

CCEC Credit Union
Financial Statements
September 30, 2022

**CCEC Credit Union
Contents**

For the year ended September 30, 2022

	Page
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Comprehensive Income (Loss).....	2
Statement of Changes in Members' Equity.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements	5

Independent Auditor's Report

To the Board of Directors of Community Savings Credit Union:

Opinion

We have audited the financial statements of CCEC Credit Union (the "Credit Union"), which comprise the statement of financial position as at September 30, 2022, and the statements of comprehensive income (loss), changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at September 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MNP LLP

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

1.877.853.9471 T: 604.853.9471 F: 604.850.3672

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued from previous page)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Abbotsford, British Columbia

December 8, 2022

MNP LLP

Chartered Professional Accountants

CCEC Credit Union
Statement of Financial Position
As at September 30, 2022

	2022	2021
Assets		
Cash resources (Note 5)	14,283,102	9,948,985
Investments (Note 6)	11,556,396	23,438,331
Members loans (Note 7)	23,904,854	20,372,430
Income taxes recoverable	21,390	80,882
Deferred tax assets (Note 13)	39,100	-
Other assets	109,192	57,687
Equipment and leaseholds (Note 8)	525,834	768,580
Intangible assets (Note 9)	23,299	274,140
	50,463,167	54,941,035
Liabilities		
Member deposits (Note 10)	46,597,327	50,541,829
Member shares (Note 11)	121,727	169,870
Accounts payable and accrued liabilities	107,920	137,361
Lease liability (Note 12)	520,485	732,469
Deferred tax liabilities (Note 13)	-	12,300
	47,347,459	51,593,829
Commitments (Note 19)		
Event after the reporting period (Note 20)		
Members' equity		
Retained earnings	3,115,708	3,347,206
	50,463,167	54,941,035

Approved on behalf of the Board



Director



Director

CCEC Credit Union
Statement of Comprehensive Income (Loss)
For the year ended September 30, 2022

	2022	2021
Financial income		
Member loans	774,449	888,936
Investment income	321,788	217,603
	1,096,237	1,106,539
Financial expenses		
Member deposits	131,305	173,628
Financial margin	964,932	932,911
Other income (Note 14)	280,133	381,208
	1,245,065	1,314,119
Operating expenses (Note 15)	1,466,253	961,329
Operating income	(221,188)	352,790
Provision for loan impairment (Note 19)	60,000	60,000
Income (loss) before income taxes	(281,188)	292,790
Provision for income taxes (Note 13)		
Current	1,710	30,883
Deferred	(51,400)	2,500
	(49,690)	33,383
Comprehensive income (loss)	(231,498)	259,407

The accompanying notes are an integral part of these financial statements

CCEC Credit Union
Statement of Changes in Members' Equity
For the year ended September 30, 2022

	<i>Retained earnings</i>
Balance September 30, 2020	3,087,799
Comprehensive income	259,407
Balance September 30, 2021	3,347,206
Comprehensive loss	(231,498)
Balance September 30, 2022	3,115,708

The accompanying notes are an integral part of these financial statements

CCEC Credit Union
Statement of Cash Flows
For the year ended September 30, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Comprehensive income (loss)	(231,498)	259,407
Depreciation of equipment and leaseholds	9,994	12,210
Depreciation of intangible assets	168,699	47,909
Depreciation of right-of-use building	160,504	191,737
Interest expense on lease liability	52,001	9,108
Deferred income taxes	(51,400)	2,500
Provision for impaired loans	60,000	60,000
Changes in working capital accounts		
Income taxes recoverable	59,492	(22,933)
Other assets	30,954	(18,831)
Accounts payable and accrued liabilities	(29,446)	89,277
Accrued interest on member loans	(4,273)	11,869
Accrued interest on member deposits	(10,334)	(37,352)
	214,693	604,901
Financing activities		
Net change in member deposits	(3,934,166)	7,468,047
Net change in member shares	(48,143)	(17,392)
Repayments of lease liability	(190,118)	(187,390)
	(4,172,427)	7,263,265
Investing activities		
Net change in member loans	(3,588,150)	5,093,370
Net change in investments	11,881,935	(19,274,186)
Purchases of equipment and leaseholds	(1,934)	-
Purchases of intangible assets	-	(146,715)
	8,291,851	(14,327,531)
Increase (decrease) in cash resources	4,334,117	(6,459,365)
Cash resources, beginning of year	9,948,985	16,408,350
Cash resources, end of year	14,283,102	9,948,985

The accompanying notes are an integral part of these financial statements