



North Central

2023 ANNUAL REPORT

Let's talk CO-OP





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OUR VALUES

COMMUNITY

Enrich community experience through diversity and inclusion.

INTEGRITY

Be honest, trustworthy and respectful.

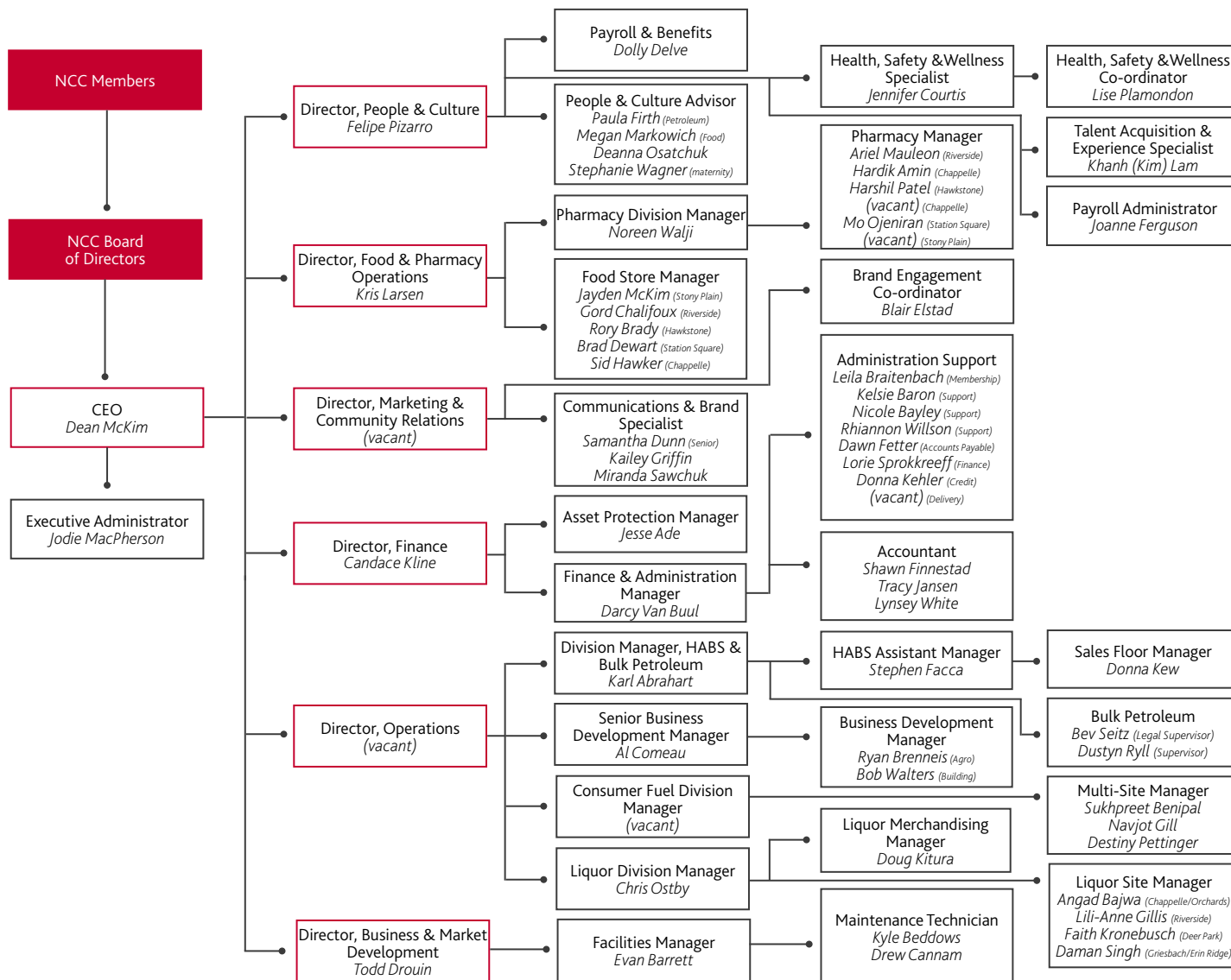
EXCELLENCE

Inspire to be the best.

RESPONSIBILITY

Accountability matters.

OUR STRUCTURE



It is with deep honour and heartfelt gratitude that I address you today as the President of the Board of Directors at North Central Co-op. Co-op, to me, is a place where relationships are nurtured and genuine connections are developed. It is a testament to the power of community, where neighbours come together to support one another and share in both successes and hardships. It serves as a reflection of the world we aspire to shape — a world founded upon the values of community, integrity, excellence, and responsibility.

Shopping at Co-op has always evoked a comforting familiarity for me. Throughout my childhood, my family constantly reminded me of the importance of supporting local. The reason was simple: supporting local meant actively contributing to the betterment of our community and upholding our belief in keeping profits local. This guiding principle continues to resonate deeply with me, even to this day.

Considering the rapid growth of our organization, it is easy to lose sight of our direction. However, in moments of uncertainty, I find solace in returning to our values. They serve as our compass, guiding us back home — back to what makes our co-operative so special.

Before I dive into our values, I want to take a moment to express my sincere gratitude and appreciation to Colleen Prefontaine for her years of service supporting North Central Co-op as a Director. I consider Colleen a lifelong friend and I'm grateful to have worked so closely with her over the past several years. Colleen's commitment and contributions have played a significant role in shaping our co-operative and strengthening our bond within our communities.

Our commitment to community remains unwavering. We are deeply rooted in the communities we serve, firmly believing in the power of collective decision-making, actively seeking input from our members, and consistently supporting local initiatives.

Integrity is the cornerstone of our actions and decisions. We strive to uphold the highest standards of honesty and transparency. When we are presented with challenges and difficult choices, we stay true to our purpose.

Excellence is not merely an aspiration; it is the driving force behind everything we do. We continuously push ourselves to exceed expectations and to innovate. It is through our constant pursuit of excellence that we create memorable experiences for our members and customers, leaving a lasting impression.

Responsibility is a fundamental aspect of our identity. We wholeheartedly embrace the commitment to be accountable for our actions and decisions. Making a positive impact locally is at the core of our mission, and we take great pride in the contributions we make.

As I reflect on our incredible journey, I am constantly reminded of the profound impact North Central Co-op has had on our community. The evidence of our accomplishments speaks volumes. For instance, in the past year alone, we have raised hundreds of thousands of dollars in support of various local groups and causes. Additionally, our team has dedicated nearly 1,000 volunteer hours to assist these organizations and make a positive impact in our communities. The extent of our contributions is vast and continues to grow. I feel incredibly fortunate to be surrounded by like-minded individuals who share the same values and aspirations. We are more than a business; we are a force for positive change.

Nonetheless, our journey together is far from over. North Central Co-op's rapid growth serves as a reminder that while change may bring challenges, our values remain constant, anchoring us to our purpose and leading us back home. I invite each and every one of you to take pride and ownership in your Co-op. We are more than just a grocery store or a fuel station or a home centre — we are an integral part of our communities. For this very reason, my heart always guides me back to Co-op; the place that I wholeheartedly consider my home.

On behalf of your Board of Directors,

Dianne Brown

Dianne Brown
Board of Directors, Chair



PRESIDENT

As we reflect on yet another year that has come and quickly passed, I am constantly humbled and reminded of the unwavering support of so many of our loyal members. During a recent event, I had the opportunity to speak with a proud member who supported what he referred to as "my Co-op." This interaction deeply resonated with me as it served as a powerful reminder that every single member, including myself as the Chief Executive Officer, holds an equal sense of ownership in our Co-op. By taking ownership and claiming North Central Co-op as his own, the proud member was advocating for our success.

For many of our members, membership at North Central Co-op means more than the dollars and cents earned in equity; it's viewed as a different way of doing business, perhaps a better way. Shaped by the very people that purchase our goods and services, our Co-op relies on its members and community to advocate and take ownership in order to be successful. Like so many co-operatives, we emerged from the collective efforts of a small group of people to meet essential needs of our community, and by choosing to join our co-operative, you're investing in a business that's entirely member-owned. Our success is not solely measured by profits but also by our support for local initiatives and our ability to strike a balance between profitability and community needs.

Unlike some of our competitors, we are committed to financial transparency and reinvesting in our communities. While we strive to return a profit to our members annually, we must also make a conscious effort to grow as an organization in order to remain relevant. This year, despite our aggressive growth strategy and a challenging market, I'm proud to announce that a portion of our profits will still be shared with our members. While we recognize that our growth comes at a financial cost to our members and drastically impacts our ability to share annual profits, we remain committed to investing in the future of our association.

Our Co-op is not immune to market pressures, as evidenced by the closure of our Mill Woods Town Centre food store earlier this year. We are navigating through a period of volatility. However, I have the utmost confidence in our ability to overcome obstacles and embrace the opportunities ahead.

