



2021 Annual Report

*British Columbia
Turkey Association
&
British Columbia
Turkey Marketing Board*

March 9, 2022

Clarion Hotel & Conference Centre

**BRITISH COLUMBIA TURKEY ASSOCIATION
and the
BRITISH COLUMBIA TURKEY MARKETING BOARD
2021 ANNUAL GENERAL MEETING
MARCH 9, 2022**

AGENDA

Registration

1. Call to Order

Opening Remarks

Minutes of 2020 Annual Meeting

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Business Arising from above Minutes

2. British Columbia Turkey Marketing Board

- Board Chairman's Report Page 6
 - General Manager's Report Pages 7 - 9
 - FPCC Presentation
 - TFC Presentation
 - Financial Statements Pages 11 - 25
 - Reserve Fund Reduction
 - BCTMB Per Diems and Stipend
 - Election
 - Any Other Board Business
-

3. British Columbia Turkey Association

- President's Report Page 27
 - Treasurer's Report Page 28
 - Financial Statements Pages 29 -43
 - Budget Page 44
 - BCTA Per Diems
 - Guest Speaker: RBC - Cameron Wilson
 - Reaffirmation of Auditors
 - Elections
 - Any Other Association Business
-

Adjournment

MINUTES OF THE B.C. TURKEY ASSOCIATION AND THE B.C. TURKEY MARKETING BOARD 2020 ANNUAL MEETING
HELD VIA VIDEO CONFERENCE, IN BC ON MARCH 11, 2021

There were 48 people in attendance, 14 were registered growers.

The meeting was called to order at 9:30 am 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 5, 2020 were adopted as circulated on a motion by James Krahn (Cedar Grove Farms Ltd.) and seconded by Les Burm (Forestry Turkey Farm Ltd.). Carried

BUSINESS ARISING FROM ABOVE MINUTES

None

Mr. Heppell welcomed Farm Products Council of Canada, Vice-Chairman, Council member in charge of turkey, Mr. Ron Bonnett.

Mr. Bonnett gave an overview of their roles and responsibilities:

- Promote strong, efficient and competitive production in line with consumer demand
- Oversight role with beef and pork promotion and research
- Consider amendments to Quota Regulations and Levies Orders requested by national agencies
- There are five members across Canada all with different backgrounds, have extensive experience and knowledge of the agricultural sector
- Able to understand particulars specific to supply management issues
- Focused on staying in close contact with agencies and stakeholders
- Maintain collaborative relationships with governmental partners which allows them to monitor policy developments and inform government of our priorities and concerns.
- Have regular contact with the BC Farm Industry Review Board
- There is now updated By-Law Governing the Administration of the Complaints received by the Farm Products Council of Canada
- Their Annual Report and Strategic Plan can be found on their website

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.

Mr. Victor Redekop was remembered with a minute of silence.

General Manager's Report

The General Manager's Report was highlighted by Michel Benoit and Mrs. Joslin Sanderson was welcomed as the new on farm auditor.

Marketing Report

The Marketing Report was highlighted by Debbie Etsell.

Mr. Dave Mandel asked: With the creation of diverse recipes for different nationalities, is there data available to determine if they are being incorporated into everyday cooking?

Mrs. Etsell advised that it is difficult to get data in this regard but hits on each recipe can be tracked.

TFC Report

The TFC Report was highlighted by Shawn Heppell.

1. Mr. Ray Nickel asked how TFC is planning to revamp the Allocation Policy.

Mr. Heppell responded that there are two main approaches:

- A formula, pro-rata based, tops down system.
- Bottoms up, similar to previously implemented policy.

The committee has looked at other Agencies' policies, however, the allocation policy has not yet been revised.

2. Mr. Stan Thiessen asked how much money the government would be providing due to the trade agreements that have been signed.

Mr. Heppell advised that talks are ongoing but there isn't a framework in place yet.

There may be a split in government funding between promotions and farm improvements for producers but nothing is definite at this point.

Mr. Phil Boyd from TFC advised that a confidentiality agreement was signed and some information cannot be shared at this time. Options will be provided after the package has been received and reviewed.

3. Mr. Garnet Etsell asked if bacitracin is still available by script.

Mr. Shawn Heppell advised that it is available by script but cannot be used in feed any longer as a preventative.

