

farmers'
advocate
office



Alberta

Agriculture, Forestry and Rural Economic Development, Government of Alberta
September 15, 2022

Farmers' Advocate Office Annual Report

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

Janet Patriquin: Assistant Farmers' Advocate

Darcy Allen: Energy, Utilities, and Policy Specialist

Carolyn Chenard: Rural Engagement Specialist

Roseline Soparlo: Administrative Coordinator (outgoing)

Kelly Bernard: Administrative Coordinator (incoming)

Keith Rasmuson: Farm Implement Inspector

Brenda Tangen: Appeals and Hearings Coordinator

September 15, 2022

Honourable Nate Horner
Minister of Agriculture, Forestry and Rural Economic Development
423 Legislature Building
10800-97th Avenue
Edmonton, AB T5K 2B6

RE: 2021-22 Farmers' Advocate Office Annual Report

Dear Minister Horner:

It is with great pleasure that I present to you the 48th 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, 2021 to March 31, 2022, 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 enclosed in a thin black rectangular border.

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

Table of Contents

Message from the Farmers' Advocate.....	2
Introduction	3
Stakeholder & Community Engagement	4
Public Outreach & Advocacy	4
Alberta Provincial Rural Crime Watch Program	5
Digital & Print Media.....	6
Intake Calls and Client Files	8
Energy, Utilities and Surface Rights.....	9
Rural Concerns and Dispute Resolution.....	11
<i>Farm Implement and Dealership Act</i>	13
Fair Process.....	15
Agricultural Financial Services Corporation	15
<i>Agricultural Operations Practices Act</i>	15
Farm Safety Insurance	16
Water Well Restoration or Replacement Program.....	16
Updated Publication List	17
Farm Implement Compensation Fund Financial Statements	18

Table 1: Partnerships

Table 2: Committee Participation

Table 3: Synergy & Surface Rights Groups

Table 4: Farm Implement Board Members

Chart 1: Summary of Client Interactions

Chart 2: Topics & Percentages of Energy, Utilities & Surface Rights Interactions

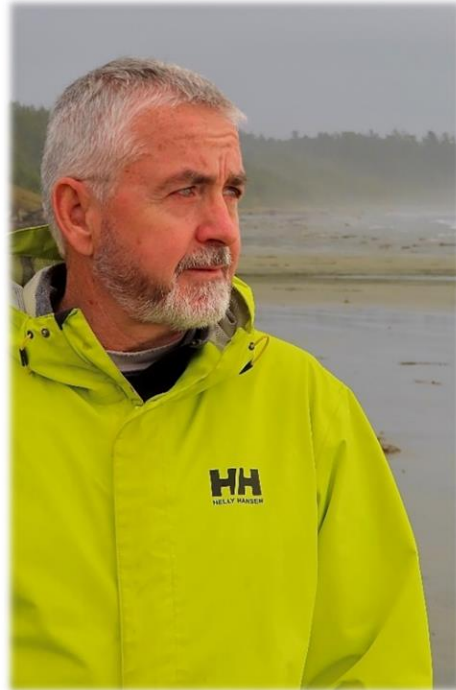
Chart 3: Topics & Percentages of Rural Disputes Interactions

Chart 4: Topics & Percentages of Farm Implement Interaction

Message from the Farmers' Advocate

In April 2022, I celebrated 10 years in the position of Farmers' Advocate. I continue to be very proud of the great work of our 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 Appeals Coordinator Brenda Tangen and our Farm Implement Inspector Keith Rasmussen, and also welcome our new specialists Darcy Allen and Carolyn Chenard and our administrative coordinator Kelly Bernard.

The FAO is grateful to the Ministry of Agriculture, Forestry and Rural Economic Development for its continued support of our work. We hope to continue to be a resource to Albertans as we start our 50th 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 and representation on matters of concern to rural Albertans through meaningful engagement, timely information, and effective advocacy. Landowners are better informed and empowered because of our direct interaction with stakeholders, building vitality and resilience in Alberta's agricultural sector.

