Financial statements of
Omista Credit Union Limited

December 31, 2023

Deloitte.

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Independent Auditor's Report

To the Members of
Omista Credit Union Limited

Opinion

We have audited the financial statements of Omista Credit Union (the "Credit Union"), which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

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 GAAS 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 GAAS, 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.
- 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.

Deloitte LLP

Chartered Professional Accountants
March 8, 2024
Moncton, NB

Omista Credit Union Limited
Statement of financial position
As at December 31, 2023

	Notes	2023 $	2022 $
Assets			
Cash		**8,314,292**	8,001,831
Investments	5	**59,673,332**	45,543,529
Loans to members	4	**311,719,340**	303,266,094
Deferred income taxes	15	**493,161**	553,611
Other assets	7	**3,476,447**	2,270,156
Income taxes receivable		**232,233**	—
Property and equipment	6	**2,757,014**	2,772,750
		386,665,819	362,407,971
Liabilities			
Liabilities to members			
Members' accounts	11	**353,645,453**	334,965,973
Accrued interest on deposits		**3,812,240**	2,309,394
		357,457,693	337,275,367
Other liabilities			
Accounts payable and accrued liabilities	12	**2,794,051**	3,136,546
Lease liabilities	10	**564,186**	660,240
Liabilities qualifying as regulatory equity	13		
Class C preferred shares issued to Atlantic Central	14	**250,000**	250,000
Membership shares	14	**122,680**	141,805
Surplus shares	14	**464,561**	529,662
Class A preferred shares issued to members	14	**444,530**	444,530
Class AA preferred shares issued to members	14	**1,495,100**	1,495,100
Class AAA preferred shares issued to members	14	**2,991,200**	—
		366,584,001	343,933,250
Members' equity	13		
Special reserve		**500,000**	500,000
Retained earnings		**18,786,109**	17,179,012
Credit Union Central of New Brunswick dissolution surplus		**795,709**	795,709
		20,081,818	18,474,721
		386,665,819	362,407,971

The accompanying notes are an integral part of the financial statements.

Approved by the Board

_______________________________, Director

_______________________________, Director

Omista Credit Union Limited

Statement of comprehensive income

Year ended December 31, 2023

	Notes	**2023**	2022
		$	$
Revenue			
Interest on loans		**15,096,891**	12,130,837
Interest on investments		**2,201,483**	745,532
		17,298,374	12,876,369
Financial expenses			
Interest		**7,233,618**	3,840,967
Impairment losses on loans	9	**263,533**	203,381
		7,497,151	4,044,348
		9,801,223	8,832,021
Other revenue			
Service charges		**1,188,650**	1,221,517
Commissions		**471,670**	484,690
Property and equipment rentals		**101,857**	100,580
Other		**371,915**	523,482
		11,935,315	11,162,290
Operating expenses			
Depreciation		**364,683**	356,618
General business		**2,528,689**	2,335,036
Occupancy costs		**436,572**	406,454
Organization		**443,191**	391,391
Member security		**488,585**	394,436
Salaries and employee benefits		**5,416,060**	4,946,057
Foreign exchange (gains)		**(96,666)**	(109,647)
		9,581,114	8,720,345
Earnings before patronage rebate and income taxes		**2,354,201**	2,441,945
Patronage rebate		**103,195**	—
Earnings before income taxes		**2,251,006**	2,441,945
Income taxes	15		
Current		**583,459**	805,862
Deferred		**60,450**	(139,970)
		643,909	665,892
Comprehensive income for the year		**1,607,097**	1,776,053

The accompanying notes are an integral part of the financial statements.

Omista Credit Union Limited
Statement of changes in members' equity
Year ended December 31, 2023

	Notes	Retained earnings $	Dissolution surplus $	Special reserve $	Total $
Balance, January 1, 2023		**17,179,012**	**795,709**	**500,000**	**18,474,721**
Comprehensive income for the year		**1,607,097**	**—**	**—**	**1,607,097**
Internal Board transfer	13	**—**	**—**	**—**	**—**
Balance, December 31, 2023		**18,786,109**	**795,709**	**500,000**	**20,081,818**

	Notes	Retained earnings $	Dissolution surplus $	Special reserve $	Total $
Balance, January 1, 2022		15,652,959	795,709	250,000	16,698,668
Comprehensive income for the year		1,776,053	—	—	1,776,053
Internal Board transfer	13	(250,000)	—	250,000	—
Balance, December 31, 2022		17,179,012	795,709	500,000	18,474,721

The accompanying notes are an integral part of the financial statements.

Omista Credit Union Limited

Statement of cash flows

Year ended December 31, 2023

	2023	2022
	$	$
Operating activities		
Comprehensive income for the year	**1,607,097**	1,776,053
Financial margin	**(9,801,223)**	(8,832,021)
Depreciation	**364,683**	356,618
Income taxes	**643,909**	665,892
	(7,185,534)	(6,033,458)
Changes in non-cash items		
Other assets	**(1,206,291)**	(1,211,227)
Accounts payable and accrued liabilities	**(172,490)**	1,298,987
Interest paid	**(5,730,772)**	(3,840,967)
Income taxes paid	**(985,697)**	(641,337)
Interest received	**17,298,374**	11,738,343
	2,017,590	1,310,341
Financing activities		
Increase in members' accounts	**18,679,480**	34,057,055
(Decrease) increase in membership shares	**(19,125)**	47,739
Redemption of surplus shares	**(65,101)**	(38,143)
Redemption of class AA shares issued to members	**—**	(30,000)
Issuance of class AAA shares issued to members	**2,991,200**	—
Increase in lease liability	**—**	187,384
Principal payments on leases	**(96,054)**	(81,374)
	21,490,400	34,142,661
Investing activities		
Purchases of property and equipment	**(348,947)**	(350,423)
Loans to members	**(8,716,779)**	(33,193,524)
Purchase of investments, net	**(14,129,803)**	(7,196,294)
	(23,195,529)	(40,740,241)
Increase (decrease) in cash	**312,461**	(5,287,239)
Cash, beginning of year	**8,001,831**	13,289,070
Cash, end of year	**8,314,292**	8,001,831

The accompanying notes are an integral part of the financial statements.

1. Reporting entity

OMISTA Credit Union Limited (the "Credit Union") is incorporated under the Credit Unions Act of New Brunswick and its principal activity is providing financial services to its members. For financial reporting and regulatory matters, the Credit Union is under the authority of the New Brunswick Superintendent of Credit Unions and Caisses Populaires. The Credit Union head office is located at 1192 Mountain Road, Moncton, New Brunswick.

2. Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The financial statements were approved by the Credit Union’s Board of Directors (“Board”) and authorized for issuance on February 26, 2024.

Basis of preparation

These financial statements are presented in Canadian dollars which is the Credit Union’s functional currency. They are prepared on the historical cost basis, except for financial instruments at fair value through profit or loss (“FVTPL”) and fair value through other comprehensive income (“FVTOCI”), which are stated at their fair values.

