



2019 ANNUAL REPORT

BRITISH COLUMBIA TURKEY ASSOCIATION & BRITISH COLUMBIA TURKEY MARKETING BOARD

**March 5, 2020
Sheraton Vancouver Wall Centre
Vancouver, B.C.**

**BRITISH COLUMBIA TURKEY ASSOCIATION
and the
BRITISH COLUMBIA TURKEY MARKETING BOARD
2019 ANNUAL GENERAL MEETING
MARCH 5, 2020**

AGENDA

Registration

1. Call to Order

Opening Remarks

Minutes of 2018 Annual Meeting

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Business Arising from above Minutes

2. British Columbia Turkey Marketing Board

- Board Chairman's Report Page 5
 - FPCC Update
 - General Manager's Report Pages 7 - 9
 - TFC Presentation
 - Strategic Plan Pages 11 - 14
 - BCTMB Per Diems and Stipend
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 - Election
 - Any Other Board Business
-

3. British Columbia Turkey Association

- President's Report Page 31 - 32
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 - Financial Statements Pages 35 - 47
 - BCTA Per Diems
 - Budget Page 49
 - Reaffirmation of Auditors
 - Elections
 - Any Other Association Business
-

Adjournment

There were 68 people in attendance, 23 were registered growers.

The meeting was called to order at 2:20 pm with the Association President, Steve Heppell, welcoming representatives from banks, feed companies, processors, and guests as well as attending growers.

The minutes of the Annual Meeting of the B.C. Turkey Association and the B.C. Turkey Marketing Board held March 1, 2018 were adopted as circulated on a motion by Mr. Rick Andrew (Andrew Farms Ltd.) and seconded by Mr. Dan Kampen (Double D Farms Ltd.). Carried

BUSINESS ARISING FROM ABOVE MINUTES

None

Mr. Heppell welcomed the Board Chair, Mr. Kevin Klippenstein.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Board Chairman's Report

The Board Chairman's report was highlighted by Kevin Klippenstein.

General Manager's Report

The General Manager's Report was highlighted by Michel Benoit.

Mr. Benoit also gave a TFC Turkey Market Advisory Committee & Turkey Market Review power point presentation.

TFC Director's Report

The TFC Director's Report was highlighted by Vic Redekop.

Following the reading of these three reports, Mr. John Janzen (Midwest Farms Ltd.) moved and Mr. Shawn Heppell (Mountain View Poultry Ltd.) seconded a motion to accept all three reports. Carried

FPCC Update

At this time Mr. Vic Redekop introduced Mr. Brian Douglas, Chair of the FPCC.

Mr. Douglas of the FPCC updated the meeting on the makeup of the Farm Products Council of Canada. The Council oversees and supervises the operations of the Supply Managed Poultry and Egg sector. Mr. Douglas outlined the NFCC mission and vision statement and goals for the next two years. He informed the meeting that the TFC levy request for the generic marketing campaign was approved on February 22, 2019.

TFC Presentation

At this time Mr. Vic Redekop introduced Mr. Darren Ference, TFC Chair.

Mr. Ference reported on:

- The Impact of Trade Deals
- Level of Domestic Consumption
- Generic Marketing Campaign

Following the TFC presentation Mr. Vic Redekop thanked Mr. Ference for the information provided and for taking the time to attend today's meeting.

Strategic Plan

Mr. Klippenstein reviewed the Strategic Plan, including the Mission Statement, Purposes of the BCTMB, the Guiding Principles and the seven Goals that were set at the Strategic Planning session held November 23, 2018.

Board per Diems and Stipends

Mr. Steven Redekop reported that a committee comprised of the board manager, a grower at large and two association directors reviewed the Board Per Diems and Stipends based on the COMB survey. The committee recommended that the Board Chair Stipend be increased from \$750 to \$1,000 per month and all other stipends and per diems remain unchanged. The BCTMB Board reviewed these recommendations without objections.

It was moved by Mr. Les Burm (Forestry Turkey Farm Ltd.) and seconded by Mr. Stan Thiessen (Rosstown Farms Ltd.) to approve increasing the Board Chair Stipend to \$1,000 per month, and all other stipends and per diems remain unchanged. Carried

BCTMB Financial Statements

Mr. Shawn Heppell presented the Auditor's Report, Balance Sheet and Statement of Revenue and Expenditures for the year ended December 31, 2018.

Following the presentation, Mr. Rick Andrew (Andrew Farms Ltd.) moved and Mr. Steven Redekop (#428787 BC Ltd.) seconded a motion to adopt the Financial Statements as presented. Carried

Budget

Mr. Shawn Heppell presented the budget for the BC Turkey Marketing Board for the 2019 fiscal year.

BCTMB Elections

Mr. Klippenstein turned the meeting over to Mrs. Kristianne Hendricks, Manager of COMB.

Mrs. Kristianne Hendricks advised that only one nomination, for Mr. James Krahn had been received to fill the position of Board Member and therefore Mr. James Krahn was elected by acclamation to the position of Board Member for a three year term.

Mrs. Hendricks turned the meeting over to Board Chair, Mr. Klippenstein.

Acknowledgement of Mr. Les Burm

At this time, Mr. Klippenstein addressed the retirement of Mr. Les Burm after 18 years on the Board.

Any Other Board Business: - The National Marketing Levy

Mr. Klippenstein stated the board would be voting on the new grower levy of .0125 before March 6th to implement the levy increase due to the generic marketing campaign through TFC.

