ALBERTA COMMUNITY & CO-OPERATIVE ASSOCIATION

ACCA ANNUAL GENERAL MEETING 2023 AGENDA

June 1, 2023
Time: 9:30 - 11:30 am

Virtual: Zoom – https://us02web.zoom.us/j/83609550022
Phone: 780-666-0144 Meeting ID: 836 0955 0022

Agenda Item	**Attachments**
1. CALL TO ORDER	
2. PRESENTATION from BCCA BOARD CHAIR	
3. ADOPTION OF AGENDA	
4. ADOPTION OF MINUTES	2022 AGM Minutes
5. BUSINESS ARISING	
6. REPORT from ACCA Chair on behalf of the Board	
7. REPORT from EXECUTIVE DIRECTOR	
8. REPORT FROM FINANCE COMMITTEE 8.1 Report from Auditor 8.2 Audit Report 8.3 Appointment of Auditors	Non-Consolidated Financial Statements for the Year Ended December 31, 2022
9. GOVERNANCE COMMITTEE 9.1 Resolutions 9.2 Nominations	
10. REPORT FROM GOVERNMENT & STAKEHOLDER RELATIONS COMMITTEE	
11. VOTING ON GOVERNMENT RELATIONS POLICIES	
12. QUESTION PERIOD	
13. NEW BUSINESS/OTHER BUSINESS	
14. ADJOURNMENT	

ACCA ANNUAL GENERAL MEETING

Meeting Minutes

DATE:	June 14, 2022
TIME:	9:00am – 12:00pm MST.
LOCATION:	Hybrid meeting: - Virtual via Zoom - In-person at Fairmont Palliser, 133 9 Ave SW, Calgary, AB T2P 2M3, in the Oak Room.
ACCA DIRECTORS PRESENT:	Earl Graham, Blue Mountain Energy Co-operative Jacob Middelkamp, Vice Chair, North Parkland Power REA Bart Willmore, Calgary Co-operative Limited Harvey Hagman, UFA Co-operative Ltd. Vicki Zinyk, Chair, Alberta Co-operative Energy Sandra Thornton, EQUS REA Ltd. Donna Smith, Federated Co-operatives Limited Jim Donner, Goldeye Foundation Matt Sawyer, UFA Co-operative Ltd. Sierra Love, Canadian Worker Co-operative Federation Tim Plante, Blue Mountain Power Co-op Carrie Jackson, Alberta Central Kevin Hopins, UFA Co-operative Ltd Wayne Meyers, Blue Moutnain Power Co-op Louis Grenier, Co-options Consulting Hazel Cochram, Canadian Worker Co-op

1. CALL TO ORDER	The chair Vicki Zinyk called the meeting to order at 9:00am and welcomes members, co-operators, and acknowledged the territories we reside on.
2. EXTRAORDINARY RESOLUTION	No Resolutions Proposed
3. ADOPTION OF AGENDA	**Motion** to adopt the 2022 ACCA AGM agenda as circulated. Moved by Donna Smith. Seconded by Earl Graham. No oppositions. Carried.
4. ADOPTION OF MINUTES	**Motion** to approve the 2021 ACCA AGM minutes as circulated. Moved by Sandra Thornton, seconded by Donna Smith, Carried.
5. BUSINESS ARISING	N/A
6. REPORT FROM THE BOARD CHAIR	Vicki Zinyk provided an update on the growth and collaboration with BCCA. A great discussion occurred on providing a path to move forward and different projects were recognized for their important work. BCCA Directors Ben Hyman and Michelle Iverson were thanked for their work, along with the staff.
7. EXECUTIVE DIRECTOR REPORT	Paul Cabaj began by thanking the Board of Directors for their ongoing work guiding the ACCA. He then reviewed ACCAs Programs and Project Mapping which staff, directors and members have helped to create. He noted, the meaningful collaborative work which is taking place with the ACCA and BCCA and the cooperative ecosystem as a whole. ACCA staff and partners then gave operational updates, explaining their roles and work with ACCA. Highlights included Co-operative Development including Local Investment Solutions and the project “In Our Hands”, Co-operative Education including Co-op 101 workshops, the