Use of significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and contingent liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from estimates made in these financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both the current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on these financial statements and estimates with a significant risk of material adjustment in the next year are discussed below. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Credit Union’s financial statements are as follows:

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from observable markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives, discount rates and prepayment rates. The valuation of financial instruments is described in more detail in Note 18.

2. Basis of preparation (continued)

Use of significant accounting judgments, estimates and assumptions (continued)

(b) *Impairment losses on loans and advances under IFRS 9 – Financial Instruments ("IFRS 9")*

The measurement of impairment losses on loans to members is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Please see the impairment of financial assets section of Note 3 for further detail on these. A number of significant judgments are also required in applying the accounting requirements for measuring the expected credit loss ("ECL"), such as:

- Determining criteria for significant increase of credit risk: IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Credit Union takes into account qualitative and quantitative reasonable and supportable information.
- Choosing appropriate models and assumptions: The Credit Union uses various models and assumptions in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- When measuring ECL the Credit Union uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers.
- Probability of default ("PD"): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, and assumptions/expectations of future conditions.
- Loss Given Default ("LGD"): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The impairment loss on loans to members is disclosed in more detail in Note 9.

(c) *Economic lives of property and equipment*

Management determines the estimated useful lives of its property and equipment based on historical experience of the actual lives of property and equipment of similar nature and functions, and reviews these estimates at the end of each reporting period.

(d) *Provisions*

The amount recognized as provisions and accrued liabilities, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Credit Union assesses its liabilities and contingencies based upon the best information available.

(e) *Securitizations and syndications*

The determination of whether derecognition criteria have been met under IFRS 9 requires judgment. For each transaction management assesses if securitized residential mortgages or syndicated loans have had substantially all risk and rewards transferred or control has been transferred.

3. Material accounting policy information

The Credit Union has consistently applied the accounting policies as set out in this note to all periods presented in these financial statements.

Financial instruments

Financial assets and financial liabilities are recognized when the Credit Union becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, are subsequently measured at amortized cost.

The measurement and classification categories of financial assets in accordance with IFRS 9 are outlined below. The Credit Union has no debt instruments that are subsequently measured at FVTOCI.

Financial instrument	Classification
Cash	Amortized cost
Investments:	
Equity investments	FVTPL
Liquidity reserve deposits	Amortized cost
Loans to members	Amortized cost
Other assets	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Members' deposits	Amortized cost
Other liabilities	Amortized cost

For the purpose of the SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement.

3. Material accounting policy information (continued)

Financial assets (continued)

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Credit Union determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Credit Union's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Credit Union has business models for managing its financial instruments which reflect how the Credit Union manages its financial assets in order to generate cash flows. The Credit Union's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Credit Union considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Credit Union does not reasonably expect to occur, such as so-called 'worst case' or stress case' scenarios.

Debt instruments at amortized cost

The Credit Union assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Credit Union's business model for managing the asset.

For an asset to be classified and measured at amortized cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

At initial recognition of a financial asset, the Credit Union determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Credit Union reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Credit Union has not identified a change in its business models.

Debt instruments are measured at amortized cost using the effective interest method, and are subject to impairment. See the Impairment section below. Interest income on debt instruments at amortized cost is recognized in interest on loans to members and investment income on the statement of income and other comprehensive income.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability, and of allocating interest income or expense over the relevant period. The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Material accounting policy information (continued)

Fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 18.

Impairment of financial assets

The Credit Union assesses loss allowances for expected credit losses ("ECLs") on its financial instruments that are not measured at FVTPL. Loss allowances are recognized on loans to members (Note 9).

No impairment loss is recognized on equity investments.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECLs that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECLs that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided below.

ECLs are an estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Credit Union under the contract and the cash flows that the Credit Union expects to receive, discounted at the asset's effective interest rate.

The Credit Union measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

(i) Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Credit Union assesses whether debt instruments that are financial assets measured at amortized cost are credit-impaired at each reporting date.

3. Material accounting policy information (continued)

Impairment of financial assets (continued)

(ii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see below).

The Credit Union considers the following as constituting an event of default:

- the borrower is past due more than 90 days on the credit obligation to the Credit Union; or
- the Credit Union considers the borrower to be unlikely to pay the loan to the Credit Union in full, without recourse by the Credit Union to actions such as realizing security

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Credit Union takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in commercial lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status are key inputs in this analysis.

(iii) Significant increase in credit risk

The Credit Union monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Credit Union will measure the loss allowance based on lifetime rather than 12-month ECL. The Credit Union's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Credit Union monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Credit Union compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the date when the financial instrument was first recognized. In making this assessment, the Credit Union considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Credit Union allocates its loans to members to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- The remaining lifetime PD at the reporting date; with
- The remaining lifetime PD that was estimated based on facts and circumstances at the time of initial recognition.

The PDs used are forward looking and the Credit Union uses the same methodologies and data used to measure the loss allowance for ECL.

For retail lending the Credit Union considers events such as bankruptcy and consumer proposals.

3. Material accounting policy information (continued)

Impairment of financial assets (continued)

(iii) Significant increase in credit risk (continued)

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. For corporate lending there is particular focus on assets that are included on a 'watch list', given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when an asset becomes 30 days past due, the Credit Union considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL, unless the Credit Union has reasonable and supportable information that demonstrates otherwise.

More information about significant increase in credit risk is provided in Note 17.

(iv) Measurement of ECL

The key inputs used for measuring ECL are:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect forward-looking information, where applicable.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is largely based on historical default rates by category of loan product and credit rating. PDs are estimated considering the contractual maturities of exposures. The estimation is based on current conditions, adjusted where applicable to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account cost of realization of collateral. LGD models for unsecured assets consider time of recovery and recovery rates. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Credit Union's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortization profiles, early repayment or overpayment, and changes in utilization of undrawn commitments. The Credit Union uses EAD models that reflect the characteristics of the portfolios.

3. Material accounting policy information (continued)

Impairment of financial assets (continued)

(iv) Measurement of ECL (continued)

The Credit Union measures ECL considering the risk of default over the maximum contractual period over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Credit Union's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Credit Union's exposure to credit losses to the contractual notice period. For such financial instruments the Credit Union measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

(v) Write-offs

Loans are written off when the Credit Union has no reasonable expectations of recovering the financial asset. This is the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Credit Union may apply enforcement activities to financial assets written off. Recoveries resulting from the Credit Union's enforcement activities will result in impairment gains.

Modification and derecognition of financial assets

(i) Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets; where a financial instrument includes both a drawn and an undrawn component, such as a line of credit, and the Credit Union cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Credit Union presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified, the Credit Union assesses whether this modification results in derecognition. In accordance with the Credit Union's policy a modification results in derecognition when it gives rise to substantially different terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Credit Union determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

3. Material accounting policy information (continued)

Modification and derecognition of financial assets (continued)

(i) Presentation of allowance for ECL in the statement of financial position (continued)

The Credit Union derecognizes a financial asset only when the contractual rights to the asset's cash flows expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Credit Union neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Credit Union recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Credit Union retains substantially all the risks and rewards of ownership of a transferred financial asset, the Credit Union continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost other than in its entirety (e.g. when the Credit Union retains an option to repurchase part of a transferred asset), the Credit Union allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized is recognized in income.