Mr. Klippenstein turned the meeting over to Association President, Mr. Steve Heppell.

B.C. TURKEY ASSOCIATION

President's Report

The B.C. Turkey Association President's report was highlighted by Mr. Steve Heppell. Following the reading of this report, Mr. Myles Andrew (Andrew Farms Ltd.) moved and Mr. John Janzen (Midwest Farms Ltd.) seconded a motion to accept this report. Carried

Reviewed Financial Statements & Treasurers Report

Mr. Steven Redekop presented the Auditor's Report, Statements of Financial Position, Operations, and Changes in Net Assets, Cash Flows and the Notes to the Financial Statements to the year ended December 31, 2018. Following discussion, Mr. Henry Klassen (Cloverhill Farms Ltd.) moved and Mr. Les Burm (Forestry Turkey Farm Ltd.) seconded a motion to accept the Financial Statements as presented. Carried

BCTA per Diems

Mr. Steven Redekop reported that a committee comprised of the board manager, a grower at large and two association directors reviewed the Association Directors per diems. Based on the COMB survey, the committee is recommending that the per diems remain unchanged.

Budget

The B.C. Turkey Association 2019 budget was presented by the Secretary-Treasurer, Mr. Steven Redekop. On a motion by Mr. Rick Andrew (Andrew Farms Ltd.) seconded by Mr. Les Burm (Forestry Turkey Farms Ltd.) the budget was accepted as presented. Carried

Reaffirmation of Auditors

Mr. Steven Redekop reported that the Board appointed KPMG as their auditor for a three year term at the 2016 AGM. The Association Directors are recommending KMPG continue as the auditors for the BCTA for 2019. The change of going from a three year appointment of auditors for the BCTA to yearly is due to requirements of the New Societies Act. It was moved by Mr. John Janzen (Midwest Farms Ltd.), seconded by Mr. Myles Andrew (Andrew Farms Ltd.) that KPMG be appointed as auditors of the BC Turkey Association for 2019. Carried

Election of Association Directors

Mr. Steve Heppell turned the meeting over to Mrs. Kristianne Hendricks, Manager of COMB.

There are four positions vacant for directors of the B.C. Turkey Association, three for a two year term and one for a one year term.

MINUTES OF THE B.C.TURKEY ASSOCIATION AND THE B.C. TURKEY MARKETING BOARD 2018 ANNUAL MEETING
HELD AT SHERATON WALL CENTRE, VANCOUVER, BC ON FEBRUARY 28, 2019

The Nominating Committee presented nominations for Messrs. Steven Redekop, Stan Thiessen, Steve Froese, and Myles Andrew.

Nominations were called from the floor, and there being no further nominations, Messrs. Redekop, Thiessen, Froese and Andrew were elected by acclamation to the BC Turkey Association Directorship.

Mrs. Hendricks turned the meeting over to Board Chair, Mr. Heppell.

Any other Association Business - None

ADJOURNMENT

There being no further business on a motion by Mr. Steven Redekop (#428787 BC Ltd.) the meeting was adjourned at 4:00pm.

Prepared by:

Approved by:

Susan Mallory, Secretary BCTA

Steve Heppell, President BCTA

Kevin Klippenstein, Chair BCTMB

Ladies, Gentlemen, Honored Guests and Turkey Farmers,

On behalf of the board and staff welcome to the 2019 annual general meeting of the BC Turkey Marketing Board.

It is a pleasure to serve as Chair of the BC Turkey Marketing Board. The board meets regularly and the industry is well represented at many tables both provincially and nationally.

One of the major issues that is still facing the turkey industry is lack of growth and the continued decline in allocation. Even with the new "Think Turkey" national marketing campaign we still have not seen an increase in Turkey consumption. Nationally, the outcome of trade negotiations have negatively impacted the supply managed sectors, including Turkey. We will probably see more Turkey products coming into Canada starting in 2020.

In 2020, the board and staff will be doing strategic planning sessions to determine the goals and objectives for the next three years. We will also be looking for extensive stakeholder involvement during these planning sessions as well to figure out ways to create growth in the Turkey sector. We look forward to talking to retailers, processors and other stakeholders for their input in 2020 for the development of our 2021 - 2024 plan.

Vic Redekop left the industry in 2019 creating a vacancy on the board. Vic was also our TFC director and did a great job representing BC on the National level, he will be greatly missed by the board. Shawn Heppell, having served many years as the TFC director in the past took over the position and is doing a great job representing BC at the table.

Since Vic had to step down from the board there was a special election held to replace him and Debbie Etsell was elected. Debbie has taken over Vic's remaining term which continues until the 2021 AGM. We look forward to working with Debbie.

In 2019 there were several instances across Canada involving animal welfare, protestors and trespassers on farms. I had meetings with FIRB, the ministry and other commodity board chairs to discuss these issues and the minister along with the attorney general and Solicitor general made a commitment to stand up for farmers and to amend the trespass act.

I would like to acknowledge my fellow board members, Shawn Heppell, James Krahn, and Debbie Etsell for their hard work, passion and dedication to the board. I would also like to acknowledge the staff, Michel Benoit, Nancy Sampson, and Heather Dyck for their hard work and dedication as well. The Turkey industry is definitely in good hands with this team.

I look forward to working with you all in 2020.

Respectfully submitted,
Kevin Klippenstein
Chair, BCTMB

Welcome everyone to our AGM. It is a pleasure for me to share my report with you today.

