

farmers'
advocate
office



Alberta 

Agriculture and Forestry, Government of Alberta

July 15, 2021

Farmers' Advocate Office Annual Report

Peter J. Dobbie, Q.C.: Farmers' Advocate for Alberta

Janet Patriquin: Assistant Farmers' Advocate

Michele Del Colle: Energy, Utilities, and Policy Specialist

Anna Kauffman: Rural Engagement Specialist

Roseline Soparlo: Administrative Coordinator

Bernie Yakimyshyn: Farm Implement Inspector (outgoing)

Keith Rasmuson: Farm Implement Inspector (incoming)

Brenda Tangen: Appeals and Hearings Coordinator

July 15, 2021

Honourable Devin Dreeshen
Minister of Agriculture and Rural Development
423 Legislature Building
10800-97th Avenue
Edmonton, AB T5K 2B6

RE: Annual Report

Dear Minister Dreeshen:

It is with great pleasure that I present to you the 47th Annual Report of the Farmers' Advocate Office (FAO). It has been another excellent year for the FAO.

In addition to summarizing the activities of the Farmers' Advocate Office from April 1, 2020 to March 31, 2021, this report also provides the financial statements of the Farm Implement Compensation Fund as required by statute.

Please email peter.dobbie@gov.ab.ca if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter J. Dobbie', is written over a light gray rectangular background.

Peter J. Dobbie, Q.C.
Farmers' Advocate of Alberta

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Message from the Farmers' Advocate

In April 2020, I celebrated 8 years in the position of Farmers' Advocate. As I reflect upon our work during my tenure, I am very proud of the energy, enthusiasm and foresight of our dedicated and capable Farmers' Advocate Office ["FAO"] team. It continues to be the case that our work at the FAO is highly varied and challenging, and we strive to continue to provide timely, relevant and useful information, advice and advocacy.

Alberta's farmers and ranchers operate a diverse and broad variety of activities and accordingly, work within a complex matrix of governmental statutes, regulations and policies. The FAO has the express mandate to connect directly with rural Albertans and actively help them with the new and varying issues they encounter. To the extent possible, and where appropriate, our team continues to meet with farmers and ranchers directly and at the locations of their issues of concern.

As the Farmers' Advocate, I am also responsible for bringing the concerns and ideas of rural Albertans to relevant decision-makers and helping to inform and improve government policy. This is important work because government policies and management approaches need to be useful, meaningful, and relevant to Alberta's farmers and ranchers and their related industries.

I want to specifically recognize the continued hard and effective work of Assistant Farmers' Advocate Janet Patriquin, our specialists Michele Del Colle and Anna Kauffman, our administrative coordinator Roseline Soparlo and our Appeals Coordinator Brenda Tangen. I also extend a warm welcome to Keith Rasmussen who has replaced Bernie Yakimyshyn as our Farm Implement Inspector this year.

The FAO is grateful to the Ministry of Agriculture and Forestry for its continued support of our work. We hope to continue to be a resource to Albertans as we start our 48th year of working in the best interests of Alberta's farmers and ranchers.

Introduction

The Farmers' Advocate Office (FAO) serves as a resource for Alberta farmers, ranchers, and rural landowners. The FAO works to ensure that the rights and interests of rural Albertans are recognized, understood, and protected. Our office provides ongoing support through meaningful engagement, timely information, effective advocacy and representation on matters of concern to rural Albertans. Through our efforts landowners are better-informed and empowered, building vitality and resilience in Alberta's agricultural sector.

This Annual Report summarizes FAO work in areas of focus and trending areas of concern for our stakeholders.

Mission

Our mission at the Farmers' Advocate Office (FAO) is to:

- Empower rural Albertans through awareness of key issues;
- Provide objective, unbiased ideas and advice for resolving disputes;
- Represent a unified rural Alberta perspective on matters of concern; and
- Facilitate interaction on strategic matters among key stakeholders.