Financial liabilities

The Credit Union is required to classify all financial liabilities as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All of the Credit Union's financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including deposits from members, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Credit Union derecognizes financial liabilities when, and only when, the Credit Union's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Membership shares and surplus shares

In accordance with IFRIC 2, the Credit Union's membership shares and surplus shares are presented in the statement of financial position as financial liabilities. These liabilities qualify as equity for regulatory purposes, notwithstanding their financial statement classification. Dividends on these shares will be classified as financial expenses in the statement of comprehensive income, if and when declared.

3. Material accounting policy information (continued)

Leases

(i) Right-of-use assets

The Credit Union recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Credit Union recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

The lease payments also include the exercise price of purchase options, if any, reasonably certain to be exercised by the Credit Union and payments of penalties for terminating a lease, if the lease term reflects the Credit Union exercising the option to terminate. The variable lease payment that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Credit Union uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the tease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re- measured if there is a modification, a change in the lease term or a change in the in- substance fixed lease payments.

(iii) Short-term leases on leases of low-value assets

The Credit Union applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low- value assets are recognized as expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, cash balances with Atlantic Central and highly liquid temporary investments which are readily convertible into cash and which are subject to insignificant risk of changes in value. Liquidity reserve deposits held with Atlantic Central are included in investments.

Property and equipment

Property and equipment are recorded at cost or deemed cost less accumulated depreciation and any recognized impairment loss. Depreciation is provided annually on a straight-line basis at rates calculated to recognize the cost less estimated residual value of the assets over their estimated useful lives using the following rates:

Asset	Rate
Buildings	10 - 40 years
Furniture and equipment	3 - 20 years
Leasehold improvements	Term of leases

3. Material accounting policy information (continued)

Impairment of non-financial assets

At the end of each reporting period, the Credit Union reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Credit Union estimates the recoverable amount of the asset's useful life.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increase in carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies, primarily US dollars, are translated into Canadian dollars at rates prevailing on the statement of financial position date. Income and expenses are translated at the exchange rates in effect on the date of the transactions.

Revenue recognition

(i) Interest income

Interest income is accrued on a daily basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

(ii) Investment income

Investment revenue is recognized as revenue on an accrual basis using the effective interest rate method.

(iii) Service charges

Service charge revenue is recognized when earned, specifically when the members’ accounts are charged.

(iv) Property and equipment rentals

Property rental revenue is recognized in the month the rent is earned.

(v) Commissions

Commissions' revenue is recognized when the event creating the commissions takes place.

3. Material accounting policy information (continued)

Income taxes

The tax expense represents the sum of current income tax payable and deferred income tax.

The income tax currently payable is based on taxable income for the year. Taxable income differs from comprehensive income as reported in the statement of operations because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Credit Union's liability for current income tax is calculated using income tax rates effective at the statement of financial position date.

Deferred income tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding income tax bases used in the computation of taxable income. Deferred tax is accounted for as an asset or liability on the statement of financial position, detailed in Note 15. Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred income tax is calculated at the tax rates that have been enacted or substantially enacted at the end of the reporting period. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is charged or credited in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right of offset of current income tax assets and liabilities and when the Credit Union intends to settle its current income tax assets and liabilities on a net basis.

Current and future changes in accounting policies

(i) IAS 1 – presentation of financial statements– disclosure of accounting policies (amendments to IAS 1)

The IASB issued amendments to IAS 1, which change the requirements with regard to the disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted. The application of these amendments did not have a material impact on the Credit Union's financial statements.

(ii) IAS 8 – accounting policies, changes in accounting estimates and errors – definition of accounting estimates (amendments to IAS 8)

The IASB issued amendments to IAS 8 to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted. The application of these amendments did not have a material impact on the Credit Union's financial statements.

3. Material accounting policy information (continued)

Current and future changes in accounting policies (continued)

(iii) IAS 1 – presentation of financial statements – classification of liabilities as current or non-current (amendments to IAS 1)

The IASB issued amendments to IAS 1 to promote consistency in applying the requirements by helping companies determine whether, in the Statement of Financial Position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The classification is based on rights that are in existence at the end of the reporting period and specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments are applied retrospectively upon adoption. These amendments are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted. The application of these amendments is not expected to have a material impact on the Credit Union's Financial statements.

4. Loans to members

	2023	2022
	$	$
Commercial		
Lines of credit	**7,146,887**	4,854,174
Loans	**11,130,004**	10,600,824
Mortgages	**98,610,946**	97,756,004
Personal		
Lines of credit	**15,041,971**	15,632,252
Loans	**19,926,194**	21,745,860
Mortgages	**161,731,564**	154,380,815
	313,587,566	304,969,929
Allowance for impaired loans (note 9)	**1,868,226**	1,703,835
	311,719,340	303,266,094

The loan classifications set out above are defined as in the Regulations to the Credit Unions Act.

At December 31, 2023, the Credit Union had $40,877,955 ($38,511,882 in 2022) in loans approved but undisbursed, including unused lines of credit, and has potential commitments under lines of credit and guarantees issued to members of $45,000 ($163,000 in 2022).

Mortgage loans are repayable in monthly blended principal and interest instalments over a maximum term of five years based on a maximum amortization period of twenty-five years. Mortgage loans bear interest at an average annual rate of 4.24% (3.74% in 2022).

Commercial loans and personal loans are repayable to the Credit Union in monthly blended principal and interest instalments over a maximum amortization period of five years, except for line of credit loans, which are repayable on a revolving credit basis and require minimum monthly payments. Loans bear interest at an average annual rate of 5.00% (4.67% in 2022). Lines of credit bear interest at an average annual rate of 8.84% (8.04% in 2022) and are repayable upon demand.

4. Loans to members (continued)

Syndicated loans

The Credit Union has entered into syndication agreements with various other credit unions to limit exposure to certain commercial loans.

In 2023, the credit union entered into 5 new fully syndicated agreements. The total of the syndicated loans were $7,597,500 where the Credit Union's portion was 31.64%, or $2,403,750. At December 31, 2023 all the loan proceeds had been disbursed.

Full derecognition occurs when the Credit Union transfers its contractual right to receive cash flows from the assets, or retains the right but assumes an obligation to pass on the cash flows from the asset, and transfers substantially all the risks and rewards of ownership. The risks include credit, interest rate, prepayment and other price risks.