This Annual Report summarizes the work of the FAO in 2021-22 and identifies emerging topics of concern that we have recognized as potentially impactful to 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.

Vision

To be a vital, issues-driven organization valued by stakeholders for our constructive contributions, and respected for our impact on matters of concern to farmers and rural Albertans



Advocacy

The FAO is an avenue for rural Alberta landowners to have their concerns addressed by the provincial government. Our office offers recommendations on policy initiatives or changes and advocates for legislative and policy changes to protect their rights and interests.

Stakeholder & Community Engagement

The Farmers' Advocate Office (FAO) is committed to fostering a well-informed public. Central to the FAO's work is direct engagement with farmers, ranchers and rural landowners to ensure that their needs and preferences are recognized and that they understand their rights and responsibilities.

Whether communication occurs through telephone, email, community outreach events, or digital and print media, these interactions present opportunities to share information, 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 agricultural operations in the longer term allows the FAO to advocate and make authentic contributions on their behalf, now and in the future.

Public Outreach & Advocacy

Staff at the FAO continually strive to impart and collect information salient to matters that relate to landowner rights and the agricultural sector. Presentations to various community organizations or municipal officials, attendance at community events, participation on committees, and site visits are just some of the ways that we connect with stakeholders.

Due to the COVID-19 restrictions, in-person presence in rural communities was challenging; however, FAO staff were able to organize several virtual presentations on the work of the FAO and safely attend site visits when necessary. Although organizers cancelled the majority of community events during the 2021-22 fiscal year, FAO staff have identified and are planning to attend a number of events that are recommencing in 2022-23.

FAO staff also deliver advocacy efforts through collaboration with partnerships, committees, Surface Rights Groups and Synergy Groups. Refer to Tables 1 to 3 for lists of these initiatives.

Table 1: Partnerships

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

Table 2: Committee Participation

Alberta Energy Regulator Multi-Stakeholder Advisory Committee (MSEAC)	Policy Advisory Committee
Rural Alberta Framework Advisory Committee	West Central Airshed Society
Alberta Industry-Government Joint Geophysical Committee	Site Rehabilitation Program <ul style="list-style-type: none"> • Government and Agency Advisory Group
Canadian Energy Regulator (CER) <ul style="list-style-type: none"> • Land Matters Group Advisory Committee • Property Damage Subcommittee 	

Table 3: Synergy & Surface Rights Groups

Calumet Synergy Association	Pembina Area Synergy
Rimbey Regional Synergy Group	West Central Synergy Group
Wapiti Area Synergy Partnerships	Yellowhead Synergy Group
Sundre Petroleum Operators Group	Battle Lake Watershed Synergy Group
Central Alberta Synergy Association	Synergy Alberta Network Group
Warburg Pembina Surface Rights Group	Alberta Surface Rights Federation

Alberta Provincial Rural Crime Watch Program

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. This year, the Holborn Area Community Crime Watch Association received the award for the success of their efforts to increase public access to relevant rural crime watch information via an innovative digital application that members of the public can download and use on their smartphones.

Digital & Print Media

Communication through both traditional and digital media increases opportunities for interaction with stakeholders and provides an effective means for circulating information via multiple access points.

FAO staff initiated the drafting of a communications strategy during this fiscal year. The timing of the development of this strategy coincides with other major initiatives that include:

- A redesign of the FAO webpages on the Government of Alberta website; and
- Updated publications in all areas of FAO expertise.

The web re-design project includes a new landing page for the Farmers' and Property Rights Advocate Offices (FPRAO) that then branches off to webpages specific to the FAO and the Property Rights Advocate Office (PRAO). Each of the new FAO webpages has more informative content and includes links to all FAO publications and social media accounts. A new online contact form will also allow stakeholders to contact FAO staff directly. The launch of the newly designed webpages for the FAO is expected in fall 2022 and will coincide with a media release announcing the upcoming 50th anniversary of the FAO in 2023.

