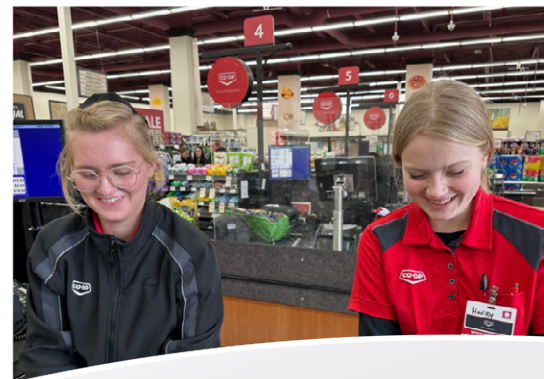


Boundary Consumers Co-operative Ltd.



*You're at home here.*

# 2023 Annual Report



RESPONSIBILITY | INTEGRITY | COMMUNITY | EXCELLENCE



*You're at home here.*

## Aspirational Statement

Boundary Co-op is a team that delivers WOW by providing exceptional service to our customers and guests. Our customers feel at home when they enter our facilities, because we are a face they know and can trust. Boundary Co-op is an employer of choice because of our desire to develop from within and our continuous focus on a safe work environment. We are a pillar in our community, creating shared value. Financially we are strong, positioning our Co-op for sustainable growth by adapting to the ever changing business landscape.

## Boundary Co-op Values

### Responsibility.

Accountability is important.

- Respect the environment
- Be accountable for your actions

### Integrity.

Be honest and trustworthy.

- Act ethically, communicate openly
- Respect your colleagues, our members and our business partners

### Community.

Local leadership matters.

- To foster a family atmosphere focused on achieving our vision
- Care for our communities and invest in them

### Excellence.

Strive to be the best.

- Focus on continuous improvement and celebrate success
- Innovate and evaluate

## Vision

To be the retailer of choice.

## Mission

Boundary Co-op will focus on innovation improvements and provide quality products and service to our members.





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## Message from the Board President

As I reflect on my years serving on the local Co-op Board, first with Boissevain Co-op and then helping to lead us through three amalgamations with Deloraine, Hartney and Killarney-Cartwright, I am extremely proud of all the work that the Co-op Board has done for our members, staff and communities throughout these years.

This year the Boundary Board had 10 regular board meetings; we do continue to offer board members the option of attending virtually, which does get used from time to time. We also had two special meetings throughout the year. Thank you to Ryan and the Board for all their hard work during these meetings.

A few highlights this past year were being able to learn and network with other Co-ops across the Co-operative Retailing System. Jackie and I were able to attend the District 5 Meeting held in Winnipeg in late June. These meetings are an excellent opportunity to hear new information from FCL, network with other Co-ops, and learn potential new strategies to use at our own Co-op.

In November, the Leaders Conference was held in Regina. This Leaders Conference was attended by Kirbie, Debbie, Elmer and myself. The weekend started off with a tour of the Co-op Refinery Complex, which was very interesting and a highlight for many. At the conference, we heard speakers on several different topics focusing on; dos and don'ts to recording meeting minutes, other Cooperative systems around the world, and a very compelling keynote address on the future of Canadian Agriculture from Murad Al-Katib, owner and CEO of AGT Foods. We also had an opportunity to attend a few breakout sessions throughout the weekend.

Jackie Mitchell and I were the delegates who attended the FCL AGM in Saskatoon in February. At this meeting there was a time of Q&A with the FCL Senior Leadership Team, a time of networking with all departments of FCL, a District 5 Caucus meeting, and the AGM on Monday.

We as a board would like to thank Ryan and his team for all their hard work throughout the past year. The staff continue to go above and beyond to keep our locations running very smoothly. Thank you from the Board to every one of our staff for all of your hard work.

A handwritten signature in black ink, appearing to read "Matthew Heide".

Matthew Heide  
Board President



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## Message from the General Manager

Boundary Co-op continues to work towards our vision of “being the retailer of choice”. Your Co-op continues to focus on providing a high level of service and quality products. We are committed and stay true to our brand values of responsibility, integrity, community and excellence. Boundary Co-op’s strategic plan centres on five pillars; people, market, operational, financial, and sustainability. We are confident these five pillars will build the framework for our future success.

The world continues to experience a lot of change and uncertainty but Boundary Co-op had a very successful year. In 2023, energy accounted for 53% of our sales, food 37% of sales, Home and Building Supplies (HABS) 6%, and Agro accounted for 4% of our total sales. Our allocations for the 2023 year are; 6% Dyed Petroleum, 4.5% Clear Petroleum, 6% Oil and Grease, 2% Non-Food, 3.5% Food, 1.5% Bins, and 1% Feed.

