

The following Financial Report was extracted from the Financial Statements of the Rocky Credit Union Ltd. for the year ended October 31, 2023. The Financial Statements were audited by Metrix Group LLP Chartered Professional Accountants who expressed an unmodified opinion on those statements on January 9, 2024.

The Report of the Independent Auditor on the Condensed Financial Statements does not cover the other information presented in the Annual Report and the auditors have no specific responsibility for determining whether or not the other information is properly stated.

A complete set of Rocky Credit Union Ltd. financial statements and notes can be obtained from the branch or online at [www.rockycreditunion.com](http://www.rockycreditunion.com).

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING:

These financial statements were prepared by the management of Rocky Credit Union Limited (the "Credit Union") who are responsible for their accuracy, completeness and integrity. They were prepared in accordance with the requirements of the Credit Union Act (Alberta) and conform in all material respects with International Financial Reporting Standards.

Systems of internal control and reporting procedures are designed to provide reasonable assurance that the financial records are complete and accurate so as to safeguard the assets of the Credit Union. These systems include establishment and communication of standards of business conduct throughout all levels of the organization to provide assurance that all transactions are authorized and proper records are maintained. Internal control provides management with the ability to assess the adequacy of these controls. Further, they are reviewed by the Credit Union's external auditors.

The Board of Directors has approved the financial statements. The Board of Directors, comprising seven directors who are not officers or employees of the Credit Union, have reviewed the statements with the external auditors in detail and received regular reports on internal control findings. Metrix Group LLP are the external auditors appointed by the Board of Directors. The external auditors have examined the financial statements of the Credit Union in accordance with Canadian generally accepted auditing standards. They have had full and free access to the internal audit staff, other management staff, and the Audit, Finance & Risk Committee of the Board. Their report appears herein.



Randall Sugden



Crystal Weber, CPA, CA



To the Members of Rocky Credit Union Ltd.

The accompanying 2023 financial summary, which comprise the condensed statement of financial position as at October 31, 2023, the condensed statements of net income and comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Rocky Credit Union Ltd. for the year ended October 31, 2023. We expressed an unmodified audit opinion on those financial statements in our report dated January 9, 2024. Those financial statements and the 2023 financial summary do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The 2023 financial summary does not contain all the disclosures required by International Financial Reporting Standards. Reading the 2023 financial summary therefore is not a substitute for reading the audited financial statements of Rocky Credit Union Ltd.

### Management's Responsibility for the 2023 Financial Summary

Management is responsible for the preparation and fair presentation of the financial summary in accordance with International Financial Reporting Standards.

### Auditors' Responsibility

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

### Opinion

In our opinion, the accompanying financial summary, derived from the audited financial statements of Rocky Credit Union Ltd. as at October 31, 2023 is a fair summary of those financial statements, in accordance with International Financial Reporting Standards.



Chartered Professional Accountants

Edmonton, Alberta  
January 9, 2024

### Condensed Statement of Financial Position as at October 31, 2023

ASSETS	2023	2022
Cash and cash equivalents	\$36,553,288	\$ 45,029,785
Investments	142,855,921	120,094,363
Member loans	265,552,513	256,212,208
Deferred income tax asset	115,205	227,983
Property and equipment	3,022,298	2,984,896
Intangible assets	257,685	296,456
Other assets	346,849	170,738
	<u>\$448,703,759</u>	<u>\$425,016,429</u>
<b>LIABILITIES</b>		
Member deposits	\$395,317,644	\$375,829,577
Accounts payable and accrued liabilities	1,314,918	851,110
	<u>\$396,632,562</u>	<u>\$376,680,687</u>
<b>MEMBERS' EQUITY</b>		
Dividends and Profit Share	2,148,706	1,287,388
Member shares	11,100,868	12,234,100
Retained earnings	<u>38,821,623</u>	<u>34,814,254</u>
	<u>52,071,197</u>	<u>48,335,742</u>
	<u>\$448,703,759</u>	<u>\$425,016,429</u>

### Condensed Statement of Income for the year ended October 31, 2023

	2023	2022
Interest income	\$17,819,243	\$10,125,857
Interest expense	(5,820,010)	(2,475,516)
Recovery (Provisions)	460,612	(316,553)
Financial margin after Recovery (Provisions)	<b>12,459,845</b>	<b>7,333,788</b>
Other income	1,591,029	1,460,134
Gross margin	<b>14,050,874</b>	<b>8,793,922</b>
Operating expenses	(6,702,589)	(5,890,706)
Profit share	(1,614,465)	(965,550)
Income before income tax	<b>5,733,820</b>	<b>1,937,666</b>
Income taxes	(1,315,082)	(446,463)
<b>Net Income</b>	<u><b>\$4,418,738</b></u>	<u><b>\$1,491,203</b></u>

### Condensed Statement of Cash Flows October 31, 2023

	2023	2022
Cash used by operating activities	(\$7,481,608)	(\$53,772,875)
Cash used by financing activities	(683,282)	(293,213)
Cash used by investing activities	(311,607)	(36,622)
Decrease in cash and cash equivalents	<b>(\$8,476,497)</b>	<b>(54,102,713)</b>
Cash and cash equivalents, beginning of year	45,029,785	99,132,498
Cash and cash equivalents, end of year	<u><b>\$36,553,288</b></u>	<u><b>\$45,029,785</b></u>

### Condensed Statement of Changes in Member Equity for the year ended October 31, 2023

	Dividends and Profit Share Distributable	Member Shares	Retained Earnings	Total
Balance at October 31, 2022	\$1,287,388	\$12,234,100	\$34,814,254	\$48,335,742
Net income	-	-	4,418,738	4,418,738
Dividends and profit share paid	(1,287,388)	282,099	-	(1,005,289)
Dividends declared	534,241	-	(534,241)	-
Profit share accrued	1,614,465	-	-	1,614,465
Tax recovery on dividends paid	-	-	122,872	122,872
Issuance of member shares	-	233,955	-	233,955
Redemption of member shares	-	(1,649,286)	-	(1,649,286)
<b>Balance at October 31, 2023</b>	<u><b>\$2,148,706</b></u>	<u><b>\$11,100,868</b></u>	<u><b>\$38,821,623</b></u>	<u><b>\$52,071,197</b></u>