Advocacy

The FAO helps bridge the gap between rural Alberta and the provincial government, bringing the concerns of rural landowners to decision-makers, and advocating for legislative and policy change on behalf of the rural community.

Stakeholder & Community Engagement

The FAO is committed to fostering a well-informed public with avenues to decision-making. To deliver on its mission statement, the FAO collaborates with rural landowners, other departments in Government, and many internal and external organizations to assist them in fulfilling their obligations.

Central to the FAO’s work is direct engagement with farmers, ranchers and rural landowners to ensure that their needs and preferences are recognized. Whether communication occurs through telephone, email, community outreach events or trade shows, these interactions increase the visibility of the FAO with the public, build trust with stakeholders and provide the FAO with valuable information on current challenges faced by landowners. Gaining an understanding of how these challenges may affect their communities and business practices in the longer term allows the FAO to advocate and make authentic contributions on their behalf, now and in the future.

This year, due to the COVID-19 pandemic, the FAO faced unique engagement challenges and was unable to have an in-person presence in rural communities. However, we maintained communications with our valued members and heard from many rural Albertans on the day-to-day issues affecting them.

Public Outreach & Advocacy

In addition to direct communications, advocacy efforts are also delivered through collaboration with partnerships, committees and Synergy Groups. These are listed in Tables 1 to 3.

Table 1: Partnerships

Alberta Energy Regulator (AER)	Alberta Utilities Commission (AUC)
Surface Rights Board (SRB)	Utilities Consumer Advocate
Rural Utilities Branch	Federation of Gas Cooperatives
Federation of Rural Electrification Associations	Synergy Alberta
Canadian Association of Petroleum Producers	Olds College
Alberta Association of Surface Land Agents	Foundation of Administrative Justice
Orphan Well Association (OWA)	

Table 2: Committee Participation

AER Multi-Stakeholder Engagement Committee	Policy Advisory Committee
Alberta Industry-Government Joint Geophysical Committee	Canadian Energy Regulator (CER) Land Matters Group
Rural Alberta Framework Advisory Committee	Warburg Surface Rights Group
West Central Airshed Society	Alberta Surface Rights Federation

Table 3: Synergy Groups

Calumet Synergy Association	Pembina Area Synergy
Rimbey Regional Synergy Group	West Central Stakeholders
Wapiti Area Synergy Partnerships	Central Mountainview Advisory Groups
Sundre Petroleum Operators Group	Battle Lake Watershed Synergy Group
Central Alberta Synergy Association	Synergy Alberta

Working with the Rural Crime Watch Program


In addition, the FAO is a founding member of the Alberta Provincial Crime Watch Association (APCWA) and continues to participate in the organization's efforts to prevent rural crime and support the building of relationships through community involvement. The FAO acknowledges one Rural Crime Watch Association each year with a recognition award for their outstanding efforts to reduce crime in their community. However, there were no projects submitted this fiscal year due to COVID-19 restrictions.

Media & Social Media

Communicating with stakeholders through both traditional and social media is effective in providing opportunities for interaction and reaching members of the public. Although no news articles were published in this fiscal year via traditional media outlets, the FAO maintains Twitter and Facebook accounts to reach and interact with other social media users. These accounts are also useful for promoting initiatives, advisories, scanning for emerging issues and increasing the overall visibility of the FAO.

Find us on 
**Farmers' Advocate Office of Alberta
- Agriculture and Forestry**
@farmersadvocatealberta

