



The union for
financial professionals

29th Annual General Meeting Voter Information





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My fellow FIs,

As I approach the halfway point of my mandate, I continue to stand in awe of the incredible opportunity that I have been afforded by all of you. I have had the privilege of meeting with senior leaders and executives in the government and at NAV Canada; I've sat with cabinet ministers and Senators; I've met union leaders from across the country and around the world — and, most importantly, I have been able to tell them all the story of our membership: the value we bring as financial professionals and the challenges we face in our workplaces.

The integrity and professionalism that are the hallmarks of our community have become the basis of ACFO's growing reputation. And with that increased stature, we're accomplishing more and more together.

Things haven't been all positive, of course. The Phoenix payroll system continues to cast a long shadow across the entirety of our public service membership. Everyone is being affected, either directly in their pay, or indirectly through increased anxiety and increased workloads. Our community was also the first to raise concerns about longer-term impacts on the integrity of the financial management system. One thing that has become clear in 2018 is just how long we are going to be dealing with the impacts of the incomprehensible failure that is Phoenix.

But as we begin discussions about the next generation of payroll administration, and as we



head back to the negotiating table on behalf of our public service members, our reputation has given us unprecedented influence. ACFO is routinely mentioned in the same breath as our larger union counterparts and we continually punch above our weight, whether at home or abroad.

We are delivering more training and development to you than ever before thanks to the million-dollar Joint Career Development Program. We are meeting more of you in person thanks to a renewed commitment to member engagement. And we continue to deliver top quality labour relations services and advice thanks to our dedicated and hardworking staff. We take our cues from your professionalism and, together, we've established our community as a voice for change and a force for good.

It's an honour to represent this community and I look forward to working together more in the years to come.

Dany Richard, MBA, CPA, CMA

President and Chair of the Board of Directors



Agenda

Thursday, November 7, 2018

InterContinental Hotel
360 Saint-Antoine St W
Montreal, QC H2Y 3X4

Registration and Cocktails	4:30 pm
Opening Remarks	5:20 pm
Dinner Service Begins	5:30 pm
Presentation of the 2018 ACFO Scholarships	6:15 pm
President's Remarks: Annual Report and Budget	6:30 pm
Townhall Q&A Session & Other Business	7:15 pm
Voting Results	8:00 pm
Adjournment	8:15 pm



ACFO | ACAF

Annual Report 2018

Introduction

ACFO was able to make progress on behalf of our members on a number of key fronts in 2018, despite the ongoing impacts of the Phoenix payroll system debacle.

An unprecedented number of you benefited from ACFO's professional development offerings, a key priority of our community every year. We have worked to engage with more of you in your workplaces and held a record number of in-person events. And we moved our operations into a new, modern and professional headquarters building – a building that is not only closer to major public service workplaces so we can serve you better, but also a building that is in a major Ottawa transportation corridor, including a future LRT station, so it represents a sound financial investment. Our reputation has never been stronger as a union and that is thanks, in large part, to the incredible reputation of the members we serve. We are proud to represent this community of professionals and we are eager to see what 2019 will bring.

Professional Development

Beyond compensation and benefits, access to professional development is consistently cited as the single biggest priority of the ACFO membership.

This is hardly a surprise. As your representatives, we know full well how seriously you take your role as competent, professional stewards of the public treasury. We are pleased to have been able to offer an unprecedented number of training and development opportunities to a record number of members over the past year and we are excited by what lies ahead on this important file.



With more than 1,100 attendees, this year's Spring Tune Up was the largest ever, where high profile speakers - including Peter Mansbridge - offered inspiring and educational presentations that were useful to the career and personal development of FIs.

What we've done in 2018

- In 2018 we wrapped up the first year of the Joint Career Development Program (JCDP) and launched the second year of programming. More than 1,750 members received training or attended an event as part of the 2017-18 JCDP, including training on leadership, the financial cycle and language training, as well as regional events across the country and in the National Capital Region.
 - Our flagship PD event, the annual Spring Tune Up in Ottawa, drew more than 1,000 attendees to hear presentations from Peter Mansbridge, workplace conflict expert Mercedes Watson, personality psychologist Dr. Brian Little and former Parliamentary Budget Officer Kevin Page.
 - Regional town hall events in Vancouver, Edmonton, Winnipeg, Toronto, Montreal and Halifax attracted more than 550 members for informative and educational sessions on emotional intelligence, workplace conflict, leadership and professional communications.
 - More than 100 members attended the incredible Institute for Fiscal Studies and Democracy course hosted by former Parliamentary Budget Officer Kevin Page.
 - Almost 400 members received language training
 - 100 members took part in a customized leadership development program
 - 90 members got the opportunity to shadow their colleagues and see operations in another city thanks to the FI Interchange program.
- We also worked to strengthen relationships with departmental CFOs and the Office of the Comptroller General to ensure members could take advantage of these programs and offerings.

What we'll do in 2019

- By spring of 2019, we expect close to 2,000 members to participate in the 2018-19 offerings under the JCDP, culminating with the 2019 Spring Tune Up on June 4. Planning will then begin for the 2019-20 JCDP, when we hope to deliver training to more than 2,000 members.
- We will also work to ensure that access to JCDP programming is included in more members' annual learning plans, with the support of the OCG and departmental CFOs.



JCDP Participants enjoyed interchange and job shadowing opportunities, leadership and language training and a record-number of events across the country.

Phoenix

The unmitigated disaster that is the Phoenix payroll system continued to be the single-biggest issue facing ACFO and our public service membership over the past year.

While the government has turned its attention to the next generation of payroll administration in the public service, we have fought for a seat at the table while still working to ensure anyone affected by Phoenix is made whole. It's unfathomable that these problems persist but persist they do; we continue to exhaust every available channel of recourse for our members while also working on the structural and systemic problems that led to this disaster in the first place.

What we've done in 2018

- Thanks to the feedback from members in the FI Community Phoenix Impact Study, we were the first to raise concerns to the employer about the degradation of financial controls and the risk of fraud associated with Phoenix emergency payments. We also appeared in the media in response to the Auditor General's report to echo these same concerns.
- In our submission to the House of Commons Finance Committee's pre-budget consultation process, we called on the government to rescind the blanket approvals that allow the employer to bypass financial controls associated with Phoenix problems.
- ACFO has a leadership position with a handful of other unions and employer representatives in a working group to determine compensation and damages for public servants affected by Phoenix, both directly and indirectly. We expect an announcement on this matter in the coming weeks.
- We also secured a coveted seat on the committee that is looking at the requirements for the next generation payroll administration system, to help ensure that the mistakes of the past are

not repeated. We are one of only four unions represented on this committee.

- Throughout the year, we continued to help individual members affected by Phoenix, escalating their cases where possible and helping to ensure appropriate documentation is in place in others.