Avian Influenza Cleaning and Disinfection Insurance

For the 2019/2020 Avian Influenza (AI) season, the 4 poultry Boards have reached a memorandum of understanding with regards to AI insurance. The four poultry Boards have agreed to provide some compensation to growers who have been infected by the AI virus. The compensation is meant to allow growers to clean and disinfect their premise as soon as possible in order to allow the industry to return to a normal operating state after an outbreak. This program does not limit the amount of compensation received by the growers under the Health of Animals Act.

This is a self insurance program and no extra levies have been required in order to start up the program. All the Boards have been able to set aside some of their restricted funds. The compensation amounts have been predetermined and the payments will be based on how many birds have been destroyed by the CFIA.

The actual compensation levels will be reviewed in 2020. This agreement has not been confirmed by the BC FIRB but it does have wide support among the poultry industry.

Marketing

In May of 2019, the TFC launched their "Think Turkey" marketing campaign. This five-year national marketing campaign undertaken by TFC and the Canadian Poultry and Egg Processing Council (CPEPC) works to increase overall consumption and awareness of turkey for consumers. More on this program will be included in the TFC update presented at the meeting.

In addition to the "Think Turkey" program, the Board has also been provided with funds from the TFC to continue doing local advertising throughout the year. We have budgeted just over \$100,000 this year for advertising and promotion campaigns in the Province. Almost half of this amount originated from an overmarketing penalty we received from the TFC three years ago.

Turkey Consumption and Production:

Turkey sales in 2019 were lower than anticipated. The primary reason for the decrease can be attributed to lower featuring of whole bird turkeys during the festive seasons. This year also marks the first year that the over marketing kilo compensation we received from TFC reverted back to the Province of Ontario. As a result, the BCTMB has tentatively set the allocation for the 2020/2021 control period at 84.8%. This compared to 85.6% in the current control period. At this time, the TFC has not been able to determine the allocation for the 2020/2021 control period. It is expected that a further decrease in allocation will be in place by the end of the TFC March meetings which are scheduled for March 24th to 26th.

The review of the TFC National Commercial Quota Allocation Policy, started in 2017, continued throughout 2019. At the November TFC general meeting, the Review Committee's mandate was amended and the membership broadened, while provincial boards gained a better understanding of each other's needs and concerns. TFC and all provincial boards have agreed to move forward and work actively towards a new policy in 2020. This is an aggressive timetable; a difficult challenge; but, its doable.

Self Marketing

The Board hired Ron Bertrand in 2019 to carry out a needs assessment for turkey self-marketers. This project originated from the 2018 BC FIRB appeal decision. During the project, Ron and myself met with 18 direct marketers, 6 processors, 6 conventional turkey farmers and 5 retailers. We learned in depth what issues are impacting this sector as well as the challenges faced by processors and retailers that support this segment of the BC Turkey industry. The project is now complete. The document will be released along with any required Board directives once the BC FIRB has released its decision in a follow up appeal the Board faced in 2019.

Trade Agreements

Trade negotiations continued to bring challenges over the past year. The impact of the Canada-United States-Mexico Agreement (CUSMA) finalized in 2019, will begin to be felt as we move through 2020. Canadian turkey farmers will eventually feel the impact of access given to the domestic market under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), potentially in 2021. TFC advocated on behalf of turkey farmers along with the national supply managed poultry groups, since late 2018, for a positive outcome on mitigation. Work continued throughout 2019, although went on pause for the Federal election campaign. In part from the work undertaken in this regard, the four major federal parties provided two strong commitments:

- full and fair mitigation/compensation due to injury created by the increased access negotiated in trade agreements; and,
- a commitment to no further increases in market access tariff rate quotas in future negotiations.

On-Farm Food Safety and Flock Care

Earning the trust and confidence of consumers is essential to growing our turkey market in Canada. The TFC On-Farm Food Safety Program[®] (OFFSP) and Flock Care Program[®] (FCP) continue to meet this goal, and through consistent and regular reviews ensure the highest standards are met to keep turkey as a competitive protein.

In March 2019, TFC released new producer manuals for the TFC On-Farm Programs. The program content was streamlined, and the new manuals reflect changes to align the TFC FCP with the updated Code of Practice for the Care and Handling of Hatching Eggs, Breeders, Chickens, and Turkeys through the National Farm Animal Care Council's (NFACC) Animal Care Assessment Framework (ACAF) process, and revisions to strengthen the biosecurity and animal health requirements of the TFC OFFSP.

Also implemented in 2019, were changes to the TFC On-Farm Programs audit cycle. The new audit cycle is two-years consisting of full audits and records review audits.

Staffing and Board Composition

2019 was a year of changes on the Board and in the office. First it was the departure of Les Burm in March followed by a partial and eventually full retirement by Susan Mallory. This was followed by the retirement of Vic Redekop as well as the move to the interior of our on-farm auditor Kathy Erickson.

Despite all these changes, the office and the Board continue to manage the challenges and daily tasks quite effectively.

At this time, we have filled the vacancies created by the departures as follows: James Krahn was acclaimed to the Board last March for a three-year term while Debbie Etsell was elected for the remainder of Mr. Redekop's term (2021) in December. Prior to James' acclamation in 2019, he had already been acclaimed to the Board in 2018 using the provisions of the 4th Board Member.

