



NEWFOUNDLAND & LABRADOR  
FEDERATION OF CO-OPERATIVES

# AGM 2022

JUNE 24-25 MOUNT PEYTON

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## General Housekeeping Notes

This 73<sup>rd</sup> Annual General Meeting for the Newfoundland-Labrador Federation of Co-operatives (NLFC) is a hybrid meeting which consists of in-person attendees and virtual attendees participating via zoom. Out of respect for all attendees we ask that in-room chatter be kept to a minimum as the sound system is very sensitive and can amplify feedback.

Virtual attendees, feel free to turn on your video during the meeting. In the event of technical difficulties, we may disable all active video feeds from participants. You will be muted upon entry, please keep yourselves muted throughout and use the raise hand feature if you would like to speak. If you would prefer to ask your question or raise a comment in the chat box, feel free to do so. We will be actively monitoring throughout.

As per the most recent amendment to the Co-op Act, voting delegates attending virtually may vote on matters that arise. This year we have four seats on our board up for election, and two candidates. Nominations will be accepted from the floor. If needed, votes will be collected on behalf of the virtual attendees by a confidential third-party representative during the election portion of the AGM. These votes will be collected confidentially via private message and will be marked on an anonymous ballot on your behalf. Your votes will be tallied with the in-person votes.

Voting procedure will be as follows:

1. You will receive a private message asking for your candidate choices
2. You will respond via private message with the name(s) of the candidate(s) you wish to support
3. Your choice will be confirmed via private message
4. Your choices will be recorded on an anonymous ballot
5. Your ballot will be counted along with the in-person ballots

## 2021-2022 ANNUAL GENERAL MEETING

June 25, 2022 – Mount Peyton resort & Conference Centre, Grand Falls-Windsor, NL  
Newfoundland Room (for in person attendees) – [ZOOM LINK \(for virtual attendees\)](#)

### AGENDA

#### Friday, June 24<sup>th</sup>

**6:30-7:30PM** Pre-Registration  
**7:00-9:00PM** Welcome Reception (Newfoundland Room)

#### Saturday, June 25<sup>th</sup>

**8:00AM** Registration  
**8:30AM** Welcome and Introductions (Newfoundland Room)  
**9:00AM-11:00AM** Business Section

- Approval of Agenda
- Credentials Reports
- Nominations Committee Report
- Minutes/Business Arising
- Board of Director's Report
- Financial Report – Approval of Auditor for 2023
- Governance Committee Report
- Audit Risk and Conduct Committee Report
- Operational Report

**11:00 AM** *NLFC Inclusion and Diversity Initiatives*

**11:15-12:15PM** Indigenous Cultural Diversity Training – First Light

*First Light has been providing Indigenous Cultural Diversity Training since 2015. It is an excellent professional development opportunity for anyone working in a service or management role. In this one-hour training you will learn the importance of cultural humility, and about the statistics and terminology of the indigenous groups in the province, as well as the history of Newfoundland & Labrador residential schools.*

**12:30-1:30PM** Lunch

**1:30PM** Presentations

*Paul Graham – Genrus United, Affordable Prescription Medication Program*  
*Trudy Skinner-Keeping – Credit Union Services for Co-ops*  
*Cory Munden – Growing Our Futures Childcare Co-op*  
*John Griffin – Fogo Island Co-op*  
*CBDC's*  
*Co-operators*  
*Kristen Murray – Co-op Incubator Feasibility Study*

**3:30PM** Break

**3:40PM** Resolutions

Board Elections

**4:30PM** Other Business

**5:00PM** Adjournment

**6:00PM** Reception

**6:30PM** Dinner & Awards

**7:30PM** Entertainment



## **CREDENTIALS REPORT**

*Delivered by Wayne Lee, Vice President NLFC*

There are 4 virtual voting delegates and 16 in-person voting delegates for a total of 20 voting delegates representing 24 co-operative members in attendance at this, the 73<sup>rd</sup> Annual General Meeting of the Newfoundland-Labrador Federation of Co-operatives.

The NLFC requires representation of at least 10 voting members from at least five different co-operatives in the province to hold an AGM. The registered members of this AGM constitute a quorum.



## **NOMINATIONS COMMITTEE REPORT**

*Delivered by Shannon Fraser, Chair of Nominations Committee, Director NLFC*

The NLFC board is a nine-member board with staggered three-year terms, so that three positions are up for election each year. This year there are four positions up for election. Three, 3-year terms, and one, 1-year term. There are two nominations so far: Shanti Samaroo, and Hubert Loder. Nominations will be accepted from the floor. The Directors with expired terms are Wayne Lee with 9+ years served with the NLFC, Valerie Carruthers with three years served with the NLFC, Shanti Samaroo with three years served with the NLFC, and Pam Anstey with two years served with the NLFC.

## PAST AGM MINUTES

### 2020-2021 ANNUAL GENERAL MEETING

#### (In-person and On-line Attendance)

November 6, 2021

Murray Premises, St. John's, NL

#### 10:05 AM **Welcome and Introductions**

Greetings from Lloyd Hayden, President to our 22nd AGM and wants to thank Faith for technical support.

#### **Land Acknowledgement**

Dave Walsh started the meeting with a *Land Acknowledgement*. Acknowledging the territory in which a gathering takes place is a demonstration of respect for Indigenous Peoples and our past and present contributions to the province. The acknowledgement is offered to recognize our ancestors and the history of the land that is currently shared by many. It is also offered to emphasize that the lands on which we gather are to be cared for as a shared responsibility of all those who reside in a territory.

As communities search for collective healing and work toward reconciliation, many individuals and organizations are seeking to implement meaningful acts of change to contribute to the process. Opening meetings and public events with a land acknowledgement is a welcomed practice that indicates your commitment as an individual and as an organization to be intentional with your efforts in promoting truth and reconciliation with Indigenous Peoples in Newfoundland and Labrador. If you have decided to acknowledge the territory in your day-to-day business, we ask that you first reflect on the measures you and your organization are taking to learn about and promote greater understanding of Indigenous histories and cultures and how you are contributing to reconciliation with Indigenous Peoples. Once you have done so, we encourage you to share the acknowledgement below as a sign of your commitment to being an active participant in the truth and reconciliation process. This acknowledgement is a sample/suggestion and these acknowledgements can be customized. As a demonstration of allyship we encourage you to share the ways that you or your organization are actively participating in reconciliation as an acknowledgement of your commitment.

NLFC Board members were introduced, President Lloyd Hayden, Vice President Wayne Lee, Treasurer Gary O'Brien, Secretary Valerie Carruthers, Directors; Shanti Samaroo, Gerald McKenna, Ken Kavanagh, Gail Pike, Pam Anstey.

Guests introduced were Tony Randell, Department of Industry, Energy and Technology (IET), Joel Santos and Mark Duplante, The Cooperators and Jim MacFarlene, Atlantic Central.

10:11 Greetings from Joel Santos, Strategic Client Manager, The Cooperators who introduced Mark Duplante and Jim MacFarlene, who is on the Board of The Cooperators.

He said when our organization began, it was small, started by a group of farmers who came together to meet their needs. The Cooperators is very proud to have NLFC as a member of its organization. He highlighted The Cooperators' Member Benefit Program. He also noted that it is our pan Canadian ownership that makes this cooperative thrive.

