

Bow Valley Credit Union

2019 Q3 Financials



growing together

Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	July 31, 2019	October 31, 2018
Assets		
Cash	\$ 5,879,345	\$ 11,535,553
Investments and accrued interest	30,727,240	31,964,387
Loans to members and accrued interest	308,007,921	296,693,768
Derivative financial assets	40,369	130,848
Other assets	900,217	189,022
Income taxes receivable	-	-
Deferred income tax asset	6,722	6,722
Property and equipment	7,755,273	8,026,333
Intangible assets	33,657	44,267
	\$ 353,350,744	\$ 348,590,900
Liabilities		
Member deposits and accrued interest	\$ 326,976,229	\$ 322,076,583
Loans payable	-	-
Accounts payable and accrued liabilities	592,696	736,390
Derivative financial liabilities	40,369	130,848
Income taxes payable	-	200,340
Deferred income tax liability	-	-
	\$ 327,609,294	\$ 323,144,161
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 395,938
Common Shares	3,380,048	2,964,658
Investment Shares	4,292,002	4,472,891
Retained Earnings	18,069,400	17,613,252
Accumulated Other Comprehensive Income	-	-
	25,741,450	25,446,739
	\$ 353,350,744	\$ 348,590,900

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Nine Months Ended July 31, 2019	Nine Months Ended July 31, 2018
Financial Income		
Interest On Member Loans	\$ 8,513,390	\$ 7,673,806
Investment	486,113	584,950
	<u>8,999,503</u>	<u>8,258,756</u>
Financial Expense		
Interest on member deposits	3,064,295	2,155,180
Interest on borrowings	58,889	1,034
	<u>3,123,184</u>	<u>2,156,214</u>
Financial margin before profit share	5,876,319	6,102,542
Profit Share	<u>10,696</u>	<u>0</u>
Financial margin	5,865,623	6,102,542
Charge for loan impairment	<u>322,240</u>	<u>460,261</u>
Financial margin after charge for loan impairment	5,543,383	5,642,281
Other Income	<u>1,285,552</u>	<u>1,148,603</u>
Gross Margin	6,828,935	6,790,884
Operating Expenses	<u>6,085,032</u>	<u>5,563,874</u>
Income before income taxes	743,903	1,227,010
Provision for income taxes		
Current	<u>412,742</u>	<u>262,062</u>
Net income and comprehensive income	\$ 331,161	\$ 964,948

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Nine Months Ended July 31, 2019	Nine Months Ended July 31, 2018
Retained Earnings, beginning of period	\$ 17,613,252	\$ 16,690,387
Add: Net Income	313,161	964,948
Deduct: Prior year end adjustments	-	-
	<hr/>	<hr/>
Retained earnings, end of period	\$ 18,069,400	\$ 17,655,355

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Six Months Ended April 30, 2019	Six Months Ended April 30, 2018
Accumulated Other Comprehensive Income, beginning of period	\$ -	\$ -
Add: Unrealized Gains/(Losses) Investments	-	-
	<hr/>	<hr/>
Accumulated Other Comprehensive Income, end of period	\$ -	\$ -

Bow Valley Credit Union Ltd.

Statement of Cash Flows (unaudited)

	Nine Months Ended July 31, 2019	Nine Months Ended July 31, 2018
Cash flows from operating activities:		
Net income	\$ 331,161	\$ 964,948
Adjustments for:		
Change in non-cash items:		
Net interest income	(5,865,623)	(6,102,542)
Provisions for impaired loans	322,240	460,261
Provisions for deferred income taxes	0	0
Depreciation	246,728	275,521
Loss on disposition of property and equipment	(11,866)	0
	<u>(4,977,360)</u>	<u>(4,401,812)</u>
Changes in other assets:		
Changes in other assets	(711,195)	(66,929)
Changes in accounts payable and accrued liabilities	(143,694)	99,543
Changes in income taxes payable and receivable	(200,340)	34,760
	<u>(1,055,229)</u>	<u>67,374</u>
Changes in member activities (net):		
Changes in member loans	(11,466,201)	(5,665,953)
Changes in member deposits	4,899,646	18,525,466
	<u>(6,566,555)</u>	<u>12,589,513</u>
Cash flows related to interest:		
Interest received on member loans	8,468,097	7,663,482
Interest received on investments	536,211	576,909
Interest paid on deposits	(3,064,295)	(2,175,676)
Interest paid on borrowings	(58,889)	(1,034)
	<u>5,881,124</u>	<u>6,063,681</u>
Cash flows from financing activities:		
Issuance of common and investment shares	15,548	36,435
Redemption of common and investment shares	(176,983)	(597,030)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(161,435)</u>	<u>(560,595)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	3,004	(5,477,408)
Purchase of investments	1,184,045	(6,928,914)
Additions to intangible assets	0	0
Additions to property and equipment	36,198	(867,665)
	<u>1,223,247</u>	<u>(13,273,987)</u>
Net increase (decrease) in cash	(5,656,208)	(754,174)
Cash, beginning of period	11,535,553	7,896,427
Cash, end of period	\$ 5,879,345	\$ 8,650,601

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Nine Months Ended July 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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