



ANNUAL REPORT 2021

Beausejour Consumers Co-operative
Limited

Management's Responsibility

To the Members of Beausejour Consumers Co-operative Limited:

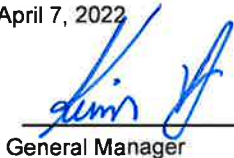
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for private enterprises and ensuring that all information in the annual 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.

April 7, 2022



General Manager

To the Members of Beausejour Consumers Co-operative Limited:

Opinion

We have audited the financial statements of Beausejour Consumers Co-operative Limited (the "Co-operative"), which comprise the balance sheet as at January 31, 2022, 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 January 31, 2022, 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.

Winnipeg, Manitoba

April 7, 2022

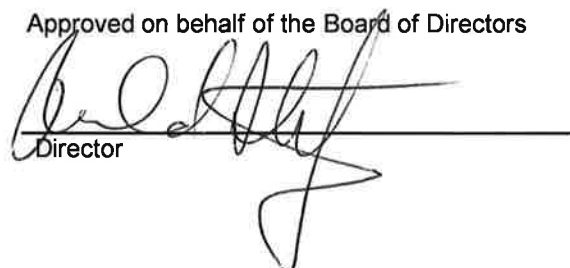
MNP LLP

Chartered Professional Accountants

Beausejour Consumers Co-operative Limited
Balance Sheet
As at January 31, 2022

	2022	2021
Current assets		
Cash and cash equivalents	\$ 389,280	\$ 306,511
FCL special deposit (Note 4(a))	7,886,922	5,912,316
Accounts receivable	2,221,542	943,033
- Customer (Note 5)	256,442	146,052
- Other	220,423	222,411
Income taxes recoverable	5,331,868	2,075,199
Inventories (Note 6)	92,779	83,404
Prepaid expenses	74,861	61,718
Current portion long-term receivable (Note 7)	<u>16,474,117</u>	<u>9,750,644</u>
Long-term receivable (Note 7)	33,098	59,183
Investments		
Federated Co-operatives Limited (Note 4(b))	10,680,061	10,117,027
Other organizations	1,356	1,298
Property, plant and equipment (Note 8)	<u>16,233,334</u>	<u>16,710,441</u>
Total assets	<u>\$ 43,421,966</u>	<u>\$ 36,638,593</u>
Current liabilities		
Accounts payable and trust liabilities (Note 10)	\$ 5,963,661	\$ 3,577,768
Customer prepaid accounts	<u>879,827</u>	<u>204,276</u>
	6,843,488	3,782,044
Asset retirement obligation (Note 4(c))	<u>88,750</u>	<u>85,956</u>
Total liabilities	<u>6,932,238</u>	<u>3,868,000</u>
Members' equity		
Share capital (Note 11)	16,643,338	15,843,929
Reserves and retained savings (Note 12)	<u>19,846,390</u>	<u>16,926,664</u>
	36,489,728	32,770,593
Total liabilities and members' equity	<u>\$ 43,421,966</u>	<u>\$ 36,638,593</u>
Subsequent event (Note 18)		

Approved on behalf of the Board of Directors



 Director



 Director

The accompanying notes are an integral part of these financial statements



Beausejour Consumers Co-operative Limited
Statement of Net Savings and Statement of Retained Savings
For the Year Ended January 31, 2022

	2022	%	2021	%
Sales (Note 13)	\$ 80,093,335	100.0	\$ 64,230,967	100.0
Cost of goods sold	<u>67,232,102</u>	<u>83.9</u>	<u>52,452,532</u>	<u>81.7</u>
Gross margin	<u>12,861,233</u>	<u>16.1</u>	<u>11,778,435</u>	<u>18.3</u>
Expenses				
Operating and administration	10,821,992	13.5	10,249,540	16.0
Net interest (Note 14)	<u>(116,906)</u>	<u>(0.1)</u>	<u>(142,963)</u>	<u>(0.2)</u>
	<u>10,705,086</u>	<u>13.4</u>	<u>10,106,577</u>	<u>15.8</u>
Savings from operations	2,156,147	2.7	1,671,858	2.5
FCL loyalty program (Note 4(d)(iii))	1,255,702	1.6	1,599,845	2.5
Patronage refunds	<u>2,815,267</u>	<u>3.5</u>	<u>1,002,774</u>	<u>1.6</u>
Savings before income taxes	6,227,116	7.8	4,274,477	6.6
Income tax expense (Note 16)	<u>378,215</u>	<u>0.5</u>	<u>378,573</u>	<u>0.6</u>
Net savings	<u>\$ 5,848,901</u>	<u>7.3</u>	<u>\$ 3,895,904</u>	<u>6.0</u>
Retained savings, beginning of year	\$ -		\$ -	
Net savings	5,848,901		3,895,904	
Transfer to general reserve (Note 12)	(622,712)		(427,448)	
Transfer to special reserve (Note 12)	(2,222,981)		(1,156,890)	
Patronage allocation to members (Note 11)	<u>(3,003,208)</u>		<u>(2,311,566)</u>	
Retained savings, end of year (Note 12)	<u>\$ -</u>		<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