10:16 AM Greetings from Jim MacFarlane, Chair, Atlantic Central

Jim MacFarlane brought greetings on behalf of Atlantic Central. His presentation included the following highlights: If we have learned anything from the last 19 months, it's adapting to a new way of working. There are nine credit unions in NL serving 62,000 members and 34 other credit unions across Atlantic Canada serving 315,000 members. The global pandemic has accelerated trends in nearly every sector, including financial services. It's critical that we keep up changing consumer needs to remain relevant in the marketplace, including self-serve options like online and mobile to meet their banking needs. He said that credit unions prioritize the safety and security of members important and have implemented an enhanced risk management system that helps protect them from exposure to fraudulent activities. and help to support communities to thrive. He concluded by saying that to support local businesses, which are the backbone of a strong, healthy community, credit union employees in the Atlantic region spent \$ 67,000 during the Loyal2Local Challenge this year.

10:21 AM **Business Meeting** Chaired by Wayne Lee

### **Approval of Agenda**

Moved: Gary O'Brien Seconded: Bob Dicks Motions Carried

### **Credentials Report presented by Gerald McKenna**

At this meeting we have 8 virtual voting delegates and 15 in-person voting delegates. We require 10 member organizations to be present at an AGM, which we have so we have a quorum.

### **Nominations Committee Report**

The NLFC board is a nine-member board with staggered three-year terms so three positions are up for election each year. There are five nominations so far to date: Doug Dewling, Bob Gammon, Shannon Fraser, Robert Dicks, & Lloyd Hayden. The Directors with expired terms are Lloyd Hayden, Ken Kavanagh, Gail Pike, and Gerald McKenna who stayed on the board an additional year in error.

### **Approval of 2020 AGM Minutes**

Doug Dooley noted that the name of the Chair of Board of Atlantic Central had to be updated so the minutes need to be amended to reflect this.

Motion to accept the 2020 AGM Minutes as Amended

Moved: Bob Gammond Seconded: Gerald McKenna Motion Carried

10:28 AM - **Board of Director's Report** Presented by Lloyd Hayden

This was my first year as President and within a short time in the position, the Managing Director resigned, coupled with Covid, it was challenging. February 28, 2021 Dave Walsh was hired as the new Managing Director and working with Faith Gates, who started in September 2020, started to implement



our strategic plan, which included a communications plan and a new member-value program. NLFC participated with the Government of Newfoundland and Labrador's pre-budget consultations and renewed our MOU with the Department of IET, which supports the delivery of co-op development programs. We want to thank Atlantic Central for supporting our initiatives. This has been a challenging year for co-ops in our province and I want to thank Dave Walsh and Faith Gates in supporting our members throughout the province.

10:36 AM - **Financial Report** Presented by Gary O'Brien, Treasurer

The audited financial statements were only received 24 hours ago so we have not done a deep dive but my review of the financial statements tells me we are in a good place. If anyone has any questions that I cannot answer, I will get the information and get back to you. Our revenue increased by approximately \$ 50,000 and hats off to The Cooperators, its Member Loyalty Program, which increased our revenues. Also, our member fees increased over last year. Our expenditures dropped because our facility rental dropped and our board expenses and salaries dropped because the Managing Director was not in place for part of the year, which resulted in a surplus of \$ 97195.

David Boyd asked why the Account Receivable is so high. Faith said that it reflects old dues that were not paid and she can get back to him with specifics after the AGM. Another member asked if the audited financial statements can be sent to members prior to the next AGM.

Motion to adopt the Financial Report

Moved: Gary O'Brien Seconded: Richard May

Appointment of the Auditor

Ken moved that we solicit quotes for a new auditor, seconded by Richard May and then decide on a new auditor. Rather than approve this motion, it was suggested that the board be given the flexibility to appoint the auditor. Seconded: Doug Dooley. Motioned Carried

10:45 AM **Operational Report for the period of April 1, 2020 - March 31, 2021**

Dave Walsh, Managing Director, presented the operational report with the following highlights:

- My Blueprint Scholarship: 700 applicants with successful applicant
- CEBA Loan - \$ 60,000
- MOU with Department of IET
- Strategic Plan 2021 - 2024 accomplishments
- Review of our Vision and Mission Statement and Policies
- Communications Plan
- ENewsletter sent out monthly
- Member Benefits Guide
- Volunteer Ambassador Program
- Stakeholder Relations Plan

Dave said the NLFC had challenges communicating its value to members, so we created a Member Benefits Program and have committed to frequent communication as well as attending your own AGMs. We have updated our website and it will be live in two weeks and we encourage members to visit it. We

also had a great Co-op week, which included the *Co-op Week Proclamation Signing*, a scavenger hunt and a Loyal to Local Challenge, with increased advertising in media promoting new events (online and in-person) to include members and prospective members, including newcomers. We have completed a social media audit and have made changes, including a new LinkedIn page. We continue to support Co-pharm as a personal and/or co-op business opportunity to save money on prescription drugs.

Wayne Lee thanked Dave for his report

#### 10:57 AM Q&A

Ken Kavanagh, President, said we would be remiss if we do not recognize former Managing Director, Glen Fitzpatrick, who managed the organization for 33 years, who is attending the AGM online. While there were technical difficulties hearing Glen online, he thanked Ken for his comments.

He also said he would like to make a point concerning the Co-operative Development Fund Corporation (CDFC), a subsidiary non-profit Corporation, which has funds for co-op development. He feels that the members of the NLFC need to receive a more thorough report next year.

#### 11:00 AM Resolutions

No resolutions received

#### 11:15 AM Board Elections

There were no Nominations from the floor. There are five nominations for four director positions, one for two-year term and three for three-year terms. Each candidate was given a few minutes to speak before the vote. Jim MacFarlane served as the voting scrutinizer.

#### Board Nominations

Bob Gammon, Clarenville Area Consumers Co-op spoke about his first experience with co-operatives as a child bringing cream to a co-op in Ontario. Over the last 7 years, he has served on the board of the Clarenville Area Consumers Co-op, after the demise of Co-op Atlantic, which was challenging but was proud to say we have the finest store in all of Newfoundland, without having to borrow a nickel. He said his co-op board experience has been great.

Dave Dewling, Public Service Credit Union said he got involved with the Public Service Credit Union 16 years ago, while working as an architect consulting on the building design and has been on the board for three years. He said this experience has opened his eyes to the value of co-ops and did not realize there were so many in the province.

Shannon Fraser, Social Justice Co-operative NL, said that both the social co-op model and the economic co-op model tackle community issues, just in different ways. She highlighted a number of potential co-ops emerging, many championed by youth, and she highlighted her passion for generational equity in the work she does.

Robert Dicks, Gander Consumers Co-op, highlighted his 40 years of experience volunteering in the credit union system and his passion for credit unions and co-operatives, growing up in communities with trade unions and co-ops being important for social justice. He noted that given our dispersed population, he feels that co-ops are important.

Lloyd Hayden, Baird Verte Consumers Co-op, said he has been a manager of this co-op for the past 7 years, volunteering on the board prior to that and prior to this served as an Economic Development Officer with the Government of Newfoundland and Labrador. He noted that he has served as President of the NLFC for the last year and feels that with an inclusive board, we can have a strong future.

11:25 AM **Voting by Secret Ballot** counted and verified by Dave Walsh, Jim MacFarlene and Tony Randell.

Lloyd said that after the vote, departing NLFC board members will be Ken Kavanagh, Past President and Gail Pike, Past President. He called up Ken Kavanagh and presented him with a small gift to recognize his contributions as a board member for 35 years. Ken responded by saying that the NLFC has been a big part of his life. He said he still has the minutes of the meeting when he was elected to the NLFC board in 1985. That being said, he was supportive of the board bringing in board term limits and it is time for him to go. He thanked the board and the membership and said he will miss it and offered his continued support to the NLFC in other ways. Gerald McKenna was also presented with a gift for his contributions on the board. He thanked the board and past boards and members. Gail Pike, who is participating online, thanked the present and past boards, especially Glen Fitzpatrick, former Managing Director, who mentored me as past chair of the board and throughout her 32 + years of involvement on the board of directors.