	50:30 Challenge, the Youth Leadership Program, Communications such as a shared services platform called ACCESS and the Community and Co-operative Counsel.
8. REPORT FROM THE FINANCE COMMITTEE	Harvey Hagman, Treasurer and Chair of the Finance Committee thanked staff including, Naushad Velani ACCA's Finance Officer and directors, including the directors of the Finance Committee. *8.1 Report from the Auditor* • External Auditor, Phil Dirks, Metrix Group LLP presented the Financials. • Overall, ACCA had a positive year. *8.2 Audit Report* • Metrix provided a clean opinion on ACCA's 2021 Financial Statements. **Motion** to approve the Audited Financial Statements for the year ending December 31, 2021. Moved by Kevin Hoppins, Seconded by Donna Smith. No oppositions. Carried. *8.3 Appointment of Auditor* **Motion** to approve the external Auditor Metrix LLP for the upcoming 2022 fiscal year ending December 31, 2022. Moved by Harvey Hagman. Sandra Thornton seconded. No opposition. Carried.
9. REPORT FROM GOVERNANCE COMMITTEE	Bart Willmore, member of the Governance Committee began by highlighting the work that the committee has accomplished this year, including revising the Committee Terms of Reference and implications with the on-going collaboration with the BCCA. This coming year the Committee will focus on Board succession, Board Improvement strategies. *9.1 Resolutions* • The ACCA has not received any resolutions from members since the 2021 AGM. *9.2 Nominations* • ACCA bylaws allow for up to 15 Board members, and currently it has 10 sitting members. • 5 of the current Directors are in the middle of their terms and will continue their terms until they expire. • 1 members' term is expiring and have put their name forward to serve another 3-year term. • 4 nominations have come forward to be representatives of the ACCA Board for 3-year terms. • 1 member has come forward for nomination to the ACCA Board. • 2 members have been appointed to the ACCA Board as a representative of their organisations to carry-out the remaining terms, and will need to be ratified by the membership. **Motion** to accept the nomination of Jacob Middelkamp, North Parkland Power REA., for another 2-year term, expiring 2025. Moved by Wayne Meyers, seconded by Tim Plante. No oppositions. Carried. **Motion** to ratify the Board's appointment of Jim Donner, Goldeye Foundation, for a 3-year term, expiring 2025. Moved by Jacob Middlekamp, seconded by Donna Smith. No oppositions. Carried

	Motion to ratify the Board's appointment of Matt Sawyer, UFA Co-operative Ltd., for a term ending in 2025. Moved by Kevin Hoppins, seconded by Harvey Hagman. No oppositions. Carried. **Motion** to ratify the Board's appointment of Heather Williams, The Co-operators, to the Board for a term, ending in 2025. Moved by Louis Grenier, seconded by Hazel Cochran. No oppositions. Carried. **Motion** to ratify the Board's appointment of Sierra Love, Canadian Worker Co-operative Federation, for a 3-year term, expiring 2025. Moved by Donna Smith, seconded by Jacob Middlekamp. No oppositions. Carried **Motion** to accept the nomination of Tim Plante, Blue Mountain Power Co-op, to the Board for the remaining term, ending in 2023. Moved by Donna Smith, seconded by Sandra Thorton. No oppositions. Carried. **Motion** to accept the nomination of Carrie Jackson, Alberta Central, to the Board for the remaining term, expiring in 2023. Moved by Sandra Thorton, seconded by Donna Smith. No oppositions. Carried. Outgoing Directors Stephen Cooper, Jared Bluestein, Chris Ross, Earl Graham and Harvey Hagman were thanked for their work. With the Board now standing at 12, 3 available positions remain open, and nominations were put forth to the floor. There were no nominations from the floor.
10. REPORT FROM THE GOVERNMENT & STAKEHOLDER RELATIONS COMMITTEE	Sandra Thorton, chair of the GSR Committee thanked the Committee Members and provided that an in-depth update will be given in the informal portion of the conference.
11. QUESTION PERIOD	N/A
12. NEW BUSINESS/OTHER BUSINESS	N/A
13. ADJOURNMENT	**Motion:** to adjourn meeting at 10:08am: Moved by Jacob Middlekamp, seconded by Matt Sawyer. No oppositions. Carried.

ALBERTA COMMUNITY & CO-OPERATIVE ASSOCIATION

Non-Consolidated Financial Statements

For The Year Ended December 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Alberta Community & Co-operative Association

Opinion

We have audited the non-consolidated financial statements of Alberta Community & Co-operative Association (the Association), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the non-consolidated 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 non-consolidated 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 4, 2023

Non-Consolidated Statement of Financial Position

As At December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents *(Note 2)*	$ **231,585**	$ 236,515
Receivables *(Note 3)*	**150,225**	108,864
Due from related parties *(Note 4)*	**210**	2,437
Prepaid expenses	**3,125**	4,676
	385,145	352,492
LONG TERM INVESTMENTS	**5,000**	-
TANGIBLE CAPITAL ASSETS *(Note 5)*	**4,863**	3,812
	$ **395,008**	$ 356,304
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ **152,934**	$ 54,992
Deferred contributions *(Note 6)*	**107,111**	111,610
Goods and services tax payable	**4,054**	2,129
	264,099	168,731
LONG TERM DEBT *(Note 7)*	**60,000**	60,000
	324,099	228,731
NET ASSETS		
Share capital *(Note 8)*	**2,625**	2,625
Unrestricted net assets	**8,226**	66,460
Invested in tangible capital assets	**4,863**	3,812
Endowments *(Note 9)*	**55,195**	54,676
	70,909	127,573
	$ **395,008**	$ 356,304

ON BEHALF OF THE BOARD:

_________________________________ *Director*

_________________________________ *Director*

The accompanying notes are an integral part of these financial statements.

