ARTA ALBERTA RETIRED TEACHERS' ASSOCIATION

2021–2022 ANNUAL REPORT

ARTA supports an engaged lifestyle after retirement through member-centred services, advocacy, communication, wellness and leadership.

ARTA
ALBERTA RETIRED TEACHERS' ASSOCIATION

Staying active and engaged can mean so many things. ARTA member Larry Lambert shared his thoughts on gratitude in the Summer 2022 issue of ***news&views***.

The Alberta Retired Teachers' Association (ARTA) was established in 1963 as a province-wide organization. Its goal was to offer social activities to its members and to look at issues affecting retired teachers.

In 1995, the ARTA Health Care plan (the original name of the ARTA Retiree Benefit Plans) was introduced as a valuable service ARTA offered to retired teachers, and beginning in 2008, ARTA started to invite select public and private sector retiree groups to join its membership. To this day, the goal of ARTA's Retiree Benefit Plans is to promote and support a healthy and engaged lifestyle in retirement.

ARTA continues to evolve and is proud to offer member-focused services, such as: health care, insurance, wellness information and activities, advocacy, retirement planning, technology information, scholarship awards, travel plans, social activities, as well as many other choice benefits.

In an industry that sees more competition every year, ARTA continues to grow. As of June 30, 2022, ARTA had 28,162 members within the education, public, and private sectors — consistent growth that shows no signs of slowing.

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ARTA BOARD OF DIRECTORS

The Alberta Retired Teachers' Association is governed by a Board of Directors comprised of retired teachers who have selflessly volunteered their time to serve fellow retired teachers and like-minded professionals.

ARTA Board of Directors as of September 30, 2022:

Lorna McIlroy (President)
Marilyn Bossert (Past President)
Deb Gerow (Vice President)
Dolaine Koch (Treasurer)
Daniel Mulloy (CEO & Executive Director)

Karen Atkinson
Ed Butler
Inge Coates
Mel Deydey
Keith Elliott
Erika Foley
Eileen Hines
Lawrence Hrycan
Larry Lambert
Maria Lentz
Carole Malmberg
Linda Manwarren
Mary O'Neill
Neil Pinder
Wendy Poirier
Fred Resler
Léo Richer
Iona Robertson
Brian Scott
Ron Thompson
Frank Tschabold
Charlene Ungstad
Edna Warriner
Terry Whitehead

EXECUTIVE SUMMARY
DANIEL MULLOY

This Annual Report highlights our impressive operational and financial results over the past fiscal year and brings to light some of our achievements in satisfying our strategic goals of Member Services, Wellness, Advocacy, and Organizational Excellence.

The ARTA Board of Directors, standing committees, and dedicated staff continue to work with our members and partners to effectively provide programs, resources, and activities that ensure all our members can enjoy a vibrant and engaged lifestyle in retirement.

ARTA has been showing continuous growth for many years now, both in terms of membership numbers and organizational scope. This last year has been no different, and ARTA continues to embrace the challenges that growth brings our way. Following the initial hurdles of self-administration in early 2021, we've had a focus on new hires and staff training, and I'm happy to say that this focus has led to much success over the last year when it comes to keeping up with member needs. While we continue to fine-tune our staffing to match our operational requirements, I believe that we have built a team that can rise to meet any and all challenges that ARTA will face in the future. On a personal level, it has been a joy to welcome this team back into the office after two long years spent working from our own homes.

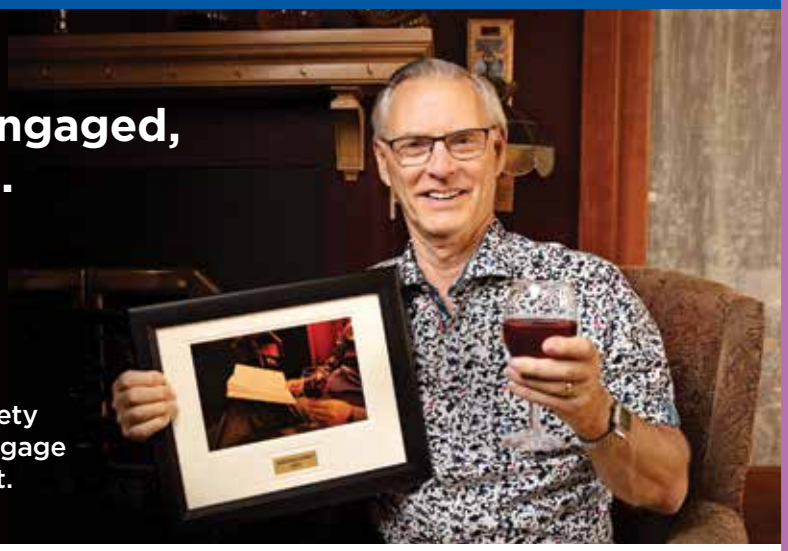
We have also been able to make major strides with the ARTA**Rx** pharmacy this year, including hiring our pharmacy team and constructing our pharmacy storefront. This initiative has not been without its setbacks, however. An unfortunate flood in early 2022 pushed back our timelines, and new policy implementation from the Alberta College of Pharmacy has prolonged our licence application process. I apologize to members who have been looking forward to utilizing this pharmacy, but rest assured, we are working hard to open our doors as soon as possible.

The ARTA Benefit Plans continue to grow and expand, offering more choices for members. We announced several new plan options in November 2021 to give ARTA members a greater diversity of options when it comes to planning out their retirements. This continual reworking and reimagining of our plan structure ensures that ARTA is keeping up with changing needs and financial realities, and it is the reason ARTA is able to maintain its status as having some of the best benefit plans in Canada.

I want to extend my thanks to all the ARTA board members, committee members, partners, and staff for their valuable contributions over this past year. The commitment and experience they all bring to their roles is an asset to all those who benefit from what ARTA has to offer. It has been a privilege to work with you all in person again, and I look forward to venturing into the next year alongside you, as we meet its challenges and celebrate ARTA's victories together.

Daniel Mulloy
Chief Executive Officer &
Executive Director

MEMBER SERVICES
STRATEGIC GOAL



ARTA fosters vibrant, engaged, and informed members.

ARTA member Dave Goodwin, winner of the Comfort (Novice) category in the 2021 Photo Contest.

Members are able to participate in a variety of contests through ARTA as a way to engage with creativity and wellness in retirement.

ARTA is a member-centred organization, proactively identifying the needs of its present and future membership and providing information about programs and services to meet these needs.

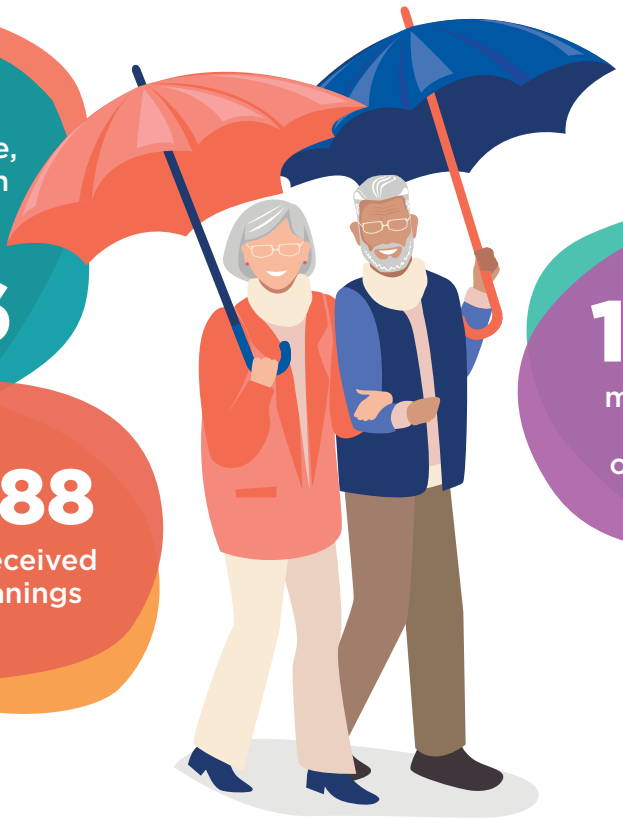
ARTA strives to always offer the best level of service to its members. Over the past year, ARTA developed six new benefit plans to better serve our members and invested in new staff, new technologies, and new services.