The communications strategy also considers the importance of our publications. The FAO publishes many brochures, factsheets, documents, reports, and advisories, all of which are available through the open government portal or printed for distribution at community events or in-person presentations. Essential characteristics of FAO communications include the use of easy to understand language, visually stimulating design, and constructive content that not only informs stakeholders on common issues that affect rural Albertans, but also generates awareness of our role in representing their interests in agricultural or property rights matters and advocating for change on their behalf when necessary.

Alberta

**farmers'
advocate
office**

farmers.advocate@gov.ab.ca



As per the goals and objectives detailed in the communications strategy, social media increases the overall visibility of the FAO and are effective tools that drive traffic to our webpages to let the public know how we can assist through fair process, empowerment, and advocacy. Staff will also use these accounts to monitor current issues, scan for future areas of concern, and encourage dialogue using comments, polls or surveys. Moreover, responding to some rural issues is extremely time sensitive. Social media, along with our email distribution list, are the most efficient vehicles for circulating information to our stakeholders in a timely manner through the posting of advisories. The Facebook and Twitter accounts both gained followers in 2021-22 and this number is expected to increase as the communications strategy is implemented.

← **Farmers' Advocate AB**
843 Tweets

Tweets Tweets & replies Media Likes

 **Farmers' Advocate AB** @fao_alberta · Jun 10 ...

The FAO recently attended the 2022 Farmer's Days Exhibition in Stony Plain and had the opportunity to meet some hardworking ag producers. Today we celebrate the contributions of all Alberta farmers! #FarmersDay #thankafarmer #AbAg @AlbertaAg @abagsocieties