The Board hired Heather Dyck as the Association Secretary and Production Coordinator in August and we are still trying to find a replacement for Kathy's departure at this time. Heather has mastered her daily tasks quickly and is getting more and more involved with the other, more complicated, aspects of her position. I look forward to working with her in 2020 and go through some of the new learnings (inputting new grower programs, quota year end...) that are on the horizon for her.

Although Kathy only worked for the Board for one year, her experience working as a Chicken Board auditor helped her adjust to the role very quickly. It was a smooth transition and I am happy that Kathy has agreed to train our new auditors and has also offered her services on a part time basis to carry out audits for the Board if required.

I would like to thank everyone on the Board and in the industry for your support and patience this year as we went through all these changes. I hope the changes still to come in 2020 will take place as smoothly as they did in 2019.

Finally, I would like to thank Nancy Sampson for everything she did for us in 2019. Her experience, dedication, attention to detail and brainstorming were instrumental in not only getting us through in 2019 but also making us better as an office and as a Board.

Respectfully submitted,
Michel Benoit
General Manager, BCTMB



2018 Strategic Plan for the BC Turkey Marketing Board

Prepared by

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23 November 2018

Background

Every two to three years, the BC Turkey Marketing Board develops a strategic plan to guide its activities. The most recent strategic plan was completed in 2015. In November of 2018, the Board held a workshop with key members of its board and senior staff to re-visit the mission and guiding principles for the organization as well as to develop high level goals, objectives and supporting strategies to be implemented over the next two years. The resulting Strategic Plan for 2019 and 2020, will be translated into an annual operating plan that will guide the key activities of the staff and board until the next Strategic Plan is developed. In addition, an updated Strategic Dashboard was prepared, which is presented in Appendix A.

Mission Statement

Based on a review of the existing mission statement and a review of mission statements prepared by other similar marketing boards, the mission of the BC Turkey Marketing Board had been updated to read as follows:

“To enhance the vitality and sustainability of the BC Turkey industry within supply management through responsible decision making, exemplary leadership, and effective stakeholder relationships.”

Some background notes on the review of the mission statement is presented in Appendix B.

Purposes of the BC Turkey Marketing Board

The primary purposes of the BC Turkey Marketing Board are to:

- Advocate for **supply management regulations** in a manner that is open, effective and equitable to members of the BC Turkey Industry
- Work with stakeholders to **set the live price of turkey** and determine quota allocations in BC.
- Help **increase sales and profits** of its members by increasing consumer demand for turkey.
- Develop strategies and policies to help **mitigate risks** to the members and the industry.
- **Work collaboratively with other agencies** to protect and enhance member interests and meet stakeholder needs.
- Provide BC consumers with **safe, high quality, and responsibly produced turkey**.

Some background notes on the Purposes and Guiding Principles, is presented in Appendix C.

Guiding Principles

The BC Turkey Marketing Board is guided by the following principles:

- **Principle of Transparency** – To demonstrate a culture of open, responsive, and consultative decision making that respects the needs and interests of all stakeholders.
- **Principle of Advocacy** – To represent the interests of BC turkey growers at the national level by building strong relationships with the national agency and its members.
- **Principle of Innovation** – To continuously improve service quality and respond to changing needs and opportunities in the industry.
- **Principle of Social Responsibility** – To ensure that all our activities and those of our members are conducted in an environmentally and socially responsible manner.

Stakeholders

The BC Turkey Marketing Board has three groups of stakeholders, each of which are presented below.

Primary Stakeholders

- Turkey Growers & their Associations
- Processors

Secondary Stakeholders

- Allied Trades
- The National Agency (Turkey Farmers of Canada)
- Provincial Marketing Boards
- B.C. Farm Industry Review Board (BCFIRB)
- Provincial & National Governments (through legislation)
- BCTMB Board Members and Staff

Indirect Stakeholders

- Consumers
- Retailers/Food Service
- Distributors

Goal 1. Effectively administer regulations

Overview of goal: To effectively oversee and administer supply management-related policies and regulations in a manner that is open, effective and equitable to members of the BC Turkey Industry. Follow best practices consistent with the mandatory requirements of a Marketing Board.

Goal 2. Maintain responsible commercial pricing

Overview of goal: To diligently adhere to the pricing formula and follow a fair and open process with all stakeholders if there is a need to change the formula or the pricing process.

Goal 3. Increase turkey consumption

Overview of Goal: To increase the revenues and profitability of its members by increasing consumption of turkey through a range of marketing activities targeted at different consumer demographics.

Goal 4. Increase consumer awareness and perceptions about turkey

Overview of Goal: To improve consumer awareness and positive perceptions about the environmental, health and animal welfare practices of BC Turkey Growers.

Goal 5. Mitigate risks to members

Overview of Goal: To develop strategies and policies that minimize the financial and business risks associated with diseases that afflict turkeys and enhance the response times to control outbreaks and other events that reduce consumer confidence in turkey as a safe food supply.

Goal 6. Maintain effective relationships with stakeholders

Overview of Goal: To strengthen relationships with key stakeholders through frequent communication, participation in events, and ongoing collaboration on strategic initiatives.

Goal 7. Optimize operational efficiency and effective decision making

Overview of Goal: To maximize the efficiency and effectiveness of the Board, management and staff while maintaining a safe and pleasant work environment for staff with fair compensation for work performed and high degree of staff engagement.



