

# 2023 Summary Consolidated Financial Statements



## Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Kootenay Savings Credit Union

### Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2023, and the summary consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Kootenay Savings Credit Union (the "Credit Union") for the year ended December 31, 2023.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

### Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited consolidated financial statements and the auditor's report thereon.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 21, 2024.

### Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Kelowna, BC  
March 21, 2024



Chartered Professional Accountants

A full set of the audited consolidated financial statements is available from the Credit Union

### MNP LLP

Suite 1500, 1700 Dickson Avenue, Kelowna B.C., V1Y 0L5

1.877.766.9735 T: 250.763.8919 F: 250.763.1121

Kootenay Savings Credit Union  
 Summary Consolidated Statement of Financial Position  
 As at December 31, 2023  
 (000's Canadian Dollars)

	2023	2022
<b>ASSETS</b>		
Cash and deposits	\$ 32,810	\$ 81,648
Loans, net of allowance for impairment	1,336,798	1,234,228
Premises and equipment & investment property	14,033	14,461
Intangible assets	1,790	2,090
Other Investments	176,192	134,254
Other assets	35,178	31,237
	<u>\$ 1,596,801</u>	<u>\$ 1,497,918</u>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
Deposits from members		
-demand	\$ 780,560	\$ 801,870
-term	406,622	362,964
-registered plans	248,243	225,126
-shares	2,564	2,791
	<u>1,437,989</u>	<u>1,392,751</u>
Other liabilities	14,771	5,709
Borrowings	59,663	12,151
Accounts payable and accrued liabilities	4,337	10,364
Member's equity		
Equity shares	11,076	11,999
Retained earnings	69,785	67,377
Accumulated other comprehensive loss	(820)	(2,433)
	<u>\$ 1,596,801</u>	<u>\$ 1,497,918</u>

APPROVED BY THE DIRECTORS



Mike Konkin  
 Board Chair



Am Naqvi  
 Chair, Audit & Operational Risk Committee

Kootenay Savings Credit Union  
Summary Consolidated Statements of Changes in Members' Equity and Cash Flows  
For the year ended December 31, 2023  
(000's Canadian Dollars)

	2023	2022
Members' Equity, beginning of year	\$ 76,943	\$ 76,413
Net income	2,498	3,459
Patronage, net of tax	(90)	(98)
Net redemption of member shares	(923)	(882)
Unrealized fair value gains (losses) on investments, net of tax	1,613	(1,854)
Unrealized fair value gains (losses) on investment in associate, net of tax	-	(95)
Members' Equity, end of year	<u>\$ 80,041</u>	<u>\$ 76,943</u>

	2023	2022
Cash flows provided by		
Operating activities	\$ 8,754	\$ 7,065
Investing activities	(149,344)	(104,991)
Financing activities	91,739	31,095
Decrease in cash and deposits	(48,851)	(66,831)
Cash and deposits, beginning of year	\$ 81,734	\$ 148,565
Cash and deposits, end of year	<u>\$ 32,883</u>	<u>\$ 81,734</u>

Kootenay Savings Credit Union  
Summary Consolidated Statement of Comprehensive Income  
For the year ended December 31, 2023  
(000's Canadian Dollars)

	2023	2022
Interest income	\$ 58,355	\$ 42,191
Interest expense	31,646	13,582
Net interest income	26,709	28,609
Securitized loan expense	(312)	(295)
Other income	8,661	8,818
	35,058	37,132
Provision for (recovery of) credit losses	322	(13)
Net interest and other income, after provision	34,736	37,145
Operating expenses		
- Salary and employee benefits	20,626	20,338
- General and administrative	7,595	8,109
- Occupancy and equipment	3,763	3,952
	31,984	32,399
Net income before other items	2,752	4,746
Patronage and dividends		
Patronage dividends - 1.00% (2022 - 1.00%)	106	74
Dividends		
-Membership equity shares - 1.00% (2022 - 1.00%)	1	1
-Patronage shares - 1.00% (2022 - 1.00%)	24	26
Gain on assets	(431)	(402)
Contributions to Kootenay Savings Community Foundation	-	200
Discontinued operations, net of tax	618	194
Net income before taxes	2,434	4,653
Current taxes	(385)	827
Deferred taxes	321	367
Net income	2,498	3,459
Other comprehensive loss, net of tax		
Items that will be reclassified to net income	1,613	(1,854)
Items that will never be reclassified to net income	-	(95)
Total comprehensive income	\$ 4,111	\$ 1,510