Results presented by Wayne Lee without specific vote counts.

11:52 AM Elected directors were Bob Gammon, Shannon Fraser and Lloyd Hayden (3 year term) and Robert Dicks (2 year term).

Appreciation for the other nominees not voted in was expressed by Lloyd Hayden. Lloyd was glad that Ken Kavanagh recognized past Managing Director Glen Fitzpatrick and again thanked Glen for his past contributions.

11:57 AM **Other Business**

No other business was raised

11:58 AM **Adjournment**

Motion to Adjourn: Owen Brinston Seconded: Ken Kavanagh Carried

12:17 PM Guest Speaker, Honourable Minister Andrew Parsons, Department of IET

Following are highlights of his presentation. Thank you for having me here today. We have gone through two years of online so this in-person experience is nice. I am a convert to your religion. I have known about co-ops for a long time and am a member of the Leading Edge Credit Union, but in the last 15 months, in this role, it has opened up my eyes to the possibilities. We have an awesome IET team who live and breathe this and the essence of this is Partnerships. You set the lead and we are there to support and back you up. Growing your Future Childcare Coop is an example of this potential and we now need to expand childcare spaces because of demand. Having these successful models so we can use in other places helps the community. The challenge I put to you now is how do we take something that is working and make it better? I put this out to the NLFC and its members and in the game of

baseball singles and doubles make a difference. Let's take the MOU and make it better. We have just come out with a new grant to help support coops. We need to educate the populous on the possibilities. We need to take the successes and show people the "how to". Let's set goals and next year let's look back at what we have accomplished. He also highlighted how accessible he was saying that when you email me, it goes directly to me, so reach out.

12:28 PM Guest Speaker, Mark Duplante, The Cooperators

Here are highlights from Mark. Thank you. I always enjoy your AGM. This year, I am jealous of your in-person AGM experience. Gail, Ken and Glen, you welcomed me as part of the family. The three of you, over more than 30 years on the board, thanks for everything. And Gerald, I don't want to forget about you. Congrats on all the work you have done on the board. I hope next year I will be able to travel in-person. Thanks for the partnership and thanks for being a member of The Cooperators. We know we can count on you.

12:34 PM Guest Speaker Roseanne Leonard, Association of CBDC's, Sponsor of this AGM

Highlights of Roseanne's presentation: Why is it important that we be in this room today? It is because we want to support economic development in rural Newfoundland and Labrador. CBDC's provide character-based lending, when on paper it may look like businesses don't deserve the opportunity. Currently the net value of 113 million dollars in financing is in the hands of small businesses, including cooperatives, in our province. We have one pot of funds available to co-operatives. This past year \$ 350,000 was issued to co-operatives and previously 1.7 million/year. In terms of default loans, co-operatives have proven a safer bet compared to other business models because zero co-operatives who have loans with us have defaulted on their loans in recent years. Why is this? Because the boards of cooperatives are owned by members of the community. We do need to be working closer and better together and we can do this by partnering more in future.

12:40 PM In terms of highlighting successes in rural Newfoundland, Lloyd spoke about the Baie Verte Co-op he manages and the economic prosperity of the Baie Verte Peninsula and how the community is supporting this community-owned retail co-op. He also highlighted that this co-op and its co-op board is a strong supporter of the NLFC.

12:48 PM **Adjournment** with Lunch to follow

**NEWFOUNDLAND-LABRADOR FEDERATION OF CO-OPERATIVES**

Auditor's Report

Financial Statements

Year ended March 31, 2022

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*DERRICK R. DRODGE*

*Chartered Professional Accountant*

## Statement of Financial Position

March 31, 2022

	<u>Assets</u>	<u>2022</u>	<u>2021</u>
<b>Current assets:</b>			
Cash		\$ 146,618	183,301
Accounts receivable (Note 3)		198,967	97,324
Harmonized sale tax receivable		11,406	8,011
Prepaid expenses		<u>          </u>	<u>1,448</u>
Total current assets		356,991	290,084
Property, plant and equipment (Note 4)		1,738	2,173
Long-term Investments (Note 7)		432,248	382,137
Due from related parties (Note 6)		<u>327,702</u>	<u>327,702</u>
		<u>\$ 1,118,679</u>	<u>1,002,096</u>
		<u>          </u>	<u>          </u>
	<b><u>Liabilities and Net Assets</u></b>		
<b>Current liabilities:</b>			
Accounts payable (Note 5)		\$ 9,288	7,416
Due to related parties (Note 6)		<u>27,237</u>	<u>26,225</u>
Total current liabilities		<u>36,525</u>	<u>33,641</u>
		<u>200,000</u>	<u>200,000</u>
<b>Due to related parties (Note 6) Net assets:</b>			
Unrestricted fund		426,456	312,757
Stabilization fund		47,584	47,584
Contributed fund		<u>408,114</u>	<u>408,114</u>
		<u>882,154</u>	<u>768,455</u>
Total net assets		<u>\$ 1,118,679</u>	<u>1,002,096</u>
		<u>          </u>	<u>          </u>

	<u>2022</u>	<u>2021</u>
Revenue:		
Government of Newfoundland and Labrador (TCII)	\$ 100,000	100,000
Co-operators insurance member loyalty program	145,156	75,780
Co-operators insurance dues	24,149	46,531
Fee assessments	17,075	16,400
Atlantic Central Credit Union	5,000	12,500
Annual general meeting registration	3,500	1,250
Wage subsidy	8,011	--
Forgivable portion of CEBA loan	<u>20,000</u>	<u>--</u>
	<u>322,891</u>	<u>252,461</u>
Expenditures:		
Amortization	435	543
Annual general meeting	3,512	938
Bad debt (recovery)	--	(36)
Bonuses	--	350
Contribution to Co-operative Development Fund Corporation	10,000	10,000
Donations	--	200
Board travel	26,347	9,136
Insurance	4,422	3,360
Interest and bank charges	403	353
Memberships and dues	2,589	2,500
Miscellaneous	3,539	1,668
Office rent	14,076	18,400
Office supplies and postage	7,298	3,655
Website development	3,897	3,501
Professional fees	5,079	4,289
Promotion and communications	14,357	--
Salaries and benefits	129,814	107,162
Telephone	<u>1,891</u>	<u>3,463</u>
	<u>227,659</u>	<u>169,482</u>
Excess of revenue over expenditures from operations	<u>\$ 95,232</u>	<u>82,979</u>
Other income:		
Dividends	15,000	12,500
Interest income	<u>3,467</u>	<u>1,716</u>
	<u>18,467</u>	<u>14,216</u>
Excess of revenue over expenditures	<u>\$ 113,699</u>	<u>97,195</u>

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

Statement of Changes in Net Assets

March 31, 2022

	Unrestricted Stabilization Fund			Contributed	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>2022</u>	<u>2021</u>
Net assets:					
Beginning of year	\$ 312,757	47,584	408,114	768,455	671,260
Excess of revenue over expenditures	<u>113,699</u>	<u>--</u>	<u>--</u>	<u>113,699</u>	<u>97,195</u>
End of year	<u>\$ 426,456</u>	<u>47,584</u>	<u>408,114</u>	<u>882,154</u>	<u>768,455</u>