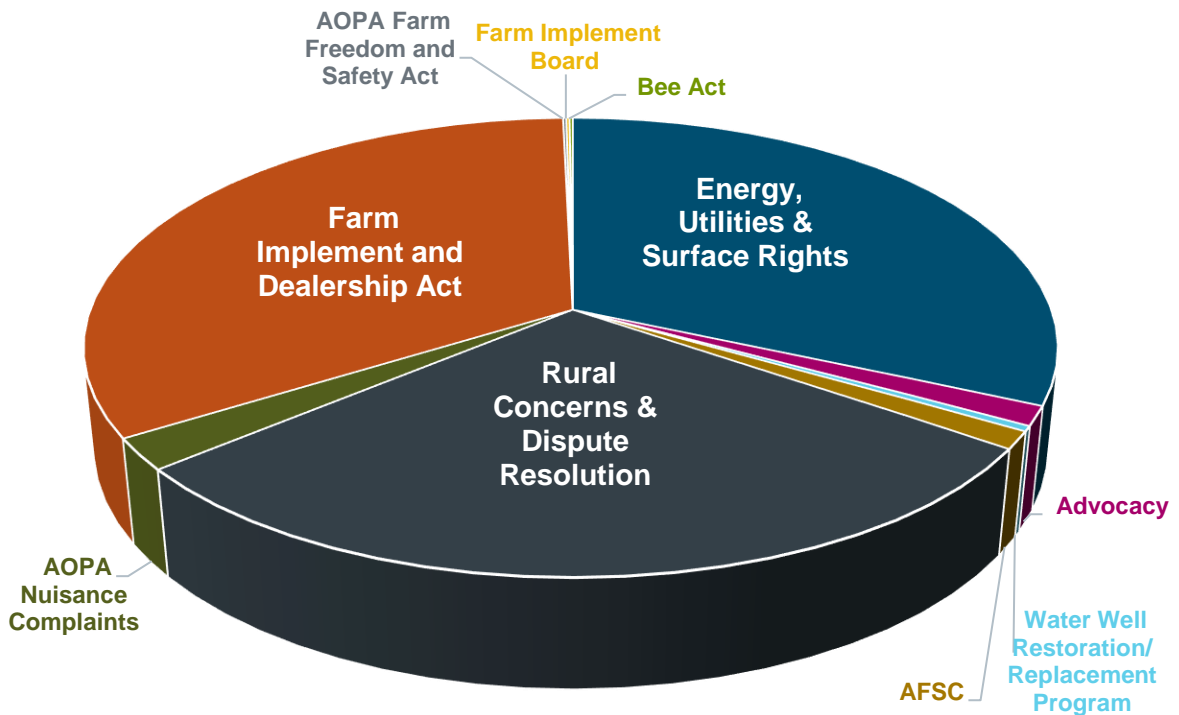


Intake Calls and Client Files

Direct interaction with stakeholders is an integral part of the day-to-day work of FAO staff. This serves as an initial point of contact with many of our stakeholders and is the principle means through which we hear their concerns and provide expertise and resources. Staff register all interactions in a database with relevant details and documentation. This ensures that all team members at the FAO have access to client information and allows for collaboration within the team. Stakeholder interactions that require more in-depth involvement are registered as files.

In 2021-22, the FAO received 807 direct inquiries, 673 of which were transferred from 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. The majority of inquiries fall under the categories of the *Farm Implement and Dealership Act* (33.5%), energy, utilities and surface rights (31.5%) and rural concerns and dispute resolution (30%). More details on the breakdown of individual categories of concern are included in the remainder of the report.

Chart 1: Summary of Client Interactions



Energy, Utilities and Surface Rights

The Farmers' Advocate Office (FAO) continues to hear from many Alberta landowners on issues related to compensation and rental recovery on surface leases involving the oil and gas industry. Due to bankruptcy, insolvency or financial hardship, energy companies are failing to make payments to landowners or are distributing notices of unilateral rent reductions. The repeat application process for recovery of rentals under Section 36 of the *Surface Rights Act* has been streamlined and applicants have the option of submitting applications to the Land and Property Rights Tribunal (LPRT) via the E-Filing Portal, in-person, fax, email or by regular mail. 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

The role of the FAO is to work with industry, regulators and government to ensure that landowner concerns are addressed through dispute resolution support, LPRT processes, and other avenues.

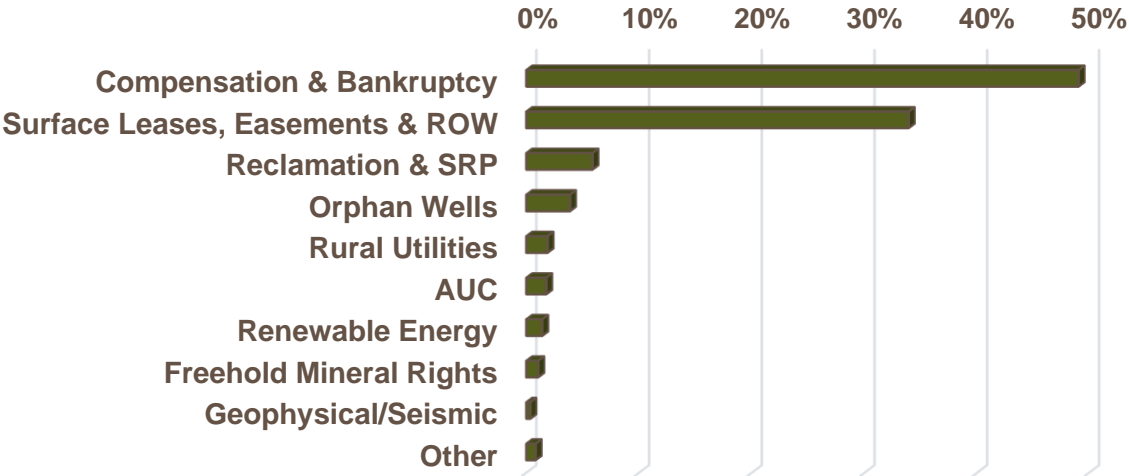


Intake Calls and Client Files

In 2021-22, the FAO received 255 inquiries dealing with stakeholder concerns related to energy, utilities and surface rights. Nearly 50 per cent of these inquiries were related to rental reductions and compensation as described above. Chart 2 below shows a further breakdown of the topics within this category.