2021–2022 Member Services initiatives and activities included:

- The continuation of branch grants to assist in the areas of wellness, member recruitment, and social connectedness among branch members. This year saw the introduction of a new branch grant, which awards funds based on branch membership with the intention of financially strengthening the branches after two years of not being able to gather in person, and to prepare them as they begin hosting in-person activities again.
- The addition of nine new participant groups, including Technology Professional Organizations from across Canada, bringing the total number of ARTA's participating organizations to forty-three.

20,171 members have Dental coverage, plus **285** people with under-65 plans, for a total of

20,456



23,788
members received dental cleanings

10,938
members claimed eyeglasses or contact lenses

ARTA's Member Services Team, from left to right:
Lisa Sutton, Vivian Luca, Rosie Borrelli, Joanne Brewer, Dency Baiju, Antonietta MacEachern, Sudha Nair, Kyle Johnston, Gary Sawatzky, Eva Burant, Anjali Sanathara, Anita Klapwyk, Morgan Bond, Karen Batiuk, Alana Raymond. Not pictured: Bethany Beddows and Samneet Grewal.

MEMBER SERVICES
ARTA BENEFIT PLANS

53%
of members are enrolled in **Total Health 1200**, the most popular Extended Health Care plan.

12 scholarships awarded to deserving students in 2021–2022 totaling
$40,000

ARTA recognizes that not everyone retires at age sixty-five — some people retire well before their sixtieth birthdays, whereas others prefer to continue to work, sometimes into their seventies. Given that our Retiree Benefit Plans were designed specifically for people who had a base layer of coverage through a government-sponsored health care plan (i.e. age 65 and over in most provinces), ARTA introduced Comprehensive plans specifically for members who are not yet age sixty-five. These members can choose from four different plans, meaning any member, regardless of age, can find a plan which best suits their needs and the needs of their family. Once a member on a Comprehensive plan reaches age sixty-five, ARTA makes it easy to transition into one of the traditional ARTA plans.

In addition, these new plans allow ARTA to provide benefits to members of participating organizations who are not yet sixty-five or even, in some cases, members who are still working! This provides an easy transition when they retire and stands to benefit all ARTA members.

On January 1, 2022, ARTA also introduced two new plans for residents of Alberta — the ARTA**Rx** and ARTA**Rx**+Travel health benefit plans. These ARTA**Rx** plans provide additional benefits and coverage levels compared ARTA's other health care plans for those members who use the ARTA**Rx** pharmacy for their maintenance medications.

The ARTA Benefit Plans had sustained growth over the past year, consistent with previous years. The Plan has 26,600 covered members, an net increase of 1,628 since last year. This growth is beneficial for all members — the more people that are covered, the more spread out the risk factor becomes, allowing the ARTA Benefit Plans to remain relatively stable, and the individual risk factor to remain low.

ARTA also ensured our members can continue to travel worry-free in spite of the pandemic. As of February 1, 2022, ARTA's Emergency Travel Insurance now covers medical emergency expenses related to COVID-19, regardless of any COVID-19 travel advisories in effect.

The board also approved several other benefit plan design improvements in November 2021, including:

- An increase to the combined annual maximum for paramedical practitioners — from $1,000 to $1,200 for Health Wise and Total Health plan participants, and from $1,200 to $1,400 for Health Wise Plus and Ultimate Health plan participants.
- An increase in each of the Hearing Aids maximums — to a total of $1,300 for Health Wise and Total Health plan participants, and to a total of $1,500 for Health Wise Plus and Ultimate Health plan participants.
- Services provided by a psychotherapist are now eligible under the paramedical practitioners benefit.
- Sensors for continuous glucose monitors are covered under the overall diabetes supplies annual maximum. These were previously included under the insulin pump benefit maximum.
- CPAP battery packs are eligible under the CPAP machine/breathing monitor benefit.
- Purchase or rental of cryo-cooling units are eligible for coverage, up to $250 every five years.
- A Member Assistance Program providing on-demand counselling services and a wide range of advisory services was introduced.
- The provision in the plan text indicating the plan will only pay up to the cost of amalgam fillings for posterior teeth is being removed (the plan will now pay up to the cost of composite resin fillings).

The Board has approved a number of upcoming plan improvements effective November 1, 2022, including:

EXTENDED HEALTH CARE

- Coverage for transport wheelchairs has been added to the plan, under the current manual wheelchair benefit.
- Insulin pump supplies are now covered under the overall diabetes supplies annual maximum. These were previously included under the insulin pump benefit maximum. If an insulin pump is purchased, there are often no benefits remaining for insulin pump supplies.
- Occupational therapists are now covered under the current paramedical practitioners coverage.
- The annual maximum for support stockings is increasing, up to $250.
- The reasonable and customary charges were updated in line with marketplace cost changes.

DENTAL CARE

The following changes applied to the Dental Care plans effective April 1, 2022:

- Implementation of the 2022 Alberta Dental Association and College (ADA&C) Dental Fee Guide as the basis of payment for ARTA's Dental Care plans, which decreases the amount ARTA members pay out-of-pocket.

ARTARx

Throughout the fiscal year, ARTA continued preparations to open ARTA**Rx**, its very own pharmacy. As a member-owned pharmacy, designed to work in tandem with the ARTA Benefit Plans, ARTA**Rx** will be the first pharmacy of its kind in Canada. When ARTA**Rx** opens its doors, members living in its licensed service area will be able to access a host of pharmacy services directly through their benefit plan.

In 2022, we began recruitment of the ARTA**Rx** team, starting with Darren Tardif, our Licensee and Manager of Pharmacy Operations. Darren will lead the day-to-day operations of the pharmacy. ARTA**Rx**'s clinical pharmacists, will lead the clinical care of our members and oversee dispensing operations. ARTA**Rx** regulated technicians, will direct dispensing operations and support member contact. The ARTA**Rx** pharmacy assistants will drive dispensing and pharmacy operations. ARTA**Rx** will also have its own dedicated delivery service.

In support of our staff, ARTA**Rx** has secured key pharmacy dispensing automation technology. Our dispensing technology will provide accurate and efficient pharmacy operations, as well as allowing our pharmacy professionals more time for patient engagement.

Building a pharmacy during a pandemic comes with challenges, including restricted access to the site and supply shortages.

ARTA**Rx** also experienced a setback in the form of a clean water line break. After a thorough remediation and restoration process, we were able to submit our licensing request to the Alberta College of Pharmacy. We continue to work collaboratively with the Alberta College of Pharmacy to secure licensing approval for the ARTA**Rx** pharmacy.

The long-term intention of ARTA**Rx** is to allow Alberta-based members to get prescriptions filled and delivered to their homes, schedule travel vaccinations, hold consultations with dedicated pharmacists, and much more. Far from being an added cost to members, ARTA**Rx** is designed to reduce premiums paid on prescription medications, meaning that members will save on individual prescriptions, and the plan as a whole will benefit from reduced costs from reimbursing claims. In fact, ARTA**Rx** will streamline the whole pharmacy experience, from start to finish, helping members with everything from filling prescriptions, to adhering to their medication plan and providing evidence-based health information to ARTA members and pharmacy customers.

1,161
members are enrolled in the ARTARx plans.

