



**Annual General Meeting
of Members
May 29, 2018**

- Welcome and Call to Order
- Attendance and Verification of Quorum
- Introduction of Current Board Members and Special Guests



Agenda

1. Approval of Agenda
2. Minutes of the May 30, 2017 Meeting of the Members
3. Report from the Board
4. President's Report
5. 2017 Audited Financial Statements
6. Appointment of Auditors for 2018
7. Election of Directors
8. Director Compensation
9. Other Business
10. Adjournment of formal AGM
11. Presentation by Guest – David Roewade

Approval of Minutes

Review of 2017 AGM minutes

Motion: To approve 2017 AGM minutes



Report from the Board

Presented by Al Doerksen – Board Chair
A copy is included in the AGM Booklet



President's Report

2017 – The Year in Review

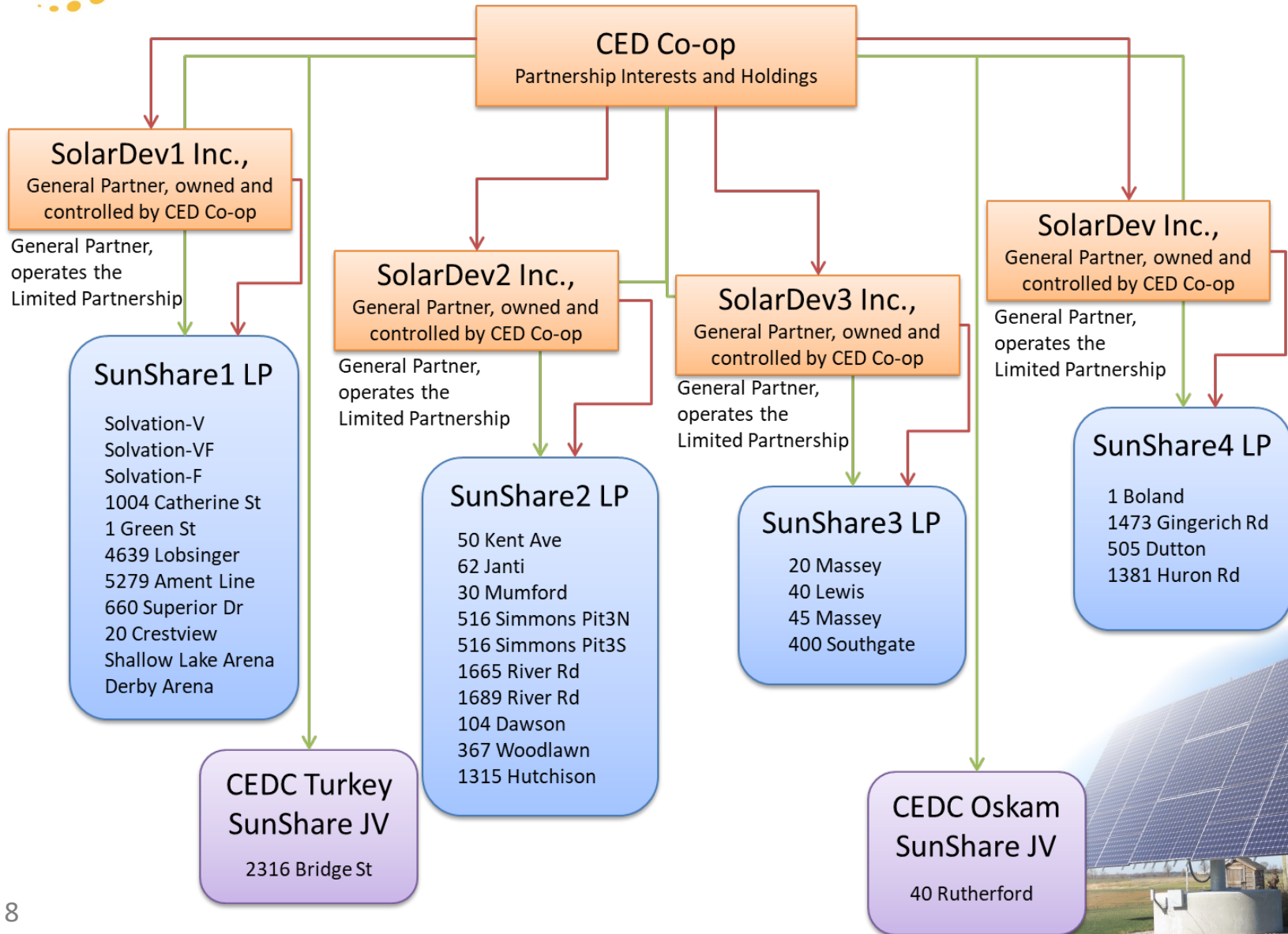
- Project Transitions and Financing
- Project Completions
- FIT 4 Project Updates
- Communication and Engagement
- Second Offering Statement
- Project Performance
- Update on Project Acquisition
- Financial Performance
- Commentary on Financial Statements
- Looking forward to 2018



Project Transitions and Financing

1. Move projects from JV to LP (Left hand to Right hand)
2. Independent Engineering Review
3. Insurance Reviews
4. Property and Title Reviews
5. Legal Due Diligence
6. Negotiate Loan Agreements and Security Documents
7. Gather all signatures





