



**ANNUAL
REPORT
2019**

North Corridor
Co-operative 

Management's Responsibility

To the Members of North Corridor Co-operative:

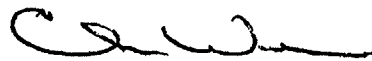
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for private enterprises. This responsibility includes selecting appropriate 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 and Audit Committee are 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.

February 26, 2020



General Manager

To the Members of North Corridor Co-operative:

Opinion

We have audited the financial statements of North Corridor Co-operative (the "Co-operative"), which comprise the balance sheet as at October 31, 2019, and the statements of net savings and 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 October 31, 2019, 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.

Independent Auditor's Report *continued*

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.

Saskatoon, Saskatchewan

February 26, 2020

MNP LLP

Chartered Professional Accountants

North Corridor Co-operative

Balance Sheet

As at October 31, 2019

	2019	2018
Current assets		
Cash and cash equivalents	\$ 642,297	\$ 400,487
FCL special deposit (Note 4(a))	4,715,478	950,000
Accounts receivable - Customer (Note 5)	4,685,447	6,945,246
- Other	212,116	21,031
Income taxes recoverable	-	821,983
Inventories	10,070,748	9,213,495
Prepaid expenses	7,355	-
Current portion of long-term receivables (Note 6)	20,995	6,037
	20,354,436	18,358,279
Long-term receivables (Note 6)	20,995	-
Investments		
Federated Co-operatives Limited (Note 4(b))	12,796,011	12,783,423
Other organizations	13,340	13,989
Property, plant and equipment (Note 7)	10,721,448	11,113,908
Other asset (Note 8)	384,800	403,717
Total assets	\$ 44,291,030	\$ 42,673,316
Current liabilities		
Accounts payable and trust liabilities (Note 9)	\$ 7,245,713	\$ 6,396,949
Customer prepaid accounts	193,050	181,854
Income taxes payable	22,988	-
Total liabilities	7,461,751	6,578,803
Members' equity		
Share capital (Note 10)	13,071,877	13,114,887
Reserves and retained savings (Note 11)	23,757,402	22,979,626
	36,829,279	36,094,513
Total liabilities and members' equity	\$ 44,291,030	\$ 42,673,316

Subsequent events (Note 16)

Approved on behalf of the Board of Directors

Director

Director

The accompanying notes are an integral part of these financial statements



North Corridor Co-operative
Statement of Net Savings and Statement of Retained Savings
For the Year Ended October 31, 2019

	2019	%	2018	%
Sales (Note 12)	\$ 57,289,647	100.0	\$ 64,231,075	100.0
Cost of goods sold	<u>50,546,558</u>	<u>88.2</u>	<u>57,409,575</u>	<u>89.4</u>
Gross margin	<u>6,743,089</u>	<u>11.8</u>	<u>6,821,500</u>	<u>10.6</u>
Expenses				
Operating and administration	8,312,197	14.5	8,071,404	12.6
Net interest (Note 13)	<u>(225,714)</u>	<u>(0.4)</u>	<u>(231,852)</u>	<u>(0.3)</u>
	<u>8,086,483</u>	<u>14.1</u>	<u>7,839,552</u>	<u>12.3</u>
Loss from operations	(1,343,394)	(2.3)	(1,018,052)	(1.7)
Patronage refunds	<u>4,230,146</u>	<u>7.4</u>	<u>5,478,153</u>	<u>8.5</u>
Savings before income taxes	2,886,752	5.1	4,460,101	6.8
Income taxes (Note 15)	<u>754,677</u>	<u>1.3</u>	<u>119,125</u>	<u>0.2</u>
Net savings	<u><u>\$ 2,132,075</u></u>	<u>3.7</u>	<u><u>\$ 4,340,976</u></u>	<u>6.8</u>
Retained savings, beginning of year	\$ -		\$ -	
Net savings	2,132,075		4,340,976	
Transfer to general reserve (Note 11)	(784,120)		(2,801,602)	
Patronage allocation to members (Note 10)	<u>(1,347,955)</u>		<u>(1,539,374)</u>	
Retained savings, end of year (Note 11)	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>	

The accompanying notes are an integral part of these financial statements



North Corridor Co-operative
Statement of Cash Flows
For the Year Ended October 31, 2019