Beausejour Consumers Co-operative Limited

Statement of Cash Flows

For the Year Ended January 31, 2022

	2022	2021
Operating activities		
Net savings	\$ 5,848,901	\$ 3,895,904
Adjustments for:		
Depreciation	1,421,163	1,109,971
Accretion	2,794	2,706
FCL patronage refund	(2,815,170)	(1,002,746)
Loss on the disposal of property, plant and equipment	4,331	5,918
Changes in non-cash operating working capital:		
Accounts receivable	(1,388,899)	209,640
Income taxes recoverable	1,988	(207,959)
Inventories	(3,256,669)	(187,808)
Prepaid expenses	(9,375)	(666)
Long-term receivables	12,942	(41,598)
Accounts payable and trust liabilities	2,385,893	(584,769)
Customer prepaid accounts	675,551	99,450
Cash provided by operating activities	<u>2,883,450</u>	<u>3,298,043</u>
Investing activities		
Redemption of FCL shares	2,252,136	902,471
Additions to property, plant and equipment	(948,387)	(5,640,386)
Proceeds from the disposal of property, plant and equipment	-	2,857
Investment in other organization	(58)	(28)
Cash provided by (used for) investing activities	<u>1,303,691</u>	<u>(4,735,086)</u>
Financing activities		
Share capital issued	9,430	7,930
GST on allocation	65,651	88,764
Redemption of share capital	(2,204,847)	(2,330,478)
Cash used for financing activities	<u>(2,129,766)</u>	<u>(2,233,784)</u>
Net increase (decrease) in cash and cash equivalents	2,057,375	(3,670,827)
Cash and cash equivalents, beginning of year	6,218,827	9,889,654
Cash and cash equivalents, end of year	\$ 8,276,202	\$ 6,218,827
Cash and cash equivalents are comprised of:		
Cash and cash equivalents	\$ 389,280	\$ 306,511
FCL special deposit	7,886,922	5,912,316
	\$ 8,276,202	\$ 6,218,827

The accompanying notes are an integral part of these financial statements



Beausejour Consumers Co-operative Limited

Notes to the Financial Statements For the Year Ended January 31, 2022

1. Incorporation and operations

Beausejour Consumers Co-operative Limited ("the Co-operative") was incorporated under the Cooperatives Act of Manitoba on January 15, 1951. The primary business of the Co-operative is operating retail agricultural, food, and petroleum outlets in Beausejour, Manitoba and area.

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, 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 Co-operative's financial year ends on the Saturday closest to January 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. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the most appropriate method for that particular inventory class.

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).



Beausejour Consumers Co-operative Limited

Notes to the Financial Statements For the Year Ended January 31, 2022

(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	25 years & 10%
Pavement	Declining balance	8%
Tanks	Declining balance	20%
Furniture & equipment	Straight-line & declining balance	5 years or 20% to 100%
Vehicles	Straight-line & declining balance	5 years or 15% & 30%
Asset retirement cost	Straight-line	20 to 25 years

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) 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 operations. 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.



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

(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.

(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. Patronage allocations are recognized in earnings when allocated to the Co-operative.

(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 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 (2021 - 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) 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.



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

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, 2021, the Co-operative purchased goods amounting to \$60,995,780 (2020 - \$46,290,711) 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:

	2022	2021
Opening investment balance	\$ 10,117,027	\$ 10,016,752
Patronage refund	2,815,170	1,002,746
Share redemptions	<u>(2,252,136)</u>	<u>(902,471)</u>
Closing investment balance	<u>\$ 10,680,061</u>	<u>\$ 10,117,027</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 five sites under this program. Management believes that due diligence has been exercised. At January 31, 2022, the Co-operative has accrued a liability in the amount of \$88,750 (2021 - \$85,956). A corresponding amount has been capitalized as an asset retirement cost. Accretion for the current year included in operating and administration expense was \$2,794 (2021 - \$2,706).