Project Transitions and Financing

- More than 500 technical documents produced and gathered
- More than 500 legal documents reviewed
- More than 400 new legal documents created - 5,000 pages
- Around 1,000 signatures from nearly 50 different parties
- 13 different legal firms

| Category | Expense |
|----------------------------|----------------------|
| Independent Engineers | \$ 147,451 |
| Insurance | \$ 30,752 |
| Lender Fees | \$ 327,444 |
| Legal Firm Expenses | \$ 559,963 |
| Total Closing Costs | \$ 1,065,610 |
| | |
| Total Loan Proceeds | \$ 21,444,355 |
| Closing Costs as % | 4.97% |

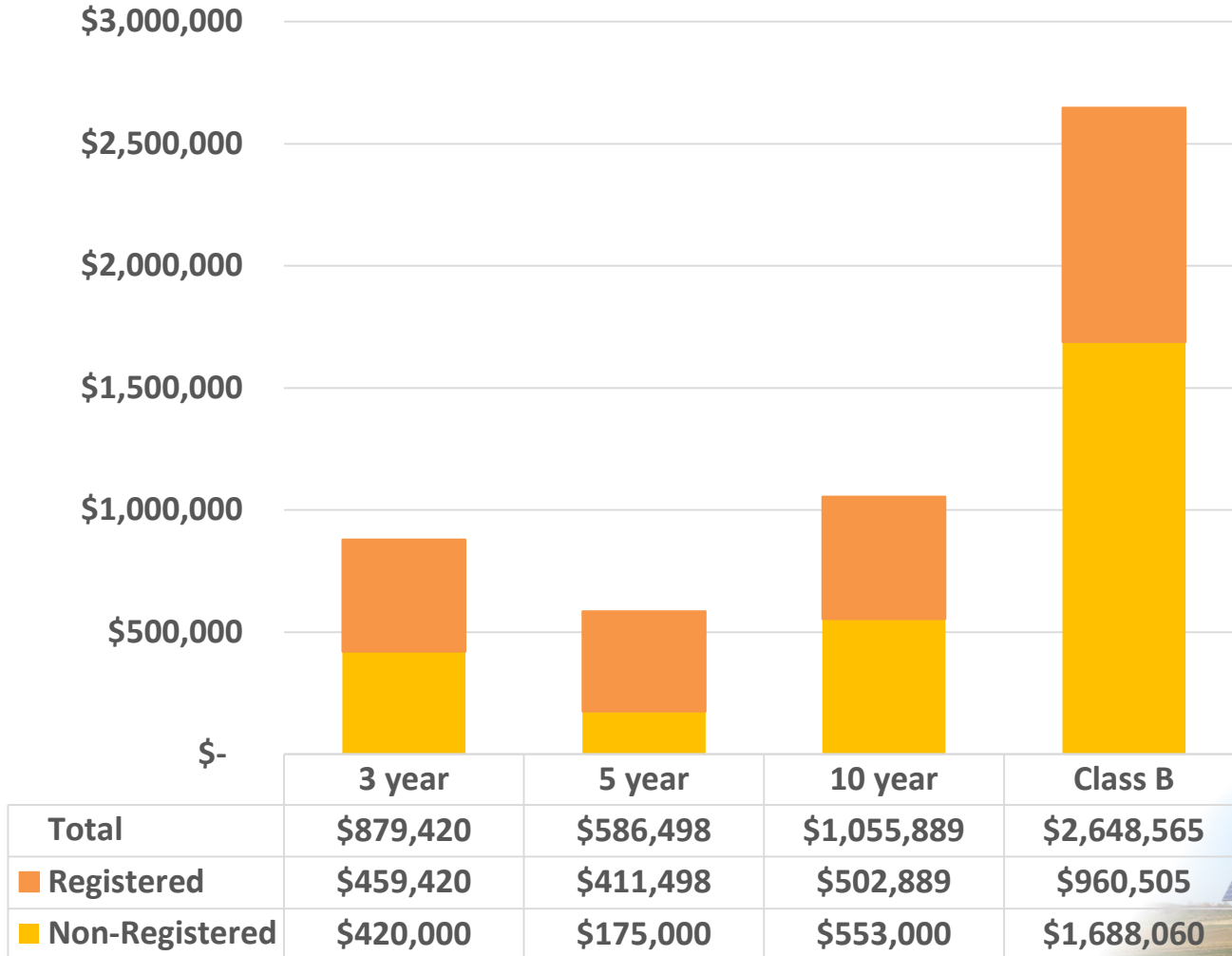


Project Completions

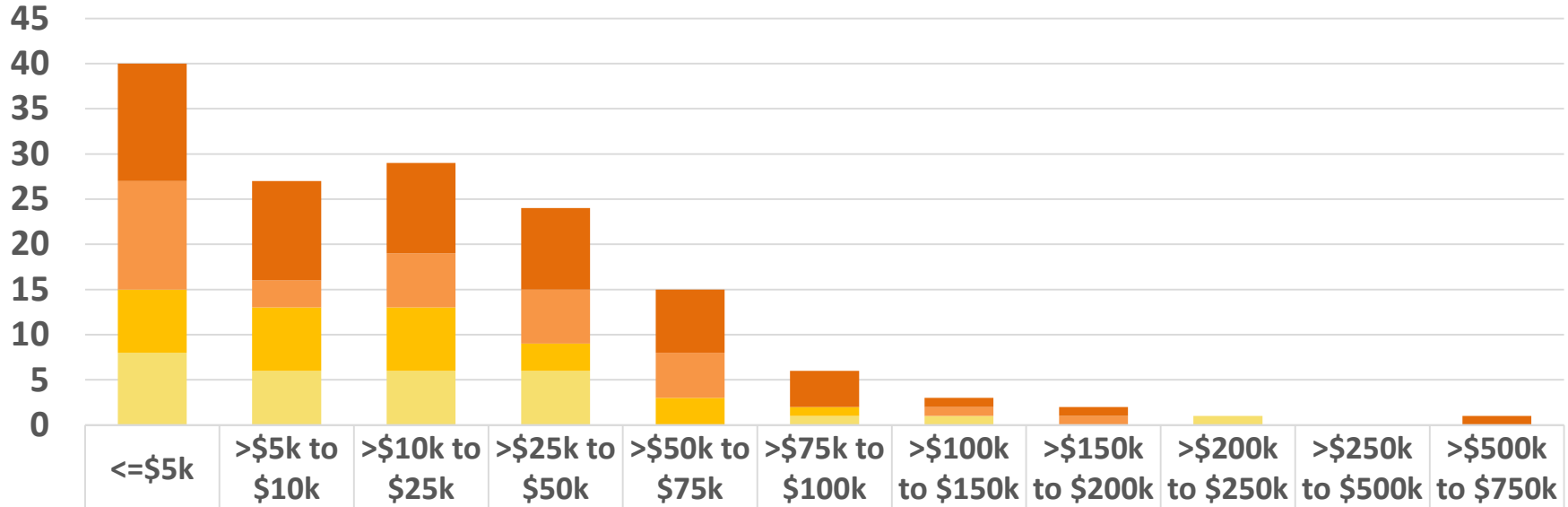
- 40 Rutherford Court – Oskam - \$280,000, \$5k over budget
 - Just over 4 weeks from roof availability to COD
- 516 Simmons – 2 projects – Dowling - \$2,388,000, \$112k under
 - Sonnen Systems 5_131 dual axis trackers – 12m high



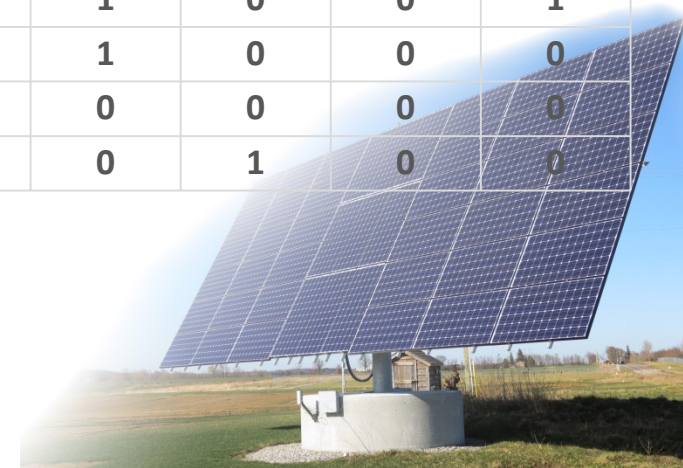
2017-18 Investment Securities

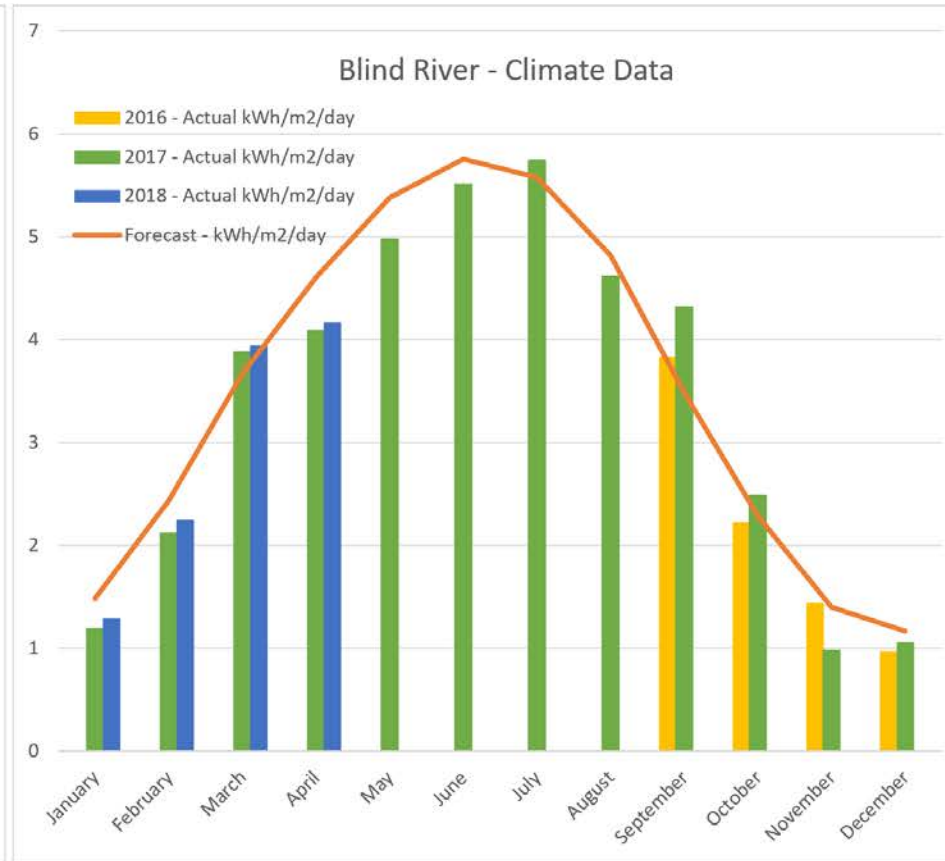
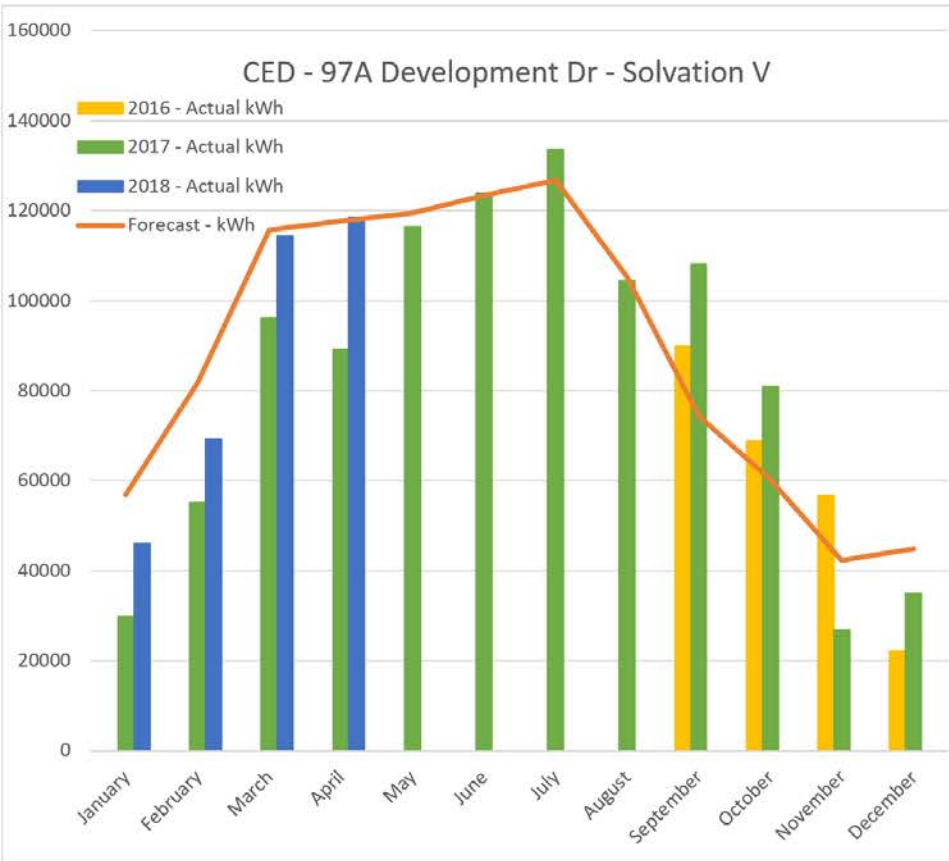