Here are a few highlights from our 2023 financial report:

Sales .....	\$ 80,474,446
Local Savings .....	\$ 1,603,440
Net Savings .....	\$ 5,097,583
Allocation to Members .....	\$ 2,927,396
General Repayment.....	\$ 2,247,933

Boundary Co-op continues to invest in our communities. In 2023 we provided donations and support totaling \$93,642. Throughout the year we supported many projects and organizations in our trading area. We continued our investment in local youth by awarding \$9,000 in bursaries to local high school graduates. We also supported important initiatives such as the Deloraine Grow Project, Boissevain Pool, Killarney Canada Day Celebration, Hartney Hopper Days and more.

In closing, I would like to thank the over 8,500 members for their continued support, our team for their dedication and hard work, and our Board of Directors for their valuable leadership and guidance. Boundary Co-op really does have a bright future!

Thank you,

Ryan Polnik  
General Manager





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## Boundary Co-op recognizes *good work*

Boundary Co-op celebrates the success of our team members and recognizes their contributions towards their personal growth, our organization, and to our communities. Our team members help create and share meaningful experiences every day – for our customers and for each other. The team at Boundary Co-op works together, connecting with local members and giving back to the community. And we firmly believe they are the reason for our continued success.

Boundary Co-op wishes to acknowledge and celebrate the long-term service of the following employees within our organization.

### 5 Years

Mark Ruberry  
Brian Robertson

### 20 Years

Kris Prior

### 10 Years

Luke Bell  
Joan Black  
Jessica Sanderson

### 25 Years

Carol Thomas

WE ARE | CO-OP

# Boundary Consumers Co-operative Ltd.



*You're at home here.*

Retail Co-ops are part of the fabric of the communities we serve. We live, work and go to school here. We build enduring relationships with our members and neighbours. We inspire our employees to bring our brand to life every day by modeling and celebrating a culture of teamwork, giving and growth.

Boundary Co-op contributes to our vibrant communities by creating jobs, working with other local businesses, and giving to non-profit and charitable organizations. We firmly believe in the importance of investing in those local initiatives which benefit our communities.

This past year, Boundary Co-op contributed a total of \$93,642 in support of various organizations and projects in our trading area!



WE ARE  
WE ARE  
WE ARE

BUILDING COMMUNITIES  
GIVING BACK  
CO-OP



# Boundary Consumers Co-operative Ltd.



*You're at home here.*



At Boundary Co-op, we understand that our values must align with our members' values and our community's values. When we invest not only money, but time in our community, we are investing in its long-term success.

Being community-minded means that whether we are hosting one of our Kids' Club activities, a fundraising event, or a BBQ lunch, we are committed to doing those things which benefit our members and neighbours.



IT'S A  
**CO-OP**  
THING!



# Boundary Consumers Co-operative Ltd.



*You're at home here.*

To the Members of Boundary Consumers Cooperative Ltd.:

## 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, 2024, the statements of net savings and statement 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, 2024, 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.

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 principals of the Canadian accounting standards for private enterprises have been applied on a basis consistent with that of the preceeding year.

Brandon, Manitoba  
May 13, 2024

**MNP**  
LLP  
Chartered Professional Accountants



# Boundary Consumers Co-operative Ltd.



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## Boundary Consumers Cooperative Limited

### Balance Sheet

As at January 31, 2024

	2024	2023
<b>Current assets</b>		
Cash	\$ 1,475,140	\$ 2,230,573
FCL special deposit (Note 4(a))	17,361,192	13,883,004
Accounts receivable (Note 5)	2,092,539	2,660,440
Term deposit (Note 6)	-	150,000
Income taxes recoverable	422,997	-
Inventories	8,867,527	8,407,723
Prepaid expenses	155,351	194,714
Current portion long-term receivable (Note 7)	110,238	79,086
	<u>30,484,984</u>	<u>27,605,540</u>
<b>Long-term receivable (Note 7)</b>	181,880	132,377
<b>Investments</b>		
Federated Co-operatives Limited (Note 4(b))	11,743,412	11,194,432
Other organizations	646	646
<b>Property, plant and equipment (Note 8)</b>	13,177,430	13,417,307
<b>Goodwill</b>	153,350	153,350
<b>Total assets</b>	<u><u>\$ 55,741,702</u></u>	<u><u>\$ 52,503,652</u></u>
<b>Current liabilities</b>		
Accounts payable and trust liabilities (Note 10)	\$ 5,679,372	\$ 4,620,573
Customer prepaid accounts	358,074	354,567
Income taxes payable	-	231,772
	<u>6,037,446</u>	<u>5,206,912</u>
<b>Asset retirement obligation (Note 4(c))</b>	155,378	150,969
<b>Total liabilities</b>	<u>6,192,824</u>	<u>5,357,881</u>
<b>Members' equity</b>		
Share capital (Note 11)	17,257,968	17,027,214
Reserves and retained savings (Note 12)	32,290,910	30,118,557
	<u>49,548,878</u>	<u>47,145,771</u>
<b>Total liabilities and members' equity</b>	<u><u>\$ 55,741,702</u></u>	<u><u>\$ 52,503,652</u></u>