Throughout the past year, we successfully executed several key initiatives that demonstrate our commitment to long-term growth and unwavering dedication to our communities. For instance, we have made significant strides in our sustainability efforts by eliminating plastic bags at our checkouts and continuing to utilize the

Loop Program in order to divert food waste from landfills. We also broke ground on our upcoming Riverside food store, opened several new gas bar locations including Riverside, Desrochers, and Orchards, and introduced two new liquor stores in St. Albert. Likewise, we initiated plans to add several more locations to our network within the coming years.

However, our most significant transformation came with the acquisition of more than 20 Husky retail fuel sites as part of a larger agreement with Federated Co-operatives Limited (FCL). This strategic decision enabled us to double the number of gas bars in our network within a single year, further solidifying our position in the market. While we are fully aware that this acquisition has come with a unique set of challenges and placed additional strain on our teams, it serves as a testament to our commitment to growth. We are working extremely closely with FCL to ensure we are making financially wise investments that benefit our association now and in the near future. With help from our teams, we remain steadfast in our commitment to maintaining high standards.

I am continually amazed by the exceptional dedication of our team members, who consistently exceed expectations by actively engaging as volunteers and key contributors to important local events. Their unwavering commitment and selfless efforts truly exemplify the spirit of our organization and its deep-rooted connection to the communities we serve. We highly value the relationships we build within our communities, and it is through your support that we continue to make a meaningful difference.

I invite you to read our full annual report, which provides a deeper insight into our highlights from the past year. I am grateful for your continuous support and trust in North Central Co-op. Together, we have laid a strong foundation for a vibrant and prosperous future. It is my privilege to continue serving as the CEO of an association deeply dedicated to our local community. Let us embrace another remarkable year ahead and continue to advocate for our Co-op.

Respectfully,



Dean McKim
Chief Executive Officer



**CHIEF
EXECUTIVE OFFICER**

DIRECTORS



Dianne Brown
Board President



Tammy Parks-Legge
Board Vice-President



C. Christina Jones
Board Director



Zachary Penner
Board Director



Ben Antifaiff
Board Director



Colleen Prefontaine
Board Director



Thomas Goulden
Board Director



Clement Lee
Board Director



Mark Radke
Board Director



Dean McKim
Chief Executive Officer



Candace Kline
Director, Finance



Felipe Pizarro
Director, People & Culture



Todd Drouin
Director, Business & Market Development



Kris Larsen
Director, Food & Pharmacy Operations

SENIOR LEADERS

THE BOARD.

Our Directors are elected by the membership to lead and guide the North Central Co-operative Association Ltd. (the “Co-operative”) on their behalf. This description of role and responsibilities was developed and validated by the Co-operative Retailing System (CRS).

ROLE

To plan and oversee the business of the Co-operative in accordance with the applicable legislation, regulations, bylaws and policies so that it meets the needs of its members and effectively moves the Co-operative towards achieving the corporate performance management (CPM) framework.

CORE RESPONSIBILITIES

- Provide Strategic Direction and Monitor for Results
- Ensure Effective Board Operations
- Conduct Monitoring and Oversight
- Ensure Organizational Performance
- Foster Effective Communications and Relations

DIRECTOR ATTENDANCE YEAR ENDING JANUARY 2023

Director Name	Board Meetings	Committee Meetings	District/Other Meetings	Total Meetings	Term Expires
Dianne Brown	11	18	21	50	2024 AGM
Mark Radke	10	8	9	27	2023 AGM
Colleen Prefontaine	10	7	6	23	2023 AGM
Tammy Parks-Legge	10	13	17	40	2023 AGM
Tom Goulden	9	10	10	29	2023 AGM
Clement Lee	7	4	3	14	2025 AGM
Ben Antifaiff	6	3	4	13	2025 AGM
Christina Jones	7	3	2	12	2025 AGM
Zachary Penner	7	2	5	14	2024 AGM



HIGHLIGHTS.



Raised nearly \$27,000 in support of The Mustard Seed Edmonton on Fuel Good Day.

Served thousands of hot dogs, Big Cool slushes, and snacks at over 36 community events.



Donated nearly 1,000 volunteer hours to support local groups and causes in our communities.



Sponsored two children to attend Alberta Community & Co-operative Association's leadership camp.



Raised almost \$54,000 in support of local food banks through our Good Buy to Hunger campaigns.



Doubled the number of gas bars in our network through Husky acquisition.



Opened two new liquor stores in St. Albert.

Broke ground on our upcoming Riverside food store and pharmacy.



Provided \$150,000 to Active Communities Alberta in order to help fund an outdoor community rink through Co-op Community Spaces.



Hosted countless membership drives that brought us closer to our members and gave more transparency to membership.



MEMBERSHIP MATTERS.

My Co-op membership matters to me because it helps connect me to a business that is community-involved and environmentally conscious. It is important for me to support local businesses and to shop at a business that has similar values to my own. Co-op is involved in community betterment, providing environmental and sustainability advice for our farmers, giving back to the community in so many meaningful and useful ways, and values me as a customer. Because of Co-op's commitment to their values, having a membership makes me feel like I am part of the solution to improve life for all.

Debbie, Spruce Grove

Co-op membership matters to me because when I was starting my own family, they were there for me. When I got married, I bought my wedding flowers from Co-op. When I got pregnant, I bought my pregnancy test kit from Co-op. I bought my baby's food, diapers, wipes, family groceries, etc. from Co-op.

My co-op has been part of my life story.

Kristina, Fort Saskatchewan

I recently became a new member of the Co-op family. Immediately, I felt like I belonged. The service was friendly, the folks were friendly, and my welcome was friendly. I'm thrilled I joined when I did. Thank you, Co-op, for being so kind. I'm happy to be a part of something.

Ashley, Edmonton

Nowhere else can I get such good quality items for a price that doesn't break my wallet. I am so grateful to my local co-op because they provide my household with affordable products that me and my family can enjoy, which then allows us to spend on extra treats elsewhere!

Kyra-Ann, Edmonton

OUR TEAM.

INSPIRE OUR TEAM MEMBERS TO BRING THEIR BEST SELVES TO WORK.

Based on the insights gained from our Fall 2021 Employee Engagement Survey, we have implemented an Engagement Survey Action Plan to drive our People initiatives. This action plan focuses on three key drivers of engagement:

REWARDS AND RECOGNITION

Recognizing and rewarding team members for their exceptional contributions is crucial for enhancing engagement and motivation. To cultivate a culture of appreciation, we have introduced the Values In Play (VIP) Recognition Program. This initiative aims to acknowledge and celebrate daily acts that exemplify our values of Community, Integrity, Excellence, Responsibility, and Safety attitudes, promoting pride and value among our teams.

LEARNING AND DEVELOPMENT

Investing in the growth and development of our workforce is vital for individual and organizational success. To enhance the skills and competencies of our leaders, we have refreshed our management training offerings, specifically focusing on performance management, goal setting, development, competencies, and safety incident response. By providing comprehensive training in these areas, we empower our managers to lead their teams effectively, foster professional growth, and respond to workplace incidents confidently and competently.

TALENT AND STAFFING

Identifying and nurturing talent within our organization is essential for long-term success. To ensure a smooth leadership transition and promote a high-performing workforce, we have strengthened our succession planning through regular talent reviews. This strategic approach involves identifying high-potential employees, providing them with growth opportunities, and preparing them for future leadership roles or other career paths. By doing so, we strengthen our talent pipeline, minimize skill gaps, and ensure the continuity of our organizational success.

In addition, we recognize the significance of providing comprehensive benefits and support to our team members. As part of our commitment to employee well-being, we have introduced additional benefits such as Short-Term Disability (STD) coverage and increased disability management guidance. These measures aim to offer financial protection and assistance to employees during challenging times. Furthermore, we have implemented Perkopolis, a platform that provides exclusive discounts and perks to our employees. These additional benefits further contribute to a positive work environment, fostering employee loyalty and satisfaction.

The Employee Engagement Survey has played a pivotal role in driving positive changes within our organization. Through the implementation of our Employee Engagement Survey Action Plan and the introduction of additional benefits and support, we have prioritized employee engagement, development, and well-being. We anticipate that these initiatives will increase satisfaction, improve morale, and enhance leadership capabilities. As we move forward, we remain committed to continuously improving the team member experience and creating a thriving workplace.



