

Annual General Meeting Agenda

Tuesday, October 15, 2019

9:00 am to 1:30 pm

Registration & Networking Breakfast will be open from 8:00 - 9:00 am

- 9:00 am** 1. Welcome & Board/Staff Introductions
- 9:10 am** 2. Approval of Meeting Agenda
3. Review & Approval of Minutes
- *AGM Thursday, October 18th, 2018*
- 9:15 am** 4. Chair & Executive Director's Report
- 9:25 am** 5. Election to the Board of Directors
- *Appointment of the Returning Officer*
 - *Declaration of Vacancies – 2 at-large Directors + 1 Youth Director*
 - *Nominated candidates introductions*
 - *Election*
- 9:45 am** 6. Review and Approval of Audited Financial Statements at March 31, 2019
- *Treasurer's Report*
 - *BDO Canada Auditor's Report*
 - *Appointment of Auditor*
- 10:05 am** 7. By-law Amendment
- 3.02 Members Rights and Responsibilities
- 10:15 am** 8. New Business
- 10:20 am** 9. Announcement of Election Results
- *Congratulations to New Directors*
 - *Notice of Designated Directors*
 - *Good-bye to Retiring Directors*
- 10:30 am** 10. Closing remarks and Adjournment

Our roundtable session to gather your input on changes to the *Co-operative Corporations Act* will follow a 15 minute stretch break.



Annual General Members Meeting

Thursday, October 18, 2018
Springfield Golf and Country Club
2054 Gordon Street, Guelph, Ontario

Attendance: Kyra Anderson, WMRCC; Brad Barbour, The Co-operators; Janet Bennett, WMRCC; Karen Bilton, Meridian; Roger Boersen, Gay Lea Foods Co-operative; David Bull, KCCU (via teleconference); Russ Christianson, Rhythm Communications; Tony Christie; David Corson, CHF Canada, Ontario Region; Kayran Crosdale, Williams, Payne and Associates; Fiona Duguid, Saint Mary's University; Kenton Eggleton, Funeral Co-op of Ottawa (via teleconference); Esther Enyolu, WMRCC; Claude Gauthier, GROWMARK Inc.; Jessica Harper, Ministry of Finance; Dale Holland, Lawyer (via teleconference); Brian Iler, Iler Campbell LLP; Sadaf Jamal, WMRCC; Vince Kennedy, Richmond Community Management Service; Usha Letchumanan, WMRCC; Indrani Nagenthiram, WMRCC; Reah Pabellano, The Co-operators; Daniel Padro, Ministry of Finance; David Robertson, Solar Share; Mike Robitaille, The Isaac Reputation Group; Cheryl Russwurm, Beef Farmers of Ontario; Randy Sa'd, Refocus; Joel Santos, The Co-operators; Kaleigh Seaward, PACE Credit Union; Clayton Shold, Ontario Credit Union Foundation; Tony Silvestro, GROWMARK, Inc.; Kerr Smith, Gay Lea Foods Co-operative; Simone Swail, CHF Canada, Ontario Region; Aaron Thornell, Ottawa Renewable Energy Co-op (via teleconference); Kathleen Webb, Skill Squirrel Co-operative Corporation; Phil Wheeler, Meridian; Iffat Zehra, WMRCC; Ayesha Zubair, Ministry of Finance; Amanda Solmes, Co-operatives and Mutuals Canada; David Clayton, BDO; Maninder Kalirai, Richmond Community Management Service

Board of Directors: Janice Johnson, GROWMARK, Inc. (Chair); Michelle Vieira, Ag Energy Co-operative, Joel Lalonde, Central 1 / Your Credit Union Limited; Crystal McNerney, CHF Canada, Ontario Region; Jennifer Woodhouse, Gay Lea Foods Co-operative; Maureen Gillespie, The Co-operators; Sally Miller, Canadian Worker Co-operative Federation / Local Food and Farm Co-ops; Hugh Nelson, Y's Owl Maclure Co-operative Centre (via teleconference); Laura Toombs, Ag Energy Co-operative

Staff: Erin Morgan, Audrey Aczel, Jennifer Ross, Lee Davis (Minutes)

Call to Order

Janice Johnson, Board Chair, called the meeting to order at 9:00 a.m.