ALBERTA COMMUNITY & CO-OPERATIVE ASSOCIATION
Non-Consolidated Statement of Operations
For The Year Ended December 31, 2022

	2022	2021
REVENUE		
Grants *(Note 10)*	**$ 758,240**	$ 408,826
Membership dues	**271,159**	265,575
Fees for service	**172,814**	242,193
Registrations	**143,070**	-
Sponsorships	**39,000**	-
Investment income	**2,998**	369
Other	**994**	170
	1,388,275	917,133
EXPENSES		
Salaries, wages and benefits	**679,640**	496,762
Workshops, programs and contract expenses	**562,987**	269,223
Professional fees	**64,345**	48,534
Travel	**38,855**	17,469
Office rent	**25,393**	18,711
Office stationary and supplies	**19,468**	8,469
Insurance	**15,759**	14,339
Advertising and promotion	**13,865**	3,356
Professional development	**7,584**	8,616
Telephone	**5,211**	4,748
Miscellaneous	**3,638**	3,639
Amortization of tangible capital assets	**3,363**	2,060
Bank and credit card charges	**2,305**	428
Service contracts	**1,605**	3,407
Meetings and conferences	**1,237**	79
Postage and courier	**203**	295
Bad debts *(Note 4)*	**-**	1,621
Program administration	**-**	788
	1,445,458	902,544
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**$ (57,183)**	$ 14,589

The accompanying notes are an integral part of these financial statements.

ALBERTA COMMUNITY & CO-OPERATIVE ASSOCIATION
Non-Consolidated Statement of Changes in Net Assets
For The Year Ended December 31, 2022

	Unrestricted Net Assets	*Endowments (Note 9)*	Invested in Tangible Capital Assets	**2022**	2021
NET ASSETS - BEGINNING OF YEAR	$ 66,460	$ 54,676	$ 3,812	**$ 124,948**	$ 110,277
Deficiency of revenue over expenses	(57,183)	-	-	**(57,183)**	14,589
Purchase of tangible capital assets	(4,414)	-	4,414	**-**	-
Amortization of tangible capital assets	3,363	-	(3,363)	**-**	-
Investment income	-	541	-	**541**	118
Bank charges	-	(22)	-	**(22)**	(36)
NET ASSETS (DEFICIT) - END OF YEAR	$ 8,226	$ 55,195	$ 4,863	**$ 68,284**	$ 124,948

The accompanying notes are an integral part of these financial statements.

ALBERTA COMMUNITY & CO-OPERATIVE ASSOCIATION

Non-Consolidated Statement of Cash Flows

For The Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	$ (57,183)	$ 14,589
Item not affecting cash:		
Amortization of tangible capital assets	3,363	2,060
	(53,820)	16,649
Changes in non-cash working capital:		
Receivables	(41,361)	(59,920)
Due from related parties	2,227	(2,437)
Goods and services tax payable	1,925	2,593
Prepaid expenses	1,551	(1,568)
Accounts payable and accrued liabilities	97,942	(16,872)
Deferred contributions	(4,499)	98,892
	57,785	20,688
	3,965	37,337
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(4,414)	(5,260)
Purchase of investments	(5,000)	-
Cash flow used by investing activities	(9,414)	(5,260)
FINANCING ACTIVITY		
Proceeds from long term financing	-	20,000
OTHER CASH FLOW ITEMS		
Net change to endowments *(Note 9)*	519	82
INCREASE (DECREASE) IN CASH FLOW	(4,930)	52,159
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	236,515	184,356
CASH AND CASH EQUIVALENTS - END OF YEAR *(Note 2)*	$ 231,585	$ 236,515

The accompanying notes are an integral part of these financial statements.

PURPOSE OF THE ASSOCIATION

The Alberta Community and Co-operative Association (the Association) works for the development and promotion of co-operatives across Alberta. Our members and stakeholders work together to build a better province by putting people's social and economic well-being at the forefront of their businesses and projects.

The Association is exempt from the payment of income tax under Section 149(1) of the *Income Tax Act.*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The non-consolidated financial statements (financial statements) were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue during the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

Membership dues and registrations revenue is recognized in the year the services are provided. Memberships are for a one-year period.

Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. When a tangible capital asset no longer contributes to the Association's ability to provide services or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value.

Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and fixtures	5 years	straight-line method

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents and receivables

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association has no financial assets or liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Measurement uncertainty

The preparation of non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization and the amount of accrued liabilities. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

Contributed goods and services

Due to the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

2. CASH AND CASH EQUIVALENTS

	2022	2021
Deposit accounts	$ 150,475	$ 156,041
Endowments *(Note 9)*	55,196	54,676
Guaranteed Investment Certificate	25,914	25,798
	$ 231,585	$ 236,515

The Guaranteed Investment Certificate bears interest at 2.50% (2021 - 0.45%) maturing June 1, 2023.

The Association has an authorized operating line of credit in the amount of $50,000 bearing interest at a rate of prime plus 2%. As of December 31, 2022, there is no amount drawn on the line of credit.