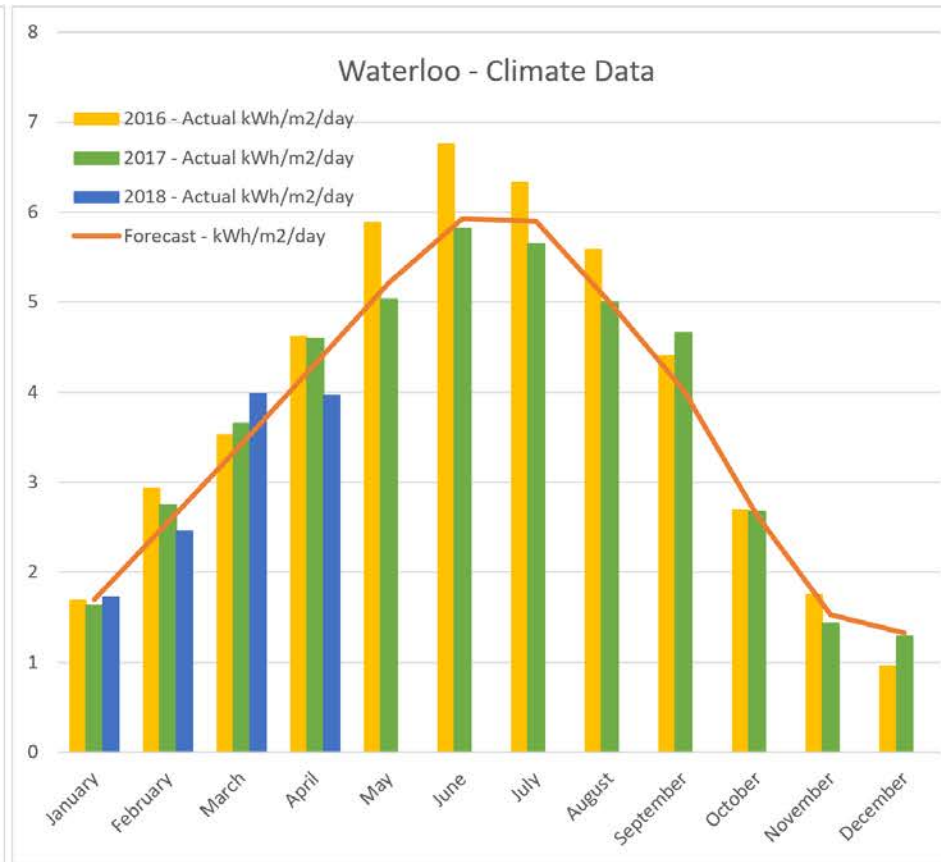
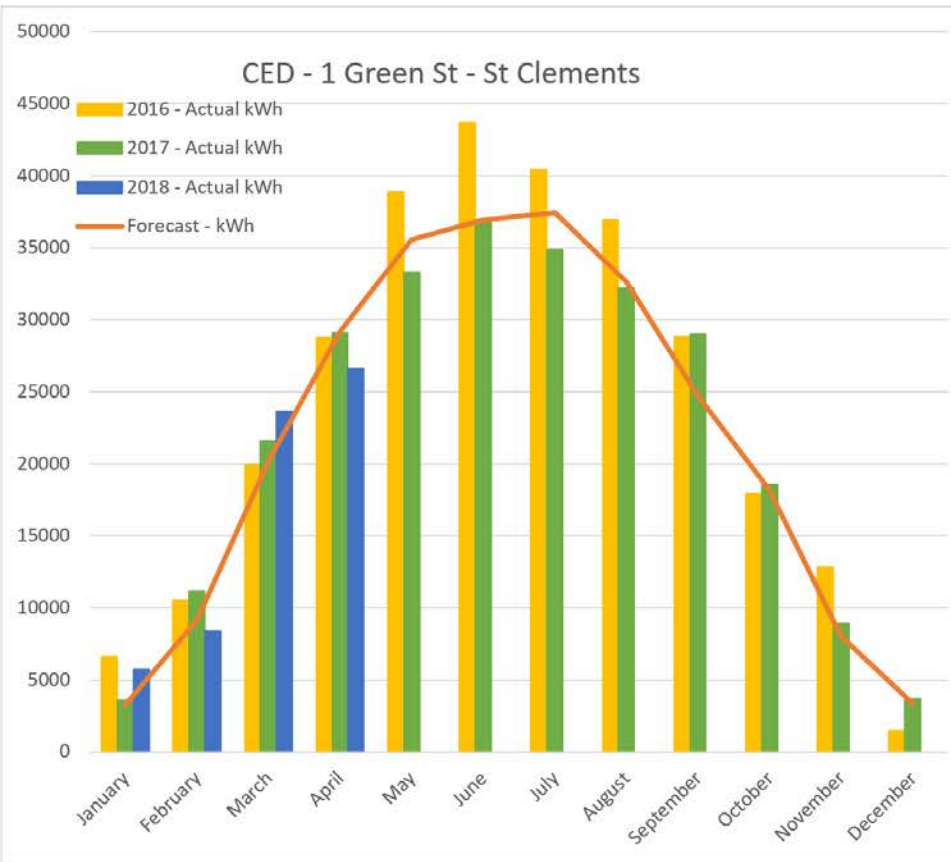
2017-18 Investment Subscriptions