What we'll do in 2019

- As work intensifies on creating the next payroll administration system, we will work to ensure the mistakes of the past are not repeated. This includes ensuring that public servants who see problems with the system are empowered to speak out before the system goes live.
- We will continue to hold the employer to account for the damages caused by Phoenix and will work to make sure every single pay issue is resolved.
- We will also continue to fight to ensure government financial controls are applied so that due diligence is done to avoid fraud or gross mismanagement related to emergency payments associated with Phoenix.
- We will continue to make senior officials aware of the increased workload on financial professionals and push for more resources to help manage the work.

Member Engagement

Engaging with all of you is a key priority every year but it has taken on an increased sense of urgency this year given the ongoing Phoenix payroll system.

We rely on the employer to tell us who is and who isn't a member every month and the quality of this information has degraded along with all of the other problems caused by Phoenix. This has made it even more important to meet with members face-to-face, all across the country. Our annual pulse survey showed, once again, that the overwhelming majority of our members are satisfied with the services they receive from ACFO. It's incumbent on us, though, to stay connected so we can provide you the information you need to ensure your rights are protected.



Town hall sessions across the country gave ACFO members a chance to ask their questions directly to the ACFO leadership.

What we've done in 2018

- We held a record number of in-person events for members across the country this year, including lunch-hour town hall sessions in Edmonton, Niagara Falls, Mississauga, Ottawa and Charlottetown, a networking night in Ottawa and, through the JCDP, regional town halls in Vancouver, Edmonton, Winnipeg, Toronto, Montreal, Moncton and Halifax.
- We also undertook a comprehensive telephone outreach of members through September and October, ensuring we have updated information for members.
- We are about to launch a new membership database system that will give us the ability to better serve our

members while also giving you more control over the type of information you receive from your union.

What we'll do in 2019

- Our new membership database will be up and running in 2019.
- We will also be expanding our in-person membership engagement program, with more events and more opportunities for you to engage with your union and with each other.
- We plan to roll out a new and improved ACFO Representative program to increase our visibility in the workplace and to give more of you the opportunity to engage with the union and help us represent your colleagues.



Collective Bargaining and Employee Wellness

Collective bargaining is the core of what we do at ACFO.

In addition to helping our members negotiate collective agreements with Treasury Board (for public service employees) and NAV Canada, we're also currently in the process of a parallel negotiation process for the new public service Employee Wellness Support Program (EWSP), as first planned in the most recent FI Collective Agreement. Our members at NAV Canada ratified their current deal in 2017, which carries through until 2020. As such, our focus this year has been the negotiations with Treasury Board for a new collective agreement and the new EWSP.



The first public service collective bargaining session took place at ACFO headquarters October 2-4 to discuss the renewal of our collective agreement which expires in November.

What we've done in 2018

- ACFO entered negotiations alongside other unions to work out specifics of the Employee Wellness Support Program. These negotiations are separate from the talks about the main collective agreement. ACFO representatives sit on both the technical committee and the executive-level committee working on employee wellness.
- Our commitment remains to ensure our public service members have better coverage than they currently have in the existing sick leave regime. Negotiations are ongoing and we hope to have a plan to present to members in the coming year.
- In the summer we also filed notice to bargain our next public service collective agreement. We exchanged proposals in September and held the first negotiating session in October, in advance of the deal's expiration in November and before other unions start negotiations.

- Comprehensive research, including an analysis of other groups' collective agreements and finding private sector comparators, was done to support our bargaining team's work.
- We also carried out a survey on the public service health care plan and submitted our priorities to the committee looking at this issue.

What we'll do in 2019

- Our focus is on getting a new contract for our public service members that is fair and respects your vital role as professional stewards of the public purse. Negotiations will continue on the Employee Wellness Support Program, with the goal of getting it ready in time to be part of the next collective agreement. That said, we will not hold up an otherwise-ready contract if the EWSP is not ready for ratification once a tentative deal is reached.

Advocacy Issues

In any given year, ACFO also works on a number of other advocacy and workplace issues — issues that tend to be longer-term in scope.

These include public-service wide issues, like pushing for improvements to legislation related to pay equity and whistleblower protection, and group-specific issues, like resolving our public service pay equity complaint, curtailing the outsourcing of financial work, monitoring staffing actions and modernizing the classification standard for our group.

What we've done in 2018

- **Pay equity:** We were invited to be part of the consultation process for the development of new, proactive pay equity legislation in the federal public sector following successful lobbying efforts that drove the government to finally announce new legislation in the 2018 federal budget. This work has been done in conjunction with other public service unions and the Canadian Labour Congress, who has deep expertise on the file. We also continued to work to resolve our own outstanding pay equity complaint, both through the formal litigation route and through attempts to resolve it informally and collaboratively.
- **Outsourcing and privatization:** We launched a major research project to help understand the scope and scale of outsourcing of financial

management work in the public sector.

This work is in its early stages but we've already attracted the attention of Members of Parliament, who have been receptive to our calls for tighter controls on contracting out and greater accountability for external consultants. We have also established relationships with other unions through the Canadian Labour Congress, Public Services International and one-to-one, giving us greater access to research and lessons learned from other sectors.

- **Staffing:** ACFO presented to the House of Commons Standing Committee on Government Operations and Estimates as part of their study of the public service staffing system. We flagged concerns about flaws in the process and also the fact that, too often, managers end up contracting out work rather than hiring full time employees because the staffing system is so inefficient.

What we'll do in 2019

- **Pay equity:** We are optimistic about a resolution to our existing pay equity complaint in the coming year. We have been working closely with the employer to find a solution that will close the existing gap, respect the human rights of our group and demonstrate the government's commitment to pay equity prior to the 2019 federal election. Similarly, we hope to see progress on new, proactive legislation this year so we can ensure that such a gender-based pay gap does not open again in the future.
- **Outsourcing and privatization:** We will ramp up our efforts on this file in 2019, with a joint research study to be released in the spring showing the impacts of outsourcing, including high cost, weakening of internal capacity and risks of fraud and a lack of accountability.
- **Whistleblower protection:** The 2017 report from the Standing Committee on Government Operations and Estimates set out a legislative framework for better protection for public servants who disclose wrongdoing. We intend to use this report to put the issue on the radar of all the major political parties in advance of the 2019 election.
- **Classification:** We have been made aware of potential changes to the FI classification standard that may be coming in 2019 and we have already begun to prepare our research in anticipation of these changes. More information on this file is expected soon.



ACFO President Dany Richard met with a delegation of leaders from Public Services International to discuss the international coalition's work on privatization and contracting out.

ACFO Operations

We continue to ensure we are using our members' dues efficiently and are pleased to have been able to keep our dues among the lowest in the public service for many years.

This year we made a major capital investment, selling our old headquarters building and buying a new building in Ottawa's Westboro neighbourhood. Throughout the transition, we've been able to continue to serve our members effectively and efficiently, manage high case volumes related to Phoenix and maintain key relationships with stakeholders all while staying within our budget.



ACFO's new headquarters building in Ottawa is closer to our members and offers more opportunities to engage face-to-face, all while representing a solid investment in a sought-after neighbourhood.