1. Welcome

Janice welcomed everyone and introduced the Board of Directors, Staff and Special Guests. The Board of Directors all introduced themselves. Janice confirmed quorum and reviewed the voting procedures for the members.

2. Approval of Meeting Agenda

Moved by David Corson, CHF Canada, Ontario Region, and **Seconded** by Hugh Nelson, Y's Owl Maclure Co-operative Centre, to approve the agenda of the October 18, 2018 AGM as presented. Carried.

3. Approval of Minutes of September 28, 2017 AGM

Moved by Joel Santos, The Co-operators, and **Seconded** by Hugh Nelson, Y's Owl Maclure Co-operative Centre, to approve the minutes of the September 28, 2017 AGM. **Carried.**

4. Chair & Executive Director's Report – Janice Johnson and Erin Morgan

Janice Johnson verbally reported on the first year of our five year plan where we reached positive results in all three overarching goals 1) the Voice of Co-operatives in Ontario, 2) The Advocate for the Co-operative Principles, and 3) The Facilitator of Co-operative Solutions.

As the voice for co-operatives in Ontario, our efforts with government relations are one of our strongest methods of being heard. Maintaining support from all mainstream political parties at Queen's Park is a strategy that has given us a solid foundation to work from. With the recent change in government there is more work to do, but the commitment to "our asks" will continue to move forward. As the voice for co-operatives, it was also time to strengthen our brand. A new logo was launched that reflects our provincial patriotism, but also connects us to the international symbol for co-operatives.

In advocating for the co-operative principles and facilitating co-operative solutions, a new membership structure was introduced that has ultimately increased our voting-member base and allowed for greater outreach within the sector. Financially this year was very positive, providing added strength to our balance sheet and sustainability.

The future looks bright for OCA, with keen aspirations to help enrich and promote the co-operative brand, escalate co-operative development and strengthen collaborative efforts within our diverse sectors. Janice noted that she would not be renewing her role as Chair, and thanked everyone for their continued dedication to the strength and development of co-operatives in our province. Janice thanked the directors and the management team.

Erin Morgan reported on the first year of our strategic plan. This is an opportune time to be co-operative. People are looking for co-operative ideals. We are entering an era of socially valuable organizations built on shared ideals. We are entering the co-operative era. Our seven principles are aligned with the values of today's consumer and guide co-operatives to do right by consumers. Many modern societal problems right now have a co-operative solution.

OCA wants to be the voice of Ontario's co-operatives. We want to expand our government advocacy. We are working with the government to move the co-operative incorporation process out of FSCO to the Ministry of Government and Consumer Services. Service Ontario will be updating their website and we will be included. We are also working with the Ministry of Finance to modernize the *Co-operative Corporations Act*. We need to continue working with the new government and meetings are scheduled at Queen's Park. We want to speak with one voice in our message development (PR), our communication strategy, and by collaborating with members to communicate our difference.

We are advocating for the co-operative principles by growth in the membership of OCA, increased engagement with members for collaboration, development of the next generation of members, directors and consumers through CYL and All 4 Each, expansion of CYL to include 12 - 13 year olds through the new Base Camp, and creating opportunities for boards to develop strong governance and leadership within the sector, based on the Principles.

In facilitating co-operative solutions, we have a lot going on with new co-operative development, including business planning, financing, online tools, connecting community needs with co-operative solutions. We provide support for our members, including governance support, delegate development, member communication, business connections, individual mentorship and co-operative committees, and facilitating collaboration amongst co-operatives to meet broader community needs.

