2021-2022 Summarized 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.

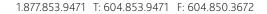
Auditor's Responsibility

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.

MNPLLP

Abbotsford, British Columbia December 8, 2022

Chartered Professional Accountants





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

| | 2022 (000s) | 2021 (000s) |
|-----------------------------------------------|----------------|----------------|
| Assets | (0000) | (0000) |
| 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 behalf of the Board

Director

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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

| | 2022 | 2021 |
|---------------------------------------------------------------------------|---------|--------|
| | (000s) | (000s) |
| Interest income | 0.004 | 40.400 |
| Member loans | 9,061 | 10,460 |
| Investments | 1,337 | 663 |
| | 10,398 | 11,123 |
| Interest expense | | |
| Member deposits | 1,571 | 1,982 |
| Borrowings | 24 | 80 |
| | 1,595 | 2,062 |
| Financial margin before provision for loan impairment | 8,803 | 9,061 |
| Provision for loan impairment | 240 | 833 |
| Financial margin | 8,563 | 8,228 |
| Other income | 3,134 | 3,524 |
| Financial margin and other income | 11,697 | 11,752 |
| Operating expenses | | |
| Wages and benefits | 5,954 | 6,456 |
| Administrative expenses | 3,775 | 3,429 |
| Occupancy | 1,090 | 1,352 |
| | 10,819 | 11,237 |
| Income from operations before members' distribution | 878 | 515 |
| and income tax expense | | 010 |
| Members' distribution | (70) | (71) |
| Income before income tax expense | 808 | 444 |
| Income tax expense | | |
| Current | - | 1 |
| Deferred | 300 | 176 |
| | 300 | 177 |
| Net income | 508 | 267 |
| Other comprehensive loss, net of tax | (1,909) | (378) |
| Comprehensive loss | (1,401) | (111) |
| Members' equity, beginning of year | 23,372 | 24,207 |
| Net income | 508 | 267 |
| 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' 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 auditor's report can be obtained at all of our branches.