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Operating activities:		
Excess of revenue over expenditures	\$ 113,699	97,195
not affecting cash:		
Amortization of property, plant and equipment	<u>435</u>	<u>543</u>
	114,134	97,738
Changes in non-cash working capital balances:		
Accounts receivable	(101,643)	(24,589)
Due from related parties	1,012	17,096
Accounts payable	1,872	265
Prepaid expenses	1,448	2,152
Harmonized sales tax recoverable	<u>(3,395)</u>	<u>(2,710)</u>
Cash from operating activities	<u>13,428</u>	<u>89,952</u>
Investing activity:		
Long-term investments	<u>(50,111)</u>	<u>(7)</u>
	(36,683)	89,945
Increase (decrease) in cash flow Cash:		
Beginning of year	<u>183,301</u>	<u>93,356</u>
End of year	<u>\$ 146,618</u>	<u>183,301</u>



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

Notes to the Financial Statements

March 31, 2022

1. Act of incorporation and nature of activities:

Newfoundland and Labrador Federation of Co-operatives (the "Federation") works in partnership with other regional and national co-operative organizations, representing the interests of local co-operatives and facilitating support for provincial programs and services. The Federation is a not-for-profit organization and, as such, is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies:

Basis of accounting:

These financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

i) Cash and cash equivalents:

Cash includes cash and cash equivalents. Cash equivalents are investments in GIC's and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

ii) Amortization:

Property, plant and equipment are recorded at cost. Amortization on the assets capitalized is provided for annually at 20% on the declining balance. iii) Long-term investments:

Long-term investments are recorded at cost.

iv) Revenue recognition:

This Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenditures are incurred. Unrestricted contributions are recognized when received or receivable.

v) Net assets:

a) The stabilization fund is an internally restricted fund which has been designated to offset any losses that the Federation incurs in the future.

b) Unrestricted net assets comprise the excess of revenue over expenditures accumulated by the Federation each year, net of transfers, and are available for general purposes.

vi) Government grants:

Government grants are recorded when there is reasonable assurance that the Federation has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

vii) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 those estimates. Estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Continued/...

## NEWFOUNDLAND-LABRADOR FEDERATION OF CO-OPERATIVES

### Notes to the Financial Statements

March 31, 2022

3. Accounts receivable:

	<u>2022</u>	<u>2021</u>
Trade	\$ 160,645	84,824
Dividends	15,000	12,500
Canada Revenue Agency- payroll remittance overpayment	<u>23,322</u>	<u>--</u>
	<u>\$ 198,967</u>	<u>97,324</u>

4. Property, plant and equipment:

	<u>2022</u>		<u>2021</u>
	Accumulated	Net	Net
	Cost	Amortization	Book Value
	Cost	Amortization	Book Value
Furniture and fixtures	<u>\$ 65,439</u>	<u>63,701</u>	<u>1,738</u>
			<u>2,173</u>

5. Accounts payable and accrued liabilities:

	<u>2022</u>	<u>2021</u>
Trade payable and accrual	\$ 7,327	3,868
Pension liability payable	1,961	--
Employee deductions payable	<u>--</u>	<u>3,548</u>
	<u>\$ 9,288</u>	<u>7,416</u>

6. Due to/from related parties:

	<u>2022</u>	<u>2021</u>
Current portion due to The Co-operative Development Fund Corporation	\$ <u>27,237</u>	<u>26,255</u>
Long-term portion due to The Co-operative Development Fund Corporation	\$ <u>200,000</u>	<u>200,000</u>
Long-term portion due from The Co-operative Development Fund Corporation	\$ <u>327,702</u>	<u>327,702</u>

The Co-operative Development Fund Corporation (the "Corporation") was incorporated on December 29, 1988. At the commencement of operations on January 1, 1989, cash, term deposits and investments in the amount of \$ 559,874 were transferred to the Corporation from a fund controlled by the Registrar of Cooperatives and the Newfoundland-Labrador Federation of Co-operatives.

In March of 1992, \$ 59,874 of these funds was transferred back to the Newfoundland-Labrador Federation of Co-operatives with the approval of the Registrar of Co-operatives, leaving a net receivable of \$ 500,000.

The above balances are non-interest bearing and have no set terms of repayment. The long-term portion above is net of a \$ 172,298 allowance for the write down of this loan.

In November of 2018, 2000 shares of the Co-operatives Group Limited Class D, Series 2018 were issued to Newfoundland-Labrador Federation of Co-operatives for \$ 100 per share. The Co-operative Development Fund Corporation provided the funds for this purchase and each year the Newfoundland-Labrador Federation of Co-operatives contributes \$ 10,000 to the CDFC which equals the dividends earned on this investment.

## NEWFOUNDLAND-LABRADOR FEDERATION OF CO-OPERATIVES

### Notes to the Financial Statements

March 31, 2022

7. Long-term investments:

	<u>2022</u>	<u>2021</u>
Public service Credit Union	\$ 100	--
Newfoundland & Labrador Credit Union Limited	243	232
The Co-operators Group Limited Class D, Series 2021 Shares (750)	75,000	--
The Co-operators Group Limited Class D, Series 2018 Shares (2100)	210,000	210,000
The Co-operators Group Limited Class D, Series 2017 Shares (150)	15,000	15,000
The Co-operators Group Limited Class D, Series 2016 Shares (250), matured during year	--	25,000
Newfoundland & Labrador Credit Union guaranteed investment Certificate, interest rate of 1.3%, maturing September 2023	<u>131,905</u>	<u>131,905</u>
	<u>\$ 432,248</u>	<u>382,137</u>

As market values for the above investments are not readily available they are recorded at cost.

#### 8. Financial instruments:

The Federation's financial instruments consist of trade and other receivables, bank indebtedness, accounts payable and accruals, and long-term debt. The book value of trade and other receivables, bank indebtedness, accounts payable and accruals, and long-term debt are approximate fair value. a) Credit risk

The Federation is exposed to credit risk from customers. In order to reduce credit risk, the company reviews a new customer's credit history before extending credit and conducts regular reviews of it existing customer's credit performance.

#### b) Interest rate risk

The Federation is subject to the risks associated with debt financing; including the risk that mortgages and credit facilities will not be refinanced on terms as favourable as those of the existing indebtedness. c) Liquidity risk

Liquidity risk is the risk that the Federation may not have cash available to satisfy financial liabilities as they come due. The Federation actively maintains a committed credit facility to ensure that it has sufficient available funds to meet current and foreseeable future financial requirements at a reasonable cost.

#### 9. Comparative figures:

Certain comparative figures have been adjusted to conform to current year financial statement presentation.



## GOVERNANCE COMMITTEE REPORT

*Delivered by Shannon Fraser, Governance Committee Chair, Director NLFC*

### Committee Members

- Valerie Carruthers (member)
- Robert Dicks (member)
- Shannon Fraser (chair)
- Gary O'Brien (member)
- Shanti Samaroo (member)
- Dave Walsh (ex-officio at quarterly meetings or by request)

### Attendance at Committee Meetings

The Governance Committee scheduled 11 committee meetings between December 16 and May 16, but was only able to meet quorum requirements 6 times. Three of the members of this committee are also serving on the Nominating Subcommittee, including the chair, so Governance Committee meetings were suspended until post-AGM in June 2022 in order to allow members to focus on the recruitment process and to complete first quarter and annual reporting requirements underway at their respective organizations.

**Narrative:** The Governance Committee is a new standing committee of the board. It includes the former responsibilities of the Nominating Committee and Resolutions Committee, as well as the duties of governance and membership committees common to apex provincial co-operative organizations and many co-operative governance structures. Two members of the Executive Committee also served on this committee throughout the year.