The other most common interactions dealt with this fiscal year were related to surface lease and pipeline right-of-way issues, end-of-life obligation concerns (reclamation and remediation, the Site Rehabilitation Program (SRP), inactive/orphan wells and liability management). Interactions not categorized in major topic areas (i.e. "other") included issues related cell tower locations, rail crossings, as well as other property rights issues that were forwarded to the Property Rights Advocate. There were also four interactions in which FAO staff referred stakeholders to the Alberta Utilities Commission.

Chart 2: Topics & Percentages of Energy, Utilities & Surface Rights Interactions



One trending issue and future area of concern involves 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 with renewable energy companies. FAO staff have drafted an updated version of this document to address changes to regulations and to provide information on common questions that landowners may have when approached by energy companies offering leases for potential project development on their property. In addition, staff at the FAO are reviewing information on how landowners and rural communities may be affected by the Alberta Energy Regulator (AER) Directive 088: Licensee Life-Cycle Management. This Directive introduces the Licensee Management Program via a licensee capability assessment (LCA), which will determine how licensees are managed throughout the life cycle of energy developments.

Rural Concerns and Dispute Resolution



Agricultural landowners sometimes experience conflicts that affect their business interests and rights. FAO staff provide services and resources for conflict resolution, mediation, and common landowner concerns. The FAO assists rural landowners on a broad range of issues, some of which are inquiries that are resolved simply by researching and sharing information, while others require a more in-depth intervention through meetings, site visits or facilitation. Common concerns are brought to the attention of decision-makers to advocate for government policy that protects the rights and interests of rural landowners.

FAO staff work diligently to provide relevant resources and to help develop a range of responsible options to resolve problems that are brought to our attention. Our goal is to identify the best available options through information sharing (transparency) and building mutual understanding between parties prior to any formal mediation that may be required.

