



Annual General Meeting Agenda

November 27, 2024

3:15 PM – 5:00 PM

Fairmont Banff Springs Hotel, Banff, AB

Welcome - Tara Sawyer

Meeting call to order - Tara Sawyer

Approval of agenda - Tara Sawyer

Introductions - Tara Sawyer

Approval of minutes from previous AGM - Tara Sawyer

Chair's report - Tara Sawyer

Executive Director's report - Michael Flynn

Financial Report - Clay Campbell & James Melnyk

Election Results - Scott Jespersen

Resolutions - Scott Jespersen

Recognitions - Tara Sawyer, Scott Jespersen and Michael Flynn

Closing remarks - Tara Sawyer

Alberta Grains
Annual General Meeting Minutes
Wednesday January 31, 2024
7:45 AM – 8:45 AM
Westin Calgary Airport
671 Aero Drive NE, Calgary Alberta

Board of Directors in attendance, Dean Hubbard, Dave Bishop, Devin Hartzler, Tara Sawyer, Dick Wymenga, Brent Christensen, Scott Jespersen, Tasha Alexander, Greg Sears

Land Acknowledgement by Tara Sawyer
Alberta Grains video

Call to Order

Tara Sawyer calls the meeting to order at 8:00am

Approval of Agenda

Motion to approve the agenda as presented.

Moved by: Dave Bishop

Seconded by: Greg Sears

Carried

Approval of Previous AGM Meeting Minutes

Motion: approve the January 2023 AWC meeting minutes

Moved by: Connie Matson

Seconded by: Kevin Bender

Carried

Motion: approve the December 2022 ABC meeting minutes

Moved by: Brent Christensen

Seconded by Micah Petersen

Carried

Interim Chair's Report as presented by Tara Sawyer:

- Collaborated with external HR provider.
- Established terms of reference for committees
- Governance & Finance committee updates
- Regional Meeting Procedures Manual
- Hiring of Executive Director and FarmCash Manager

Executive Directors Report as presented by Mike Flynn:

- Success of Regional Meetings and PCS
- Completed finance & audit review.

- Upcoming strategic planning sessions

Scott Jespersen calls James Melnyk with MNP to speak to the audit results for the 2022/2023 fiscal year ending July 31, 2023

James turns it over to Clay Cambell to present the financials.

- Combined financials for Alberta Wheat Commission and Alberta Barley Commission going forward as Alberta Grains
- Balance sheets as presented.

Gary Stanford asks a question regarding the pending lawsuits and where those legal fees reflect in the financials. Do we expect more lawsuits to come regarding other staff members that resigned? Jason Lenz responds that the professional fees are higher due to amalgamation costs as well as legal fees for legal matters.

Harold Haugen asks about the dismissals and the check off fees. Tara responds that we did our due diligence, and we can't speak further as it's an ongoing legal matter. Clay Campbell responds to the refund questions.

Jeff Nielsen questions FarmCash running at a loss, line 13, page 11. Clay Cambell responds to the question.

Motion to approve the ABC 2023 financial statements.

Moved by: Sean Stanford

Seconded by: Roy Newman

Carried

Motion to approve AWC 2023 financial statements.

Moved by: Dean Hubbard

Seconded by: Devin Hartzler

Carried

Motion to appoint MNP as the Auditor for the 2023/2024 Fiscal Year

Moved by: Greg Sears

Seconded by: Dave Bishop

Carried

Jason Lenz introduces our new Board of Directors for Alberta Grains

Region 1 – Dean Hubbard, Dave Bishop

Region 2 – Devin Hartzler, Tara Sawyer

Region 3 – Stewart Oke, Dick Wymenga

Region 4 – Shawn Jacula, Brent Christensen

Region 5 – Scott Jespersen

Region 6 – Tasha Alexander, Greg Sears

Will appoint the vacant seat for Region 5 in the near future.

Resolutions:

Resolutions 2023 1A

Whereas the board of directors of Alberta Grains are busy with committees and meetings throughout the province and federally,

And whereas delegates are not included to attend meetings and field days at Research Stations, Universities, Colleges, etc.

Be it resolved that the Alberta Grains board and staff include delegates to attend meetings in their Regions and some events in the province, so Delegates have an informed voice for growing Alberta Grains in the future.

Moved by: Gary Stanford

Seconded by: Jason Saunders

Gary speaks to his resolution.

Moved by Dave Bishop

Seconded by Dean Hubbard

Resolution 2023 1A is carried.