What we've done in 2018

- In 2018 we finalized the sale of our old office on Queensview Drive. Purchased in 2006, the building served its purpose well but as our membership grew, so too did our staff, and over the last year it became clear we'd outgrown the space. The decision to buy this building was a smart investment as the asset increased in value during our time of ownership.
- We purchased a new building in Westboro, conveniently located near our members working at Tunney's Pasture and easily accessible by transit — including close proximity to a future LRT station. The new building is large enough to accommodate modest future growth and provides a professional flagship presence for ACFO in a major Ottawa corridor.

- 2018 also saw a continuation of 2017's spike in member cases, largely due to ongoing problems with the Phoenix pay system. We are pleased to note that the annual member satisfaction survey showed the majority of members are pleased with our services, despite this heavy volume of cases.

What we'll do in 2019

- Our focus will remain on delivering top quality services to our members in an efficient and effective way.
- We will use the new membership database to give members more control over the information they receive from ACFO to enhance the membership experience.

Conclusion

When something as fundamental as the system that ensures you get paid goes as horribly wrong as it has for our public service members, it can feel overwhelming and quickly become all-encompassing.

Indeed, supporting our affected members; flagging concerns about the associated health of the financial management framework; working to ensure those affected receive compensation for damages; and fighting to ensure these problems are not repeated dominated our work through 2018 and will continue to be a big part of our 2019. But just as all of you have adapted and persisted in your work, we too have worked hard to make progress on key files and initiatives. As the representatives for a group of dedicated professionals, we are compelled to model your own dedication and fight to ensure your rights are respected and the conditions in which you work are as healthy as they can be. We're proud to represent this community and we're proud of what we have done in 2018. On to 2019.

1. These Voting Rules are established pursuant to section 6.4.1 of ACFO Bylaw 1.
2. The Board of Directors will appoint a Nominating Committee (hereinafter “committee”) made up of between 1 to 5 regular members. The committee should be at least 3 where there is an election for a position on the Board of Directors.
3. The committee is responsible for the voting process for the election of directors, resolutions and / or amendments on which the members are required to vote at an Annual General Meeting (AGM) or Special General Meeting (SGM) (hereinafter “Meeting”).
4. It shall be appointed at least 60 days before an AGM (Bylaw 1, section 9.13.1) and 21 days before an SGM (Bylaw 1, section 9.12.2).
5. The Nominating Committee Chairperson (hereinafter “Committee Chair”) shall be an ACFO Director appointed by the ACFO Board of Directors. (Bylaw 1, section 6.4.3). The ACFO Chair is not eligible to serve on the Nominating Committee.
6. The committee chair, or his/her designate from the members of the Committee, is responsible for:
 - a. Providing a poster outlining the role and responsibilities of a board member, time requirements and approximate number of meetings;
 - b. Ensuring a secure and secret vote is conducted;
 - c. Ensuring that all notice requirements of the Bylaws are adhered to;

- d.** Providing bilingual 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;
 - e.** Providing an application process for member candidates;
 - f.** Conducting a review of ACFO records to verify each candidate's eligibility to run for office and confirming compliance with Bylaw section 6.3 (Qualification) and 6.6 (Wrongdoing);
 - g.** Referring potential disqualifications to the ACFO Board for determination as to whether a candidate is eligible to stand for election;
 - h.** Providing a report at the Meeting on the voting process and results and answering questions from members present;
 - i.** Supervising and instructing ACFO staff involved in the administration of a vote;
 - j.** Retaining independent scrutineers to conduct the vote;
 - k.** Recommending to the ACFO Board, with the assistance of the Finance Committee and in accordance with Bylaw section 7.1.2, a compensation package range for the ACFO Chair and President where a presidential election will take place and communicating that range to all candidates in writing and in advance of the vote;
 - l.** Writing all candidates following the vote to thank them for their service; and
 - m.** Supervising ACFO staff with timely off-boarding outgoing elected officials (ACFO access to emails, equipment, member lists and shared drive access and thank you gift).
- 7.** Members of the committee are not eligible to stand for election or to move for any resolution or amendment at the Meeting.
- 8.** Members of the Committee shall not campaign on behalf of any candidate, resolution or amendment being voted on at the Meeting.

- 9.** The Committee shall, by notice to the membership given not later than sixty (60) days prior to an AGM, call for nominations for open Director positions and resolutions.
- 10.** To ensure consideration, nominations and resolutions should be submitted to the Committee Chair no later than forty-five (45) days prior to the date of an AGM.
- 11.** If a current member of the Board accepts a nomination to stand for election for another office they vacate their current position by operation of the Bylaws. In these circumstances a second call for nominations for that newly vacated position will be sent to the membership with a deadline for nominations of no later than 25 days prior to the meeting.
- 12.** The Committee Chair shall provide candidates for office the opportunity to submit a document regarding their background and platform for inclusion in the meeting package and to be emailed to the membership by ACFO in ACFO's standard format. The Committee is charged with reviewing and approving the publication of all such material and has the sole authority to approve based on compliance with Board confidence and the ACFO Bylaws.
- 13.** Members standing for election or supporting resolutions shall not use ACFO emails, membership lists and email lists they may have access to or otherwise be provided with any such list.
- 14.** Members standing for election or supporting resolutions shall conduct themselves professionally and in accordance with the ACFO Bylaws. This includes but is not limited to:
 - a.** Refraining from campaigning at AGM, SGM, official ACFO functions or at events where ACFO is an official sponsor;
 - b.** Respecting the prohibition of using ACFO email lists and ACFO social media sites for campaigning; and
 - c.** Respecting the prohibition on harassment and defamatory and inaccurate statements;
- 15.** The Committee is authorized to hear complaints from members regarding the

conduct of other members relating to votes and is authorized to investigate and report to the Board for action.

- 16.** An electronic vote will be conducted by an independent third party retained by the Committee on behalf of ACFO. This electronic voting system is a form of proxy approved by the Board in accordance with Bylaw 9.16.
- 17.** Independent third party scrutineer(s) will also conduct an in-person ballot at the Meeting which will close no later than 1 hour after the meeting commences.
- 18.** All votes are secret votes.
- 19.** Independent third party electronic vote providers and scrutineers are to only report final results of a vote to the Committee Chair once voting is closed.
- 20.** Scrutineers will be present at the Meeting to verify persons seeking to vote at the Meeting are eligible to vote.
- 21.** Where voting irregularities could have materially affected the results of an election or resolution that vote will be invalidated and run again at an SGM in accordance with the Bylaws.
- 22.** The Committee shall retain a copy of all ballots and electronic reports for 120 days following any vote following which they will be destroyed. After 120 days, the Committee is dissolved.
- 23.** The election of Directors shall be determined by majority of votes cast (Bylaw 1, Section 9.15). Bylaw amendments require at least 2/3 of the votes cast to pass (Bylaw 1, Section 17.1.1).
- 24.** In the event of a deadlocked election an SGM shall be called immediately for the purposes of a run-off vote between the candidates who tied for the most votes.
- 25.** Newly elected members of the Board of Directors shall take office immediately following the adjournment of the Meeting at which they are elected.
- 26.** Any contradiction between these voting regulations and the ACFO Bylaws is resolved in favour of the ACFO Bylaws.