We are currently working on areas to achieve the United Nations' 2030 Sustainable Development Goals, including: A new member, REFOCUS Co-operative, is working with OCA and its members to improve the

sustainability of Ontario's co-operatives, to achieve an enhanced triple bottom line (Goal 9); Our Renewable Energy co-operatives are working collaboratively to improve access to affordable and clean energy in Ontario (Goal 7); OCA and many of our member co-operatives are committed to providing a living wage to all employees and an equal opportunity workplace (Goal 8); Share with OCA how you are advancing the goals – we are always interested in how others are using the UN goals.

In looking ahead to 2019, our efforts include: *The Voice of Ontario's Co-operatives*: Updates to the *Co-operative Corporations Act (CCA)*, branding co-operatives in Ontario (The Isaac Group). *Advocating for the Principles*: Re-dedication to the growth of CYL, renewed co-operation among co-operatives through new caucus model, employee onboarding for increased internal sector knowledge, sustainability projects in rural Ontario. *Facilitating Co-operative Solutions*: New co-operative Start Up course, business development tools and financing for entrepreneurs.

Moved by Michelle Vieira, Ag Energy Co-operative and **seconded** by Claude Gauthier, GROWMARK, Inc. to receive the Chair & Executive Director's Report. **Carried.**

5. Election to the Board of Directors

Moved by Sally Miller, CWCF and **seconded** by David Corson, CHF Canada, Ontario Region, to designate Michelle Vieira as the Returning Officer for the meeting. **Carried.**

Janice then appointed Clayton Shold, Ontario Credit Union Foundation, and Russ Christianson, Rhythm Communications, as scrutineers for today's election.

Janice welcomed Michelle Vieira, representing Ag Energy Co-operative and Chair of the Nominating Committee to conduct the election.

Michelle thanked Janice, and explained the board vacancies. There are nine positions on the Board of the Ontario Co-operative Association. There are currently two vacancies: One vacancy for an at-large Director for a three-year term, and one vacancy for the Youth Director position for a one-year term.

The nominating committee has reviewed and accepted the nominations of Hugh Nelson, representing Y's Owl Maclure Co-operative Centre for the at-large Director position, as well as Laura Toombs and Aaron Thornell for the Youth Director position. Michelle explained the nomination procedure and called for nominations from the floor.

Hearing no further nominations for the at-large Director position, Michelle closed nominations and asked Hugh Nelson to confirm his willingness to stand for the at-large Director seat for a three-year term. Hugh acknowledged his willingness to stand and Michelle declared Hugh Nelson acclaimed to the position of at-large Director, to serve a term of 3 years on the board of the Ontario Co-operative Association.

Hearing no further nominations for the Youth Director Position, Michelle explained that there would still be an election as the number of candidates is greater than the number of positions available. Michelle asked Laura Toombs, Ag Energy Co-operative, current Youth Director, and Aaron Thornell, Ottawa Renewable Energy Co-operative, to confirm their acceptance of nomination for the Youth Director Position. Laura accepted and introduced herself. Aaron was not available to introduce himself via teleconference and Michelle read Aaron's bio.

Michelle outlined the voting procedure and asked the voting members to mark their ballots. The ballots were collected by the Scrutineers. Michelle thanked former Chair, Mark Hamel, Gay Lea Foods Co-operative, for his dedication and leadership to the board.

Michelle explained that OCA also has a number of designated seats on its board. The board of directors have approved the following appointments.

Jennifer Woodhouse, was appointed in March by Gay Lea Foods to replace Mark Hamel for the remaining 2 years of a three-year term.

Maureen Gillespie, representing The Co-operators, will begin her 2nd third-year term.

Janice Johnson, representing GROWMARK, Inc. will begin her 3rd and final three-year term.

Michelle recessed the elections until after the New Business and returned to the meeting agenda. She welcomed Treasurer **Joel Lalonde** to provide his report on the Financial Statements.