The following table summarizes the Credit Union's total syndicated loans as at December 31, 2023:

	2023 **$**	2022 $
Gross loans under syndication	**28,475,806**	47,055,852
Other participants' portion	**(21,793,724)**	(37,188,452)
	6,682,082	9,867,400

The portions of the loans syndicated are derecognized as the Credit Union has entered an agreement to transfer substantially all of the cash flows associated with the risks and rewards of the loans. The Credit Union earns a service fee to administer the loans under syndication.

5. Investments

	2023 **$**	2022 $
Atlantic Central		
Liquidity reserve deposit	**27,901,811**	26,848,328
Shares	**4,619,018**	4,542,698
Term deposits	**27,000,000**	14,000,000
Other investments		
League Data shares	**108,930**	108,930
Other shares	**43,573**	43,573
	59,673,332	45,543,529

Atlantic Central, liquidity reserve deposit

Subsection 11(1) of the Regulations to the Credit Unions Act requires the Credit Union to maintain 10% of its assets in liquid assets. Subsection 7(2) states that 80% of this (8% of assets) is to be maintained in segregated reserve deposits established by the Central. These deposits bear interest at variable rates that averaged of 3.00% in 2023 (2.59% in 2022). Subsection 11(3) requires that the other remaining 20% (2% of assets) be maintained as cash on hand or in deposits redeemable on demand. As of year end, the Credit Union has sufficient liquidity reserve deposit and cash on hand for the above requirements.

Atlantic Central term deposits

The term deposits with Atlantic Central mature between January 5, 2024 and March 27, 2024 and bear interest at 5.02% to 5.23%.

5. Investments (continued)

Atlantic Central shares

As a condition of maintaining membership in the Atlantic Central, the Credit Union is required to maintain an investment in shares of the Atlantic Central. The Atlantic Central is required to maintain 8% of its assets as equity. The Credit Union is required to maintain shares equal to their percentage of the Credit Union system's assets as a whole multiplied by the Atlantic Central's share requirement.

Atlantic Central shares are subject to an annual rebalancing mechanism and are issued and redeemable at par value. As there is no active market for these shares, fair value is equal to redemption value as all available earnings are distributed to shareholders annually.

Other long-term investments

All other investments are required for participation as a Credit Union in Atlantic Canada. These investments have no active market as they represent the Credit Union's investment in organizations created to support their delivery of service to members. The Credit Union is entitled to par value of these interests on redemption which is considered the fair value.

6. Property and equipment

	Land $	**Buildings $**	**Furniture and equipment $**	**Leasehold improvements $**	**Right-of-use assets $**	**Total $**
Cost						
Balance January 1, 2023	**561,250**	**2,241,970**	**2,936,338**	**792,086**	**890,778**	**7,422,422**
Additions	**—**	**31,240**	**207,492**	**110,215**	**—**	**348,947**
Disposals	**—**	**—**	**—**	**—**	**—**	**—**
Balance December 31, 2023	**561,250**	**2,273,210**	**3,143,830**	**902,301**	**890,778**	**7,771,369**
Accumulated depreciation						
Balance January 1, 2023	**—**	**1,197,108**	**2,709,377**	**466,824**	**276,363**	**4,649,672**
Additions	**—**	**95,619**	**110,698**	**58,825**	**99,541**	**364,683**
Disposals	**—**	**—**	**—**	**—**	**—**	**—**
Balance December 31, 2023	**—**	**1,292,727**	**2,820,075**	**525,649**	**375,904**	**5,014,355**
Net book value December 31, 2023	**561,250**	**980,483**	**323,755**	**376,652**	**514,874**	**2,757,014**

	Land $	Buildings $	Furniture and equipment $	Leasehold improvements $	Right-of-use assets $	Total $
Cost						
Balance January 1, 2022	561,250	2,132,694	2,882,576	792,086	823,710	7,192,316
Additions	—	109,276	53,762	—	187,385	350,423
Disposals	—	—	—	—	(120,317)	(120,317)
Balance December 31, 2022	561,250	2,241,970	2,936,338	792,086	890,778	7,422,422
Accumulated depreciation						
Balance January 1, 2022	—	1,107,440	2,594,848	413,831	297,252	4,413,371
Additions	—	89,668	114,529	52,993	99,428	356,618
Disposals	—	—	—	—	(120,317)	(120,317)
Balance December 31, 2022	—	1,197,108	2,709,377	466,824	276,363	4,649,672
Net book value December 31, 2022	561,250	1,044,862	226,961	325,262	614,415	2,772,750

7. Other assets

	2023	2022
	$	$
Accrued interest receivable	**780,200**	848,186
Prepaid expenses and other receivables	**2,696,247**	1,421,970
	3,476,447	2,270,156

8. Loan securitizations

The Credit Union enters into transactions in the normal course of business by which it transfers recognized financial assets directly to third parties.

Full derecognition occurs when the Credit Union transfers its contractual right to receive cash flows from the financial assets, or retains the right but assumes an obligation to pass on the cash flows from the asset, and transfers substantially all the risks and rewards of ownership. The risks include credit, interest rate, prepayment and other price risks.

Residential mortgages that have been derecognized are those that meet the qualifications required to be derecognized under IFRS.

The following table summarizes the Credit Union's total derecognized securitized loans as at December 31, 2023:

	2023 Personal mortgages	2022 Personal mortgages
	$	$
Outstanding balances of derecognized securitized loans	**2,761,294**	3,226,673
Payments received on securitized mortgages	**(473,137)**	(465,379)
	2,288,157	2,761,294

9. Allowance for impaired loans

Allowance for credit losses

	Stage 1 $	Stage 2 $	Stage 3 $	Gross amount $	Stage 1 $	Stage 2 $	Stage 3 $	Total $	2023 Net amount $
Personal loans	**33,216,105**	**643,390**	**175,922**	**34,035,417**	**830,042**	**79,620**	**175,922**	**1,085,584**	**32,949,833**
Residential mortgage	**160,276,222**	**441,029**	**—**	**160,717,251**	**143,289**	**3,307**	**—**	**146,596**	**160,570,655**
Commercial loans and mortgage	**97,238,129**	**17,397,167**	**67,622**	**114,702,918**	**305,950**	**262,474**	**67,622**	**636,046**	**114,066,872**
	290,730,456	**18,481,586**	**243,544**	**309,455,586**	**1,279,281**	**345,401**	**243,544**	**1,868,226**	**307,587,360**

	Stage 1 $	Stage 2 $	Stage 3 $	Gross amount $	Stage 1 $	Stage 2 $	Stage 3 $	Total $	2022 Net amount $
Personal loans	35,445,009	599,365	194,500	36,238,874	764,744	74,018	194,500	1,033,262	35,205,612
Residential mortgage	153,196,952	—	—	153,196,952	128,948	—	—	128,948	153,068,004
Commercial loans and mortgage	96,963,059	12,593,411	46,445	109,602,915	288,060	207,120	46,445	541,625	109,061,290
	285,605,020	13,192,776	240,945	299,038,741	1,181,752	281,138	240,945	1,703,835	297,334,906

Total net loans for 2023 are $311,719,340 ($303,266,094 in 2022). However, as a result of the acquisition of Citizens Credit Union, $4,131,980 ($5,931,188 in 2022) is fully guaranteed by New Brunswick Credit Union Deposit Insurance Corporation and are therefore excluded from the allowance for impaired loans disclosure. See Note 17 for further details.