LOCATIONS

FOOD & PHARMACY

Chappelle Food & Pharmacy	1025 Chappelle Boulevard SW, Edmonton
Hawkstone Food & Pharmacy	18370 Lessard Road Northwest, Edmonton
Riverside Food & Pharmacy (Coming Soon)	#200 Rankin Drive, St. Albert
Station Square Food & Pharmacy	10004 99 Avenue, Fort Saskatchewan
Stony Plain Food & Pharmacy	4917 50th Avenue, Stony Plain
Orchards Food & Pharmacy (Coming Soon)	N/A

HOME CENTRE

Stony Plain Home Centre	4919 50th Avenue, Stony Plain
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CARDLOCK

Edmonton Cardlock (170th St)	13210 170th Street, Edmonton
Edmonton Cardlock (121st Ave)	1818 121st Avenue NE, Edmonton
Legal Cardlock & Supplies	25228 Highway 651 E, Legal
Stony Plain Cardlock	65 Boulder Boulevard, Stony Plain

LIQUOR

Chappelle Liquor	14163 28 Ave SW, Edmonton
Deer Park Liquor (Coming Soon)	1 Dalton Link Unit 220, Spruce Grove
Erin Ridge Liquor	925 St Albert Trail #240, St. Albert
Griesbach Liquor	9960 137 Ave NW, Edmonton
Orchards Liquor	6725 25 Ave SW, Edmonton
Riverside Liquor	10 Rose Gate #200, St. Albert

ADMINISTRATION OFFICE

Stony Plain Administration	318 N Park Dr, Stony Plain
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GAS BAR & C-STORE

Edgemont Gas Bar (Coming Soon)	102 Edgemont Road NW, Edmonton
Edson Gas Bar (Coming Soon)	4536 4th Ave, Edson
Primrose Gas Bar (Coming Soon)	9774 182 St, Edmonton
Sunwapta Gas Bar (Coming Soon)	10169-186 Street Edmonton
51 Ave Gas Bar	9536 51 Ave, Edmonton
Albany Gas Bar	12746 167 Avenue NW, Edmonton
Brintnell Gas Bar	3715 160 Ave, Edmonton
Brookview Gas Bar	344/348 Bulyea Rd, Edmonton
Capilano Gas Bar	6125 101 Ave, Edmonton
Century Crossing Gas Bar	120 Century Crossing, Spruce Grove
Chappelle Gas Bar	14109 28 Avenue SW, Edmonton
Cherry Grove Gas Bar	15303 73A St , Edmonton
Clareview Gas Bar	12986 50 St NW, Edmonton
Deer Park Gas Bar	1 Dalton Link #100, Spruce Grove
Delton Gas Bar	12705 82nd Street, Edmonton
Desrochers Gas Bar	703 Daniels Way SW, Edmonton
Emerald Hills Gas Bar	600 8005 Emerald Drive, Sherwood Park
Inglewood Gas Bar	10 Inglewood Dr, St. Albert
Meadowbrook Gas Bar	3955 34 St, Edmonton
Meridian Heights Gas Bar	4700 48 St, Stony Plain
Orchards Gas Bar	6705 25 Ave SW, Edmonton
Rabbit Hill Gas Bar	5121 Mullen Road NW, Edmonton
Riverside Gas Bar	10 Rose Gate #100, St. Albert
Silverberry Gas Bar	1712 34th Avenue NW, Edmonton
South Pointe Gas Bar	9284A Southfort Drive, Fort Saskatchewan
South Windermere Gas Bar	17208 Hiller Road SW, Edmonton
St. Albert Trail Gas Bar	13207 St. Albert Trail, Edmonton
Stony Plain Gas Bar	4907 49th Avenue, Stony Plain
Summerside Gas Bar	818 91 St SW, Edmonton
The Grange Gas Bar	19820 62 Ave, Edmonton
Town Centre Gas Bar	2331 66th Street NW, Edmonton
Westpark Gas Bar	21 Westpark Blvd, Fort Saskatchewan
Wolf Willow Gas Bar	6827 170 St, Edmonton

MARKET & BRAND DEVELOPMENT.

Our objective is to be relevant in our markets and to strengthen our brand through sustainable growth and exceptional customer experiences.

BUSINESS DEVELOPMENT

North Central Co-op has made significant strides in the past year to meet the growing needs of our members and customers. Our focus has been on expanding our presence throughout the Greater Edmonton Area by adding new fuel, liquor, and grocery locations. Our commitment to providing exceptional service and quality products remains at the forefront of our mission.

Since our humble beginnings as a co-operative meat locker in Stony Plain in 1946, we have expanded our reach to serve communities in Edmonton, Fort Saskatchewan, Legal, Spruce Grove, Sherwood Park, and now St. Albert. By summer of 2023, we will also have presence in Edson.

Throughout the past year, we have achieved many business development milestones. We proudly opened two new liquor stores and a gas bar in St. Albert, along with two new gas bars in Edmonton.

Likewise, through our partnership with FCL and Cenovus Energy Inc., we acquired over 20 Husky retail fuel sites, with plans to rebrand majority of these locations to Co-ops.

The rebranding process is well underway. We have successfully completed the initial phase, which involved both interior and exterior renovations of several sites. Our dedicated teams have worked tirelessly to ensure a seamless and efficient transition.

Additionally, we are proud to announce that our upcoming Riverside food store, Sunwapta gas bar, Edgemont gas bar, Deer Park gas bar, and Deer Park liquor store are all progressing steadily in their respective construction phases. These developments will significantly strengthen our presence in the

Greater Edmonton Area, providing customers convenient access to a range of different Co-op offerings.

Looking ahead, we are excited to announce plans for a new Co-op food store and pharmacy in the vibrant Orchards community of south Edmonton. This multi-development location, featuring a food store, pharmacy, gas bar, car wash, and liquor store, will offer residents a comprehensive shopping experience. We anticipate that this expansion will be highly beneficial for our members and customers in Orchards and the surrounding areas, similar to our Chappelle and Riverside locations.

As we continue to invest in the future of our co-operative, we are grateful for the ongoing support of our loyal members and customers. By choosing to support a different kind of business—one that is community-owned and prioritizes sustainability and inclusivity—you contribute to the success and growth of our co-operative. Together, we are building a stronger and more resilient future.



MARKET & BRAND DEVELOPMENT.

MARKETING AND COMMUNITY RELATIONS

North Central Co-op has solidified its position in the market by delivering exceptional value while upholding the high level of service expected by our customers. Through continuous tracking, measuring, and collaboration with our teams, our marketing efforts in 2022 yielded significant results, driving incremental sales and enhancing recognition within our trading area.

A driving force behind our growth and success is our relentless pursuit of brand development. Notably, our liquor division's "12 Days of Christmas" campaign was very effective at driving new customers into our liquor locations. We leveraged and grew our e-flyer subscriber list to keep the campaign costs to a minimum. Similarly, our highly anticipated Holiday Shine Car Wash promotion garnered outstanding sales over a very short time period. Throughout 2023, we will continue executing the subsequent phases of our "Hello Neighbour" campaigns, celebrating the successful conversion of our newly acquired gas bar sites. Our social media presence has seen continuous growth this past year, with an expanding base of followers on platforms such as Facebook, Instagram, and LinkedIn. Through these channels, we strive to share our brand story, engage with our audience, and provide valuable content that resonates with our customers.

As we strive for excellence, we placed a significant emphasis on membership training and education throughout the past year. Since June of 2022, we have conducted nearly 200 membership training sessions and hosted countless membership drives aimed at educating the general public.

To further enhance customer engagement, we introduced a new Gift Card Discount Program, presenting three options for discounts and simplifying the interaction between our customers and our brand.

In 2022, we also celebrated the many exceptional contributions of our team members. Through our recognition program, we received an impressive 75 EX nominations, with 23 new EX-Award winners acknowledged for their commitment and excellence. Our team members have also gone above and beyond to represent our brand at numerous community events, devoting countless hours towards making a positive difference in the communities we serve.

Our dedication to the community extends even to our youngest members through our Co-op Kids Club. Remarkably, in 2022 we experienced a significant growth in membership, engaging our Co-op Kids Club members through many exciting initiatives. For example, we developed an exclusive Co-op Kids Club calendar that was handed out in-store. This calendar not only showcased a range of engaging monthly activities but also included valuable coupons and entry forms for special contests.

Building upon our successes, our strategic partnerships with community organizations have been pivotal in strengthening our market presence and expanding our customer base. Throughout the past year, we actively supported initiatives such as the Christmas Bureau's Christmas Hamper Program, which helped feed over 51,000 individuals during the holiday season. It is through these types of partnerships that we are able to extend our reach and actively contribute to the betterment of our communities.



OPERATIONS

To ensure safe, effective, and efficient operations through the implementation of industry, CRS, and Association best practices through our Food, Pharmacy, Consumer and Bulk Fuel, Liquor and Home & Building Centre commodities.

HEALTH, SAFETY, AND WELLNESS SUMMARY

DEVELOPMENT

Over the past year, we have made significant progress in enhancing our occupational health and safety measures, as well as expanding our team member wellness offerings. This progress has been driven by three key initiatives: the implementation of new reporting systems, enhanced incident investigation and analysis, and active participation in mental health initiatives.

OPERATIONAL EFFICIENCIES

To improve our understanding of incident trends and promote proactive safety measures, we have enhanced our metrics and monitoring of incident trends. Increased reporting across all divisions has allowed us to analyze data more comprehensively, identify areas of concern, implement targeted safety measures, and continuously improve our safety protocols. This proactive approach enables us to address potential hazards before they escalate, ensuring the well-being of our team members.

