25th Annual General Meeting

November 26, 2014

Ottawa Convention Centre

Ottawa, ON
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Fellow FIs,

It’s truly my honour to welcome you to the 25\textsuperscript{th} Annual General Meeting of the Association of Canadian Financial Officers.

For those of us who’ve been involved with this association since the very early days it’s almost unbelievable to see how far we’ve come as a community.

- We’ve seen better-than-pattern increases for our members at the table.
- We’ve been invited to committees to provide our view on policy matters of the day.
- We’ve published position papers with impact, sparking discussion and debate on financial management best practices and ultimately influencing policy changes.
- We’ve established a reputation as a professional, respectable and valuable group in the federal public service and NAV CANADA with the credibility to speak on the international stage.

We’ve come a long way from the small group of dedicated financial officers who, 25 years ago, took the courageous step of breaking away from the known and establishing a community of FIs for FIs.

Today I am proud to carry this vision forward but we know that there are challenging times ahead. The road in front of us won’t always be an easy one to travel but by standing together and supporting one another, we will emerge stronger, more united and, as always, ready to serve the people of Canada.

Thank you for your contributions to our community. Here’s to the next 25 years and beyond.

Warmest regards,

\[\text{Milt Isaacs, CPA, CMA, CPFA}\]
\[\text{President, Association of Canadian Financial Officers}\]
<table>
<thead>
<tr>
<th></th>
<th>Agenda Item</th>
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<tr>
<td>1</td>
<td>Registration</td>
<td>6:00 pm</td>
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<tr>
<td>2</td>
<td>Opening Remarks</td>
<td>6:15 pm</td>
</tr>
<tr>
<td>3</td>
<td>2013-2014 Annual Report</td>
<td>7:00 pm</td>
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<tr>
<td>4</td>
<td>Discussion of the 2013-2014 Annual Report</td>
<td>7:15 pm</td>
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<td>5</td>
<td>2013 Financial Report</td>
<td>7:45 pm</td>
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<td>6</td>
<td>Discussion of the 2013 Financial Report</td>
<td>7:55 pm</td>
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<td>7</td>
<td>2015 Budget</td>
<td>8:15 pm</td>
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<td>8</td>
<td>Discussion of the 2015 Budget</td>
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<td>9</td>
<td>2014 Resolutions</td>
<td>8:45 pm</td>
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<tr>
<td>10</td>
<td>Other Business</td>
<td>9:00 pm</td>
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<tr>
<td>11</td>
<td>Adjournment</td>
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Minutes of the 24th AGM (2013)
Thursday, November 28, 2013 at 6:00pm
Ottawa Convention Centre
Room 205
55 Colonel By Drive
Ottawa, ON K1N 9J2

Opening Remarks

ACFO Chief Administrative Officer Catherine Larrivée welcomed everyone present to the 24th Annual General Meeting of the Association of Canadian Financial Officers, and introduced Milt Isaacs, ACFO President.

Milt Isaacs acknowledged the Board of Directors and the ACFO staff; he praised them for their professionalism and for the confidence they inspire.

By way of introduction, he stated that the purpose of the ACFO is to serve the community of FIs. He impressed upon the membership that their organization is well-managed and a good value proposition. Although this is a challenging time for FIs, Milt Isaacs reminded the group that this is not the first challenge ACFO has successfully faced.

Resource Management

Milt Isaacs discussed resource management. In 2012, revenue grew slightly, despite some Work Force Adjustment (WFA) experienced by the membership. This WFA will affect the next year’s revenues, which will decrease slightly. ACFO’s membership saw a net decline of 30 members since the last AGM, and a total decline of 120 since the peak of the Association’s membership. However, this number is small in comparison to the declines that other unions have faced as a result of WFA.

ACFO has two streams of revenues: membership dues, and labour sponsor investment fund sponsorship fee. At one time, the latter comprised fifty percent of ACFO’s revenue, but now that percentage is significantly lower.

Operations

Milt Isaacs addressed ACFO’s operations. He noted that one of the features the Association required this year was a more comprehensive leave management system that could be used online. This was necessary to more efficiently manage the staff resource and ensure there were no gaps in our service to the membership.

ACFO has also renegotiated telecommunications and IT consulting agreements to save money.

Due to increases in staff in the Labour Relations department, ACFO was required to expand its offices. The Association considered relocating to a more central downtown location, but ultimately
opted to reconfigure and make adjustments to the current building that it owns. This has saved the organization a significant amount of money.

ACFO also upgraded its electronic mailer, which allowed it to reach its members more efficiently and improved tracking and reporting.

One of the most significant changes was a restructuring and de-layering of ACFO’s corporate structure. This has resulted in a reduced budget request for salaries in 2014.

**Labour Relations**

**Grant Boland, ACFO** Labour Relations Advisor, acknowledged that this was a challenging year in Labour Relations (LR). LR is seeing an increased number of harassment complaints and workplace conflicts. These are issues LR addresses on a daily basis, in addition to interpretation of the collective agreement. This year also saw ACFO’s first policy grievance which was in support of FI-1s not being reimbursed for professional dues.

The other major issue that Labour Relations worked on extensively was the arbitration brief. Rather than farming the arbitration brief out to a law firm, ACFO brought on a labour relations advisor strictly to work on the brief. This resulted in a significant cost savings for members. Working on the brief in-house meant that it benefitted from specific knowledge of ACFO’s members and their needs that only the LR staff could provide.

**Advocacy**

**Dany Richard** and **Rob Hawkins**, ACFO Vice Presidents, spoke to the international collaboration aspect of advocacy. ACFO has made considerable progress in building international partnerships this year. The purpose of these collaborations is to give ACFO more exposure, a bigger voice, more credibility, and the ability to share best practices and lessons learned with other likeminded associations.

ACFO joined Public Service International (PSI), a non-governmental organization made up of 669 unions from around the world that advocates for quality public services. Through PSI, ACFO also formed a relationship with the Latin American Union of Public Control Workers (ULATOC), which represents finance officers in several Latin American countries. Like ACFO, ULATOC advocates for strong government financial stewardship.

These partnerships have already shown results. ACFO President Milt Isaacs was invited to speak on an anti-corruption panel at the International Labour Organization’s Public Finance Control and Anti-corruption Strategies forum, which is an advisory group to United Nations. Participation in high-profile conferences gives the Association exposure to high-ranking government officials within
Canada and abroad, and strengthens ACFOs position as a recognized leader in public sector financial accountability.

ACFO has also continued to work more closely with CIPFA, the UK-based Chartered Institute of Public Finance and Accountancy. This organization is of particular interest to ACFO because it represents a large number of members and exclusively deals with public sector financial management. Dany Richard explained that as CIPFA’s lone Canadian partner, ACFO may be positioned to help adapt and bring their financial management expertise to Canada.

ACFO has also started to work with the International Federation of Professional and Technical Engineers (IFPTE), a US-based union that represents a range of professional employees. This positions them in a similar way to ACFO in that they represent professionals.

Partnerships and collaborations like these help give ACFO credibility and access to best practices from around the world.

**Collective Bargaining**

Karen Hall, ACFO Executive Vice President, addressed collective bargaining. ACFO’s arbitration brief resulted in significant improvements over what Treasury Board originally offered. Members received pay increases consistent with what other groups received. However, Fls also received CFO TA rolled into their salaries, and a new grid that will go into effect this November. ACFO members also received an extra week of vacation starting at 5 years of service rather than 8.

Moving forward, the government is digging in its heels for tough negotiations with a number of bargaining agents including ACFO. ACFO will put forward the best arguments to get the best deal possible for our members. As always, we will advocate for equity and fairness for compensation with our public and private sector counterparts.

**Pay Equity**

Karen Hall also discussed ACFO’s pay equity initiative. Pay equity is one of the tools ACFO is using to advance FI classification standard reform and to eliminate the gender wage gap that is faced by Fls. The Public Service Labour Relations Board (PSLRB) had to issue an order to get the Treasury Board to provide complete, full disclosure to ACFO, and in 2013 ACFO received all the documents it had requested.

In August ACFO provided its expert report to the Treasury Board, and in September the dates were set for the pay equity hearings in the fall of 2014.
Classification

Milt Isaacs spoke about Classification Reform, which has been a long-standing concern for ACFO. The current classification standard does not address significant changes in the financial community, and yet it is the only measure used to determine FIs’ value. ACFO’s aim is to clean up the old classification standard as we transition into a new one.