### Agenda Meeting Focus

#### a. **Accomplishments:**

- we determined the general procedures to be used at Governance Committee meetings;
- we established the use of the Managing Director as ex-officio resource attending quarterly meetings, with the option to invite the Managing Director for special advisory needs as required;
- in consultation with the Managing Director, we divided the policy writing duties between operations and the Governance Committee (the committee will draft the policy manual sections for the Board and for Membership, and may have some input on the corporate section second draft as well);
- we completed a survey of other co-operative associations' governance and membership policy manuals;
- we completed and the Board approved final drafts for the Terms of Reference for the Governance Committee, the Executive Committee, and the Audit, Risk, and Conduct Committee;
- we completed and the Board approved a Board Authorization Policy that delineates NLFC officers' financial and legal powers and designated signatories;

- we developed a draft document for NLFC Board governance policies for the policy manual;
  - we reviewed and updated the Board Candidate Information Kit and recruitment materials, including a competencies assessment section drawn largely from the national apex organization for co-operatives, Co-operatives and Mutuals Canada;
  - the Nominating Subcommittee developed an NLFC Board Succession Analysis Tool to be trialed in 2022-2023;
  - we developed an NLFC Board Evaluation Tool to be trialed in 2022-2023;
  - we reviewed the NLFC By-laws and the Board approved revisions that we are bringing forward as a resolution at this AGM, primarily housekeeping reviews and language to support committee structures within the NLFC; and,
  - we developed a library within the NLFC Document Hub to collect resources that will allow us to attend to governance development, best practices, and opportunities relating to co-operative boards that could lead to growth and improvement of the activities of the Board and the NLFC.
- a. **Goals Identified Since November 2021 But Not Yet Met:**
- we have not reviewed NLFC By-Laws for synchronicity with the Co-operatives Act;
  - we have not completed any work towards a glossary of terms for the policy manual;
  - we have not reviewed the human resources policies developed by staff, as received in May 2022; and,
  - we have neither discussed nor drafted recommendations for any other standing or ad hoc committees, including the Board's decision to organize an ad hoc Education Committee post-AGM that members present today can join to work with a committee chair from the Board on issues regarding the teaching of co-operative education in NL and the updating of the Community Capacity Building modules.
- a. **Additional Goals for 2022-2023:**
- to evaluate past processes as well as this year's AGM processes with regard to nominating and resolutions functions and make recommendations to the Board for 2023-2024;
  - to complete the review of the NLFC By-Laws for synchronicity with the Co-operatives Act;
  - to further review the Co-operatives Act to make language revision and inclusion recommendations to the Board for their purposes of developing a new draft of the Act for submission to the Regulator and Ministers responsible, as per guidance from Minister Andrew Parsons;
  - to test and implement the Board Evaluation Tool;
  - to review the proposed Board Succession Analysis Tool as a committee and present it to the Board;
  - to finalize a second draft of the Board sections of the governance policy manual that will be presented to the Board;
  - to produce a first draft of the Membership sections of the governance policy manual, undertake multiple draft reviews, and present a finalized draft to the Board for approval;

- to assess the Board's onboarding and training practices and develop a mentorship program for new and/or returning board members;
- to establish a policy review and compliance schedule for the committee's annual work plan; and,
- to address other issues raised by the members of the Governance Committee or referred to the Committee by the Board for priority processing.

**Formal Motions to the Membership:**

*WHEREAS the Board of Directors of the Newfoundland and Labrador Federation of Co-operatives passed a resolution recommending that the membership be presented with the appended By-law revisions; and*

*WHEREAS the amendments are predominantly housekeeping amendments regarding grammar, spelling, punctuation, capitalization, and syntax; gender pronoun removal; updates to current and/or incorrect language usage; and, renumbering; and*

*WHEREAS the largest substantive change to the bylaws is to 16.5 (renumbered 15.2) with the addition of "standing committees" as well as ad hoc committees in order to give the Board authority to establish standing committees such as Governance and Audit, Risk and Conduct committees;*

*BE IT RESOLVED THAT the membership approve the By-law revisions as presented; and*

*BE IT FURTHER RESOLVED THAT all official documents of the co-operative be amended accordingly and registered with the Registrar of the Co-operatives Act. (See Delegate Packet: 11. NLFC By-Laws – 2022 revs, and By-Laws 2020 Revs List)*

Respectfully submitted,  
Shannon Fraser  
Chair



## **Report of the Audit, Risk, and Conduct Review Committee**

*Delivered by Shanti Samaroo, Committee Chair, Director NLFC*

Board of Directors of the NLFC acts as a trustee of the federation's assets and is responsible for safeguarding, auditing, and appraising the federation's financial resources. The Audit, Risk, and Conduct Committee is a standing committee empowered to act as the key liaison between the auditors/examiners and the Board of Directors. This Committee is responsible for assisting the Board's oversight of

- the integrity of the federation's financial statements;
- the performance of the federation's internal audit function; and,
- the federation's compliance with legal and regulatory requirements.

The Committee comprises of three members of the Board and was formed in May 2022, and have meet two times, as scheduled in May and June 2022. Given the time frame since the formation to the AGM, the key activities of the Audit Committee was:

- Reviewed terms of reference
- Met with the external auditor, Todd Organ and Derrick Drodge of Percy and Drodge Management Consultants, to review the results of the 2022 External Audit.

Over the past year, the interim financial statements and compliance certificate were reviewed at Regular Board Meetings.

During the external audit review, the auditors identified 5 outstanding issues that needs to be addressed

1. HST Eligibility –a letter has been sent to CRA
2. \$500k payable to IET / TCII –seeking the details of the terms and conditions of the agreement with regards to these funds
3. Receivable from the CDFC –seeking to ascertain the ownership and nature of this funds
4. Stabilization fund and Contributed fund: seeking the details of the terms and conditions of the agreement with regards to these funds
5. Not for profit status: seeking to ascertain

The auditors recognized that the above items are of a significant nature and will not be addressed prior to the AGM scheduled for June 25<sup>th</sup>, 2022. Both the auditors and the Audit Committee recognised that these concerns were not raised in previous years external auditor



and concurred that more time is needed to seek relevant external expertise to assist in addressing the concerns raised.

On Behalf of the Committee,  
Shanti Samaroo  
Committee Chair



## OPERATIONAL REPORT

*Delivered by Dave Walsh, Managing Director NLFC*

*For the period of April 1, 2021 - March 31, 2022*

Fiscal year 21-22 (year two of our 3-year plan) has been a year of change within the NLFC. With a full year as Managing Director I feel confident that the Federation has been proudly representing the Co-op and Credit Union sector of Newfoundland & Labrador. The NLFC recognise that more work is needed around diversity, equity, and inclusion initiatives, including truth and reconciliation, in the co-op sector. The NLFC commit to working with equity seeking groups to learn and become better allies for the co-op sector in our province.

**Member Engagement:** The NLFC continue their work engaging membership. We have budgeted for a \$5,000 Co-operative Outreach Fund for small and new co-ops or developing co-operatives for the purposes of outreach for co-operative development, partnerships, growth, and/or co-operative promotion. We look forward to announcing how to apply for the Co-operative Outreach Fund soon.

We have invested into Co-op Week creating a signature event to raise the awareness and profile of the co-op sector. We are working diligently with The Honourable Andrew Parsons, Q.C., Minister of Industry Energy and Technology (IET) and their team to update the Co-operative Development Fund Corporation (CDFC) relaunch by the end of 2022 to offer loans to new and emerging, as well as expanding co-ops.