Mr. Steve Heppell asked the TFC reps if the decision to eliminate bacitracin (category 3 drug) could be reversed given the issues BC has seen since its elimination in spring 2020.

Mr. Ferrence of TFC suggested that the change came from requests of processors, retailers and industry so they are working on the issue while keeping the framework.

Mr. Steve Heppell asked why the chicken industry hasn't implemented the same process as they are usually the leaders.

Mr. Ferrence responded that turkey is trying to differentiate themselves from other sectors and increase market share.

Following the reading of these four reports, Mr. Shawn Heppell (Mountain View Poultry Ltd.) moved and Mr. Garnet Etsell (Coligny Hill Farms Ltd.) seconded a motion to accept the Chair, General Manager, Marketing and TFC reports.
Carried.

At this time Mr. Shawn Heppell introduced Mr. Darren Ferrence, TFC Chair.

TFC Presentation

Mr. Ferrence reported on:

- Storage Stocks and Disappearance through Covid
- Needed reduction in allocation due to Covid
- Investment Programs and Marketing to offset Covid losses

- Review of the Allocation Policy
- Advocacy work with government and industry
- The Trade Deals

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

Strategic Plan

Mr. Klippenstein advised the meeting that a new 2-year Strategic Plan has been created focusing on the Self-Marketers Work Plan, learning more about the retail market, minimizing the effects of blackhead, maintaining relationships with key agencies and mitigating the risk to farmers due to the removal of category 3 drugs as a preventative.

Mr. Orlando Schmidt of BMO asked if consumption has increased as a result of the government Buy BC and Buy Local Programs.

Mr. Klippenstein advised it is too early to tell.

Self-Marketers Needs Assessment

Mr. Klippenstein reported that a work plan has been created and resolution panel has been developed. The issue is complex and needs flexibility by all. Roles have been made clear and stakeholders are doing their best.

Board per Diems and Stipends

Mr. Myles Andrew reported that there were no recommendations to change the Board's per diems or stipend structure.

BTCMB Financial Statements

Mrs. Etsell presented the Auditor's Report, Balance Sheet and Statement of Revenue and Expenditures for the year ended December 31, 2020.

Following the presentation, Les Burm (Forestry Turkey Farm Ltd.) moved and James Krahn (Cedar Grove Farms Ltd.) seconded a motion to adopt the Financial Statements as presented. Carried

Budget

Mrs. Etsell presented the budget for the BC Turkey Marketing Board for the 2021 fiscal year.

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

BCTMB Elections

Mrs. Della Oberhoffner, Independent Election Officer who could not be present, advised via letter dated January 19, 2021 of the following:

Only one nomination, for Mrs. Debbie Etsell had been received to fill the position of Board Member and therefore Mrs. Debbie Etsell was elected by acclamation to the position of Board Member for a three-year term.

Any Other Board Business: None

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, Alf Wall (McDermott Farms Ltd.) moved and Trevor Allen (SkyeHi Farms) seconded a motion to accept this report. Carried

Reviewed Financial Statements & Treasurers Report

Mr. Myles Andres 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, 2020.

Following discussion, Trevor Allen (SkyeHi Farms) moved and Garnet Etsell (Coligny Hill Farms Ltd.) seconded a motion to accept the Financial Statements as presented. Carried

BCTA per Diems

Mr. Myles Andrew reported that Directors per diems have been decreased for meetings held via video conference.

Budget

The B.C. Turkey Association 2021 budget was presented by the Secretary-Treasurer, Mr. Myles Andrew.

On a motion by Les Burm (Forestry Turkey Farm Ltd.) seconded by Shawn Heppell (Mountain View Poultry Ltd.) the budget was accepted as presented. Carried

Mr. Trevor Allen asked if there are any financial obligations for the cancelled Poultry Conference.

Mr. James Krahn responded that yes, there is a one-year commitment left to hold a conference but MCI and the Sheraton have agreed to a carry forward until 2023. There is no monetary penalty to cancel the 2021 and 2022 conferences.

Reaffirmation of Accountants

Mr. Myles Andrew reported that the Board appointed KPMG as their auditors for a three-year term at the 2020 AGM. The Association Directors are recommending KMPG continue as the accountants for the BCTA for 2021. The change of going from a three-year appointment of accountants for the BCTA to yearly is due to requirements of the New Societies Act.