This is an exciting new venture for ARTA, and one that members will benefit from for years to come.

The ARTARx Team, from left to right: Kavita Mali, Abby Schelske, Darren Tardif, Craig Tomchuck, Yatin Patel, Carrie Blenkinsop. Not pictured: Morgan Kachulak and John LaForest.

WELLNESS
STRATEGIC GOAL

ARTA promotes a healthy, active, and enhanced quality of life for retired people.

Susan Blanchard (center) maintains her social wellness by staying connected with her former coworkers in retirement.

She shared her views on the importance of social connection in the Winter 2021 issue of ***news&views***.

ARTA is a leader and advocate in the promotion of wellness for retirees. ARTA develops and implements strategies to enhance the quality of life of its members and retired people in the community.

Over the past year, ARTA has continued to build upon existing wellness programs and resources for its members and has created new initiatives. Focus continues to be in the areas of physical, intellectual, social, emotional, financial, and spiritual wellness. Our Wellness, Health Benefits, and Pension & Financial Wellness committees have all spearheaded initiatives that address the overall wellness of our members. Researching, analyzing, and developing wellness-related programs and initiatives focused on our members' total wellness is a passion of our association that we hope will have a tremendous impact in our members' healthy pursuit of an engaged lifestyle after retirement.

"A great activity especially during COVID, good mental and physical relief."

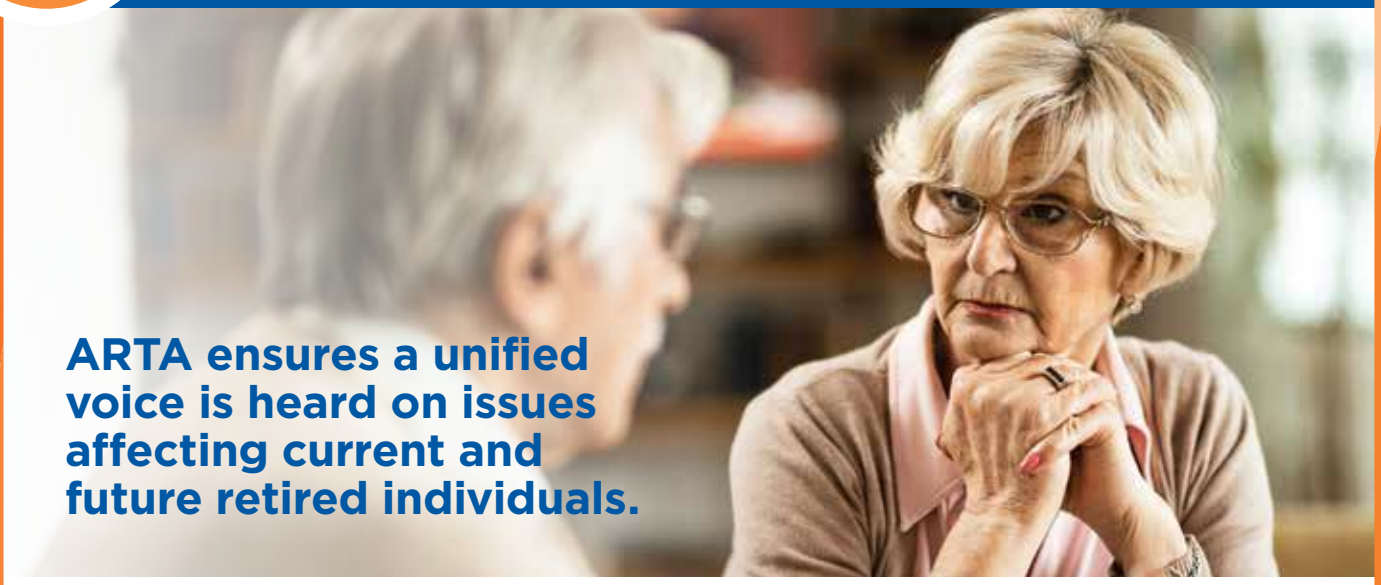
— Doug Gill, participant in the ARTA Wellness Challenge

2021–2022 Wellness initiatives and activities included:

- Sharing wellness education, communication, and research through *ARTAfacts* and ARTA's social media pages.
- The creation of a new newsletter, *ARTAscripts*, which delivers pharmacy information and wellness tips to ARTA**Rx** plan members.
- Encouraging our members to be physically and mentally active with initiatives like the annual Wellness Challenge, Writing Contest, Photo Contest, and Mental Wellness Bingo.
- The creation and distribution of a Wellness Planner, a free agenda with monthly wellness themes and tips to help members keep track of their wellness goals throughout the year.

- The creation and distribution of monthly wellness blogs on a variety of topics, written by Wellness Committee members.
- A new partnership with Inkblot, an online, telephone, and in-person counselling service available to all benefit plan members and their dependants with Extended Health Care.
- Hosting webinars with our various wellness partners through the ARTA 101 webinar series, which were attended by 113 registrants.

ADVOCACY
STRATEGIC GOAL



ARTA ensures a unified voice is heard on issues affecting current and future retired individuals.

ARTA is an effective advocate for its members and retirees with similar interests and concerns. ARTA is recognized as a valued and respected spokesperson on behalf of its members and those in the broader community.

Ensuring our members' voices are heard on issues impacting them most is of vital importance to ARTA. Advocating for retirees in Alberta and beyond is a never-ending pursuit for our association. Over the last year, ARTA participated in advocacy on a number of issues, and we continue to identify more opportunities to make the voice of retirees heard. ARTA, along with its strategic partners, continues to be active in bringing issues affecting seniors to the forefront, ensuring that those in political office are mindful of the needs of seniors.

2021–2022 Advocacy initiatives and activities included:

- Seat on the Board of Directors of ACER-CART (Canadian Association of Retired Teachers).
- Member of PIA (Public Interest Alberta).
- Actively advocating on behalf of our members and all Albertans through communications, publicized opinions, and letters to the Premier and Cabinet Ministers on topics related to the proposed changes to the teacher disciplinary process, and Bill 85: the Education (Students First) Statutes Amendment Act, 2021.

The ARTA Administration Team, from left to right:
Jenna Gagliardi, Daniel Mulloy, and Lisa Sissons.

ORGANIZATIONAL EXCELLENCE
STRATEGIC GOAL

ARTA nurtures leadership, encourages communication, recognizes achievement, and embraces sustainability.

ARTA is an effective, ethical, and transparent organization that provides services, resources, and advocacy in the pursuit of an engaged lifestyle after retirement for its members. ARTA is recognized as an employer of choice by the business and non-profit community in the province of Alberta.

In the first iteration of ARTA's strategic plan, organizational excellence was identified as a key component necessary for the success of all three goals. Since then, it was determined that it is so integral to the success of the association that ARTA positioned it as a fourth strategic goal going forward.

ARTA was awarded the
CANADIAN NON-PROFIT EMPLOYER OF CHOICE
in 2021, the fifth year in a row.

2021–2022 Organizational Excellence initiatives and activities included:

- ARTA's Board members, committee members, staff, and appropriate branch representatives took advantage of opportunities for continued education and skills training to succeed in their roles.
- Hiring twenty-two new staff, including seven ARTA**Rx** pharmacy staff.
- Review and implementation of amendments to both of ARTA's governing documents: Bylaws and Policies and Procedures.
- Completion of a successful audit of our financial position.

- The launch of a new website, **artabenefits.net**, which allows prospective members to learn about and compare ARTA's different benefit plans and even apply directly from the site. This site won two awards of excellence from the International Association of Business Communicators, one for excellence in customer relations, and one for excellence in marketing, advertising, and brand communication.
- In May 2022, ARTA welcomed staff back to the office after a long time spent working from home during the COVID-19 pandemic. Each new staff member's workspace was outfitted with the tools needed for success in ARTA's newly developed hybrid work model.
- The development and distribution of an ARTA Editorial Style Guide, aiding Board members, Committee members, and staff to produce consistent and correct writing for official reports and correspondence.
- Working to foster ARTA members' understanding of Canada's reconciliation efforts by communicating educational opportunities and offering discounts for reconciliation education courses.