BRITISH COLUMBIA TURKEY MARKETING BOARD

Financial Statements December 31, 2019

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Financial Statements of

**BRITISH COLUMBIA TURKEY
MARKETING BOARD**

And Independent Auditors' Report thereon

Year ended December 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Directors of British Columbia Turkey Marketing Board

Opinion

We have audited the financial statements of British Columbia Turkey Marketing Board (the "Board"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2019 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Board'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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Board 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.



- 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.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

February 10, 2020

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 192,402	\$ 166,060
Accounts receivable (note 2)	95,603	80,859
Investments (note 3)	156,371	112,002
Prepaid expenses	2,820	16,635
	<u>447,196</u>	<u>375,556</u>
Restricted investments (note 3)	750,000	750,000
Capital assets (note 4)	20,012	15,494
	<u>\$ 1,217,208</u>	<u>\$ 1,141,050</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 171,638	\$ 99,394
Net assets:		
Investment in capital assets	20,012	15,494
Internally restricted (note 6)	796,783	814,625
Unrestricted	228,775	211,537
	<u>1,045,570</u>	<u>1,041,656</u>
Contingency (note 7)		
	<u>\$ 1,217,208</u>	<u>\$ 1,141,050</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Levies revenue:		
Levies collected	\$ 1,494,855	\$ 984,842
Less: remitted to Turkey Farmers of Canada	947,462	443,416
	547,393	541,426
Other revenues:		
Promotions	47,055	47,055
Interest and other income	27,219	20,594
License income	14,400	14,850
	88,674	82,499
	636,067	623,925
General and administrative expenses:		
Wages and benefits	331,795	313,827
Promotion expenses	94,568	128,702
Per diems	69,216	76,520
Meetings and conventions	47,270	61,487
Office supplies	35,513	36,647
Rent and property costs (note 8)	33,269	32,570
BCTA producers membership dues (note 8)	24,195	24,634
Professional fees	19,928	46,165
Amortization	3,416	4,122
Bank charges	2,517	2,447
	661,687	727,121
Deficiency of revenues over expenses before the undernoted items	(25,620)	(103,196)
Other expenses (income):		
Loss (gain) on investments	(30,049)	16,903
AI expenses	514	4,980
Grant expenses	-	61,765
Grant revenues	-	(61,765)
	(29,535)	21,883
Excess (deficiency) of revenues over expenses	\$ 3,915	\$ (125,079)

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Investment in capital assets	Internally restricted (note 6)	Unrestricted	Total 2019	Total 2018
Net assets, beginning of year	\$ 15,494	\$ 814,625	\$ 211,537	\$ 1,041,656	\$ 1,166,735
Excess (deficiency) of revenues over expenses	(3,416)	(17,842)	25,172	3,915	(125,079)
Net change in investment in capital assets	7,934	-	(7,934)	-	-
Net assets, end of year	\$ 20,012	\$ 796,783	\$ 228,775	\$ 1,045,570	\$ 1,041,656

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 3,915	\$ (125,079)
Items not involving cash:		
Amortization	3,416	4,122
Loss (gain) on investments	(30,049)	16,903
	(22,718)	(104,054)
Changes in non-cash operating working capital:		
Accounts receivable	(14,744)	(13,053)
Prepaid expenses	13,815	(4,405)
Accounts payable and accrued liabilities	72,244	(14,491)
Deferred revenue	-	(9,875)
	48,597	(145,878)
Investing:		
Increase in investments, net	(14,321)	(16,299)
Purchase of capital assets	(7,934)	(5,885)
	(22,255)	(22,184)
Increase (decrease) in cash and cash equivalents	26,342	(168,062)
Cash and cash equivalents, beginning of year	166,060	334,122
Cash and cash equivalents, end of year	\$ 192,402	\$ 166,060

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements

Year ended December 31, 2019

Nature of operations:

British Columbia Turkey Marketing Board (the "Board") is authorized under the Natural Products Marketing Board (BC) Act and functions under the British Columbia Turkey Marketing Scheme. The Board's function includes setting production policy, processing and marketing turkeys within British Columbia. The Board is a non-profit organization under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Revenue recognition:

The Board follows the deferral method of accounting for contributions which include levies and other revenues.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recorded as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related asset.

Revenue from other sources such as interest and license income are recognized when earned and collection is reasonably assured.

(b) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized. When a capital asset no longer contributes to the Board's ability to provide services, its carrying amount is written down to its residual value.

Amortization is calculated on a declining balance basis at the following rates:

Asset	Rate
Furniture and fixtures	20%
Computer software	50%
Leasehold improvements	30%

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(c) Use of estimates:

The preparation of the financial statements in accordance 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 year. Actual results could differ from those estimates.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Board has elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Board determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Board expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Accounts receivable:

No allowance for doubtful accounts has been provided for in accounts receivable.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

3. Investments:

	2019		2018	
	Cost	Market	Cost	Market
Investments	\$ 903,013	\$ 906,371	\$ 896,843	\$ 862,002
Internally restricted amounts	(750,000)	(750,000)	(750,000)	(750,000)
Unrestricted investments	\$ 153,013	\$ 156,371	\$ 146,843	\$ 112,002

The Board has internally restricted \$750,000 of investments for self insurance. The investments have interest rates ranging between 2.62% and 6.93% and mature between December 2021 to June 2039.