Resolutions 2023 2A

Whereas Directors are responsible for managing producer dollars and lobbying both provincial and federal governments,

And whereas Directors represent Alberta Grains,

Be it resolved Directors are required to provide a criminal record check once elected.

Moved by: Matt Sawyer

Seconded by: Douglas Miller

Matt and Douglas are not present to speak to this resolution. Greg Sears speaks to this.

Tara wants to amend the resolution to have the check done at the time of applying nomination forms.

John Mayko reminds everyone that you don't need a criminal record check to run for office or MLA.

Question posed, what would the consequences be after the results of the record check? If anything comes back, does that exclude you from becoming a Director or Delegate?

Rod Bradshaw speaks that most organizations is the youth check, not criminal record check.

Vote on the amendment:

Moved by: Tara Sawyer for the amendment.

Seconded by: Dave Bishop for the amendment.

Motion for the amendment is defeated.

Motions to end discussion

Greg Sears

Roy Newman

Vote on original resolution

6 in favor. The majority opposed.

Resolution 2023 2A is defeated.

Resolutions 2023 3A

Whereas Alberta Grains board of directors is spread regionally throughout the province,

And whereas not all regions will fill two directors' roles within that region,

And whereas each region should be represented by two standing directors.

Be it resolved that the board of directors can appoint an eligible producer from any region to serve as a director until the next Annual General Meeting, while continuing to search within that region for a permanent director for the next term.

Moved by: Terry Young

Seconded by: Stewart Oke

Terry and Stewart are not present to speak to this resolution. Jason Lenz speaks to this resolution.

Move to end discussion.

Moved by: Brent Christensen

Seconded by: Dean Hubbard

Resolutions 2023 3A is carried.

Resolutions 2023 4A

Whereas the Alberta Government has put a hold on the approval of new construction of all green energy projects (wind and solar) and since the projects are primarily built on agriculture farmlands, farmers must convey the message to the Alberta Government of the importance of standardized contracts that limit land owner liability for the project's reclamation and delinquent project municipal tax

And whereas adherence to proper environmental standards for stripping of top soil during initial construction must be followed. The final removal and reclamation process at the project's closing phase must be done by removing all concrete and power generation materials from the property and placing all soils back as they were before construction. The current and future land owners must be assured the land can be used again for all agriculture purposes

Be it resolved Alberta Grains along with members of Team Alberta convey a message to the Alberta Utilities Commission and the Alberta Government that all green energy companies (wind, solar, etc.) should be held to the environmental and business standards high or higher than those set out by the Alberta Energy Regulator (Oil and Gas companies) when dealing with farmers and agricultural farm lands.

Moved by: Michael Bury

Seconded by: D'Arcy Hilgartner

Michael Bury speaks to his resolution.

D'Arcy Hilgartner speaks to this.

Gary Stanford speaks to this.

Move to end the discussion

Moved by Devin Hartzler

Seconded by Tasha Alexander
Resolution 2023 4A is carried.

Resolutions 2023 5A

Whereas a class 1 license is required for farm transportation with tractor trailer vehicles with air brakes,

And whereas producers should have the ability to haul their product within a certain distance without completing the entire MELT program,

Be it resolved Alberta Grains explores evaluation of the MELT program to recognize previous experience and funding access.

Moved by: Donald Kaup

Seconded by: Otto Schaab

Peter Hauf spoke against.

Allison Ammeter spoke against.

Motion to end the discussion.

Moved by: Greg Sears

Seconded by: Connie Matson

Resolution 2023 5A is defeated.

Recognition:

Greg Sears as Chair of the Alberta Wheat Commission, thanks last AWC Directors for their service. Devin Hartzler, Stewart Oke, Dean Hubbard, Justin Bell, Jason Lenz, Todd Hames, Shawn Jacula, Dave Bartlett, Dave Bishop

Tara Sawyer as Chair of the Alberta Barley Commission, thanks to the last ABC Directors for their service. Sean Stanford, Roy Newman, Dick Wymenga, Connie Matson, Clint Jacula, Bernie Klammer, Scott Jespersen, Brent Konstapel.

Mike Flynn as Executive Director of Alberta Grains thanks the following employees for their service. Sandra Fields, 5 years, Jeremy Boychyn, 5 years, Tommy Wilson, 10 years.

Closing Remarks

Motion to Adjourn

Motion to adjourn the meeting

Moved by Sean Stanford at 9:05am

Approved by:

Tara Sawyer, Interim Chair Alberta Grains

Date



Chair's Report

The 2023-24 crop year has been a period of growth, resilience, and renewed vision for Alberta Grains. We faced various challenges, yet our community's spirit has never been stronger, showcasing the strength and dedication of Alberta's wheat and barley farmers. The strategic initiatives we put into place over the past year reflect a deep commitment to our mission of advancing innovation, sustainability, and economic stability for Alberta's 18,000 grain producers.