It was moved by James Krahn (Cedar Grove Farms Ltd.) and seconded by Garnet Etsell (Coligny Hill Farms Ltd.) that KPMG be appointed as accountants of the BC Turkey Association for 2021. Carried

Election of Association Directors

Mrs. Della Oberhoffner, Independent Election Officer who could not be present, advised via letter dated February 5, 2021 of the following:

There were three positions vacant for directors of the B.C. Turkey Association, for a two-year term.

Nominations for Stan Thiessen, Steve Froese, and Erv Wiens were presented during the election held in January 2021.

Stan Thiessen, Steve Froese, and Erv Wiens were elected by acclamation to the BC Turkey Association Directorship for a 2-year term.

Any other Association Business – None

Mr. Garnet Etsell asked if video conference meetings would be considered after covid to save on expenses. The TFC, BCTA and the BCTMB all responded similarly. Yes, video meetings will continue but they will be balanced with in person meetings.

ADJOURNMENT

There being no further business on a motion by Alf Wall (McDermott Farms Ltd.) the meeting was adjourned at 11:30am.

Prepared by:

Approved by:

Nancy Sampson, Administration BCTMB

Steve Heppell, President BCTA

Kevin Klippenstein, Chair BCTMB

Ladies, Gentlemen, Honored Guests and Turkey Farmers,

As I begin my report for 2021, I must start off once again reporting that it was a long and challenging year for many Turkey farmers, processors, and for most Canadians. While we thought it had to be better than 2020 with all the COVID shutdowns and the issues we had due to the result of COVID, 2021 ended up having its own devastating results. From the Heat Dome in June and July, followed by a blackhead crisis to the Atmospheric Rivers in the fall that caused mud slides that disrupted all the transportation routes within BC and then the floods that were devastating in the Fraser Valley.

In all these events the Poultry industry worked well together and Chairs and managers were constantly in dialogue with each other as well as with the Ministry. And to make matters worse, while all these events were happening, we were still in the middle of a Pandemic. Having said that this AGM will be the first AGM we have in person since 2020 and I am looking forward to going back to personal meetings.

As you know grower's margins have not been good so we have been working with processors to increase these over the last year and have come up with an agreement that has been working. It is great to be able to work with the processors during this time and not to have an appeal over price increases.

Following our strategic plan goal to make informed marketing decisions aimed at increasing consumption by better understanding the BC marketplace including retailers, food service distributors, restaurants, and further processors. We are starting to work with the Ministry to make this goal a reality and will have more to report on this next year. We look forward to talking to retailers, processors and other stakeholders for their input on this. Our third goal in our strategic plan is to minimize the impacts of Blackhead on the industry. Michel has been working very diligently on this and has included it in his report.

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 2022.

Respectfully submitted,
Kevin Klippenstein
Chair, BCTMB

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

2021 – From COVID to the Heat Dome to Floods and back to COVID

- Last year, I started my report by saying that 2020 was a year like no other. As a result, I am struggling to write a headline for the 2021 report. It feels like we went from crisis to crisis the entire year. My report this year will take the shape of a year in review.

1- Turkey Consumption and Production:

- The TFC report will discuss this topic in more detail but here is what the provincial allocation has done in the past year and what is forecast for 2022/2023.
- After reaching a 15 year low in allocation percentage in 2020/2021 at 76.5%, things started to improve in 2021/2022.
- The allocation 2021/2022 went from a preliminary percentage of 80.7% to a final allocation of 83.3%. Despite this healthy increase, there were no negative impacts on processor margins or storage stocks.

2022/2023 Outlook

- The preliminary allocation for 2022/2023 has been set at 85.6%. For comparison purposes, the allocation percentage in 2006/2007 was 86% in British Columbia. 2006/2007 marked the first year under the newly adopted allocation policy. This was also a period where further processed products were gaining momentum and whole bird sales had not started decreasing yet.
- The preliminary allocation of 85.6% could change slightly by the end of March as the TFC Directors will be meeting again the week of March 21st, 2022 to review storage stocks and turkey consumption for the 2021 calendar year.