4. Capital assets:

	2019		2018	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 167,676	\$ 149,473	\$ 18,203	\$ 14,856
Computer software	23,131	21,759	1,372	9
Leasehold improvements	40,117	39,680	437	629
	\$ 230,924	\$ 210,912	\$ 20,012	\$ 15,494

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$14,090 (2018 - \$13,875), which includes amounts payable for GST and payroll related taxes.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

6. Internally restricted:

	2019	2018
Reserve for self-insurance	750,000	750,000
Liquidated damages fund	46,783	64,625
	796,783	814,625

The goal of the Board is to have three months of operating expenses along with \$750,000 for self-insurance in case of any disease issue that may affect the turkey industry in the province.

7. Contingency:

The Turkey Farmers of Canada ("TFC") requires that the Board have sufficient funds or letters of credit to cover potential future assessments of liquidated damages for production greater than allocation on a province by province basis. At present, the Board has issued an irrevocable letter of credit in favour of TFC in the amount of \$96,785 (2018 - \$96,785) expiring November 2020. The letter of credit automatically renews every November. The Board has estimated liquidated damages for the 2018/2019 quota year to be nil. The final liability for the 2019/2020 quota year will be based on actual production up to the end of the quota year and will be recorded at that time.

8. Economic interest - British Columbia Turkey Association:

The Board has the discretion to fund the British Columbia Turkey Association (the "Association") as set by the Natural Products Marketing (BC) Act. Accordingly, a large portion of the Association's funding is derived from the Board. As both the Board and the Association have objectives in common, the funding of the Association's objectives is expected to continue for the foreseeable future.

During the year, the Board made rental payments of \$27,198 (2018 - \$26,796) and producers membership dues payments of \$24,195 (2018 - \$24,634) to the Association. The rental payments are based on the fair value of rent for similar facilities at the time the multi-year lease was entered into. The producers membership dues are based on provincial turkey production. The Board collects levies from turkey producers and pays the dues on behalf of the turkey producers to the Association.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2019

9. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Board will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Board manages its liquidity risk by monitoring its operating requirements. The Board prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Board deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Board monitors the credit risk of customers through credit rating reviews.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk with respect to its fixed income securities which fluctuate due to changes in market interest rates.

There has been no change to the risk exposures from the prior year.

10. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Ladies and Gentlemen, Honored Guests and Fellow Growers,

I would like to welcome you to our AGM again this year. We have several guest speakers on a variety of topics for you to take in at the Poultry Conference. I hope you take advantage of these workshops and use this time to network with fellow farmers from all of the poultry sectors. I'd like to thank the organizing committee for all the work they have done to put this event together.

Our thoughts and prayers go out to Jack Froese and his family with the passing of his wife Debbie in January.

We will miss Vic Redekop on our board as he has sold his farm and is now enjoying semi-retirement.

We are pleased to welcome Debbie Etsell as a new board member. We are looking forward to the experience she will bring to the board.

As we look back on the year 2019, it has been a good year. Having no major issues to deal with is a good year, although it is disappointing to have another year without growth.

Your association has been busy representing you on many fronts: SPFG, biosecurity and the Poultry Association all take time. We have kept you up to date on these files through the year at our grower meetings, and we encourage you to attend these meetings and take advantage of the information that is provided. These meetings are also a great way to connect with other growers.

I want to thank the Poultry Association for its continuing work with the AI file. We are continuing to have field training days to keep everyone engaged and ready to go. These exercises continue to help us be better prepared. Every time we have one of these sessions, we learn more of what we can improve upon.

We are thankful for those in the BC Ministry of Agriculture who have been heavily involved helping us with emergency preparedness. People like Jane Prichard, Dr. Vicky Bose and Clayton Botkin have been extremely supportive to help build our resources and skills.

I want to thank everyone who took part in our joint Turkey and Egg farmers' charity golf tournament in September and everyone who helped raise \$ 60,000 for Union Gospel Mission. This is a great organization to support and it is a highlight every year hearing from someone who has had their life changed by getting a meal. Knowing that we all have a little part in that is extremely rewarding. We are committed to supply UGM with all the eggs and turkey products needed throughout the year. I feel proud to be a part of an industry that supports such a solid organization; one that cares for those that suffer from addiction and homelessness.

You will be hearing from the Golf Tournament organizing committee and fellow producers this year to challenge you to make an even more significant contribution than what we have been doing. The four poultry groups are stepping up in a big way. We want to pay for the whole kitchen facility in the new UGM women's building that is presently under construction. This commitment is \$750,000.00 You can spread your pledge over 3 years and it will be named the BC Poultry kitchen.

I would like to thank my fellow association directors, Myles Andrew, Stan Thiessen, Henry Klassen and Steve Froese for all the time and effort they put in to serve the turkey growers. We will miss Steve Redekop who has left the industry. I'd also like to thank our staff, Heather, Nancy, and Michel for all the hard work they do. It has been a pleasure and honor to serve you as association president this past year

Respectfully submitted,
Steve Heppell
President, BCTA

Ladies and Gentlemen, Honored Guests and Fellow Growers,

The Statement of Financial Position

Assets:

Total assets for the fiscal year ended December 31, 2019 decreased by \$4,170 to \$207,085 from \$211,255 in 2018. The reasons for the change are as follows:

1. Cash & Term Deposit:

In 2019 cash increased by \$12,272 to \$96,527 from \$84,255 in 2018, but the Association removed a portion of the GIC Holdings in the amount of \$26,486 from the \$56,486 to help cover operating costs.

2. Capital Assets:

Total capital assets decreased by \$2,720 to \$65,260 in 2019. The decrease is the result of 2018 amortization expense.