In line with our commitment to safety, we have introduced a new and accessible software system. This system enables employees to report incidents easily and promptly, facilitating quick responses and appropriate follow-up actions. By streamlining incident reporting processes, we aim to create a transparent and accountable environment that prioritizes the health and safety of all team members.

ACCOUNTABILITY

Recognizing the importance of mental health in the workplace, we actively participated in the Canadian Mental Health Association's 'Not Myself Today' program. Through this initiative, we raised awareness, fostered dialogue, and provided resources to support the mental well-being of our employees. By creating a supportive and understanding atmosphere, we strive to reduce stigma, promote mental health awareness, and cultivate a positive work environment. Our Employee and Family Assistance Program provider also introduced a new online portal with innovative tools to better support our team members and their dependents on their individual wellness journeys. The user-friendly platform offers assessment services based entirely on unique needs and preferences to provide the right service at the right time.



OPERATIONS

FOOD & PHARMACY DIVISION SUMMARY

DEVELOPMENT

In 2022, we made significant developments in our food and pharmacy operations. Notably, we broke ground on our upcoming Riverside food store and pharmacy in St. Albert, which we expect to open this summer. We also announced adding a new Co-op food store and pharmacy to the Edmonton community of Orchards, which is expected to bring over 60 jobs to the area. Both locations will provide our members and customers more opportunities to shop and earn equity in our local Co-op.

OPERATIONAL EFFICIENCIES

In recent months, we are pleased to see stabilized shopping patterns and a return to pre-pandemic activity, reflecting a positive trend in both our food and pharmacy operations. We have witnessed labour efficiencies improve at several of our locations, leading to higher productivity. The standardized rotation schedule and production logs in our food departments have led to reduced shrinkage and improved operational efficiency. Our successful "Sale of the Season" event highlighted our strategy of offering competitive pricing and attractive products during key food weeks. This approach was very effective and helped to improve our competitiveness during the holiday season. Another major focus in 2022 was identifying loss prevention opportunities.

ACCOUNTABILITY

With an increased focus on sustainability, we also eliminated plastic bags at our checkouts and continued to utilize the Loop Program to divert food waste from landfills. These efforts align with our accountable approach to reducing environmental impact and promoting a greener future.

In 2022, preliminary results from a market analysis were reviewed. We are working with our partners at FCL to create and implement a strategic plan based on the study's results and takeaways. This collaborative effort will help us capitalize on market opportunities and enhance our business growth. Despite the closure of our Mill Woods Town Centre food store earlier this year, we proactively took measures to minimize the impact on our operations.

In our pharmacy operations, we brought many third-party services in-house and completed yearly policy and procedure updates as per ACP (Alberta College of Pharmacists) regulations. Additionally, we have made efforts to balance our staffing complement for pharmacists, assistants, and technicians, while controlling labour costs.



OPERATIONS.

ENERGY DIVISION SUMMARY

DEVELOPMENT

Under the gas bar division, we successfully converted numerous Huskys to Co-op branded sites in 2022. We also added newly constructed gas bars in the communities of Orchards, Desrochers, and Riverside. These sites, located in Edmonton and surrounding, have allowed us to enter new markets and expand our brand presence in our trading area.

We also collaborated with the food team to lay the groundwork for the Fresh Transfer Program, which was successfully launched in 2023 following a busy holiday season in food. Through the Fresh Transfer Program, we expect to grow our fresh sales, cross-promote, and cater to the changing needs of our customers.

Additionally, our bulk petroleum team took an aggressive approach to networking and driving new client acquisitions. Through their efforts, we onboarded several new high-profile clients that resulted in incremental increases in commercial fuel sales. Working closely alongside our home & building team, we were able to cross-promote our services and drive sales in other areas, such as lumber.

OPERATIONAL EFFICIENCIES

The transition from Husky to Co-op branded sites has been a tremendous undertaking for our teams. While this acquisition has come with a unique set of challenges, we are optimistic that with time and training, these sites will meet the operational standards that our customers expect when visiting a Co-op. Our dedicated team members have worked tirelessly to ensure a seamless and efficient transition. We also want to recognize the large amount of centralized support we have received from our partners at FCL in converting these sites.

Additionally, we began transitioning our bulk fuel and lubricant order process to an online format. By doing so, we aim to streamline orders and anticipate time savings for both our clients and our team. This transition also enables us to minimize the possibility of potential errors, including misinterpretations of quantities, order details, and product selection.

ACCOUNTABILITY

We continue to hold our team accountable by evaluating team member performance, reviewing budgets, monitoring margin targets, and analyzing market trends.

We opted to continue serving several of our clients meals during harvest season through our Meals in the Field initiative. This gesture was well-received and gave us the much-needed opportunity to connect with our diverse clients on a personal level.



OPERATIONS

LIQUOR SUMMARY

DEVELOPMENT

As a new addition to North Central Co-op and the Northern Alberta market, we have successfully attracted new members to shop with us, resulting in a steady increase in market share. One of our key strengths lies in the unwavering trust that our customers place in the Co-op brand, as well as our approach to adapt quickly to market changes and trends. We take pride in executing unique programs and promotions that provide value to our customers and set us apart from the competition. With exceptional customer service, a wide product selection, competitive pricing, and engaging promotions, we have positioned ourselves as the fastest-growing liquor chain in the Alberta market. We credit our success to our experienced team, superior marketing support, and our commitment to delivering a rewarding and fun shopping experience.

OPERATIONAL EFFICIENCIES

While we have experienced rapid growth, we recognize the need to strengthen our resources to support our expanding operations. Our focus on maintaining store standards and exceptional customer service has led us to prioritize strong operations support and bench strength at the store level. The addition of the merchandising manager role in July of 2022 has been instrumental in managing product pricing and setting merchandising standards. We are continually enhancing our knowledge of The Alberta Gaming, Liquor and Cannabis regulations and staying compliant to ensure smooth operations, emphasizing our commitment to delivering outstanding service and product offerings to our customers.

ACCOUNTABILITY

We are committed to ongoing staff education and development. By encouraging team engagement through initiatives like Staff Pick of the Month, we empower our team members to contribute to our product selection and advertising strategies. We continue to refine our workflow processes, enhance talent resources, and explore exclusive product lines for our members. Our goal is to optimize product selection, inventory turnover, and overall customer satisfaction. We continue to invest in our people through training and educational opportunities, knowing that they contribute immensely to our high standard of service.



OPERATIONS

HOME & BUILDING DIVISION SUMMARY

DEVELOPMENT

We continue to attract contractors through client acquisition efforts by aligning with strategic partners and hosting appreciation events.

With marketing support, we have successfully implemented a shop floor and brand refresh, which fosters a better, more inviting shopping experience for customers. By fully leveraging our seasonal sections, we have successfully attracted a higher volume of consumer traffic to our store on a consistent basis. Overall, these initiatives have contributed to increased brand awareness and customer engagement.

OPERATIONAL EFFICIENCIES

Despite market challenges, our home centre division has remained committed to operational efficiency and delivering exceptional service. For example, in 2022, we made significant progress in transitioning to a new point-of-sale system. This change will set us up to implement online ordering and delivery management in the future. While we acknowledge the challenges associated with learning the new system, we sincerely appreciate the patience and understanding of our valued customers during this process.

We also recognize that there is significant room for growth in our agricultural feed and supply offering. As a result, we are working closely with our FCL partners to formulate a market strategy.

ACCOUNTABILITY

Our support for the community through participation in charitable initiatives and local events has strengthened our relationships and enhanced our reputation. Additionally, we have forged new collaborative partnerships with local vendors, expanding our product range and offerings.

Additionally, we have built a fresh and energetic team that shares a deep commitment to our values, ensuring a strong foundation for success.



OPERATIONS

FACILITIES SUMMARY

DEVELOPMENT

Our facilities division has experienced substantial growth and development, especially in light of acquiring several gas bar sites this past year. To ensure efficient handling of maintenance and facility requests, we have implemented a robust tracking system, allowing us to promptly address incoming requests. This proactive approach has enabled us to anticipate seasonal demands, resulting in a notable improvement in our responsiveness.

OPERATIONAL EFFICIENCIES

Our response time to address new maintenance requests has improved immensely. We understand the importance of timely maintenance, and our dedicated team has worked diligently to streamline our processes and ensure that requests are attended to promptly. By reducing the response time, we aim to minimize any disruptions and optimize the performance of our facilities. This improvement can be attributed to the addition of a fourth maintenance provider to our facilities team and the implementation of streamlined maintenance request processes across all North Central Co-op commodity departments.

ACCOUNTABILITY

We focused on updating maintenance agreements, establishing structured maintenance schedules, and implementing comprehensive inspection cycles for our car wash facilities. Through preventive maintenance, our aim is to minimize downtime and emergency breakdown calls.

Additionally, we continue to evaluate our contractors on a regular basis, giving preference to local businesses. To strengthen our maintenance program, we have also provided comprehensive training to our team, equipping them with specialized skills in car wash and minor fuel dispenser repair.





FINANCIAL REPORT.