9. Allowance for impaired loans (continued)

	12-month ECL (Stage 1) $	Lifetime non-credit impaired (Stage 2) $	Lifetime credit impaired (Stage 3) $	2023 Total $
Balance at January 1, 2023	**1,181,752**	**281,138**	**240,945**	**1,703,835**
Transfer to (from)				
Stage 1	**(1,088)**	**576**	**512**	**—**
Stage 2	**(2,880)**	**(9)**	**2,889**	**—**
Stage 3	**(22,314)**	**(132,516)**	**154,830**	**—**
Originations	**255,801**	**129,045**	**11,141**	**395,987**
Remeasurements	**(131,990)**	**67,167**	**(36,482)**	**(101,305)**
Write-offs	**—**	**—**	**(99,143)**	**(99,143)**
Recoveries	**—**	**—**	**(31,148)**	**(31,148)**
Balance at December 31, 2023	**1,279,281**	**345,401**	**243,544**	**1,868,226**

	12-month ECL (Stage 1) $	Lifetime non-credit impaired (Stage 2) $	Lifetime credit impaired (Stage 3) $	2022 Total $
Balance at January 1, 2022	1,060,626	150,306	393,455	1,604,387
Transfer to (from)				
Stage 1	(19,793)	17,713	2,080	—
Stage 2	(31,568)	25,922	5,646	—
Stage 3	(115,397)	(45,628)	161,025	—
Originations	243,876	24,135	—	268,011
Remeasurements	44,008	108,690	(187,832)	(35,134)
Write-offs	—	—	(103,931)	(103,931)
Recoveries	—	—	(29,498)	(29,498)
Balance at December 31, 2022	1,181,752	281,138	240,945	1,703,835

Loans past due but not impaired as at December 31, 2023 are as follows:

	<30 days $	31-60 days $	61-90 days $	>90 days $	Gross Total $
Personal					
loans & mortgages	**1,226,813**	**187,344**	**131,727**	**77,337**	**1,623,221**
line of credit	**123,828**	**15,132**	**—**	**—**	**138,960**
Commercial					
loans & mortgages	**1,156,358**	**—**	**—**	**—**	**1,156,358**
line of credit	**—**	**—**	**—**	**—**	**—**
Total loans past due but not impaired	**2,506,999**	**202,476**	**131,727**	**77,337**	**2,918,539**

9. Allowance for impaired loans (continued)

	<30 days $	31-60 days $	61-90 days $	>90 days $	Gross Total $
Personal					
loans & mortgages	1,305,332	120,635	—	—	1,425,967
line of credit	1,384,550	236,791	—	—	1,621,341
Commercial					
loans & mortgages	593,029	—	—	—	593,029
line of credit	276,273	2,882	—	—	279,155
Total loans past due but not impaired	3,559,184	360,308	—	—	3,919,492

All loans less than 30 days are included in Stage 1 loans. All loans greater than 30 days, but less than 90 days are included in Stage 2 loans.

Collateral

For all mortgages (personal and commercial) valuations are obtained of the properties and the loan to value ("LTV") cannot exceed 75% unless insured. Other loans may require collateral in the form of real property or personal guarantees to protect the Credit Union's risk of loss. The Credit Union does not routinely update the valuation of collateral held. Collateral is included in the expected credit losses ("ECL") calculation through the loss given default adjustment (below). This is based on historical experience of the Credit Union and updated based on changes in market indices (i.e. regional house price indices) when they indicate a difference from historical experience. The following table represents the impact of collateral on the determination of ECL.

Value of collateral in determining LGD

	Personal **$**	**Residential mortgages** **$**	**Commercial** **$**	**2023 Total** **$**
Stage 1	**10,001,013**	**145,947,343**	**84,736,746**	**240,685,102**
Stage 2	**160,848**	**374,875**	**14,787,592**	**15,323,315**
Stage 3 - credit impaired	**—**	**—**	**—**	**—**
	10,161,861	**146,322,218**	**99,524,338**	**256,008,417**

	Personal $	Residential mortgages $	Commercial $	2022 Total $
Stage 1	44,265,162	117,016,938	56,156,707	217,438,807
Stage 2	10,455	167,670	7,748,207	7,926,332
Stage 3 - credit impaired	—	—	—	—
	44,275,617	117,184,608	63,904,914	225,365,139

9. Allowance for impaired loans (continued)

Forward-looking information ("FLI")

The Credit Union incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The estimation and application of FLI requires significant judgment. The Credit Union relies on a broad range of FLIs, such as expected unemployment rates and, interest rates. The economic scenarios used as at December 31, 2023 included the following ranges of New Brunswick, Canada key indicators for the years ending December 31, 2023 and 2022.

	2023 **$**	2022 $
Unemployment rates	**6.60%**	8.10%
Interest rates	**5.00%**	4.25%

10. Leases

Leases as lessee

The Credit Union leases office spaces and branches. The leases typically run for periods of 5 years, with an option to renew the lease after that date.

The Credit Union also leases equipment with contract terms of less than three years. These leases are short-term and/or leases of low-value items. The Credit Union has elected not to recognize right-of-use assets and lease liabilities for these leases.

Information about leases for which the Credit Union is a lessee is presented below.

Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment (Note 6).

	2023 **$**	2022 $
Balance at January 1	**614,415**	526,459
Depreciation charge for the year	**(99,541)**	(99,428)
Additions	**—**	187,384
Balance at December 31	**514,874**	614,415

Lease liabilities

	2023 **$**	2022 $
Balance at January 1	**660,240**	554,229
Payments	**(116,252)**	(113,652)
Interest	**20,198**	32,279
Additions	**—**	187,384
Balance at December 31	**564,186**	660,240

10. Leases (continued)

Leases as lessee (continued)

Amounts recognized in profit or loss

	2023 $	2022 $
Interest on lease liabilities	**20,198**	32,279
Expenses relating to short-term leases and low value assets	**16,440**	17,869
	36,638	50,148

Amounts recognized in statement of cash flows

	2023 $	2022 $
Lease payments included in lease liability	**116,252**	113,652
Lease payments on short-term or low-value leases	**16,440**	17,869
	132,692	131,521

Maturity of lease liabilities

	0 - 12 Months	1-5 Years	5+ Years	Total
Lease liabilities	**100,069**	**363,812**	**100,305**	**564,186**

11. Members' accounts

	2023 $	2022 $
Chequing accounts	**90,665,021**	90,905,641
Demand deposits	**101,384,515**	105,041,898
Term deposits	**115,418,118**	96,010,987
Registered Savings Plans	**46,177,799**	43,007,447
	353,645,453	334,965,973

Demand deposits

Demand deposits bear interest at an average annual rate of 1.76% (1.60% in 2022) and may be withdrawn on demand, subject to the discretion of the directors who may require notice.

