



2023

FINANCIAL  
STATEMENTS  
(unaudited)

For the quarter ending January 31, 2023

## **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)

	January 31, 2023	October 31, 2022
<b>Assets</b>		
Cash	\$ 4,776,918	\$ 21,767,345
Investments and accrued interest	56,378,981	42,584,292
Loans to members and accrued interest	428,121,813	431,197,312
Other assets	663,339	430,525
Investment property	1,200,000	1,200,000
Property and equipment	9,269,407	9474,426
Intangible assets	239,159	282,754
	<hr/>	<hr/>
	\$ 500,649,617	\$ 506,904,747
<b>Liabilities</b>		
Member deposits and accrued interest	\$ 463,499,414	\$ 446,810,099
Term borrowing	-	22,500,000
Accounts payable and accrued liabilities	632,139	841,677
Income taxes payable	-	11,591
Leases	3,098,448	3,156,589
Deferred income tax liability	330,000	330,000
	<hr/>	<hr/>
	\$ 467,560,001	\$ 473,649,956
<b>Capital and Retained Earnings</b>		
Allocation Distributable	\$ -	\$ 459,444
Common Shares	3,256,668	3,129,573
Investment Shares	8,742,116	8,876,892
Retained Earnings	21,090,832	20,788,882
	<hr/>	<hr/>
	33,089,616	33,254,791
	<hr/>	<hr/>
	\$ 500,649,617	\$ 506,904,747

# Bow Valley Credit Union Ltd.

## Statement of Comprehensive Income (unaudited)

	Three Months Ended January 31, 2023	Three Months Ended January 31, 2022
<b>Financial Income</b>		
Interest On Member Loans	\$ 4,080,023	\$ 2,890,030
Investment	413,617	53,828
	<u>4,493,640</u>	<u>2,943,858</u>
<b>Financial Expense</b>		
Interest on member deposits	2,106,905	631,673
Interest on borrowings	141,827	18,098
	<u>2,248,732</u>	<u>649,771</u>
<b>Financial margin before profit share</b>	<u>2,294,087</u>	<u>2,294,087</u>
Profit Share	0	0
<b>Financial margin</b>	<u>2,244,908</u>	<u>2,297,087</u>
Charge for loan impairment	7,910	42,213
<b>Financial margin after charge for loan impairment</b>	<u>2,236,998</u>	<u>2,251,874</u>
Other Income	530,066	405,294
<b>Gross Margin</b>	<u>2,767,064</u>	<u>2,657,168</u>
Operating Expenses	2,372,374	2,084,800
<b>Income before income taxes</b>	<u>394,690</u>	<u>572,368</u>
<b>Provision for income taxes</b>		
Current	92,740	78,345
<b>Net income and comprehensive income</b>	<u>\$ 301,950</u>	<u>\$ 494,023</u>

## Bow Valley Credit Union Ltd.

### Statement of Retained Earnings (unaudited)

	Three Months Ended January 31, 2023	Three Months Ended January 31, 2022
Retained Earnings, beginning of period	\$ 20,788,882	\$ 19,112,125
Add: Net Income	301,950	494,023
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	\$ 21,090,832	\$ 19,606,148

## Bow Valley Credit Union Ltd.

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

	Three Months Ended January 31, 2023	Three Months Ended January 31, 2022
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, 2023	Three Months Ended January 31, 2022
<b>Cash flows from operating activities:</b>		
Net income	\$ 301,950	\$ 494,023
Adjustments for:		
Change in non-cash items:		
Net interest income	(2,244,908)	(2,294,087)
Provisions for impaired loans	7,910	42,213
Investment valuation allowance	0	0
Depreciation	236,669	200,971
	<u>(1,698,379)</u>	<u>(1,556,880)</u>
Changes in other assets:		
Changes in other assets	(232,814)	1,612,576
Changes in accounts payable and accrued liabilities	(180,296)	(241,843)
Changes in income taxes payable and receivable	(92,806)	(303,865)
	<u>(505,916)</u>	<u>1,066,868</u>
Changes in member activities (net):		
Changes in member loans	3,182,079	(8,677,478)
Changes in member deposits	17,759,421	2,391,342
	<u>20,941,500</u>	<u>(6,286,136)</u>
Cash flows related to interest:		
Interest received on member loans	3,986,600	2,847,152
Interest received on investments	258,828	118,997
Interest paid on deposits	(3,177,011)	(631,673)
Interest paid on borrowings	(141,827)	(18,098)
	<u>926,590</u>	<u>2,316,378</u>
<b>Cash flows from financing activities:</b>		
Issuance of common and investment shares	2,440	5,720
Redemption of common and investment shares	(397,895)	(339,134)
Lease payments	(98,905)	(98,905)
Advance of term borrowing	(22,500,000)	0
	<u>(22,994,360)</u>	<u>(432,319)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments (net)	(13,639,900)	(1,097,456)
Additions to property and equipment	(19,962)	(1,631)
	<u>(13,659,862)</u>	<u>(1,099,087)</u>
<b>Net increase (decrease) in cash</b>	<b>(16,990,427)</b>	<b>(5,991,176)</b>
<b>Cash, beginning of period</b>	<b>21,767,345</b>	<b>19,581,149</b>
<b>Cash, end of period</b>	<b>\$ 4,776,918</b>	<b>\$ 13,589,973</b>

# **Bow Valley Credit Union Ltd.**

## **Notes to the Financial Statements**

**For the Three Months Ended January 31, 2023**

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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, 2022. 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, 2022.

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



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