Special Member Information Session

February 7, 2023

Agenda

Welcome

Introductions

Presentation of 2021-2022 Audited Financial Statements

Message from the Board Chair

Q&A

Adjourn

About Us

Mission

Helping our members succeed in life.

We work to simplify and enrich members' lives with exceptional, locally relevant solutions.

Vision

To foster and support a financially thriving membership.

Values

- Exceptional Service
- Flexible
- Innovative

Report of the Independent Auditor on the Summary Consolidated Financial Statements



Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of North Peace Savings and Credit Union:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at September 30, 2022, and the summary consolidated statements of income, other comprehensive loss and changes in members' equity for the year then ended are derived from the audited consolidated financial statements of North Peace Savings and Credit Union (the "Credit Union") for the year ended September 30, 2022.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements

Summary 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 audited consolidated financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated December 8, 2022

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements.

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 Standards (CAS) 810, Engagements to Report on Summary Consolidated Financial Statements.

MNPLLA

Abbotsford, British Columbia December 8, 2022

Chartered Professional Accountants

MNP LLP

Suite 300, 32988 South Fraser Way, Abbotsford B.C., V2S 2A8

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MNP.ca

North Peace Savings and Credit Union Summarized Consolidated Statement of Financial Position As at September 30, 2022

	2022	2021
	(000s)	(000s)
Assets		
Cash and cash equivalents	38,331	64,860
Investments	76,384	66,367
Member loans receivable	260,886	287,862
Other assets	1,454	1,998
Premises and equipment	6,545	6,878
Intangible assets	399	499
Deferred tax asset	933	527
	384,932	428,991
Liabilities		
Member deposits	360,701	403,583
Accounts payable and accrued liabilities	2,678	1,526
Income taxes payable	-	1
Lease liability	183	226
Member shares	5,024	283
	368,586	405,619
Members' equity		
Member shares	1,710	7,242
Retained earnings	16,437	15,929
Accumulated other comprehensive income (loss)	(1,801)	201
	16,346	23,372
	384,932	428,991

Approved on the behalf of the Board

Director

Director

North Peace Savings and Credit Union

Summarized Consolidated Statement of Comprehensive Loss and Changes in Members' Equity For the year ended September 30, 2022