To the Members of North Central Co-operative Association Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for private enterprises and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Co-operative. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, internal auditors, and external auditors. The Board is also responsible for recommending the appointment of the Co-operative's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 29, 2023

Independent Auditor's Report



To the Members of North Central Co-operative Association Ltd.:

Opinion

We have audited the financial statements of North Central Co-operative Association Ltd. (the "Co-operative"), which comprise the balance sheet as at January 31, 2023, and the statements of net savings, retained savings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-operative as at January 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Co-operative 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 Canadian accounting standards for private enterprises, 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 Co-operative'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 Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative'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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Co-operative'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 Co-operative'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 Co-operative 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.

Edmonton, Alberta

May 29, 2023

Chartered Professional Accountants

North Central Co-operative Association Ltd.
Balance Sheet
As at January 31, 2023

	2023	2022
Current assets		
Cash	\$ 3,759,940	\$ 1,522,870
Accounts receivable (Note 5)	21,818,525	12,737,171
Income taxes recoverable	2,073,253	729,301
Inventories	21,264,951	18,679,595
Prepaid expenses	877,702	801,123
	<u>49,794,371</u>	<u>34,470,060</u>
Investments		
Federated Co-operatives Limited (Note 4(a))	24,712,520	22,973,635
Other organizations	28,041	26,965
Property, plant and equipment (Note 6)	96,585,102	53,521,594
Intangible assets (Note 7)	5,768,346	-
Total assets	<u>\$ 176,888,380</u>	<u>\$ 110,992,254</u>
Current liabilities		
Accounts payable and trust liabilities (Note 8)	\$ 36,004,063	\$ 36,133,526
Customer prepaid accounts	184,391	57,321
Deferred income (Note 15)	2,684,611	3,645,299
Current portion of long-term debt (Note 9)	-	1,836,512
	<u>38,873,065</u>	<u>41,672,658</u>
Long-term debt (Note 9)	82,127,613	14,340,034
Total liabilities	<u>121,000,678</u>	<u>56,012,692</u>
Members' equity		
Share capital (Note 10)	18,044,491	19,267,296
Reserves and retained savings (Note 11)	37,843,211	35,712,266
	<u>55,887,702</u>	<u>54,979,562</u>
Total liabilities and members' equity	<u>\$ 176,888,380</u>	<u>\$ 110,992,254</u>
Subsequent event (Note 18)		
Commitments (Note 19)		
Contingency (Note 21)		
Approved on behalf of the Board of Directors		
 <i>signed by "Dianne Brown"</i>	 <i>signed by "Clement Lee"</i>	
_____ Director	_____ Director	

The accompanying notes are an integral part of these financial statements



North Central Co-operative Association Ltd.
Statement of Net Savings and Statement of Retained Savings
For the Year Ended January 31, 2023

	2023	%	2022	%
Sales (Note 12)	\$ 308,977,137	100.0	\$ 232,178,044	100.0
Cost of goods sold	<u>267,585,782</u>	86.6	<u>197,205,526</u>	84.9
Gross margin	<u>41,391,355</u>	13.4	<u>34,972,518</u>	15.1
Expenses				
Operating and administration	49,431,176	16.0	38,781,887	16.7
Net interest (Note 14)	<u>2,072,728</u>	0.7	<u>186,382</u>	0.1
	<u>51,503,904</u>	16.7	<u>38,968,269</u>	16.8
Loss from continuing operations	(10,112,549)	(3.3)	(3,995,751)	(1.7)
FCL loyalty program (Note 4(c)(ii))	6,007,932	1.9	4,874,038	2.1
Patronage refunds	<u>8,700,004</u>	2.8	<u>8,203,046</u>	3.5
Savings from continuing operations before income tax	4,595,387	1.4	9,081,333	3.9
Income tax (recovery) expense (Note 17)	<u>(208,339)</u>	(0.1)	<u>767,988</u>	0.2
Net savings from continuing operations	4,803,726	1.5	8,313,345	3.7
Loss from discontinued operations, net of tax (Note 23)	<u>(1,073,394)</u>	(0.3)	<u>(601,882)</u>	(0.3)
Net savings	<u>\$ 3,730,332</u>	1.2	<u>\$ 7,711,463</u>	3.4
Retained savings, beginning of year	\$ -		\$ -	
Net savings	3,730,332		7,711,463	
Transfer to general reserve (Note 11)	(2,132,780)		(3,333,053)	
Patronage allocation to members (Note 10)	<u>(1,597,552)</u>		<u>(4,378,410)</u>	
Retained savings, end of year (Note 11)	<u>\$ -</u>		<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



North Central Co-operative Association Ltd.
Statement of Cash Flows
For the Year Ended January 31, 2023

	2023	2022
Continuing operating activities		
Net savings from continuing operations	\$ 4,803,726	\$ 8,313,345
Adjustments for:		
Depreciation	5,706,313	3,729,478
FCL patronage refund	(8,694,427)	(8,197,865)
Loss (gain) on the disposal of property, plant and equipment	480,955	(6,401)
Changes in non-cash operating working capital:		
Accounts receivable	(9,081,354)	(5,678,405)
Income taxes recoverable	(1,343,952)	(406,048)
Inventories	(2,585,356)	(5,234,864)
Prepaid expenses	(76,579)	(129,079)
Accounts payable and trust liabilities	8,724,736	17,923,513
Customer prepaid accounts	127,070	(27,746)
Cash (used for) provided by continuing operating activities	<u>(1,938,868)</u>	<u>10,285,928</u>
Cash used for discontinued operations (Note 23)	<u>(1,073,394)</u>	<u>(601,882)</u>
Investing activities		
Redemption of FCL shares	6,955,542	6,558,292
Additions to property, plant and equipment	(24,643,127)	(14,359,201)
Proceeds from the disposal of property, plant and equipment	40,560	13,291
Investment in other organization	(1,076)	(682)
Cash consideration on business combination	<u>(39,270,754)</u>	<u>-</u>
Cash used for investing activities	<u>(56,918,855)</u>	<u>(7,788,300)</u>
Financing activities		
Change FCL in line of credit included in long-term debt	65,951,067	(3,169,842)
Deferred income	(960,688)	(109,807)
Share capital issued	46,755	38,085
GST on allocation	157,748	28,561
Redemption of share capital	<u>(3,026,695)</u>	<u>(334,480)</u>
Cash provided by (used for) provided by financing activities	<u>62,168,187</u>	<u>(3,547,483)</u>
Net increase (decrease) in cash from continuing operations	2,237,070	(1,651,737)
Cash, beginning of year	1,522,870	3,174,607
Cash, end of year	\$ 3,759,940	\$ 1,522,870

The accompanying notes are an integral part of these financial statements



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

1. Incorporation and operations

North Central Co-operative Association Ltd. ("the Co-operative") was incorporated under the Co-operatives Act of Alberta on January 7, 1946. The primary business of the Co-operative is operating retail agricultural, food, and petroleum outlets in Edmonton and surrounding area with head office in Stony Plain, Alberta.

2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for private enterprises. A precise determination of many assets and liabilities is dependent upon future events and consequently, the preparation of these financial statements involves the use of estimates and approximations. Areas subject to estimation include valuation of accounts receivable, inventory, useful life of property, plant and equipment, impairment of long-lived assets, income taxes, intangible assets, asset retirement obligations, accrued liabilities, potential contingencies, and the value of identifiable assets acquired and liabilities assumed as part of the business combination. These estimates also affect the disclosure of contingencies at the date of the financial statements and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

These financial statements have been prepared to reflect the following significant accounting policies:

(a) Definition of financial year

The Co-operative's financial year ends on the Saturday closest to January 31.

(b) Cash

Cash is defined as cash and investments with an initial maturity of less than three months.

(c) Inventories

Inventories are valued using a weighted average formula, first-in first-out method, and the retail method. Inventories are stated at the lower of cost and net realizable value.

The Co-operative estimates net realizable value as the amount that inventories are expected to be sold for, taking into consideration fluctuations of retail price due to seasonality less estimated costs necessary to make the sale. Inventories are written down to net realizable value when the cost of inventories is determined to be not recoverable due to obsolescence, damage or permanent declines in selling prices.



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(d) Financial instruments

The Co-operative recognizes its financial instruments when the Co-operative becomes party to the contractual provisions of the financial instrument.

(i) Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction are initially recorded at their fair value. At initial recognition, the Co-operative may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Co-operative has not made such an election during the year.

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment, or adjustments for patronage refunds or share redemptions. All transactions with Federated Co-operatives Limited (FCL) are disclosed in a separate note (Note 4). All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(ii) Financial asset impairment

The Co-operative assesses impairment of all its financial assets measured at cost or amortized cost. The Co-operative groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty, whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Co-operative determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Co-operative reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year net earnings.

The Co-operative reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net earnings in the year the reversal occurs.