We continue to engage members through phone calls and email contact, including our monthly NLFC e-newsletter and revamped social media strategy. Our mentorship program is now in its matching phase and will begin very soon. If you would like more information, please reach out by email to [Amanda](#).

[Genrus United](#) (an affordable prescription medication plan) is available to all members and non-members and has since expanded to include savings on hearing aids. The program is \$21.95 a year and gives you savings of 30%-50% on over 150 commonly prescribed medications. (Social Justice Co-op, St. John's Farmers Market, Petty Harbour Fishermen's Co-op, Newfoundland & Labrador Credit Union are signed on to the program) Contact us today to get set up.

We continue to offer member education session such as with the Trade Commissioner Services on how to break into new international markets and Advocacy Training through Co-operators. We encourage membership to reach out if they have an educational session they can offer to members.

During this period, we welcomed new members, Co-operative Solutions Group, Leading Edge Credit Union, Atlantic Central, and the Conception Bay Area Chamber of Commerce

**Co-op Development, Promotion and Awareness:** We have completely restructured and launched our new website. We encourage you to visit and let us know that your organization is represented correctly in our Members section. We have also created a member benefits guide to communicate the benefits of NLFC membership to new and existing NLFC members.

A new 5-year MOU for co-op development with IET has been tabled and we are awaiting final edits sometime in the fall.

The NLFC continue to work with groups and investigate new co-op development: We have attended several focus groups on social succession as well as the [Social Finance Fund](#) and the [Investment Readiness Program](#) on how to leverage opportunities in NL to convert traditional businesses into co-operatives. We have had discussions with Wendy Reid Fairhurst on a proposed communal housing development. Continue to work with member Horizon TNL and CDR Acadie on their proposed language minority co-op. Engaged in the Killick Coast Agricultural Planning Committee and advising how co-ops can fit into their 5-year plan.

Throughout the year we partnered with Coops & Mutuals Canada on Coop Week, as well as Atlantic Central. During Co-op Week we were able to hold two Community Capacity Building Programs, one for Intro to Co-ops and the other on Board Governance. We have been involved with the NL Social Innovation Coalition (a likeminded coalition of social enterprise leaders) and spoke at the Social Enterprise World Forum St. John's Hub on co-operative enterprise in the province. In December we partnered with Co-operators for a new Christmas Veggie Hamper initiative providing 8,000 pounds of fresh locally grown vegetables for food banks. We have entered into a 2-year partnership with the Women's Economic Council through the [50:30 Challenge](#) to train women from equity-seeking groups to be board-ready and use their skills to take part fully as leaders in co-operative organizations.

Our office has established quarterly meetings with MP Gudie Hutchings' (Minister of Rural Economic Development) staff to advocate how co-ops relate to their portfolio. We continue to show provincial representation with Co-ops & Mutuals Canada as part of their network meetings and attend their AGM. Staff and board have had several meetings with Registrar Dean Doyle to discuss updating the Co-op Act with respect to non-profit co-op status.

The NLFC have supported a co-operative film resource being created by Tom Webb and Kevin Moynahan to educate co-op members about worker co-ops.

**Office Growth:** Our office team has expanded to include Margaret Aligbe, Co-op placement student through the MUN Centre for Social Enterprise. Margaret has been working on updating our policies and procedures, including the creation of a 50-page HR manual. In May we will welcome Intern, Kristen Murray to our team as Special Project Coordinator (Co-op Incubator) who will be conducting a feasibility study on a co-op incubator in the province. Had a Summer Student, Shauna Codner who helped us create a resource library of historic office files, grow and engage our Instagram profile, and update a revise our member database.

## Labrador Federation of Co-operatives Annual General Meeting, Board Elections Candidate Dossier Newfoundland



### **Shanti Samaroo, Atlantic Edge Credit Union**

I have been employed with Eagle River Credit Union since July 2013. Following its merger with Leading Edge Credit Union, we have formed the Atlantic Edge Credit Union. I joined as Director Finance and Credit Union Operations, and have since held several roles at senior management level. As such, have been involved in decision making from "soup to nuts", i.e. from Strategic Discussions down to Operational decision making.

I have been employed in the retail banking environment for the majority of my working life. Over my career, I have held many roles from front-line operations, Regulatory reporting, Management and Financial accounting to being involved in Strategic Decision Making. Additionally, I have worked in the airline industry, retail manufacturing and sales in accounting related roles.

I hold three finance related designations-FCCA - Fellow of Association of Chartered Certified Accountant; CPA/CGA - Chartered Professional Accountants; MSc - Masters of Science in Finance (Investment Banking and Securities) with merit (with University of Wales). I have also participated in several leadership workshops and numerous other training courses.

I believe that with my experience, educational background as well as my term as Director on the Board, I believe that I have the ability to make valuable and productive contributions to the Board of the NLFC.

It would be a great privilege to be considered for another term as Director to the Board of NLFC. I humbly believe that I have the work ethics, and willingness to learn and embrace the challenges that lie ahead, as I contribute and assist in steering the NLFC to continued sustainability, as well as enhance my knowledge and experience.

I believe that I have integrity, have no hesitation in articulating my view(s) frankly, in a professional and respectful manner. I believe I have the ability and willingness to commit the time and effort required of a director of this entity.

As a Director over the last three years on the Board of NLFC, I believe that I contributed to fruitful and healthy discussions, have remained engaged and passionate in enhancing the value proposition of the federation; as well as work collaboratively with my colleagues around the Board table to develop and enhance the internal structure of the federation. I do believe that I am able to provide informed insights, engage in high level discussions and decision-making as a Director to the Board of NLFC. In addition, I do believe that I share compatibility with NLFC's strategic objectives and Values.

## Newfoundland – Labrador Federation of Co-operatives Annual General Meeting, Board Elections Candidate Dossier



### **Hubert Loder, Terrington Co-op**

I am a long-term member of Terrington Consumers Co-operative.

I currently serve as Board President, and have served as Board Vice- President and Director in the past. I sincerely believe that the Co-op movement is alive and well in this Province, and is a very competitive market in the grocery sector.

As we strive to carry the Co-op movement forward, the stores, Boards and Federation all working together is a major contributing factor to our combined success.

I have spent my life in Happy Valley-Goose Bay and have served the community as member of the following Associations:

Royal Canadian Legion- Executive Board member  
Happy Valley-Goose Bay Minor Hockey Association- President  
Happy Valley-Goose Bay Softball Association — President

I have spent my working life in the construction field and have been involved in major projects in the province such as:

Iron Ore Company expansion in Labrador West  
Voisey's Bay construction project  
Hebron Project  
Muskrat Falls construction project as Labour Relations representative  
I formally retired in 2019.

I have recently been appointed to the Labour Relations Board of Newfoundland and Labrador as an employee representative. Continuing to be active and involved in my community and Province is something I firmly believe in and support.