 **Farmers' Advocate AB**
@fao_alberta

 **2020-21 #Followers 369**
2019-20 #Followers 175

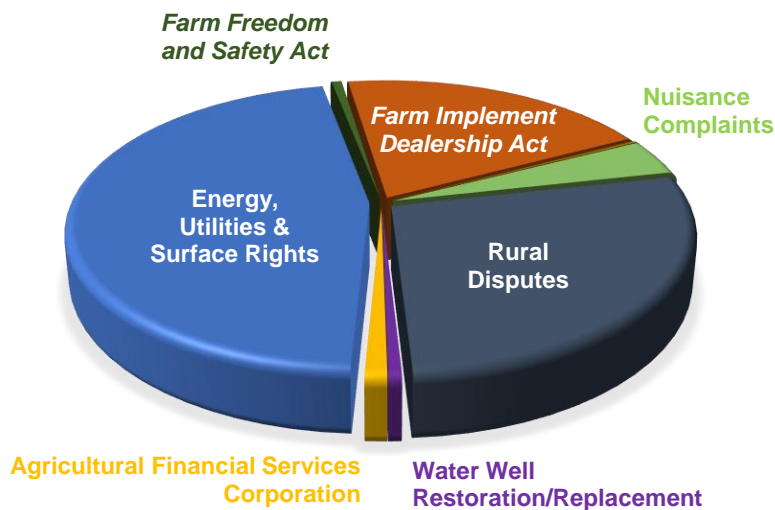
 **2020-21 #Followers 839**
2019-20 #Followers 755

Intake Calls and Client Files

Communications with rural landowners and stakeholders is documented in a database to ensure that team members at the FAO have access to relevant file information. This process will become a useful tool in providing comparative data to help us anticipate future areas of concern for clients.

In 2020-21, the FAO received 819 direct inquiries and 862 calls were received through the Ag Info Centre from concerned landowners across the province. A breakdown of the matters brought to the attention of the FAO is shown in Chart 1: Summary of Client Interactions. More in-depth breakdowns on these and other categories are detailed in the following sections.

Chart 1: Summary of Client Interactions



Energy, Utilities and Surface Rights

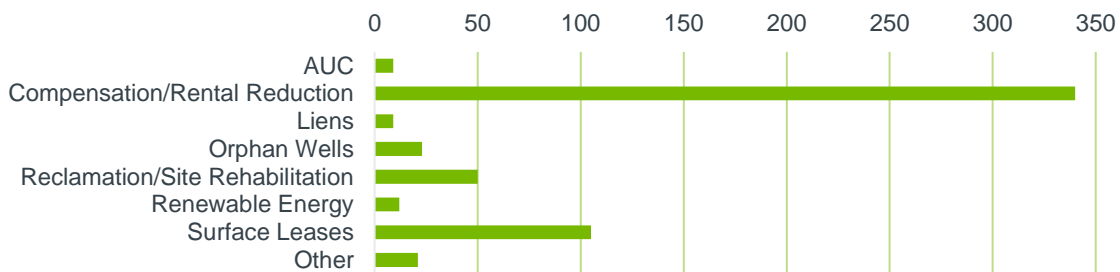
The FAO continues to hear from many Alberta landowners on issues related to compensation on surface leases involving the oil and gas industry. Due to bankruptcy, insolvency or financial hardship, energy companies are either not making payments to landowners or are distributing notices of unilateral rent reductions. The role of the FAO is to work with industry, regulators and government to ensure that landowner concerns are addressed through dispute resolution support, Surface Rights Board processes and other avenues.



Intake Calls and Client Files

A total of 446 interactions requiring direct assistance or advice with clients were in regard to rental reductions and compensation as described above. Further breakdown of the category for energy, utilities and surface rights is shown in Chart 2 below. In 2020-21, the other most common issues dealt with this fiscal year were related to the negotiation of breach of terms for surface lease issues and compensation or contamination related to energy site remediation and rehabilitation. “Other” interactions not categorized in major topic areas included issues related to pipeline ROWs, royalty payments and mineral rights, as well as other property rights issues that were forwarded to the Property Rights Advocate. There were also nine interactions related to the Alberta Utilities Commission.

Chart 2: Number of Energy, Utilities & Surface Rights Interactions



In addition, four new advisories were published by the FAO, all dealing with issues associated with energy interactions on privately owned land. These include Advisories:

- 2020-6 What Landowners Need to Know About the Orphan Well Association;
- 2020-5 Annual compensation, rental reductions, negotiations and what a landowner needs to know about rights and responsibilities;
- 2020-4 Farmers' Advocate Office provides landowners' clarity on various Energy Companies proposed "Annual Compensation Review"; and
- 2020-3 Farmers' Advocate Office cautions landowners on the proposed "Surface Rights Review" initiated by Ember Resources.