6. Approval of the Audited Financial Statements for year ending March 31, 2018 – Joel Lalonde

Joel Lalonde reported on the 2017-2018 Audited Financial Statements, a copy of which was provided in the AGM packages and copies are available on the tables.

Annual Revenue increased nine percent. Dues revenue fluctuated slightly. Sponsorship increased by \$25,000 and with the election timing, two Queen's Park Receptions were held during this fiscal.

Expenses were lower in salaries and rent. There is now new office space and a new IT organization. Expenses were higher in meetings, project management, print, consultants with Trillium Grant and GR. This was also a Provincial Conference year and again, expenses incurred with two Queen's Park Receptions. Trillium costs were included but the overhead for 2018 will be included in the 2019 fiscal year.

Joel introduced David Clayton, from BDO Canada, to provide the Auditor's Report.

David Clayton reported that the Audit began May 26 and was completed July 20, 2018 when the Board met for approval of the Financial Statements. The financial statements present fairly the financial position of OCA at March 31, 2018. David thanked the Board on behalf of BDO. This was a smooth audit, and BDO is appreciative to the staff.

Motion by Joel Lalonde, Central 1, **Seconded** by Hugh Nelson, Y's Owl Maclure Co-operative Centre, to accept the March 31, 2018 Audited Financial Statements as presented. **Carried**.

Joel thanked BDO for their work and support. **Motion** by Joel Lalonde, Central 1, **Seconded** by Michelle Vieira, Ag Energy Co-operative, to approve BDO Canada as the Auditors for the 2018-2019 fiscal year. **Carried**.

7. By-law Change

Joel Lalonde outlined the By-law change, a copy of which was provided in the AGM packages. The original Bylaw 5.01 (f) outlines the qualifications for our Youth Director position. The organization has observed that finding qualified "youth" that are also a director or officer of their co-operative is too restrictive as a criteria, making it difficult to find candidates. It is important to OCA to keep this position accessible to all youth involved in the co-operative sector in an impactful way.

The **proposed change to Bylaw 5.01(f)** utilizes section 87 (3) of the Ontario Co-operative Corporations Act which will allow for the election of non-members or those who are not directors, officers, shareholders or members of a corporate member to be elected into the Youth Director position. The additional qualifications the Youth Director must meet are listed as i. through iv. in this proposed bylaw.

Subsequently, Section 5.01(g) has been amended and 5.01(g) i. has been removed as they are no longer relevant with the proposed other changes.

Moved by David Corson, CHF Canada, Ontario Region, **Seconded** by David Robertson, Solar Share, to approve the changes to Bylaw 5.01(f). **Carried**.

8. New Business

None declared.

9. Announcement of Election Results

Moved by Michelle Vieira, Ag Energy, **seconded** by Sally Miller, CWCF, to destroy the ballots. **Carried**.

Michelle thanked and discharged the scrutineers and reported on the results of the Board of Directors' elections. Acclaimed to the at-large Director position is Hugh Nelson of Y's Owl Maclure Co-operative Centre. Elected to the Youth Director position, is Laura Toombs of Ag Energy Co-operative. Michelle thanked Aaron Thornell.

Motion by Michelle Vieira, Ag Energy Co-operative, and **seconded** by Joel Lalonde, Central 1, to dismiss Michelle as then Returning Officer. **Carried**.

10. Closing Remarks and Adjournment

Janice Johnson thanked everyone for attending.

Motion by Joel Santos, The Co-operators, **Seconded** by David Robertson, Solar Share, to adjourn the meeting. **Carried**.