COVID

- COVID continued to create havoc for the industry in 2021. The threat of plant closures due to regional health authority shutdowns and absenteeism was present during the spring and again later on in the year with the spread of the Omicron variant. Fortunately, there were no direct impacts from COVID on turkey farmers in BC except for the lower allocation and consumption that resulted from the lockdowns.
- Unfortunately, not all poultry farmers in Canada were able to say the same. Plant closures and the lack of catching personnel did result in significant disruption in the supply chain in some parts of the Country.

Heat Dome

- The province experienced severe heat this past June and July. This situation unfortunately caused some mortality in market age turkeys in the lower mainland. Approximately 2.4% of our annual production and an estimated \$2 million in farm gate revenue was lost as a result.
- At this time poultry farmers who experienced these losses have not received any direct compensation by any level of Government.

Drought

- The heat dome brought drought to the prairies and as a result, the western wheat crop suffered tremendously. Production was drastically impacted and as a result a sharp spike in the price of wheat remains in effect as of today.
- This increase in the price of wheat was accompanied by a decrease in the price of corn in eastern Canada. The result was a significant impact on BC Turkey grower margins. Margins decreased to a point where production was unsustainable. It soon became obvious that margins would remain this low for at least 6 months unless something was done to rectify the problem. As a result, the Board and processors agreed to modify the pricing agreement on a temporary basis until grower margins return to an acceptable level. This current agreement is set to expire in mid March and we hope by then margins will be back within the guardrails and the BC turkey pricing model can return back to normal.
- This is the second year in a row that the pricing formula has been amended. It was modified in 2020 in order for the growers to provide support for the processors as they were dealing with the impacts of COVID.
- The Board is very pleased and grateful for the support and cooperation from the processors in our province.

Blackhead

- Between 6 and 7 weeks after the Heat Dome, we experience a severe increase in Blackhead cases. In total, 9 of the 13 cases that occurred in 2021 happened in August. Although there is no proof that there is a link between the heat dome and the increase in outbreaks, it has been demonstrated that environmental stress can influence the chance of catching the disease as well as the severity of any disease outbreak.
- Although the number of outbreaks decreased from 20 to 13 in 2021, estimated farm gate losses from Blackhead increased from \$800,000 in 2020 to \$1 million in 2021.
- This is because the percentage of tom flocks involved increased (heavier weights) and mortality in the impacted flocks increased as well.
- A final factor affecting the increase in farm gate losses is the 15% increase in live price in 2021.
- The Blackhead research project and committee was active in 2021. The committee organised a seminar with international speakers in the spring which was attended by 80 participants. Another seminar is being organised for February 2022.
- Other projects underway or completed include an epidemiological exploration of the cases in 2020, a project searching for environmental reservoirs of the disease as well as vectors for the disease. A report on the use of a product called paromomycin has been completed and published recently.
- Unfortunately, the lab in Abbotsford was damaged by the flood this fall. This has delayed some of the projects as a result.
- We will keep all stakeholders informed as progress on these projects unfold.

Atmospheric River

- A series of atmospheric rivers hit the province in November and caused devastating flooding in many regions of the province.
- The turkey sector saw losses totaling 2% of the annual production plan. Four farms in the Province had losses as a result of flooding.
- Due to the quick response by some growers, 29,500 poults were successfully placed for a few weeks on two other farms while a location to grow out those turkeys could be found.

- We are very grateful for the efforts of all involved in carrying out this delicate process. This temporary placement prevented any further losses from occurring. Both of these flocks were doing well when the report was being written.
- In addition to on farm losses, the floods created havoc on the supply chain, product delivery and feed supply. As a result, the high price of feed saw additional increases due to a spike in freight costs.

Interprovincial Leases

- As you can imagine, the combination of the heat dome, Blackhead losses and the flood put a severe stress on our ability to grow all the turkey allocated to the province for the 2021/2022 Quota Year. Growers, procurement managers and Board Staff were incredibly busy this year trying to manage the situation and find enough barn space and poult to meet our needs.
- Things appeared to be manageable until the flooding losses occurred. After this event, there was just not enough capacity left to replace those turkeys. As a result, the BCTMB leased out a total of 410,000 kgs of allocation (live weight) to the Provinces of Alberta and Saskatchewan. Turkeys will be grown in those provinces to replace those lost in BC and the BCTMB will receive in return \$0.262/kg that can be used to help out impacted growers.