Liabilities:

Total liabilities for the fiscal year ended December 31, 2019 was \$3,287 an increase of \$1,188 from \$2,099 in 2018.

Net Assets:

Net Assets decreased by \$2,720 for the fiscal year ended December 31, 2019. The decrease is equal to the deficiency of revenue over expenses for the same fiscal period as noted on the Statement of Operations.

Statement of Operations:

Total revenue for the fiscal year ended December 31, 2019 was \$52,112 an increase of \$26 in comparison with the prior year.

Total operating expenses for the fiscal year were \$57,470, an increase of \$12,856 from \$44,614 in 2018. Major changes in expenses for 2019 compared to 2018 are summarized below:

- 1. BC Poultry Association:** Annual dues saw a decrease of \$8,699 to \$13,998 in 2019 from \$22,697 in 2018.
- 2. Directors – Per Diems:** Per diem expenses decreased by \$1,800 to \$11,750 in 2019 from \$13,550 in 2018. The per diem expense is directly related to number of meetings attended to by the Directors of BCTA, therefore the decrease is the result of fewer meetings in 2019 in comparison with 2018.
- 3. Professional Fees:** 2019 saw another year's increase of \$432 to a total of \$3,200 from \$2,768 in 2018. The reason for the increase was the additional auditing fees incurred as a result of the changes to the Societies Act.

BRITISH COLUMBIA TURKEY ASSOCIATION
 TREASURER'S REPORT
 To the 2019 Annual General Meeting

Golf Tournament

The 2019 Golf Tournament total net proceeds for 2019 was \$60,594 an increase of \$9,400 from 2018. Total expenses for the tournament saw a 5% increase to \$26,931 in 2019 from \$25,411 in 2018. Revenue generated from the Golf Tournament was the reason for the increase in net proceeds in 2019 compared to 2018. BCTA's allocation of the net proceeds was \$30,297. Total donations made to the Union Gospel Mission in 2018 were higher at \$58,181 as you may recall due to the non-profit tax rule changes that occurred forcing the accumulated proceeds for the Golf Tournament that had not been donated to the Union Gospel Mission to be paid out in 2018 year.

3 Year Income Analysis – we don't normally put this in the report, are you sure you want to put it in?

	ACTUAL			ACTUAL			ACTUAL
	2018	\$CHG	% CHG	2017	\$CHG	% CHG	2016
REVENUE							
BCTA membership dues	24,634	- 843	-3%	25,477	- 589	-2%	26,066
Rental Income	26,796	396	1.5%	26,400	2,400	10.0%	24,000
Interest Revenue	656	351	115%	305	- 100	-25%	405
TOTAL REVENUE	52,086	- 96	-0.2%	52,182	1,711	3%	50,471
EXPENSE							
Advertising and promotion	-	-		-	- 7,500	-100%	7,500
Amortization	2,832	- 119	-4%	2,951	- 122	-4%	3,073
BC Poultry Association	22,697	3,938	21%	18,759	3,313	21%	15,446
Directors - expenses	2,519	- 729	-22%	3,248	904	39%	2,344
Directors - per diems	13,550	- 4,650	-26%	18,200	- 1,350	-7%	19,550
Office and general	248	- 482	-66%	730	- 970	-57%	1,700
Professional fees	2,768	- 2,099	-43%	4,867	3,067	170%	1,800
TOTAL EXPENSES	44,614	- 4,141	-8%	48,755	- 2,658	-5%	51,413
OPERATING INCOME (LOSS)	7,472	4,045	118%	3,427	4,369	-464%	- 942

Respectfully submitted,
 Myles Andrew
 Treasurer, BCTA



BRITISH COLUMBIA TURKEY ASSOCIATION

Unaudited Financial Statements December 31, 2019

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Financial Statements of

**BRITISH COLUMBIA TURKEY
ASSOCIATION**

And Independent Practitioners' Review Engagement
Report thereon

Year ended December 31, 2019
(Unaudited)



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Telephone (604) 854-2200
Fax (604) 853-2756

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of British Columbia Turkey Association

We have reviewed the accompanying financial statements of British Columbia Turkey Association, which comprise the statement of financial position as at December 31, 2019, the statements of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of British Columbia Turkey Association as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada
February 7, 2020

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Financial Position

December 31, 2019, with comparative information for 2018
(Unaudited)

	2019	2018
Assets		
Current assets:		
Cash	\$ 96,527	\$ 84,255
Term deposit (note 2)	30,014	56,486
Accounts receivable	2,644	2,533
Prepaid expenses and deposits	12,639	-
	141,824	143,274
Capital assets (note 3)	65,260	67,980
Long-term investment (note 4)	1	1
	\$ 207,085	\$ 211,255

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,287	\$ 2,099
Net assets:		
Investment in capital assets	65,260	67,980
Unrestricted	138,538	141,176
	203,798	209,156
	\$ 207,085	\$ 211,255

See accompanying notes to financial statements.