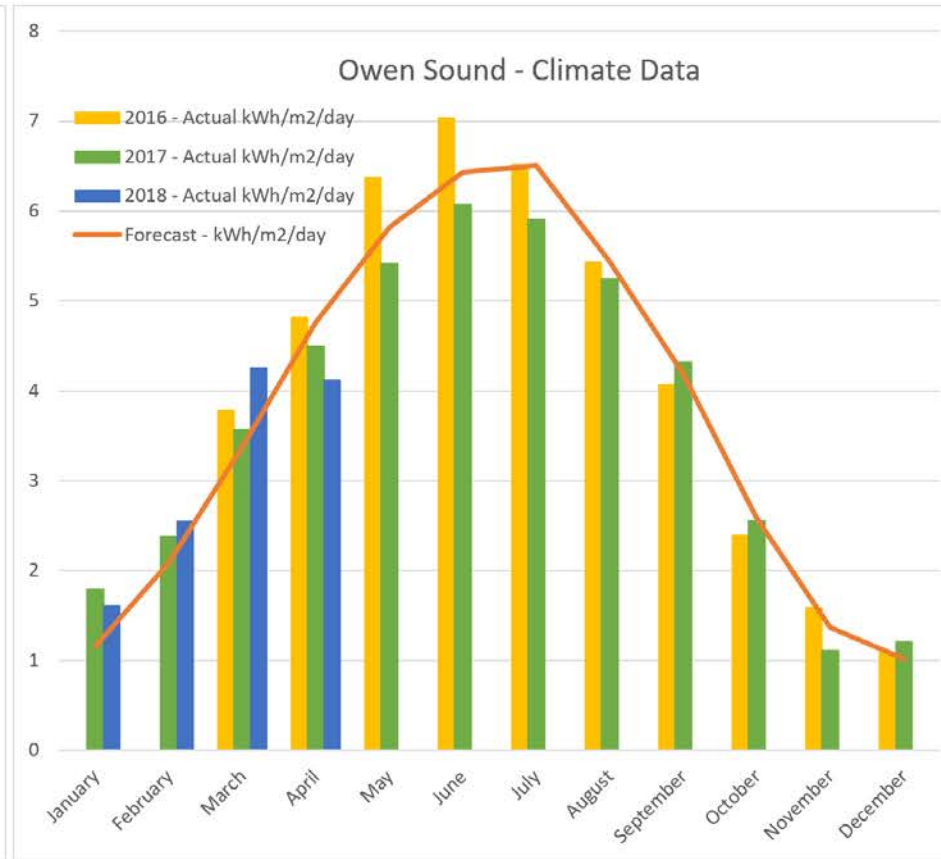
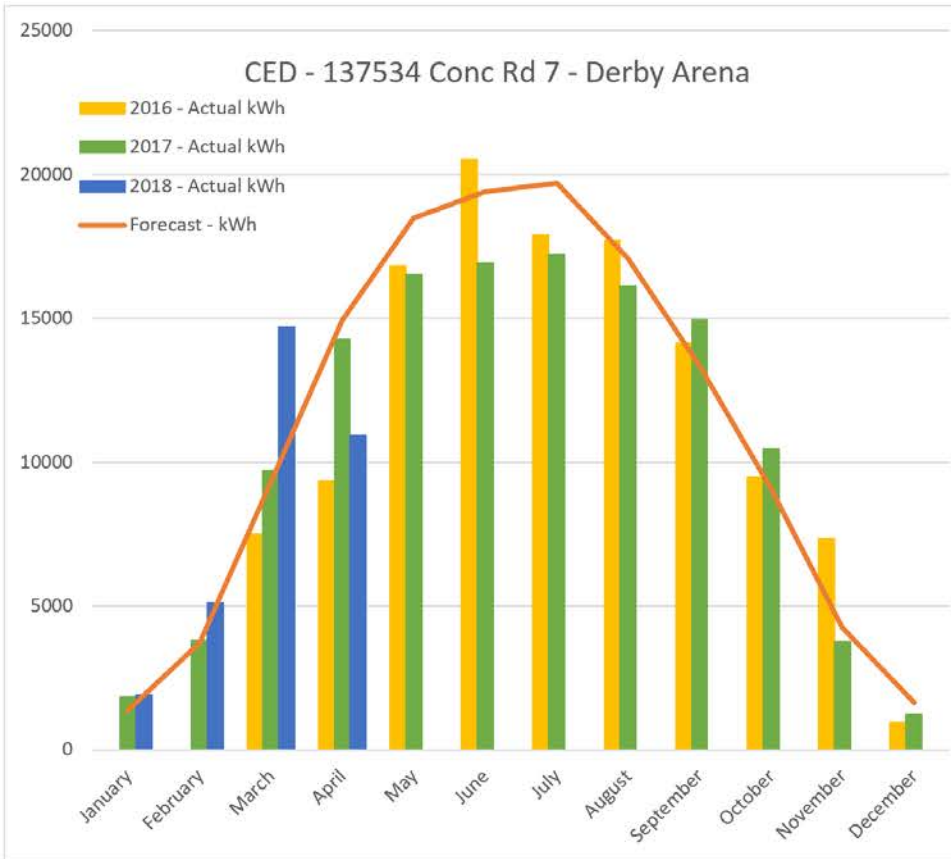


