

Bow Valley Credit Union

2020 Q3 Financials



Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	July 31, 2020	October 31, 2019
Assets		
Cash	\$ 10,944,975	\$ 10,001,561
Investments and accrued interest	31,322,246	35,388,957
Loans to members and accrued interest	324,614,986	309,533,057
Derivative financial assets	42,101	42,363
Other assets	3,380,245	919,428
Income taxes receivable	-	552,259
Deferred income tax asset	-	-
Property and equipment	6,985,450	7,276,569
Intangible assets	37,049	30,121
	\$ 377,327,052	\$ 363,744,315
Liabilities		
Member deposits and accrued interest	\$ 348,233,849	\$ 337,354,151
Loans payable	-	-
Accounts payable and accrued liabilities	2,102,296	627,880
Derivative financial liabilities	42,101	42,363
Income taxes payable	-	-
Deferred income tax liability	190,820	190,820
	\$ 350,569,066	\$ 338,215,214
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 529,891
Common Shares	3,280,124	3,101,903
Investment Shares	5,012,076	4,291,246
Retained Earnings	18,465,786	17,606,061
Accumulated Other Comprehensive Income	-	-
	26,757,986	25,529,101
	\$ 377,327,052	\$ 363,744,315

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Nine Months Ended July 31, 2020	Nine Months Ended July 31, 2019
Financial Income		
Interest On Member Loans	\$ 8,694,411	\$ 8,513,390
Investment	367,386	486,113
	<u>9,061,797</u>	<u>8,999,503</u>
Financial Expense		
Interest on member deposits	3,278,354	3,064,295
Interest on borrowings	66,263	58,889
	<u>3,344,617</u>	<u>3,123,184</u>
Financial margin before profit share	5,717,180	5,876,319
Profit Share	3,213	10,696
Financial margin	5,713,967	5,865,623
Charge for loan impairment	308,332	322,240
Financial margin after charge for loan impairment	5,405,635	5,543,383
Other Income	1,142,579	1,285,552
Gross Margin	6,548,214	6,828,935
Operating Expenses	5,622,235	6,085,032
Income before income taxes	925,979	743,903
Provision for income taxes		
Current	66,254	412,742
Net income and comprehensive income	\$ 859,725	\$ 331,161

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Nine Months Ended July 31, 2020	Nine Months Ended July 31, 2019
Retained Earnings, beginning of period	\$ 17,606,061	\$ 17,613,252
Add: Net Income	859,725	331,161
Deduct: Prior year end adjustments	-	124,987
Retained earnings, end of period	\$ 18,465,786	\$ 18,069,400

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Nine Months Ended July 31, 2020	Nine Months Ended July 31, 2019
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)

	Nine Months Ended July 31, 2020	Nine Months Ended July 31, 2019
Cash flows from operating activities:		
Net income	\$ 859,725	\$ 331,161
Adjustments for:		
Change in non-cash items:		
Net interest income	(5,713,967)	(5,865,623)
Provisions for impaired loans	308,332	322,240
Provisions for deferred income taxes	0	0
Depreciation	571,514	246,728
Loss on disposition of property and equipment	0	(11,866)
	<u>(3,974,396)</u>	<u>(4,977,360)</u>
Changes in other assets:		
Changes in other assets	(2,460,817)	(711,195)
Changes in accounts payable and accrued liabilities	1,474,416	(143,694)
Changes in income taxes payable and receivable	552,259	(200,340)
	<u>(434,142)</u>	<u>(1,055,229)</u>
Changes in member activities (net):		
Changes in member loans	(15,135,565)	(11,466,201)
Changes in member deposits	(10,879,698)	4,899,646
	<u>(4,255,867)</u>	<u>(6,566,555)</u>
Cash flows related to interest:		
Interest received on member loans	8,458,424	8,468,097
Interest received on investments	429,762	536,211
Interest paid on deposits	(3,278,354)	(3,064,295)
Interest paid on borrowings	(66,263)	(58,889)
	<u>5,543,569</u>	<u>5,881,124</u>
Cash flows from financing activities:		
Issuance of common and investment shares	932,363	15,548
Redemption of common and investment shares	(585,124)	(176,983)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(347,239)</u>	<u>(161,435)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	3,428,436	3,004
Purchase of investments	575,899	1,184,045
Additions to intangible assets	(22,258)	0
Additions to property and equipment	(265,066)	36,0198
	<u>3,717,011</u>	<u>1,223,247</u>
Net increase (decrease) in cash	943,4141	(5,656,208)
Cash, beginning of period	10,001,561	11,535,553
Cash, end of period	\$ 10,944,975	\$ 5,879,345

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Nine Months Ended July 31, 2020

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, 2019. 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, 2019.

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

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