Approved by the Directors:

_____ Director

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018
(Unaudited)

	2019	2018
Revenue:		
Producers membership dues (note 5)	\$ 24,195	\$ 24,634
Rental income (note 5)	27,198	26,796
Interest income	719	656
	<u>52,112</u>	<u>52,086</u>
Expenses:		
Amortization	2,720	2,832
Annual general meeting	22,484	-
BC Poultry Association	13,998	22,697
Directors - expenses	1,480	2,519
Directors - per diems	11,750	13,550
Office and general	1,838	248
Professional fees	3,200	2,768
	<u>57,470</u>	<u>44,614</u>
Excess (deficiency) of revenue over expenses before the undernoted	(5,358)	7,472
Golf tournament (note 7)	-	(32,584)
Deficiency of revenue over expenses	<u>\$ (5,358)</u>	<u>\$ (25,112)</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018
(Unaudited)

	Investment in capital assets	Internally restricted	Unrestricted	Total 2019	Total 2018
Net assets, beginning of year	\$ 67,980	\$ -	\$ 141,176	\$ 209,156	\$ 234,268
Deficiency of revenue over expenses	(2,720)	-	(2,638)	(5,358)	(25,112)
Internally imposed restrictions (note 6)	-	30,297	(30,297)	-	-
Approved expenditures (note 6)	-	(30,297)	30,297	-	-
Net assets, end of year	\$ 65,260	\$ -	\$ 138,538	\$ 203,798	\$ 209,156

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018
(Unaudited)

	2019	2018
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (5,358)	\$ (25,112)
Item not involving cash:		
Amortization	2,720	2,832
	(2,638)	(22,280)
Change in non-cash operating working capital:		
Accounts receivable	(111)	724
Prepaid expenses and deposits	(12,639)	-
Accounts payable and accrued liabilities	1,188	(492)
	(14,200)	(22,048)
Investing:		
Decrease (increase) in term deposit, net	26,472	(656)
Increase (decrease) in cash	12,272	(22,704)
Cash, beginning of year	84,255	106,959
Cash, end of year	\$ 96,527	\$ 84,255

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2019
(Unaudited)

Nature of operations:

The British Columbia Turkey Association (the "Association") is organized to provide representation from the turkey growers to the poultry industry. The Association is incorporated under the Societies Act (British Columbia) and is a not-for-profit organization under the Income Tax Act. Accordingly the Association is exempt from income taxes provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue recognition:

The Association follows the deferral method of accounting for revenues which include producers membership dues, rental income and other revenues. Contributions for specific purposes or programs are deferred and subsequently recognized as revenue at the time the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(b) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life or improve the service potential of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value. Amortization commences in the month of acquisition and is calculated on a declining balance basis at a rate of 4% for buildings and capital improvements.

(c) Investments:

The Association measures those investments at cost that are not subject to significant influence, control or joint control.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2019
(Unaudited)

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of the financial statements 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 year. Actual results could differ from those estimates.

2. Term deposit:

The Association has a one year cashable guaranteed investment certificate at Bank of Montreal, with interest at 1.25%; maturing December 18, 2020.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2019
(Unaudited)

3. Capital assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	\$ 151,961	\$ 86,701	\$ 65,260	\$ 67,980

4. Long-term investment:

The Association holds 100 common shares of BC Poultry Captive Insurance Company Inc. ("BCPCIC"), a privately owned company. BCPCIC is an insurance company incorporated by the BC Poultry Industry to provide supply managed poultry farmers in BC with insurance policies against Avian Influenza.

The investment in the BCPCIC is broken out as follows:

	2019	2018
100 Class D Common shares	\$ 1	\$ 1

5. Economic dependence - British Columbia Turkey Marketing Board:

A substantial amount of the Association's revenue, both rental and producers membership dues income is derived from the British Columbia Turkey Marketing Board (the "Board"). The rental income of \$27,198 (2018 - \$26,796) is based on the fair market value of rent for similar facilities at the time the multi-year lease was entered into. The producers membership dues of \$24,195 (2018 - \$24,634) is based on provincial turkey production. The Board collects levies from turkey producers and pays these dues on behalf of the turkey producers to the Association.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2019
(Unaudited)

6. Internally restricted:

During the year, the Board of Directors restricted \$30,297 (2018 - \$25,597) for donations to the Union Gospel Mission ("UGM") and spent \$30,297 (2018 - \$58,181) on donations to UGM.

7. Golf tournament:

The Association hosts an annual charity golf tournament in conjunction with the BC Egg Marketing Board ("BC Egg"). Net proceeds from the golf tournament are split 50 / 50 with the BC Egg. In prior year, the Association's proceeds were used in the following year to provide funding for the donation of turkeys to the UGM. In 2019, the Association's proceeds were provided to UGM prior to year end.

Golf tournament proceeds:	2019	2018
Revenue	\$ 87,525	\$ 76,605
Expenses	(26,931)	(25,411)
	60,594	51,194
Allocation of net proceeds:		
BC Egg Marketing Board	(30,297)	(25,597)
BC Turkey Association	(30,297)	(25,597)
	-	-
Current year:		
BC Turkey Association - net proceeds	30,297	25,597
Donations to UGM	(30,297)	(58,181)
	\$ -	\$ (32,584)

8. Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from prior year.



BC TURKEY ASSOCIATION

Budget

Year ended December 31, 2020
(Unaudited)

Revenue

BCTA Membership Dues	24,186
Rental Income	27,606
Interest	728
	52,520

Expenses

Amortization	2,610
Bank Charges	80
BC Poultry Association	15,550
BC Poultry Conference	25,000
Directors' Expense	2,719
Directors' Per Diems	14,500
Discretionary Expense (Sponsorship & Grower Education)	3,400
Professional Fees	2,700
Payroll	26
WCB	17
	66,602

EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES (14,082)