3. RECEIVABLES

	2022	2021
Trade and other	$ 149,847	$ 108,796
Accrued interest	378	68
	$ 150,225	$ 108,864

4. RELATED PARTY TRANSACTIONS

Fee for service revenue includes $NIL (2021 - $7,800) from the ACCA Leadership Foundation. Accounts receivable includes $210 (2021 - $2,437) from the ACCA Leadership Foundation of $210 (2021 - $2,437).

These transactions are considered to be in the normal course of business and are measured at or below fair market value.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	$ 45,057	$ 41,202	$ 3,855	$ 3,812
Furniture and fixtures	21,273	20,265	1,008	-
	$ 66,330	$ 61,467	$ 4,863	$ 3,812

6. DEFERRED CONTRIBUTIONS

Deferred contributions consists of grant funds to be used towards expenditures to be incurred in future periods. The changes in the deferred contributions balance for the year are as follows:

	2022	2021
Balance, Beginning of Year	**$ 111,610**	$ 12,718
Add:		
Contributions received	**789,447**	267,222
Less:		
Contributions recognized as revenue	**(793,946)**	(168,330)
Balance, End of Year	**$ 107,111**	$ 111,610

7. LONG TERM DEBT

	2022	2021
Canada Emergency Business Account loan. Interest only payments are required monthly commencing January 31, 2024 at a rate of 5% if the loan is not repaid by December 31, 2023. The principal amount of the loan must be repaid by December 31, 2025. A portion of the loan, up to $20,000, will be forgiven if the Association meets certain terms of the loan and the loan is repaid by December 31, 2023.	**$ 60,000**	$ 60,000
Amounts payable within one year	**-**	-
	$ 60,000	$ 60,000

8. SHARE CAPITAL

Authorized:

Unlimited Common member voting shares with a par value of $50, transferable only in restricted circumstances, non-assessable and limited to one share per member. Redemption of member shares is at par value and done at the discretion of the Association.

	2022	2021
Issued:		
Common member voting shares	**$ 2,625**	$ 2,625

	2022		2021	
	Shares	**Amount**	Shares	Amount
Common member voting shares				
Shares outstanding at the beginning of the year	**53**	**$ 2,625**	53	$ 2,625
Shares outstanding at the end of the year	**53**	**$ 2,625**	53	$ 2,625

9. ENDOWMENTS

	Balance, Beginning of Year	Investment income	Bank charges	**Balance, End of Year**
H. Comfort endowment	$ 41,117	$ 416	$ (22)	**$ 41,511**
J. Jevne endowment	13,559	125	-	**13,684**
	$ 54,676	$ 541	$ (22)	**$ 55,195**

The purpose of the H. Comfort endowment is to provide memorial study awards.

The purpose of the J. Jevne endowment is to provide adult education scholarships.

10. GRANTS

	2022	2021
Western Economic Diversification	$ **480,668**	$ 104,075
Minister of Community and Social Services	**245,241**	130,467
Women's Economic Council	**19,710**	-
Edmonton Mennonite Centre for Newcomers	**5,760**	-
Canada Summer Jobs	**4,714**	4,724
Canada Alberta Jobs	**2,147**	-
Government of Alberta COVID-19 relaunch	**-**	10,000
Canada Emergency Wage Subsidy	**-**	132,697
Alberta Rural Development Network	**-**	21,192
The Co-operators Insurance	**-**	5,671
	$ **758,240**	$ 408,826

11. NON-CONSOLIDATED CONTROLLED ORGANIZATION

ACCA Leadership Foundation (the Foundation) is a Registered Charity and is a controlled not-for-profit organization of the Association. The purpose of the Foundation as a Registered Charity is to develop and provide leadership training courses, programs, workshops and seminars to youth and adults. The Foundation provides scholarships, bursaries, awards and other forms of financial support to students pursuing post-secondary studies or research in the social sciences.

The Foundation has chosen to not consolidate the Foundation's financial results of the Foundation but has provided the following financial information which was derived from the Foundation's unaudited financials.

Statement of Operations

	2022	2021
Revenue	$ **1,194**	$ 181,581
Expenses	**(1,789)**	(181,581)
	-	-
Excess of revenue over expenses	$ **(595)**	$ -

Statement of Financial Position

	2022	2021
Current assets	$ **6,064**	$ 100,258
Current liabilities	**-**	(93,599)
Net assets	$ **6,064**	$ 6,659

12. FINANCIAL INSTRUMENTS

The Association is not exposed to significant credit or market risk through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2022.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from grantors and members and other related sources, and accounts payable and accrued liabilities.

The Association mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Proposed Policy 1 - Seasonal distribution transmission rate

Member Organization
Alberta Seed Processors

Policy Issue
Electricity transmission and distribution charges are a business success deterrent to co-operatives that have seasonal income. The existing distribution and transmission charges set on the highest energy consumption month are predatory and unfair. Investor-owned utilities should be encouraged to create a seasonal distribution/transmission rate like many Rural Electrification Associations have done. A seasonal rate should be created to ensure that high-cost bills coincide with months of high energy consumption.