Chair

Date

Secretary

Date



2019-2020 Board Nominees

Chris Caners, SolarShare

Running for Director-at-Large – 3 year term

Chris Caners is the General Manager of SolarShare, a not-for-profit co-operative that owns and operates 49 solar facilities across Ontario, financed in part by \$40 million in community bonds raised from more than 1,600 members via the co-operative offering statement process. At SolarShare, Chris is responsible to the Board of Directors for operations, business development, and strategy. Chris believes that democratically controlled, member owned co-operative organizations are essential to improving our collective future. Earlier in his career, Chris was a Senior Manager with ICF, an international energy and environmental consultancy. He has also worked with the innovative Kenyan company M-KOPA Solar, and was the Manager of the University of Toronto Sustainability Office. Chris is a professional engineer and a certified energy manager. He holds a Bachelor of Applied Science from the University of Toronto and a Master of Science in Mechanical Engineering from Queen's University, where he investigated the feasibility autothermal gasoline reforming at the Fuel Cell Research Centre, and assessed the potential for generating electricity using wastewater treatment biogas in Ontario. He is currently an advisor to the Climate Ventures program at the Centre for Social Innovation in Toronto. Chris has served as a member of agencies of the City of Toronto, including the Residual Waste Working Group, which evaluated treatment options for the City's residual solid waste, as well as the Grants and Special Projects Committee of The Atmospheric Fund, an innovative agency that finances initiatives that combat climate change. He is also the past Treasurer of the Clean Air Partnership, which works to achieve healthy and sustainable local communities.

Jordan Moat

Running for Director-At Large – 3 Year Term

Originally from Hamilton, Jordan was drawn to Waterloo Region in 2013. Jordan has been involved in the Credit Union movement for the past eighteen years' including 10 years in various management roles applying his business and marketing education as well as his PFP designation. He is currently the Regional Manager for Libro Credit Union in Waterloo Region. Passionate about professional coaching, Jordan has completed leadership programs facilitated by the University of Windsor and has held numerous roles on boards and committees ranging from the United Way, Social Venture Partners, Chamber of Commerce, and President of the Jarvis Square Condominium Corporation. He strives to participate both socially and professionally in community engagement projects promoting socially responsible business models. In his free time, Jordan loves to unwind at the cottage with his family and enjoys keeping an active lifestyle. Grateful for an amazing group of friends, Jordan has enjoyed the new opportunities that Kitchener-Waterloo has provided.

Megan Shipton

Running for Youth Director – 1 year term

Megan Shipton believes in the power of the co-operative business model and has been nominated to be the Youth Representative for the Ontario Co-operative Association's Board of Directors. She is in her second year at Ag Energy Co-operative Ltd. in the role of Member Relations and Sales Analyst. Her focus is on providing members with insights into their energy consumption through reporting. She has also gained experience informing current and prospective members of the benefits of co-operatives. She started work in the energy sector after studying Electrical Engineering at Queen's University. Since graduating, she has passed her Professional Engineers Ontario Professional Practice Examination (PPE) and is working towards her P.Eng. Designation. The PPE exam has taught her about ethics, professional practice, engineering law and professional liability. She understands what professional practice is to look like and is willing to do what it takes to implement it. Currently, she is interested in furthering her education on co-operatives. Working for a co-operative brings a great sense of purpose to her job as she has seen the positive effects of the business. She thrives in the co-operative culture and wishes to immerse herself in it by participating on the Board of Directors. As the Youth Representative, she would be committed to the Board and will act in the best interests of co-operatives in Ontario. She believes her strong will, passion for co-operatives, critical thinking and commitment to the cause will make her an asset on this Board of Directors.