| | | | | | | | | | | | |
|----------------|----|----|----|---|---|---|---|---|---|---|---|
| Class B | 13 | 11 | 10 | 9 | 7 | 4 | 1 | 1 | 0 | 0 | 1 |
| 10 year | 12 | 3 | 6 | 6 | 5 | 0 | 1 | 1 | 0 | 0 | 0 |
| 5 year | 7 | 7 | 7 | 3 | 3 | 1 | 0 | 0 | 0 | 0 | 0 |
| 3 year | 8 | 6 | 6 | 6 | 0 | 1 | 1 | 0 | 1 | 0 | 0 |









Financial Performance

2017 CED Co-op Operating Expense Budget

| | Budget | Actual | Variance | Variance |
|----------------------------------|------------------|------------------|-----------------|--------------|
| Lease Payments | 145,763 | 153,256 | 7,493 | 5.1% |
| Insurance - Projects | 70,224 | 50,468 | (19,756) | -28.1% |
| Repairs and Maintenance | 236,543 | 215,350 | (21,193) | -9.0% |
| Utility & Internet Expenses | 32,969 | 43,073 | 10,104 | 30.6% |
| Project Operating Expense | 485,499 | 462,147 | (23,352) | -4.8% |
| Communications | 17,052 | 11,323 | (5,729) | -33.6% |
| Board | 34,000 | 33,997 | (3) | 0.0% |
| Insurance - Organization | 9,135 | 11,247 | 2,112 | 23.1% |
| Bank/Financing | 2,436 | (245) | (2,681) | -110.1% |
| Office | 159,934 | 159,437 | (497) | -0.3% |
| Dues and Subscriptions | 6,090 | 8,544 | 2,454 | 40.3% |
| Professional Fees | 64,335 | 77,203 | 12,868 | 20.0% |
| Additional Interest | 870,000 | 962,143 | 92,143 | 10.6% |
| Administration Expense | 1,162,982 | 1,263,649 | 100,667 | 8.7% |
| Totals | 1,648,481 | 1,725,796 | 77,315 | 4.7% |

Financial Performance – Sample Scenario

Assuming:

- \$40,000,000 value of our portfolio of projects
- 20 year useful life of the assets (depreciate 5% per year straight line over 20 years)
- 6.35% average cost of capital, a loan repaid over 20 years
- 10.5% revenue on assets over 20 years (gross revenue before any expenses)
- Annual Project Costs of \$650,000
- Annual Organizational Expenses of \$250,000