42
staff working for ARTA as of June 30, 2022.

ARTA's Marketing and Communication Team, from left to right: Jonathan Schieman, Robert Michon, Amanda Shaw, Virginia Quist, Tony Esteves, Kendra Liber, Jennifer Hope, and Daniel Schieman.

ARTA FINANCIAL OVERVIEW

The 2022 fiscal year at ARTA ended again with a strong financial position.

Historical revenue streams increased by 3.81% to just over $4.5 million (2.3% greater than forecasted budget). Plan administration fee revenue accounted for an additional $4 million. Overall expenses increased by 27% over the year prior (8% less than forecasted budget).

REVENUE SUMMARY

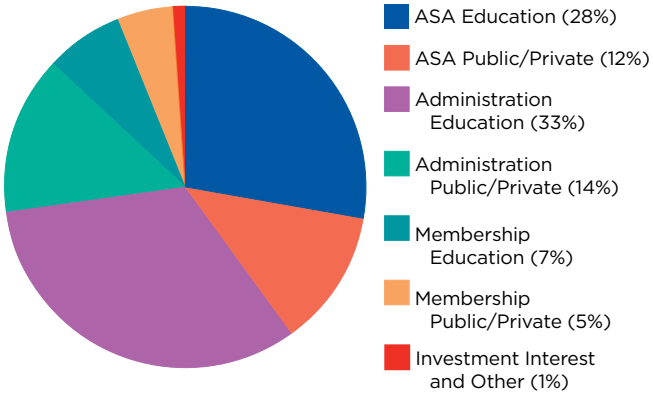
In the 2022 fiscal year, ARTA had traditional revenue and other income amounting to $4.5 million. The composition of this historical revenue was 53% administrative services agreement revenue (Education Sector), 25% administrative services agreement revenue (Public/Private Sector), 12% membership revenue (Education Sector), and 9% membership revenue (Public/Private Sector). The remaining 1% of revenue was made up of investment interest and other income.

An additional $4 million in plan administration fee revenue was collected by ARTA from the ARTA Retiree Benefit Plan for plan self-administration.

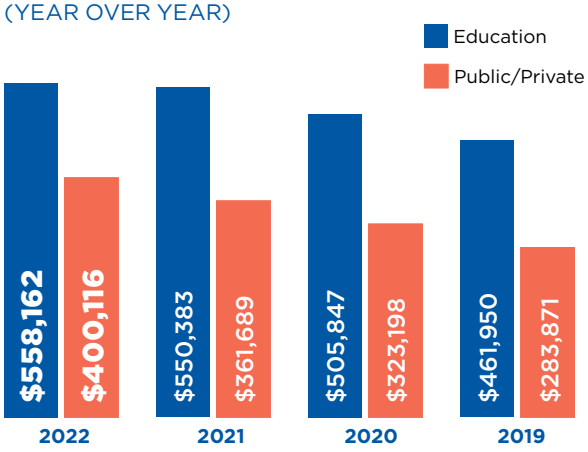
MEMBERSHIP REVENUE

Membership growth in ARTA grew at a more reasonable and measured pace in 2022. Overall membership revenue exceeded budgeted expectations by 5%. Education sector membership revenue edged upward again — with a 2% growth rate. Public and Private sector membership revenue saw a combined increase of nearly 11%.

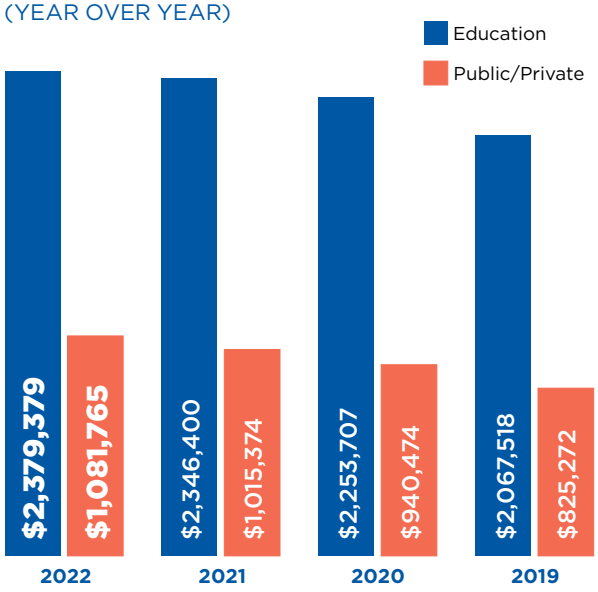
REVENUE SUMMARY



MEMBERSHIP REVENUE GROWTH
(YEAR OVER YEAR)



ASA REVENUE GROWTH
(YEAR OVER YEAR)



ADMINISTRATIVE SERVICES AGREEMENT REVENUE (ASA)

ASA revenue was conservatively estimated at the beginning of the budget year based on actual experience reporting from 2021. Overall, ASA revenue exceeded budget expectations by 3%. ASA revenue (Education sector) increased by just under 2% over prior year. ASA revenue (Public/Private sector) increased by just under 9%.

PLAN ADMINISTRATION REVENUE

On January 1, 2021, administration of ARTA's Retiree Benefit Plans was handed off to ARTA. Amounts that had previously paid to a third-party administrator were paid directly to ARTA for Retiree Benefit Plans Administration services. Six months' worth of revenue was received for these services in the 2021 fiscal year. In the 2022 fiscal year, ARTA received a full year of Plan Administration revenue. This Plan Administration revenue came in slightly more than budget — exceeding expectations by 2%.

OTHER REVENUE

Advertising revenue bounced back from the prior year — significantly exceeding budgeted expectations. Investment income however dipped — the result of lower interest rates at the timing of renewals. Interest rates remained historically low at the time of re-investment and therefore no significant additional amounts were invested into fixed income investments.

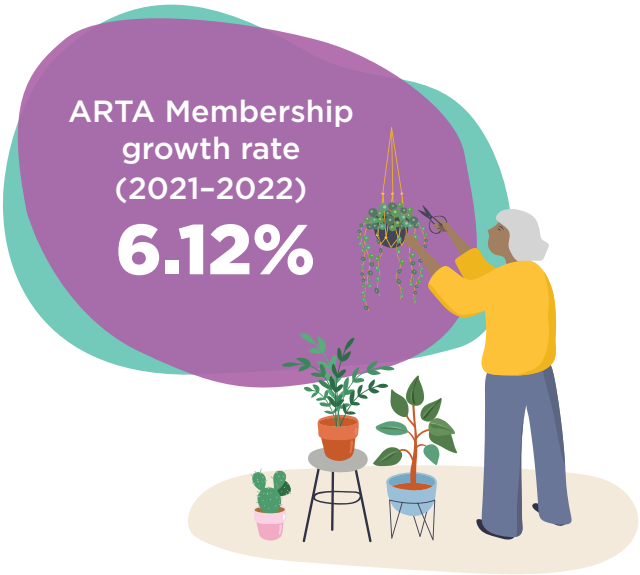
EXPENSE SUMMARY

The majority of the meetings and events which had been scheduled for the start of the 2022 fiscal year were either cancelled, deferred, or moved to virtual forums because of the ongoing COVID-19 pandemic. While some degree of normalcy returned prior to fiscal year end, expenses were overall considerably less than what had been budgeted. Nearly all expense categories at year-end again came in substantially below (or relatively close to) the forecasted budget.