Background
High energy pricing coupled with exorbitant transmission and energy costs are crippling small farmer-owned cooperatives that have seasonal operations. Transmission rates are approved and regulated by the Alberta Utilities Commission. The transmission charge on an electricity bill is based on how much electricity the customer has used. Alberta has seen an increase in transmission charges since 2004 due to infrastructure expansion. There have been several large transmission projects, which have led to an increase in costs being passed on to consumers. On average, transmission charges constitute approximately 17% of a customer's total bill.

According to the UCA website "The Alberta Utilities Commission regulates most distribution rates. Distribution costs vary with location and consumption. Distribution charges are higher for customers in rural Alberta than for customers in urban areas because of the low population density and longer distances between customer sites. Distribution charges constitute approximately 33% of a customer's total bill, on average." This means that 50% of the charges on an energy bill are set based on the highest consumption month. This is unfair to seasonal businesses such as grain processing cooperatives. Some sites receive bills in summer or shut down months for energy consumption charges with less than $50.00, but the distribution/transmission/ rate riders, etc., create thousands of extra dollars in cost.

Recommended Action(s)
Investor-owned utilities should be encouraged to create a seasonal distribution/transmission rate like many Rural Electrification Associations have done. A season rate should be created to ensure that high-cost bills coincide with months with high energy consumption.

Policy Authority
Ministry of Energy
The Alberta Utilities Commission
Utilities Consumer Advocate Regulation
Ministry of Utilities

Proposed Policy 2 - Co-operative Education in Primary School

Member Organization
North Parkland Power Co-op
North Central Co-op

Policy Issue
The co-operative business model should be taught in Alberta’s primary education system.

Background
The co-operative business model is an alternative approach to traditional business structures, whereby their members own and control businesses. The co-operative model emphasizes democratic decision-making, shared ownership, and equitable distribution of profits. Introducing this model to primary education can significantly benefit children's understanding of business and entrepreneurship. Firstly, it can help develop a sense of community and collaboration, which are core principles of the co-operative model. Children can learn to work together to achieve common goals, make collective decisions, and share responsibilities. This approach can help cultivate social responsibility and civic engagement, essential skills for future leaders.

Secondly, introducing the co-operative model to primary education can help promote entrepreneurship and innovation. Children can learn about the different types of co-operatives and how they operate. They can develop business ideas and know how to start and run a co-operative business. This approach can foster creativity and problem-solving skills and encourage young entrepreneurs to consider alternative business models that prioritize social and environmental values. Overall, integrating the co-operative business model into primary education can help prepare children for the future of work and equip them with the skills needed to build a more just and equitable society.

Recommended Action
The co-operative business model should be an added subject matter in our primary education system. The subject could be added as part of the existing business learning curriculum or a separate program to be taught independently from other business models.

Policy Authority
Ministry of Education
Local School boards

Proposed Policy 3 - Parliamentary Secretary for Co-operatives

Member Organization
North Central Co-op

Policy Issue
The Alberta Government should appoint a Parliamentary Secretary for Co-operatives

Background
The appointment of a Parliamentary Secretary for cooperatives is of utmost importance for several reasons. First and foremost, cooperatives play a crucial role in the socioeconomic development of Alberta by fostering economic growth, creating job opportunities, and empowering marginalized communities. As such, having a Parliamentary Secretary for co-operatives would ensure that this vital sector is given the attention it deserves and that its unique needs and challenges are adequately addressed.

Furthermore, having a Parliamentary Secretary for cooperatives would provide a platform for greater collaboration between the provincial government and the co-operative sector. The Parliamentary Secretary would act as a liaison between the government and co-operatives, facilitating communication and coordination between the two entities. This would enable cooperatives better to articulate their needs and concerns to the government while also allowing the government to understand better the challenges and opportunities facing the cooperative sector. Ultimately, this increased collaboration would result in more effective policy-making, more significant support for the cooperative sector, and more opportunities for growth and development.

Recommended Action
The Alberta Government should appoint a Parliamentary Secretary for Co-operatives

Policy Authority
The Premier.

Proposed Policy 4 - Tax Credit for Co-operative Education

Member Organization
ACE – Alberta Co-operative Energy

Policy Issue
A tax credit should be provided to organizations that provide education related to the co-operative business model.

Background
A tax credit for providing education on the co-operative business model can have significant benefits for businesses, individuals, and society as a whole. Firstly, it can encourage businesses to invest in their employee's education and training, particularly in innovative business models such as co-operatives. By providing education on the co-operative model, businesses can equip their employees with the skills needed to create and operate successful co-operative businesses. This, in turn, can lead to the creation of new businesses, increased employment opportunities, and a more resilient and diverse economy.