A trending issue and future area of concern includes landowners being approached by developers to negotiate leases for renewable energy projects. The FAO developed a publication in 2017 to guide stakeholders in lease negotiations. It will be important to review this information and make updates as needed.

Rural Disputes

Agricultural landowners sometimes experience conflicts that impact their business interests and rights. The FAO assists rural landowners on a broad range of issues, some of which are simply inquiries that are resolved by researching and sharing information, while others require a more in-depth intervention through meetings, site visits or facilitation.

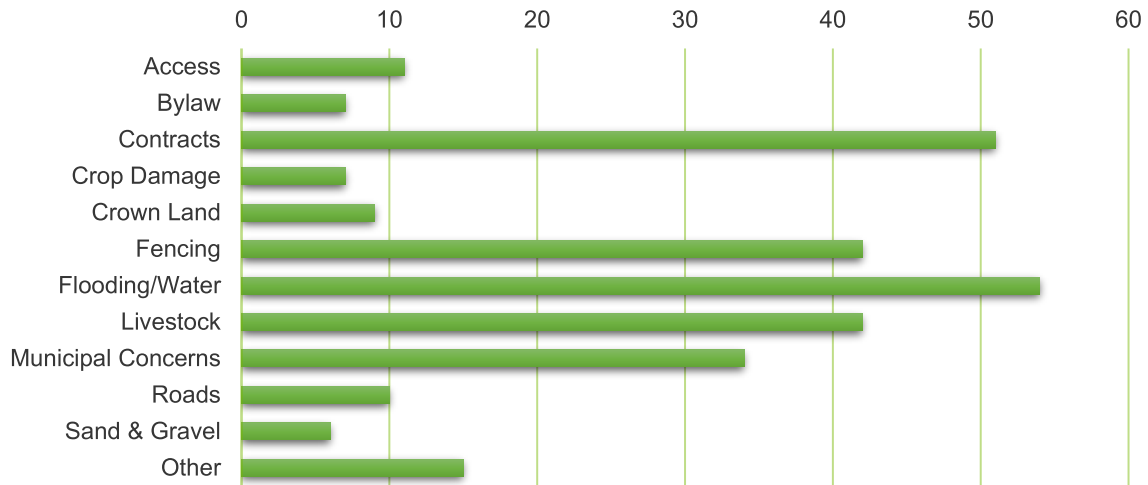


Intake Calls and Client Files

A total of 229 direct interactions fell into this area. The most common issues were related to flooding and other water concerns, contract disputes, livestock and fencing, and

dealings with municipalities. Chart 3: Number of Rural Dispute Interactions provides a breakdown of these and other concerns.

Chart 3: Number of Rural Disputes Interactions



2020 was a very wet year for farmers and ranchers and the FAO heard a number of issues around water drainage, flooding and impacts from mitigation attempts of reducing the damages. Grain contracts was another area of great concern for farmers not able to fill their contracts due to weather-related harvesting and yield issues.

Farm Implement and Dealership Act

The FAO administers the *Farm Implement and Dealership Act (2020)*, which protects the investments of agricultural producers in farm machinery by guaranteeing minimum warranty requirements, availability of parts, a dispute resolution process through the Farm Implement Board, and viable agreements between all dealers selling new farm implements and distributors selling products to these Alberta dealers. Dealers and distributors must be licensed and the FAO is responsible for the issuing and tracking of all licenses.

The interactions with clients related to the *Farm Implement and Dealership Act* totalled 129, many related to licensing applications and payments, as well as warranty and breach of agreement issues.



Licensing Dealers and Distributors

In 2020-21, the FAO licensed 350 dealers and 157 distributors. These lists are publicly available on the FAO website.