Notable exceptions included the following: Amortization, Information technology, building rental, salaries, and utilities, which came in slightly over budget.

- There were additional costs relating to leasehold improvements for the new ARTA**Rx** building space which resulted in additional amortization expense. There was also continuing investment in information systems required for self-administration. Improved integration between systems became a key endeavour and funds were put into improving key systems. Amortization expense was up as a result.
- Coupled with the continued investment in leading-edge information systems was the need to invest in accompanying information technology resources. Information systems support costs remained higher than usual until the tail end of the fiscal year. IT system maintenance, and integration support were the largest components of spend. Overall information technology spend was 10% ($39,000) over budget in 2022.
- Rental costs came in 9% ($57,000) higher than expected, given that the expected cost recoveries relating the ARTA sub-leased space did not come to fruition. ARTA**Rx** continued to face delays in opening primarily due to a flood and delayed licensing from the Alberta College of Pharmacists.
- Salaries came in slightly over budget by 3% ($135,000). This was largely attributed to vacation liability accounting adjustments, severance agreements and additional contract staff being brought in through the year to ease call volumes and improve the ARTA member experience.
- Utilities were up 18% ($27,000) — significantly over budgeted expectations. Power and water costs continued to climb as more ARTA staff returned to working in-person rather than remotely.

Overall expenditures came in 8% ($639K) below budget — substantially less than initial budget projections.



EXCESS OF RECEIPTS OVER EXPENSES FROM OPERATIONS

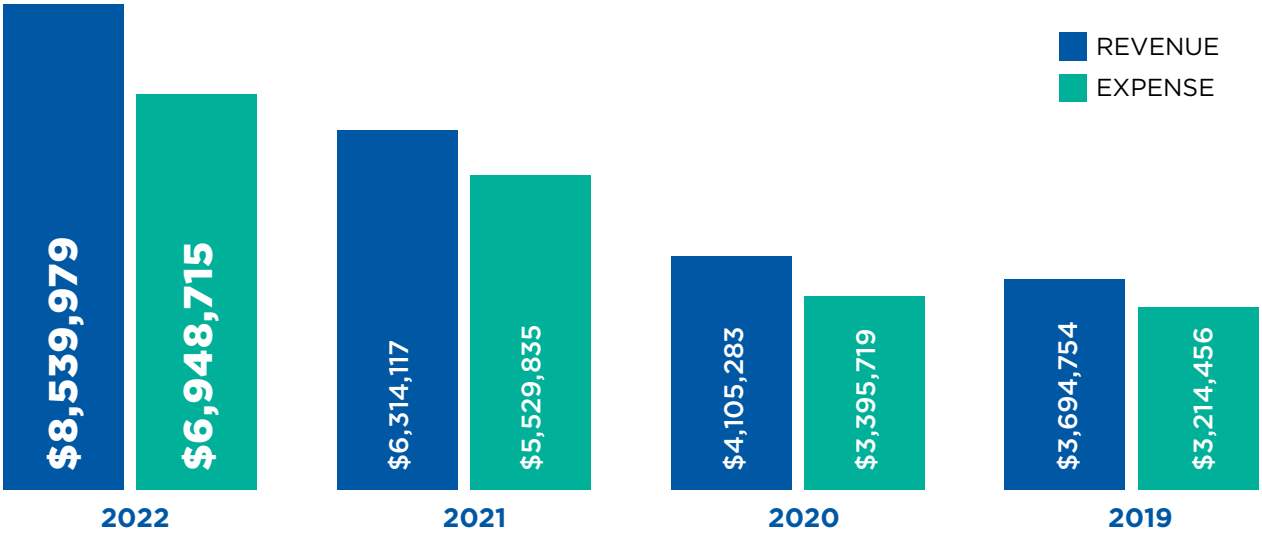
ARTA had an excess of receipts over expenses this year, amounting to $1,585,176.

ARTA is continuing down the road toward integrating a pharmacy distribution center. The opening date is projected for late 2022. ARTA**Rx** intends to repay amounts borrowed from ARTA over the next fiscal year.

ARTA excess cash reserves are expected to be re-invested in fixed income securities as interest rates continue to rise, serving as a backstop against any future losses that the association might encounter.

It can be assured that in the event of any short-term future losses, the Association can continue to operate and is a going concern. Current and future liabilities can be met at this time.

ARTA REVENUE AND EXPENSE
(YEAR OVER YEAR)



CONSOLIDATED FINANCIAL STATEMENTS

The information and analysis presented in the 2022 fiscal year financial overview does not incorporate ARTA's pharmacy subsidiary data (ARTA**Rx**). ARTA's consolidated financial statements include operational revenue and expense belonging to ARTA**Rx**. There was no revenue for ARTA**Rx** in 2022 given delays in opening (related to flood mitigation and licensing delays). Expenses for ARTA**Rx** amounted to $655,000 during this fiscal period and are reflected in ARTA's 2022 Consolidated Financial Statements. There are currently short-term amounts ($276,000) and long-term amounts ($1 million) due to ARTA from ARTA**Rx**.

Taking ARTA**Rx** operating activities into account, ARTA's Consolidated Excess of Receipts over Expenses is reduced to $930,000 for the 2022 fiscal year.

ALBERTA RETIRED TEACHERS' ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	**$ 2,517,179**	$ 1,746,818
Investments	**862,977**	1,386,055
Accounts receivable	**60,229**	27,347
Inventory	**24,335**	21,715
Goods and services tax recoverable	**2,376**	-
Prepaid expenses and deposits	**250,979**	184,940
Future income taxes	**98,610**	-
	3,816,685	3,366,875
PROPERTY AND EQUIPMENT	**2,116,788**	1,249,268
INTANGIBLE ASSETS	**79,697**	83,892
WEBSITE	**92,771**	60,231
DEFERRED LEASE COSTS	**54,032**	65,602
DUE FROM RELATED PARTIES	**51,597**	-
	$ 6,211,570	$ 4,825,868

LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	**$ 402,202**	$ 229,842
Deposit received	**13,795**	13,795
Current portion of obligations under capital lease	**42,839**	-
Current portion of deferred contributions	**36,975**	40,075
Current portion of improvement allowance	**15,959**	15,959
	511,770	299,671
OBLIGATIONS UNDER CAPITAL LEASE	**189,296**	-
DEFERRED CONTRIBUTIONS	**8,450**	16,000
FUTURE INCOME TAXES	**1,837**	-
DUE TO RELATED PARTY	**-**	20,286
IMPROVEMENT ALLOWANCE	**58,516**	74,475
	769,869	410,432
NET ASSETS		
Unrestricted	**3,557,048**	3,166,168
Invested in property and equipment	**1,884,653**	1,249,268
	$ 5,441,701	$ 4,415,436
	$6,211,570	$4,825,868

ALBERTA RETIRED TEACHERS' ASSOCIATION

CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED JUNE 30, 2022

	2022	2021
REVENUES		
Administrative fee revenue	**$ 7,532,901**	$ 5,338,297
Membership revenue	**958,278**	912,072
Home and auto royalties	**30,000**	30,000
Advertising revenue	**13,300**	12,663
Scholarships and awards	**5,500**	5,500
	$ 8,539,979	$ 6,298,532
EXPENSES		
Salaries and wages	**$ 4,419,625**	$ 3,026,305
Rental	**667,789**	643,366
Office	**445,228**	365,469
Amortization	**284,374**	183,977
Magazine	**248,988**	202,854
Committees and meetings	**200,067**	90,406
Utilities	**175,833**	99,239
Equipment rentals	**162,314**	89,813
Member retreat	**158,962**	7,970
Repairs and maintenance	**106,963**	82,896
Supplies	**104,329**	54,916
Sub-contracts	**93,841**	108,581
Legal fees	**86,571**	79,899
Telephone	**73,343**	42,509
Consulting fees	**66,737**	131,250
Donations	**56,726**	57,604
Insurance	**51,849**	26,244
Printing	**42,984**	65,801
Advertising and promotion	**37,117**	25,889
Professional fees	**29,670**	16,211
Training and conferences	**23,373**	14,090
Dues and memberships	**22,789**	18,227
Meals and entertainment	**16,954**	9,152
Grants	**5,000**	-
Travel	**4,377**	548
Amortization of intangible assets	**4,195**	-
Interest and bank charges	**3,873**	2,552
Accommodation	**3,315**	-
Interest on obligations under capital lease	**1,146**	-
Vehicle	**150**	-
Bad debts	**-**	175
	7,598,482	5,445,943