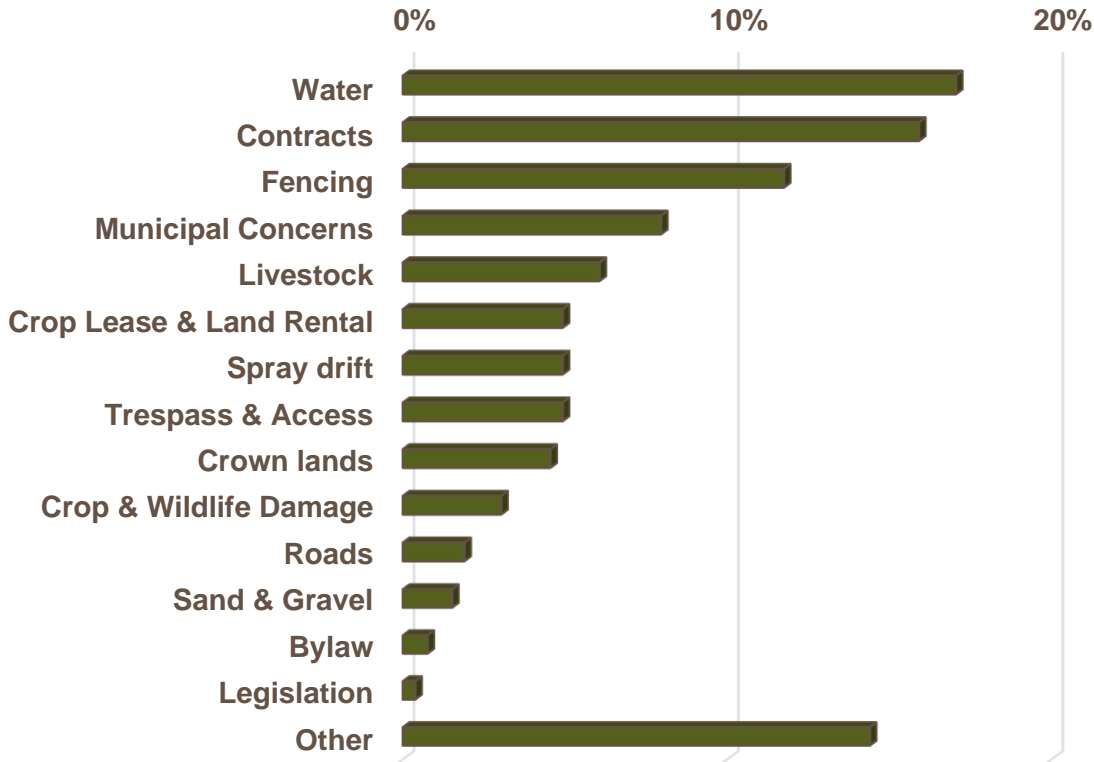
Intake Calls and Client Files

A total of 237 direct interactions fell into the category of rural concerns and dispute resolution. The most common issues were related to flooding and other water concerns, contract disputes, livestock and fencing, and dealings with municipalities. Chart 3: Topics of Rural Dispute Interactions provides a breakdown of percentages for these and other concerns.

Please note that FAO staff field a wide variety of inquiries, many of which do not require a specific topic heading in our database. As such, approximately 14 per cent of the recorded inquiries are labeled as “other.” The topics of these interactions range from homestead status records searches and the security of online farm implement auction sites to increases in agricultural input costs and Environmental Appeal Board hearing assistance.

Major topics of concern include water related issues (17%), contract disputes (16%), fence line issues (12%), and municipal issues (8%).

Chart 3: Topics & Percentages of Rural Concern Interactions



Staff at the FAO dealt with many inquiries related to surface water management on agricultural land. It is common for producers to be affected by alterations to natural flows, whether by neighbouring landowners or by infrastructure managed by municipalities. The FAO worked collaboratively with representatives from Environment and Parks to update a publication on *Water Act* Essentials. The FAO and Environment and Parks staff will use and distribute this publication to help educate landowners and municipal managers on their responsibilities under the *Water Act*.

Grain contracts was another area of great concern for producers again this fiscal year. Low yields due to the drought were the reason that many producers were not able to fill their contracts and were faced with financial challenges in fulfilling contract terms.

One trending area of concern this fiscal year was related to difficulties that landowners were experiencing when dealing with their local municipalities. Examples include the effects of land use bylaw amendments on agricultural operations, subdivision requirements that may be in conflict with the *Municipal Government Act*, and landowners having to incur significant legal costs to address disputes with municipal administration or other government departments.

Farm Implement and Dealership Act

The FAO administers the *Farm Implement and Dealership Act*, 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 Alberta dealers.



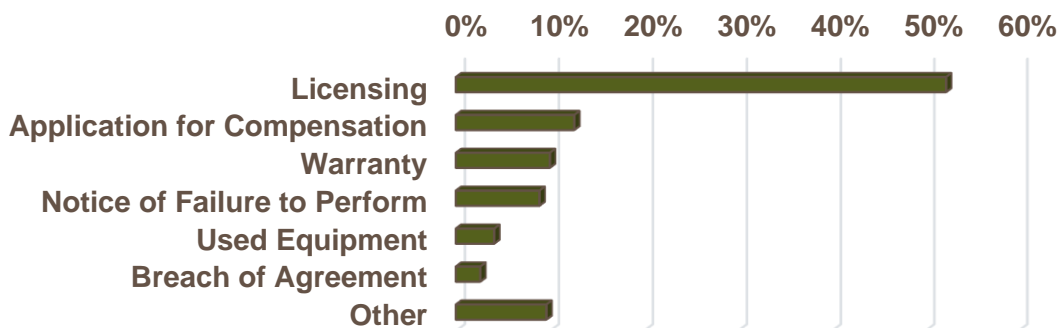
Licensing Dealers and Distributors

Licences for new equipment dealers operating in Alberta and distributors supplying equipment or parts to any Alberta farm implement dealer are required under the *Farm Implement and Dealership Act*. The FAO is responsible for the issuing and tracking of all licences. Per the legislation, licensing fees and levies are also collected by FAO staff at the time of licensing. In 2021-22, the FAO licensed 337 dealers and 155 distributors. These lists are publicly available on the FAO website.

