

Annual General Meeting Agenda

Tuesday, September 22, 2020

10:00 – 11:30 am

Registration, Networking & Tech Support will be open from 9:30-10:00 am

- 10:00 am** 1. Welcome & Virtual Procedure Overview
- 10:05 am** 2. Board/Staff Introductions
- 10:10 am** 3. Approval of Meeting Agenda
4. Review & Approval of Minutes
- *AGM Tuesday, October 15th, 2019*
- 10:15 am** 5. Chair & Executive Director's Report
- 10:25 am** 6. Review and Approval of Audited Financial Statements at March 31, 2020
- *Treasurer's Report*
 - *RLB Auditor's Report*
 - *Appointment of Auditor*
- 10:45 am** 7. Election to the Board of Directors
- *Declaration of Vacancies – 1 at-large Director + 1 Youth Director*
 - *Nominated candidates introductions*
 - *Election*
 - *Announcement of Election Results*
 - *Notice of Designated Directors*
 - *Good-bye to Retiring Directors*
- 11:05 am** 8. New Business
- 11:10 am** 9. Closing Remarks and Adjournment



Annual General Members Meeting

Tuesday, October 15, 2019
Springfield Golf and Country Club
2054 Gordon Street, Guelph, Ontario

Attendance: Elizabeth Arkinstall, Libro Credit Union (via teleconference); Ayman Ashebir, Reliance Home Comfort; Yvonne Bachelon, Women's Multicultural Resource and Counseling Centre of Durham; Gord Barr, RLB LLP; Janet Bennett, Women's Multicultural Resource and Counseling Centre of Durham; Chris Caners, SolarShare; Cathy Chamberlain, CL Chamberlain Communication; Celia Chandler, Iler Campbell LLP; Donna Charbonneau, Agency for Co-operative Housing; Michelle Christmann, Gay Lea Foods Co-operative; David Clayton, BDO Canada LLP; Sara Cleland, The Co-operators Group Ltd.; Harvey Cooper, Co-op Housing Federation of Canada; Rocco DiBenedetto; Esther Enyolu, Women's Multicultural Resource and Counseling Centre of Durham; Luc Ethier, Conseil de la Coopération de l'Ontario; Kate Feather, The Co-operators Group Ltd.; Liz Franqui, The Wellness Collective; Claude Gauthier, GROWMARK Inc.; Julien Geremie, Conseil de la Coopération de l'Ontario; Matthew Gerrits; Corinna Goggin, CUMIS Services Incorporate; Vinette Green, Women's Multicultural Resource and Counseling Centre of Durham; Denyse Guy, Guy & Associates; Ove Hansen, Gay Lea Foods Co-operative Ltd; Dale Holland (via teleconference); Brian Iler, Iler Campbell LLP / Tapestry / SolarShare; Yvonne Ip, J David McAuley Architect; Steve Kingan, Frontline Credit Union (via tele-conference); Angela Lawrence, Hay Communications (via teleconference); Usha Letchumanan, Women's Multicultural Resource and Counseling Centre of Durham; Greg McQueen, Libro Credit Union; Maya Milardovic, The Co-operators Group Ltd.; Jennifer Miller, Women's Multicultural Resource and Counseling Centre of Durham; Jordan Moat, Libro Credit Union; Patrick Nolan, Reliance Home Comfort; Kim Pega, The Wellness Collective; Michael Ras, Meridian Credit Union; Venkat Reddy, The Co-operators Group Ltd.; Isabel Restrepo, The Wellness Collective; Jennifer Riddell, RLB LLP; David Robertson; Meg Ronson, University of Waterloo; Joel Santos, The Co-operators Group Ltd.; Gary Seveny, Winestone Laval & Co.; Megan Shipton, Ag Energy Co-operative Ltd; Clayton Shold, Ontario Credit Union Foundation; Kerr Smith, Gay Lea Foods Co-operative; Lisa Tanguay, Frontline Credit Union (via teleconference); Olga Tasci, Agency for Co-operative Housing; John Taylor, The Ontario Mutual Insurance Association; Iffat Zehra, Women's Multicultural Resource and Counseling Centre of Durham; Scott Parry, CHF Canada, Ontario Region; Tom Klein Beernink, Guelph Campus Co-op, Lisa Winfield, Ontario Musicians Co-operative

Board of Directors: Joel Lalonde, Central 1 (Chair); Janice Johnson, GROWMARK, Inc.; Michelle Vieira, Ag Energy Co-operative, Crystal McNerney, CHF Canada, Ontario Region; Jennifer Woodhouse, Gay Lea Foods Co-operative; Maureen Gillespie, The Co-operators; Sally Miller, 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, Peter Cameron, Audrey Aczel, Jennifer Ross, Lee Davis (Minutes)

Call to Order

Joel Lalonde, Board Chair, called the meeting to order at 9:03 a.m.