ACFO is developing benchmarks used to identify people who should belong to the FI group. The Association is also addressing differences in how departments apply standards, and how departments apply these standards in the Region. It is important that bad habits in the old approach do not get carried on into the new one.

Professional Development

Raoul Andersen, ACFO Vice President, spoke about the Professional Development initiative. As a result of the 2012 collective agreement, the National Joint Professional Development Committee was created. The Committee’s purpose is to develop best practices within departments and to achieve consistent, high-quality professional development for FIs.

One professional development tool developed in 2013 was a questionnaire distributed to all departments to determine best practices. Our goal for the upcoming year is to organize a session to focus on best practices suggested by responding departments.

Raoul Andersen also announced that the keynote speaker for the upcoming Professional Development Spring Tune Up seminar will be Colonel Chris Hadfield.

Departmental Representatives

Tony Bourque, ACFO Vice President, acknowledged the efforts and successes of the departmental representatives. As of the AGM, ACFO had 71 representatives across 23 departments.

Departmental representatives have been instrumental to ACFO’s initiatives, especially in difficult WFA files. They are also heavily involved in the collective bargaining and professional development committees, and in national management union meetings.

ACFO’s goal for the coming year is to communicate more with our representatives and help keep them engaged and involved. There is a departmental representative teleconference meeting scheduled for May of 2014.
Revenue and Expenses

At this point, Milt Isaacs referred to the attached presentation deck.


Typically the revenue collected from membership dues falls far short of ACFO’s required budget. Investment returns and the labour sponsorship fund make up the rest of the Association’s revenue. However, the labour sponsorship fund is a program that is dying; the income from the fund will continue to fall and we do not anticipate it lasting more than 3-5 years.

The 2014 budget is actually projected to be lower than that of 2013. We want to re-emphasize the reduction on salary costs between 2012 and 2013 as a result of the organization’s restructuring.

One of the operating expenses that did see a budgetary increase was communications. We believe communication with our members is critical and we need to see it improve. This government is not union-friendly or public-service-friendly. In these times, we are only as strong as the members that support us, so communication with our members is paramount. Town Hall Meetings budget is also part of our communication plan.

Other budgetary items include a reduction in the Labour Sponsored Funds initiative. ACFO is no longer lobbying for this because the Ontario government has made it clear that it will not renew this program.

The Domestic and International Collaboration item constitutes our search for business opportunities and investment. ACFO is looking for like-minded associations, as well as for clients.

At this point Milt Isaacs referred to slide 6, which charts ACFO annual revenues from 2005-2012. Almost all of the jumps in revenue from year to year are a result of increasing membership, rather than an increase in dues. The chart also shows that revenue from the labour sponsorship fund is dropping.

Milt Isaacs then referred to slide 7, which charts ACFO expenses from 2005-2012. Expenses stayed approximately the same until 2011. At this time the labour relations staff doubled as a result of the collective bargaining initiative, but while expenses increased, they did not double because ACFO found cost savings elsewhere.

Milt Isaacs then spoke to slide 9, which compares the number of members with the number of case files from 2005-2013. Over the past few years, there has been a significant increase in number of case files that is more than proportionate with the increase in membership. In 2013, many of the case files were WFA or harassment files, which are challenging, labour-intensive cases.
Slide 10 shows members’ wage increases from 2005 to 2013. Wage increases that are above pattern and outpacing inflation are one of the ways ACFO is a value proposition for its members.

Slide 11 specifically lists all above pattern negotiations won by ACFO, including 4 weeks of vacation after 5 years.

Milt Isaacs referred to the slides 12 and 13, which compare the salaries of FIs represented by ACFO to salaries of FIs represented by the Professional Institute of the Public Service of Canada (PIPSC) and by the Public Service Alliance of Canada (PSAC) in 2005 and in 2013. From 2005 to 20013, FI3s and FI4s saw an increase in their salary over their counterparts represented the other two unions. FI1s and FI2s represented by ACFO saw their salaries increased at the same rate as FIs represented by PIPSC and PSCAC; however, FIs represented by ACFO have fewer increments and therefore get to the top of their level faster than FIs represented by the larger unions.

Slide 15 compares the membership dues of various federal public service unions. ACFO’s membership dues were the second-lowest.

Milt Isaacs discussed the value of membership dues. ACFO membership dues are $600 per year, with a $132 tax credit. A junior lawyer’s hourly rate to discuss labour issues is, on average, $305 including taxes. ACFO members can call the highly skilled, professional Labour Relations team at any time during operational hours – for free.

Question and Answer Period

A member asked about access to PD Day and noted that some FIs were being denied the opportunity to attend by their departments because they don’t have a designation.

Milt Isaacs described this as frustrating as it creates a distinction between FIs. He noted that the public sector financial system depends on the people who administer it and there needs to be an investment in the professional development of the entire group.

A member asked two questions, one about the government’s attack on sick leave and the other about how severance packages were being paid out.

Karen Hall explained the mechanisms behind payout. Milt Isaacs spoke about frustrations in how the government was dealing with sick leave but noted that it’s unclear how much control we have over the situation. He noted that ACFO is looking for the best deal for the membership and it’s something the team is watching closely.

A member asked about ACFO’s position on performance management. Milt Isaacs, Grant Boland and Danielle Viel, Labour Relations Advisor, noted that it is a work in progress and while there were concerns about what Treasury Board President Tony Clement had said in the press
about the program, the reality seems to be different and potentially workable with input from the unions.

A member asked about international partnerships and the opportunity to work with other groups around the world.

Milt Isaacs explained that ACFO has been working with groups like ULATOC and PSI to share best practices and intelligence on issues of common interest. He also talked about ACFO’s growing voice on related social issues such as anti-corruption and the implications of offshoring on the domestic tax revenue base.

A member asked about the number of FIs with designations and whether or not the government would look at eliminating those without one.

Milt Isaacs explained that we don’t have a firm number of employees with designations since disclosing that to ACFO is optional. He also said that he does not believe there will be a massive cutting of any FIs since there is already a shortage of capacity.

A member asked about pensions and what the future might hold.

Milt Isaacs explained that defined benefits would always be the preferred option for ACFO.

**Resolutions**

Milt Isaacs then moved onto Resolutions. Before he introduced the Auditor, he took a moment to thank members for contributing.

He said it is a testament that members are interested in engaging with the Association and that they must continue to do so. People say because the government has a majority, we have no influence. But with many voices, he suggested people would be surprised. He noted that if we collectively come together, we can truly make a change.

Milt Isaacs then introduced the Auditor, José Wilson from Ouseley Hanvey Cliphsam Deep (OHCD) who tallied the votes. She then announced the results:

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<tr>
<th>#</th>
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<th>For</th>
<th>Against</th>
<th>Result</th>
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<td>1</td>
<td>Approval of the minutes for the Twenty-Third Annual General Meeting held on Wednesday, November 28, 2012.</td>
<td>261</td>
<td>3</td>
<td>Approved</td>
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<tr>
<td>#</td>
<td>Resolution</td>
<td>For</td>
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<td>2</td>
<td>Approval of the 2012 audited Financial Statements</td>
<td>259</td>
<td>2</td>
<td>Approved</td>
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<tr>
<td>3</td>
<td>Approval of the 2014 Budget</td>
<td>245</td>
<td>8</td>
<td>Approved</td>
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<td>4</td>
<td>Approval of Ouseley Hanvey Clipsham Deep Chartered Accountants to audit ACFO’s 2013 Financial Statements.</td>
<td>240</td>
<td>11</td>
<td>Approved</td>
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<td>5</td>
<td>Approval of changes made to specific articles for the purpose of compliance with the requirements of the new Canada Not-For-Profit Corporations Act.</td>
<td>237</td>
<td>7</td>
<td>Approved</td>
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<tr>
<td>6</td>
<td>Approval of compliance with and transitioning to the Canada Not-For-Profit Corporations Act.</td>
<td>233</td>
<td>7</td>
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<td>Vice-President</td>
<td>Tony Bourque</td>
<td>178</td>
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<tr>
<td>Vice-President</td>
<td>Nicole Bishop-Tempke</td>
<td>175</td>
<td>Elected</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Raoul Andersen</td>
<td>134</td>
<td>Elected</td>
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**Conclusion**

Milt Isaacs then thanked the ACFO staff and Labour Relations for their dedication and professionalism. He also thanked the Board of Directors, and the Association members for participating. Milt Isaacs the adjourned the meeting.
2014 Annual Report
Introduction

Before jumping into the annual report of ACFO’s progress, I want to take a moment to reflect on this year marked by both celebration and challenge. Celebration, of course, because we have kick-started our 25\textsuperscript{th} anniversary festivities. The ACFO team is proud to have served this committed, professional group for a quarter century and we look forward to the next 25 years and beyond.