FAO staff also worked in collaboration with the Farm Implement Inspector to address a number of issues. In 2020-21, the Farm Implement Inspector had 52 client files, and five of these required site visits. Problems that cannot be resolved through direct negotiation or mediation with the Farm Implement Inspector may proceed to the Farm Implement Board (FIB) for review and potential hearing. The FAO received three Notices of Failure to Perform. One case was heard by the Farm Implement Board in 2020-21.

Members of the Farm Implement Board are listed in Table 4.

Table 4: Farm Implement Board Members

Brian Chomlak	Chair, Farmer Member
Remi Cyr	Acting Vice Chair, Farmer Member
Dan Lievaart	Farmer Member
Marty Chamberland	Association of Equipment Manufacturers (AEM) - Canada
Trevor Jubenville	Agricultural Manufacturers of Canada (AMC)
Cameron Kay	Western Equipment Dealers Association
Terry Murray	Minister's Representative (outgoing Dec. 31, 2020)
Chris Christensen	Minister's Representative (incoming)

Fair Process

In addition to the most common issues described above, the FAO is also responsible for identifying gaps in recognition of the rights and interests of rural Albertans in other areas that impact their business practices and livelihoods. The FAO offers recommendations on policy initiatives or changes and advocates for legislative and policy changes to protect their rights and interests.

New appeal duties added to the FAO portfolio in 2020-21 include:

- *Bee Act* – An appeal procedures manual was developed and the first two ever Bee Act appeals were conducted by the FAO.
- *Agricultural Operation Practices Act (AOPA)* – The FAO was delegated to handle farm safety insurance appeals through the Part 1 Peer Review Committee process. Policy and procedures were developed by FAO staff to ensure proper administrative justice.
- *Weed Control Act* – changes to the Weed Act appeal process triggered a need for a formal process that the FAO will develop and facilitate.



Agricultural Financial Services Reviews & Appeals

There were no AFSC appeals conducted in the 2020-21 fiscal year due to the COVID-19 pandemic and the AFSC Board of Directors is currently going through membership changes and training. There are, at minimum, four appeals in the queue. Numerous phone calls and emails from these Appellants were handled by the FAO throughout the year.

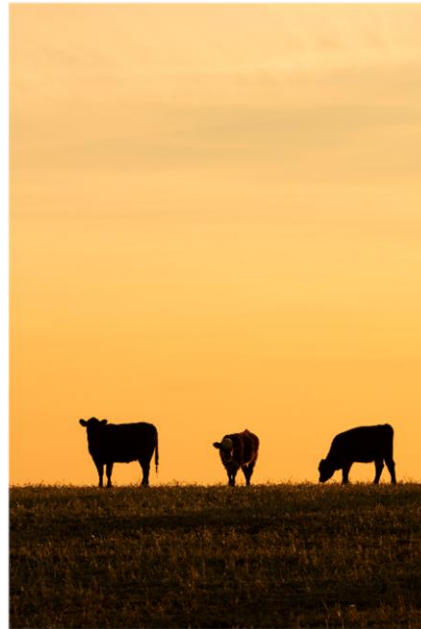
New producer tribunal members were trained by the FAO in November 2020 and are now ready to take part in appeal committees.

Two previous AFSC appeals went to judicial review; one initiated by AFSC and the other started by the Appellant. Both judicial reviews went in favor of the Appellants. The judicial review upheld by the court involved wind versus hail damage on a crop. The judicial review initiated by the Appellant resulted in the judge ordering a new Appeal Committee to hear the appeal.

Agricultural Operation Practices Act

The FAO oversees Part 1 of the *Agricultural Operation Practices Act* (AOPA) addressing nuisances arising from agricultural operations.

In 2020-21, the FAO received 39 nuisance complaints, ranging from weed control to dust and smoke from neighbouring lands. There was one application sent to the Minister for a hearing request that was reviewed and returned to the department to investigate further dispute resolution prior to a hearing.



