

2021 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, 2021 amounted to just over \$221M. And our net savings for 2020 was \$1.532M versus \$3.974M in 2019. Your locally elected Board of Directors have approved allocation of \$891,784 in the form of equity to our membership based on the following:

- 1.1% Food and Liquor purchases
- 1.1% Home Centre purchases
- 1.1% Full Pharmacy prescriptions
- 1.1% Convenience Store (without fuel)

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 once all accounting of the Co-op's finances have been completed at the end of the fiscal 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 the current and future unknown economic climate, will be allocated in the form of a credit to your membership equity reserve this year. Your allocation was deposited into your equity account—an account that grows with you overtime.

If you'd like to know what your total allocation was and the balance of your equity account, please 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 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 or by phone at 780.963.0500.