But this has also been a year of challenge for us. We are all currently working within a difficult political climate; public servants and their representatives are regularly under attack. Paradoxically, the government is attempting to weaken support for public service professionals just when Canada needs us and the services we deliver the most. Strong, balanced financial leadership is required to address the global recession, restrictive austerity measures and flourishing tax avoidance schemes.

We at ACFO headquarters are working towards realizing this goal by advocating for the FI Community and representing your best interests. To be effective this advocacy cannot just happen within the context of a collective agreement or case file:

- It must happen in your workplace, through our professional development, classification, pay equity and departmental representative initiatives.
- It must happen at the bargaining table, with a strong negotiating team and strategy.
- It must happen in the political arena, both internationally and here in Canada.
- And finally, it must happen at ACFO headquarters, where we are dedicated to operational efficiency, financial vitality and open communication.

We are proud of our group and we believe you have a crucial role to play as financial stewards in Canada and as part of a larger global network. We are committed to advocating for you and representing your best interests in every avenue; we’re committed to being the Association you need and deserve.

Thank you for the continuing opportunity to represent you,

Milt Isaacs, CPA, CMPA, CPFA
President, Association of Canadian Financial Officers
In your workplace

We know that for you to best serve the Canadian people, you need a secure and fair working environment with employers that are as committed to you as you are to them. One of the primary ways ACFO is serving you is through the initiatives that directly affect you in the workplace. This year we have seen progress in our professional development, departmental representative, classification and pay equity initiatives; in the year to come, we will be pushing for further progress in all these areas.

Professional development

One of the major objectives of ACFO’s professional development initiative this year was to get a better picture of the status quo. The first attempt at doing so was the undertaking of a department-wide survey of best practices. The information gleaned from survey results has been illuminating: we confirmed that there is a great deal of variation among departments and we determined which departments are leaders in professional development.

Our aim is to continue to use these survey findings to develop a common framework for best practices to be applied in every department. Throughout this past year, we have made a number of strides towards improving professional development for FIs. We have:

- initiated a dialogue with the new Comptroller General on creating a new framework for professional development and career progression for the FI Community;
- developed a common position on professional development and shared materials on this position with our departmental representatives; and
- made professional development advocacy a top priority at the departmental level.

Departmental representative program

One of the key ways we at ACFO work to serve our members is by maintaining a strong representative program that advocates for the interests of FIs across departments and regions. Departmental representatives are an essential part of ACFO; they provide us with feedback on departmental trends, welcome new members and, most importantly, they help facilitate communication between the Association and you. We are continually grateful to departmental representatives for their passion and commitment to this group.

ACFO is pleased to report that involvement in the departmental representative program is still strong; we trained 9 new members this year, bringing us to a total of 80 representatives. As a result of some of these new additions, we now have representatives in two more departments: Commission for Public Complaints Against the RCMP and Canadian Intergovernmental Conference Secretariat.
At this year’s annual Departmental Representative Conference in May discussions were focused on member engagement and strengthening ACFO’s voice at the department level. It is extremely important to ACFO that our members have the tools and the opportunity to engage with the Association, either in general or within the departmental representative program. A second, complementary topic of discussion was communication, specifically how ACFO communicates with representatives and best practices for representatives when communicating with fellow FIs and others in their department.

In addition to the annual conference, ACFO hosted an orientation session in May for new representatives and continued to hold regular teleconferences with departmental representatives throughout the year. ACFO board members have recently also begun to reach out for one-on-one or small group consultations to give representatives the opportunity to discuss matters of interest or concern within their specific departments. This initiative will continue to expand throughout the coming year to get a fuller picture of issues and interests from FIs across Canada.

To follow up on the discussions surrounding engagement and communication held at the conference, ACFO will hold a communications strategy meeting for all representatives this winter. The meeting will be led by ACFO’s Director of Communications; throughout this session, ACFO staff and departmental representatives will discuss and develop methods and tools for communicating effectively with members and the wider community.

**Classification**

For years ACFO has identified misclassification as a critical issue facing FIs in the workplace and made its classification initiative a high priority. We recognize that the current Classification Standard, last updated in 1987, does not come close to reflecting the environment of today’s FIs, as tasks, tools and technologies have all shifted enormously over the last 25 years. The current Standard does not account for the introduction of the CFO model; the incorporation of accrual accounting; the Accountability Act; desktop computers; ERP systems such as SAP and Oracle; and other significant workplace changes.

As of last year, ACFO was waiting for a full classification review and that is still the case. The consultation period ACFO had established with Treasury Board is now complete and we are putting pressure on Treasury Board to move this initiative forward.

While we are waiting for a full review, the classification working group formed last year has updated the Standard’s glossary of terms and is reviewing benchmarks – deleting old benchmarks and replacing them with updated ones that better reflect FIs’ current realities. Treasury Board has failed to meet the April 1, 2014 deadline they set to approve and roll out the modified standards but we anticipate that these changes will be made in the coming months.
We are pleased with the success of the working group in addressing certain classification issues but we know these efforts are not enough. ACFO will continue to push for the full Standard review that we know has been necessary for years.

To that end, ACFO has produced informative materials outlining our position on classification that have been distributed among Departmental Representatives. Our goal is to ensure consistent communication on this issue across the board. These materials encompass the Association’s push for classification renewal as well as specific benchmarks targeted for improvement.

**Pay equity**

Commitment to serving FIs’ best interests means ensuring that FIs are treated fairly; our aim with the pay equity initiative is to eliminate the gender wage gap faced by the FI Community as compared to other comparable, male-dominated groups. In March 2009, ACFO filed a formal pay equity complaint to the Canadian Human Rights Tribunal that was subsequently referred to the Public Service Labour Relations Board. Pay equity complaints can be lengthy and delays are common but we are pleased with the progress of our case so far.

In April of 2014, ACFO and Treasury Board mutually agreed to an amendment of the proposed timeline that will allow both parties the opportunity for their respective experts to review, respond and reply to these various reports.

Ultimately this brief delay is a positive development as it will save ACFO significant costs and hopefully result in a shorter, more streamlined litigation process overall. Comprehensive preparation will prevent our case from being adjourned mid-hearing for further work, as has been the case in previous pay equity complaints. It will also give both sides the opportunity to identify common ground and narrow points of disagreement prior to the hearing itself.

The updated timeline for the pay equity case is:

- January 31, 2015 - Treasury Board’s experts will have reviewed and responded to our expert’s replies

- the weeks of April 20 and April 27, 2015 - the substantive pay equity case is scheduled to be heard
At the bargaining table

In November of 2013 we reached an agreement for our members at NAV Canada that will be in place until 2017. Now ACFO is gearing up for negotiations for the public service contract. The public service agreement will expire in November and the employer has already served the notice to bargain. In preparation for these negotiations, ACFO has struck a bargaining committee and finalized its list of demands.

It will likely come as no surprise to you that we are expecting the most challenging round of negotiations that ACFO has ever faced in its history. This government has attempted to create a political climate that is hostile both to public servants and the associations that represent them. In an effort to weaken unions’ ability to bargain and represent their members, they have also dramatically changed legislation in favour of the employer. Over the past several months, they have made it clear that the elimination of sick leave is one of their major targets.

We anticipate that this round of negotiations will be a lengthy one. We also anticipate that, as a result of both the legislative changes and the hostile political climate, ACFO may be forced into the position of considering job action.

