



ANNUAL REPORT 2025

Boundary Consumers
Cooperative Limited

Management's Responsibility

To the Members of Boundary Consumers Cooperative Limited:

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.



General Manager

To the Members of Boundary Consumers Cooperative Limited:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Boundary Consumers Cooperative Limited (the "Co-operative"), which comprise the balance sheet as at January 31, 2025, and the statements of net savings and of 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, 2025, 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Report on Other Legal and Regulatory Requirements

As required by paragraph 11 of the Co-operatives Regulations, 1998, we report that, in our opinion, the accounting principles of the Canadian accounting standards for private enterprises have been applied on a basis consistent with that of the preceding year.

Brandon, Manitoba

June 11, 2025

MNP LLP

Chartered Professional Accountants

Boundary Consumers Cooperative Limited
Balance Sheet
As at January 31, 2025

	2025	2024
Current assets		
Cash	\$ 4,171,269	\$ 1,475,140
FCL special deposit (Note 4(a))	15,485,185	17,361,192
Accounts receivable (Note 5)	2,571,853	2,092,539
Income taxes recoverable	184,256	422,997
Inventories	8,514,649	8,867,527
Prepaid expenses	175,470	155,351
Current portion long-term receivable (Note 6)	91,133	110,238
	<u>31,193,815</u>	<u>30,484,984</u>
Long-term receivable (Note 6)	159,607	181,880
Investments		
Federated Co-operatives Limited (Note 4(b))	11,910,572	11,743,412
Other organizations	1,447	646
Property, plant and equipment (Note 7)	12,459,805	13,177,430
Goodwill	153,350	153,350
Total assets	\$ 55,878,596	\$ 55,741,702
Current liabilities		
Accounts payable and trust liabilities (Note 8)	\$ 5,840,791	\$ 5,679,372
Customer prepaid accounts	368,872	358,074
	<u>6,209,663</u>	<u>6,037,446</u>
Asset retirement obligation (Note 4(c))	159,942	155,378
Total liabilities	<u>6,369,605</u>	<u>6,192,824</u>
Members' equity		
Share capital (Note 9)	16,641,698	17,257,968
Reserves and retained savings (Note 10)	32,867,293	32,290,910
	<u>49,508,991</u>	<u>49,548,878</u>
Total liabilities and members' equity	\$ 55,878,596	\$ 55,741,702

Subsequent event (Note 16)

Commitment (Note 17)

Debbie Graham

Director

Kurti Co

Director

The accompanying notes are an integral part of these financial statements



Boundary Consumers Cooperative Limited
Statement of Net Savings and Statement of Retained Savings
For the Year Ended January 31, 2025

	2025	%	2024	%
Sales (Note 11)	\$ 76,939,387	100.0	\$ 80,474,446	100.0
Cost of goods sold	<u>64,842,216</u>	<u>84.3</u>	<u>67,551,746</u>	<u>83.9</u>
Gross margin	<u>12,097,171</u>	<u>15.7</u>	<u>12,922,700</u>	<u>16.1</u>
Expenses				
Operating and administration	12,640,433	16.4	12,515,537	15.6
Net interest (Note 12)	<u>(1,231,766)</u>	<u>(1.6)</u>	<u>(1,196,277)</u>	<u>(1.5)</u>
	<u>11,408,667</u>	<u>14.8</u>	<u>11,319,260</u>	<u>14.1</u>
Savings from operations	688,504	0.9	1,603,440	2.0
FCL loyalty program (Note 4(d))	1,183,491	1.5	1,147,860	1.4
Patronage refunds	<u>1,672,497</u>	<u>2.2</u>	<u>2,744,901</u>	<u>3.4</u>
Savings before income taxes	3,544,492	4.6	5,496,201	6.8
Income tax expense (Note 15)	<u>616,199</u>	<u>0.8</u>	<u>398,618</u>	<u>0.5</u>
Net savings	<u>\$ 2,928,293</u>	<u>3.8</u>	<u>\$ 5,097,583</u>	<u>6.3</u>
Retained savings, beginning of year	\$ 1,619,498		\$ 1,161,229	
Net savings	2,928,293		5,097,583	
Transfer to general reserve (Note 10)	(354,448)		(549,620)	
Transfer to special reserve (Note 10)	(1,432,458)		(1,162,298)	
Patronage allocation to members (Note 9)	<u>(2,372,296)</u>		<u>(2,927,396)</u>	
Retained savings, end of year (Note 10)	<u>\$ 388,589</u>		<u>\$ 1,619,498</u>	