1. Welcome

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

2. Approval of Meeting Agenda

Moved by Claude Gauthier, GROWMARK, Inc., and **Seconded** by Donna Charbonneau, Agency for Co-operative Housing, to approve the agenda of the October 15, 2019 AGM as presented. Carried.

3. Approval of Minutes of October 18, 2018 AGM

Moved by John Taylor, The Ontario Mutual Insurance Association, and **Seconded** by Sally Miller, Local Food and Farm Co-ops, to approve the minutes of the October 18, 2018 AGM. Carried.

4. Chair & Executive Director's Report – Joel Lalonde and Peter Cameron

Chair Joel Lalonde reported that this has been a year of successful partnerships. Our members, associates, supporters and staff have come together to make great strides in government relations, improvements to the Co-operative Young Leaders (CYL) program, and preparations for new co-operative development resources.

Throughout the winter of 2018, our association prepared for government consultations on the Co-operative Corporations Act. The consultations were announced in December and our co-operatives had one month to complete submissions by the January 31, 2019 deadline. Our Government Relations Committee, Regulatory Affairs Committee, as well as countless volunteers from co-operatives across the province, assisted with OCA's submission, submissions of their own and calls and meetings with government staff and elected officials to ensure our needs were met. The sector came together, visiting MPPs and contacting ministers, to ensure the Offering Statement process was moved to the Financial Services Regulatory Authority, which is the best fit for service continuity.

Likewise, our long-time supporters of the CYL program worked tirelessly to revamp the program's curriculum in preparation for the 2019 summer. The new curriculum is now in line with the goals of the program—the education of youth in co-operation as an inclusive and successful economic model. The programming also incorporates the amenities at our new location at the Co-operative Education Centre, in partnership with Gay Lea Foods Co-operative.

Successful collaboration has also been the main theme in co-operative development. Libro Credit Union supported the creation of a course for co-operative entrepreneurs to assist with the development of a business plan. One of the results is the incorporation of an equity housing co-operative and the revitalization of the equity-housing model as an option to the conventional housing models that are financially out of reach for many in Ontario. There have also been new partnerships in co-operative development formed with organizations across Ontario in the non-profit and social enterprise sectors. Looking ahead to 2019, there are many exciting opportunities for new resource development and partnerships to support co-operative entrepreneurs on the horizon.

Our partnership with the credit union sector flourished this year. The Directors' Forum featured a session on ways for co-operatives and credit unions to work closer together. Gay Lea Foods Co-operative and Libro Credit Union led the session by example and as a result, several credit unions have joined OCA in membership and in partnership on youth, government relations, and public relations opportunities.

In closing, I would like to thank our members, associates, and supporters for their commitment to co-operation over the last year and our staff for their great work. It has been a pleasure to chair OCA and work with such an incredible community.

Acting Executive Director Peter Cameron reported that the second year of our strategic plan has gone well, if not exactly according to plan. In government relations, we are making great strides and expect to check the final boxes on changes to the Co-operative Corporations Act early—the third year of our strategic plan.

As staff, we are looking forward to taking on some new challenges in government relations, including developing a strong working relationship with the Financial Services Regulatory Authority as they begin to manage the Offering Statement portfolio, and with the Ministry of Government and Consumer Services to support their role of issuing co-operative incorporations. Additionally, we have new mandates from agricultural co-operatives and renewable energy co-operatives to support their advocacy needs in the next year.

In public relations, we shared a new series of articles with the Ontario media about ways Ontario co-operatives are improving communities and the economy co-operatively. We showcased how food co-operatives in northern Ontario are bringing farm fresh produce to members across long distances, and how credit unions are at the forefront in making banking more accessible to their members using the latest technology. Visit our website to read the monthly series and watch for more stories next year!