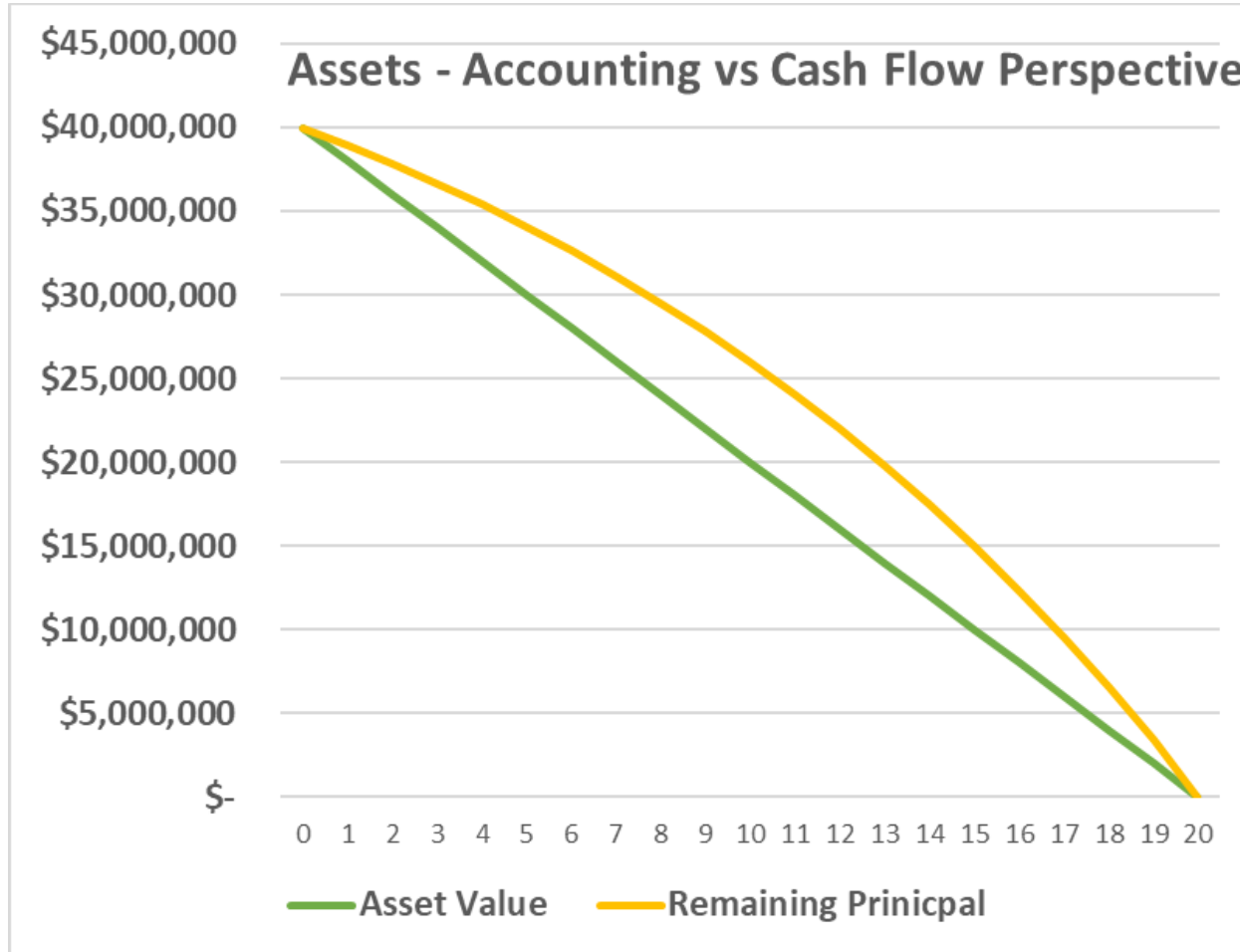


Financial Performance – Sample Scenario

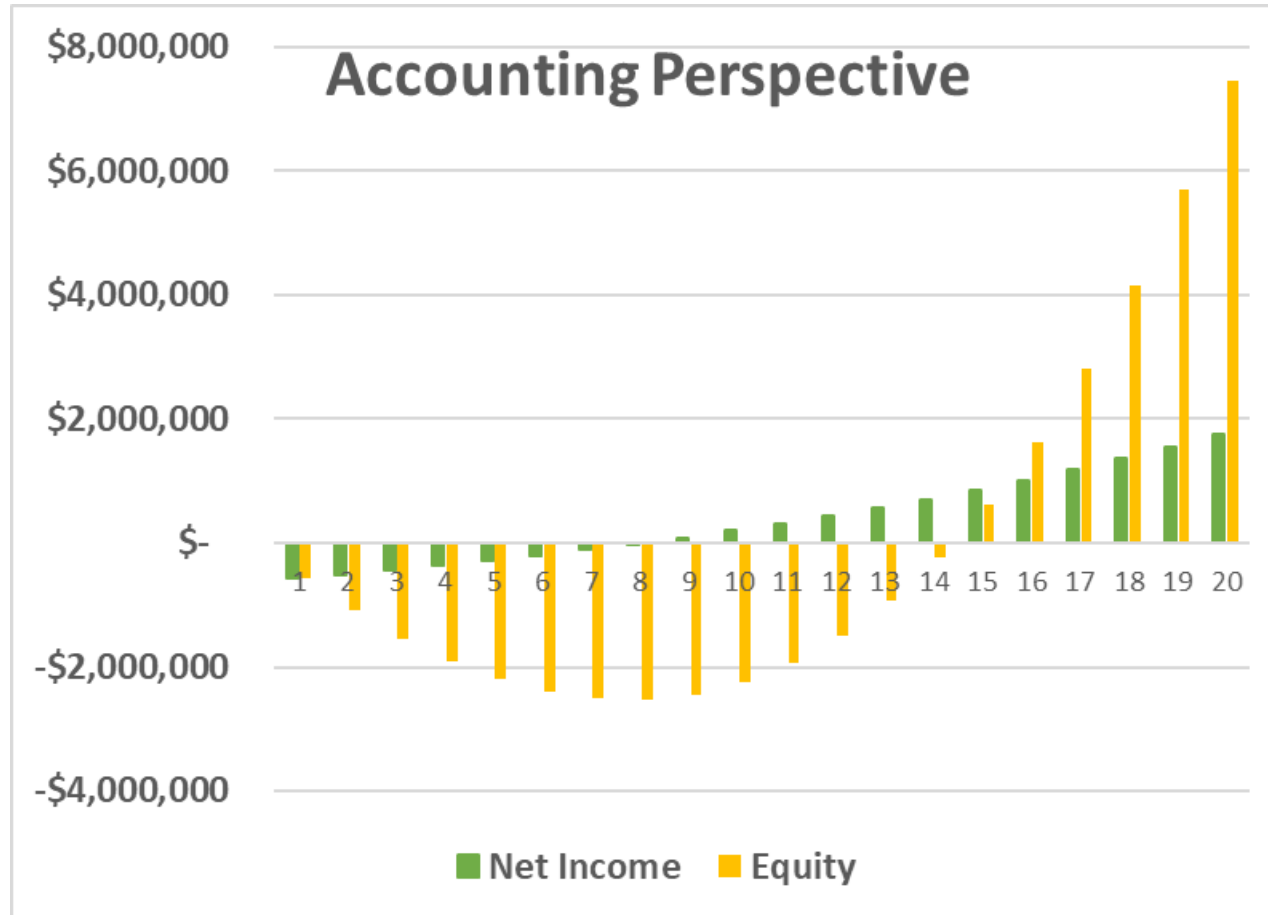
| | Accounting | Cash Flow |
|----------------------------|-------------|-------------|
| Revenue | 4,859,731 | 4,859,731 |
| Project Costs | (650,000) | (650,000) |
| Organization Expenses | (250,000) | (250,000) |
| Interest | (2,540,000) | (2,540,000) |
| Proceeds | 1,419,731 | 1,419,731 |
| Depreciation | (2,000,000) | |
| Principal Repayment | | (1,047,119) |
| Net Income | (580,269) | |
| Available for Distribution | | 372,612 |