The detailed resolutions for the twenty-ninth Annual General Meeting are presented below. Each resolution indicates the name of the mover and the seconder.

Minutes

Resolution #1

Moved by: Karen Hall
Seconded by: Tony Bourque

BE IT RESOLVED THAT the minutes for the twenty-eighth Annual General Meeting be approved.

Finance and Budget Resolutions

Resolution #2

Moved by: Rob Hawkins
Seconded by: Louise Amyot

BE IT RESOLVED THAT the audited Financial Statements for the twelve (12) month period ended December 31, 2017 be approved.

Resolution #3

Moved by: Tony Bourque
Seconded by: Nicole Bishop-Tempke

BE IT RESOLVED THAT the 2019 Budget be approved.

Resolution #4

Moved by: Nicole Bishop-Tempke
Seconded by: Rob Hawkins

BE IT RESOLVED THAT Welch LLP be appointed as Auditor for the Association for the 2018 fiscal year.



Minutes of the 28th AGM (2017)

Thursday, November 23, 2017 at 6:00pm

Hilton Lac-Leamy
3, Boulevard du Casino
Gatineau, QC J8Y 6X4

Opening remarks

Joe Boughner introduced Dany Richard, the President and Chair of the Board of Directors.

Dany Richard asked the Board of Directors to join him onstage.

The Board of Directors introduced themselves and said a few words about who they are and where they are from.

Dany Richard reviewed the agenda for the meeting.

Dany Richard emphasized the importance of the ACFO scholarship program. He explained the scholarship selection process and thanked the scholarship judges.

Dany Richard announced the winners of the FI Community Professional Scholarship, Yiwen Shao and Courtney Miller, and the winners of the Merdon Hosking Youth Scholarship, Alexandra Eva Machicado-McGee and Grant Wolters.

State of the FI Community Survey

Dany Richard moved on to discuss the results of the State of the FI Community Survey. He encouraged the members to continue to fill out all ACFO surveys.

Dany Richard addressed the imminent roll-out of Workplace 2.0 across the public service. He said that ACFO is going to work with the employer to ensure that if Workplace 2.0 is going to be implemented it will be implemented well.

Phoenix

Dany Richard said he wanted to answer the questions he is most frequently asked about Phoenix.

Dany Richard said he is often asked why FIs cannot go on strike in response to Phoenix. He said a strike is only legally permitted under certain conditions and the Phoenix issue is not one of them.

Dany Richard said he is asked why ACFO does not sue the government. He said that ACFO had investigated this route but that legal experts advised that ACFO would not win this lawsuit. He confirmed that what ACFO has done is file a policy grievance on behalf of every member who has contacted ACFO with a Phoenix issue.

Dany Richard said another question he is often asked is: Why not take coordinated sick days? He clarified that this would be considered illegal job action and members could face repercussions.

Dany Richard said he is asked: Why not take to the street for a demonstration? He said the purpose of a demonstration is to raise awareness but the employer already knows about the issues with Phoenix.

Dany Richard then discussed what ACFO is doing to address Phoenix issues, including: filing policy grievances; showing the results of the FI Community Phoenix Impact Study surveys to management; getting the most recent collective agreement ratified in December to get FIs their retro payments sooner; working with other unions to put pressure on the government and taking part in the interest and damages committee.

Dany Richard then asked if anyone in the crowd had any questions regarding Phoenix.

A member asked if the all-union committee would continue to meet now that the Auditor General had filed his report on Phoenix.

Dany Richard confirmed that both the Labour Management Committee and the committee on interest and damages would continue to meet.

A member asked a question about leave with income averaging and not receiving back pay.

Dany Richard encouraged the member to contact ACFO with this issue. He said that ACFO will document the issue and that the more times an issue is documented, the more seriously the employer takes it.

Collective bargaining

Dany Richard moved on to address collective bargaining. He referred to the difference between the wage increase FIs received and the rate of the inflation and said the deal ACFO had negotiated was the best possible deal. He clarified that FIs got a wage increase rather than a signing bonus because a wage increase applies every year and is pensionable. He said members of the unions who got a signing bonus got a smaller market adjustment.

Dany Richard confirmed that members would not lose their banked sick leave under the proposed new wellness plan. He then explained the details of the proposed plan and referred to a slide. He emphasized that ACFO will only propose a new wellness plan if it is in the members' best interests and that the members will get to vote on the proposed plan.

A member said they had heard that the employer would be contracting with a third-party company to determine who is eligible for short-term disability.

Dany Richard replied eligibility was something ACFO would be addressing in negotiations.



Collective bargaining *continued*

A member said in their experience the employer did not willingly give public servants something better, and asked how the employer had arrived at this deal.

Dany Richard replied that the benefit for the employer in this proposal was that public servants would not be accumulating more banked sick days, which are a liability for the employer.

A member asked if the employer would pay out banked sick days.

Dany Richard replied that ACFO proposed it but that the employer declined.

A member asked why the employer wants to move to a new sick leave system.

Dany Richard replied that he does not know the employer's motivations but that ACFO's position is always to ensure that when an employee is sick, their salary is still paid.

A member asked a question about taxes and deductions under the proposed system.

Dany Richard replied that this is an issue ACFO is discussing now.

A member admitted that they were skeptical of this proposed plan, having dealt with a third-party auto insurance company following an injury.

Dany Richard said he understands this skepticism and reiterated that if the proposed plan makes it more difficult to qualify for short-term leave, ACFO is not going to agree to it.

A member said that the proposed short-term disability plan would likely be affected by Phoenix.

Dany Richard said that he was aware of this potential issue.

Dany Richard then encouraged the assembled members to contact ACFO if they had an issue with getting their claims for CPA designation reimbursed.

Joint Career Development Program

Dany Richard moved on to discuss the new Joint Career Development Program (JCDP) and emphasized what an important victory it was for ACFO. He apologized for the narrow window of application for members and explained that it was necessitated by the need to launch the JCDP quickly this year.

A member asked if the JCDP training program at uOttawa was just once a year.

Dany Richard confirmed that it would be just the once this year, and that there would be another next year as well.

A member said that it is harder to get language training than CPA training.

Dany Richard agreed and told members to call ACFO if their requests for language training were not approved.

A member said that they would like to see more help from the employer in maintaining their French language skills.

Dany Richard told this member to contact ACFO. He said that ACFO is advocating professional development and that includes language training.



Pay equity

Dany Richard moved on to discuss pay equity. He summarized ACFO's pay equity case and gave a brief history of ACFO's past legal complaint. He said that ACFO is currently pursuing two avenues: a new legal complaint and lobbying the government. He said he is hopeful that ACFO could see a victory in the next few years.

New challenges and opportunities

Dany Richard said that one of the challenges ACFO faces as a union is ensuring members know what services ACFO provides and that ACFO can help with a variety of issues. He encouraged members to trust ACFO and contact ACFO with their issues. He said ACFO will listen, let members know what their rights and options are and make recommendations. He said ACFO will not call the employer without a member's permission. He urged the members to review the information available on the ACFO website.