OCA had a rebuilding year at CYL. A new location at the Co-operative Education Centre in collaboration with Gay Lea Foods Co-operative has created the opportunity to reach out to co-operatives and youth in southwestern Ontario. We re-worked the program for the new space and look forward to the leadership of our new CYL Director hired in early 2019, to rebuild our youth numbers and our sponsorship engagement.

Our educational programming has taken a backseat over the last few years to other programs due to lower staff numbers. In the coming year, we have two exciting opportunities for our members. An online employee education initiative has the goal of increasing revenue to OCA so we can rebuild our educational offerings. Additionally, we are partnering with Gay Lea Foods Co-operative to provide governance training to developing and new co-operatives. We look forward to both programs providing much needed services and information to our members and associates.

The past year has provided staff with lots of opportunities to learn from our members about what they value and need from our organization. We have also been grateful to receive the dedication and support of our members and friends that have led to some real gains in government relations. We look forward to continued service to our members and the opportunity to serve new members of the co-operative community as it grows.

Moved by Donna Charbonneau, Agency for Co-operative Housing, 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 Joel Lalonde, and **seconded** by Harvey Cooper, CHF Canada, Ontario Region, to designate Michelle Vieira as the Returning Officer for the meeting. Carried.

Joel then appointed Tom Klein Beernink, Guelph Campus Co-op, and Clayton Should, OCUF as scrutineers for today's election.

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

Michelle thanked Joel, and explained the board vacancies. There are nine positions on the Board of the Ontario Co-operative Association. There are currently three vacancies: Two vacancies 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 Chris Caners, representing SolarShare, and Jordan Moat, representing Libro Credit Union, for the two at-large Director positions as well as Matthew Gerrits and Megan Shipton for the Youth Director position. Michelle explained the nomination procedure and called for nominations from the floor for both positions.

Hearing no further nominations for the positions, Michelle closed nominations and asked Chris Caners and Jordan Moat to confirm their willingness to stand for the at-large Director seats for a three-year term. Chris and Jordan acknowledged their willingness to stand and Michelle declared Chris Caners and Jordan Moat acclaimed to the positions of at-Large Director, to serve a term of three 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. Matthew Gerrits and Megan Shipton, Ag Energy Co-operative, introduced themselves and confirmed their acceptance of nomination for the Youth Director Position. Michelle outlined the voting procedure and asked the voting members to mark their ballots. The ballots were collected by the Scrutineers.

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**, representing Gay Lea Foods Co-operative, will begin her 2nd third-year term.

Michelle recessed the elections until after the New Business and returned to the meeting agenda. She welcomed Treasurer **Janice Johnson** to provide her report on the Financial Statements.

6. Approval of the Audited Financial Statements for year ending March 31, 2019 – Janice Johnson

Janice Johnson reported on the 2018-2019 Audited Financial Statements, a copy of which was provided in the AGM packages and copies are available on the tables.

Annual revenues decreased by almost \$170,000. The majority of this decrease was due to the completion of the Trillium grant in June 2018 and the reduced participation in CYL in the summer of 2018 under both the registration and sponsorship categories. There was also a reduction in registration income because this was not a provincial conference year.

In 2018, expenses were \$94,000 higher than the previous year. The majority of the difference was in the wage category as wages were back to normal levels with the return of the Executive Director from maternity leave. The remaining difference is under administration. OCA had an issue with our HST audit this year that many other not-for-profit organizations also faced in 2018. Unfortunately, we were not following the correct procedure for input tax credits and claimed too high an HST rebate. OCA had to pay back two years' worth of incorrectly calculated HST rebates in the 2018 fiscal year totalling \$30,000. The board is recommending a change to our auditor and will ensure a more strict review of our HST protocols by the new auditor to remediate this issue.

Janice introduced David Clayton, from BDO Canada, to provide the Auditor's Report. David Clayton reported that the Audit commenced June 3 and the Board approved the financial statements June 20, 2019. The financial statements were presented fairly and in accordance with accounting practices, and gave a clean audit opinion. David thanked the board and staff for their assistance for the audit, which ran smoothly.

Motion by Janice Johnson, **Seconded** by Chris Caners, SolarShare, to accept the March 31, 2019 Audited Financial Statements as presented. Carried.

Janice noted that the audit of the financials is a very important tool that the Board uses to ensure that the results presented to the membership are accurate and fairly represent the results and financial position of the co-operative. After careful consideration, the Board would like to propose to the membership to appoint **RLB Chartered Professional Accountants** as our new auditors for the 2019-2020 fiscal year. An overview of RLB was included in the AGM package.