Secondly, a tax credit for providing education on the co-operative model can benefit individuals by expanding their knowledge and skills in business and entrepreneurship. This can lead to better employment prospects, higher wages, and increased economic mobility. Moreover, co-operative education can promote social values such as democracy, equity, and community, which can positively affect social cohesion and society's overall well-being. Therefore, a tax credit for providing education on the co-operative business model can be a powerful tool for promoting economic growth, social justice, and sustainable development.

Recommended Action
A tax credit should be provided to organizations that provide education related to the co-operative business model.

Policy Authority
Ministry of Finance.
Ministry of Service Alberta.
Ministry of Education.

Polices Approved by ACCA Members

Issue 1: Federal fuel charge bad debt - impact on service providers in Alberta

Background:
Service providers of fuel-based products became exposed to bad debt associated with charging, collecting, and remitting Federally imposed fuel charges.

The co-operative fuel service providers (members of ACCA) and fuel service providers (energy and others as described in the federal Greenhouse Gas Pollution Pricing Act ["GGPPA"]), have been subject to the remittance of the Federal Fuel Charge to federal government or distributors since January 1, 2020. This remittance currently (as of April 1, 2021) represents approximately 26% of the cost for an average residential member/customer. Based on the announcement by the Prime Minister on December 11, 2020, Federal Fuel Charges will account for approximately 50% of an average residential bill by 2030.

With the ongoing increases in the Federal Fuel Charges and the lack of bad debt recovery under the GGPPA, we are concerned about the growing risk and potential unintended consequences impacting energy and fuel service providers and consumers. We request that government implement a carbon tax bad debt recovery mechanism within the GGPPA, which could mirror Section 29 of the former (now repealed) Alberta Climate Leadership Act.

In our view, the Federal Fuel Charge would be more just if bad debt were recoverable from the federal government and the government would only collect what is actually paid by members /consumers. If this is not the case, service providers will have to price energy/fuel products to reflect the risk that a portion of members/customers will not be able to pay their growing utility/fuel bills. This ultimately results in a double tax on paying members/customers. Making a change to the GGPPA to provide for carbon tax bad debt refunds would remedy this unintended consequence. This change would also align the Federal Fuel Charge with the treatment of uncollected GST, to the benefit of all parties.

With the pandemic, bad debt is growing, and this leaves co-operative service providers exposed to uncontrollable and rising bad debt on the Federal Fuel Charge with no ability to recover these losses except through increases to the prices of future energy/fuel products.
We believe it is in consumers' best interests to change the policy to ensure that the bad debt costs associated with Federal Fuel Charges are not passed onto paying members/customers, as service providers are unfairly forced to increase rates to cover these rising bad debt costs.

Recommended action:
That the Government of Canada align the Federal Fuel Charge with the treatment of uncollected GST.

Policy authorities:
Federal – Finance; Canada Revenue Agency, Environment / Provincial – Energy

Issue 2: REA operating changes and potential regulatory impact

RESOLVED

Background:
Electric cooperatives are built by and belong to the communities they serve. They are led by members from the community and are uniquely suited to meet local needs. Electric co-ops are local energy and technology partners. Consumer-owned and not for profit, they are shaped by the specific needs of the communities they serve. This local, member-driven structure is one reason why co-operatives enjoy the highest consumer-satisfaction scores within the electric industry.

Recently, the Government of Alberta (Agriculture and Forestry, and Energy) commenced an engagement process with electric distribution entities (co-ops and investor-owned utilities – IOUs). The engagement process was purported to address two specific requests as submitted by EQUS REA and the Alberta Federation of REAs (AFREA) that was to provide the basis of "Enhancing the Sustainability and Viability of Rural Alberta's Electricity Distribution System".
While each of the submissions had its own separate intent to target specific areas of potential legislation and/or regulation changes, both were intended to provide growth for the REAs thereby enhancing sustainability of the electric co-op model.

EQUS and the AFREA individually proposed changes to the rural electricity distribution regulatory environment that are consistent with those of rural gas co-ops in their own right:

EQUS proposed:

- Ability for an REA to purchase another REA.
- REAs to serve both members and customers (non-members) within the designated service area.

AFREA proposed:

- REAs to obtain the exclusive rights to serve all consumers up to 500 KVA within their designated service area.
- All services with a size greater than 500 KVA will be negotiable between the consumer and the area wire owners.

Immediately following the introductory meeting where each of the proposals were introduced, the Government of Alberta issued a consultation document that states enacting either of the proposals (or potentially even governance by the same body) means that REAs would be subject to the same rules as IOUs. Essentially resulting in the removal of authority of each entity's Board of Directors, a substantial increase in cost associated with reporting, and rate and tariff applications and hearings. This would remove the member-controlled authority and threatens the co-operative foundation. The suggestion that REAs would have to follow the same rules as other IOU is being challenged because co-operatives are uniquely structured and operated to protect consumer interests.

