



Tel: 250-832-7171
Fax: 250-832-2429
www.bdo.ca

BDO Canada LLP
571 6th Street NE
Suite 201
Salmon Arm BC V1E 1R6 Canada

Report of the Independent Auditor on the Summary Financial Statements

To the Members of Khalsa Credit Union

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2024, and the summary statements of comprehensive income and members' equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Khalsa Credit Union (the "Credit Union") for the year ended December 31, 2024.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the criteria disclosed in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited 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 financial statements in our report dated March 17, 2025.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1.

Auditors' Responsibility

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

BDO Canada LLP

Chartered Professional Accountants

Salmon Arm, British Columbia
March 17, 2025

Khalsa Credit Union

Summary Financial Statements

Statement of Financial Position


As at December 31	2024	2023
Assets		
Cash	\$ 39,364,803	\$ 48,303,925
Investments	79,995,552	91,973,541
Member loans	690,783,701	595,280,753
Derivative financial asset	40,438	30,017
Property and equipment	6,987,711	6,946,244
Investment property	2,046,387	2,090,207
Other assets	1,753,703	605,277
	\$ 820,972,295	\$ 745,229,964
Liabilities and Members' Equity		
Accounts payable and accrued liabilities	\$ 2,132,830	\$ 2,724,950
Member deposits	755,106,857	684,833,205
Derivative financial liability	515,825	705,694
Member shares	300,340	283,486
Members' equity	62,916,443	56,682,629
	\$ 820,972,295	\$ 745,229,964

Statement of Comprehensive Income and Members' Equity

For the year ended December 31	2024	2023
Financial income	\$ 44,317,620	\$ 37,967,219
Financial expense	28,471,645	18,881,190
Financial margin	15,845,975	19,086,029
Other income	2,853,944	2,548,245
	18,699,919	21,634,274
Operating expenses		
Employee salaries and benefits	7,027,236	6,688,233
General operating and administrative	4,581,199	4,235,182
Other	1,415,532	1,280,740
	13,023,967	12,204,155
Income before income taxes	5,675,952	9,430,119
Income taxes	548,401	1,945,998
Net income for the year	5,127,551	7,484,121
Members' equity, beginning of year	56,682,629	48,168,115
Distributions to members	(330,000)	(190,640)
Net issuance of members' shares	266,912	159,612
Net comprehensive gain (loss)	1,169,351	1,061,421
Members' equity, end of year	\$ 62,916,443	\$ 56,682,629

Statement of Cash Flows

For the year ended December 31	2024	2023
Cash flows from operating activities	\$ (20,375,668)	\$ 38,588,318
Cash flows from investing activities	11,586,823	(29,303,281)
Cash flows from financing activities	(150,277)	(105,930)
Net increase in cash	(8,939,122)	9,179,107
Cash at beginning of year	48,303,925	39,124,818
Cash at end of year	\$ 39,364,803	\$ 48,303,925

Signed by:

 Chair of the Board

Signed by:

 Chair of the Audit Committee

Khalsa Credit Union
Note to Summary Financial Statements

December 31, 2024

1. Basis of Presentation

These summary consolidated financial statements have been prepared in accordance with Section 128(4) of the Financial Institutions Act and are derived from the complete audited consolidated financial statements of Khalsa Credit Union (the "Credit Union"), prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), as at and for the year ended December 31, 2024. Readers are cautioned that these summary consolidated financial statements do not include all the disclosures necessary for complete and fair presentation. Complete audited consolidated financial statements for the year ended December 31, 2024, together with the auditors' report thereon, were authorized for issue by the Credit Union's Board of Directors on March 17, 2025 and can be obtained at any of the Credit Union's branches.

2. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.