The accompanying notes are an integral part of these financial statements



Boundary Consumers Cooperative Limited

Statement of Cash Flows

For the Year Ended January 31, 2025

	2025	2024
Operating activities		
Net savings	\$ 2,928,293	\$ 5,097,583
Adjustments for:		
Depreciation	1,543,142	1,477,838
Accretion	4,564	4,409
FCL patronage refund	(1,671,603)	(2,744,901)
Loss on the disposal of property, plant and equipment	1,131	101
Changes in non-cash operating working capital:		
Accounts receivable	(479,314)	567,901
Income taxes recoverable	238,741	(422,997)
Inventories	352,878	(459,804)
Prepaid expenses	(20,119)	39,363
Long-term receivables	41,378	(80,655)
Accounts payable and trust liabilities	161,419	1,058,799
Customer prepaid accounts	10,798	3,507
Income taxes payable	-	(231,772)
Cash provided by operating activities	<u>3,111,308</u>	<u>4,309,372</u>
Investing activities		
Redemption of term deposit	-	150,000
Redemption of FCL shares	1,504,443	2,195,921
Additions to property, plant and equipment	(838,552)	(1,238,731)
Proceeds from the disposal of property, plant and equipment	11,904	669
Investment in other organization	(801)	-
Cash provided by investing activities	<u>676,994</u>	<u>1,107,859</u>
Financing activities		
Share capital issued	3,300	3,250
GST on allocation	106,877	108,517
Redemption of share capital	(3,078,357)	(2,806,243)
Cash used for financing activities	<u>(2,968,180)</u>	<u>(2,694,476)</u>
Net increase in cash	820,122	2,722,755
Cash, beginning of year	<u>18,836,332</u>	<u>16,113,577</u>
Cash, end of year	<u>\$ 19,656,454</u>	<u>\$ 18,836,332</u>
Cash is comprised of:		
Cash	\$ 4,171,269	\$ 1,475,140
FCL special deposit	15,485,185	17,361,192
	<u>\$ 19,656,454</u>	<u>\$ 18,836,332</u>

The accompanying notes are an integral part of these financial statements



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

1. Incorporation and operations

Boissevain Consumers Cooperative Limited was incorporated under the Cooperatives Act of Manitoba on August 18, 1945. On January 30, 2011 the Boissevain Consumers Cooperative Limited amalgamated with Deloraine Consumers Co-op Limited and formed Boundary Consumers Cooperative Limited ("the Cooperative"). The Hartney Consumers Cooperative Limited was amalgamated into the Cooperative on January 29, 2012 and the operations were expanded to Waskada on September 1, 2012 through the acquisition of an existing business. The Killarney-Cartwright Consumers Co-op Ltd was amalgamated into the Cooperative on February 3, 2019. The primary business of the Cooperative is operating retail agricultural, food, and petroleum outlets in Boissevain, Deloraine, Hartney, Waskada, and Killarney, Manitoba.

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, goodwill, income taxes, asset retirement obligations, 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 Cooperative'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 Cooperative 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) Financial instruments

The Cooperative recognizes its financial instruments when the Cooperative becomes party to the contractual provisions of the financial instrument.



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

(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 Cooperative may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Cooperative 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 Cooperatives 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 Cooperative assesses impairment of all its financial assets measured at cost or amortized cost. The Cooperative 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 Cooperative determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Cooperative 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 savings.

The Cooperative 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.

(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:

Buildings	Straight-line & declining balance	5 to 25 years & 10%
Fence	Declining balance	10%
Pavement	Declining balance	8%
Computer equipment & software	Straight-line & declining balance	5 years & 30% to 100%
Furniture & equipment	Declining balance	10% & 20%
Vehicles	Declining balance	30%
Vehicle equipment	Declining balance	15% to 30%
Asset retirement cost	Straight-line	25 to 35 years



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

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 Cooperative 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 and statement of retained 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 Cooperative 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 Cooperative 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 Cooperative 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 earned by the Cooperative.

(i) Income taxes

The Cooperative 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.

(j) Goodwill

Goodwill resulting from business combinations represents the portion of the purchase price that was in excess of the fair value of the net identifiable assets acquired. Goodwill is not amortized and is tested for impairment whenever changes in circumstances indicate that the carrying amount of the reporting unit to which goodwill is assigned exceeds the fair value of the reporting unit. If the carrying value of the reporting unit to which goodwill has been assigned exceeds its fair value, then, with respect to the reporting unit's goodwill, any excess of its carrying value over its fair value is expensed. Impairment losses relating to goodwill cannot be reversed in future years.



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

3. Financial instruments and risk management

The significant financial risks to which the Cooperative is exposed are credit risk and interest rate risk.

(a) Credit risk

The Cooperative is exposed to credit risk on accounts receivable from its customers. The Cooperative manages credit risk through an active credit management program. The Cooperative does not have a significant exposure to any individual customer (2024 - 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 Cooperative's sensitivity to fluctuations in interest rates is limited to its cash and funds on deposit. The Cooperative manages its exposure to interest rate risk through floating rate deposits and borrowings.