ALBERTA RETIRED TEACHERS' ASSOCIATION

CONSOLIDATED STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED JUNE 30, 2022

(continued)	2022	2021
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	**$ 941,497**	**$ 852,589**
OTHER INCOME (EXPENSES)		
Other income	**1,635**	1,969
Interest income	**5,701**	13,616
Loss on disposal of property and equipment	**(19,341)**	-
	(12,005)	15,585
EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES (RECOVERED)	**929,492**	868,174
INCOME TAXES (RECOVERED)	**(96,773)**	-
EXCESS OF REVENUES OVER EXPENSES	**$ 1,026,265**	$ 868,174

ALBERTA RETIRED TEACHERS' ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2022

	Unrestricted	Invested in property and equipment	2022	2021
NET ASSETS - BEGINNING OF YEAR	$ 3,166,168	$ 1,249,268	**$ 4,415,436**	$ 3,547,262
EXCESS OF REVENUES OVER EXPENSES	1,331,126	(304,861)	**1,026,265**	868,174
PURCHASE OF PROPERTY AND EQUIPMENT	(935,343)	935,343	**-**	-
REPAYMENT OF OBLIGATIONS UNDER CAPITAL LEASE	(4,903)	4,903	**-**	-
NET ASSETS - END OF YEAR	$ 3,557,048	$ 1,884,653	**$ 5,441,701**	$ 4,415,436

ARTA's Finance and Information Systems Team, from left to right: Danny Zheng, Andreea Lucaci, Arnie Buchholz, Barrington Simpson, Roland Atkinson, Scott Tywoniuk, and Ross Hamm.

ALBERTA RETIRED TEACHERS' ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED JUNE 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	**$ 1,026,265**	$ 868,174
Items not affecting cash:		
Amortization	**284,374**	183,977
Amortization of intangible assets	**4,195**	-
Loss on disposal of property and equipment	**19,341**	-
Future income taxes	**(96,773)**	-
	1,237,402	1,052,151
Changes in non-cash working capital:		
Accounts receivable	**(32,882)**	(330)
Inventory	**(2,620)**	(6,010)
Prepaid expenses and deposits	**(66,039)**	55,176
Accounts payable and accrued liabilities	**172,360**	65,603
Deferred contributions	**(10,650)**	(65,647)
Goods and services tax payable	**(2,376)**	-
Deposit received	**-**	13,795
Improvement allowance	**(15,959)**	(15,959)
	41,834	46,628
Cash flow from operating activities	**1,279,236**	1,098,779
INVESTING ACTIVITIES		
Purchase of property and equipment	**(935,343)**	(878,290)
Purchase of intangible assets	**-**	(83,892)
Website development	**(32,540)**	(6,300)
Cash flow used by investing activities	**(967,883)**	(968,482)
FINANCING ACTIVITIES		
Deferred lease costs	**11,570**	(65,602)
Advances to related parties	**(71,883)**	20,286
Repayment of obligations under capital lease	**(3,757)**	-
Cash flow used by financing activities	**(64,070)**	(45,316)
INCREASE IN CASH	**247,283**	84,981
Cash - beginning of year	**3,132,873**	3,047,892
CASH - END OF YEAR	**$ 3,380,156**	$ 3,132,873
CASH CONSISTS OF:		
Cash	**$ 2,517,179**	$ 1,746,818
Investments	**862,977**	1,386,055
	$ 3,380,156	$ 3,132,873

ROLE OF THE ARTA BENEFIT PLAN TRUST FUND

Submitted by **Ernest Clintberg (Chair)**

THE BIG PICTURE

While the Trust is responsible for the collection of all premiums and dispersal of all funds, namely health care and dental care plans, it has contracted these to ARTA. After benefits are paid and administration costs taken care of, any reserves left are invested by the Trust. With the assistance of the Health Benefits Committee and professional advisors, the Board of Trustees develops, implements, monitors, and reports on the investment of the assets of each Trust Fund, and in particular, the reserves relating to each Benefit Plan. The assets and liabilities of each Trust Fund (Education Sector Trust Fund, Public/Private Sector Trust Fund, and the separate Emergency Travel Fund) are always kept separate and apart from the assets and liabilities of the others. The Trust engages a professional Investment Manager to invest funds according to the Trust's Statement of Investment Policies and Procedures. The investments are assets held to backstop the operation of the Benefit Plans, if needed. The Trust adheres to Canada Revenue Agency regulations.

ARTA BENEFIT PLAN TRUSTEES

Ernest Clintberg
Arlene Purcell
Patrick Sproule
Eileen Johnstone
Gerhard Sawatzky
Sharon Vogrinetz

CHANGES IN AUDITING AND REPORTING

Each of the Trust Funds were converted to inter vivos trusts on January 1, 2022. In 2021, a reclassification occurred to reflect this, and those changes are demonstrated in the 2020 audit, as included in this report. The 2021 audit (not yet completed) and future audits will acknowledge these changes. A draft 2021 Financial Statement is included here in place of the 2021 Audited Financial Statement, which is not yet available.

To meet the requirements of the 2015 Amended and Restated Declaration of Trust and Trust Agreement of the ARTA Benefit Trust Funds, a supplementary report will be provided to bring the 2022 AGM up to date. The 2021 audit should be available at the time of the AGM.

CALENDAR YEAR 2020 AUDIT

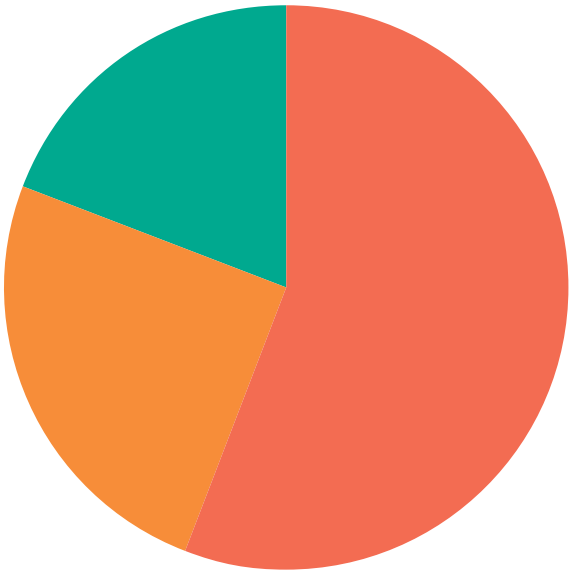
The independent auditor completed the 2020 Audit in May 2022. This late completion occurred because the Trust, in 2021, had requested a reclassification of trust funds for 2018, 2019 and 2020 and this caused Metrix to have to wait for the reclassification before the audits could be done.

In late 2021, the Trust's law firm approached the Canada Revenue Agency (CRA) for a pre-ruling with respect to the reclassifications of the ARTA Trust Funds from Health Welfare Trusts (HWT) to a new status. However, it was learned that ARTA Trusts do not fit within the parameters of an Employee Life and Health Trust (ELHT). CRA saw no reason to go through a pre-ruling, as the Trust Funds in its estimation were inter vivos trusts under the new regulations. The Trust's law firm advised the Trust of this in December 2021. Therefore, beginning January 1, 2022, all three Trust Funds will be audited separately and filed as inter vivos trusts.