Intake Calls and Client Files

The interactions with stakeholders related to the *Farm Implement and Dealership Act* totalled 270. The majority (52%) of these inquiries were related to licensing applications and payments. The other main topics of inquiry were application for compensation inquiries (13%), warranty issues (10%), and notice of failure to perform inquiries (9%). FAO staff worked in collaboration with the Farm Implement Inspector to address a total of 57 client files.

Chart 4: Topics & Percentages of Farm Implement Interactions



Farm Implement Board

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 FIB received two Notices of Failure to Perform and five Applications for Compensation. The FIB denied hearings for three of the applications due to the age of manufacture of the equipment involved. This equipment was not covered under the *Farm Implement and Dealership Act*. Another application was resolved between the purchaser and the dealer prior to the hearing date in 2021-22. A hearing was scheduled for the third application in the summer of 2022.

Current members of the FIB are listed in Table 4.

Table 4: Farm Implement Board Members

Brian Chomlak	Chair, Farmer Member
Dan Lievaart	Vice Chair, Farmer Member
Gideon Stoutjesdyk	Farmer Member
Marty Chamberland	Association of Equipment Manufacturers (AEM) - Canada
Andrew Royea	Agricultural Manufacturers of Canada (AMC)
Cameron Kay	Western Equipment Dealers Association
Chris Christensen	Minister's Representative
Keith Rasmuson	Farm Implement Inspector



Fair Process

In addition to the most common issues described above, the Farmers' Advocate Office (FAO) is also responsible for identifying gaps in the recognition of the rights and interests of rural Albertans in other areas that impact their business practices and livelihoods. Staff at the FAO developed an appeal procedures manual to formalize review processes for weed control and debt recovery notices under the revised *Weed Control Act*. Weed control notice appeals need to be held in a timely manner due to the short growing season of weeds, however, the timeframe to hold a debt recovery notice review does not have the same urgency. The manual addresses these variations in timeframes and sets out the procedural differences for each appeal topic.

In addition, FAO staff have made revisions to the *Bee Act* appeal procedure manual, but a final version of the manual is on hold pending potential changes to the Act and regulation, which are expected in the fall of 2022.

Agricultural Financial Services Corporation

FAO staff coordinated two Agricultural Financial Services Corporation (AFSC) AgrilInsurance appeals this fiscal year. The dispute raised by one producer involved quality loss coverage on malt barley and the other dealt with organic coverage on flax being rejected by AFSC due to excessive weeds, improperly prepared land, and unsuitable land for crop production. In both appeals, the Appeal Committee determined AFSC followed the terms and conditions found in the Contract of Insurance.

One of these hearings was held with a virtual component due to concerns regarding COVID-19, however, the majority of participants attended in person.

Agricultural Operations Practices Act



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

In 2021-22, the FAO received 18 nuisance complaints, ranging from weed control to dust and smoke from neighbouring lands. All of these complaints were resolved or are currently being managed in conjunction with the Natural Resources Conservation Board. As a result, no Practice Review Committee processes were requested this fiscal year.

Farm Safety Insurance

Part 0.1 of the *Agricultural Operation Practices Act* (AOPA), addresses workplace insurance requirements for agricultural operations employing waged, non-family workers. Staff at the FAO oversee Practice Review Committee (PRC) processes for these types of complaints. No inquiries related to Part 0.1 of AOPA were received in 2021-22.

Water Well Restoration or Replacement Program

The Well Water Restoration or Replacement Program (WWRRP) 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 WWRRP Hearing Committee. In 2021-22 there were three inquiries related to water wells. The WWRRP Hearing Committee did not receive any applications that resulted in a hearing this fiscal year.