## **NLFC By-Laws 2022 Revisions**

1. General update of grammar, punctuation, capitalization of words & spelling.
2. Section 5.1: “membership may be made” changed to “shall be made” (may infers optional, shall denotes a must requirement).
3. Section 5.1: “shall be approved by the Board” changed to “shall require approval by the Board”. The existing infers that the Board must approve rather than the intent of requiring Board approval.
4. Section 6.2: updated to current language usage - “society” replaced with “co-operative”; gender pronouns removed.
5. Section 6.3: “shall” replaced with “may”, due to discretion clause.
6. Section 10.3: replaced with Section 10.5 (existing 10.5 renumbered 10.3)
7. Article 12.0 is merged into Clause 11.0 as Section 11.2, Duties of Officers, as the Managing Director is also an Officer and duties should be listed with the other Officers’ duties. Clauses & Sections thereafter are renumbered accordingly.
8. Section 11.1 & Sub-section 11.2a: grammar/syntax correction & Managing Director role as Officer added.
9. Clause 14.0: renumbered 13.0.
10. Section 14.1: renumbered 13.1; change to Board meet at least quarterly, as is standard for Boards.
11. Section 14.2: renumbered 13.2; “Chair” replaced with “President” to conform with Officer title.
12. Section 16.5: renumbered 15.2 with addition of “standing committees” as well as ad hoc. This gives Board authority to establish standing committees such as Governance. Usually, the only standing committee specified in By-Laws are Nominating & Resolutions committees. The Nominating Committee role is often given by Boards as a sub-committee of Governance.
13. Section 16.2 and remainder Sections of this Clause renumbered accordingly as Clause 15.
14. Section 20.2: renumbered 19.1, “extra-provincial” replaced by “inter-provincial”. The word “extra” in incorrect usage. The intent is to allow membership in other orgs with similar objectives that operate in provinces across Canada.
15. All remaining Clauses & Sections renumbered accordingly.

## **Newfoundland-Labrador Federation of Co-operatives (NLFC)**

### **By-Laws (2022 Rev)**

#### **1.0 Authority and Name**

- 1.1 In accordance with “Part 9, Section 88 - An Act Respecting Co-operatives (1998)”, this organization is permitted to formulate these by-laws and pass resolutions not inconsistent with the Act.
- 1.2 The name of the organization shall be the Newfoundland-Labrador Federation of Co-operatives, hereinafter referred to as “NLFC”.

#### **2.0 Definitions**

- 2.1 In these bylaws:
  - a. “NLFC” means the Newfoundland-Labrador Federation of Co-operatives, a co-op representative organization incorporated under the Co-operatives act of Newfoundland and Labrador
  - b. “CDFC” means Co-operative Development Fund Corporation, a wholly owned subsidiary corporation of the NLFC
  - c. “CMC” means Co-operatives and Mutuals Canada, an organization incorporated under the Canadian Co-operative Associations Act to represent the interest of the co-op sector in Canada.

#### **3.0 Address**

- 3.1 The Head Office and the registered address of the NLFC shall be in the City of St. John's.

#### **4.0 Objectives**





- 4.1 The objects of the NLFC are the development and maintenance of co-operation in Newfoundland and Labrador in particular, but without limiting the generality of the foregoing, to
- a. unify and enhance the co-operation and collaboration of all co-operatives and like-minded organizations in the province
  - b. take necessary measures to perform such services in the development of the co-operative movement in Newfoundland and Labrador as the NLFC approves
  - c. encourage and assist in the application of co-operative principles and methods in dealing with economic and social needs and any other activities or services to which co-operative principles and methods may be applied
  - d. carry on, encourage and assist in educational and advisory work relating to co-operative enterprises
  - e. protect the interests of co-operatives by appropriate action in making representation to legislative, executive and administrative authorities
  - f. conduct co-operative promotion and public relations activities in the interests of co-operative enterprise, principles and practices
  - g. facilitate communication with and between member co-operatives through such mechanisms as conferences, print media and electronic networks
  - h. encourage the participation and support of inter-provincial and co-ops and co-op organizations in assisting the NLFC in achieving its objectives
  - i. do any and all other things incidental or conducive to the attainment of these objects and to the exercise of the powers of the NLFC.

## 5.0 Membership

- 5.1 Subject to these By-Laws, all co-operatives and credit unions incorporated under the Co-operatives Act and the Credit Union Act of Newfoundland and Labrador are eligible for full (voting) membership in the NLFC. Application for such membership ~~may~~ shall be made in

- writing or in a form prescribed from time to time by the Board and shall ~~be approved~~ **require approval** by the Board.
- 5.2 Notwithstanding section 5.1, co-operative entities based in the province but not incorporated under the Co-operatives Act or the Credit Union Act of Newfoundland and Labrador or co-operatives not based in the province may be accepted for full (voting) membership. Application for such membership ~~may~~ **shall** be made in writing or in a form prescribed from time to time by the Board and shall ~~be approved~~ **require approval** by a majority of NLFC delegates at an annual or special meeting.
- 5.3 All co-operatives and like-minded organizations are eligible for associate (non-voting) membership in the NLFC under such rights and conditions as may be determined from time to time by the **Board of Directors**. Application for such membership ~~may~~ **shall** be made in writing or on a form prescribed from time to time by the Board and shall ~~be approved~~ **require approval** by the Board.
- 5.4 Full or associate membership may be revoked if, in the opinion of the **Board of Directors**, a member has not complied with the terms and conditions of membership. Such revoked membership can be appealed by a full or associate member by making representation to delegates at an annual or special meeting of the NLFC, in which case, a majority decision of the delegates shall stand.
- 5.5 Membership (full or associate), once sought and duly approved, is considered continued unless a withdrawal is requested in writing by the member in question or unless membership is revoked Section 5.4 of these By-Laws.
- 5.6 Full and associate members shall be required to pay any annual membership fees/dues that have been duly constituted unless otherwise authorized by the **Board**. All full membership fees shall be approved by resolution at an annual meeting of the NLFC. Any associate membership fees shall be fixed from time to time by the Board. Non-payment of membership fees for a given year does not automatically revoke membership but may deny participation in the annual or any special meetings ~~s~~ for that year

## 6.0 Delegates

- 6.1 Subject to these **By-Laws**, each member may appoint a maximum of two voting delegates to any annual or special meeting of the NLFC.
- 6.2 A member may not appoint a delegate who is not a member of the ~~society~~ **co-operative** ~~he/she~~ **is nominated to represent** **represented**.

- 6.3 The Board of Directors, at its discretion, ~~shall~~ **may** verify the credentials of all delegates.
- 6.4 No delegate may attend a meeting or otherwise participate in the ~~government~~ **governance** or administration of the NLFC if the member represented is in arrears of payment of the annual assessment payable to the NLFC in accordance with these ~~bylaws~~ **By-Laws**.
- 6.5 If the **Board**, in accordance with these **By-Laws**, reduces the annual assessment payable by a member any delegate of that member may carry out his duties as if the reduction had not been made.
- 6.6 Every duly appointed delegate has one vote at meetings of the NLFC and ~~he/she may not~~ **cannot** vote by proxy.
- 6.7 An NLFC ~~board of~~ **Director** may have delegate status at NLFC annual and special meetings ~~she/he has been~~ **if** duly appointed as one of the entitled delegates of a member.
- 6.8 Each member is entitled to send additional non-voting delegates to an annual or special meeting of the NLFC. ~~and certain of~~ **Such** additional delegates can be appointed as alternate voting delegates in the case where appointed delegates are unable to attend or are absent from a portion of a meeting. In the latter case, the assembly of the annual or special meeting ~~should~~ **shall** be notified ~~through~~ **by** the **meeting** Chair of the change in delegates.
- 6.9 Each member shall confirm the appointment of its delegates in writing or on a form prescribed from time to time by the Board.

## 7.0 Governance and Control

- 7.1 The NLFC shall be governed by the delegates at the annual meeting and at special meetings.
- 7.2 The **Board** shall each year decide upon the time and place of the annual meeting.
- 7.3 The **Board** shall convene special meetings from time to time as it sees fit or at the written request of ten percent of the members or of five members, whichever number is greater.