Matthew Gerrits

Running for Youth Director – 1 year term

Matthew is interesting in joining the Ontario Co-operative Association's (OCA) Board of Directors. He has been passionate about co-operatives since learning about the model through the OCA's own Co-operative Young Leaders (CYL) program. He believes the contributions co-operatives bring to our society are incredibly valuable, and having an association that furthers the missions of government relations for the sector, increases public awareness, and provides valuable services to the sector is incredibly important. He was introduced to OCA and the co-operative model during CYL and has been passionate about it ever since, working at OCA during a summer internship and completing his undergraduate thesis on co-operatives in Waterloo Region. Matthew wants to contribute back to an organization that does critical work. In the time since he participated in CYL, he has taken those leadership skills to the student association sector, and now serves as Vice President Education at the Waterloo Undergraduate Student Association (WUSA) for his second elected term. At WUSA, he has sat on a strategic Board of Directors, led their government relations department and strategy, served on a variety of university committees, and served in a complex environment in an organization that fulfills similar advocacy and service roles to the OCA. Because of that position, he also sat on the board of the non-partisan Ontario Undergraduate Student Alliance, pragmatically lobbying provincial and federal elected representatives on post-secondary education policy, conducting research, and serving as Vice President Finance, fulfilling an important budgeting and financial management role for that organization. Matthew would like to take his skills and experiences that the co-operative sector has enabled and give back, bringing his research, writing, strategic and board experience to participate on the OCA's Board, learn from the other directors, and help enable OCA to do its best work in supporting Ontario's co-operatives. This would be an honour and a privilege to sit on the OCA board. He would like to thank you for your consideration.

**Ontario Co-operative
Association Inc.
Financial Statements
For the year ended March 31, 2019**

Ontario Co-operative Association Inc.
Financial Statements
For the year ended March 31, 2019

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Tel: 519 824 5410
Fax: 519 824 5497
Toll-free: 877 236 4835
www.bdo.ca

BDO Canada LLP
512 Woolwich Street
Guelph ON N1H 3X7 Canada

Independent Auditor's Report

To the Members of Ontario Co-operative Association Inc.

Opinion

We have audited the financial statements of Ontario Co-operative Association Inc. (the Association), which comprise the statement of financial position as at March 31, 2019, and the statement of changes in net assets, operations 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 Association as at March 31, 2019, and its results of operations and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association 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 these 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 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 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.

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 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 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 Association 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
August 7, 2019

Ontario Co-operative Association Inc.
Statement of Financial Position

March 31 **2019** **2018**

Assets

Current

Cash and bank (Note 2)	\$	449,582	\$	549,628
Accounts receivable		16,554		11,022
Prepaid expenses		10,030		10,511
		<hr/>		<hr/>
		476,166		571,161

Capital (Note 3)

		1,293		2,110
		<hr/>		<hr/>
	\$	477,459	\$	573,271

Liabilities

Current

Accounts payable and accrued liabilities	\$	19,813	\$	14,961
Deferred revenue		155,262		235,988
		<hr/>		<hr/>
		175,075		250,949

Net Assets

Net Assets Internally Restricted

Operational reserve (Page 5)		120,000		120,000
Net assets invested in capital assets (Page 5)		1,293		2,110
Unrestricted net assets (Page 5)		181,091		200,212
		<hr/>		<hr/>

		302,384		322,322
		<hr/>		<hr/>
	\$	477,459	\$	573,271

On behalf of the Board:

_____ Director

_____ Director

**Ontario Co-operative Association Inc.
Statement of Changes in Net Assets**

For the year ended March 31	Internally Restricted Operational Reserve	Invested in Capital Assets	Unrestricted	2019 Total	2018 Total
Balance , beginning of the year	\$ 120,000	\$ 2,110	\$ 200,212	\$ 322,322	\$ 264,951
Operating surplus (deficit)	-	(817)	(19,121)	(19,938)	57,371
Balance , end of the year	\$ 120,000	\$ 1,293	\$ 181,091	\$ 302,384	\$ 322,322