We continued to forge connections with government and industry leaders, including through pivotal events like Combine to Craft and the Prairie Cereals Summit. These connections strengthen our voice in policy discussions and enable meaningful investments in research and agronomy. Our goal is clear: to ensure Alberta's farmers not only meet today's challenges but thrive amidst them by maximizing yields, reducing costs, and leading in sustainable practices.

Farmer engagement remains at the heart of our mission, and in the past year, we've connected with even more members at events, field days, and regional meetings. Together, we are building a vibrant and informed community, ready to drive the future of agriculture in Alberta.

My gratitude goes out to every farmer, director, delegate, and team member who has made this year's achievements possible. With your continued support, Alberta Grains is well-positioned to create sustainable, long-term prosperity for Alberta's agriculture sector.

-

Tara Sawyer, Chair

Alberta Grains
Financial Statements
July 31, 2024

Management's Responsibility

To the Members of Alberta Grains:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of Alberta Grains. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of Alberta Grains' external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 13, 2024


Michael Flynn, Executive Director

To the Members of Alberta Grains:

Qualified Opinion

We have audited the financial statements of Alberta Grains (the "Commission"), which comprise the statement of financial position as at July 31, 2024, and the statements of operations, changes in net assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at July 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many similar organizations, the Commission derives revenue through "check-off" fees received from producers, the completeness of which could not be satisfactorily verified during our audit. Accordingly, our verification of these revenues and related accounts receivable was limited to the amounts recorded in the Commission's records and we were unable to determine whether any adjustments might be necessary to check-off fee revenue, excess of revenue over expenses, assets and net assets.

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 Commission 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 qualified 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission'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 Commission'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 Commission'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 Commission 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.

Calgary, Alberta

November 13, 2024

MNP LLP

Chartered Professional Accountants

**Alberta Grains
Statement of Financial Position
As at July 31, 2024**

	Notes	Operating 2024	FarmCash Advance Payment Program 2024	Total 2024
Assets				
Current				
Cash		1,504,580	-	1,504,580
Restricted cash	10	1,071,893	-	1,071,893
Accounts receivable	4	317,113	831,759	1,148,872
Short term investments	5	4,397,680	-	4,397,680
Prepaid expenses and deposits		226,431	-	226,431
Current portion of advances receivable under FarmCash Advance Payment Program	9	-	31,190,354	31,190,354
		7,517,697	32,022,113	39,539,810
Capital assets	7	199,842	-	199,842
Long term investments	5	4,036,327	-	4,036,327
Restricted investments	6	5,500,000	-	5,500,000
Advances receivable under FarmCash Advance Payment Program	9	-	41,254,629	41,254,629
		17,253,866	73,276,742	90,530,608
Liabilities				
Current				
Accounts payable and accruals		1,849,095	303,426	2,152,521
Deferred revenue	10	1,071,893	-	1,071,893
FarmCash Advance Payments Program bank indebtedness		-	71,228,895	71,228,895
		2,920,988	71,532,321	74,453,309
Interfund transfers payable (receivable)	13	(3,710,075)	3,710,075	-
		(789,087)	75,242,396	74,453,309
Commitments	14			
Contingencies	15			
Net Assets				
Internally restricted	6	5,500,000	-	5,500,000
Unrestricted	13	12,542,953	(1,965,654)	10,577,299
		18,042,953	(1,965,654)	16,077,299
		17,253,866	73,276,742	90,530,608

Approved on behalf of the Board



Director



Director

Alberta Grains
Statement of Operations
For the year ended July 31, 2024

	Notes	Operating 2024	FarmCash Advance Payment Program 2024	Total 2024
Revenue				
Check-off fee revenue		12,601,973	-	12,601,973
Check-off fee refunds		(548,308)	-	(548,308)
Revenue - database license		28,068	-	28,068
Project revenue	10	876,011	-	876,011
Other revenue		447,678	-	447,678
FarmCash Advance Payment Program		-	5,935,805	5,935,805
		13,405,422	5,935,805	19,341,227
Expenses				
Research	Schedule 1	6,234,244	-	6,234,244
Finance & administration	Schedule 2	2,741,640	-	2,741,640
Market	Schedule 3	1,378,839	-	1,378,839
Marketing, communications & events	Schedule 4	1,308,881	-	1,308,881
Agronomy & extension	Schedule 5	817,378	-	817,378
Policy	Schedule 6	723,721	-	723,721
Publications	Schedule 7	664,080	-	664,080
Amortization		73,851	36,779	110,630
FarmCash Advance Payment Program		-	6,335,215	6,335,215
		13,942,634	6,371,994	20,314,628
Excess (deficiency) of revenue over expenses before other items		(537,212)	(436,189)	(973,401)
Other items				
Interest income		566,391	-	566,391
Unrealized gain on investments		385,641	-	385,641
		952,032	-	952,032
Excess (deficiency) of revenue over expenses		414,820	(436,189)	(21,369)