Members are owners; therefore, the owners control the business of the co-op and do not require the same level of government oversight and protection that is in place for customers of IOUs. Applying the "same rules" as IOUs could not be imposed on REAs without significant change to the regulatory framework. If REAs were subject to the same rules as the IOUs, a key point of differentiation, that being *rate-setting and governance by a Board of Directors, would be undermined or removed* altogether. Alberta Utilities Commission (AUC) oversight or "protection" for non-member consumers is not necessary. Those individuals can either choose to become members and then have recourse to the Board of Directors, or they can file a complaint with the AUC in accordance with section 7 of the Distribution Tariff Regulation. There is a precedent in legislation for this arrangement; the gas co-operatives and water co-operatives may serve non- members without AUC oversight.

Further precedence in the co-existence of electricity co-ops and investor-based utilities is provided for in the in the United States. The regulatory regime has been successfully structured to provide an efficient and productive electric distribution system that successfully interacts with over 9 million consumers, industry, and government without loss of member control.

Recommended Action:
Irrespective of the individual REA positions on the proposed changes, that ACCA show support for maintaining the rights of the electricity co-operatives, enabling them to continue to manage their business within the co-operative model in its entirety, including that of tariff and rates.
Elimination of these rights and erosion of the co-operative model affects not only the electricity co-operatives but all co-operatives, irrespective of sector.

Public Policy Authority:
Alberta Energy / Alberta Agriculture and Forestry

Issue 3: Patronage not to be promoted for co-op pharmacy member purchases

Background:
In April 2014, the Alberta College of Pharmacies ("the College") voted to amend its Code of Ethics and Standards of Practice for Pharmacists and Pharmacy Technicians to prohibit pharmacists from providing inducements – such as loyalty program points or other forms of consumer purchase rewards like Air Miles – to a patient for the acquisition of a prescription drug or a service from them. The primary reason for the prohibition is the ability of inducements to influence decisions made by patients on prescription drugs. The economic benefits provided by inducements is thought to be improperly influencing decisions made by patients on their drug therapy and systemically interfering with and/or disrupting the pharmacist-patient relationship.

The patient-pharmacist relationship needs to be rooted in integrity and trust. Patients should select their pharmacist based on the pharmacist's knowledge and quality of care, not based on inducements. Patients and pharmacists should be able to make health decisions free from competing economic and psychological influences. The prohibition applies to all pharmacy technicians, pharmacists, licensed pharmacies, and proprietors of licensed pharmacies in Alberta, but does not apply to Schedule 3 drugs that are not provided under a prescription, or products or services that are not drug products or professional services. Sobeys has challenged this amendment in court (up to an application for leave to appeal to the Supreme Court of Canada) but was unsuccessful in restricting the prohibition.

To clarify the interpretation and application of the amended Standards and Code of Ethics regarding co-operatives, the College has published the following example on its website:

> *"A sign at a pharmacy in a co-operative suggested that co-operative members earn equity and cash back on the "full price of prescriptions." The College's view was that this comprised an inducement and is prohibited. The College understands that co-ops are allowed to provide patronage returns or dividends to their members under the Co- operatives Act. The College cannot object to patronage returns that are general and based on overall economic performance of a co-op, including meeting solvency requirements and maintaining reserves for growth and improvement of services to members. (This would be similar to a shareholder of a publicly traded pharmacy chain earning dividends on their shareholdings.) However, there cannot be the offer of, or provision of, equity or cash "conditional on a patient obtaining a drug or professional service." The Cooperatives Act does not mandate specified equity or cash back on specific products and services. In the College's view patronage returns are not linked to purchases of a specific product and service like "prescriptions" but must instead be determined based on the entire range of purchases undertaken by a member of the co- op. Patronage dividends or returns that are tiered to offer or provide inducements on the provision of drugs or professional services also contravene the inducement prohibition."*

Recommended action:
Our view is the Alberta Cooperatives Act describes patronage as a Disbursement of Earnings to Member Shareholders and would like both the federal and provincial governments to clearly spell out that when co-operatives distribute earnings in cash and shares, they are not an inducement to attracting business. Instead, it is like paying a dividend or a share appreciation for a corporation. Therefore, retail co-ops who operate pharmacies should be allowed to offer a member benefit of patronage connected to the purchase of products from their pharmacies.

Policy authorities:
Provincial – AB Health, Alberta Health Services, and Alberta College of Pharmacies.

Issue 4: Expanding the critical worker benefit program

Background:
The Critical Worker Benefit provides a one-time payment of $1,200 to eligible Albertans in recognition of their hard work to provide Albertans with the care and critical services they need. Through the benefit, the Government of Alberta will distribute up to $465 million in funding to eligible workers. This includes up to $118 million in provincial funds, in addition to $347 million from the federal government's benefit program for low-wage critical workers. The benefit will be distributed to up to 380,000 workers in the healthcare, social services, education, and private sectors. The Government of Alberta is working directly with social service, and education sector employers to distribute the benefit to eligible workers.

The application period is now closed. Private sector employers had until March 19, 2021 to apply on behalf of their eligible employees.