Farm Freedom and Safety Act

The *Farm Freedom and Safety Act* (FFSA), addressing workplace requirements for agricultural operations employing waged, non-family workers, came into effect January 31, 2020. Tied to this are requirements for 'Insurance re Farming and Ranching Workers' that also came into force under the *Agricultural Operation Practices Act* (AOPA) (Part 1).

As such, complaints received by the FAO regarding workplace insurance issues can be referred to a Practice Review Committee (PRC). There were six interactions with landowners related to the FFSA, however, no complaints required a PRC in 2020-21.

Surface Rights Act

As stated in the Energy, Utilities and Surface Rights section of this report, the FAO continues to field many calls from landowners regarding non-payments or attempts to unilaterally reduce rents by oil and gas companies. The Surface Rights Board has streamlined the application process for recovery of rentals under Section 36 of the *Surface Rights Act*. The FAO provides guidance and information to landowners and works with industry, regulators and other branches of government to ensure that the rights of landowners are well understood and protected.

Water Well Restoration or Replacement Program

The Well Water Restoration or Replacement Program (WRRP) exists to mitigate impacts of energy activity on rural Albertans and is supported by levies paid to the Alberta Energy Regulator by industry. The FAO manages this portfolio and provides an opportunity for landowners who suspect damage from industrial activity to their water well to present their case to the WRRP Board. In 2020-21 there were six interactions related to water wells and one hearing before the WRRP Board that resulted in compensation being paid to an affected landowner.

Publication List

Advisories

- Advisory 2020-6 What Landowners Need to Know About the Orphan Well Association
- Advisory 2020-5 Annual compensation, rental reductions, negotiations; and what a landowner needs to know about rights and responsibilities
- Advisory 2020-4 Farmers' Advocate Office provides landowners' clarity on various Energy Companies proposed "Annual Compensation Review"
- Advisory 2020-3 Farmers' Advocate Office cautions landowners on the proposed "Surface Rights Review" initiated by Ember Resources.
- Advisory 2020-2 Farmers' Advocate Office Cautions NOT to follow recommendations to "safely turn off the power to the well and safely close the valves"
- Advisory 2020-1 Changes to Workplace Legislation
- Advisory 2019-5: Incorrect Registration of Builders' Liens
- Advisory 2019-4: Denying Access to a Wellsite
- Advisory 2019-3: Risks to Agribusiness Regarding Grain Dealers and Farm Input Suppliers
- Advisory 2019-2: Still an Issue in 2019! Landowner Rights for Annual Rental Payment Reductions and the Surface Rights Act
- Advisory 2019-1: FAO Cautions Landowners about the Surface Rights Board (SRB) use of a "Condition of Leased Area Form"

Energy, Utilities and Surface Rights

- Freehold Mineral Rights in Alberta (2019)
- The Life Cycle of an Energy Development (2019)
- Pipelines in Alberta: What Landowners Need to Know (2019). Agdex 878-4.
- Understanding Reclamation in Alberta (2019)
- What Does This Letter Mean? The Language of Insolvency (2019)
- Clubroot and Energy/Utility Development (2018)
- Geophysical Exploration & Landowners' Rights (2017). Ag-Dex 878-5.
- Incurring Costs for SRB Processes (2017)
- Promises to "Top Off" Compensation (2017)
- Renewable Energy in Alberta (2017). Ag Dex-871-15.
- What You Need to Know About Communications Towers (2017)
- Land Titles: An Overview (2016)

Farm Implement and Dealership Act

- *The Farm Implement and Dealership Act* (brochure) (2019)
- *Farm Implement and Dealership Act – Overview* (webpage)

Rural Disputes

- A Brief Guide to *Water Act* Enforcement (2019)
- Surface Material Extraction Pits in Alberta: What Landowners Need to Know (2019)
- Rural Issues: Who Should I Contact? (2019)
- Engaging with your Municipality (2018)
- Foreign Ownership of Agricultural Land in Alberta (2017)
- *Water Act* Essentials (2017)
- What are my Fencing Obligations? (2017)
- You Suspect Spray Drift... Now What? (2017)