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

Ontario Co-operative Association Inc. Statement of Operations

For the year ended March 31	2019	2018
Revenue		
Dues	\$ 387,120	\$ 374,741
Grants and donations (Note 6)	121,031	240,531
Sponsorship	72,950	90,249
Registrations	66,506	108,660
Services and products	11,355	12,258
Interest	5,564	5,012
	664,526	831,451
Expenses		
Salaries and benefits	321,931	253,464
Consultants and project management	142,410	262,237
Meetings and external facilities	65,048	92,020
Rent and occupancy costs	31,738	29,893
HST reassessment	30,336	-
Meals and travel	27,770	59,574
Design, printing and promotions	12,772	19,508
Audit and bookkeeping	8,624	12,442
Insurance	8,054	7,533
Computer software and accessories	7,065	9,649
Overhead and administration	5,748	-
Telephone	5,508	5,097
Office equipment rentals	4,557	5,304
Office supplies	4,020	6,301
Membership dues and donations	3,774	4,155
Legal	2,169	360
Bank charges and interest	1,312	1,911
Amortization	817	1,432
Adult and youth engagement	811	2,676
Bad debts	-	524
	684,464	774,080
Operating surplus (deficit)	\$ (19,938)	\$ 57,371

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

Ontario Co-operative Association Inc. Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Operating surplus (deficit) for the year	\$ (19,938)	\$ 57,371
Adjustments for		
Amortization	817	1,432
	<u>(19,121)</u>	58,803
 Changes in non-cash working capital balances		
Accounts receivable	(5,532)	18,413
Prepaid expenses	481	5,064
Accounts payable and accrued liabilities	4,852	(21,063)
Deferred revenue	<u>(80,726)</u>	143,619
	<u>(100,046)</u>	204,836
 Cash flows from investing activities		
Purchase of capital assets	-	(1,508)
 Change in cash position during the year	(100,046)	203,328
 Cash position, beginning of year	549,628	346,300
 Cash position, end of year	\$ 449,582	\$ 549,628

Ontario Co-operative Association Inc.

Notes to Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies

Nature of Business

The Ontario Co-operative Association (the "Association") was incorporated as a co-operative without share capital on May 31, 2002 under the laws of Ontario and is engaged in the development, promotion and enhancement of co-operative organizations on a not-for-profit basis.

The association is a non-profit entity and, as such, is exempt from income tax.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Furniture & equipment - 30 % diminishing balance basis
Computer equipment - 50 % diminishing balance basis

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in 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, specifically:

Dues - revenue from dues is recognized over the membership period.

Grants and donations - revenue from grants and donations is recognized in the year in which the related expenses are incurred.

Ontario Co-operative Association Inc. Notes to Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies

Revenue Recognition (cont'd) Registrations and sponsorships - revenue from registrations and sponsorships is recognized in the year in which the related program or activity occurs.

Services and products - revenue from services and products is recognized when the services are performed and collection is reasonably assured.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. Cash and Bank

The association's bank accounts are held at three credit unions. Included in cash and bank are savings deposits that earn interest at a rate of 1.05%, one term deposit that earns interest at a rate of 2.10% and matures March 2021 and one term deposit that earns interest at a rate of 2.15% and matures August 2019.

The association has access to a maximum line of credit of \$50,000, which was not accessed as at March 31, 2019. Interest is charged at a rate of prime plus 1.00% and is secured by a general security agreement covering all assets of the association.

Ontario Co-operative Association Inc. Notes to Financial Statements

March 31, 2019

3. Capital Assets

	2019			2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Furniture & equipment	\$ 12,019	\$ 11,189	\$ 830	\$	1,186
Computer equipment	56,737	56,274	463	\$	924
	\$ 68,756	\$ 67,463	\$ 1,293	\$	2,110

4. Commitments

The association has entered into a commitment to lease office space, which expires in May 2020.

The association has entered into a commitment to lease a photocopier. The lease commenced in August 2017 and it expires in February 2022.

The minimum annual lease payments are as follows:

2020	\$ 30,269
2021	8,769
2022	4,097
	\$ 43,135

5. Operational Reserve

The purpose of the operational reserve is to accommodate situations that have not been anticipated. It could be used for an uncomplicated shutdown of the association in the event of an unforeseen future occurrence. Alternatively, the funds could be used to bridge staff salaries due to the cyclical nature of grants and the changes in revenue streams. The reserve represents approximately three months of operational expenses. This internally restricted amount is not available for other purposes without approval of the Board of Directors.