The accompanying notes are an integral part of these financial statements

Alberta Grains
Statement of Changes of Net Assets
For the year ended July 31, 2024

	Notes	Operating	FarmCash Advance Payment Program	Restricted	2024
Net assets, as reported by predecessor					
Commissions	2	10,558,736	(1,529,465)	5,500,000	14,529,271
Retroactive adjustment for alignment of revenue recognition policies	2	1,569,397	-	-	1,569,397
Excess (deficiency) of revenue over expenses		414,820	(436,189)	-	(21,369)
Net assets (deficit), end of year		12,542,953	(1,965,654)	5,500,000	16,077,299

The accompanying notes are an integral part of these financial statements

Alberta Grains
Statement of Cash Flows
For the year ended July 31, 2024

2024

Cash provided by (used for) the following activities

Operating

Excess of revenue over expenses	(21,369)
Amortization	110,630
Unrealized gain on investments	(385,641)
	(296,380)

Changes in working capital accounts:

Accounts receivable	1,393,378
Prepaid expenses and deposits	(113,577)
Accounts payable and accruals	(1,667,499)
Deferred revenue	(299,108)
	(983,186)

Financing

FarmCash Advance Payments Program bank indebtedness, net	(6,268,481)
--	--------------------

Investing

Purchase of capital assets	(79,350)
Purchase of investments, net of maturities	(420,573)
FarmCash Advance Payments Program receivable, net	6,472,638
	5,972,715

Increase in cash	(1,278,952)
Cash, transferred upon amalgamation (Note 2)	3,855,425
Cash, end of year	2,576,473

Cash is comprised of:

Unrestricted cash	1,504,580
Restricted cash	1,071,893
	2,576,473

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Alberta Grains (the “Commission”) is a farmer-directed organization that represents the interests and serves Alberta’s wheat and barley farmers. The Commission was established as a statutory corporation under section 17(2) of the *Marketing of Agricultural Products Act (Alberta)* as of August 1, 2023. It is registered as a not-for-profit organization and, thus, is exempt from income taxes under 149(1)(l) of the *Income Tax Act* (“the Act”). To maintain its status as a registered not-for-profit organization under the Act, the Commission must meet certain requirements within the Act. In the opinion of the management these requirements have been met.

The Commission derives its operating funds by assessing a regulated check-off fee on the sale of wheat and barley by Alberta producers. Producer members will not have defined ownership interests in the Commission that can be redeemed, sold, or transferred. Producer members also will not receive direct financial or monetary benefits such as share dividends or share issues.

2. Amalgamation

On August 1, 2023, the Alberta Barley Commission and Alberta Wheat Commission amalgamated to form a combined commission referred to as Alberta Grains. The combination has been accounted for as a merger in accordance with Section 4449, *Combinations by Not-For-Profit Organizations* of Canadian Accounting Standards for Not-for-profit Organizations.

The Commission’s mandate is to give Alberta wheat and barley producers an organization for developing new markets and products for wheat and barley and for influencing the direction of research dedicated to wheat and barley production. The combination was to achieve economies of scale on operations and to save on expenses.

The amalgamation was voted for by eligible voting producers with a plebiscite held from October 3, 2022, to November 1, 2022, Alberta Grains received 88% approval for in the plebiscite held through Alberta Wheat Commission and 89% for the plebiscite conducted by Alberta Barley Commission. The Amalgamation and was approved by the Province of Alberta in July 2023.