	2019	2018
Operating activities		
Net savings	\$ 2,132,075	\$ 4,340,976
Adjustments for:		
Depreciation and amortization	855,624	936,437
FCL patronage refund	(4,229,738)	(5,478,117)
Gain on the disposal of property, plant and equipment	(14,724)	(5,278)
Changes in non-cash operating working capital:		
Accounts receivable	2,068,714	(809,570)
Income tax recoverable	821,983	(322,764)
Inventories	(857,253)	(721,273)
Prepaid expenses	(7,355)	-
Long-term receivables	(35,953)	5,534
Accounts payable and trust liabilities	848,764	1,894,420
Income tax payable	22,988	-
Customer prepaid accounts	11,196	65,827
Cash provided by (used for) operating activities	<u>1,616,321</u>	<u>(93,808)</u>
Investing activities		
Redemption of FCL shares	4,217,150	2,977,650
Additions to property, plant and equipment	(446,800)	(174,697)
Proceeds from the disposal of property, plant and equipment	17,277	8,000
Investment in other organizations	649	761
Cash provided by investing activities	<u>3,788,276</u>	<u>2,811,714</u>
Financing activities		
Repayment of long-term debt	-	(784,390)
Share capital issued	2,045	2,750
GST on allocation	61,579	53,679
Redemption of share capital	(1,460,933)	(1,194,303)
Cash used for financing activities	<u>(1,397,309)</u>	<u>(1,922,264)</u>
Net increase in cash and cash equivalents	4,007,288	795,642
Cash and cash equivalents, beginning of year	<u>1,350,487</u>	<u>554,845</u>
Cash and cash equivalents, end of year	\$ 5,357,775	\$ 1,350,487
Cash and cash equivalents are comprised of:		
Cash and cash equivalents	\$ 642,297	\$ 400,487
FCL special deposit	4,715,478	950,000
	\$ 5,357,775	\$ 1,350,487

The accompanying notes are an integral part of these financial statements



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

1. Incorporation and operations

North Corridor Co-operative ("the Co-operative") was incorporated under the Co-operatives Act of Alberta on April 5, 1945. The primary business of the Co-operative is operating retail agricultural, food, and petroleum outlets in Boyle and Thorhild, Alberta, and surrounding areas.

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, accrued liabilities and potential contingencies. 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 October 31.

(b) Cash and cash equivalents

Cash and cash equivalents are 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.

(d) Investments

The Co-operative's investments are accounted for using the cost method. Accordingly, the investments are recorded at acquisition cost, less any provisions for permanent impairment or adjustments for patronage refunds or share redemptions. All transactions with FCL are disclosed in a separate note (Note 4).



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

(e) Financial instruments

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at amortized cost, unless management has elected to carry the instruments at fair value. The Co-operative has not elected to carry any such financial instruments at fair value. Financial instruments, which are subsequently measured at amortized cost, are adjusted by transaction and financing costs incurred on acquisition.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Co-operative determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Co-operative could realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) 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:

Buildings	Straight-line & declining balance	10 - 25 years & 4% - 10%
Dwelling	Straight-line & declining balance	25 years & 10%
Parking lots & dykes	Declining balance	4% - 8%
Tanks	Declining balance	20%
Furniture & equipment	Straight-line & declining balance	5 years & 20% - 100%
Vehicles	Straight line & declining balance	5 years & 15% - 55%
Fence	Declining balance	10%

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.

(g) Other assets

Other assets 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:

Highway bypass	Straight-line	25 years
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(h) 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.



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

(i) 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.

(j) 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 substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

3. Financial instruments and risk management

The significant financial risks to which the Co-operative is exposed are credit risk, interest rate risk, liquidity risk and commodity price 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. (2018 - 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 the 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 funds on deposit. 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 primarily from the current obligations. The Co-operative's ability to meet obligations depends on funds generated by its operations.

(d) Commodity price risk

The Co-operative enters into transactions to purchase crop production products, for which market prices fluctuate. The nature of the Co-operative's activities exposes it to risk of changes in commodity prices related to crop inputs that may occur between the time products are received from the supplier and actual date of sale to customers. To mitigate a portion of this risk, the Co-operative enters into contracts with the supplier to purchase the product at specified prices.



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

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

(a) FCL special deposit

Amounts held with FCL as special deposits earn interest at rates based on prime rates.