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is taken over the estimated useful lives of the assets using the following methods and rates:

Land improvements	Declining balance	8% - 10%
Buildings	Straight-line & declining balance	3 - 25 years & 4% - 20%
Furniture & equipment	Straight-line & declining balance	20% - 30%
Computer equipment	Straight-line & declining balance	5 years & 30% - 55%
Vehicles	Declining balance	30%
Leasehold improvements	Straight-line	Remaining term of lease

Expenditures for maintenance and repairs are charged to operating expenses as incurred. Significant expenditures for improvements are capitalized. Gains or losses realized on the disposal of property, plant and equipment are reflected in operations in the year of disposition.

Claims for assistance under various FCL programs are recorded as a reduction of the cost of related assets in the period in which eligible expenditures are incurred, with any depreciation calculated on the net amount.

An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. No such impairment loss was recorded during the year.

(f) Asset retirement obligation

The Co-operative has a liability for an asset retirement obligation in the period in which a legal liability is incurred. The liability is based on management's best estimate. The liability is subsequently adjusted for the passage of time, which is recognized as an accretion expense in the statement of net savings. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. Actual costs incurred upon settlement of the asset retirement obligations are charged against the asset retirement obligation to the extent of the liability recorded.

(g) Share capital

The Co-operative approves an allocation to members subsequent to year end. The amount is recorded as an addition to share capital and a reduction in retained savings. The Co-operative records the redemption of shares that is to be paid to members at the time it has been approved by the Board of Directors.

(h) Revenue recognition

The Co-operative recognizes revenue when evidence of an arrangement exists, delivery or change of ownership has occurred, the price has been determined, and collection is reasonably assured. Patronage allocations are recognized in earnings when allocated to the Co-operative.

(i) Income taxes

The Co-operative follows the taxes payable method whereby only current income tax assets and liabilities are recognized to the extent they remain unpaid or are recoverable. In addition, the benefit relating to a tax loss incurred in the current period and carried back to prior periods is recognized as a current asset. Current income tax assets and liabilities are measured using tax rates that are enacted or substantively enacted at the reporting date.



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(j) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is taken over the estimated useful lives of the assets using the following methods and rates once the intangible asset is functional:

Supply agreements	Straight-line	7 years
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An impairment loss is recognized when the carrying amount of an intangible asset is not recoverable and exceeds its fair value. No such impairment loss was recorded during the year.

(k) Business combinations

Business combinations are accounted for using the acquisition method. The application of this method requires certain estimates and assumptions especially concerning the determination of the fair value of the acquired intangible assets, property, plant and equipment, as well as the liabilities assumed at the date of the acquisition, based on information available at that date.

At the acquisition date, the Co-operative recognizes, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the subsidiary. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values. Any non-controlling interest in a subsidiary is measured either at fair value or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets.

The consideration transferred for each acquisition is measured as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred, and equity instruments issued by the Co-operative to obtain control of the subsidiary.

(l) Government assistance

The Co-operative recognizes government assistance when there is a reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received. The Co-operative recognizes government assistance related to the Canada Emergency Wages Subsidy ("CEWS") as a reduction to the expense which the assistance program is meant to fund.



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

3. Financial instruments and risk management

The significant financial risks to which the Co-operative is exposed are credit risk, interest rate risk and liquidity risk.

(a) Credit risk

The Co-operative is exposed to credit risk on accounts receivable from its customers. The Co-operative manages credit risk through an active credit management program. The Co-operative does not have a significant exposure to any individual customer (2022 - no significant exposure to any individual customer).

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Co-operative's sensitivity to fluctuations in interest rates is limited to its cash and debt. The Co-operative manages its exposure to interest rate risk through floating rate deposits and borrowings.

(c) Liquidity risk

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting obligations associated with financial liabilities. The Co-operative is exposed to liquidity risk arising primarily from the current obligations and long-term debt. The Co-operative's ability to meet obligations depends on funds generated by its operations.

4. Transactions with Federated Co-operatives Limited (FCL)

(a) Patronage refund

The Co-operative, along with other Co-operatives in Western Canada, own FCL. At the end of each year, FCL divides a substantial portion of its net savings among these retail Co-operatives in proportion to the business done by each with FCL. During FCL's fiscal year ended October 31, 2022, the Co-operative purchased goods amounting to \$240,247,652 (2021 - \$171,124,344) from FCL in the normal course of operations.

These purchases resulted in a patronage refund from FCL which was received as non-cash consideration in the form of additional shares in FCL. FCL, based on its available cash flow, redeemed an amount of FCL shares held by the Co-operative. The amounts of the patronage refund and shares redeemed are as follows:

	2023	2022
Opening investment balance	\$ 22,973,635	\$ 21,334,062
Patronage refund	8,694,427	8,197,865
Share redemptions	<u>(6,955,542)</u>	<u>(6,558,292)</u>
Closing investment balance	<u>\$ 24,712,520</u>	<u>\$ 22,973,635</u>



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(b) Asset retirement obligation

The Co-operative participates in a contaminated site management program established by FCL to manage its asset retirement obligations. This program limits the Co-operative's liability to \$25,000 per site as long as the Co-operative continues to exercise due diligence. The Co-operative has 34 sites under this program.

Management believes that due diligence has been exercised and that the impact of the asset retirement obligation to the Co-operative's financial statements is not significant.

(c) Purchase commitments

(i) Under the terms of the agreement with FCL, the Co-operative has committed to purchase petroleum products, at market price, from FCL for its gas bar and cardlock operations over a ten year period commencing from February 2014. Failure to meet this commitment would require the Co-operative to immediately pay outstanding gas bar and cardlock loan balances owed to FCL, plus repay any gas bar and cardlock grants received, including interest on the grants compounded annually at 10% from the grant date. Total grants received during this period amounted to approximately \$7,129,580 (2022 - \$7,927,067). Management intends to fulfill all existing contracts with FCL.

(ii) Under the terms of the agreement with FCL, the Co-operative has committed to purchase at least 90% of its total goods from FCL and commits, to the best of its ability, to use FCL's services. If the eligibility requirements are met, FCL will pay the Co-operative, on a quarterly basis, a Loyalty Payment based on cents per litre. The Loyalty Payment revenue is accrued as earned.

(iii) Under the terms of the agreement with FCL, the Co-operative has committed to purchase all food, pharmacy, and food-related products, from FCL and continue to operate all food stores acquired through the Sobey's acquisition over a thirty year period commencing from February 2014. Failure to meet this commitment would require the Co-operative to repay the assistance received on a prorated basis. Management intends to fulfill all commitments with FCL.

(iv) Under the terms of the agreement with FCL, the Co-operative has committed to purchase petroleum, home centre, food, pharmacy, and food-related products, from FCL and continue to operate certain food stores over periods of ten to thirty years depending on the specific contract. Failure to meet this commitment would require the Co-operative to repay the assistance received on a prorated basis. Total assistance that would be repayable if commitments were not met without FCL approval as at January 2023 amounted to \$20,731,355 (2022 - \$10,184,017). Management intends to fulfill all commitments with FCL.

5. Accounts receivable

	2023	2022
Customer accounts receivable	\$ 8,420,273	\$ 7,234,919
Other accounts receivable	14,039,913	6,222,551
Allowance for doubtful accounts	<u>(641,661)</u>	<u>(720,299)</u>
	<u>\$ 21,818,525</u>	<u>\$ 12,737,171</u>



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

6. Property, plant and equipment

	Original Cost	Accumulated Depreciation	2023 Book Value	2022 Book Value
Land	\$ 19,470,629	\$ -	\$ 19,470,629	\$ 3,615,464
Land improvements	5,520,544	2,433,519	3,087,025	2,906,525
Buildings	55,443,057	8,531,330	46,911,727	30,201,519
Furniture & equipment	25,391,072	12,452,654	12,938,418	8,151,626
Computer equipment	3,571,359	3,036,179	535,180	570,075
Vehicles	3,158,267	2,409,637	748,630	798,649
Leasehold improvements	1,558,266	1,558,266	-	-
Assets under construction	12,893,493	-	12,893,493	7,277,736
	<u>\$ 127,006,687</u>	<u>\$ 30,421,585</u>	<u>\$ 96,585,102</u>	<u>\$ 53,521,594</u>

Depreciation for the current year included in operating and administration expense was \$5,370,944 (2022 - \$3,729,478).

7. Intangible assets

	Original Cost	Accumulated Amortization	2023 Book Value	2022 Book Value
Supply agreements	<u>\$ 6,103,715</u>	<u>\$ 335,369</u>	<u>\$ 5,768,346</u>	<u>\$ -</u>

Intangible asset with a definite life are amortized on a straight line basis over seven years. Amortization for the current year end included in operating and administration expenses was \$335,369 (2022 - \$nil).