Dany Richard moved on to discuss the challenges ACFO is facing in the coming year, including: privatization and outsourcing; Bill C-27 and the potential shift from defined benefit pensions to targeted benefit plan pensions; allocation and Artificial Intelligence (AI) and automation.

Dany Richard then announced that ACFO had bought a new building after a search lasting two years. He said this building was a solid investment, that it supported ACFO's current staff and that it offered room to grow.

Dues

Dany Richard then moved on to discuss union dues and how union dues are used. He referred to a slide with a chart showing that ACFO is among the public sector unions with the lowest dues. He said that ACFO dues go toward protecting those members with workplace issues, especially complicated ones, and toward a negotiating team that secured better than pattern wage increases and a million-dollar investment in professional development.

2018 Budget

Dany Richard moved on to discuss the audited financial statements. He reported that this year ACFO had changed auditors as part of a commitment to good governance. He said that ACFO takes its finances very seriously to ensure that its money is well spent for the FI Community. He said that the financials are reviewed by a Finance Committee made of FIs.

Dany Richard introduced ACFO's auditor, Simon So of Welch LLP.

2018 Budget *continued*

Simon So announced that ACFO has a clean audit opinion: that the financial statement presents fairly in all material respects and in accordance with Canadian accounting standards. He said there were no control deficiencies to report.

A member pointed out that the financial statements suggested that membership fees went down and asked how this could be.

Dany Richard replied that Phoenix is impacting ACFO because dues are not being remitted properly. He said that membership has remained stable.

A member said he heard that the FI budget is overspent and so the employer can't fill vacancies.

Dany Richard asked this member to clarify – did they mean a specific budget for a finance team?

The member confirmed, yes, that is what was meant.

Dany Richard told this member to put these comments in writing and send them to ACFO, because there is a process to ask for more money and that departments should do that.

A member had a question about ACFO's investment in VG Mezzanine Limited Partnership.

Dany Richard explained that ACFO has a small ownership in the VG Mezzanine Limited fund to make up for loss of revenue in previous years.

Dany Richard then gave a quick summary of how ACFO determines its budget. He referred to a slide comparing the budgets and actuals for 2016, 2017 and 2018. He said that ACFO always plans for the worst-case scenario. He said that last year ACFO asked for permission for deficit, but actually had a surplus.

Dany Richard went on to compare the major differences between the past year's budget and the coming year's budget, including: the Joint Career Development Program; the new ACFO building; pay equity (if ACFO proceeds with legal route); a new software to track membership and a potential membership increase. He then referred to another slide with a breakdown of all the expenses

2018 Budget *continued*

A member asked if there are any rules regarding what ACFO can do with investments.

Dany Richard replied that yes, there is an investment policy outlining how ACFO can invest and that investments are decided by the Board.

A member asked if ACFO has a plan to partner with FMI.

Dany Richard replied that this year ACFO invested in FMI through the JCDP. He said that next year ACFO will consult with Office of the Comptroller General on future investments because it is a jointly-administered fund.

A member asked why ACFO is operating in a deficit.

Dany Richard clarified that the past few years have actually seen a surplus but that ACFO is operating at a deficit if you don't count the investment income. He said that ACFO has fewer resources because while inflation is increasing, membership revenues are not. He said that no one wants to pay more union dues but ACFO will not reduce or discount services to members.

The same member said not everything ACFO spends on is service.

Dany Richard said that is true but that most of what ACFO spends on is services or supporting services. He encouraged this member to join the finance committee.

A member asked a question about ACFO's investments.

Dany Richard replied that to make a down payment on the new building, ACFO's GICs were sold off in the previous year.

The same member asked if there was a better investment that offered the same liquidity with more interest.

Dany Richard said a GIC was the best option that offered the most flexibility.

A member said they think that ACFO should increase the dues every year progressively with salary increases.

Dany Richard said most unions don't have a flat rate: most have a percentage to avoid going back to ask for more money. He said it was something ACFO needed to look into because its expenses are increasing.

2018 Budget *continued*

A member thanked ACFO for its work on ensuring that ACFO and FMI events are defined as training for both designated and non-designated employees.

Dany Richard thanked this member for mentioning this, and said these are the kind of issues ACFO wants to help with.

A member said they wanted to note that on the Public Works and Government Services Canada website there is a listing of language training providers and that if an FI is interested in getting approval for language training, providing the lowest quote to their manager can help.

Dany Richard thanked the member for this information.

2017 Resolutions

Dany Richard then called **Simon So** back to the stage to announce the results of the election

Resolution	For	Against	Abstained
Resolution #1 Approval of the 2016 AGM minutes	547	2	119
Resolution #2 Approval of the audited financial statements	548	4	117
Resolution #3 Approval of the 2018 budget	527	18	125
Resolution #4 Appointment of auditors for the 2017 financial year	561	16	92
Resolution #5 Bylaw amendment to create tie-breaking mechanism in director elections	590	11	69

Simon So announced that Nicole Bishop-Tempke, Tony Bourque and Louise Amyot were elected as Directors.

Dany Richard thanked all the candidates for the Board of Directors for running and said that it demonstrates real engagement. He also thanked the ACFO staff for putting on the AGM. He encouraged the crowd not to wait another year to contact him again and then adjourned the meeting.

CONSOLIDATED FINANCIAL STATEMENTS
For
ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
For year ended
DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the members of

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS

We have audited the accompanying consolidated financial statements of Association of Canadian Financial Officers, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated 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 Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

... /2

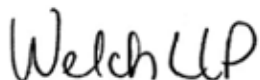
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Association of Canadian Financial Officers ("ACFO") derives a substantial portion of its revenues from membership fees. These fees are deducted at source by the employers and then remitted to ACFO. In March 2016, the Government of Canada, which is the primary employer of ACFO's members, implemented Phoenix, a new computerized pay system. Since then, the Government of Canada has been experiencing significant issues with this pay system that resulted in numerous errors and omissions in the calculation of members' regular pay and related source deductions, including union membership dues. As a consequence, in addition to numerous members experiencing errors or omissions in the calculation of their pay, ACFO has seen a decline in the monthly membership dues received from the employer since the implementation of the new pay system. Given the known issues from Phoenix and the decline in monthly dues remitted by the employer, it is likely that the membership revenue recorded for the fiscal year ending December 31, 2017 are incomplete. Management believes the cumulative shortfall in dues collected to be between \$50,000 and \$100,000 but has not accrued this amount in these financial statements. It is not possible to obtain sufficient appropriate audit evidence to determine the amount of the possible shortfall of membership dues for the fiscal year ended December 31, 2017. Therefore, we were not able to determine whether any adjustments might be necessary to membership fees revenue, excess of revenue over expenses, cash flows from operations, current assets and fund balances as of December 31, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Association of Canadian Financial Officers as at December 31, 2017 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.




Chartered Professional Accountants
Licensed Public Accountants

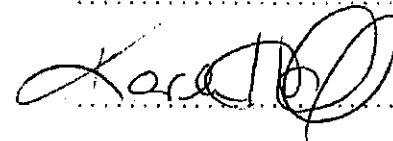
Ottawa, Ontario
April 20, 2018.