As always, it is a pleasure to work for the Board and all the industry stakeholders. I am truly grateful for the trust and support from all of you. Finally, I wish to thank Nancy, Heather and Kathy and Joslin for all their efforts in 2021. You make working at the BCTMB pleasant and enjoyable.

Respectfully submitted,
Michel Benoit
General Manager, BCTMB



BRITISH COLUMBIA TURKEY MARKETING BOARD

Financial Statements December 31, 2021

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Financial Statements of

**BRITISH COLUMBIA TURKEY
MARKETING BOARD**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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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, 2021
- 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, 2021 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 17, 2022

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 115,774	\$ 202,564
Accounts receivable (note 2)	141,685	76,831
Investments (note 3)	162,639	201,790
Prepaid expenses	7,465	2,803
	<u>427,563</u>	<u>483,988</u>
Restricted investments (note 3)	750,000	750,000
Capital assets (note 4)	16,120	15,554
	<u>\$ 1,193,683</u>	<u>\$ 1,249,542</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 193,551	\$ 158,665
Net assets:		
Investment in capital assets	16,120	15,554
Internally restricted (note 6)	771,649	771,649
Unrestricted	212,363	303,674
	<u>1,000,132</u>	<u>1,090,877</u>
Contingency (note 7)		
Impact of COVID-19 (note 10)		
	<u>\$ 1,193,683</u>	<u>\$ 1,249,542</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, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Levies revenue:		
Primary levies collected	\$ 870,858	\$ 885,943
Turkey Farmers of Canada Marketing Levy - Growers	272,143	276,857
Turkey Farmers of Canada Marketing Levy - Processors	270,724	275,118
Less: Marketing Levy remitted to Turkey Farmers of Canada	(548,980)	(551,896)
	864,745	886,022
Other revenues:		
Promotions	47,055	47,055
Interest and other income	20,478	20,534
License income	13,250	13,700
	80,783	81,289
	945,528	967,311
General and administrative expenses:		
Primary levies remitted to Turkey Farmers of Canada	396,440	398,837
Wages and benefits	303,569	283,837
Promotion expenses	72,952	74,428
Per diems	62,218	67,551
Professional fees	30,406	48,359
Rent and property costs (note 8)	36,267	33,236
Office supplies	28,843	26,252
BCTA producers membership dues (note 8)	22,024	22,158
Meetings and conventions	19,118	18,649
Amortization	3,897	4,458
Bank charges	2,638	2,481
	978,372	980,246
Deficiency of revenues over expenses before the undernoted items	(32,844)	(12,935)
Other income (expense):		
Gain (loss) on investments	(57,901)	58,242
Excess (deficiency) of revenues over expenses	\$ (90,745)	\$ 45,307

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Investment in capital assets	Internally restricted (note 6)	Unrestricted	Total 2021	Total 2020
Net assets, beginning of year	\$ 15,554	\$ 771,649	\$ 303,674	\$ 1,090,877	\$ 1,045,570
Excess (deficiency) of revenues over expenses	(3,897)	-	(86,848)	(90,745)	45,307
Invested in capital assets	4,463	-	(4,463)	-	-
Net assets, end of year	\$ 16,120	\$ 771,649	\$ 212,363	\$ 1,000,132	\$ 1,090,877

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ (90,745)	\$ 45,307
Items not involving cash:		
Amortization	3,897	4,458
Loss (gain) on investments	57,901	(58,242)
	<u>(28,947)</u>	<u>(8,477)</u>
Changes in non-cash operating working capital:		
Accounts receivable	(64,854)	18,772
Prepaid expenses	(4,662)	17
Accounts payable and accrued liabilities	34,886	(12,973)
	<u>(63,577)</u>	<u>(2,661)</u>
Investing:		
(Decrease) increase in investments, net	(18,750)	12,823
Purchase of capital assets	(4,463)	-
	<u>(23,213)</u>	<u>12,823</u>
(Decrease) increase in cash and cash equivalents	(86,790)	10,162
Cash and cash equivalents, beginning of year	202,564	192,402
Cash and cash equivalents, end of year	<u>\$ 115,774</u>	<u>\$ 202,564</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements

Year ended December 31, 2021

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. The Board reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Board's ability to provide goods and services, or that the value of the future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(b) Capital assets (continued):

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

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

(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.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Accounts receivable:

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

3. Investments:

	Cost	2021 Market	Cost	2020 Market
Investments	\$ 876,170	\$ 912,639	\$ 886,168	\$ 951,790
Internally restricted amounts	(750,000)	(750,000)	(750,000)	(750,000)
Unrestricted investments	\$ 126,170	\$ 162,639	\$ 136,168	\$ 201,790

The Board has internally restricted \$750,000 of investments for self insurance. The investments have interest rates ranging between 1.78% and 6.93% and mature between November 2025 to June 2041.

4. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Furniture and fixtures	\$ 171,449	\$ 156,403	\$ 15,046	\$ 14,562
Computer software	23,821	22,960	861	686
Leasehold improvements	40,117	39,904	213	306
	\$ 235,387	\$ 219,267	\$ 16,120	\$ 15,554

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$13,649 (2020 - \$14,162), which includes amounts payable for GST and payroll related taxes.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Internally restricted:

	2021	2020
Reserve for self-insurance	750,000	750,000
Liquidated damages fund	21,649	21,649
	771,649	771,649

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 (2020 - \$96,785) expiring November 2022. The letter of credit automatically renews every November. The Board has estimated liquidated damages for the 2020/2021 quota year to be nil. The final liability for the 2021/2022 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 \$28,020 (2020 - \$27,606) and producers membership dues payments of \$22,024 (2020 - \$22,158) 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, 2021

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, aside from the potential impact of COVID-19 (note 11).

10. Impact of COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Board operates. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our operations is not known at this time.

Ladies and Gentlemen, Honored Guests and Fellow Growers,

I would like to welcome you to our AGM again this year.

As we look back on the year of 2021, it has been another challenging year. We continue to struggle to gain per capita consumption, this is our largest concern to maintain a healthy industry. The heat wave we had was unprecedented and the losses were hard to take. It was difficult to be talking with farmers on the phone as they were crying and feeling helpless, not being able to do anything to give their birds relief from the heat. We thought that was enough of a disaster for one year, but no, there was more. The flooding that brought back the lake in the Sumas Prairie was unbelievable. It is a testament to the character of those in our industry and to all the farmers who pitched in to help each other. The emergency response committee was mobilized and did a fantastic job to coordinate help for those impacted from this disaster: from hauling water, getting feed delivered or whatever a farmer needed to keep his animals alive. A special thanks goes to all the people and organizations who stepped up and volunteered with the clean-up. There are too many to list but you are all so greatly appreciated.

The association has been busy representing you on many files. BCAC takes the lead on a lot of government interactions. It's a challenge to keep up on all the new regulations they are always coming up with. The emergency response committee has stayed active in keeping prepared for AI. As you get updates of where AI is all around the world, we have to stay vigilant on our biosecurity and our response plans. We try to keep 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 everyone who took part in our joint Turkey and Egg farmer's charity golf tournament this past year. It was a great success and raised over \$ 80,000 for Union Gospel Mission. This is a great organization to support. A highlight every year is 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. All sectors of the poultry industry stepped up and donated over \$600,000.00 for the BC Poultry Kitchen in the new women's facility that UGM was able to open this past year.

I would like to thank my fellow association directors, Steve Froese, Stan Thiessen, Henry Klassen, Myles Andrew and Erv Wiens for all the time and effort they put in to serve the turkey growers. 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

Ladies and Gentlemen, Honored Guests and Fellow Growers,

The Statement of Financial

Position Assets:

Total assets for the fiscal year ended December 31, 2021 increased by \$21,511 to \$244,077 from \$222,566 in 2020.

The main reasons for the change are as follows:

1. Cash:

In 2021 the association was sitting in a very good cash position with an increase of \$35,746 bringing us to \$132,913 from \$97,167 in 2020. This mainly due to the continued decreased spending the association has incurred through the pandemic.

Liabilities:

Current liabilities for the fiscal year ended December 31, 2021 saw a 15% decrease from 2020.

