



2023

FINANCIAL  
STATEMENTS  
(unaudited)

For the quarter ending April 30, 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)

	April 30, 2023	October 31, 2022
<b>Assets</b>		
Cash	\$ 6,627,339	\$ 21,767,345
Investments and accrued interest	78,846,934	42,584,292
Loans to members and accrued interest	436,402,096	431,197,312
Derivative financial assets	45,590	-
Other assets	1,097,123	430,525
Investment property	1,200,000	1,200,000
Property and equipment	8,952,529	9,474,426
Intangible assets	228,469	250,847
	\$ 533,400,080	\$ 506,904,747
<b>Liabilities</b>		
Member deposits and accrued interest	\$ 496,309,182	\$ 446,810,099
Term borrowing	-	22,500,000
Accounts payable and accrued liabilities	659,571	841,677
Income taxes payable	-	11,591
Leases	3,039,652	3,156,589
Deferred income tax liability	330,000	330,000
	\$ 500,338,405	\$ 473,649,956
<b>Capital and Retained Earnings</b>		
Allocation Distributable	\$ -	\$ 459,444
Common Shares	3,218,533	3,129,573
Investment Shares	8,716,529	8,876,892
Retained Earnings	21,126,613	20,788,882
	33,061,675	33,254,791
	\$ 533,400,080	\$ 506,904,747

# Bow Valley Credit Union Ltd.

## Statement of Comprehensive Income (unaudited)

	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
<b>Financial Income</b>		
Interest on member loans	\$ 8,115,730	\$ 5,787,915
Investment	1,103,989	183,490
	<u>9,219,719</u>	<u>5,971,405</u>
<b>Financial Expense</b>		
Interest on member deposits	4,705,167	1,262,243
Interest on borrowings	160,482	32,671
	<u>4,865,649</u>	<u>1,294,914</u>
<b>Financial margin</b>	<b>4,354,070</b>	<b>4,676,491</b>
Charge for loan impairment	30,653	163,354
<b>Financial margin after charge for loan impairment</b>	<b>4,323,417</b>	<b>4,513,137</b>
Other Income	1,035,439	924,526
<b>Gross Margin</b>	<b>5,358,856</b>	<b>5,437,663</b>
Operating Expenses	4,964,849	4,306,933
<b>Income before income taxes</b>	<b>394,007</b>	<b>1,130,730</b>
<b>Provision for income taxes</b>		
Current	56,276	183,246
<b>Net income and comprehensive income</b>	<b>\$ 337,731</b>	<b>\$ 947,484</b>

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

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

	<b>Six Months Ended April 30, 2023</b>	<b>Six Months Ended April 30, 2022</b>
Retained Earnings, beginning of period	\$ 20,788,882	\$ 19,112,125
Add: Net Income	337,731	947,484
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	<b>\$ 21,126,613</b>	<b>\$ 20,059,609</b>

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

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

	<b>Six Months Ended April 30, 2023</b>	<b>Six Months Ended April 30, 2022</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)

	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
<b>Cash flows from operating activities:</b>		
Net income	\$ 337,731	\$ 947,484
Adjustments for:		
Change in non-cash items:		
Net interest income	(4,354,070)	(4,676,491)
Provisions for impaired loans	30,653	163,354
Investment valuation allowance	-	1,153
Derivative financial instruments	(45,590)	-
Depreciation	581,623	374,656
	<u>(3,449,653)</u>	<u>(3,189,844)</u>
Changes in other assets:		
Changes in other assets	(666,598)	1,905,887
Changes in accounts payable and accrued liabilities	(27,874)	23,009
Changes in income taxes payable and receivable	(67,867)	(487,111)
	<u>(762,339)</u>	<u>1,441,785</u>
Changes in member activities (net):		
Changes in member loans	(5,230,746)	(22,793,970)
Changes in member deposits	46,975,612	21,280,571
	<u>41,744,866</u>	<u>(1,513,399)</u>
Cash flows related to interest:		
Interest received on member loans	8,026,539	5,947,534
Interest received on investments	779,296	108,274
Interest paid on deposits	(2,181,696)	(1,262,243)
Interest paid on borrowings	(160,482)	(32,670)
	<u>6,463,657</u>	<u>4,760,895</u>
<b>Cash flows from financing activities:</b>		
Issuance of common and investment shares	26,852	16,516
Redemption of common and investment shares	(511,481)	(160,357)
Lease payments	(154,232)	(197,810)
Advance of term borrowing	(22,500,000)	-
	<u>(23,138,861)</u>	<u>(341,651)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments (net)	(35,937,950)	(14,106,724)
Additions to property, equipment and intangible assets	(59,726)	(42,773)
	<u>(35,997,676)</u>	<u>(14,149,497)</u>
<b>Net increase (decrease) in cash</b>	<b>(15,140,006)</b>	<b>(12,991,711)</b>
<b>Cash, beginning of period</b>	<b>21,767,345</b>	<b>19,581,149</b>
<b>Cash, end of period</b>	<b>\$ 6,627,339</b>	<b>\$ 6,589,438</b>

# **Bow Valley Credit Union Ltd.**

## **Notes to the Financial Statements**

For the Six Months Ended April 30, 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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