipment	(17,666)	(86,547)
	<u>(2,649,390)</u>	<u>4,359,311</u>
Net increase (decrease) in cash	(11,491,722)	3,495,860
Cash, beginning of period	19,581,149	11,530,815
Cash, end of period	\$ 8,089,427	\$ 15,026,675

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Nine Months Ended July 31, 2022

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, 2021. 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, 2021.

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

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