The principal components of the combined statement of financial position as at July 31, 2023 were as follows:

Statement of Financial Position		
As at July 31, 2023	Alberta Wheat Commission	Alberta Barley Commission
Assets	92,547,418	6,239,647
Liabilities	81,397,361	2,860,433
Net Assets	11,150,057	3,379,214

The principal components of the combined statement of operations for the year ended July 31, 2023 were as follows:

Statement of Operations		
Year ended July 31, 2023	Alberta Wheat Commission	Alberta Barley Commission
Revenue	14,172,355	3,184,751
Expenses	12,965,921	3,029,422

As a result of the merger, a retroactive adjustment was made to the net assets as at August 1, 2023 to align the revenue recognition policies formally followed by Alberta Barley Commission with those of Alberta Grains with respect to accounting for deferred revenue. In previous periods, the Alberta Barley Commission recognized check-off fees as deferred revenue until the charge is no longer eligible to be refunded. However, as a result of the requirement to align the accounting policies of all the entities subject to amalgamation, the Barley check-off fee is now recognized upon cash receipt of the levy. The impact of this adjustment was the recognition of 2023 check-off fee revenue of \$1,569,397 in opening net assets.

2. Amalgamation *(Continued from previous page)*

Section 4449, *Combinations by Not-For-Profit Organizations* of Canadian Accounting Standards for Not-for-profit Organizations requires the presentation of comparative figures for the pre-merger period. After the merger, the Commission underwent a re-engineering of its internal financial reporting and accounting processes. As such, it is not practical to present combined comparative information for the predecessor commissions on a combined basis as comparative figures in this set of financial statements.

3. Significant accounting policies

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

Basis of presentation

The Commission reports its financial statements using two funds: the Operating Fund and the FarmCash Advance Payments Program Fund. The Operating Fund contains all assets, liabilities, revenue and expenses of the regular operations of the Commission. The FarmCash Advance Payments Program Fund contains all assets, liabilities, revenue and expenses of the FarmCash Advance Payments Program as defined in Note 9.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. Externally restricted capital contributions are recognized as revenue as the related asset is amortized. Donations and contributions in kind are recorded at fair value when such value can reasonably be determined.

The Commission has an in-house developed software called the "Levy Plus Check-off Database". The Commission licenses the software to other agricultural entities in Western Canada. Revenue related to these licenses is recognized over the life of the relevant agreements.

The Commission recognizes check-off revenue at a rate of \$1.09 and \$1.20 per tonne for wheat and barley, respectively.

Portfolio investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Marketable securities with prices quoted in an active market include guaranteed investment certificates ("GICs"), mutual funds and corporate bonds.

3. Significant accounting policies *(Continued from previous page)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	20 %
Computer software	straight-line	5 years
Furniture and fixtures	declining balance	20 %
Booth	straight-line	5 years
Promotional equipment	declining balance	33 %
FarmCash Advance Payments	straight-line	5 years
Program website development		

Financial instruments

The Commission recognizes financial instruments when the Commission becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Commission may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Commission has not made such an election during the year.

The Commission subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Commission initially measures financial instruments originated/acquired or issued/assumed in a related party transaction at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

3. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Commission assesses impairment of all its financial assets measured at cost or amortized cost. The Commission groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach of contract in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Commission determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Commission reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the current year excess of revenue over expenses.

The Commission reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Advances receivable under the FarmCash Advances Payments Program

Advances receivable under the FarmCash Advance Payments Program are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Amortized cost is calculated as the principal amount advanced, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the straight-line method.

Any allowance for impairment is established as a result of reviews of individual advances made.

Measurement uncertainty

The preparation of 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 revenue and expenses during the reporting period.

Accounts receivable and FarmCash Advance Payment Program receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenses in the years in which they become known.

4. Accounts receivable

	2024
Check-off fees receivable	275,564
Other receivables	41,549
	317,113

5. Investments

Investments, which include GICs, mutual funds and corporate bonds, have maturity dates between August 1, 2024 and July 9, 2029 and bear interest at annual rates between 1.10% and 5.423%. Investments are stated at their market value. It is the intention of the Board to hold all investments until maturity. Management's intentions are to hold these investment amounts for future operations; therefore, investments with a maturity date subsequent to July 31, 2025 have been classified as long-term.

6. Internally restricted investments

Restricted investments include GICs, mutual funds and corporate bonds with yields to maturity between 1.10% and 5.423% with maturity dates between August 1, 2024, and July 9, 2029. Restricted investments are stated at their market value. It is the intention of the Board to hold all restricted investments until maturity; therefore, investments with a maturity date subsequent to July 31, 2025 have been classified as long-term. The Board of Directors has internally restricted, from the operating fund, \$3,000,000 of investments and cash as a reserve for future research, \$1,500,000 as a reserve for operating contingencies and \$1,000,000 as a reserve for shutdown. These funds cannot be accessed without the approval of the Board of Directors. Management's intentions are to hold these restricted investment amounts for future research and contingencies reserves therefore this amount has been classified as long-term. Interest and gains on these investments are unrestricted and included in the unrestricted investment balance.