Term deposits

Outstanding term deposits for periods of one to five years generally may not be withdrawn prior to maturity, without penalty. Term deposits for periods less than one year may be withdrawn after 30 days, subject to an interest reduction.

Withdrawal privileges on all deposit accounts are subject to the overriding right of the Board of Directors to impose a waiting period.

Fixed term deposits bear interest at an average annual rate of 4.54% (3.06% in 2022) and extend for a term of up to 5 years.

11. Members' accounts (continued)

Registered Savings Plans

Concentra Financial is the trustee for the registered savings plans offered to members. Under an agreement with the trust company, member's contributions to the plans, as well as income earned on them, are deposited in the Credit Union. On withdrawal, payment of the plan proceeds is made to members, or the parties designated by them, by the Credit Union, on behalf of the trust company. RRSP and RRIF term deposits bear interest at an average annual rate of 4.28% and 4.19% respectively (2.92% and 2.86% in 2022).

12. Accounts payable and accrued liabilities

	2023	2022
	$	$
Income taxes payable	**—**	170,005
Other payable and accrued liabilities	**2,794,051**	2,966,541
	2,794,051	3,136,546

13. Capital management

Subsection 15 of the Rules to the Act stipulates that credit unions must meet certain minimum equity requirements. This requirement, as set out in the regulations, requires credit unions to maintain an equity level equal to 5% of the total assets.

In accordance with IFRS, the Credit Union's membership shares and surplus shares are presented in the statement of financial position as financial liabilities. These liabilities qualify as equity for regulatory purposes, notwithstanding their financial statement classification. At December 31, the equity level for the Credit Union for regulatory purposes is as follows:

	2023	2022
	$	$
Class AAA preferred shares issued to members	**2,991,200**	—
Class A preferred shares issued to members	**444,530**	444,530
Class AA shares issued to members	**1,495,100**	1,495,100
Class C preferred shares issued to Atlantic Central	**250,000**	250,000
Membership shares	**122,680**	141,805
Surplus shares	**464,561**	529,662
Special reserve	**500,000**	500,000
Retained earnings	**18,786,109**	17,179,012
Credit Union Central of New Brunswick dissolution surplus	**795,709**	795,709
Total regulatory equity	**25,849,889**	21,335,818
Total assets	**386,665,819**	362,407,971
Equity level	**6.69%**	5.89%

In the 2011 fiscal year the Credit Union received a distribution of $795,709 resulting from the dissolution of Credit Union Central of New Brunswick. The Financial and Consumer Services Commission ("FCNB") put a restriction on the use of this distribution for a two year period from September 30, 2011 and is subject to FCNB review at the end of the two year period. As of the year end date FCNB has not lifted the restriction on this amount.

13. Capital management (continued)

The Board of Directors approved no transfers of retained earnings ($250,000 in 2022) into special reserve to be used to fund system changes and initiatives. Any utilization of the special reserve will require the approval of the board of directors.

The Credit Union's objectives when managing capital are:

(a) To safeguard the Credit Union's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for other stakeholders, and

(b) To provide an adequate return to members by pricing products and services commensurately with the level of risk and market forces.

The Credit Union manages its capital through a set of formalized management policies and through corporate governance at the level of the Board of Directors and related committees. Due to the nature of the Credit Union, capital is also managed through the regulation requirements on minimum regulatory equity and the maintaining of liquidity deposits at Atlantic Central as noted above.

14. Shares

Class A Preferred shares

The Class A preferred shares are non-cumulative, non-voting, non-participating shares with a minimum dividend rate adjusted every five years. The dividend rate for each five year period will be set at the percentage of the par value of the shares, in an amount equal to the highest annual percentage rate of interest offered by the Credit Union on its five year guaranteed investment certificates during the year which the Class A preferred shares are offered for sale, adjusted on the five year anniversary date of closing, plus 2.00% (currently 5.50%). The dividends are paid in priority of any other shares, except Class B preferred shares and in priority to patronage refunds. Dividends shall be paid annually within 30 days after the annual meeting of members. These shares are only available to members of the Credit Union, within the province of New Brunswick, and are only transferable to members of the Credit Union resident of the province of New Brunswick, except in the case of a transfer by Operation of Law or redemption at the discretion of the Board of Directors of the Credit Union. Based upon these characteristics, these shares have been classified as part of members' equity.

Class AA Preferred shares and Class AAA Preferred shares (Series 1)

The Class AA preferred shares and Class AAA preferred shares (Series 1) are both offered for sale from time to time, pursuant to the Credit Union by-laws. Only members of the Credit Union are eligible to purchase these shares. The shares have an issue price of $100 per share with a minimum purchase of ten (10) shares and a maximum of five-hundred (500) shares. The shares are interest-bearing, non- voting, non-redeemable and non transferrable for a three year period. At the expiration from initial issue, the shares may be redeemed or rolled over into a new issuance of Class AA and Class AAA (series 1) preferred shares for an additional three year period. The shares may be callable by the Credit Union with 60 days written notice to the member. For the three year period, Class AA and Class AAA dividends shall be paid in an amount equal to that percentage of the par value of the preferred shares, which is equal to the Bank of Canada Prime Rate plus minimum 50 basis points as determined on the closing date. Money invested in the Preferred shares is not guaranteed or insured by the New Brunswick Credit Union Deposit Insurance Corporation. The number of Class AA preferred shares issued and outstanding at December 31, 2023 is 14,951 and their dividend rate is 3%, and the number of Class AAA preferred shares issued and outstanding at December 31, 2023 is 29,912 (nil in 2022) and their dividend rate is 7.2% (nil in 2022).

14. Shares (continued)

Class C Preferred shares

The Class C preferred shares issued to Atlantic Central are cumulative, non-voting, non- participating shares with a required dividend rate based on the bench mark rate as defined in Atlantic Central's Liquidity Investment Policy. For the year to December 31, 2023, the rate of return was between 2.9% and 3% (0.55% and 2.59% in 2022). In years where the Credit Union has not defaulted on payments to Atlantic Central on dividends and maintains a level of regulatory equity in excess of 5% of the total assets of the Credit Union, it shall be at liberty to pay dividends and/or patronage dividends to its members.

Membership shares

Section 40 of the Credit Unions Act describes shares as the capital of the Credit Union. Pursuant to the Credit Union's by-laws, the value of each share is $5 and as a condition of membership each member must hold one share. The authorized membership shares are not covered by Credit Union Deposit Insurance and the shares have various restrictions on withdrawals.

Surplus shares

The surplus shares are a special class of shares. The surplus shares do not receive any interest, are not covered by Credit Union Deposit Insurance and are subject to restrictions on their withdrawal. Generally the restrictions are based on the amount in the individual member's surplus shares account and the age of the member.