Net Assets:

Net Assets grew 11% over the previous year to \$227,990 mainly as a result of our cash position.

Statement of Operations:

Total revenue for the fiscal year ended December 31, 2021 was \$53,343 an increase of \$1,628 in comparison to the prior year.

Total operating expenses for the fiscal year were \$28,804 a near 50% decrease of \$23,258 from \$52,062 in 2020. Major changes in expenses for 2021 are summarized below and could be considered a direct impact of Covid-19 related restrictions. As an example, utilizing online tools for virtual meetings.

- 1. BC Poultry Association:** Annual dues remained unchanged with a slight decrease of \$134 to \$22,024 in 2021 when compared to \$22,158 in 2020.
- 2. Directors – Per Diems & Expenses:** Saw another 14% decrease from the previous year. This decrease reflects the shift to more online meetings, in conjunction with creating a new lower expense category to reflect meetings that are shorter in nature.
- 3. Professional Fees:** 2021 saw an increase of \$908 for a total of \$3,758, up from \$2850 in 2020.

Golf Tournament:

The 2021 Golf Tournaments revenue rebounded to \$115,950 – the highest we have ever achieved to date. Expenses for the tournament increased to \$34,256 an increase of \$7,325 from two years previous. This increase is partly due to the hiring of a professional planner to manage the event and to bring in new sponsorships.

The net proceeds from the event totaled \$81,694 – an increase of \$14,249 over 2020. BCTA's portion of the net proceeds totaling \$40,847 has been used to purchase turkey products from local processors and donated to the Union Gospel Mission.

Respectfully submitted,
Myles Andrew
Treasurer, BCTA



BRITISH COLUMBIA TURKEY ASSOCIATION

Financial Statements December 31, 2021

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Statement of Cash Flow	37
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Financial Statements of

**BRITISH COLUMBIA
TURKEY ASSOCIATION**

And Independent Practitioners' Review Engagement
Report thereon

Year ended December 31, 2021



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Tel (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, 2021, the statement 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.

Practitioners' 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, 2021, 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Abbotsford, Canada

February 17, 2022

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 132,913	\$ 97,167
Term deposit (note 2)	30,203	30,158
Accounts receivable	3,044	11,462
Prepaid expenses and deposits	2,347	1,847
	<u>168,507</u>	<u>140,634</u>
Capital assets (note 3)	75,569	81,931
Long-term investment (note 4)	1	1
	<u>\$ 244,077</u>	<u>\$ 222,566</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,073	\$ 2,847
Deferred capital contributions (note 5)	13,014	16,268
	<u>16,087</u>	<u>19,115</u>
Net assets:		
Investment in capital assets (note 6)	62,555	65,663
Unrestricted	165,435	137,788
	<u>227,990</u>	<u>203,451</u>
	<u>\$ 244,077</u>	<u>\$ 222,566</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Producers membership dues (note 8)	\$ 22,024	\$ 22,158
Rental income (note 8)	28,020	27,606
Interest income	45	143
Amortization of deferred capital contributions	3,254	1,808
	<u>53,343</u>	<u>51,715</u>
Expenses:		
Amortization	6,362	4,752
Annual general meeting	-	21,362
BC Agriculture Council	-	300
BC Poultry Association	13,052	16,268
Directors - expenses	239	523
Directors - per diems	5,250	5,875
Office and general	143	132
Professional fees	3,758	2,850
	<u>28,804</u>	<u>52,062</u>
Excess (deficiency) of revenue over expenses before the undernoted item	24,539	(347)
Golf tournament (note 7)	-	-
Excess (deficiency) of revenue over expenses	<u>\$ 24,539</u>	<u>\$ (347)</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Investment in capital assets (note 6)	Internally restricted	Unrestricted	Total 2021	Total 2020
Net assets, beginning of year	\$ 65,663	\$ -	\$ 137,788	\$ 203,451	\$ 203,798
Excess (deficiency) of revenues over expenses	(3,108)	-	27,647	24,539	(347)
Internally imposed restrictions (note 7)	-	40,847	(40,847)	-	-
Approved expenditures (note 7)	-	(40,847)	40,847	-	-
Net assets, end of year	\$ 62,555	\$ -	\$ 165,435	\$ 227,990	\$ 203,451