The Co-operative has one fertilizer site that is covered under the contaminated site management program established by FCL. Management cannot make a reasonable estimate of the future asset retirement obligation due to the uncertainty of the environmental impact from its fertilizer division.



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

(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 August 2016. 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 \$219,820 (2021 - \$1,172,543). 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 October 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 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.

(iv) Under the terms of the agreement with FCL, the Co-operative has committed to purchase agricultural, food and food-related products, from FCL and continue to operate certain food stores and agricultural operations over a ten to thirty year period from August 2020. 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 31, 2022 amounted to \$864,471 (2021 - \$527,500). Management intends to fulfill all commitments with FCL.

5. Accounts receivable - customer

Shown net of an allowance for doubtful accounts of \$4,996 (2021 - \$4,865).

6. Inventories

	2022	2021
Raw material	\$ 1,782,090	\$ -
Goods for resale	3,549,778	2,075,199
	\$ 5,331,868	\$ 2,075,199

The cost of inventories recognized as an expense during the year was \$66,953,761 (2021 - \$52,452,532).



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

7. Long-term receivable

	Total	2022 Current Portion	2022 Deferred Portion	2021 Current Portion	2021 Deferred Portion
4749911 Manitoba Ltd. ⁽¹⁾	\$ 14,335	\$ 9,939	\$ 4,396	\$ 9,132	\$ 14,336
Petroleum Tanks ⁽²⁾	93,624	64,922	28,702	52,586	44,847
	<u>\$ 107,959</u>	<u>\$ 74,861</u>	<u>\$ 33,098</u>	<u>\$ 61,718</u>	<u>\$ 59,183</u>

⁽¹⁾ Long-term receivable for gas bar equipment bears interest at 8.5% and is receivable at \$898 per month.

⁽²⁾ The Co-operative has long-term interest free receivables covering petroleum tank equipment which are recoverable over three years. The receivables are secured by the petroleum tank equipment.

Principal payments on account of the above long-term receivables for the next two years will approximate the following:

2023	\$ 74,861
2024	<u>33,098</u>
	<u>\$ 107,959</u>

8. Property, plant and equipment

	Original Cost	Accumulated Depreciation	2022 Book Value	2021 Book Value
Land	\$ 2,318,706	\$ -	\$ 2,318,706	\$ 2,011,306
Buildings	13,502,801	4,526,479	8,976,322	6,601,379
Pavement	1,233,856	455,287	778,569	352,906
Tanks	555,818	337,032	218,786	147,124
Furniture & equipment	7,902,217	4,572,564	3,329,653	2,526,311
Vehicles	1,624,275	1,044,199	580,076	406,156
Asset retirement cost	66,611	35,389	31,222	34,843
Under construction	-	-	-	4,630,416
	<u>\$ 27,204,284</u>	<u>\$ 10,970,950</u>	<u>\$ 16,233,334</u>	<u>\$ 16,710,441</u>

Depreciation for the current year included in operating and administration expense was \$1,421,163 (2021 - \$1,109,971).



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

9. Line of credit

The Co-operative has a \$450,000 line of credit of which no amount has been drawn as at January 31, 2022 (2021 - \$nil). The line of credit is secured by a Promissory note and a General Security Agreement. Interest on the line of credit is prime plus 0.25% (2.7%) (2021 - 2.7%).

10. Accounts payable and trust liabilities

	2022	2021
FCL payables	\$ 4,895,625	\$ 2,713,843
Other payables	816,667	669,718
Trust liabilities:		
Payroll deductions	18,108	18,481
Provincial sales tax	47,013	50,092
Goods and services tax	14,519	-
Federal fuel charge	171,729	125,634
	<u>\$ 5,963,661</u>	<u>\$ 3,577,768</u>

11. Share capital

Authorized, unlimited @ \$1	2022	2021
Balance, beginning of year	\$ 15,843,929	\$ 15,863,466
Allocation to members	3,003,208	2,311,566
Cash from new members	9,430	7,930
GST on allocation	65,651	88,764
Shares transferred from reserves	9,824	6,641
	<u>18,932,042</u>	<u>18,278,367</u>
General repayment	1,290,433	1,642,391
Shares transferred to reserves	83,857	103,960
Withdrawals and retirements	706,496	416,010
Withholding tax	207,918	272,077
	<u>2,288,704</u>	<u>2,434,438</u>
Balance, end of year	<u>\$ 16,643,338</u>	<u>\$ 15,843,929</u>



