

# 2025 Profit Sharing

## Frequently Asked Questions

*As a Co-operative, profit sharing is just one way we do business differently. Returning profits to our membership ensures that the money stays in the communities that we serve to better the lives of our members and the communities in which they work, live and play.*

Members receive patronage refunds based on their yearly purchases and your local Co-op's performance and profits. North Central Co-op's total sales for the year ending January 31, 2025 amounted to just over \$419M, and our net loss was \$2.971M versus net savings of \$1.849M in 2024. After several years of significant growth and a challenging financial year, we are not in a position to issue a general cash or equity allocation this year. However, as part of our commitment to our member-owners, you can expect more instant rewards at the till.

### **What is equity?**

Local Co-ops often share any profits realized in a year with their members. The Board of Directors approves an amount, which is returned to members as a percentage of their yearly purchases. Members may receive some of this equity immediately or it may be held as equity in their membership reserve, which you can withdraw minus your 5 common shares based on the following criteria: Over the age of 65, moved away from the trading area, or deceased.

### **When do I receive my equity?**

If equity is approved by your local Co-op's Board of Directors, allocation will be distributed within 2 weeks of the completion of our AGM in June. We are not in a position to allocate cash or equity this year.

### **Is profit sharing considered a loyalty program?**

No. When you purchase a membership, you actually become a part owner in our Co-operative Association and own five shares in our business.

### **Who determines the allocation?**

Our locally-elected Board of Directors determines the allocation based on North Central Co-op's local performance and profits annually.

**Normally I receive a cheque around this time every year. Did my cheque get lost in the mail or misplaced?**

After careful consideration, given our infrastructure investments and the current and future unknown economic climate, will be not be allocating this year. If you'd like to know the balance of your equity account, please visit the Co-op app or contact our Administration Office.

### **Will I receive a cheque next year or in the future?**

Each year is evaluated separately based on annual profits, future projects and our strategic growth plans. As a Co-operative Association in a growth phase, it's normal for equity to be allocated in the form of credit. Considerable capital investments are required to ensure sustainability and future growth.

### **Am I able to draw on my equity account?**

Members that are 65 or older, or members that have moved away are able to draw on their equity accounts.

More information about membership is available our website, [northcentralcoop.crs](http://northcentralcoop.crs) under the "member" tab.

### **Why are other Co-ops paying out dividends?**

Each Co-op is a separate Association and very much tied to the communities in which they serve. Depending on their financial performance, commodity mix (eg. fuel, food, agro), customer base, and what their Board of Directors decides to allocate, they might have paid out dividends to their members this year.

### **Who can I contact if I have more questions?**

You are always welcome to contact our Administration Office with further questions about our profit-sharing allocation either by email at [admin@nccoop.ca](mailto:admin@nccoop.ca) or by phone at 780.963.0500.



North Central