Motion by Joel Lalonde, Central 1, **Seconded** by Donna Charbonneau, Agency for Co-operative Housing, to approve RLB as the Auditors for the 2019-2020 fiscal year. Carried.

Janice invited Jennifer Riddell, Partner of RLB, to the podium to make a brief introduction. Jennifer Riddell thanked the members and accepted the appointment.

7. By-law Amendment

3.02 Members Rights and Responsibilities

Joel presented the proposed Bylaw change. A detailed copy of the Bylaw was included in the AGM Package, and printed copies were available on the tables.

The Original **Bylaw 3.02** outlines Member rights and responsibilities. It is being proposed by the Governance and Membership Committee that items (a) *Review and Comment on the annual budget*, and (c) *Review and comment on long-term planning documents*, be removed from this bylaw, as these items are operational and not the responsibility of the membership, but that of the Board of Directors. The budget and strategic plan are available if a member wishes to view them, but to review and comment is not a mandatory responsibility of the membership.

Moved by John Taylor, The Ontario Mutual Insurance Association, **Seconded** by Hugh Nelson, Y's Owl Maclure Co-operative Centre, to approve the changes to Bylaw 3.02 a) and c). Carried.

8. New Business

None noted.

9. Announcement of Election Results

Michelle thanked the candidates and reported on the results of the Board of Directors' elections. Elected to the Youth Director Position is Megan Shipton, Ag Energy Co-operative.

Moved by Michelle Vieira, Ag Energy Co-operative, **seconded** by Julien Geremie, Conseil de la Coopération de l'Ontario, to destroy the ballots. Carried.

Michelle discharged the scrutineers.

Joel thanked Michelle and welcomed the new directors.

Motion by Michelle Vieira, Ag Energy Co-operative, and **seconded** by Sally Miller, Local Food and Farm Co-ops, to dismiss Michelle as the Returning Officer. Carried.

Joel thanked the retiring directors, Crystal McNerney from the Co-operative Housing Federation, Ontario Region, Michelle Vieira from Ag Energy Co-operative, and our Youth Director Laura Toombs, for their contributions to the Board and to OCA. A donation was made to the Co-operative Development Foundation in their names.

10. Closing Remarks and Adjournment

Joel Lalonde thanked everyone for attending.

Motion by Harvey Cooper, CHF Canada, Ontario Region, **Seconded** by Joel Lalonde, Central 1, to adjourn the meeting. Carried.

Chair

Date

Secretary

Date

ONTARIO CO-OPERATIVE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

ONTARIO CO-OPERATIVE ASSOCIATION
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 11



INDEPENDENT AUDITOR'S REPORT

To the Members of: Ontario Co-operative Association

Opinion

We have audited the accompanying financial statements of Ontario Co-operative Association, which comprise the statement of financial position as at March 31, 2020 and the statements 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, these financial statements present fairly, in all material respects, the financial position of Ontario Co-operative Association as at March 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis of 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 Ontario Co-operative 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 the 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities. This description forms part of our auditor's report.

A handwritten signature in black ink that reads "RLB LLP".

Guelph, Ontario
September 22, 2020

Chartered Professional Accountants
Licensed Public Accountants

Page 3

ONTARIO CO-OPERATIVE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and bank (note 4)	\$ 641,647	\$ 449,582
Accounts receivable	13,675	16,554
Prepaid expenses	<u>9,224</u>	<u>10,030</u>
	664,546	476,166
CAPITAL ASSETS (note 5)	<u>2,398</u>	<u>1,293</u>
	<u>\$ 666,944</u>	<u>\$ 477,459</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 18,531	\$ 14,892
Government remittances payable	35,644	4,921
Deferred revenue	<u>311,744</u>	<u>155,262</u>
	<u>365,919</u>	<u>175,075</u>
NET ASSETS		
INTERNALLY RESTRICTED		
OPERATIONAL RESERVE (note 6)	120,000	120,000
INVESTED IN CAPITAL ASSETS	2,398	1,293
UNRESTRICTED	<u>178,627</u>	<u>181,091</u>
	<u>301,025</u>	<u>302,384</u>
	<u>\$ 666,944</u>	<u>\$ 477,459</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