Ontario Co-operative Association Inc. Notes to Financial Statements

March 31, 2019

6. Matching Funds

The nature of matching funds revenue is such that funds are transferred from various internal programs such as Ontario Trillium Foundation as revenue for the Corporate Services program. Included in grants and donations is \$90,190 (2018 - \$225,601) allocated to consultants and project management, adult and youth engagement, meals and travel, meetings and external facilities, overhead and administration, design printing and promotions, and office supplies.

7. Financial Instrument Risk

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The association is exposed to this risk through its line of credit, which is at a prime-based rate of interest. This risk has not changed from the previous year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association's financial instruments that are exposed to concentrations of credit risk relate primarily to the accounts receivable from customers that operate in the same industry. This risk has not changed from the previous year.

Liquidity Risk

Liquidity risk is the risk that the association encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities. This risk has not changed from the previous year.



Recommendation Not to Appoint Incumbent Auditor

The Board of the Ontario Co-operative Association intends not to recommend the reappointment of BDO Canada LLP as our auditor at the Annual General Meeting on October 15, 2019.

The incumbent Auditor, BDO Canada LLP, has been notified and chose not to make any official representation to the Membership but wishes the Association much success going forward.

The Board of the Ontario Co-operative Association would like to bring a proposal to the OCA membership to appoint RLB Chartered Professional Accountants as our new auditors. RLB has provided an introduction on the following page of this package.



Ontario Co-operative
Association 30 Douglas Street,
Guelph, ON N1H 2S9

To the Membership of the Ontario Co-operative Association

RLB has been proudly serving the south-western Ontario community for over 65 years from our four offices in Guelph, Kitchener, Fergus and Orangeville. We are a regional public accounting firm with a combined team of over 170 members, including 11 partners. We work closely with a wide range of clients from small growth oriented sole proprietors to some of the largest not-for-profit organizations in the region.

At RLB we provide accounting and advisory services to a significant number of co-operatives and member associations, and we consider our work in this area to be an extremely important aspect of what we do. Having knowledge in this speciality area of practice means our team members have a deeper knowledge of the issues facing clients and can provide extensive support, beyond the standard assurance and accounting services.

At RLB People Count. Our clients have come to understand that not only do we offer technical expertise and industry knowledge; we offer availability of our senior personnel, a real relationship, and a genuine, intimate knowledge of their specific organizational issues. We are proud to share that RLB had the honour of being awarded one of the Top 50 Best Small and Medium Employers in Canada, winning Platinum in 2016 and 2017. We are proud of the culture and leadership strength that we have accomplished, and we work hard daily to ensure we maintain.

Your team at RLB will take pride in provide personal attention and results-oriented, value-added services and as a group, we will strive to ensure that the work completed for the Ontario Co-operative Association will be of the highest professional standard and to your complete satisfaction.

Sincerely,

RLB LLP

Per;

A handwritten signature in black ink that reads 'J Riddell'.

Jennifer Riddell

PROPOSED BY-LAW CHANGE

ORIGINAL BY-LAW

ARTICLE III - MEMBERSHIP

3.02 – Members Rights and Responsibilities

Members of the Co-operative have the following **responsibilities**:

- (a) Review and comment on the annual budget.
- (b) Review and approve membership dues and rates.
- (c) Review and comment on long-term planning documents.
- (d) Appoint the auditor for the next audit period.
- (e) Maintain their account with the Co-operative in good standing.

Members shall enjoy the following **rights** of membership:

- (a) The right to vote at annual and special meetings of Members; and
- (b) All rights of Members otherwise set out in the Act, the articles and the By-laws of the Co-operative.

It is being proposed by the Governance and Membership Committee that items (a) and (c) be removed from this bylaw as these items are operational and not the responsibility of the membership, but that of the Board of Directors.

PROPOSED BY-LAW

ARTICLE III - MEMBERSHIP

3.02 – Members Rights and Responsibilities

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