In the face of all this, it is important to remember that ACFO historically has a good record at the bargaining table, consistently negotiating above-pattern agreements for our members. We at ACFO have a strong negotiating team, a solid and well-considered strategy and a professional group that we know is already underpaid compared to their private sector competitors. We are heading into these negotiations with our eyes open and our chin up. We know that it will be a challenge unlike any we have faced before but we also know that we will rise to meet it.
In the political arena

We at ACFO recognize that there is no room in this current financial climate for an organization that stands still; if we are not moving forward, we’re going backward. To serve our members best, we must advocate for them proactively and that means tackling issues in both the international and domestic political arena. To do this we have forged and strengthened international partnerships and advocated for FIs in domestic committees and conferences. Through these efforts we are working towards realizing a vision of the role FIs will play as financial stewards on the global policy stage.

International Council of Control and Finance Officers

ACFO is proud to announce that we are one of the founding members of the International Council of Control and Finance Officers (ICCFO). ICCFO is a group of unions from over 20 nations across the world who are working together on issues that matter to finance professionals, including:

- improved whistleblower legislation;
- adoption of international public service accounting standards; and
- tax fairness legislation: the end of transfer mispricing and stock option deductions and the introduction of financial transaction tax.

ACFO was present for the inaugural meeting of this group in April at their conference in Buenos Aires.

Tax fairness issues, in particular, have increasingly become a priority for our advocacy team over the past year. We believe that governments must balance both sides of the financial ledger; they cannot justify austerity measures while at the same time leaving so many resources – in the form of uncollected taxes – untouched. With stronger, fairer tax legislation in place, countries will have more resources available to fund robust public services that improve the quality of life for all their citizens.

Public Services International

Another one of our partnerships that has seen a great deal of progress over the past year is with Public Services International (PSI). Through this relationship, ACFO is becoming more involved in the fight for quality public services and against the privatization and commodification of public services through trade agreements that favour corporations over people.

In March, we attended PSI’s Inter-American Regional Executive Committee in Guatemala City. This seminar addressed such topics as:

- austerity measures;
- free trade agreements;
• privatization of public services;

• defending the public sector in North America; and

• communication strategies in the fight against the weakening of labour movement.

This group set priorities for PSI and a plan of action to be adopted by its members.

International Federation of Professional and Technical Engineers
ACFO has also established a strategic partnership with the International Federation of Professional and Technical Engineers (IFPTE), an association that represents our members’ counterparts in the United States. This year we signed a co-operative agreement with IFPTE to tackle legislative work based on the issues identified by PSI and ICCFO such as union density and income inequality. In January we participated in Legislative Week in Washington, D.C. where we observed groups lobbying the American government on tax havens, income inequality and free trade.

International Labour Organization
Finally, ACFO also represented our membership at the International Labour Organization (ILO)’s annual International Labour Conference. We participated in the ILO global discussion forum on collective bargaining in the public sector and discussions that addressed whistleblower protection and anti-corruption measures.

Rationale
When we work with likeminded groups representing financial professionals from across the world we are stronger together.

ACFO is committed to representing our members’ best interests and we recognize that in this increasingly globalized world we must do this not just at home but on the global stage. Our international partnerships:

• increase our profile domestically;

• enhance our knowledge and strategy base; and

• advance the issues that affect FIs on a global stage.

Our partnerships with these international associations have increased our domestic profile within the ranks of senior government. They have opened the doors for us to hold talks with high-ranking CFOs and make budget submissions for the House Finance Committee Pre-Budget Consultations. When we speak in the domestic arena to address the issues that matter to FIs, we do confident in the knowledge that we are backed by internationally-influential groups and people.
Our international partnerships have enabled us to speak from a position of greater authority as more formidable and influential advocates for FIs. We are becoming increasingly recognized in the media as subject matter experts: this year ACFO was invited to speak at the Canadian Association of Labour Lawyers and at the People’s Social Forum on whistleblowing. We have also earned a seat on the Office of the Public Service Integrity Commissioner’s advisory board.

International partnerships also have the advantage of exposing us to the research, strategies and insights of likeminded associations from across the world. We benefit from exposure to their ideas and from hearing first-hand from them what has worked for their groups.

Through these partnerships we have discovered how much we have in common with the associations representing financial control professionals across the world; truly there is more that unites than divides us. Together with PSI and the ILO, we have helped to get whistleblower protection and the overall protection of financial professionals on the world stage.

Finally, it has become clear to us over the past few years that limiting ourselves to domestic political arena is no longer an option. ACFO cannot afford to be isolated. If we want to effectively serve our members, we need to take our advocacy to be international. The recent financial crisis and austerity measures resulted from a globalized financial system; to address these issues we will need international participation and globally-minded solutions.
At ACFO headquarters

We believe that representing our members’ best interests should start at home, with our own operations at ACFO headquarters. This year, that has taken the form of maintaining our financial stability and strong labour relations record, as well as improving efficiency and communications.

Labour Relations

ACFO’s Labour Relations team is pleased to report that nearly all our workforce adjustment cases have been resolved. Over the past couple of years, WFA has presented team with a significant challenge so this is a significant accomplishment. And while we experienced a decrease in membership at the beginning of the year, that number has already started to climb. Our membership is actually now 1% higher than it was this time last year. We expect this number to continue to increase slightly in the coming years.

The LR team has increased its resources with the addition of a new Labour Relations Advisor under the same budget. Even with additional resources and the resolution of WFA, the Labour Relations team has reported a high case load over the past year. One of the causes of this increasingly heavy case load is the number of files on which our team has had to resort to formal recourse on more case files. Prior to the government cuts of the last few years, most cases could be resolved through settlements or mediation but that number is shrinking every year.

High case volume notwithstanding, ACFO can again report a 98% success rate. In these cases we have addressed a wide variety of issues including:

- securing significant pay and benefit recalculations by challenging erroneous compensation decisions;
- reversing multiple cases of unjustified discipline including demotions, warnings and suspensions;
- assisting a significant number of members to qualify for Disability Insurance, accommodation in the workplace and reintegration to the workplace following periods of illness and disability;
- obtaining improperly denied acting pay and overtime;
- challenging unjustified performance assessments;
- making significant progress in rectifying longstanding misclassification of FI positions across departments and obtaining higher classification levels and appropriate retroactive pay;
- advocating for and securing reimbursement for professional designations and professional development funding where it had been previously denied;
• disclosing cases of wrongdoing to the Office of the Public Sector Integrity Commissioner of Canada.

Resource Management

ACFO can report that we continue to be in a strong, stable position financially. In fact, our cash position has improved from last year and our total revenue has grown by 2%.

This is the final year that the effects of workforce adjustment will be felt in our budget. As mentioned above, our membership numbers decreased early in the past year, resulting in a 1.5% decrease in membership revenue. We have already seen this number start to increase as the year progressed, and we anticipate that trend to continue. At the time this report was published, our membership had increased by 1% compared to last year. We are confident that our membership-based revenue will increase in the next year.

Last year we reported a steep decline in revenue from our Labour Sponsored Investment Funds. This year we can report that this decline has slowed significantly and appears to be levelling off, with only a 5% decrease from last year. We have reason to believe this pattern will continue, with LSIF decline decreasing each year.

Our professional development expenses increased this year to support our enormously successful annual Spring Tune Up with Colonel Chris Hadfield, as well as our sponsorship of worthwhile events such as FMI PD Week and the Award of Excellence for Comptrollership in the Public Sector. International relations expenses have also increased as ACFO continues to strengthen our relationships with likeminded groups from across the world and to advocate for our members interests at international conferences and committees. Both these increases were anticipated and are in support of initiatives that will strongly benefit members.

Collective bargaining expenses have increased as a result of increased activity, namely, the successful negotiation of an agreement for our members at NAV Canada and preparations for the coming round of negotiations for members in the public service. However, overall salaries and benefits casts have decreased due to increased operational efficiency and an organizational restructuring early in the year.

Operations

Throughout this year, ACFO has continued to streamline our operations and increase efficiency. We have consolidated our IT infrastructure and are moving to a new operating system that has cut our costs by half and reduced the amount of IT equipment required to maintain our office. We have also moved to a new solution for simultaneous translation of ACFO events, one that is all-inclusive and offers hourly billing. Finally, we have made significant amendments to our travel policy to increase
flexibility and decrease costs. These initiatives have all been inspired by our commitment to representing our members’ best interests through efficient and judicious operational spending.