	2023	2022
	$	$
Surplus shares, beginning of year	**529,662**	567,805
Redemptions / transfers during the year	**(65,101)**	(38,143)
	464,561	529,662

Patronage rebates

The Credit Union’s Board of Directors have approved payments on investment savings accounts and declared and reported a patronage rebate in the form of a cash payment to borrowing members based on relationship. Payments on investments savings accounts at 2.6% totaled $945,275, and cash payments to members based on relationship totaled $103,195 in 2023 (nil in 2022).

15. Income taxes

Reasons for the difference between tax expense for the year and the expected income taxes based on the statutory tax rate of 29% (29% in 2022) are as follows:

	2023	2022
	$	$
Income before income taxes	**2,251,006**	2,441,945
Income tax expense based on statutory tax rate of 25.88% (29% in 2022)	**582,581**	708,164
Adjustments to income taxes resulting from		
Changes on deferred tax rate	**60,058**	—
Tax effect on permanent differences	**1,058**	494
Impact of under (over) provision of prior years	**4,995**	(55,243)
Other differences	**(4,783)**	12,477
	643,909	665,892
Current	**583,459**	805,862
Deferred	**60,450**	(139,970)
	643,909	665,892

The tax effected temporary differences, which result in deferred income tax assets and liabilities and the amount of deferred taxes recognized in the 2023 statement of comprehensive income are as follows:

	Balance at December 31, 2022	**Recognized in net income**	**Balance at December 31, 2023**
	$	**$**	**$**
Loans to members	431,950	**27,130**	**459,080**
Investments	(191,400)	**20,586**	**(170,814)**
Property and equipment	196,651	**(26,166)**	**170,485**
Postretirement benefit obligation	116,410	**(82,000)**	**34,410**
	553,611	**(60,450)**	**493,161**

16. Related party transactions

As a requirement of Section 125(1) of the Credit Unions Act, the Credit Union is required to disclose the following items:

Related party loans and deposits

Employee loans and lines of credit, up to a maximum of $50,000, bear interest at the Canada Revenue Agency quarterly prescribed rate. This discount can be received after one year of service with the Credit Union and employees who leave the employment of the Credit Union will be required to renegotiate loans or lines of credit under regular lending policies. Employees who retire with loans under this program and have at least 20 years of service are entitled to this interest rate for the life of the loans. All mortgages to employees are negotiated under the same terms and conditions as with other members. None of these loans is included in stage 2 or stage 3 when determining ECL.

16. Related party transactions (continued)

Related party loans and deposits (continued)

As at December 31, 2023, the aggregate value of interest bearing personal loans, mortgage loans, and line of credits outstanding to directors totaled $393,965 ($462,458 in 2022). These loans have been advanced on the same terms and conditions as have been accorded to all members. None of these loans is included in stage 2 or stage 3 when determining ECL.

As at December 31, 2023, the aggregate value of deposits and share accounts held by directors totaled $314,078 ($218,758 in 2022).

Key management and directors' remuneration

Key management of the Credit Union are senior employees, officers to executive management and members of the board of directors. The aggregate amount paid to key management includes the following:

	2023	2022
	$	$
Board	**109,731**	104,668
Management	**1,074,697**	957,458

Loans and mortgages to and deposits from key management personnel consist of the following:

	2023	2022
	$	$
Loans and mortgages to key management personnel	**744,199**	623,599
Value of unadvanced loans, mortgages and lines of credit	**367,727**	131,754
Interest on loans and mortgages to key management personnel	**30,002**	12,876
Deposits	**775,671**	411,112
Total interest paid on deposits	**15,335**	5,059

None of these loans or mortgages were included in stage 2 or stage 3 when determining ECL.

17. Financial risks and concentration of risk

(a) *Risk management*

Consistent with other similar entities, the Credit Union's risk management policies are typically performed as part of the overall management of Credit Union's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. Management's close involvement in operations identifies risks and variations from expectations leading to changes in risk management activities and requirements and actions. Management has not entered into hedging transactions to manage risk. As part of the overall management of the entity's operations, management avoids undue concentrations of risk and may require collateral to mitigate credit risk. The Credit Union is also reviewed by FCNB, which audit loan files and other operational issues every 12 months on behalf of the New Brunswick Superintendent of Credit Unions and Caisses Populaires.

17. Financial risks and concentration of risk (continued)

(b) Liquidity risk

The business of the Credit Union necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or sell assets on a forced basis.

The Credit Union has access to a line of credit with the Atlantic Central in the amount of $9,061,000 with an interest rate of 7.20%. The line of credit is secured by deposits and an assignment of book debts. At year end, the Credit Union has utilized none of the line of credit available.

The Credit Union also has a liquidity deposit on deposit with Atlantic Central (Note 5). This deposit is in place in case of emergency liquidity requirements.

The following is a table showing the maturity of financial liabilities. The time bands of 0 - 12 months, 1 - 5 years and 5+ years have been used.

	0 - 12 months $	1-5 Years $	5+ Years $	No fixed maturity $	2023 Total $
Other assets					
Accrued interest receivable	780,200	—	—	—	780,200
Loans to members	83,834,490	227,022,715	862,135	—	311,719,340
Liquidity reserve deposit and term deposits	54,901,811	—	—	—	54,901,811
Cash and cash equivalents	8,314,292	—	—	—	8,314,292
Other investments	4,771,521	—	—	—	4,771,521
Total financial assets December 31, 2023	152,602,314	227,022,715	862,135	—	380,487,164

	0 - 12 months $	1-5 Years $	5+ Years $	No fixed maturity $	2023 Total $
Other liabilities					
Accrued interest on members' accounts	3,812,240	—	—	—	3,812,240
Other payables and accrued liabilities	2,794,051	—	—	—	2,794,051
Members' accounts	88,401,423	67,996,866	—	197,247,164	353,645,453
Liabilities Qualifying as Regulatory Equity	1,495,100	2,991,200	—	1,281,771	5,768,071
Total Financial liabilities December 31, 2023	96,502,814	70,988,066	—	198,528,935	366,019,815

17. Financial risks and concentration of risk (continued)

(b) Liquidity risk (continued)

	0 - 12 months $	1-5 Years $	5+ Years $	No fixed maturity $	2022 Total $
Other assets					
Accrued interest receivable	848,186	—	—	—	848,186
Loans to members	80,313,697	222,952,397	—	—	303,266,094
Liquidity reserve deposit and term deposits	40,848,328	—	—	—	40,848,328
Cash and cash equivalents	8,001,830	—	—	—	8,001,830
Other investments	4,695,201	—	—	—	4,695,201
Total financial assets December 31, 2022	134,707,242	222,952,397	—	—	357,659,639

	0 - 12 months $	1-5 Years $	5+ Years $	No fixed maturity $	2022 Total $
Other liabilities					
Accrued interest on members' accounts	2,309,394	—	—	—	2,309,394
Other payables and accrued liabilities	3,136,546	—	—	—	3,136,546
Members' accounts	238,174,222	50,368,771	46,422,980	—	334,965,973
Liabilities Qualifying as Regulatory Equity	—	1,495,100	—	1,365,997	2,861,097
Total Financial liabilities December 31, 2022	243,620,162	51,863,871	46,422,980	1,365,997	343,273,010

(c) Interest rate risk

Interest rate risk refers to the potential impact of changes in interest rates on the Credit Union's earnings when maturities of its financial liabilities are not matched with the maturities of its financial assets. The interest rate risk is being managed with the Credit Union’s Asset/Liability Management policies. Current average interest rates for loans to members and members' accounts can be found in Notes 4 and 11 respectively.