FINANCIAL INFORMATION — THE DETAILS

At the end of 2021, the overall Trust Fund had reserve assets (market value) of about $35 million, an increase of about $2.1 million over 2020. Member Contributions increased from approximately $74,230,000 in 2020 to $75,700,000 in 2021. Increased member contributions and increased claims were a direct result of an increase in the number of members in the ARTA Benefit Plan. During the 2021 fiscal year, $75,701,388 was collected in gross premiums for all three plans. $42,375,879 of this amount related to Education Sector, $19,162,434 to the Public and Private Sectors and $14,178,792 to Emergency Travel (See Pie Chart A).

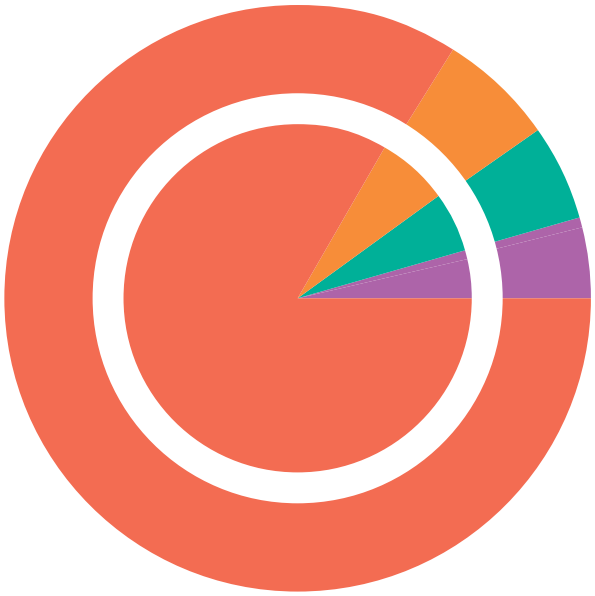
A. GROSS PREMIUMS



Education (56%)
Public/Private Sector (25%)
Emergency Travel (19%)

The three Trust Funds' payments were distributed in a similar manner across both the Education and Public/Private Sectors — except for Emergency Travel (See Pie Chart B). The amounts allocated for claims were 84% in the Education Sector and 84% in the Public/Private Sector. In all other categories, the distribution of payments was relatively similar. Claims Processing by ARTA accounted for an average of 6.5%, ARTA Administrative Services accounted for 5.5%, and HumanaCare accounted for 0.6% across all sectors.

B. PAYMENT DISTRIBUTION



EDUCATION
(outer ring)

- **Claims** (83.6%)
- **Plan Administration** (6.6%)
- **ASA ARTA** (5.6%)
- **Other** (4.2%)

PUBLIC/PRIVATE
(inner ring)

- **Claims** (83.7%)
- **Plan Administration** (6.4%)
- **ASA ARTA** (5.5%)
- **Other** (4.4%)

Emergency Travel, going forward, will be reported separately. The reserves coming into this Fund are the result of a profit share. The Travel Reserve allotted was approximately 4.8% of the gross premiums.

ARTA Benefit Plan Trust Fund operational expenses, which are reported separately from the payment distribution, are spread proportionally across all three funds. These expenses include bookkeeping, accounting, legal advice, investment management fees, and Trust meetings. The cost amounted to 0.6% of the total premiums collected from Education, Public/Private, and Emergency Travel.

RESERVE TRANSFERS TO INVESTMENT

For 2021, the final reserve amounts transferred to the Trust Funds (after all payments were considered) were $505,498 in the Education Sector and $226,939 in the Public/Private Sector. Emergency Travel received a transfer of $664,825. In addition, a transfer from Allianz of $5,600,000 came in October 2021. This one-time transfer was a cumulative result of a decrease in travel claims made in 2021, resulting in this profit-share amount being refunded to ARTA.

AUDITED FINANCIAL STATEMENTS

Last year, the 2020 Audited Financial Statements were not available and went unreported. They are presented here this year. The 2021 Audited Financial Statements are yet to be received.

INVESTMENT RETURNS MARKET VALUE

COMPARED TO 2020

SECTOR	2021	2020
EDUCATION	$ 16,380,094	$ 13,868,572
PUBLIC/PRIVATE	$ 5,834,842	$ 4,896,852
EMERGENCY TRAVEL	$ 13,849,500	$ 6,438,645
TOTALS	**$ 36,064,436**	**$25,204,069**

INVESTMENT RATE OF RETURN MARKET VALUE AS OF DEC. 31, 2020

EDUCATION/PUBLIC/PRIVATE		PUBLIC/PRIVATE		EMERGENCY TRAVEL	
1 YEAR	14.82%	1 YEAR	14.82%	1 YEAR	14.82%
3 YEARS	12.96%	3 YEARS	12.96%	3 YEARS	12.89%
5 YEARS	8.46%	5 YEARS	8.46%	5 YEARS	8.17%
10 YEARS	9.57%	10 YEARS	9.57%		

The return indicated is the "compound annual growth rate" defined as: "the rate at which an investment would have grown if it had grown at the same rate every year and the growth was reinvested at the end of each year."

ALBERTA RETIRED TEACHERS' ASSOCIATION BENEFIT PLAN TRUST FUND

STATEMENT OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2020

ASSETS	2020	2019
CURRENT		
Cash and cash equivalents	**$ 1,995,735**	$ 1,783,773
Due from related parties	**8,570,441**	7,343,423
Receivables	**79,484**	192,414
Prepaid expenses	**5,240,254**	714,871
Investments	**13,878,747**	12,236,918
	$ 29,764,661	$ 22,271,399

LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 32,524**	$ 25,199
Reserve for unpaid claims	**1,483,158**	1,509,217
Net assets available for benefits	**$ 28,248,979**	$ 20,736,983

ALBERTA RETIRED TEACHERS' ASSOCIATION PUBLIC SERVICE BENEFITS PLAN TRUST FUND

STATEMENT OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 1,995,735**	$ 1,783,774
Investments	**4,907,820**	4,297,440
Receivables	**35,812**	78,868
Prepaid expenses	**2,343,090**	292,807
	$ 9,282,457	$ 6,452,889
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 16,423**	$ 10,305
Reserve for unpaid claims	**658,713**	642,302
Due to related parties	**216,153**	986,901
Net assets available for benefits	**$ 8,391,168**	$ 4,813,381

ALBERTA RETIRED TEACHERS' ASSOCIATION EMERGENCY TRAVEL PLAN TRUST FUND

STATEMENT OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 1,995,735**	$ 1,783,774
Investments	**6,449,392**	5,305,544
Receivables	**1,232,248**	850,497
Prepaid expenses	**773**	773
	$ 9,678,148	$ 7,940,588
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 14,163**	$ 6,158
Reserve for unpaid claims	**1,523,598**	1,019,774
Due to related parties	**8,354,288**	6,356,521
Net assets available for benefits	**$ (213,901)**	$ 558,135

ALBERTA RETIRED TEACHERS CHARITABLE FOUNDATION

Submitted by **Frank Bruseker (President)**

From classrooms and beyond, the Alberta Retired Teachers Charitable Foundation (ARTCF) and its members are linked by one passionate purpose: to improve the lives of seniors across Alberta. By partnering with local organizations, the Foundation assists seniors in all corners of our province in the pursuit of appropriate housing, health services, and education opportunities.

The Foundation was created with a far-reaching vision, aimed not only at addressing the needs of the day, but also to prepare the way for those who come after us. By investing in the health and wellbeing of today's seniors, we are helping to create a network of resources that will continue to serve many generations to come.