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 389,962	\$ 403,189
Short-term investments (note 4)	5,294,164	6,320,355
Accounts receivable	556,641	220,587
Prepaid expenses	<u>49,390</u>	<u>53,826</u>
	6,290,157	6,997,957
CAPITAL ASSETS (note 5)	3,602,161	632,760
LONG-TERM INVESTMENTS (note 4)	<u>401</u>	<u>32,103</u>
	<u>\$ 9,892,719</u>	<u>\$ 7,662,820</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 448,335	\$ 355,700
Government remittances payable	15,100	5,291
Current portion of long-term debt	<u>92,500</u>	<u>-</u>
	555,935	360,991
LONG-TERM DEBT (note 8)	<u>1,711,250</u>	<u>-</u>
NET ASSETS		
Invested in capital assets - internally restricted	1,798,411	632,760
Building fund - internally restricted	-	1,000,000
Labour dispute contingency fund - internally restricted	5,000,000	4,800,000
Unrestricted	<u>827,123</u>	<u>869,069</u>
	7,625,534	7,301,829
	<u>\$ 9,892,719</u>	<u>\$ 7,662,820</u>

Approved on behalf of the Board:

 Director

 Director

(See accompanying notes)

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ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Invested in capital assets</u>	<u>Building fund</u>	<u>Labour Dispute Contingency Fund</u>	<u>2017 Total</u>	<u>2016 Total</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 869,069	\$ 632,760	\$ 1,000,000	\$ 4,800,000	\$ 7,301,829	\$ 6,975,407
Excess of revenue over expenses	323,705	-	-	-	323,705	326,422
Capital asset acquisitions	(3,064,013)	3,064,013	-	-	-	-
Amortization of capital assets	88,979	(88,979)	-	-	-	-
Loss on disposal of assets	5,633	(5,633)	-	-	-	-
Mortgage proceeds received	1,850,000	(1,850,000)	-	-	-	-
Mortgage repayments	(46,250)	46,250	-	-	-	-
Interfund transfers	<u>800,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 827,123</u>	<u>\$ 1,798,411</u>	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ 7,625,534</u>	<u>\$ 7,301,829</u>

(See accompanying notes)

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ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Membership fees	\$ 2,513,231	\$ 2,540,947
Joint Career Development Program (note 6)	520,314	-
Covington Capital sponsorship fee (note 4)	109,134	157,779
Unrealized gain on short-term investments	315,330	233,822
Realized investment income	212,849	188,215
Other revenue	<u>21,830</u>	<u>26,592</u>
	<u>3,692,688</u>	<u>3,147,355</u>
EXPENSES		
Salaries and benefits	1,807,724	1,572,994
Board and members	77,067	80,731
Professional and other business services	322,509	298,209
Communication and promotions	59,715	58,776
Events and travel	772,996	463,838
General operating	300,845	253,502
Interest on long-term debt	28,127	-
Impairment on investment	<u>-</u>	<u>92,883</u>
	<u>3,368,983</u>	<u>2,820,933</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 323,705</u>	<u>\$ 326,422</u>

(See accompanying notes)

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ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 323,705	\$ 326,422
Non-cash items:		
Amortization of capital assets	88,979	81,961
Loss on disposal of assets	5,633	456
Impairment loss on investment	-	92,883
Changes in non-cash working capital items:		
Accounts receivable	(336,054)	36,918
Prepaid expenses	4,436	15,407
Accounts payable and accrued liabilities	92,635	(113,155)
Government remittances payable	<u>9,809</u>	<u>(3,748)</u>
	<u>189,143</u>	<u>437,144</u>
INVESTING ACTIVITIES		
Increase in short-term investments	1,026,191	(310,575)
Decrease in other and long term investments	31,702	8,011
Acquisition of capital assets	(3,064,013)	(44,536)
Mortgage proceeds received	1,850,000	-
Mortgage repayments	<u>(46,250)</u>	<u>-</u>
	<u>(202,370)</u>	<u>(347,100)</u>
INCREASE (DECREASE) IN CASH	(13,227)	90,044
CASH, BEGINNING OF YEAR	<u>403,189</u>	<u>313,145</u>
CASH, END OF YEAR	<u>\$ 389,962</u>	<u>\$ 403,189</u>

(See accompanying notes)

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ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1. NATURE OF OPERATIONS

The Association of Canadian Financial Officers ("ACFO") is an employee organization formed in 1989 under its former name Association of Public Service Financial Administrators. ACFO represents financial officers in the Public Service of Canada and Nav Canada. ACFO Changed to the current name and incorporated as a not for profit organization on July 23, 2004 under the laws of Canada and continued under the Canada Not-for-profit Corporation Act on February 24, 2014 and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Principles of consolidation

These consolidated financial statements include the assets, liabilities and operations of 2576623 Ontario Inc. ("the Holdco"), an entity controlled by the ACFO. The Holdco is incorporated under the Business Corporations Act of the Province of Ontario. The Holdco's principal business activity is holding of a property for commercial rent. The Holdco's head office and operations are located in Ottawa, Ontario.

ACFO provides administrative support to the Holdco at no charge to the Holdco.

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 investments represent changes in market values.

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.

Amortization

Tangible capital assets are recorded at cost and amortization is provided on a straight line basis as follows:

Building	25 years
Building improvements	19 years
Computer equipment	2 years
Computer software	1 year
Data network infrastructure	3 years
Furniture and fixtures	5 years

Intangible capital assets are recorded at cost and regularly reviewed for impairment.

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Measurement of financial instruments

Financial instruments are recorded at fair value on initial recognition. Cash and publicly traded securities are subsequently remeasured at fair value at the balance sheet date. All other financial instruments are subsequently remeasured at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Net assets

At the discretion of the Board of Directors, ACFO has internally restricted net assets for the following initiatives:

- The unrestricted net assets account for ACFO's operating activities.
- The net assets invested in capital assets reports the ACFO's investment in tangible and intangible capital assets net of financing.
- The building fund was internally restricted to provide ACFO with resources to use towards the purchase of a new building.
- The labour dispute contingency fund is internally restricted to be accessed by ACFO as required.

During the year ACFO transferred \$200,000 (2016 - \$425,742) from unrestricted net assets to the Labour Dispute Contingency Fund.

During the year ACFO purchased a building. As a result, it no longer requires the building fund and transferred \$1,000,000 from the building fund to the unrestricted net assets.

3. FINANCIAL INSTRUMENTS

ACFO is exposed to various risks through its financial instruments and does not use derivative financial instruments to manage its risk. ACFO's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

ACFO is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. ACFO's maximum exposure to credit risk is the sum of the carrying value of its cash, its investments and accounts receivable. ACFO's cash and investments are deposited with a Canadian Chartered bank and as a result, management believes the risk of loss of this item to be remote. The majority of ACFO's accounts receivable are from its existing members. ACFO manages its credit risk by reviewing accounts receivable aging monthly and following up on outstanding amounts. Management believes that all accounts receivables at year-end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts.