ACFO’s largest operational initiative, the Annual Spring Tune Up Professional Development Seminar, was a smashing success. We had the great fortune of hosting Colonel Chris Hadfield, who gave a truly inspirational and eye-opening speech. The attendance for this year’s even was record-breaking, with 500 people attending in person and over 1,000 people tuning in online. Our operations team look forward to announcing plans for next year’s professional development seminar, which is looking to be our biggest one yet.

Communications
One of our primary operations goals at ACFO headquarters over the past year has been to respond to an increasing need for more strategic communications. Our goal was to improve how we communicate to our members and the wider national and international communities, as well as to provide more opportunities for our members to communicate with us.

To that end, we have enhanced the communications function within ACFO headquarters, primarily by hiring a Director of Communications. We have also continued to modernize the platforms with which we communicate, including an updated, user-friendly website and a greater emphasis on membership- or department-wide surveys that allow members’ voices and feedback to be heard. Finally, to celebrate the 25th anniversary of ACFO, we have set up an online campaign to empower our members to tell their stories: to share with us and each other the multitude of ways FIs add value.
Looking Forward

This has been a very full year for all of us - members and ACFO staff. We have many reasons to celebrate: new international partnerships; a stable, improved financial position; many successfully resolved labour relations cases; and significant progress in many of our initiatives. During this anniversary year we also celebrated our bold beginning and the 25-year legacy of serving Canadians under the ACFO banner.

However, this year has also presented many challenges, and as we look ahead to the future, we anticipate many more challenges to come. The political climate has become increasingly hostile to public servants and unions; the government has put in place legislation to weaken us as we approach collective bargaining. We want you to know that the ACFO team is more than ready to face what lies ahead. We are armed with a strong, committed team and we are inspired by the service of our members. We will continue to represent your best interests in our headquarters, and to advocate for you in political arena and at the bargaining table, and in your workplace.

As our 25th anniversary festivities wind down, the ACFO team is here to ensure we all have at least 25 more years to celebrate. Because this has been a challenging year, and we recognize that now more than ever, Canada needs strong financial stewards. Canada needs you.
2013 Audited Financial Statements
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2013
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors,
Association of Canadian Financial Officers:

We have audited the accompanying financial statements of the Association of Canadian Financial Officers, which comprise the statement of financial position as at December 31, 2013 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditors’ responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association of Canadian Financial Officers as at December 31, 2013 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.

Ottawa, Ontario
April 17, 2014

OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$496,817</td>
<td>$335,869</td>
</tr>
<tr>
<td>Short-term investments (note 2)</td>
<td>4,995,938</td>
<td>4,711,936</td>
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<tr>
<td>Other investments (note 3)</td>
<td>8,624</td>
<td>8,624</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>237,549</td>
<td>236,510</td>
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<tr>
<td>Prepaid expenses</td>
<td>53,300</td>
<td>46,477</td>
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<tr>
<td></td>
<td>5,791,228</td>
<td>5,339,216</td>
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<tr>
<td><strong>CAPITAL ASSETS (note 5)</strong></td>
<td>756,411</td>
<td>711,044</td>
</tr>
<tr>
<td>LONG-TERM INVESTMENTS (note 2)</td>
<td>141,988</td>
<td>141,988</td>
</tr>
<tr>
<td></td>
<td>898,399</td>
<td>853,032</td>
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<tr>
<td></td>
<td>$6,689,627</td>
<td>$6,192,248</td>
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<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$168,934</td>
<td>$229,701</td>
</tr>
<tr>
<td></td>
<td>$6,689,627</td>
<td>$6,192,248</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>756,411</td>
<td>711,044</td>
</tr>
<tr>
<td>Building fund (note 7)</td>
<td>1,000,000</td>
<td>1,004,142</td>
</tr>
<tr>
<td>Labor dispute contingency fund (note 7)</td>
<td>3,920,937</td>
<td>3,632,794</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>843,345</td>
<td>614,567</td>
</tr>
<tr>
<td></td>
<td>6,520,693</td>
<td>5,962,547</td>
</tr>
<tr>
<td></td>
<td>$6,689,627</td>
<td>$6,192,248</td>
</tr>
</tbody>
</table>

Approved on behalf of the Board:

[Signatures]

President

Board member
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INVESTED IN CAPITAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance beginning of year</td>
<td>$711,044</td>
<td>$752,677</td>
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<tr>
<td>Acquisition of capital assets</td>
<td>140,970</td>
<td>53,781</td>
</tr>
<tr>
<td>Amortization</td>
<td>(95,603)</td>
<td>(95,414)</td>
</tr>
<tr>
<td>Balance end of year</td>
<td>$756,411</td>
<td>$711,044</td>
</tr>
<tr>
<td><strong>BUILDING FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance beginning of year</td>
<td>$1,004,142</td>
<td>$-</td>
</tr>
<tr>
<td>Transfer from (to) unrestricted fund</td>
<td>(4,142)</td>
<td>1,004,142</td>
</tr>
<tr>
<td>Balance end of year</td>
<td>$1,000,000</td>
<td>$1,004,142</td>
</tr>
<tr>
<td><strong>LABOR DISPUTE CONTINGENCY FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance beginning of year</td>
<td>$3,632,794</td>
<td>$-</td>
</tr>
<tr>
<td>Transfer from unrestricted fund</td>
<td>288,143</td>
<td>3,632,794</td>
</tr>
<tr>
<td>Balance end of year</td>
<td>$3,920,937</td>
<td>$3,632,794</td>
</tr>
<tr>
<td><strong>UNRESTRICTED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance beginning of year</td>
<td>$614,567</td>
<td>$4,717,575</td>
</tr>
<tr>
<td>Change related to capital assets</td>
<td>(45,367)</td>
<td>41,633</td>
</tr>
<tr>
<td>Transfer from (to) building fund</td>
<td>4,142</td>
<td>(1,004,142)</td>
</tr>
<tr>
<td>Transfer to labor dispute contingency fund</td>
<td>(288,143)</td>
<td>(3,632,794)</td>
</tr>
<tr>
<td>Net revenue for the year</td>
<td>558,146</td>
<td>492,295</td>
</tr>
<tr>
<td>Balance end of year</td>
<td>$643,345</td>
<td>$614,567</td>
</tr>
</tbody>
</table>
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership fees</td>
<td>$2,537,586</td>
<td>$2,578,623</td>
</tr>
<tr>
<td>VG Mezzanine Limited Partnership (note 2)</td>
<td>-</td>
<td>1,125</td>
</tr>
<tr>
<td>Covington Capital sponsorship fee (note 2)</td>
<td>298,856</td>
<td>314,791</td>
</tr>
<tr>
<td>Unrealized gain on short-term investments</td>
<td>146,643</td>
<td>132,022</td>
</tr>
<tr>
<td>Realized investment income on short-term investments</td>
<td>166,342</td>
<td>54,749</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$3,149,427</td>
<td>$3,081,310</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>1,117,176</td>
<td>1,362,700</td>
</tr>
<tr>
<td>General operating</td>
<td>638,119</td>
<td>536,203</td>
</tr>
<tr>
<td>Professional and other business services</td>
<td>325,493</td>
<td>315,701</td>
</tr>
<tr>
<td>Collective bargaining</td>
<td>173,733</td>
<td>147,798</td>
</tr>
<tr>
<td>Professional development</td>
<td>209,540</td>
<td>156,329</td>
</tr>
<tr>
<td>Board and members</td>
<td>77,220</td>
<td>70,224</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>$2,591,281</td>
<td>$2,589,015</td>
</tr>
</tbody>
</table>

**NET REVENUE FOR THE YEAR** $558,146 $492,295
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
</table>

CASH PROVIDED BY (USED FOR)

OPERATING ACTIVITIES

| Net revenue for the year | $ 558,146 | $ 492,295 |

Non cash items:

| Amortization of capital assets | 95,603 | 95,414 |
| Unrealized gain on short-term investments | (140,043) | (132,022) |

Changes in non cash working capital items:

| Accounts receivable | (1,039) | 10,673 |
| Prepaid expenses | (6,823) | (18,331) |
| Accounts payable | (60,767) | 173,372 |

| 438,477 | 623,401 |

INVESTING ACTIVITIES

| Increase in short-term investments | (137,359) | (1,046,232) |
| Decrease in long-term investments | - | 7,953 |
| Acquisition of capital assets | (140,970) | (53,781) |

| (278,329) | (1,092,060) |

CHANGE IN CASH FOR THE YEAR

| 160,148 | (468,659) |

Cash beginning of the year

| 335,669 | 804,328 |

CASH END OF YEAR

| $ 495,817 | $ 335,669 |
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

The Association of Canadian Financial Officers ("the Association") is an employee organization formed in 1989 under the name Association of Public Service Financial Administrators. The Association represents financial officers in the Public Service of Canada and Nav Canada. The Association changed to the current name and incorporated as a not for profit organization on July 23, 2004 under the laws of Canada and as such is exempt from income tax.