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 24,539	\$ (347)
Items not involving cash:		
Amortization	6,362	4,752
Loss on sale of capital assets	-	1
Amortization of deferred capital contributions	(3,254)	(1,808)
	27,647	2,598
Changes in non-cash operating working capital:		
Accounts receivable	8,418	(8,818)
Prepaid expenses and deposits	(500)	10,792
Accounts payable and accrued liabilities	225	(441)
	35,790	4,131
Investing:		
Purchase of capital assets	-	(21,423)
Contributions received for capital assets	-	18,076
Increase in term deposit	(44)	(144)
	(44)	(3,491)
Increase in cash	35,746	640
Cash, beginning of year	97,167	96,527
Cash, end of year	\$ 132,913	\$ 97,167

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2021

Nature of operations:

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) Investments:

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

(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. The Association reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Association's ability to provide goods and services, or that the value of the future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement of operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

Amortization commences in the month of acquisition and is calculated on a declining balance basis at the following rates:

Asset	Rate
Building and capital improvements	4%
Equipment	20%

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) 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. Contributions restricted for capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related asset.

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

(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 year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(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 the bank's prime rate less 2.400%; maturing December 14, 2022.

3. Capital assets:

				2021	2020
	Cost	Accumulated amortization		Net book value	Net book value
Buildings	\$ 151,961	\$ 91,817	\$	60,144	\$ 62,650
Equipment	21,423	5,998		15,425	19,281
	\$ 173,384	\$ 97,815	\$	75,569	\$ 81,931

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:

			2021	2020
100 Class D Common shares	\$	1	\$	1

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Deferred capital contributions:

Deferred capital contributions represent external contributions for the purchase of capital assets.

Changes in deferred capital contribution balances are summarized as follows:

	2021	2020
Deferred capital contributions, beginning of year	\$ 16,268	\$ 18,076
Less: amortization of deferred capital contributions	(3,254)	(1,808)
	\$ 13,014	\$ 16,268

6. Invested in capital assets:

a) Invested in capital assets is calculated as follows:

	2021	2020
Capital assets	\$ 75,569	\$ 81,931
Amounts financed by deferred capital contributions	(13,014)	(16,268)
	\$ 62,555	\$ 65,663

b) Deficiency of revenues over expenses:

	2021	2020
Amortization of deferred capital contributions	\$ 3,254	\$ 1,808
Amortization of capital assets	(6,362)	(4,752)
	\$ (3,108)	\$ (2,944)

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Invested in capital assets (continued):

c) Change in net assets invested in capital assets:

	2021	2020
Purchase of capital assets	\$ -	\$ 21,423
Proceeds from capital contributions	-	(18,076)
	\$ -	\$ 3,347

7. Golf tournament/UGM Gala:

The Association hosts an annual charity gala in conjunction with the BC Egg Marketing Board ("BC Egg"). Net proceeds from the golf tournament are split 50 / 50 with the BC Egg.

	2021	2020
Revenue	\$ 115,950	\$ 68,225
Expenses	(34,256)	(780)
	81,694	67,445
Allocation of net proceeds:		
BC Egg Marketing Board	(40,847)	(33,723)
BC Turkey Association	(40,847)	(33,722)
	\$ -	\$ -

During the year, the Board of Directors restricted \$40,847, (2020 - \$33,722) for donations to the Union Gospel Mission ("UGM") and spent \$40,847 (2020 - \$33,722) on donations to UGM.

	2021	2020
Net proceeds	\$ 40,847	\$ 33,722
Donations to UGM	(40,847)	(33,722)
	\$ -	\$ -

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. 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 \$28,020 (2020 - \$27,606) 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 \$22,024 (2020 - \$22,158) 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.

9. Financial risks:

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, aside from the potential impact of COVID-19 (note 10).

10. Impact of COVID-19:

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Association operates. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our operations is not known at this time.

11. Comparative information:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2021 financial statements.



BC TURKEY ASSOCIATION

Budget

Year ended December 31, 2022
(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	10,000
Directors' Expense	2,719
Directors' Per Diems	14,500
Discretionary Expense (Sponsorship & Grower Education)	3,400
Professional Fees	2,700
Payroll	26
WCB	17

51,602

EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES

918