Water Well Restoration or Replacement Program

- Water Well Restoration or Replacement Program (WWRRP) (2019) (brochure)

Farm Implement Compensation Fund Financial Statements

March 31, 2021



FARM IMPLEMENT COMPENSATION FUND

FINANCIAL STATEMENTS

March 31, 2021



FARM IMPLEMENT COMPENSATION FUND

FINANCIAL STATEMENTS

March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Farm Implement Board

Opinion

We have audited the accompanying financial statements of Farm Implement Compensation Fund, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Farm Implement Compensation Fund as at March 31, 2021, and the results of its activities and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

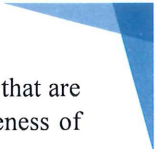
In preparing the financial statements, management is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit, in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bergeron & Co. Chartered Professional Accountants

June 22, 2021
Edmonton, AB



FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF OPERATIONS
For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Farm Implement Fund Levies	\$ 135,250	\$ 146,599
Interest	<u>17,990</u>	<u>48,247</u>
	<u>153,240</u>	<u>194,846</u>
EXPENSES		
	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 153,240</u>	<u>\$ 194,846</u>



FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2021

NET ASSETS	<u>2021</u>	<u>2020</u>
Restricted Balance, beginning of year	\$ 2,787,421	\$ 2,592,575
Excess of revenue over expenses	<u>153,240</u>	<u>194,846</u>
	<u>2,940,661</u>	<u>2,787,421</u>
Restricted Balance, end of year	<u>\$ 2,940,661</u>	<u>\$ 2,787,421</u>



FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF FINANCIAL POSITION
March 31, 2021

	ASSETS	
	<u>2021</u>	<u>2020</u>
CURRENT		
Cash	\$ <u>2,940,661</u>	\$ <u>2,787,421</u>
TOTAL ASSETS	\$ <u>2,940,661</u>	\$ <u>2,787,421</u>
	NET ASSETS	
Restricted net assets	<u>2,940,661</u>	<u>2,787,421</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u>2,940,661</u>	\$ <u>2,787,421</u>

Approved by the Directors:

_____, Director

_____, Director



**FARM IMPLEMENT COMPENSATION FUND
CASH FLOW STATEMENT
For the year ended March 31, 2021**

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ <u>153,240</u>	\$ <u>194,846</u>
INCREASE IN CASH	153,240	194,846
CASH, beginning of year	<u>2,787,421</u>	<u>2,592,575</u>
CASH, end of year	<u>\$ 2,940,661</u>	<u>\$ 2,787,421</u>



FARM IMPLEMENT COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

1. PURPOSE OF THE FUND

The Farm Implement Compensation Fund (the Fund) consists of money received by the Farm Implement Board (the Board) from levies, assessments and penalties in accordance with the Farm Implement Act. This fund is maintained by the Board and its financial results are reported annually through an audit process. Every year the Board sets the levy that Alberta dealers and distributors pay to the Fund. In addition to the levy, the Board may order an additional assessment on applicants who did not hold a licence in the previous year and on licensees with respect to whom the Board awarded compensation from the Fund. The Board and the Fund are both exempt from income tax.

2. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Revenue recognition

- a) The revenues of the Fund consist of levies, assessments, and interest. Levies and assessments are recorded as income when they are received. Levies received that are for the following calendar year are not deferred.

Interest is recorded as revenue when it is received.

Cash and cash equivalents

- b) Cash is comprised of amounts on deposit at financial institutions.

Financial instruments

- c) Financial assets and liabilities are measured initially at fair value, except for transactions with related parties which are measured at carrying value or exchange value, as appropriate. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash.

3. CONTRIBUTED MATERIALS AND SERVICES

Operating expenses related to the fund and its activities are administered and paid by the Farm Implement Board. These are not recorded in the Compensation fund.

Farmers' Advocate Office
Ministry of Agriculture and Forestry

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farmers'
advocate
office

Alberta 