Member loans		2022	2021
Member loans 9,061 10,46 Investments 1,337 66 Interest expense 10,398 11,12 Member deposits 1,571 1,98 Borrowings 24 8 Financial margin before provision for loan impairment 8,803 9,06 Provision for loan impairment 8,803 9,06 Provision for loan impairment 8,563 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses 9 4 Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 1,091 1,35 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution 878 51 nad income taxes expense 9 44 Income before income tax expense 9 44 Income before income tax expense 9 4 Current - <th></th> <th>(000s)</th> <th>(000s)</th>		(000s)	(000s)
Investments 1,337 66 Interest expense 1,038 11,12 Member deposits 1,571 1,88 Borrowings 24 8 Financial margin before provision for loan impairment 8,803 9,06 Provision for loan impairment 4,803 9,06 9,06 Provision for loan impairment 4,803 9,06 9,02 9,02 9,02 9,02 9,02 9,02 9,02 9,02 9,02	Interest income		
Interest expense Member deposits 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,571 1,98 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 1,575 2,06 2,00 2,0	Member loans	9,061	10,460
Interest expense 1,571 1,98 Borrowings 24 8 Financial margin before provision for loan impairment 8,93 9,06 Provision for loan impairment 240 83 Financial margin 8,563 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses 3,775 3,42 Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 10,91 1,35 Occupancy 10,91 1,23 Income from operations before members' distribution and income taxes expense 87 51 Members' distribution (70) (7) (7) Income before income tax expense 80 44 Income before income tax expense 80 44 Income before income tax expense 90 17 Net income 50 26 Other comprehensive loss, net of tax (1,909) (378	Investments	1,337	663
Member deposits 1,571 1,988 Borrowings 24 8 Financial margin before provision for loan impairment 8,803 9,06 Provision for loan impairment 240 83 Financial margin 8,563 8,22 Other income 3,134 3,52 Financial margin and other income 11,75 1,75 Operating expenses 3,775 3,42 Vages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 1,091 11,23 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (70 Income before income tax expense 308 44 Income tax expense 300 17 Current - - Deferred 300 17 Deferred 300 17 Net income 50 26 Other comprehensive loss, net of tax (1,001) (111		10,398	11,123
Borrowings 24 8 Financial margin before provision for loan impairment 8,803 9,00 Provision for loan impairment 8,803 9,00 Provision for loan impairment 40 83 Financial margin 8,663 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses 7 4,44 Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 1,090 1,35 Income from operations before members' distribution 878 51 and income taxes expenses 8 51 Members' distribution 700 77 Income before income tax expense 308 44 Income tax expense 300 17 Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) 378 Comprehensive loss (1,401)	Interest expense		
1,595 2,06 Financial margin before provision for loan impairment 8,803 9,06 Provision for loan impairment 240 83 Financial margin 8,663 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses	Member deposits	1,571	1,982
Financial margin before provision for loan impairment 8,803 9,06 Provision for loan impairment 240 83 Financial margin 8,563 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses Vages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 1,090 1,35 Administrative expenses 3,775 3,42 Occupancy 1,090 1,35 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Deferred 300 17 Net income 508 26 Other comprehensive loss (1,401) (111 Members' e	Borrowings	24	80
Provision for Ioan impairment 240 83 Financial margin 8,563 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses ************************************		1,595	2,062
Financial margin 8,563 8,22 Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses 10,875 4,645 Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 10,819 11,23 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Income tax expense 808 44 Current - - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (376 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (374	Financial margin before provision for loan impairment	8,803	9,061
Other income 3,134 3,52 Financial margin and other income 11,697 11,75 Operating expenses 3,775 3,42 Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 10,819 11,23 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Income tax expense 900 17 Net income 900 17 Net income 908 26 Other comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 <	Provision for loan impairment	240	833
Financial margin and other income 11,697 11,75 Operating expenses Vages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 10,90 1,35 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7') Income before income tax expense 808 44 Income tax expense 808 46 Current 508 26 Other comprehensive loss, net of tax (1,909) (376 Comprehensive loss (1,401)	Financial margin	8,563	8,228
Operating expenses Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 1,090 1,35 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Income tax expense 808 44 Income tax expense - - Current - - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (35 Amortization of deferred gain on unwound derivative financial instruments (93) (374 Other comprehensive loss for the year (1,909) (378	Other income	3,134	3,524
Wages and benefits 5,954 6,45 Administrative expenses 3,775 3,42 Occupancy 1,090 1,35 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Income tax expense 808 44 Current - - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (35 Amortization of deferred gain on unwound derivative financial instruments (93) (374 Other comprehensive loss for the year (1,909) (378	Financial margin and other income	11,697	11,752
Administrative expenses 3,775 3,42 Occupancy 1,090 1,35 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Income tax expense 508 44 Current - - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (3) (374 Other comprehensive loss for the year (1,909) (378	Operating expenses		
Occupancy 1,990 1,350 Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7 Income before income tax expense 808 44 Income tax expense 808 44 Current - - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (374 Other comprehensive loss for the year (1,909) (378	Wages and benefits	5,954	6,456
Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7) Income before income tax expense 808 44 Income tax expense 808 44 Income tax expense 1 1 Current - 2 Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (376 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (371 Other comprehensive loss for the year (1,909) (378	Administrative expenses	3,775	3,429
Income from operations before members' distribution and income taxes expense 878 51 Members' distribution (70) (7) Income before income tax expense 808 44 Income tax expense 4 Current - - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (371 Other comprehensive loss for the year (1,909) (378	Occupancy	1,090	1,352
Amortization of deferred gain on unwound derivative financial instruments 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		10,819	11,237
Amortization of deferred gain on unwound derivative financial instruments 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Income from operations before members' distribution	070	E1E
Income before income tax expense 808 44 Income tax expense Current - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378) Comprehensive loss (1,401) (111) Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353) Amortization of deferred gain on unwound derivative financial instruments (93) (371) Other comprehensive loss for the year (1,909) (378)		878	313
Income tax expense Current - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (371 Other comprehensive loss for the year (1,909) (378	Members' distribution	(70)	(71)
Current - Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (371 Other comprehensive loss for the year (1,909) (378	Income before income tax expense	808	444
Deferred 300 17 Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (371 Other comprehensive loss for the year (1,909) (378	Income tax expense		
Net income 508 26 Other comprehensive loss, net of tax (1,909) (378 Comprehensive loss (1,401) (111 Members' equity, beginning of year 23,372 24,20 Net income 508 26 Net change in member shares (5,532) (353 Amortization of deferred gain on unwound derivative financial instruments (93) (371 Other comprehensive loss for the year (1,909) (378	Current	-	1
Net income50826Other comprehensive loss, net of tax(1,909)(378Comprehensive loss(1,401)(111Members' equity, beginning of year23,37224,20Net income50826Net change in member shares(5,532)(353Amortization of deferred gain on unwound derivative financial instruments(93)(371Other comprehensive loss for the year(1,909)(378	Deferred	300	176
Other comprehensive loss, net of tax(1,909)(378)Comprehensive loss(1,401)(111)Members' equity, beginning of year23,37224,20Net income50826Net change in member shares(5,532)(353)Amortization of deferred gain on unwound derivative financial instruments(93)(371)Other comprehensive loss for the year(1,909)(378)		300	177
Comprehensive loss(1,401)(111)Members' equity, beginning of year23,37224,20Net income50826Net change in member shares(5,532)(353)Amortization of deferred gain on unwound derivative financial instruments(93)(371)Other comprehensive loss for the year(1,909)(378)	Net income	508	267
Members' equity, beginning of year23,37224,20Net income50826Net change in member shares(5,532)(353Amortization of deferred gain on unwound derivative financial instruments(93)(371Other comprehensive loss for the year(1,909)(378	Other comprehensive loss, net of tax	(1,909)	(378)
Net income50826Net change in member shares(5,532)(353Amortization of deferred gain on unwound derivative financial instruments(93)(371Other comprehensive loss for the year(1,909)(378	Comprehensive loss	(1,401)	(111)
Net change in member shares(5,532)(353Amortization of deferred gain on unwound derivative financial instruments(93)(371Other comprehensive loss for the year(1,909)(378	Members' equity, beginning of year	23,372	24,207
Amortization of deferred gain on unwound derivative financial instruments (93) (371) Other comprehensive loss for the year (1,909) (378)	Net income	508	267
Other comprehensive loss for the year (1,909) (378	Net change in member shares	(5,532)	(353)
Other comprehensive loss for the year (1,909) (378)	Amortization of deferred gain on unwound derivative financial instruments	(93)	(371)
Members' equity, end of year 16.346 23.37	Other comprehensive loss for the year		(378)
	Members' equity, end of year	16,346	23,372

Note: Readers are cautioned that these summarized consolidated financial statements do not include all the disclosures required for complete and fair presentation. Copies of the North Peace Savings and Credit Union full financial statements and auditors' report can be obtained at all of our branches.