Updated Publication List

Advisories

- No new advisories were issued in 2021/2022

Energy, Utilities and Surface Rights

- Landowner Rights on Freehold Mineral Ownership (2022)
- Taxation of Freehold Mineral Rights (2022)
- The Life Cycle of an Energy Development (2022)
- Unpaid Annual Rentals on Oil and Gas Leases: Section 36 *Surface Rights Act* (2022)
- The Language of Insolvency (2022)
- Liability Management Rating in the Energy Sector (2016)
- Negotiating Renewable Energy Leases in Alberta (2022)
- What You Need to Know About Communications Towers (2022)
- Understanding Reclamation in Alberta (2022)
- Clubroot and Energy/Utility Development (2022)
- Pipelines in Alberta: What Landowners Need to Know (2019). Agdex 878-4.
- Geophysical Exploration & Landowners' Rights (2017). Ag-Dex 878-5.
- Incurring Costs for SRB Processes (2017)
- Land Titles: An Overview (2016)

Farm Implement and Dealership Act

- *The Farm Implement and Dealership Act* (brochure) (2022)
- Shop Work Orders for Farm Machinery Repair (2022)

Rural Concerns

- Rural Issues: Who Should I Contact? (2022)
- *Water Act* Essentials (2022)
- What are my Fencing Obligations? (2022)
- Foreign Ownership of Agricultural Land in Alberta (2017)
- You Suspect Spray Drift... Now What? (2022)
- Considerations for Land Rental Agreements (2021)
- Engaging with your Municipality (under revision)
- Surface Material Extraction Pits in Alberta: What Landowners Need to Know (2019)

Water Well Restoration or Replacement Program

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

Farm Implement Compensation Fund Financial Statements

March 31, 2022



FARM IMPLEMENT COMPENSATION FUND

FINANCIAL STATEMENTS

March 31, 2022



FARM IMPLEMENT COMPENSATION FUND

FINANCIAL STATEMENTS

March 31, 2022

INDEX

	Page
Independent Auditor's Report	
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Cash Flow Statement	6
Notes to Financial Statements	7

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, 2022, 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, 2022, 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

May 17, 2022
Edmonton, AB



FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF OPERATIONS
For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Farm Implement Fund Levies	\$ 117,387	\$ 135,250
Interest	<u>6,226</u>	<u>17,990</u>
	<u>123,613</u>	<u>153,240</u>
EXPENSES		
	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 123,613</u>	<u>\$ 153,240</u>



FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2022

NET ASSETS	<u>2022</u>	<u>2021</u>
Restricted Balance, beginning of year	\$ 2,940,661	\$ 2,787,421
Excess of revenue over expenses	<u>123,613</u>	<u>153,240</u>
	<u>3,064,274</u>	<u>2,940,661</u>
Restricted Balance, end of year	<u>\$ 3,064,274</u>	<u>\$ 2,940,661</u>

FARM IMPLEMENT COMPENSATION FUND
STATEMENT OF FINANCIAL POSITION
March 31, 2022

	ASSETS	<u>2022</u>	<u>2021</u>
CURRENT			
Cash		\$ <u>3,064,274</u>	\$ <u>2,940,661</u>
TOTAL ASSETS		\$ <u>3,064,274</u>	\$ <u>2,940,661</u>
	NET ASSETS		
Restricted net assets		<u>3,064,274</u>	<u>2,940,661</u>
TOTAL LIABILITIES & NET ASSETS		\$ <u>3,064,274</u>	\$ <u>2,940,661</u>

Approved by the Directors:

_____, Director

_____, Director

FARM IMPLEMENT COMPENSATION FUND
CASH FLOW STATEMENT
For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ <u>123,613</u>	\$ <u>153,240</u>
INCREASE IN CASH	123,613	153,240
CASH, beginning of year	<u>2,940,661</u>	<u>2,787,421</u>
CASH, end of year	<u>\$ 3,064,274</u>	<u>\$ 2,940,661</u>

FARM IMPLEMENT COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2022

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, Forestry and
Rural Economic Development

J.G. O'Donoghue Building
7000 – 113 Street
Edmonton, AB T6H 5T6

farmers.advocate@gov.ab.ca
alberta.ca/farmers-advocate-office.aspx

farmers'
advocate
office

Alberta 