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

12. Reserves and retained savings

	Special Reserve	General Reserve	Retained Savings	2022	2021
Balance, beginning of year	\$ 7,954,447	\$ 8,972,217	\$ -	\$ 16,926,664	\$ 15,245,007
Net savings distributed to retained savings	-	-	5,848,901	5,848,901	3,895,904
Patronage allocation	-	-	(3,003,208)	(3,003,208)	(2,311,566)
Shares transferred	-	74,033	-	74,033	97,319
Reserve transfers	<u>2,222,981</u>	<u>622,712</u>	<u>(2,845,693)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 10,177,428</u>	<u>\$ 9,668,962</u>	<u>\$ -</u>	<u>\$ 19,846,390</u>	<u>\$ 16,926,664</u>

13. Sales

	2022	2021
Food	\$ 34,902,778	\$ 34,557,067
Petroleum	40,110,515	29,673,900
Agro	<u>5,080,042</u>	<u>-</u>
	<u>\$ 80,093,335</u>	<u>\$ 64,230,967</u>

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

14. Net interest

	2022	2021
Interest expense on - Short term obligations	\$ 230	\$ 11
Interest revenue	<u>(117,136)</u>	<u>(142,974)</u>
	<u>\$ (116,906)</u>	<u>\$ (142,963)</u>



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

15. 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 \$218,379 (2021 - \$203,113) of expense relating to the plan. There were no significant changes to the rate of employer contributions during the year.

16. Income tax 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:

	2022	2021
Savings before income taxes	\$ 6,227,116	\$ 4,274,477
Expected income tax expense at the combined tax rate of 27.0% (2021 - 27.0%) net of the general rate reduction	1,681,321	1,154,109
Increase (decrease) in income tax expense resulting from:		
Non-taxable income and non-deductible expense	6,417	2,777
Patronage allocation to members of \$3,003,208 (2021 - \$2,311,566)	(810,866)	(624,123)
Income or expenses claimed in different periods for income tax purposes:		
Capital cost allowance in excess of depreciation	(254,916)	(137,143)
Allowance for doubtful accounts	(533)	579
Other items that impact income taxes:		
Manufacturing and processing investment tax credit	(244,586)	(18,213)
Prior year tax adjustment	1,378	587
Income tax expense	\$ 378,215	\$ 378,573

17. Economic conditions

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Co-operative's operations were impacted by COVID-19 due to increased customer demand in some circumstances as well as supply chain disruptions. The future impact the COVID-19 outbreak may have on the Co-operative is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.



Beausejour Consumers Co-operative Limited
Notes to the Financial Statements
For the Year Ended January 31, 2022

18. Subsequent event

Patronage allocation to members

Subsequent to January 31, 2022 the Board of Directors approved a patronage allocation to members in the amount of \$3,003,208 (2021 - \$2,311,566).



Beausejour Consumers Co-operative Limited
Unaudited Statistical Information
For the Year Ended January 31, 2022

Record of Sales and Net Savings

	<u>Year</u>	<u>Sales</u>	<u>Net Savings</u>	<u>%</u>
From Date of Incorporation, January 15, 1951 to January 31,	2013	\$ 566,417,035	\$ 38,546,683	6.8
	2014	57,292,952	3,714,515	6.5
	2015	58,425,094	2,807,275	4.8
	2016	54,917,203	2,846,630	5.2
	2017	54,550,357	2,865,655	5.3
	2018	58,386,793	2,957,356	5.1
	2019	63,334,152	4,719,066	7.4
	2020	63,090,298	4,347,810	6.8
	2021	64,230,967	3,895,904	6.0
	2022	80,093,335	5,848,901	7.3
		<u>\$ 1,120,738,186</u>	<u>\$ 72,549,795</u>	<u>6.5</u>

Membership

Members purchasing during the year	15,000
Inactive members	<u>1,601</u>
Total members	<u>16,601</u>



Beausejour Consumers Co-operative Limited
Directors and Officers
For the Year Ended January 31, 2022

Position	Name	Address	Year Term Expires
President	Richard Stefansson	Beausejour, MB	2022
Vice-President	Diane Einarson	Seddons Corner, MB	2024
Secretary	Malissa Rowan	Oakbank, MB	2023
Manager	Kevin Van Den Bussche	Oakbank, MB	N/A
Director	Wayne Wittmeier	Beausejour, MB	2024
Director	Robert Carmichael	Beausejour, MB	2022
Director	Jeremy Kintop	Beausejour, MB	2023
Director	Rhonda Friesen McElroy	Beausejour, MB	2023