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017

3. FINANCIAL INSTRUMENTS - Cont'd.

Liquidity risk

Liquidity risk is the risk that ACFO cannot meet a demand for cash or fund its obligations as they become due. ACFO meets its liquidity requirements by preparing and monitoring forecasts of cash flows from operations, anticipating investment and financing activities and holding assets that can be readily converted into cash to ensure it has funds necessary to fulfil its obligations.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. ACFO is exposed to fluctuations in exchange rates in respect of cash and investments that are denominated in United States dollars. At December 31, 2017 the following amount is denominated in United States dollars.

	<u>U.S. dollars</u>	<u>Canadian dollars</u>
Short-term investments	<u>\$ 1,128,036</u>	<u>\$ 1,415,121</u>

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

ACFO is subject to interest rate risk by virtue of its investments in fixed income mutual funds and guaranteed investment certificates. This risk is mitigated by investing in guaranteed investment certificates with fixed rates of interest and in diversified mutual funds as disclosed in note 4. ACFO's long-term debt are subject to floating interest rate terms resulting in an exposure to interest rate movements.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instruments or its issuer or factors affecting all similar instruments traded in the market.

ACFO is exposed to other price risk as it has investments in publicly traded securities that are subject to market fluctuations. However this risk is managed by investing in different sectors and countries.

Changes in risk

With the exception of the new long-term debt detailed in note 8, there have been no significant changes in ACFO's risk exposures from the prior year.

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017

4. INVESTMENTS

Short-term investments, carried at fair value, consist of the following:

	<u>2017</u>	<u>2016</u>
Cash	\$ 258,157	\$ 52,348
Guaranteed investment certificates	-	1,502,712
Fixed income - mutual funds (Canadian)	1,662,460	1,302,995
Fixed income - mutual funds (U.S.)	30,158	29,754
Equity (Canadian)	2,041,509	2,257,462
Equity (U.S.)	<u>1,301,880</u>	<u>1,175,084</u>
	<u>\$ 5,294,164</u>	<u>\$ 6,320,355</u>

Long-term investments, carried at cost net of impairment, consist of the following:

	<u>2017</u>	<u>2016</u>
Covington Capital Fund II Class B shares	\$ 401	\$ 401
VG Mezzanine I Limited Partnership	<u>-</u>	<u>31,702</u>
	<u>\$ 401</u>	<u>\$ 32,103</u>

ACFO 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 cosponsor 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.

ACFO is a limited partner in the VG Mezzanine I Limited Partnership. The partnership was dissolved shortly after the year and a final distribution was accrued for the fiscal year ended December 31, 2017.

5. CAPITAL ASSETS

	2017			2016
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Tangible capital assets:				
Land - 193 Richmond Road	\$ 1,142,000	\$ -	\$ 1,142,000	\$ -
Building - 193 Richmond Road	1,819,225	-	1,819,225	-
Building - 2725 Queensview Drive	819,476	344,180	475,296	508,075
Building improvements	77,093	18,259	58,834	62,892
Computer equipment	251,201	202,081	49,120	35,188
Computer software	12,134	12,134	-	-
Data network infrastructure	103,219	103,219	-	-
Furniture and fixtures	200,553	171,996	28,557	26,605
	<u>\$ 4,424,901</u>	<u>\$ 827,601</u>	<u>\$ 3,573,032</u>	<u>\$ 632,760</u>
Intangible capital assets:				
Unionware	<u>\$ 29,129</u>	<u>\$ -</u>	<u>\$ 29,129</u>	<u>\$ -</u>
Total	\$ 4,454,030	\$ 827,601	\$ 3,602,161	\$ 632,760

The building at 193 Richmond Road is currently under construction. Amortization will commence once ACFO occupies the property.

ASSOCIATION OF CANADIAN FINANCIAL OFFICERS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017

6. JOINT CAREER DEVELOPMENT PROGRAM

Funded by the employer and jointly managed by ACFO and the Office of the Comptroller General, the Joint Career Development Program is an annual \$1,000,000 professional development fund that ACFO negotiated for its members during the last round of collective bargaining.

7. OPERATING LEASE OBLIGATIONS

Presently outstanding is an equipment operating lease with remaining term of 4 years. ACFO's share of the aggregate future minimum lease payments under all operating leases is \$17,171. Future minimum lease payments are payable in the following fiscal years:

2018	\$ 5,345
2019	5,345
2020	5,345
2021	1,136

8. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2017</u>	<u>2016</u>
Scotiabank		
Mortgage payable - equal principal instalments of \$7,708 plus variable interest set at the bank's prime lending rate, secured by real property located at 193 Richmond Road having a net book value of \$2,961,225	<u>\$ 1,803,750</u>	<u>\$ -</u>
Less current portion	<u>(92,500)</u>	<u>-</u>
	<u>\$ 1,711,250</u>	<u>\$ -</u>

Principal repayments over the next five years are estimated to be as follows:

2018	\$ 92,500
2019	92,500
2020	92,500
2021	92,500
2022	92,500

For the purposes of the above, it has been assumed that the existing mortgage will be renewed at maturity under the same terms and conditions.

ACFO has a financial covenant with respect to the long-term debt. ACFO must comply annually with the ratio of consolidated EBITDA to the current portion of long-term debt and interest to be maintained at a minimum of 1.25:1. As at December 31, 2017 ACFO is in compliance with this covenant.

9. RELATED PARTY TRANSACTIONS

Board of Directors

The Board of Directors received honoraria and salary reimbursements totaling \$65,251 (2016 - \$70,338) to compensate for their services. They were reimbursed \$59,696 (2016 - \$79,792) for expenses incurred on behalf of ACFO. These transactions were in the normal course of operations.

As explored in more detail in the 2018 Annual Report, the proposed budget that follows will allow ACFO to focus on key priorities and maintain a high quality of service to members. Specifically, the budget will allow us to:

- maintain exceptional member service with higher than average response times by adding a new Labour Relations Advisor to keep up with growing demand;
- negotiate a new collective agreement for the public service FI Community;
- fight back against the reclassification of our members' jobs and monitor staffing activities to ensure fairness and transparency;
- prevent the overuse and misuse of contractors and consultants to do the work that our members should be doing;
- deliver on our comprehensive development and training programs, including seminars and events across the country; an interdepartmental exchange program for members in the same city; small-group lunch-and-learn seminars and town halls; and the full suite of Joint Career Development Program offerings;
- update our membership administration system and software to ensure members receive relevant and timely information and service; and
- maintain and establish partnerships with likeminded organizations well equipped to help us advance our community's agenda.