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

1. SIGNIFICANT ACCOUNTING POLICIES

   a) Revenue recognition
      Membership fees are recognized monthly when paid by members. Sponsorship fees are recognized on a monthly basis based on the sponsorship agreements. Realized investment income includes interest, dividends and realized gains and losses on short-term investments. Unrealized gains and losses on short-term investments represent changes in market values.

   b) Use of estimates
      The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

   c) Amortization
      Capital assets consisting of computer equipment and software, building improvements, data network infrastructure and furniture are recorded at cost. Amortization is provided on a straight line basis as follows:

      Computer equipment 2 years
      Computer software 1 year
      Building and building improvements 25 years
      Data network infrastructure 3 years
      Leasehold improvements 18 years
      Furniture and fixtures 5 years

   d) Investments
      Investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

      Long-term investments are recorded at cost.
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. INVESTMENTS

Short-term investments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash balance</td>
<td>$318,864</td>
<td>$21,888</td>
</tr>
<tr>
<td>Treasury account</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Fixed income</td>
<td>2,464,977</td>
<td>3,054,968</td>
</tr>
<tr>
<td>Equity</td>
<td>2,107,097</td>
<td>1,550,952</td>
</tr>
<tr>
<td></td>
<td>$4,095,938</td>
<td>4,711,938</td>
</tr>
</tbody>
</table>

Long-term investments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covington Capital Fund II Class B Shares</td>
<td>141,587</td>
<td>141,587</td>
</tr>
<tr>
<td>VG Mezzanine I Limited Partnership</td>
<td>401</td>
<td>401</td>
</tr>
<tr>
<td></td>
<td>$141,988</td>
<td>141,988</td>
</tr>
</tbody>
</table>

The Association had an investment in the Vengrowth Funds that entitled them to a sponsorship fee. In 2011 the assets of the Vengrowth Funds were acquired by Covington Capital. At the time of acquisition, ACFO agreed to co-sponsor the Covington Fund ("the Fund"). ACFO holds 99 Class B Shares (of the total 199 outstanding). Since September 1, 2011, ACFO is entitled to an annual sponsorship fee of 0.11% of the Net Asset Value of the Fund.

The Association is a limited partner in the VG Mezzanine I Limited Partnership.

3. OTHER INVESTMENTS

Other investments consist of paintings held for resale. These investments are recorded at cost with no amortization recorded. Fair value, although not readily determinable, is assumed to be greater than cost.

4. FINANCIAL INSTRUMENTS

Financial instruments of the Association consist of cash, accounts receivable, investments, accounts payable and government remittances payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

Short-term investments in the amount of $596,373 (2012 - $322,055) are carried in US currency. These investments are exposed to foreign exchange fluctuations.
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

5. CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>NBV 2013</th>
<th>NBV 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>$185,856</td>
<td>$176,923</td>
<td>$8,633</td>
<td>$6,712</td>
</tr>
<tr>
<td>Computer software</td>
<td>$81,907</td>
<td>$75,156</td>
<td>$6,451</td>
<td>$3,614</td>
</tr>
<tr>
<td>Building and building improvements</td>
<td>$819,476</td>
<td>$213,904</td>
<td>$605,412</td>
<td>$639,191</td>
</tr>
<tr>
<td>Data network infrastructure</td>
<td>$291,316</td>
<td>$272,796</td>
<td>$18,520</td>
<td>$44,750</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$107,036</td>
<td>$5,947</td>
<td>$101,091</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>$214,500</td>
<td>$199,456</td>
<td>$15,054</td>
<td>$16,777</td>
</tr>
</tbody>
</table>

| Total                    | $1,099,793 | $943,352                   | $786,411  | $711,044  |

6. COMMITMENTS

The Association has a $23,499 (2012 - $23,499) commitment to the VG Mezzanine I Limited Partnership. This amount or part thereof can be called by the Partnership at any time when cash is needed to fund an investment or pay expenses of the Partnership. The total amount the Association has committed to this Partnership is $250,000 and has funded $226,501 as of December 31, 2013 (2012 - $226,501).

7. NET ASSETS

As reflected in the statement of changes in net assets, the Association has internally restricted the use of net assets for long-term requirements. These net assets are to be used at the discretion of the Executive Committee.

The net assets restricted for the building fund are to provide the Association with resources to use towards the purchase of a new building.

The net assets restricted for the labour dispute contingency fund to be accessed as required.

8. RELATED PARTY TRANSACTIONS

The Board of Directors received an honorarium of $22,283 (2012 - $21,327) to compensate for their services. They were reimbursed $39,558 (2012 - $29,405) for expenses incurred on behalf of the Association.
2015 Budget – Key Assumptions and Highlights
Projected Deficit = $207.1k

Revenue
Dues revenue is based on an estimated membership base of 4,225 for 2014 plus NAVCAN.

Initiatives

Collective Bargaining

• Collective Bargaining – Will require moderate to significant resources for 2015 as the Public Service contract expires in November 2014. The NAVCAN contract does not expire until February 2017.

• The objectives for collective bargaining include:

  • Renewed and near singular focus on increasing wages for all Fl levels to close the gap with between the public and private sector.

  • Preservation of current benefits including obtaining at least equal value in exchange for any erosion of sick leave benefits.

• The plan underlying the estimates is based on the following assumptions:

  • Protracted public service negotiations into late 2015 with a conciliation / strike dispute resolution mechanism;

  • Reduction in the size of, and centralization of, the negotiating team to reduce costs.

• The plan will be affected by any of the following events:

  • Legislative action to circumscribe bargaining rights which is less likely as we enter the pre-election phase of federal politics;

  • Job action with authorized strike pay for members;

  • Significant pattern settlement developing with regards to sick leave would accelerate the bargaining process

International Relations

International Relations is slated for significant “springboard” investment in 2015 as ACFO both maintains its presence at targeted international events with our key partners at CIPFA, PSI, ICCFO (Formerly ULATOC) and IFTPE/GAO and hosts a 2015 Summit on Corruption, Whistleblowing and Tax Fairness.
• The objectives include:
  • Strengthening our relationships with existing international partners and positioning ACFO to take on a leadership role in those organizations.
  • A 2015 Summit is designed to significantly increase ACFO’s domestic and international profile with members and non-members as a leading and respected advocate for sound public financial management, anti-corruption and tax fairness.
  • Strategically this effort is aimed both at leveraging social progress on the identified issues and leveraging political and business development positioning and influence.
  • Celebrating our 25th year with pride and purpose.
  • Budget could be significantly reduced through:
    • Sponsorship by allied organizations such as PSI, Freidrich Ebert Stiftung Foundation, Transparency International, Broadbent Institute and other likeminded progressive organizations. (Environmental, Women’s, Human Rights Groups)

Professional Development
• The Professional Development Initiative principle goals are two fold.
  • Enhance PD for FIs through participation on the National Joint Professional Development Committee (NJPDC).
  • Coordinate the assembly of best practices in PD across departments.
• Strategic Objectives
  • Enhance PD for FIs.
  • Brand ACFO as a bargaining agent committed to improving PD for the group.
  • Identify best practices in PD across the public service.
  • Build strategic partnerships within TBS and the Office of the Comptroller General.
  • Serve as a point of contact for members on PD by providing links to PD activities including OCG, FMI and CIPFA
Classification and Allocation

- ACFO has invested in advancing classification reform for the FI Community. The current classification standard does not support career management/development and it does not support a group structure that addresses current client requirements for financial management. The current standard also violates the Canadian Human Rights Act (CHRA). Given that the current working level for the financial manager is the FI-2, once clarification of specializations and influence have been accounted for, it is believed that a new level between the current FI-2 and FI-3 or between the FI-3 and FI-4 will be required to develop the management skills of incumbents for future promotions. Furthermore, a proper classification standard will likely result in more FI positions as ACFO is of the opinion there are many misclassified positions in the federal public service due to an outdated classification standard.