7. Capital assets

	Cost	Accumulated amortization	2024 Net book value
Computer equipment	477,864	332,754	145,110
Computer software	32,886	2,741	30,145
Furniture and fixtures	251,135	226,885	24,250
Booth	56,585	56,585	-
Promotional equipment	33,685	33,348	337
FarmCash Advance Payments Program website development	246,040	246,040	-
	1,098,195	898,353	199,842

8. Grant commitments

The Commission has entered into various research grants. When funding for a research grant is approved by the Commission amounts are disbursed depending on the terms of the funding grant, the amount disbursed is then expensed in the period in which they occur if the recipient has met the terms of the agreement. The funds to cover these commitments are in the Commission's cash, short-term investments and long-term investments accounts.

As of July 31, 2024, the Commission has entered into agreements with payments terms requiring disbursement of \$4,819,590. The estimated annual grant commitments included in the amounts disclosed in Note 14.

9. FarmCash Advance Payments Program

The Commission has entered into a Tripartite Agreement (the "Agreement") with His Majesty the King in Right of Canada, as represented by the Minister of Agriculture and Agri-Food, and a Canadian Chartered Bank (the "Lender") to become an administrator in the Advance Payments Program (the "Program") under the Agriculture Marketing Programs Act (the "Act"). Under the terms of the Program, the Commission is authorized to issue advances to producers who meet eligibility criteria. In order to facilitate the Program, the Commission has entered into Loan Agreements with the Lender. The Commission may only use funds advanced by the Lender for the purposes outlined in the Agreement and is responsible for any costs, including interest and penalties, related to failing to comply with this stipulation.

Amounts lent by the Commission are not to exceed \$110,000,000 for the 2023 program year, and \$105,000,000 for the 2024 program year. Pursuant to the Act, the Minister guarantees to the Lender all principal lent by the Administrator as well as interest calculated at a specified interest rate. The Minister is also responsible, at the request of the Commission, for the costs incurred by the Commission to recover principal and interest owed by a producer in default, so long as the Commission is in compliance with the terms of the Agreement. In the opinion of management, the Commission is compliant with the terms of the Agreement.

FarmCash Advances charge interest at rates based on prime with maturities ranging from one to twenty-four months. The receivables are guaranteed by the Federal Government. No allowance for loan impairment has been provided at July 31, 2024.

To finance the arrangement, the Commission has a series of operating lines of credit which bear interest at market based interest rates. At year-end, the maximum credit limit of the lines of credit available was \$220,365,000 of which \$71,228,895 was drawn.

10. Deferred revenue

	2024
Balance, upon amalgamation	1,371,001
Amount received during the year	576,903
Less: Amounts recognized as revenue during the year	(876,011)
	1,071,893

The ending balance of \$1,071,893, is also reflected as restricted cash and is specifically used for projects.

During the year, several project terms expired with balances outstanding. The Commission anticipates that these projects will be renewed. If any of the projects are rejected, a portion or all of deferred revenue may be payable to their respective contributors.

Revenue recognized consists of the following:

Department – Project	
Policy – Wetlands Stewardship	351,233
Agronomy and extension – Regional Variety Trials	298,002
Publications – Blue Book	192,264
Agronomy and extension – Plot2Farm	34,512
	876,011

11. Cereals Canada Inc. funding contribution

In an ongoing effort to strengthen market opportunities for Canadian wheat, the provincial wheat commissions mutually agreed and committed to continue to provide core funding to Cereals Canada Inc. which provides market support, training and technical services to the Canadian wheat value chain.

For the year ended July 31, 2024, the Commission's contribution to the commitment was \$812,951.

12. CMBTC funding commitment

The Barley Commissions in Alberta, Saskatchewan and Manitoba assumed the responsibilities and financial obligations of the Western Canadian Deduction ("WCD"). A portion of the WCD provided funding to the Canadian Malting Barley Technical Centre ("CMBTC"), which provides market technical support services to the Canadian Malting Barley value chain in an ongoing effort to strengthen market opportunities for Alberta and Canadian grown malting barley to domestic and international markets. Effective August 1, 2023 to July 31, 2026, the Commission committed to continue to provide funding to CMBTC at \$0.05/tonne of barley for which the commission collects a levy.

13. Interfund transfers

The FarmCash Advance Payments Program has historically run at a loss, the current year loss is \$436,189. Over the lifetime of the program, losses have totaled \$1,965,654. During the year, the Operating Fund paid certain FarmCash Advance Payments Program expenses on its behalf, totaling \$831,420.