Budget (2019)

	2017		2018		2019
	Budget	Actual	Budget	Forecast as at Oct. 2018	Budget as Proposed
OPERATIONS					
Revenue					
Membership Fees	2,595,000	2,513,231	2,661,900	2,556,000	2,866,200
Joint Career Development Program	-	520,314	500,000	1,390,726	900,000
	2,595,000	3,033,545	3,161,900	3,946,726	3,766,200
Expenses					
Salaries and Benefits	1,601,700	1,807,724	1,828,100	1,829,645	1,954,300
Board and Members	123,400	77,067	138,300	119,366	189,000
Professional and Other Business Services	522,000	322,509	658,500	431,966	381,500
Communications and Promotions	59,000	59,715	73,000	54,733	58,800
Events and Travel	544,100	772,996	725,500	1,807,888	1,271,800
General Expenses	266,500	328,972	459,000	483,277	442,100
	3,116,700	3,368,983	3,882,400	4,726,876	4,297,500
Net Deficit from Operations	(521,700)	(335,437)	(720,500)	(780,150)	(531,300)
Investment					
Labour Sponsored Funds	108,000	109,133	40,000	60,000	-
Investment and Other Income	156,500	550,009	720,900	762,153	265,900
	264,500	659,142	760,900	822,153	265,900
Net Surplus (Deficit)	(257,200)	323,705	40,400	42,003	(265,400)

	2017		2018		2019
	Budget	Actual	Budget	Forecast as at Oct. 2018	Budget as Proposed
Expenses					
Administration	402,700	433,852	461,700	462,516	458,700
Labour Relations	999,600	1,100,221	1,065,000	1,070,326	1,162,900
Communications	283,300	287,216	378,400	361,147	384,000
Executive Management	211,500	216,143	199,500	215,400	210,600
Facilities and Office Expenses	337,600	375,438	530,300	581,306	460,100
Board of Directors	117,400	132,716	154,400	140,146	148,500
Collective Bargaining	113,600	15,981	102,700	61,278	176,700
Departmental Relations	70,600	61,298	79,100	114,247	118,400
Initiatives	175,000	38,363	190,000	41,650	60,000
Professional Developments and Events	311,100	627,570	576,900	1,568,782	999,800
Labour Councils and Affiliates	16,500	67,513	116,700	93,518	93,300
Advocacy	76,800	12,671	27,700	16,559	24,500
Business Development	1,000	-	-	-	-
	3,116,700	3,368,983	3,882,400	4,726,876	4,297,500



Ian Boyle

Global Affairs Canada
National Capital Region

Fellow FIs — My name is Ian and I would like to serve on the ACFO Board of Directors. Why?

During my 18 years as a FI, being involved and supporting my colleagues through a variety of volunteer roles has always been important to me.

From involvement in GCWCC campaigns (departmental treasurer, canvasser trainer, canvasser), to Health and Safety Committees (Workplace and Policy) to Public Service Week Organizing committees, and to ACFO Departmental Representative at two departments, I have always

wanted to help shape what is happening in my workplace beyond my own cubicle walls.

For example, in 2010 while representing FIs on the Occupational Health and Safety Policy Committee at the Department of Finance, I used my opportunity to suggest/persuade/convince management over two years that department employees needed access to life-saving Automated External Defibrillators (AEDs). There was a lot of resistance to the idea initially, but over time, by working with my colleagues towards a common goal, we persisted and were able to eventually succeed at installing AEDs on-site which improved the safety of our shared workplace.

After having served as an ACFO Departmental Representative for many years, I am seeking the opportunity to serve members at the national level. At the same time, I hope to be a strong voice for those FIs who may become more and more overlooked in the years ahead.

For example:

A high percentage of ACFO members are skilled, experienced financial officers but do not have an accounting designation. We are seeing more and more positions being changed to “designation mandatory”. What is going to happen to careers in future years if all FI-03 positions become out of reach? We are now seeing designations mandatory for more and more FI-02s as well. Do the FIs without a designation have an equal chance at opportunities/advancement in their careers? Are their interests being defended by ACFO? Currently, only 1 out of 7 board members does not have a designation and this is simply not representative of ACFO membership. I would like to be their strongest representative to ensure that all FI viewpoints are being fairly represented and considered.

In closing, after 18 years as a proud FI I have watched ACFO grow considerably and overall, I support the direction we are heading. ACFO has many challenges ahead however, and in the next year I hope to be your strong representative working with the Board to face them.



Pat Grantis,
CPA, CMA

Health Canada
Ottawa, Ontario

I am a CPA, CMA at the FI-03 level at Health Canada, currently participating in the OCG Advanced Financial Officer Development Program.

I have been an FI since 2004 and worked in a number of different capacities at the Department of National Defence and Health Canada, including resource management, financial operations and financial policy.

I have been an ACFO departmental representative since 2006, and represented ACFO at senior management meetings at Health Canada and the Public Health Agency of Canada. In addition, I am an active member of the Health Canada Departmental Occupational Health and Safety Policy Committee where I have been determinedly searching for ways to eliminate smoking at building entrances.

I am privileged to serve on the ACFO Collective Bargaining Committee again this year, and am committed to ensure that our demands are equitable, reasonable, and representative of the professional work we are depended upon to do each day.

I am an enthusiastic husband and father, and I work hard to balance my work and personal responsibilities in a realistic manner.

I want to sit on the ACFO Board because, if elected, I would:

- Be prepared for meetings to offer well-informed advice and opinions;
- Collaborate with other Board members to ensure that FIs at all levels continue to receive equitable rights and benefits as our fellow public servants in other groups and classifications; and
- Consider the diversity of the FI group when making decisions.

I am qualified / would be an asset as a Board member because:

- I have demonstrated my commitment to FIs by representing and providing assistance since 2006 in a professional and cooperative manner;
- I am an experienced volunteer at not-for-profit organizations, and have served as a Board member, treasurer and chairperson; and
- I am thoughtful, strategic, and committed to achieving tangible results.



Natacha Ruiz Tardif, CPA, CMA

Justice Canada
NCR (Ottawa)

I began my career within the federal public service working for Natural Resources Canada (NRCan) in Québec City. In 2007, I applied to the IARD-FORD program and, as I was accepted, I had to move to Ottawa. I've since had the opportunity to work for several government departments (TC, SPC-SSC, SPPC-PPSC, JUS) and in varied fields (financial systems, accounting operations, travel, CGF-FMA, S&C-G&C). Moreover, I've been the departmental representative for ACAF-ACFO since 2009.

Vision, commitment, goals

- I fully understand the day-to-day of FIs, as I too am an FI and have been a departmental representative for 10 years now: I know our strengths and our challenges.
- As an association, I believe that ACAF-ACFO should make more of an effort to gain visibility amongst the membership. If I am elected, I will promote ACAF-ACFO so that the membership better comprehends its role which will then put ACAF-ACFO in a better position to help a greater number of FIs.
- Phoenix remains a major problem and ACAF-ACFO needs to continue to support its members.
- I am involved in my community as I believe it is the best way to get things done. I am the president of my son's school parent council and as such do have experience as a Board member and a good understanding of the importance of a strategic vision whatever the organization.
- I have great interpersonal skills, am dynamic and proactive.
- I am trilingual (FR/EN) as I also speak Spanish.
- I know what FIs are up against in the regions and in the NCR. I believe in taking both worlds into consideration when decisions are made at ACAF-ACFO.
- Finally, I have much to give to the FI community and I hope to have the honour of serving you in the year ahead.

Thank you.