17. Financial risks and concentration of risk (continued)

(c) Interest rate risk (continued)

The Credit Union prepares an interest rate impact analysis on a quarterly basis which shows the effect to net income if interest rates rise or fall in the market by 100 basis points (bps). This analysis determined that an increase in interest rates of 100 bps could result in an increase to net income of $387,450 (increase of of $135,510 in 2022) while a decrease in interest rates of 1% could result in a decrease to net income of $263,030 (decrease of $209,290 in 2022). This analysis is used to determine if it is necessary to change new fixed rate loans and deposits to make up for changes in variable rate financial instruments. As can be seen above in the maturities of financial liabilities, the majority of the Credit Union's financial liabilities fall due within a year. If the interest changes significantly, the majority of these financial liabilities would be coming due and interest rates paid on them could be adjusted accordingly. Management believes the policies in place are sufficient to alleviate interest rate risk.

(d) Credit risk

The business of the Credit Union necessitates the management of credit risk. Credit risk is the potential for loss due to the failure of a borrower to meet its financial obligations. The Credit Union mitigates its lending credit risk exposure by defining its target market area, limiting the principal amount of credit to a borrower at any given time, providing credit analysis prior to approval of the loan, obtaining collateral when appropriate, employing risk based pricing, and for commercial loans, by limiting concentration by industry and geographical location. Along with other credit unions in the Province of New Brunswick, the Credit Union is restricted in making larger commercial loans without prior approval of FCNB. The credit risk exposure at December 31, 2023 for loans to members is their carrying amount shown in Note 4.

Loans that are past due but not classified as impaired are loans where members have failed to make payments when contractually due. As at December 31, 2023 the Credit Union had $2,918,539 ($3,919,492 in 2022) of loans that were past due and not considered impaired. $2,841,203 of these loans are between 1 day and 90 days of being past due, and $77,337 are over 90 days past due. Loans and advances are reviewed according to the assessed level of credit risk. Classifications adopted are as follows:

- Past-due loans - are loans and advances where the borrower has failed to make a repayment when contractually due.
- Credit impaired loans - are loans and advances where the full recovery of outstanding principal and interest is considered doubtful. It is presumed any loan with 90 days or greater in arrear payments is credit impaired.
- Assets acquired through the enforcement of security (foreclosed assets) - are assets (usually residential property or motor vehicles) acquired in full or partial settlement of a loan through the enforcement of security arrangements. The recoverable value of such assets forms part of the net value of loans to members as part of the estimated future cash flows.

18. Fair value of financial instruments

The following is a breakdown of how financial instruments have been classified by the Credit Union, by category, showing the carrying amount, the fair value and the difference of each financial asset and liability. The maximum credit risk exposure to the below financial assets is their carrying amounts. Fair values are based on market conditions at a specific point in time and may not be reflective of future fair values.

	Carrying amount $	Fair value $	2023 Fair value gain (loss) $
Financial assets			
Amortized cost			
Accrued interest receivable	780,200	780,200	—
Loans to members	311,719,340	298,473,841	(13,245,499)
Liquidity reserve deposit and term deposits	54,901,811	54,901,811	—
Cash and cash equivalents	8,314,292	8,314,292	—
FVOCI			
Other investments	4,771,521	4,771,521	—
	380,487,164	367,241,665	(13,245,499)
Financial liabilities			
Amortized cost			
Accrued interest on members' accounts	3,812,240	3,812,240	—
Other payables and accrued liabilities	2,794,051	2,794,051	—
Members' accounts	358,576,283	357,090,187	1,486,096
Membership shares	837,241	837,241	—
	366,019,815	364,533,719	1,486,096

18. Fair value of financial instruments (continued)

	Carrying amount $	Fair value $	2022 Fair value gain (loss) $
Financial assets			
Amortized cost			
Accrued interest receivable	848,186	848,186	—
Loans to members	303,266,094	291,944,819	(11,321,275)
Liquidity reserve deposit and term deposits	40,848,328	40,848,328	—
Cash and cash equivalents	8,001,830	8,001,830	—
FVOCI			
Other investments	4,695,201	4,695,201	—
	357,659,639	346,338,364	(11,321,275)
Financial liabilities			
Amortized cost			
Accrued interest on members' accounts	2,309,394	2,309,394	—
Other payables and accrued liabilities	3,136,546	3,136,546	—
Members' accounts	336,905,603	334,829,448	2,076,155
Membership shares	921,468	921,468	—
	343,273,011	341,196,856	2,076,155

The above estimates were determined by management using the assumptions outlined below. Fair values are an estimate based on current market conditions and may not be reliable due to the use of assumptions.

Interest rate sensitivity is the main reason for changes in fair values of the Credit Union's financial instruments. With the exception of FVTPL or FVTOCI, the carrying value is not adjusted to reflect fair value, as it is the Credit Union's intention to realize their value over time.

The following are the methods and assumptions used to estimate the fair value of financial instruments:

The fair values of accrued interest receivable, cash and cash equivalents, accrued interest on members' accounts, and other payables and accrued liabilities are the same as their carrying amount due to their short-term nature.

The fair value of deposits with Atlantic Central is approximated by its carrying amount due to the short-term maturity and repricing of the investments to market rates of return.

The fair values of loans to members' and members' accounts are determined by two methods. Variable rate loans to members' and demand deposit members' accounts are estimated to be at fair value, as the interest rates of these financial instruments vary with market interest rates. Fixed rate loans to members' and fixed term deposit members' accounts fair value is determined by discounting the expected future cash flows of these financial instruments at current market rates for products with similar terms and credit risks. The expected fair value of these loans to members' and fixed term deposits may differ with changes in interest rates.

Shares held in Atlantic Central, League Data and other investments are not actively traded. Their fair value is determined to be approximated by the redemption value which the value the Credit Union would receive if they exercise their right to redeem. As these shares are redeemable at the Credit Union’s option they are considered due on demand. Substantially all earnings of the shares are distributed annually to shareholders via dividends.

18. Fair value of financial instruments (continued)

The Credit Union employs a fair value hierarchy to categorize the inputs it uses in valuation techniques to measure the fair value. Investments at FVTOCI are Level 3 fair value assets for the years ended December 31, 2023 and 2022.

19. Comparative Figures

Comparative figures in notes 4, 17 and 18 for 2022 have been adjusted to conform to changes in presentation in the current year.