ONTARIO CO-OPERATIVE ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	Internally Restricted Operational Reserve (note 6)	Invested in Capital Assets	Unrestricted	2020	2019
NET ASSETS, beginning of year	\$ 120,000	\$ 1,293	\$ 181,091	\$ 302,384	\$ 322,322
Net expenses over revenues for the year	0	(2,067)	708	(1,359)	(19,938)
Invested in capital assets	<u>0</u>	<u>3,172</u>	<u>(3,172)</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 120,000</u>	<u>\$ 2,398</u>	<u>\$ 178,627</u>	<u>\$ 301,025</u>	<u>\$ 302,384</u>

ONTARIO CO-OPERATIVE ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
REVENUES		
Membership dues	\$ 397,489	\$ 387,120
Registrations	77,032	66,506
Sponsorship (note 8)	42,882	72,950
Grants and donations (note 7)	28,599	121,031
Services and products	9,590	11,355
Interest	4,831	5,564
	<u>560,423</u>	<u>664,526</u>
EXPENSES		
Salaries and benefits	304,647	321,931
Consultants and project management	73,164	142,410
Meetings and external facilities	64,296	65,048
Rent and occupancy costs	30,762	31,738
Meals and travel	20,850	27,770
Audit and bookkeeping	10,300	8,624
Computer software and accessories	9,453	7,065
Membership dues and donations	8,987	3,774
Insurance	8,507	8,054
HST reassessment	7,492	30,336
Office equipment rentals	5,374	4,557
Design, printing and promotions	4,722	12,772
Telephone	4,504	5,508
Office supplies	3,450	4,020
Adult and youth engagement	2,188	811
Amortization	2,067	817
Bank charges and interest	1,019	1,312
Overhead and administration	0	5,748
Legal	0	2,169
	<u>561,782</u>	<u>684,464</u>
NET EXPENSES OVER REVENUES for the year	\$ <u>(1,359)</u>	\$ <u>(19,938)</u>

ONTARIO CO-OPERATIVE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of expenses over revenues for the year	\$ (1,359)	\$ (19,938)
Items not requiring an outlay of cash		
Amortization	<u>2,067</u>	<u>817</u>
	708	(19,121)
Changes in non-cash working capital		
Accounts receivable	2,879	(5,532)
Prepaid expenses	806	481
Deferred revenue	156,482	(80,726)
Accounts payable and accrued liabilities	3,639	(1,949)
Government remittances payable	<u>30,723</u>	<u>6,801</u>
	<u>195,237</u>	<u>(100,046)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	<u>(3,172)</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH	192,065	(100,046)
NET CASH, BEGINNING OF YEAR	<u>449,582</u>	<u>549,628</u>
NET CASH, END OF YEAR	<u>\$ 641,647</u>	<u>\$ 449,582</u>

ONTARIO CO-OPERATIVE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. NATURE OF OPERATIONS

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 association and, as such, is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) **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.

Registrations and sponsorships - revenue from registrations and sponsorships is recognized in the year in which the related program or activity occurs with the exception of CYL brand sponsorships. Revenue from CYL brand sponsorships is recognized when received or receivable and collection is reasonably assured.

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

(b) **CAPITAL ASSETS**

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and equipment	- 30 % declining balance basis
Computer equipment	- 50 % declining balance basis

(c) **USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include the valuation of accounts receivable, accrued liabilities, deferred revenue, and the useful life of capital assets. Actual results could differ from those estimates.

ONTARIO CO-OPERATIVE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

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 operations.

The association's financial assets measured at fair value include all guaranteed investment certificates.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. 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 net surplus.

Transaction costs

The association recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the association's exposure to these risks did not change in 2020 compared to the previous period.

The association does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the association to certain financial risks and uncertainties. These risks include:

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the association by failing to discharge an obligation. The association's credit risk is mainly related to accounts receivable from customers that operate in the same industry.

ONTARIO CO-OPERATIVE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

3. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the association will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to liquidity risk as a result of accounts payable and accrued liabilities. The association controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

Market risk

Market risk is the risk that the fair value or future cash flows of the association's financial instruments will fluctuate because of changes in market prices. Some of the association's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The association is exposed to interest rate risk as a result of the floating interest rate on the bank line of credit, which is a prime-based interest rate.

4. 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 1.00%, one term deposit that earns interest at a rate of 2.10% and matures March 2021, one term deposit that earns interest at a rate of 2.15% and matures August 2020, and one term deposit that earns interest at a rate of 2.25% and matures November 2020.