8. Accounts payable and trust liabilities

	2023	2022
FCL payables	\$ 15,885,864	\$ 28,579,671
Other payables	16,070,203	6,580,991
Trust liabilities:		
Federal fuel charge	3,984,652	800,154
Payroll deductions	-	143,770
Workers Compensation Board	<u>63,344</u>	<u>28,940</u>
	<u>\$ 36,004,063</u>	<u>\$ 36,133,526</u>



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

9. Long-term debt

	Total	2023		2022	
		Current Portion	Deferred Portion	Current Portion	Deferred Portion
FCL LOC ⁽¹⁾	\$ 82,127,613	\$ -	\$ 82,127,613	\$ 1,836,512	\$ 14,340,034

⁽¹⁾ Federated Co-operatives Limited lines of credit:

(i) Station Square Food Store, Hawkstone Food Store, Town Centre Food Store and Gas Bar

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7% (2022 - 2.45%), repayable via an annual reduction in available credit, maturing July 31, 2024. The loan is subject to certain non-financial covenants. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

August 1, 2022 - July 31, 2023	\$ 1,100,000
August 1, 2023 - July 31, 2024	550,000

(ii) Chappelle Food Store

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7% (2022 - 2.45%), repayable via an annual reduction in available credit, maturing October 25, 2039. The loan is subject to certain non-financial covenants. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

October 25, 2022 - October 25, 2023	\$ 5,568,325
October 25, 2023 - October 25, 2024	5,240,777
October 25, 2024 - October 25, 2025	4,913,228
October 25, 2025 - October 25, 2026	4,585,680
October 25, 2026 - October 25, 2027	4,258,131
October 25, 2027 - October 25, 2028	3,930,583
October 25, 2028 - October 25, 2029	3,603,034
October 25, 2029 - October 25, 2030	3,275,486
October 25, 2030 - October 25, 2031	2,947,937
October 25, 2031 - October 25, 2032	2,620,388
October 25, 2032 - October 25, 2033	2,292,840
October 25, 2033 - October 25, 2034	1,965,291
October 25, 2034 - October 25, 2035	1,637,743
October 25, 2035 - October 25, 2036	1,310,194
October 25, 2036 - October 25, 2037	982,464
October 25, 2037 - October 25, 2038	655,097
October 25, 2038 - October 25, 2039	327,549



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(iii) Chappelle Gas Bar

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7% (2022 - 2.45%), repayable via an annual reduction in available credit, maturing March 9, 2030. The loan is subject to certain non-financial covenants. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

March 9, 2022 - March 9, 2023	\$ 3,895,709
March 9, 2023 - March 9, 2024	3,408,745
March 9, 2024 - March 9, 2025	2,921,782
March 9, 2025 - March 9, 2026	2,434,818
March 9, 2026 - March 9, 2027	1,947,854
March 9, 2027 - March 9, 2028	1,460,891
March 9, 2028 - March 9, 2029	973,927
March 9, 2029 - March 9, 2030	486,964

(iv) Fort Saskatchewan Food Store

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7% (2022 - 2.45%), repayable via an annual reduction in available credit, maturing March 9, 2030. The loan is subject to certain non-financial covenants. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

March 9, 2022 - March 9, 2023	\$ 3,776,000
March 9, 2023 - March 9, 2024	3,304,000
March 9, 2024 - March 9, 2025	2,832,000
March 9, 2025 - March 9, 2026	2,360,000
March 9, 2026 - March 9, 2027	1,888,000
March 9, 2027 - March 9, 2028	1,416,000
March 9, 2028 - March 9, 2029	944,000
March 9, 2029 - March 9, 2030	472,000



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(v) Rabbit Hill Gas Bar, Windermere Gas Bar, Riverside Gas Bar, Orchards Gas Bar and Desrochers Gas Bar

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7% (2022 - 2.45%), repayable via an annual reduction in available credit, maturing January 20, 2032. The loan is subject to certain financial and non-financial covenants. As at January 31, 2023, the Co-operative was in violation of certain measurable covenants, for which FCL provided a written waiver stating that it will waive the right to demand repayment until February 1, 2024. The available line of credit decreases as follows:

January 21, 2023 - January 20, 2024	\$ 20,160,000
January 21, 2024 - January 20, 2025	17,920,000
January 21, 2025 - January 20, 2026	15,680,000
January 21, 2026 - January 20, 2027	13,440,000
January 21, 2027 - January 20, 2028	11,200,000
January 21, 2028 - January 20, 2029	8,960,000
January 21, 2029 - January 20, 2030	6,720,000
January 21, 2030 - January 20, 2031	4,480,000
January 21, 2031 - January 20, 2032	2,240,000

(vi) Husky Acquisition

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7%, repayable via an annual reduction in available credit, maturing August 21, 2042. The loan is subject to certain financial and non-financial covenants. As at January 31, 2023, the Co-operative was in violation of certain measurable covenants, for which FCL provided a written waiver stating that it will waive the right to demand repayment until February 1, 2024. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

August 22, 2022 - August 21, 2023	\$ 31,409,944
August 22, 2023 - August 21, 2024	29,839,447
August 22, 2024 - August 21, 2025	28,268,950
August 22, 2025 - August 21, 2026	26,698,452
August 22, 2026 - August 21, 2027	25,127,955
August 22, 2027 - August 21, 2028	23,557,458
August 22, 2028 - August 21, 2029	21,986,961
August 22, 2029 - August 21, 2030	20,416,464
August 22, 2030 - August 21, 2031	18,845,966
August 22, 2031 - August 21, 2032	17,275,469
August 22, 2032 - August 21, 2033	15,704,972
August 22, 2033 - August 21, 2034	14,134,475
August 22, 2034 - August 21, 2035	12,563,978
August 22, 2035 - August 21, 2036	10,993,480
August 22, 2036 - August 21, 2037	9,422,983
August 22, 2037 - August 21, 2038	7,852,486
August 22, 2038 - August 21, 2039	6,281,989
August 22, 2039 - August 21, 2040	4,711,492
August 22, 2040 - August 21, 2041	3,140,994
August 22, 2041 - August 21, 2042	1,570,497



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(vii) Husky Capital Expenditure

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7%, repayable via an annual reduction in available credit, maturing August 21, 2043. The loan is subject to certain financial and non-financial covenants. As at January 31, 2023, the Co-operative was in violation of certain measurable covenants, for which FCL provided a written waiver stating that it will waive the right to demand repayment until February 1, 2024. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

August 22, 2022 - August 21, 2023	\$ 8,119,306
August 22, 2023 - August 21, 2024	7,732,672
August 22, 2024 - August 21, 2025	7,346,039
August 22, 2025 - August 21, 2026	6,959,405
August 22, 2026 - August 21, 2027	6,572,772
August 22, 2027 - August 21, 2028	6,186,138
August 22, 2028 - August 21, 2029	5,799,504
August 22, 2029 - August 21, 2030	5,412,871
August 22, 2030 - August 21, 2031	5,026,237
August 22, 2031 - August 21, 2032	4,639,603
August 22, 2032 - August 21, 2033	4,252,970
August 22, 2033 - August 21, 2034	3,866,336
August 22, 2034 - August 21, 2035	3,479,703
August 22, 2035 - August 21, 2036	3,093,069
August 22, 2036 - August 21, 2037	2,706,435
August 22, 2037 - August 21, 2038	2,319,802
August 22, 2038 - August 21, 2039	1,933,168
August 22, 2039 - August 21, 2040	1,546,534
August 22, 2040 - August 21, 2041	1,159,901
August 22, 2041 - August 21, 2042	773,267
August 22, 2042 - August 21, 2043	386,634



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

(viii) Riverside Food Store

Federated Co-operatives Limited credit bearing interest at prime rate of 6.7%, repayable via an annual reduction in available credit, maturing October 23, 2043. The loan is subject to certain financial and non-financial covenants. The Co-operative believes it is in compliance with these covenants as at year-end and have been in compliance since the loan start date. Security for the credit is a Business Security Agreement and a General Security Agreement. The available line of credit decreases as follows:

October 24, 2022 - October 23, 2023	\$ 14,400,000
October 24, 2023 - October 23, 2024	9,500,000
October 24, 2024 - October 23, 2025	9,025,000
October 24, 2025 - October 23, 2026	8,550,000
October 24, 2026 - October 23, 2027	8,075,000
October 24, 2027 - October 23, 2028	7,600,000
October 24, 2028 - October 23, 2029	7,125,000
October 24, 2029 - October 23, 2030	6,650,000
October 24, 2030 - October 23, 2031	6,175,000
October 24, 2031 - October 23, 2032	5,700,000
October 24, 2032 - October 23, 2033	5,225,000
October 24, 2033 - October 23, 2034	4,750,000
October 24, 2034 - October 23, 2035	4,275,000
October 24, 2035 - October 23, 2036	3,800,000
October 24, 2036 - October 23, 2037	3,325,000
October 24, 2037 - October 23, 2038	2,850,000
October 24, 2038 - October 23, 2039	2,375,000
October 24, 2039 - October 23, 2040	1,900,000
October 24, 2040 - October 23, 2041	1,425,000
October 24, 2041 - October 23, 2042	950,000
October 24, 2042 - October 23, 2043	475,000

The scheduled principal repayments on the long-term debt for the next five years and subsequent are as follows:

