

# Bow Valley Credit Union

2022 Q2 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)

	April 30, 2022	October 31, 2021
<b>Assets</b>		
Cash	\$ 6,589,437	\$ 19,581,149
Investments and accrued interest	50,651,188	36,470,401
Loans to members and accrued interest	394,438,489	371,795,849
Derivative financial assets	-	1,075
Other assets	582,943	2,488,829
Property and equipment	10,467,699	10,795,019
Intangible assets	278,191	282,754
	<hr/>	<hr/>
	463,007,947	\$ 441,415,076
<b>Liabilities</b>		
Member deposits and accrued interest	\$ 427,463,980	\$ 406,183,407
Accounts payable and accrued liabilities	3,940,739	4,417,202
Derivative financial liabilities	-	1,075
Deferred income tax liability	249,750	249,750
	<hr/>	<hr/>
	\$ 431,654,469	\$ 410,851,434
<b>Capital and Retained Earnings</b>		
Allocation Distributable	\$ -	\$ 333,689
Common Shares	3,402,158	3,160,466
Investment Shares	7,891,711	7,957,363
Retained Earnings	20,059,609	19,112,124
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	31,353,478	30,563,642
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	\$ 463,007,947	\$ 441,415,076

# Bow Valley Credit Union Ltd.

## Statement of Comprehensive Income (unaudited)

	Six Months Ended April 31, 2022	Six Months Ended April 30, 2021
<b>Financial Income</b>		
Interest On Member Loans	\$ 5,787,915	\$ 5,211,133
Investment	183,490	125,975
	<u>5,971,405</u>	<u>5,337,108</u>
<b>Financial Expense</b>		
Interest on member deposits	1,262,243	1,488,831
Interest on borrowings	32,671	34,303
	<u>1,294,914</u>	<u>1,623,134</u>
<b>Financial margin before profit share</b>	<u>4,676,491</u>	<u>3,713,974</u>
Profit Share	0	120
<b>Financial margin</b>	<u>4,676,491</u>	<u>3,713,854</u>
Charge for loan impairment	163,354	100,834
<b>Financial margin after charge for loan impairment</b>	<u>4,513,137</u>	<u>3,613,020</u>
Other Income	924,526	848,166
<b>Gross Margin</b>	<u>5,437,663</u>	<u>4,461,186</u>
Operating Expenses	4,306,933	3,919,661
<b>Income before income taxes</b>	<u>1,130,730</u>	<u>541,525</u>
<b>Provision for income taxes</b>		
Current	183,246	48,578
<b>Net income and comprehensive income</b>	<u>\$ 947,484</u>	<u>\$ 492,947</u>

## Bow Valley Credit Union Ltd.

### Statement of Retained Earnings (unaudited)

	Six Months Ended April 30, 2022	Six Months Ended April 30, 2021
Retained Earnings, beginning of period	\$ 19,112,125	\$ 18,033,912
Add: Net Income	947,484	492,947
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	\$ 20,059,609	\$ 18,526,859

## Bow Valley Credit Union Ltd.

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

	Six Months Ended April 30, 2022	Six Months Ended April 30, 2021
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, 2022	Six Months Ended April 30, 2021
<b>Cash flows from operating activities:</b>		
Net income	\$ 947,484	492,947
Adjustments for:		
Change in non-cash items:		
Net interest income	(4,676,492)	(3,713,854)
Provisions for impaired loans	163,354	100,834
Investment valuation allowance	1,153	0
Depreciation	374,656	367,512
	<u>(3,189,845)</u>	<u>(2,752,561)</u>
Changes in other assets:		
Changes in other assets	1,905,887	(368,276)
Changes in accounts payable and accrued liabilities	23,009	(193,785)
Changes in income taxes payable and receivable	(487,111)	202,046
	<u>1,441,785</u>	<u>(360,015)</u>
Changes in member activities (net):		
Changes in member loans	(22,793,970)	(1,947,655)
Changes in member deposits	21,280,571	19,661,011
	<u>(1,513,399)</u>	<u>17,713,356</u>
Cash flows related to interest:		
Interest received on member loans	5,947,534	5,178,067
Interest received on investments	108,274	190,727
Interest paid on deposits	(1,262,243)	(1,588,831)
Interest paid on borrowings	(32,670)	(34,303)
	<u>4,760,895</u>	<u>3,745,660</u>
<b>Cash flows from financing activities:</b>		
Issuance of common and investment shares	16,516	13,006
Redemption of common and investment shares	(160,357)	(473,420)
Lease Payments	(197,810)	0
	<u>(341,651)</u>	<u>(460,414)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	0	269,134
Purchase of investments	(14,106,724)	5,496,100
Additions to intangible assets	(25,000)	0
Additions to property and equipment	(17,773)	(86,577)
	<u>(14,149,497)</u>	<u>5,678,657</u>
<b>Net increase (decrease) in cash</b>	<b>(12,991,712)</b>	<b>13,564,683</b>
<b>Cash, beginning of period</b>	<b>19,581,149</b>	<b>11,530,815</b>
<b>Cash, end of period</b>	<b>6,589,437</b>	<b>35,095,498</b>

**Bow Valley Credit Union Ltd.**

## **Notes to the Financial Statements**

**For the Three Months Ended January 31, 2022**

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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, 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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