

Bow Valley Credit Union

2019 Q1 Financials



growing together

Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	January 31, 2019	October 31, 2018
Assets		
Cash	\$ 4,978,981	\$ 11,535,553
Investments and accrued interest	28,818,955	31,964,387
Loans to members and accrued interest	299,400,155	296,693,768
Derivative financial assets	156,290	130,848
Other assets	401,903	189,022
Income taxes receivable	-	-
Deferred income tax asset	6,722	6,722
Property and equipment	7,927,843	8,026,333
Intangible assets	40,730	44,267
	\$ 341,731,579	\$ 348,590,900
Liabilities		
Member deposits and accrued interest	\$ 315,762,788	\$ 322,076,583
Loans payable	-	-
Accounts payable and accrued liabilities	645,457	736,390
Derivative financial liabilities	156,290	130,848
Income taxes payable	-	200,340
Deferred income tax liability	-	-
	\$ 316,564,535	\$ 323,144,161
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 395,938
Common Shares	3,173,452	2,964,658
Investment Shares	4,302,201	4,472,891
Retained Earnings	17,691,391	17,613,252
Accumulated Other Comprehensive Income	-	-
	25,167,044	25,446,739
	\$ 341,731,579	\$ 348,590,900

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018
Financial Income		
Interest On Member Loans	\$ 2,840,159	\$ 2,443,784
Investment	124,303	105,310
	<hr/>	<hr/>
	2,964,462	2,549,094
	<hr/>	<hr/>
Financial Expense		
Interest on member deposits	936,618	644,609
Interest on borrowings	17,713	101
	<hr/>	<hr/>
	954,331	644,710
	<hr/>	<hr/>
Financial margin before profit share	2,010,131	1,904,384
Profit Share	0	0
	<hr/>	<hr/>
Financial margin	2,010,131	1,904,384
Charge for loan impairment	111,920	196,042
	<hr/>	<hr/>
Financial margin after charge for loan impairment	1,898,211	1,708,342
Other Income	340,713	380,977
	<hr/>	<hr/>
Gross Margin	2,238,924	2,089,319
Operating Expenses	2,073,432	1,791,788
	<hr/>	<hr/>
Income before income taxes	165,492	297,531
Provision for income taxes		
Current	87,354	93,189
	<hr/>	<hr/>
Net income and comprehensive income	\$ 78,138	\$ 204,342

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018
Retained Earnings, beginning of period	\$ 17,613,253	\$ 16,690,387
Add: Net Income	78,138	204,342
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	<u>\$ 17,691,391</u>	<u>\$ 16,894,729</u>

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018
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)

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018
Cash flows from operating activities:		
Net income	\$ 78,138	\$ 204,342
Adjustments for:		
Change in non-cash items:		
Net interest income	(2,010,131)	(1,904,384)
Provisions for impaired loans	11,920	196,042
Provisions for deferred income taxes	0	0
Depreciation	106,066	102,418
Loss on disposition of property and equipment	0	0
	<u>(1,814,007)</u>	<u>(1,401,582)</u>
Changes in other assets:		
Changes in other assets	(212,881)	(181,161)
Changes in accounts payable and accrued liabilities	(90,933)	72,580
Changes in income taxes payable and receivable	(200,340)	0
	<u>(504,154)</u>	<u>(108,581)</u>
Changes in member activities (net):		
Changes in member loans	(2,703,891)	1,413,095
Changes in member deposits	(7,650,377)	6,860,336
	<u>(10,354,268)</u>	<u>8,273,431</u>
Cash flows related to interest:		
Interest received on member loans	2,831,311	2,426,435
Interest received on investments	116,715	97,269
Interest paid on deposits	399,964	(665,105)
Interest paid on borrowings	(17,713)	(101)
	<u>3,330,277</u>	<u>1,858,498</u>
Cash flows from financing activities:		
Issuance of common and investment shares	5,570	3,970
Redemption of common and investment shares	(368,972)	(397,074)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(363,402)</u>	<u>(393,104)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	0	(10,999,988)
Purchase of investments	3,153,020	(836,070)
Additions to intangible assets	0	0
Additions to property and equipment	(4,039)	(9,585)
	<u>3,148,981</u>	<u>(11,845,643)</u>
Net increase (decrease) in cash	(6,556,573)	(3,616,981)
Cash, beginning of period	11,535,553	7,896,427
Cash, end of period	\$ 4,978,980	\$ 4,279,446

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Three Months Ended January 31, 2019

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, 2018. 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, 2018.

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

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