4. Transactions with Federated Co-operatives Limited

(a) FCL special deposit

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

(b) Patronage refund

The Cooperative, along with other Cooperatives in Western Canada, own FCL. At the end of each year, FCL divides a substantial portion of its net savings among these retail Cooperatives in proportion to the business done by each with FCL. During FCL's fiscal year ended October 31, 2024, the Cooperative purchased goods amounting to \$60,311,061 (2023 - \$62,825,678) 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 Cooperative. The amounts of the patronage refund and shares redeemed are as follows:

	2025	2024
Opening investment balance	\$ 11,743,412	\$ 11,194,432
Patronage refund	1,671,603	2,744,901
Share redemptions	<u>(1,504,443)</u>	<u>(2,195,921)</u>
Closing investment balance	<u>\$ 11,910,572</u>	<u>\$ 11,743,412</u>



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

(c) Asset retirement obligation

The Cooperative participates in a contaminated site management program established by FCL to manage its asset retirement obligations. This program limits the Cooperative's liability to \$25,000 per site as long as the Cooperative continues to exercise due diligence. The Cooperative has eight sites under this program. Management believes that due diligence has been exercised. At year end, the Cooperative has accrued a liability in the amount of \$159,942 (2024 - \$155,378). A corresponding amount has been capitalized as an asset retirement cost. Accretion for the current year included in operating and administration expense was \$4,564 (2024 - \$4,409).

(d) Purchase commitments

Under the terms of the agreement with FCL, the Cooperative 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 Cooperative, on a quarterly basis, a Loyalty Payment based on cents per litre. The Loyalty Payment revenue is accrued as earned.

5. Accounts receivable

	2025	2024
Customer accounts receivable	\$ 2,645,636	\$ 2,169,652
Other accounts receivable	6,217	2,887
Allowance for doubtful accounts	(80,000)	(80,000)
	\$ 2,571,853	\$ 2,092,539

6. Long-term receivable

		2025	2025	2024	2024
	Total	Current Portion	Deferred Portion	Current Portion	Deferred Portion
Petroleum tanks	\$ 250,740	\$ 91,133	\$ 159,607	\$ 110,238	\$ 181,880

The Cooperative has long-term interest free receivables covering petroleum tank equipment which are recoverable over five years. The receivables are secured by the petroleum tank equipment. Principal payments on account of the above long-term receivables will approximate the following:

2026	\$ 91,133
2027	91,133
2028	54,367
2029	14,107
	\$ 250,740



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

7. Property, plant and equipment

	Original Cost	Accumulated Depreciation	2025 Book Value	2024 Book Value
Land	\$ 1,953,928	\$ -	\$ 1,953,928	\$ 1,845,888
Buildings	12,509,200	6,152,011	6,357,189	6,971,977
Fence	147,606	83,565	64,041	71,156
Pavement	1,777,117	844,820	932,297	1,013,368
Computer equipment & software	902,988	824,880	78,108	154,409
Furniture & equipment	7,039,217	4,790,796	2,248,421	2,511,784
Vehicles	1,658,867	1,121,927	536,940	289,964
Vehicle equipment	791,369	538,690	252,679	276,435
Asset retirement cost	115,700	79,498	36,202	42,449
	<u>\$ 26,895,992</u>	<u>\$ 14,436,187</u>	<u>\$ 12,459,805</u>	<u>\$ 13,177,430</u>

Depreciation for the current year included in operating and administration expense was \$1,543,142 (2024 - \$1,477,838).

8. Accounts payable and trust liabilities

	2025	2024
FCL payables	\$ 4,086,231	\$ 3,918,394
Other payables	1,289,730	1,286,572
Trust liabilities:		
Payroll deductions	131,926	142,395
Goods and services tax	5,255	31,092
Provincial sales tax	83,751	84,230
Federal fuel charge	239,583	211,853
Workers compensation board	4,315	4,836
	<u>\$ 5,840,791</u>	<u>\$ 5,679,372</u>



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

9. Share capital

	2025	2024
Authorized, unlimited @ \$1		
Balance, beginning of year	\$ 17,257,968	\$ 17,027,214
Allocation to members	2,372,296	2,927,396
Cash from new members	3,300	3,250
GST on allocation	106,877	108,517
Shares transferred from reserves	1,016	157
	<u>19,741,457</u>	<u>20,066,534</u>
General repayment	2,247,933	2,038,522
Shares transferred to reserves	21,402	2,323
Withdrawals and retirements	474,035	398,695
Withholding tax	356,389	369,026
	<u>3,099,759</u>	<u>2,808,566</u>
Balance, end of year	<u>\$ 16,641,698</u>	<u>\$ 17,257,968</u>