ARTCF was launched in 2012 with the goal of securing the futures of Alberta's seniors. In order to attain charitable status, it was established at arms-length from ARTA as an independent organization. It is a Registered Not-for-Profit Society under the Alberta Society Act and has Charitable Status with the Canada Revenue Agency.

This enables Alberta's retired teachers and other donors to make a difference in the lives and opportunities of Alberta's seniors.

Thanks to the generosity of members, branches, supporting businesses, and the Association, we have been able to steadily increase funding we can make available to charitable partners whose proposals complement our objectives. In the year to come, we hope to hit a threshold of $100,000 in grants available to these partnerships.

We're pleased to have this opportunity to share a brief report of the Foundation's activity over the past year:

THE FOUNDATION IS A CHARITY OF CHOICE

Due to ARTA covering our operating expenses, approximately ninety-five per cent of donations received go directly to projects. Further, our agreements with partnering organizations are structured to support specific projects, and not general revenues. This assures all donations will go to programs directly impacting Alberta's seniors, and not to administrative or fund-raising budgets.

CURRENT PARTNERSHIPS

To help maintain personal ties with the Foundation's partners, each of our Foundation Directors has taken responsibility for a specific partner and acts as a main contact point and liaison between ARTCF and that partner.

- **Parkinson Association of Alberta** had their grant renewed for a further $25,000 in 2022. This marked our continued commitment to fund the three Alberta Retired Teachers Charitable Foundation tele-support groups, which enable individuals impacted with Parkinson's to talk with others across Alberta about living with Parkinson's disease and Parkinson's plus syndromes.
- **Alzheimer Society of Alberta and Northwest Territories** are currently developing a proposal that should meet our funding criteria, and we are excited to see what their next project will entail, following the successful completion of their previous ARTCF-funded project, "Minds in Motion."
- **Alzheimer Society of Calgary** received renewed support this year, with a grant of $25,000 to provide caregiver education sessions and public education events. This organization continues to be excellent at giving us feedback, as well as acknowledging our support in their publications.
- **The Alberta chapter of the Canadian National Institute for the Blind** has been quiet this year after renewing their partnership with ARTCF in 2021. We have sent an inquiry as to their plans and projects for the upcoming year and are awaiting a response.
- **Operation Friendship Seniors Society** is a newer partner organization. Based in Edmonton's inner city, OFSS provides community-based preventative social services to seniors as well as safe and affordable non-institutional housing options. They received a grant for $5,000 in 2022 to help with the upkeep and development costs of their facilities.

GOLF TOURNAMENT

At long last, after two years of postponements, the ARTCF Charity Golf Tournament was able to run on June 16, 2022, at the Ponoka Golf Course. We raised over **$25,000** for the Foundation and a great time was had by all who attended. The Foundation thanks the hosts, the volunteers, the sponsors, and the golfers who came out to support our cause. Particular thanks go to Daniel Mulloy and Amanda Shaw for their leadership, for their planning and organization, and for not allowing their enthusiasm to be dampened by the pandemic postponements of the last two years.

FURTHER FUND DEVELOPMENT

Due to COVID-19 postponements, our casino fundraiser is still in the works, but we've received confirmation from Alberta Gaming that the event will be able to take place within the next eighteen months, giving us a timeline in 2023 or early 2024. The event will be located in Edmonton, as that is the registered address of ARTCF. Once we receive a firm date, we will reach out to members as we look for volunteers. This will certainly make a difference in our revenues, and the funds we can allocate to project partners.

RECOGNIZING ARTA

The Foundation would not be able to achieve its successes without the generosity of, and shared vision with ARTA. Not only does ARTA cover the majority of the Foundation's operating costs, but they are also our largest donor, with an annual grant of $50,000. ARTA donates access to all their media to 'get out the word', and ARTA staff facilitate our operations and initiatives. We are particularly indebted to Scott Tywoniuk and the finance team, and Amanda Shaw and the marketing team, the leadership of Daniel Mulloy, and the assistance of Lisa Sissons who facilitates our meetings and keeps us on track in our activities.

ARTCF BOARD FOR 2020–2021

Thanks to Carol Loewen, Jim Allan, and Graham Sewell, for serving as elected Directors this year, Lorna McIlroy for being liaison to the ARTA Executive, and to Daniel Mulloy for serving as Executive Director.

Elections of Directors take place at the Annual General Meeting of the Foundation, which coincides with the November Board of Directors Meeting of ARTA.

Thanks to all for your continuing support. Together we make a difference.

Frank Bruseker
President, ARTCF

ALBERTA RETIRED TEACHERS CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	**$ 152,158**	$ 57,310
Accounts receivable	**11,000**	7,019
Prepaid expenses	**-**	3,362
	163,158	67,691
EQUIPMENT	**10,115**	5,656
	$ 173,273	$ 73,347
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	**$ 5,699**	$ 3,000
Deferred contributions	**2,000**	15,250
Due to related party	**28,865**	-
	36,564	18,250
NET ASSETS		
Unrestricted	**125,179**	49,440
Externally restricted	**1,415**	-
Invested in equipment	**10,115**	5,657
	136,709	55,097
	$ 173,273	$ 73,347

ALBERTA RETIRED TEACHERS CHARITABLE FOUNDATION

STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED JUNE 30, 2022

	2022	2021
REVENUE		
Donations	**$ 68,602**	$ 62,389
Golf tournament revenue	**49,320**	-
Gaming revenue	**1,415**	-
	119,337	62,389
EXPENSES		
Golf tournament expenses	**28,330**	-
Professional fees	**4,625**	2,639
Amortization	**2,529**	1,414
Legal fees	**1,446**	-
SUPPLIES	**518**	-
INTEREST AND BANK CHARGES	**323**	98
DONATIONS	**-**	70,000
	37,771	74,151
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	**$ 81,566**	$ (11,762)
OTHER INCOME Interest income	**46**	46
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$ 81,612**	$ (11,716)

ALBERTA RETIRED TEACHERS CHARITABLE FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2022

	Unrestricted	Externally Restricted	Invested in property and equipment	2022	2021
NET ASSETS - BEGINNING OF YEAR	$ 49,440	$ -	$ 5,657	**$ 55,097**	$ 66,813
EXCESS OF REVENUES OVER EXPENSES	82,726	1,415	(2,529)	**81,612**	(11,716)
PURCHASE OF PROPERTY AND EQUIPMENT	(6,987)	-	6,987	**-**	-
NET ASSETS - END OF YEAR	$ 125,179	$ 1,415	$ 10,115	**$ 136,709**	$ 55,097

ALBERTA RETIRED TEACHERS CHARITABLE FOUNDATION

STATEMENT OF CASH FLOW

YEAR ENDED JUNE 30, 2022

	2022	2021
OPERATING ACTIVITES		
Excess (deficiency) of revenue over expenses	**$ 81,612**	$ (11,716)
Item not affecting cash:		
Amortization	**2,529**	1,414
	84,141	(10,302)
Changes in non-cash working capital:		
Accounts receivable	**(3,981)**	981
Accounts payable and accrued liabilities	**2,698**	(282)
Deferred contributions	**(13,250)**	(2,500)
Prepaid expenses	**3,362**	(3,362)
	(11,171)	(5,163)
Cash flow from (used by) operating activities	**72,970**	(15,465)
INVESTING ACTIVITY		
Purchase of equipment	**(6,987)**	-
FINANCING ACTIVITY		
Advances from related party	**28,865**	-
INCREASE (DECREASE) IN CASH FLOW	**94,848**	(15,465)
Cash - beginning of year	**57,310**	72,775
CASH - END OF YEAR	**$ 152,158**	$ 57,310

ARTA ALBERTA RETIRED TEACHERS' ASSOCIATION

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