The Board of Directors has passed a resolution to require the FarmCash Advance Payments Program to repay the funds transferred. As at July 31, 2024, the balance of \$3,710,075 reflects the cumulative transfers that have been incurred since the inception of the program which are payable to the operating fund. These transfers are un-secured, non-interest bearing with no fixed repayment terms, and are not likely to be collected within the year and, accordingly, have been classified as long-term liabilities.

14. Commitments

The Commission occupies leased premises subject to minimum monthly rent until the termination of the contract as at August 31, 2025. The Commission's rent for the premises to expiry is approximately \$141,217.

As described in Note 8, The Commission has also entered into several grant agreements.

The estimated minimum annual payments on leases and grant agreements are as follows.

2025	3,031,880
2026	1,117,415
2027	765,688
2028	41,762
2029	4,062
	<u>4,960,807</u>

15. Contingencies

The Commission has been named as defendant in lawsuits. These lawsuits remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result.

16. Financial instruments

The Commission, as part of its operations, carries a number of financial instruments. It is management's opinion that The Commission is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed. Risks associated with FarmCash Advance Payments Program are disclosed in Note 9.

The Commission is indirectly exposed to market risk due to fluctuations in the investments' prices. These fluctuations could have an impact on cash flows of the Commission.

Credit risk

The Commission acts as the administrator in the Advance Payments Program. Credit risk associated with this program is disclosed in Note 9.

**Schedule 1 - Research
Alberta Grains
For the year ended July 31, 2024**

2024

Research wheat breeding	4,308,927
Research barley breeding	386,102
Western Crop Innovations	375,000
Research wheat agronomy	320,739
Research non-crop specific agronomy	287,640
Research barley agronomy	201,302
Salaries, benefits and contractors	138,506
Research non-crop specific breeding	62,284
Research and development	44,000
Membership fees	25,881
Meeting expense	25,511
Professional fees	24,086
Other	34,266

6,234,244

Schedule 2 - Finance & administration
Alberta Grains
For the year ended July 31, 2024

2024

Salaries, benefits and contractors	1,406,579
Office lease	324,800
Directors per diems and allowances	284,479
Professional fees	232,857
IT expense	153,338
Meeting expenses	99,339
Travel expenses	85,237
Telephone and communication expense	41,997
Office supplies	38,496
Insurance	21,724
Other	52,794

2,741,640

**Schedule 3 - Market
Alberta Grains
For the year ended July 31, 2024**

	2024
Membership fees	949,288
Salaries, benefits and contractors	128,365
Partnership contribution	100,000
Professional fees	53,550
Program expenses	41,478
Meeting expense	34,827
Website development and maintenance	30,786
Sponsorship expenses	20,000
Other	20,545
	1,378,839

Schedule 4 - Marketing, Communications & Events

Alberta Grains

For the year ended July 31, 2024

	2024
Salaries, benefits and contractors	537,236
Prairie Cereals Summit and other events	249,784
Sponsorship expenses	197,903
Meeting expenses	135,489
Program promotional materials	40,585
Conference fees	36,750
Promotion, Advertising, Media and Marketing	35,322
Production design	24,432
Other	51,380

1,308,881

Schedule 5 - Agronomy & extension
Alberta Grains
For the year ended July 31, 2024

	2024
Regional Variety Trials	278,080
Salaries, benefits and contractors	186,438
Professional fees	113,693
Knowledge technology transfer	86,200
Sponsorship expenses	78,275
Program expenses	45,183
Other	29,509

817,378

Schedule 6 - Policy
Alberta Grains
For the year ended July 31, 2024

	2024
Wetlands Stewardship	347,786
Membership fees	166,590
Salaries, benefits and contractors	128,365
Meeting expense	19,533
Conference fees	15,030
Sponsorship expenses	13,551
Other	32,866
	723,721

Schedule 7 - Publications
Alberta Grains
For the year ended July 31, 2024

	2024
Contributions to GrainsWest Publications Society	205,497
Print production expense	167,986
Salaries, benefits and contractors	100,720
Professional fees	77,582
Postage	53,092
Writing and design expense	26,000
Other	33,203

664,080

Resolutions 2023 1A

Whereas the board of directors of Alberta Grains are busy with committees and meetings throughout the province and federally,

And whereas delegates are not included to attend meetings and field days at Research Stations, Universities, Colleges, etc.