(b) 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, 2019, the Co-operative purchased goods amounting to \$44,958,301 (2018 - \$51,095,266) 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:

	2019	2018
Opening investment balance	\$ 12,783,423	\$ 10,282,956
Patronage refund	4,229,738	5,478,117
Share redemptions	<u>(4,217,150)</u>	<u>(2,977,650)</u>
Closing investment balance	<u>\$ 12,796,011</u>	<u>\$ 12,783,423</u>

(c) 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 5 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.

(d) 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 November 2010. 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 \$2,614,600 (2018 - \$2,631,300). 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 petroleum products at market price, from the FCL corporate bulk plant over a ten year period commencing from September 2015. Failure to meet this commitment would require the Co-operative to pay a portion of the capital costs of the bulk plant to FCL determined by a formula based upon usage. Management intends to fulfill all existing contracts with FCL.

(iii) Under the terms of the agreement with FCL, the Co-operative has committed to purchase lumber, hardware, and agro products at market price for the Thorhild Home & Agro Centre from FCL over a ten year period commencing from July 2014. Management intends to fulfill all existing contracts with FCL.



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

5. Accounts receivable - customer

Shown net of an allowance for doubtful accounts of \$58,400 (2018 - \$81,000).

6. Long-term receivables

	Total	2019 Current Portion	2019 Deferred Portion	2018 Current Portion	2018 Deferred Portion
Petroleum tanks	\$ 41,990	\$ 20,995	\$ 20,995	\$ 6,037	\$ -

The Co-operative has long-term interest free receivables covering petroleum tank equipment which are recoverable over 3 years. The receivables are secured by the petroleum tank equipment.

7. Property, plant and equipment

	Original Cost	Accumulated Depreciation	2019 Book Value	2018 Book Value
Land	\$ 3,510,150	\$ -	\$ 3,510,150	\$ 3,453,763
Buildings	6,953,434	2,287,689	4,665,745	4,890,935
Dwelling	106,271	21,636	84,635	88,932
Parking lots & dykes	1,482,677	504,182	978,495	904,116
Tanks	1,195,507	845,879	349,628	437,035
Furniture & equipment	2,725,914	2,146,970	578,944	668,093
Vehicles	2,073,394	1,569,249	504,145	615,768
Fence	85,852	36,146	49,706	55,231
Under construction	-	-	-	35
	<u>\$ 18,133,199</u>	<u>\$ 7,411,751</u>	<u>\$ 10,721,448</u>	<u>\$ 11,113,908</u>

Depreciation for the current year included in operating and administration expense was \$836,707 (2018 - \$917,520).

8. Other asset

	Original Cost	Accumulated Amortization	2019 Book Value	2018 Book Value
Athabasca cardlock highway bypass	\$ 466,908	\$ 82,108	\$ 384,800	\$ 403,717

The Athabasca cardlock highway bypass has a definite life and is amortized on a straight line basis over 25 years. Amortization for the current year end, included in operating and administration expenses was \$18,917 (2018 - \$18,917).



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

9. Accounts payable and trust liabilities

	2019	2018
FCL payables	\$ 6,412,533	\$ 5,823,485
Other payables	791,223	573,464
Trust liabilities:		
Payroll deductions	36,208	-
Goods and services tax	5,749	-
	<u>\$ 7,245,713</u>	<u>\$ 6,396,949</u>

10. Share capital

Authorized, unlimited @ \$5	2019	2018
Balance, beginning of year	\$ 13,114,887	\$ 12,693,375
Allocation to members	1,347,955	1,539,374
Cash from new members	2,045	2,750
GST on allocation	61,579	53,679
Shares transferred from reserves	6,344	20,012
	<u>14,532,810</u>	<u>14,309,190</u>
General repayment	802,560	686,909
Withdrawals and retirements	480,058	354,897
Withholding tax	178,315	152,497
	<u>1,460,933</u>	<u>1,194,303</u>
Balance, end of year	<u>\$ 13,071,877</u>	<u>\$ 13,114,887</u>