Recommended action:
That the Provincial Government expand the length and eligibility requirements of the Critical Worker Benefit Program, so that more frontline workers who have been deemed working for essential services may be included.

Policy authority:
Provincial - Ministry of Labour and Immigration

Issue 5: Business investment tax credits for opportunity development Co-ops in rural Alberta

Background:
Advocates for rural and community development feel that there is a way to turn the tide on population and viability loss but need new tools to achieve that goal. The co-operative model works very well in an environment of limited population because people buying shares in a rural co-op are indirectly suggesting that they will be a loyal customer. The co-operative, in return, must satisfy the needs and expectations of the shareholders (customers).

Business Investment Tax Credits have been used by governments in the past to stimulate certain aspects of the economy. A provincial Business Investment Tax Credit of say 30% of the cost of investment shares would be a way to encourage stakeholders and residents to invest in Opportunity Development Co-operatives. The investor receives a tax deduction benefit while supporting a local co-operative that is trying to enhance local community vitality. Investment that grows will help to slow or reverse the de-population trend rural Alberta has experienced for decades and give the investor a sense of participation and achievement.

Recommendation Action:
That the Government of Alberta create a pilot program that provides some form of incentive to investors of Opportunity Development Co-operatives in Alberta. This could be a Business Investment Tax Credit program, or some other program which addresses the issue.

Policy Authority:
Alberta Ministry of Jobs, Economy, and Innovation; Treasury Board and Finance

Issue 6: Cooperative Securities Exemption

Background:

- Alberta's securities legislation creates unmanageable cost and administrative burdens that preclude co-operatives from raising equity capital from their members for investment.
- Securities regulations are necessary to protect investors from misrepresentation and fraud but should not create administrative and cost burdens that make it too expensive for co- operatives to raise small amounts of capital from their members.
- The accounting costs necessary to file a registration and prospectus with the Alberta Securities Commission, combined with ongoing legal costs necessary to make changes to filings or offerings, are too high for small co-operatives that require small amounts of capital (less than $10 million).
- Sections 75 and 110 of the Alberta Securities Act require applicants to register and file a prospectus with the Alberta Securities Commission. Co-operatives are member-owned organizations and do not have the capacity to complete the filings necessary to raise small amounts of investment capital.
- Current national and provincial securities exemptions do not reduce the cost and administrative burden on co-operatives applying to issue securities.[1]
- Although the Alberta Securities Commission has statutory authority to grant exemptions from these requirements on a case-by-case basis or via blanket order when it is in the public interest, the conditions of these exemptions create red tape for applicants equal to filing a full registration and prospectus.[2]
- While federal and provincial securities regulations in Canada create similar barriers for co-operatives in all jurisdictions, the state governments of Wisconsin[3] and Minnesota[4] each created explicit exemptions for non-financial co-operatives in their respective securities laws.
    - Co-operatives in these states have raised millions in capital, particularly in rural areas.
    - There has not been any instance of fraud, regulatory action or litigation related to the securities offered by a co-operative in either state.
- The principles on which co-operatives are founded, and the nature of the investments co-operatives raise capital provide inherent safeguards that mitigate the risks associated with an exemption from these securities regulations.
    - The nature of co-operative investments is in ventures that serve the members and broader community with tangible economic and social returns, not speculative investments driven by high returns or interest in unicorn companies.
    - Co-operatives are owned entirely by their members, meaning each member has an equal vote on organizational governance and important decisions,
    - Co-operative members have direct recourse to the board of directors on a basis that is entirely equal to any other investor, regardless of how much they invest,
    - Because members are owners, they are involved in the oversight and decisions of their cooperatives, creating a level of transparency and accountability unparalleled by any other business structure.

Recommendation Actions:

1) Provide an exemption from sections 75 and 110 of the Alberta Securities Act for applicants that meet the criteria of a "co-operative" as defined by the Alberta Co-operatives Act.
2) Review the Alberta Securities Act & Regulation and the Alberta Securities Commission Rules and Forms for unnecessary red tape such as cost and administrative burdens for job creators and policies that discourage local investment.

Policy Authority:

Alberta Ministry of Red Tape Reduction, Rural Economic Development, Treasury Board & Finance

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[1] Refer to Schedule 1: National securities exemptions.
[2] Refer to Schedule 2: Alberta securities exemptions.
[3] Wisconsin Statutes 2019-20, Section 551.201(8), Exempt securities.
[4] Minnesota Statutes 2020, 80A.46 Section 202, Exempt transactions.

Policy Maintenance Policy

Member passed policies will be reviewed on the fifth (5th) anniversary of their adoption at ACCA's Annual General Meeting (AGM).

Members will have the opportunity to vote to renew the policy on its fifth anniversary at the AGM with a majority vote.

Policies that do not receive a majority vote for renewal will be deactivated.

Deactivated policies may be brought forward for adoption at a future AGM using the same process as any new policy is brought forward.

Polices up for renewal will be sent out in the AGM package to members along with any new policies being proposed.

Polices up for renewal may be amended during the voting process at the AGM.