Be it resolved that the Alberta Grains board and staff include delegates to attend meetings in their Regions and some events in the province, so Delegates have an informed voice for growing Alberta Grains in the future.

Resolution 2023 1A is carried.

Response: Resolution 2023 1A

With this resolution being passed, Alberta Grains delegates can be nominated to sit on external board committees and represent the organization when the opportunity becomes available.

Encouraged to participate: And seek involvement at field days and research events, including Alberta Diagnostic Days and CrossRoads.

Ensuring delegates are informed: Having a voice is a primary focus of our strategic plan.

Increasing farmer engagement: Delegates were asked to personally invite five contacts to today's meeting.

Resolutions 2023 2A

Whereas Directors are responsible for managing producer dollars and lobbying both provincial and federal governments,

And whereas Directors represent Alberta Grains,

Be it resolved Directors are required to provide a criminal record check once elected.

Resolution 2023 2A is defeated.

Resolutions 2023 3A

Whereas Alberta Grains board of directors is spread regionally throughout the province,

And whereas not all regions will fill two directors' roles within that region,

And whereas each region should be represented by two standing directors.

Be it resolved that the board of directors can appoint an eligible producer from any region to serve as a director until the next Annual General Meeting, while continuing to search within that region for a permanent director for the next term.

Resolutions 2023 3A is carried.

Response: Resolutions 2023 3A

As per section 31 (2), (a) of the Alberta Grains Bylaws, Eligibility re Board Member.

To be eligible for election as a director to represent a region, an eligible producer must 'have declared, in accordance with section 30, that they are eligible producer in that region;' therefore we cannot proceed with Resolution 2023

Resolutions 2023 4A

Whereas the Alberta Government has put a hold on the approval of new construction of all green energy projects (wind and solar) and since the projects are primarily built on agriculture farmlands, farmers must convey the message to the Alberta Government of the importance of standardized contracts that limit land owner liability for the project's reclamation and delinquent project municipal tax

And whereas adherence to proper environmental standards for stripping of top soil during initial construction must be followed. The final removal and reclamation process at the project's closing phase must be done by removing all concrete and power generation materials from the property and placing all soils back as they were before construction. The current and future land owners must be assured the land can be used again for all agriculture purposes

Be it resolved Alberta Grains along with members of Team Alberta convey a message to the Alberta Utilities Commission and the Alberta Government that all green energy companies (wind, solar, etc.) should be held to the environmental and business standards high or higher than those set out by the Alberta Energy Regulator (Oil and Gas companies) when dealing with farmers and agricultural farm lands.

Resolution 2023 4A is carried.

Response: Resolution 2023 4A

The announcement of the seven-month moratorium on renewable energy development in the province, to more thoroughly consider all impacts – the Alberta Utilities Commission was tasked with tasked through an order-in-council with conducting an inquiry into the ongoing development of renewable energy in the province.

This included but was not limited to:

- 1) considerations on development of renewable power plants on specific types or classes of agricultural or environmental land and**
- 2) considerations of implementing mandatory reclamation security requirements for these projects. Hearing the concerns of farmers (and as per this resolution) Alberta Grains provided both a written and oral submission to the AUC inquiry to relay the concerns of farmers related to the reclamation process and ensuring reclamation securities are required in a sufficient amount.**

On February 28, 2024, upon the ending of the moratorium and based on the AUC Module A and B reports, Alberta Minister of Affordability and Utilities, Nathan Neudorf issued directives to advance policy, legislative and regulatory changes before the end of 2024 that would:

1) direct the AUC to take an “Agricultural First’ approach to renewable development that would no longer allow permitting on Class 1 and 2 lands without the proof of co-existence between crop/livestock production and renewable development.

2) to ensure developers are responsible for reclamation costs via bond or security, provided directly to the government, with the appropriate security amounts and timing to be determined by Environment and Protected Areas (EPA).

Team Alberta Crops met with Minister Neudorf in March 2024 following the directives and brought forth concerns of farmers. Alberta Grains participated in the subsequent consultation with both EPA related to reclamations and securities and Agricultural and Irrigation related to defining 1) co-existence and 2) definition of productive agricultural land. Consultations have concluded and policy, legislative and regulatory changes are expected to be announced before the end of 2024.

Resolutions 2023 5A

Whereas a class 1 license is required for farm transportation with tractor trailer vehicles with air brakes,

And whereas producers should have the ability to haul their product within a certain distance without completing the entire MELT program,

Be it resolved Alberta Grains explores evaluation of the MELT program to recognize previous experience and funding access.

Resolution 2023 5A is defeated.