- 7.4 The Board ~~will see that~~ shall provide notice of the time and place of annual and special meetings ~~is provided for~~ to the membership at least 30 days before the date of the meeting.

## 8.0 Quorum

- 8.1 Ten delegates representing, at least, five members present and qualified to vote, will constitute a quorum for the purpose of conducting business at an annual or special meeting of the NLFC.
- 8.2 Should any session of an annual or special meeting of the NLFC fall below the duly constituted quorum, the meeting shall be recessed and no further business shall be transacted until a quorum can be met. If a quorum cannot be reached by the time of the designated adjournment time of said meeting, the meeting shall be considered adjourned with no further business being transacted.

## 9.0 Voting

- 9.1 Every question submitted to a vote at any meeting of the NLFC shall be decided by a show of hands by the delegates present. Where two or more delegates request a secret ballot, this question shall be decided by majority vote.
- 9.2 In case of equality of votes on any matter the motion shall be declared defeated.

## 10.0 Directors

- 10.1 The affairs of the NLFC shall be governed by a Board of nine Directors, who shall be elected by the delegates present at the annual general meeting. All Directors shall be elected for a term of three years, arranged so that three (3) Directors are elected in each year of a three-year rotation, except those who are elected to fill vacancies, in which case the Director will shall serve the duration of the unexpired term.

10.2 Any Officer, Director or member of a member co-op in good standing is eligible for election as a Director.

10.3 ~~Subject to these bylaws a retiring director is eligible for re-election.~~

A Director upon completion of a term may be re-elected to the Board but shall not serve more than three consecutive three-year terms or three consecutive terms consisting of one partial term and two three-year terms, without a lapse of at least one full year.

10.4 The Board may appoint an eligible person to complete the unexpired term of any Officer or Director who resigns or otherwise ceases to hold office.

10.5 ~~Subject to these by-laws, a director upon completion of a term may be re-elected to the Board but shall not~~

~~Serve more than three consecutive three-year terms or three consecutive terms consisting of one partial term and two three-year terms, without a lapse of at least one full year.~~

## 11.0 Officers

11.1 The Officers of the NLFC ~~elect~~ elected by and from the Board shall be a President, Vice-President, Treasurer, and Secretary. ~~who shall be elected by and from the board.~~ The Board shall appoint a Managing Director as an Officer.

11.2 Duties of Officers are:

- a. the President shall preside at all meetings of the NLFC and the Board, ~~see that all~~ ensure compliance with the By-Laws, ~~are complied with; see that~~ ensure all orders are carried out and perform generally the duties usually incident with the office.
- b. the Vice-President shall, during the absence of the President, perform the duties and exercise the powers of the President and perform other duties as delegated.



- c. the Treasurer shall see that a full accounting of NLFC receipts and expenditures is kept, ensure that financial statements and reports are provided at such meetings as the Board requires and see that an audited financial report is presented at annual general meetings.
  - d. the Secretary shall see that a record of proceedings is kept for all board and membership meetings; ensure that correspondence is initiated as directed by the Board; and perform other duties as delegated.
  - e. the Managing Director will manage the day-to-day affairs of the NLFC, in accordance with policies and procedures, and as directed by the Board.
- 11.3 The President and Vice-President, treasurer and Secretary shall be elected at the first meeting of the board following the annual meeting and shall hold office until the first board meeting following the next annual meeting.

#### **12.0 Managing Director**

~~12.1 The Managing Director will manage the day to day affairs of the NLFC in accordance with policies and procedures and as directed by the Board.~~

#### **12.0 Powers of Board**

- 12.1 The Board may exercise the powers assigned to it by these by-laws and do such other things that do not contravene these by-laws; any other act or a resolution passed by the NLFC.
- 12.2 No resolution passed by the NLFC shall invalidate any act validly done by the Board before passing of the resolution.
- 12.3 The Board may appoint such employees and agents of the NLFC it sees fit to perform such duties for and on behalf of the NLFC as the Board determines.
- 12.4 The Board shall fix the salary, fees or other remuneration of all employees or agents of the NLFC.

### 13.0 Meetings of Board

- 13.1 The Board shall meet at least ~~twice~~ quarterly in every year.
- 13.2 All meetings shall be held at the call of the ~~chair~~ President or at the request of three or more Directors.

### 14.0 Quorum of Board

- 14.1 Five members of the Board shall form a quorum for the transaction of business at meetings of the Board.

### 15.0 Committees

- 15.1 The Executive Committee shall consist of the President, Vice-President, Treasurer and Secretary; will exercise such powers as delegated by the Board; and will provide each Director with a copy of the minutes of all Executive Committee meetings.
- 15.2 The Board may appoint standing committees and ad hoc committees to assist in conducting affairs of the NLFC.
- 15.3 The Board will annually appoint a Nominating Committee to bring forward nominees for election to the board at the annual general meeting, after which additional candidates may be nominated from the floor.
- 15.4 The Board will annually appoint a Resolutions Committee to process resolutions submitted by the membership for consideration at the annual general meeting.
- 15.5 The Board will annually appoint the Directors of the CDFC. These Directors will see that the affairs of the corporation are carried out in accordance with NLFC policy and as directed by the Board; and shall provide copies of all meeting minutes for the NLFC Board.

## **16.0 Bonding and Indemnification**

- 16.1 The Board will see that bonding insurance is carried for all signing officers on an ongoing basis in accordance with standard insurance coverage.
- 16.2 The Board will see that all board members and officers are indemnified against any civil or administrative legal action, which they may be a party to, where those board members and officers have acted in good faith with a view to the best interests of the NLFC.

## **17.0 NLFC as Agent**

- 17.1 The NLFC may act as the agent in Newfoundland and Labrador for any purpose of any co-operative if that co-operative is empowered to appoint an agent.
- 17.2 The NLFC may receive and accept for its own use, in accordance with these By-Laws, fees for any service it renders, if the co-operative for whom it acts is empowered to pay such fees.

## **18.0 Assessments and Contributions**

- 18.1 Subject to this regulation, the NLFC shall fix the assessment that each member co-op shall pay to the NLFC before the end of the financial year in which the meeting is held.
- 18.2 Subject to this regulation, the minimum annual assessment that each member shall pay is one hundred dollars.
- 18.3 The Board may remit or reduce the whole or any part of a member's annual assessment if the Board is of the opinion that the interests of the member would be better served by allowing the remission or reduction.
- 18.4 The NLFC may accept contributions or donations of money from any source in addition to the annual assessments payable by members.



- 18.5 Subject to these By-Laws the Board shall use the funds of the NLFC to achieve the aims and objectives of the NLFC.

### **19.0 Organizational Affiliations**

- 19.1 The NLFC may join and subscribe to membership in the CMC and any other provincial and ~~extra~~ inter-provincial organization with similar aims and objectives as the NLFC.

### **20.0 Financial Year**

- 20.1 The financial year of the NLFC ends on the thirty-first day of March in each year.

### **21.0 Auditors**

- 21.1 The NLFC shall at the annual general meeting appoint auditors of the accounts of the NLFC.

### **22.0 Annual Financial Statement**

- 22.1 An audited financial statement of the receipts, expenditures, assets and liabilities of the NLFC will be conducted as at the end of each financial year.

### **23.0 Rules of Procedure**

- 23.1 Any question arising at any meeting regarding procedure will be determined by reference to the most recent addition of "Roberts' Rules of Order".

### **24.0 Amendments to By-Laws**



- 24.1 These By-Laws may be amended by a two-thirds majority vote at an annual general meeting. Written notice must be provided to members for by the Board at least 30 days before the annual general meeting at which the proposed amendment is to be considered.