11. Reserves and retained savings

	General Reserve	Retained Savings	2019	2018
Balance, beginning of year	\$ 22,979,626	\$ -	\$ 22,979,626	\$ 20,198,036
Net savings distributed to retained savings	-	2,132,075	2,132,075	4,340,976
Patronage allocation	-	(1,347,955)	(1,347,955)	(1,539,374)
Shares transferred	(6,344)	-	(6,344)	(20,012)
Reserve transfers	784,120	(784,120)	-	-
Balance, end of year	<u>\$ 23,757,402</u>	<u>\$ -</u>	<u>\$ 23,757,402</u>	<u>\$ 22,979,626</u>



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

12. Sales

	2019	2018
Food stores	\$ 9,021,244	\$ 8,865,693
Home and agro	11,532,241	12,007,494
Gas bar	4,943,524	5,720,142
Petroleum	<u>31,792,638</u>	<u>37,637,746</u>
	<u><u>\$ 57,289,647</u></u>	<u><u>\$ 64,231,075</u></u>

All sales are to external customers and no single customer accounts for more than 10% of sales. (2018 - no significant exposure to any individual customer.)

13. Net interest

	2019	2018
Interest expense on		
- Short-term debt	\$ 6,695	\$ 1,882
Interest revenue	<u>(232,409)</u>	<u>(233,734)</u>
	<u><u>\$ (225,714)</u></u>	<u><u>\$ (231,852)</u></u>

14. 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 \$167,248 (2018 - \$155,324) of expense relating to the plan. There were no significant changes to the rate of employer contributions during the year.



North Corridor Co-operative
Notes to the Financial Statements
For the Year Ended October 31, 2019

15. Income taxes

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:

	2019	2018
Savings before income taxes	\$ 2,886,752	\$ 4,460,101
Expected income tax expense at the combined tax rate of 26.7% (2018 - 27.0%)	769,695	1,204,228
Increase (decrease) in income tax expense resulting from:		
Non-taxable income and non-deductible expense	(1,790)	(132)
Deferral of patronage income inclusion	332,855	(691,984)
Patronage allocation to members of \$1,348,014 (2018 - \$1,539,550)	(359,421)	(415,631)
Income or expenses claimed in different periods for income tax purposes:		
Depreciation in excess of capital cost allowance	13,338	22,644
Income tax expense	\$ 754,677	\$ 119,125

16. Subsequent events

(a) Patronage allocation to members

Subsequent to October 31, 2019, the Board of Directors approved a patronage allocation to members in the amount of \$1,348,014 (2018 - \$1,539,550).

(b) Share redemption

Subsequent to October 31, 2019 the Board of Directors approved a redemption of shares in the amount of \$709,894 (2018 - \$802,578).



North Corridor Co-operative
Audited Statistical Information
For the Year Ended October 31, 2019

Record of Sales and Net Savings

	<u>Year</u>	<u>Sales</u>	<u>Net Savings ⁽¹⁾</u>	<u>%</u>
From Date of Incorporation, November 20, 1944, to October 31,	2010	\$ 253,341,119	\$ 10,866,024	4.3
	2011	22,938,385	2,112,318	9.2
	2012	25,143,678	1,865,767	7.4
	2013	27,609,969	2,220,823	8.1
	2014	32,556,869	1,278,157	3.9
	2015	60,118,938	14,452,513	24.0
	2016	51,223,082	1,151,435	2.2
	2017	56,921,702	2,175,128	3.8
	2018	64,231,075	4,340,976	6.8
	2019	57,289,647	2,132,075	3.7
		<u>\$ 651,374,464</u>	<u>\$ 42,595,216</u>	<u>6.5</u>

⁽¹⁾ 2010 and prior years - savings is before income taxes and patronage refund to members.

Membership

Members purchasing during the year	7,672
Inactive members	<u>3,065</u>
Total members	<u>10,737</u>



North Corridor Co-operative
Directors and Officers
For the Year Ended October 31, 2019

<u>Position</u>	<u>Name</u>	<u>Address</u>	<u>Year Term Expires</u>
President	Charles Newell	Radway, AB	2021
Vice-President	Harold Hamilton	Thorhild, AB	2020
Secretary	Irene Luchka	Boyle, AB	2020
Manager	Chris Weiss	Boyle, AB	
Director	Maurice Kruk	Radway, AB	2022
Director	Dan Walker	Boyle, AB	2022
Director	Clarence Paly	Thorhild, AB	2021
Director	Bonnie Lega	Boyle, AB	2022
Director	Barry Sawka	Caslan, AB	2021
Director	Kenleigh Pasay	Redwater, AB	2020