The association has access to a maximum line of credit of \$50,000, which was not accessed as at March 31, 2020. 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.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Furniture and equipment	\$ 12,019	\$ 11,438	\$ 581	\$ 830
Computer hardware	<u>59,910</u>	<u>58,093</u>	<u>1,817</u>	<u>463</u>
	<u>\$ 71,929</u>	<u>\$ 69,531</u>	<u>\$ 2,398</u>	<u>\$ 1,293</u>

6. INTERNALLY RESTRICTED OPERATIONAL RESERVE

The purpose of the operational reserve is to accommodate situations that have not been anticipated. It could be useful 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. 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 \$0 (2019 - \$90,190) 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.

8. CYL BRAND SPONSORSHIP REVENUE

Included in sponsorship revenue is \$27,752 (2019 - \$15,000) related to CYL brand sponsorships which is recorded as received or receivable as per note 2(a).

9. COVID-19 PANDEMIC

Subsequent to year end, the impact of the Novel Coronavirus (COVID-19) in Canada and on the global economy increased significantly. This global pandemic has disrupted economic activities and has resulted in the association limiting some of its programming and services. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. Further, the timing and amounts realized on the association's assets, as well as its future ability to deliver all programming, may be impacted by the evolving circumstances of the virus.

10. COMMITMENTS

The association has various operating leases for the premises, furniture and equipment. Future minimum lease payments are as follows:

2021	\$	30,169
2022		29,032
2023		26,080
2024		<u>4,360</u>
	\$	<u><u>89,641</u></u>

11. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

The prior year financial statements were audited by the previous auditor who issued an audit report dated August 7, 2019 with no modification.



2020-2021 Board Nominees

Kathy Stewart, Frontline Credit Union (running for Director-at-Large – 3 year term)

I have been a member of Frontline Financial Credit Union (formerly Ottawa Fire Fighters Credit Union) since 1982. I was elected to FFCU's Board in 1996, serving as Audit Committee Chair 1996-2005, 2011 to present, Vice-Chair 2005-2008, 2016 -2018, Chair 2008-2011 and Corporate Secretary 2011-2012. As a director, I have served on the Governance and Oversight, Strategic Planning and HR Committees. I have attended numerous conferences at the provincial, national and world level for credit unions. I worked for McCay, Duff LLP Accountants in Ottawa, after graduating from the University of Waterloo with a Bachelor of Mathematics – Accounting Option, prior to starting my experience in the world of national sport organizations (NSOs) in 1983, where I was able to combine my love of sport and accounting. For the past thirty-seven years I have provided accounting services to over twenty-five NSOs, charities and not-for-profit organizations, and small businesses in the Ottawa area, both as an employee and a self-employed contractor. I joined the Credit Union Directors' Forum Executive in 2014, and has served as the committee's Treasurer during this time, and volunteer in the role as the official Bookkeeper of the Directors' Forum. Currently, I am the Secretary-Treasurer of the Dr. James Naismith Basketball Foundation, Almonte, Ontario which honours the life and legacy of Dr. Naismith, the inventor of basketball. Over the years I have volunteered with a couple of local Ottawa softball associations as well as squash clubs and as President and Treasurer of the Ottawa and District Squash Association. With the skills and experience I earned over the years, I believe I have the necessary qualifications to be a Director for OCA. I am sure that my skill set will help with the diversity of the Board and for future strategic planning. Education is an important tool to keep current with the ever changing environment within the business world as a director.

Shylah Wolf, Local Food and Farm Co-operative (running for Director-at-Large – 3 year term)

