

2022 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, 2022 amounted to just over \$257M. And our net savings for the 2021-2022 fiscal year was \$7.71M versus \$1.53M in 2020-2021. Your locally elected Board of Directors have approved allocation of \$4.38M in the form of equity to our membership based on the following:

- 3% Full pharmacy prescriptions
- 2.5% Food, liquor and convenience purchases
- 4% Gas bar petroleum
- 3.45% Home and building, tank and equipment, bulk propane purchases
- 4% Bulk petroleum and cardlock
- 2% Bulk oil

What is equity?

Local Co-ops share any profits realized in a year with their members. The Board of Directors approves the 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 in their membership reserve.

When do I receive my equity?

If equity is approved by your local Co-op's Board of Directors, equity cheques are issued and distributed 14 days following the Annual General Meeting, which is usually held in June.

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?

In years where we allocate cash dividends to our members, cheques are only issued to member-owners that earned \$25 or more in dividends.

Amounts under \$25 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.

Am I guaranteed a return on my investment?

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.