10. Reserves and retained savings

	General Reserve	Special Reserve	Retained Savings	2025	2024
Balance, beginning of year	\$ 9,030,503	\$ 21,640,909	\$ 1,619,498	\$ 32,290,910	\$ 30,118,557
Net savings distributed to retained savings	-	-	2,928,293	2,928,293	5,097,583
Patronage allocation	-	-	(2,372,296)	(2,372,296)	(2,927,396)
Shares transferred	20,386	-	-	20,386	2,166
Reserve transfers	354,448	1,432,458	(1,786,906)	-	-
Balance, end of year	<u>\$ 9,405,337</u>	<u>\$ 23,073,367</u>	<u>\$ 388,589</u>	<u>\$ 32,867,293</u>	<u>\$ 32,290,910</u>



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

11. Sales

	2025	2024
Consumer	\$ 49,838,660	\$ 51,593,048
Petroleum & Ag division	<u>27,100,727</u>	<u>28,881,398</u>
	<u><u>\$ 76,939,387</u></u>	<u><u>\$ 80,474,446</u></u>

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

12. Net interest

	2025	2024
Interest expense on short-term debt	\$ 2,555	\$ 3,811
Interest revenue	<u>(1,234,321)</u>	<u>(1,200,088)</u>
	<u><u>\$ (1,231,766)</u></u>	<u><u>\$ (1,196,277)</u></u>

13. Lease to others

The Cooperative leases property, plant and equipment to others. The lease is classified as an operating lease and rental revenues are included in operating and administration expenses. At January 31, 2025 the cost of the property, plant and equipment held for leasing purposes was \$670,940 (2024 - \$670,940) and the accumulated depreciation was \$348,752 (2024 - \$293,218). Revenue generated from operating leases during the year is \$78,053 (2024 - \$78,056).

14. Pension plan

The Cooperative participates in a multi-employer defined contribution plan whereby the Cooperative and participating employees contribute equal amounts up to the maximum allowed under the Income Tax Act. The Cooperative has no unfunded liability under this plan. During the year, the Cooperative recorded \$239,194 (2024 - \$255,307) of expense relating to the plan. There were no significant changes to the rate of employer contributions during the year.



Boundary Consumers Cooperative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2025

15. Income tax expense

The Cooperative accounts for income taxes using the taxes payable method. As a result, the Cooperative'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:

	2025	2024
Savings before income taxes	\$ 3,544,492	\$ 5,496,201
Expected income tax expense at the combined tax rate of 25.1% (2024 - 24.9%) net of the small business deduction	889,667	1,368,554
Increase (decrease) in income tax expense resulting from:		
Non-taxable income and non-deductible expense	11,794	4,848
Patronage allocation to members of \$2,372,296 (2024 - \$2,927,396)	(595,446)	(728,922)
Income or expenses claimed in different periods for income tax purposes:		
Depreciation in excess of capital cost allowance	128,196	-
Allowance for doubtful accounts	(3,516)	16,957
Capital cost allowance in excess of depreciation	-	(218,618)
Other items that impact income taxes:		
Manufacturing and Processing Investment Tax Credit	(2,289)	(44,640)
Prior year tax adjustment	187,793	439
	<u>616,199</u>	<u>398,618</u>
Income tax expense	<u>\$ 616,199</u>	<u>\$ 398,618</u>

16. Subsequent event

Patronage allocation to members

Subsequent to January 31, 2025 the Board of Directors approved a patronage allocation to members in the amount of \$2,372,296 (2024 - \$2,927,396).

17. Commitment

The Co-operative is committed to a new Deloraine Kiosk building and pump configuration at an approximate cost of \$1,500,000. Financing to be provided through operations.



Boundary Consumers Cooperative Limited
Unaudited Statistical Information
For the Year Ended January 31, 2025

Record of Sales and Net Savings

	Year	Sales	Net Savings ⁽¹⁾	%
From Date of Incorporation, August 18, 1945 to January 31,	2016	\$ 512,405,666	\$ 31,794,744	6.2
	2017	40,743,542	1,363,947	3.3
	2018	42,371,330	1,726,850	4.1
	2019	44,608,430	2,525,667	5.6
	2020	66,419,864	12,961,074	19.5
	2021	66,590,057	3,638,375	5.5
	2022	71,661,199	4,499,172	6.3
	2023	86,316,269	4,705,772	5.4
	2024	80,474,446	5,097,583	6.3
	2025	76,939,387	2,928,293	3.8
		<u>\$ 1,088,530,190</u>	<u>\$ 71,241,477</u>	<u>6.5</u>

⁽¹⁾ 2020 amalgamation with Killarney-Cartwright Consumers Co-op.

Membership

Members purchasing during the year	7,357
Inactive members	<u>1,222</u>
Total members	<u>8,579</u>