My foray into co-operatives began more than eight years ago and since then I have gained immersive experiences as a founder, employee, customer, volunteer, committee member, chairperson and Board director for a handful of co-operatives. I see collective entrepreneurship as a comprehensible, realistic alternative to classic capitalist and shareholder-driven institutions that make up the current economy. Most notably, as part of the foundational team for the Hive Cafe Solidarity Cooperative, I was involved in most decision-making aspects as the organization grew to a 6500 user and 30 worker member business. As a Coordinator, I developed training guidelines and protocols to improve worker accountability to the Board and member-owners. As a Director and Committee Chairperson I led my colleagues to craft and implement policy and processes using the Design Thinking approach to fully understand and define an issue and then develop and test clear, solution-focused structures that integrated feedback mechanisms for improvement as needed. This approach has proven successful in my work creating processes for better communication and decision-making and to establish institutional memory and has helped to strengthen transparency and trust amongst my fellow cooperators. As a Program Coordinator for CHNGR MTL, I co-created and organized trainings on co-operatives and the social solidarity economy for university students. I coached teams of students to develop projects that groom them to establish and collaborate, with competency, in collective enterprises. At Local Food and Farm Co-op, I lead the high level needs of this second-tier co-operative to ensure all members and stakeholders are heard and served. My passion for collaborative, democratic organizations collides with my perseverance towards creating an economic system that puts people before profits. I have chosen to channel my focus and energy into the world of co-operative entrepreneurship because I see it as an extremely important part of a transition towards regenerative, democratic enterprises that redistribute different forms of capital more justly. I intend to further pursue study in public administration to be part of the generation that propels the social economy model to the next level.

Maya Linsley, CYL Alumni (running for Youth Director – 1 year term)

As a young person involved in the co-op sector, I can bring a unique perspective to the board, especially in the areas of facilitating youth involvement and outreach. I've developed a good sense for how co-ops are faring in my area and I am now in the process of relocating to Victoria BC, which will allow me to develop an out-of-province viewpoint as well. As I will be traveling between BC and Ontario throughout the year, I would be able to assist the OCA in making connections with organizations on the West Coast, and I'm willing to prioritize this work alongside my undergraduate studies.

I am moving to Victoria because I value my independence and I believe in taking meaningful risks wherever I can. I also believe that having a strong sense of self is directly related to different contributions to organizations. I am confident to ask questions and challenge management and have done so in several of my work and learning environments. I try to act ethically in all areas of my life and I believe that a system cannot work unless it has an ethical environment. In today's world there is still much work to be done regarding this and I feel strongly about it.

I firmly believe in upholding co-operative standards and I take a co-op approach to every leadership position I hold, even if it is only something like directing a play. I am entirely disposed to commit myself to acting in the best interest of OCA and its members and to speak with one voice. I align with OCA's vision and I am willing to dedicate myself to upholding its principles and values as they relate to fostering the growth of cooperatives in Ontario and beyond. This position would be a learning curve for me but I am very interested in deepening my involvement in the co-operative sector and would welcome this as an opportunity for growth in both professional and personal sense.

Procedures for Virtual Participation

All participants will be registered for the meeting and a unique email will be sent to you with a Zoom link. If you are a Voting Delegate, you will have been logged in as such with a “D” next to your name. Only the individuals who are Delegates from their Voting Member organization can make a motion or pass a motion or participate in the election. However, all of our Members, Friends and Associates are welcome to comment or ask questions during the meeting.

Questions:

To ask questions or make comments, you may use the **raise hand** function and **only unmute yourself when you are called upon**. You can find the Raise Hand button under “Participants”. You may also ask questions through the **chat box** and these will be read aloud by the moderator.

Motions:

For Voting Delegates, to make or second a motion, **please type “M” to motion, or “S” to second into the chat box** and the first delegate to do so will be acknowledged. After each motion, the moderator will repeat this information for our Chair and Recording Secretary so that minutes can be accurately captured.

M = Motion

S = Second

Y = In favour, Yes

Discussion: when discussion is called for by the Chair, anyone may raise a hand, or comment in the chat box which will be read aloud by the moderator.

O = Opposed

A = Abstained

Voting/Election:

During the election, non-voting delegates will be removed briefly from the meeting and placed in the waiting room. **Only Voting Delegates at this time will see the election poll on screen and will be invited to participate/cast their ballot.** Once the poll is closed, and we have a result, all attendees will be let back into the meeting.

Tech Support:

If anyone has any questions throughout the meeting regarding process or technical issues, please chat directly to “Tech Support” in the chat box, not to the “Host” or “Everyone”.

As virtual meetings are new to many of us, we will do our best to make this meeting run as smoothly as possible.

For Best viewing/participation:

- Join Zoom via the desktop app or your browser.
- Make sure you are muted with no video.
- Click on “Participants” at the bottom to open the list of meeting participants, including yourself. This is where you will find the “raise hand” function and other controls including mute/unmute if you wish to ask a question aloud.
- Click on “Chat” at the bottom to open the chat window. If you are a Voting Delegate, we recommend you leave this window open for easy access to passing motions, asking questions, etc.