Financial Performance – Sample Scenario



Financial Performance – Sample Scenario



Financial Performance

Community Energy Development Co-operative Limited Consolidated Statement of Cash Flows

Year ended December 31

2017

Operating

| | |
|--|-------------------------|
| Net loss and comprehensive loss | \$ (85,581) |
| Items not affecting cash (Note 14) | <u>931,892</u> |
| | 846,311 |
| Change in non-cash working capital items (Note 14) | <u>975,572</u> |
| | <u><u>1,821,883</u></u> |

Financing

| | |
|---|--------------------------|
| Financing expenses incurred | (887,637) |
| Proceeds from long-term debt | 19,931,907 |
| Repayment of long-term debt | <u>(477,259)</u> |
| Issuance of note payable | - |
| Issuance of bonds | 586,541 |
| Repayment of note payable | <u>(66,793)</u> |
| Repayment of bonds | <u>(424,767)</u> |
| Issuance of Class A preferred shares | - |
| Redemption of Class A preferred shares | <u>(129,855)</u> |
| Issuance of Class B preferred shares | 1,163,910 |
| Cash disbursed to non-controlling interests | (1,247,842) |
| Issuance of membership shares | 470 |
| Dividends paid | <u>(533,671)</u> |
| | <u><u>17,915,004</u></u> |

| | |
|----------------------------|-------------|
| Cash from Operations | 1,821,883 |
| Repayment of LTD | (477,259) |
| Repayment of Note | (66,793) |
| Repayment of Bonds | (424,767) |
| Repurchase of Shares | (129,855) |
| Principal Repayment | (1,098,674) |
| Available for Distribution | 723,209 |



FIT 4 Projects

- Two lost to high connection costs (\$37,400 and \$47,200)
- Two lost to exorbitant roof replacement costs
- Four continuing
 - Three already completed (1381 Huron Rd, 1 Boland, 505 Dutton)
 - Fourth in construction now (1473 Gingerich)

MemberZone

- Now offering Direct Deposit – Please sign up



Project Acquisition

- Letter of Intent signed April 24, 2018
- Drafting purchase agreement documents
- Target closing July, 2018

Next Offering

- May/June 2019

Future Opportunities

- Net-Metering and beyond



Presentation of 2017 Financial Statements

Presented by Ron Kielstra from Grant Thornton LLP



Approval of 2017 Financial Statements

Motion: To approve the 2017 audited financial statements.



Appointment of Auditor for 2018

Motion: To appoint Grant Thornton LLP as auditors of the Co-operative for the year 2018.



Board of Directors

- Govern and direct affairs of the co-op
- Maximum 11 directors
- 3 year terms, staggered starts
- 4 openings (4 current members standing for re-election)
- Profiles in report booklet
 - Art Bast
 - Blair Groff
 - Dan Ulrich
 - Jason Patterson
- Call for nominations from the floor



Election or Acclamation

From the co-op's bylaws:

If the number of Directors nominated is less than or equal to the number of Directors to be elected, Directors are acclaimed. Otherwise, approval of directors will be by written ballot.



Director Compensation

Motion: In recognition of the time, commitment, responsibility, skills and expertise required of directors in managing the affairs of CED Co-op on behalf of the members, each director shall be paid an annual honorarium of \$2,000 for their services to CED Co-op for the period beginning from the 2018 AGM and continuing until the 2019 AGM, with the annual amount to be pro-rated for any portion of a year of service that is either less than or in excess of a full year.



Other Business



Adjournment of AGM



Special Guest

Dave Roewade – Region of Waterloo

The Path Forward – Sustainable Energy Starts Here



Information, Q&A