- ACFO hopes to have the complete review of the FI classification standard commence in the 2015 calendar year. In 2013-2014, ACFO worked with TBS to update the current standard to make it more current and we hope to have this project completed in 2014. We have been told that the FI group is next in line for a full review, which we anticipate to take place in 2015.

- The result of this initiative may still vary depending on the success achieved through our pay equity complaint filed or through other efforts such as the allocation initiative which aims to address the misclassification of FI positions.

- Target for 2015:
  - File a section 58 PSLRA application with the PSLRB;
  - Have the Standard “mini” review completed and begin the complete FI Classification Standard Review.

Pay Equity

- The Pay Equity Steering Committee was formed to study the merits of a pay equity complaint with the Canadian Human Rights Commission. The committee has conducted a review of the merits of the complaint and likelihood of its success. The committee has also focused on determining membership knowledge of pay equity and providing education on pay equity and its link to our classification system.

- A pay equity complaint was filed with the Canadian Human Rights Commission on March 8, 2009. As a result of the new Public Sector Equitable Compensation Act (PSECA), our complaint was referred to the Public Service Labour Relations Board (PSLRB) which has
jurisdiction to hear pay equity complaints under the transitional provisions of the legislation. The matter is currently before the PSLRB.

Departmental Relations

• This initiative seeks to position ACFO departmental representatives (DR) within Departments and in key regions. DRs provide the Association with visibility and representation at a variety of labour-management consultation meetings and, act as a communication link between ACFO and its membership.

• The primary objective of this initiative is to facilitate communication between ACFO and its membership. Through this network, the Association hopes to raise its profile and increase engagement within the membership. It is hoped that this increased engagement will assist in defending the rights of members, collective bargaining and membership education.

• DRs will act as referral agents and direct members questions and concerns to the appropriate individuals at ACFO’s National Office.

• This initiative has been ongoing for 8 years. On September 2, 2014, ACFO had 74 trained DRs as well as several others awaiting training. 54 of those individuals were from the NCR. The other 20 DRs were located in the regions.

• In 2014, we hope to recruit DRs for the remaining major departments in the NCR. In particular, we hope to recruit DRs at Environment Canada and Elections Canada and Canadian Heritage. Secondary smaller departments will also be targeted. Representation in all departments is the intent.

• We will also look to add DR depth to some of the major departments. In 2015, a focus will be placed on increasing the communication and coordination of the program amongst DRs across the country. The objective being a common and collective voice.

• Expansion of ACFO’s regional DR network will remain an ongoing effort in 2015.

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• Recruitment is expected to be an ongoing and continuous task as DRs move around in the federal public service as well as in and out of the group.

• Engagement of the DRs through teleconferencing and networking is expected to expand in 2015. DRs will be asked to take on an active role in these activities in 2015.

• It is expected that two DR orientation sessions will occur in 2015: one in the spring and one in the fall.

• Focus group sessions with senior DRs to identify best practices and obtain feedback on program/Association are expected to continue in 2015. Two sessions are expected in 2015.

• This initiative also expects to host one annual conference in 2015.

• Depth has been built in the most major departments. It is worth noting that the initiative achieved its 2014 goal of finding DRs for Transport Canada and Citizenship and Immigration Canada.

• A successful Annual Conference took place in May 2014.

• One orientation session occurred in May 2014 with 9 new DRs attending the session.

• DR Teleconferences were held in 2014 to increase interaction between the Association and DRs. A DR retreat will also be held in October/November 2014.

• Development of DRs to levels where they are comfortable to attend LMCCs and assist in Orientation Sessions for new members of departments.

• Many DRs are ready to and attend local LMCCs. DRs have shown an eagerness to be the voice of the ACFO and play an active role in the Association’s development.
2015 Budget
### OPERATING

#### Revenue

<table>
<thead>
<tr>
<th></th>
<th>2013 Budget</th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dues Revenue</td>
<td>$2,560,000</td>
<td>$2,537,600</td>
<td>$2,542,000</td>
<td>$2,550,000</td>
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<tr>
<td>Total Revenue</td>
<td>2,560,000</td>
<td>2,537,600</td>
<td>2,542,000</td>
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#### Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
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<tbody>
<tr>
<td>Salaries and related expenses</td>
<td>$1,299,400</td>
<td>$1,171,200</td>
<td>$1,183,500</td>
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<tr>
<td>General Operating Expenses</td>
<td>637,000</td>
<td>638,100</td>
<td>655,000</td>
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<tr>
<td>Professional and other services</td>
<td>492,700</td>
<td>325,500</td>
<td>491,200</td>
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<tr>
<td>Board and member expenses</td>
<td>124,100</td>
<td>77,200</td>
<td>153,000</td>
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<tr>
<td>Collective bargaining</td>
<td>255,200</td>
<td>173,700</td>
<td>184,000</td>
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<tr>
<td>Communications &amp; other</td>
<td>141,200</td>
<td>205,500</td>
<td>268,500</td>
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<table>
<thead>
<tr>
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<th>2013 Actual</th>
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<tbody>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$2,949,600</strong></td>
<td><strong>$2,591,200</strong></td>
<td><strong>$2,935,200</strong></td>
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</table>

#### Net Deficit from Operations

<table>
<thead>
<tr>
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<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Deficit from Operations</strong></td>
<td><strong>$(389,600)</strong></td>
<td><strong>$(53,600)</strong></td>
<td><strong>$(393,200)</strong></td>
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### INVESTMENT

<table>
<thead>
<tr>
<th>Investments</th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
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<tbody>
<tr>
<td>Labour Sponsored Funds</td>
<td>301,500</td>
<td>298,900</td>
<td>226,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>102,500</td>
<td>313,000</td>
<td>100,500</td>
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<table>
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<tr>
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<th>2013 Actual</th>
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<th>2015 Budget</th>
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<tbody>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$404,000</strong></td>
<td><strong>$611,900</strong></td>
<td><strong>$326,500</strong></td>
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<table>
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<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
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<tbody>
<tr>
<td><strong>Net Surplus (-deficit)</strong></td>
<td><strong>$14,400</strong></td>
<td><strong>$558,300</strong></td>
<td><strong>$(66,700)</strong></td>
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<table>
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<th></th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2015 Budget</th>
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</thead>
<tbody>
<tr>
<td>Capital Requirements</td>
<td>46,000</td>
<td>141,000</td>
<td>180,000</td>
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### Operating Expenses

#### Workload component/initiative

<table>
<thead>
<tr>
<th>Category</th>
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</thead>
<tbody>
<tr>
<td>Board Meetings</td>
<td>$117,500</td>
<td>125,100</td>
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<tr>
<td>Covington Capital</td>
<td>16,500</td>
<td>14,400</td>
</tr>
<tr>
<td>Labour Relations</td>
<td>856,400</td>
<td>958,400</td>
</tr>
<tr>
<td>Administration</td>
<td>585,900</td>
<td>638,700</td>
</tr>
<tr>
<td>Facilities</td>
<td>208,800</td>
<td>213,400</td>
</tr>
<tr>
<td>Communications and IT Services</td>
<td>83,000</td>
<td>108,000</td>
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<tr>
<td>Government Relations</td>
<td>20,600</td>
<td>21,100</td>
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<tr>
<td>National Joint Council</td>
<td>37,500</td>
<td>39,300</td>
</tr>
<tr>
<td>Collective Bargaining</td>
<td>184,000</td>
<td>170,000</td>
</tr>
<tr>
<td>Classification Renewal</td>
<td>59,400</td>
<td>32,900</td>
</tr>
<tr>
<td>Pay Equity</td>
<td>142,700</td>
<td>144,700</td>
</tr>
<tr>
<td>Professional Development</td>
<td>197,300</td>
<td>28,700</td>
</tr>
<tr>
<td>Departmental Relations</td>
<td>137,700</td>
<td>151,400</td>
</tr>
<tr>
<td>Annual General Meeting/FMI</td>
<td>46,100</td>
<td>95,100</td>
</tr>
<tr>
<td>Domestic &amp; International collaboration</td>
<td>169,100</td>
<td>427,800</td>
</tr>
<tr>
<td>Business Development</td>
<td></td>
<td>5,600</td>
</tr>
<tr>
<td>Town Hall Meetings</td>
<td>64,700</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>8,000</td>
<td>14,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,935,200</strong></td>
<td><strong>3,188,600</strong></td>
</tr>
</tbody>
</table>
2014 Resolutions
The detailed resolutions for the twenty-fifth annual general meeting are presented below. Each resolution indicates the name of the mover and the seconder.