2024	\$ -
2025	2,590,615
2026	6,908,643
2027	6,908,644
2028	6,908,642
Subsequent payments	58,811,069
	<u>\$ 82,127,613</u>



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

10. Share capital

Authorized, unlimited @ \$1	2023	2022
Balance, beginning of year	\$ 19,267,296	\$ 15,156,526
Allocation to members	1,597,552	4,378,410
Cash from new members	46,755	38,085
GST on allocation	157,748	28,561
Shares transferred from reserves	1,835	2,225
	<u>21,071,186</u>	<u>19,603,807</u>
General repayment	2,339,945	121,591
Shares transferred to reserves	-	2,031
Withdrawals and retirements	383,119	200,996
Withholding tax	303,631	11,893
	<u>3,026,695</u>	<u>336,511</u>
Balance, end of year	<u>\$ 18,044,491</u>	<u>\$ 19,267,296</u>

11. Reserves and retained savings

	General Reserve	Retained Savings	2023	2022
Balance, beginning of year	\$ 35,712,266	\$ -	\$ 35,712,266	\$ 32,379,407
Net savings distributed to retained savings	-	3,730,332	3,730,332	7,711,463
Patronage allocation	-	(1,597,552)	(1,597,552)	(4,378,410)
Shares transferred	(1,835)	-	(1,835)	(194)
Reserve transfers	2,132,780	(2,132,780)	-	-
Balance, end of year	<u>\$ 37,843,211</u>	<u>\$ -</u>	<u>\$ 37,843,211</u>	<u>\$ 35,712,266</u>

12. Sales

	2023	2022
Consumer Division	\$ 228,530,088	\$ 177,759,220
Petroleum Division	80,447,049	54,418,824
	<u>\$ 308,977,137</u>	<u>\$ 232,178,044</u>

All sales are to external customers and no single customer accounts for more than 10% of sales.



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

13. Government assistance

In response to the negative economic impact of COVID-19 the Government of Canada has announced the CEWS program in April 2020. CEWS provide wage subsidies on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, which for CEWS includes demonstration of revenue declines as a result of COVID-19.

The Co-operative has determined that it has qualified for CEWS. The Co-operative has applied for and has received \$nil (2022 - \$1,510,170) which has been reflected as a reduction to operating and administration expenses.

14. Net interest

	2023	2022
Interest expense on		
- Short-term debt	\$ -	\$ 99,279
- Long-term debt	2,369,158	430,303
Interest revenue	<u>(296,430)</u>	<u>(343,200)</u>
	<u>\$ 2,072,728</u>	<u>\$ 186,382</u>

15. Deferred income

Deferred income relates to a payment received in prior years from FCL. The payment was received to provide the Co-operative with assistance to increase product sales or to reimburse the Co-operative for store improvements in their food operations.

16. Pension plan

The Co-operative participates in a multi-employer defined contribution plan whereby the Co-operative and participating employees contribute equal amounts up to the maximum allowed under the Income Tax Act. The Co-operative has no unfunded liability under this plan. During the year, the Co-operative recorded \$727,314 (2022 - \$686,888) of expense relating to the plan. There were no significant changes to the rate of employer contributions during the year.



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

17. Income tax (recovery) expense

The Co-operative accounts for income taxes using the taxes payable method. As a result, the Co-operative's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2023	2022
Savings from continued operations before income tax	\$ 4,595,387	\$ 9,081,333
Expected income tax expense at the combined tax rate of 23.0% (2022 - 23.0%) net of the general rate reduction	1,056,939	2,088,707
Decrease in income tax expense resulting from:		
Non-taxable income and non-deductible expense	(138,628)	(264,032)
Patronage allocation to members of \$1,597,552 (2022 - \$4,378,410)	(367,437)	(1,007,034)
Income or expenses claimed in different periods for income tax purposes:		
Capital cost allowance in excess of depreciation	(1,126,901)	(362,965)
Other items that impact income taxes:		
Patronage dividends available for carryforward	367,547	313,312
Prior year tax adjustment	<u>141</u>	<u>-</u>
Income tax (recovery) expense	<u>\$ (208,339)</u>	<u>\$ 767,988</u>

18. Subsequent event

Patronage allocation to members

Subsequent to January 31, 2023 the Board of Directors approved a patronage allocation to members in the amount of \$1,597,552 (2022 - \$4,378,410).



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

19. Commitments

The Co-operative is committed to the completion of a new food store. The estimated total project cost net of FCL investment is \$9,146,728 of which \$4,591,623 has been set up as assets under construction. This project will be financed from a loan.

The Co-operative is committed to the completion of a new food store. The estimated total project cost net of FCL investment is \$14,454,511 of which \$70,657 has been set up as assets under construction. This project will be financed from a loan.

The Co-operative is committed to the completion of a new gas bar. The estimated total project cost net of FCL investment is \$3,272,039 of which \$2,426,121 has been set up as assets under construction. This project will be financed from a loan.

The Co-operative is committed to the completion of a new liquor store. The estimated total project cost is \$579,180 of which \$78,057 has been set up as assets under construction. This project will be financed from a loan and operations.

The Co-operative is committed to the completion of a new gas bar. The estimated total project cost net of FCL investment is \$4,396,250 of which \$3,340,078 has been set up as assets under construction. This project will be financed from a loan.

The Co-operative is committed to the completion of a new gas bar. The estimated total project cost net of FCL investment is \$4,519,598 of which \$2,302,462 has been set up as assets under construction. This project will be financed from a loan.

20. Business combination

On September 13, 2022 the Co-operative acquired 17 Husky retail fuel sites and five fuel supply agreements from Federated Co-operatives Ltd. Total cash consideration was \$39,270,754, excluding the non-cash financial liabilities acquired. The Co-operative determined the acquisition constituted a business combination and was accounted for using the acquisition method. This method results in the acquirees' identifiable assets acquired being measured at their acquisition date fair values. The fuel sites have been integrated and are reported within the Consumer division from the date of acquisition.

The purchase price allocation net of FCL investment was as follows:

Land	\$ 15,855,165
Buildings	11,761,893
Furniture & equipment	4,197,359
Inventories	1,352,622
Intangible assets	6,103,715
Financial liabilities	<u>(8,854,199)</u>
Net identifiable assets acquired	30,416,555
Total cost of acquisition	<u>\$ 30,416,555</u>



North Central Co-operative Association Ltd.
Notes to the Financial Statements
For the Year Ended January 31, 2023

21. Contingency

Certain claims are pending against the Co-operative. While it is not possible to determine the ultimate outcome of such actions at this time, it is management's opinion that the ultimate resolution of such matters will not have an adverse affect on the Co-operative's financial condition or results of operation.

22. Operating leases

The Co-operative is committed to operating leases. Total minimum lease payments are as follows:

2024	\$ 5,777,637
2025	4,996,817
2026	4,606,509
2027	4,490,215
2028	<u>4,425,653</u>
	<u>\$ 24,296,831</u>

23. Discontinued operations

During the year, the Board of Directors of the North Central Co-operative Association Ltd. approved to discontinue the operations of the Town Centre Food Store. Immediately following the Co-operative's yearend, the operations of the location were discontinued. The losses from the Town Centre Food Store have been presented on the statement of net savings as "discontinued operations".

Details for the net income from discontinued operations net of income taxes are presented below:

	2023	2022
Town Centre Food Store revenue	\$ 21,454,295	\$ 24,948,306
Town Centre Food Store cost of goods sold	(16,036,084)	(18,641,662)
Town Centre Food Store operating and administration expenses	(6,812,229)	(7,088,309)
Income tax recovery	<u>320,624</u>	<u>179,783</u>
Loss from discontinued operations, net of tax	<u>(1,073,394)</u>	<u>(601,882)</u>
Cash flows used for discontinued operations	<u>\$ (1,073,394)</u>	<u>\$ (601,882)</u>

24. Comparative figures

Certain comparative figures have been reclassified to conform to current year financial statement presentation. This did not affect prior year earnings.



North Central Co-operative Association Ltd.
Unaudited Statistical Information
For the Year Ended January 31, 2023

Record of Sales and Net Savings

	<u>Year</u>	<u>Sales</u>	<u>Net Savings</u>	<u>%</u>
From Date of Incorporation, January 7, 1946 to January 31,	2014	\$ 873,765,994	\$ 42,576,852	4.9
	2015	170,711,523	358,115	0.2
	2016	193,217,994	9,638,408	5.0
	2017	197,414,464	5,157,267	2.6
	2018	217,069,070	3,447,327	1.5
	2019	227,150,770	5,278,360	2.3
	2020	227,190,457	3,974,208	1.8
	2021	221,119,480	1,532,582	0.8
	2022	232,178,044	7,711,463	3.4
	2023	308,977,137	3,730,332	1.2
		<u>\$ 2,868,794,933</u>	<u>\$ 83,404,914</u>	<u>2.9</u>

Membership

Members purchasing during the year	77,754
Inactive members	<u>37,901</u>
Total members	<u>115,655</u>





North Central

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