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**Boundary Consumers Cooperative Limited**  
**Statement of Net Savings and Statement of Retained Savings**  
**For the Year Ended January 31, 2024**

	2024	%	2023	%
<b>Sales</b> (Note 13)	\$ 80,474,446	100.0	\$ 86,316,269	100.0
<b>Cost of goods sold</b>	<u>67,551,746</u>	<u>83.9</u>	<u>72,937,293</u>	<u>84.5</u>
<b>Gross margin</b>	<u>12,922,700</u>	<u>16.1</u>	<u>13,378,976</u>	<u>15.5</u>
<b>Expenses</b>				
Operating and administration	12,515,537	15.6	12,098,803	14.0
Net interest (Note 14)	<u>(1,196,277)</u>	<u>(1.5)</u>	<u>(708,956)</u>	<u>(0.8)</u>
	<u>11,319,260</u>	<u>14.1</u>	<u>11,389,847</u>	<u>13.2</u>
<b>Savings from operations</b>	1,603,440	2.0	1,989,129	2.3
FCL loyalty program (Note 4(d)(ii))	1,147,860	1.4	1,142,103	1.3
Patronage refunds (Note 4(b))	<u>2,744,901</u>	<u>3.4</u>	<u>2,322,788</u>	<u>2.7</u>
<b>Savings before income taxes</b>	5,496,201	6.8	5,454,020	6.3
Income tax expense (Note 17)	<u>398,618</u>	<u>0.5</u>	<u>748,248</u>	<u>0.9</u>
<b>Net savings</b>	<u><u>\$ 5,097,583</u></u>	<u>6.3</u>	<u><u>\$ 4,705,772</u></u>	<u>5.4</u>
 <b>Retained savings, beginning of year</b>	 \$ 1,161,229		 \$ 886,667	
Net savings	5,097,583		4,705,772	
Transfer to general reserve (Note 12)	(549,620)		(545,402)	
Transfer to special reserve (Note 12)	(1,162,298)		(888,187)	
Patronage allocation to members (Note 11)	<u>(2,927,396)</u>		<u>(2,997,621)</u>	
<b>Retained savings, end of year</b> (Note 12)	<u><u>\$ 1,619,498</u></u>		<u><u>\$ 1,161,229</u></u>	



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## Boundary Consumers Cooperative Limited

### Statement of Cash Flows

For the Year Ended January 31, 2024

	2024	2023
<b>Operating activities</b>		
Net savings	\$ 5,097,583	\$ 4,705,772
Adjustments for:		
Depreciation	1,477,838	1,454,025
Accretion	4,409	4,260
FCL patronage refund	(2,744,901)	(2,322,788)
Loss on the disposal of property, plant and equipment	101	2,675
Changes in non-cash operating working capital:		
Accounts receivable	567,901	(600,955)
Income taxes recoverable	(422,997)	236,013
Inventories	(459,804)	(161,097)
Prepaid expenses	39,363	(52,806)
Long-term receivables	(80,655)	(61,359)
Accounts payable and trust liabilities	1,058,799	565,582
Customer prepaid accounts	3,507	69,497
Income taxes payable	(231,772)	231,772
Cash provided by operating activities	4,309,372	4,070,591
<b>Investing activities</b>		
Redemption of term deposit	150,000	-
Redemption of FCL shares	2,195,921	1,858,230
Additions to property, plant and equipment	(1,238,731)	(342,476)
Proceeds from the disposal of property, plant and equipment	669	3,500
Cash provided by investing activities	1,107,859	1,519,254
<b>Financing activities</b>		
Share capital issued	3,250	3,510
GST on allocation	108,517	106,250
Redemption of share capital	(2,806,243)	(4,085,362)
Cash used for financing activities	(2,694,476)	(3,975,602)
<b>Net increase in cash</b>	<b>2,722,755</b>	<b>1,614,243</b>
<b>Cash, beginning of year</b>	<b>16,113,577</b>	<b>14,499,334</b>
<b>Cash, end of year</b>	<b>\$ 18,836,332</b>	<b>\$ 16,113,577</b>
Cash is comprised of:		
Cash	\$ 1,475,140	\$ 2,230,573
FCL special deposit	17,361,192	13,883,004
	<b>\$ 18,836,332</b>	<b>\$ 16,113,577</b>



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## *Seven International Co-operative Principles*

Boundary Co-op, like all co-operatives, is based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of our founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

These seven co-operative principles are guidelines by which Boundary Co-op puts its values into practice.

### **1) Voluntary and Open Membership**

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### **2) Democratic Member Control**

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

### **3) Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

### **4) Autonomy and Independence**

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

### **5) Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

### **6) Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

### **7) Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.





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