**Minutes**

**Resolution #1**
Moved by:  Dany Richard  
Seconded by:  Karen Hall

**BE IT RESOLVED THAT** the minutes for the Twenty-Fourth Annual General Meeting be approved.

**Finance and budget resolutions**

**Resolution #2**
Moved by:  Tony Bourque  
Seconded by:  Raoul Andersen

**BE IT RESOLVED THAT** the audited Financial Statements for the twelve (12) month period ended December 31, 2013 be approved.

**Resolution #3**
Moved by:  Nicole Bishop-Tempke  
Seconded by:  Rob Hawkins

**BE IT RESOLVED THAT** the 2015 Budget be approved.

**Resolution #4**
Moved by:  Rob Hawkins  
Seconded by:  Nicole Bishop-Tempke

**BE IT RESOLVED THAT** Ouseley Hanvey Clipsham Deep Chartered Accountants be appointed as Auditor for the Association for the 2014 fiscal year.
By-Laws

Resolution #5
Moved by: Raoul Andersen
Seconded by: Tony Bourque

Whereas the Board of Directors recommends that that the ACFO Chair be designated as the default Chair of the Nominating Committee for ACFO elections save and except where the ACFO Chair is up for reelection in which case a vice-chair who is not up for reelection will be appointed by the Board of Directors to serve as the Chair of the Nominating Committee.

BE IT RESOLVED THAT the following amendments to By-Law No. of the Association of Canadian Financial Officers be Approved:

6.4.3 The Chair of the Nominating Committee shall be the ACFO Chair unless he/she is up for election in which case the Board of Directors shall appoint a vice-chair who is not up for election to the Nominating Committee Chair position.

Resolution #6
Moved by: Karen Hall
Seconded by: Dany Richard

Whereas ACFO no longer employs an Executive Director and the position is referred to in the current By-Law No.1.

BE IT RESOLVED THAT the following amendments to By-Law No. 1 of the Association of Canadian Financial Officers be approved:

7.1.2

Replace

All financial terms and conditions of appointment attaching to the position of President shall be set at the beginning of his/her term by the ACFO Board based on information obtained from an independent compensation consultant selected by the ACFO Board on the recommendation of the ACFO Executive Director. The consultant will be tasked with determining fair compensation based on compensation for comparable positions in comparable bargaining agents.

With

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17.1.2

Replace

7.1.2 Grammatical, spelling, punctuation, and numbering corrections to these Bylaws which in no way alter the intent of the respective Bylaw shall be amended by the Executive Director, subject to the approval of the Board of Directors.

With

17.1.2 Grammatical, spelling, punctuation, and numbering corrections to these Bylaws which in no way alter the intent of the respective Bylaw shall be amended by the ACFO Chair, subject to the approval of the Board of Directors.
Voting Rules and Regulations for Elections and Resolutions
1. The Board of Directors shall appoint, from among the regular membership, a Nominating Committee of not less than one (1), nor more than five (5) regular members. The Nominating Committee, (hereinafter referred to as the Committee) as established by the ACFO By-laws, is responsible for the entire voting process for the election of officers as defined in the ACFO By-law 1 and for the resolutions, amendments and any other issues on which the members are required to vote. It shall be appointed at least fifty (50) days before the date of the Annual General Meeting (hereinafter referred to as the AGM) and shall be dissolved no less than thirty (30) days after the AGM. It shall also be appointed to be responsible for the voting process for any votes held between AGMs and shall be dissolved no less than thirty (30) days after the voting deadline.

2. At the AGM or other meeting, the Chairperson of the Committee shall:
   
   2.1 report on its activities to the meeting
   2.2 coordinate with appointed auditors to have the auditors conduct the election and voting for resolutions and arrange for the count,
   2.3 announce the results;
   2.4 determine the winner, by lot, if more the one (1) candidate receives the same number of votes.

3. To be eligible for election as a member of the Board of Directors, the member must be a member in good standing of ACFO for a period of not less than two (2) consecutive years. To be eligible for election as Chair, a Regular Member must be a current member of the Board and must have held a position on the Board for one full term as was defined at the time of his/her election to fill that term. To be eligible for Vice-Chair, a Regular Member must be a current member of the Board.

4. The election of officers shall be by plurality.

5. The newly elected members of the Board of Directors shall take office as the last item of business of the AGM, provided the election results are then available. If the election results are not available at the AGM the newly elected members of the Board of Directors shall take office upon being informed of the results by the Committee.

6. Members of the Committee shall not be eligible to stand for office at the AGM.

7. The Committee shall, by notice to the membership given not later than sixty (60) days prior to the AGM, invite nomination for executive office.

8. All nominations must be made in accordance with the ACFO Bylaws.

9. To ensure consideration at the AGM, resolutions must be submitted to the National Office no later than forty (40) days prior to the date of the AGM.

10. The Chairperson of the Committee shall provide the National Office with a list of the candidates for office and such other information supplied by each candidate not exceeding one page for inclusion in the AGM package that may assist the regular members to cast their ballots (the candidates will be entitled to submit to the Chairperson two pages of additional material in text only to be sent out electronically on a date determined by the Committee).

11. The vote will be conducted by an independent company hired by ACFO to coordinate an electronic vote via internet. Scrutineers will also conduct a paper ballot at the AGM.

12. Should a Member choose not to attend the meeting and vote, they may vote by connecting to the electronic voting system and casting their ballot during the period the electronic voting system is accessible. This electronic voting system is a form of proxy approved by the Board in accordance
with By-law 9.16.

13. The vote is a secret vote.

14. Scrutineers will be present at the AGM to verify those persons attending the AGM are eligible to vote. The scrutineers will be able to verify the electronic PINs that have voted against the list of eligible voters who have been sent a PIN for the purpose of voting in the election. In the event of miscast PINs, members wishing to vote by paper ballot are required to complete a written Request for Ballot prior to receiving a paper ballot.

15. Miscast PINs cannot be reversed from the system and will be counted. Where the number of miscast PINs could have materially affected the results of a particular resolution or election that particular vote will be invalidated and run again at an SGM in accordance with the By-laws. The auditors/scrutineers will deliver the results to the Committee.

16. The Committee will be responsible for approving the electronic and/or paper format and design of the ballots used by membership to vote.

17. The Committee will report to the AGM in such form(s) as may be required, on the votes cast for each candidate and for each resolution, amendment and any other issue on which the membership votes; and shall account for all PINs and ballots; and shall retain a copy of such reports until such time as the Committee is dissolved.

18. The Committee shall be dissolved only after the Board of Directors and the Committee determine that no valid challenge of the voting results has been made. If a valid challenge has been made, the Committee will be dissolved only after the issue has been resolved by the Board of Directors. The Committee, upon dissolution, shall destroy paper ballots and direct the electronic voting technology supplier to destroy all records and such other materials pertaining to the AGM or other vote for which it is responsible.

Administration

19. It is the responsibility of the Committee to:

19.1 set the order of candidates as follows:

b) incumbents will be listed first in order of years of service on the Board;

c) challengers will be listed second in alphabetical order.

19.2 ensure that all documentation is bilingual;

19.3 order PINs created and associated with each eligible voting member and ensure that all such material is properly secured;

19.4 ensure that proper procedures are maintained in the delivery of the PINs and voting instructions to all members twenty (20) days prior to the AGM. They will be included with the materials required in Article 9.13.2 of ACFO By-law 1;

19.5 provide voting instructions to members including details on how to cast a vote and how to obtain support if the member has a question concerning the voting process.
20. The control register will show the member’s name and date the member cast their ballot in the election. It will not reveal how a member voted.

21. The electronic voting system will be available during the approved voting timeframe for the casting of member’s ballots. A ballot box will be available at the AGM to cast paper ballots.

22. Scrutineers will tally all votes.