



ANNUAL REPORT

2022



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BC TURKEY MARKETING BOARD



CHAIR'S STATEMENT

Last year, I started my report by saying it was a long and challenging year for many turkey farmers, processors, and for most Canadians. 2022 was not much different but instead of dealing with COVID, heat domes, and floods, we were in Code Red due to AI for most of the year. On top of being in an emergency state for most of the year I also received Michel Benoit's letter of resignation on February 28th so would have to find a replacement to cover off the day-to-day operations of the TMB.

On a positive note, in January, as we closed out 2021 with the flood in the Fraser Valley, we managed to secure interprovincial leases from Alberta and Saskatchewan for 351,700kg to cover some of the flood losses from our impacted farms.

In February, we received Michel's resignation letter and secured a head-hunting agency (Watson) to help us hire a new GM/ED. Michel's last day would be April 5th and moving forward I would be the Acting GM until we were able to find the right person. As this was all happening, AI was starting to rear its head back East and discussions were starting to happen in BC with regards to being ready for it to strike here.

As we moved into April and May, the entire poultry industry was working together. Chairs and Managers were constantly in dialogue with each other as well as with the Ministry. The poultry industry went to Code Red once Alberta was starting to get hit. In May we had our first turkey grower that became positive and the EOC was activated.

As for allocation, we started the year at 85.6% and were able to increase to 88.54%. This was higher than 2021/22's allocation of 83.3%. However, with this allocation increase we will be short on production due to AI in our province. Over the summer we started working with Alberta, Saskatchewan, and

Manitoba on a potential inter-provincial lease as we could forecast that BC would be under produced for this quota period. Unfortunately, Alberta was hit very hard as well, and all Western provinces were finding it difficult to make their production. I started meeting with TFC and the other provincial managers to try and secure some leases and Ontario agreed to do a lease of a 1,000,000 kg live weight. This will be negotiated at the end of the quota period between the other under produced provinces - mainly Alberta and BC.

The Board completed its submission to BCFIRB for administrative penalties where we provided a SAFETI analysis of why the board felt there was not a need at this time for administrative penalties. There were also some amendments made to the General Orders (10 & 11) regarding fees and the BC Biosecurity Program.

The Board continued to work with the processors and had several meetings where pricing agreements were reached throughout the year. In 2023, there will be further consultation regarding BC's pricing formula and steps to move forward with processors on pricing.

During the year, I worked with Joslin to get our inspections completed and certificates sent out to growers. We also managed to have all our third party inspections completed even with the presence of AI this year.

On November 1st we hired Natalie Veles as the new ED. Natalie has been a great addition to the team and has really grabbed the turkey by the legs with both hands so to speak. She has jumped in during a real tough time as we have received a record number of farms with positive HPAI and been in an emergency situation since her start date with a record number of permits being issued. I really appreciate her work ethic, willingness and desire to help the industry the best she can.

I would also like to acknowledge the great work and effort put in by Nancy Sampson. She has been invaluable during our time without an ED and we really appreciate her hard work and dedication to the industry. Board members, Shawn Heppell, James Krahn, and Debbie Etsell have all been instrumental to the board and I would like to thank them all for bringing their passion, insight, experience, and resources to the table. The turkey industry is definitely in good hands with this team.

It has been an honor to have been the Chair of the BCTMB these last 5 years. I would like to welcome Kalpna Solanki as the new Chair. I wish all the best of success to everyone in the turkey industry.

Respectfully submitted,

Kevin Klippenstein
Past Chair, BCTMB



EXECUTIVE DIRECTOR'S REPORT

I was pleased to join the BC Turkey Marketing Board as Executive Director on November 1, 2022. Having come from jobs that saw me work across all agricultural commodities in BC, I was excited at the prospect of focusing on one sector through this new leadership role. Little did I know just how quickly I would have to learn about poultry operations, the supply chain, and disease response!

November 16, 2022 marked the beginning of a significant Avian Influenza event for our industry and poultry farmers across the Fraser Valley. On the turkey side, we had 14 commercial turkey farms test positive for AI in November and December. These were in addition to the 4 farms from the Spring outbreak and 2 from September. The fall outbreak hit our turkey sector particularly hard and caused many issues for everyone involved. We lost an estimated 8Mkg of turkey production – equivalent to roughly 1/3 of our annual quota – and will be unable to grow the majority of those birds before the end of this quota year. This is a big hit for our industry. We were able to secure a small lease with Ontario but unfortunately several other provinces were also impacted by AI which resulted in no capacity for extra lease production. In the midst of an incredibly stressful situation, our growers, processors, hatcheries, etc. were easy to work with and committed to getting the job done.

While I cannot comment on the first 10 months of 2022, it is clear that the Board staff kept the operations running smoothly. Susan Mallory re-joined our office in March for what was supposed to be a short stint, and we've been very lucky to have her continue in her role as Production Coordinator. Nancy Sampson has done a great job keeping the office and Board running while Joslin Sanderson provided growers and processors with support on AI permitting and the TFC on-farm programs. Joslin's departure in December

led to the hiring of Kourtney Krause as our new TFC Program auditor. We're happy to have Kourtney join us and look forward to working with her.

As we look ahead into 2023, we are excited to work with our new Chair and the Board to continue serving industry. We will be undertaking a strategic planning process to help chart our path for the next few years. Other priorities include a review of the pricing formula and the New Entrant Program. We understand growers are facing significant disease pressures with AI and Blackhead and we'll be working with the BCTA to make sure we provide the right type of supports at the right time.

I'd like to thank the Board Members – Shawn, Debbie, and James – for trusting me with this position and providing me with mentorship and guidance as I orient myself to the wonderful world of turkey. I look forward to working with you all in the years ahead.

Sincerely,

Natalie Veles
Executive Director, BCTMB



2022 ACCOMPLISHMENTS

AS A MARKETING BOARD

1

NEW ENTRANT (NE)
WAITLIST APPLICATION
RECEIVED

25

FLOCK CARE
PROGRAM AUDITS

11

RENTAL AGREEMENTS
APPROVED

15

QUOTA TRANSFERS
APPROVED

3

WAITLISTED NE'S INVITED
TO SUBMIT AN
APPLICATION

28

ON-FARM FOOD SAFETY
PROGRAM AUDITS

52

PRICING ORDERS ISSUED

AS AN INDUSTRY

46

FARMS IN PRODUCTION

62

REGISTERED GROWERS

1.976M

TURKEYS RAISED



BCTMB TEAM

The BC Turkey Marketing Board team as of December 31, 2022 includes:

BOARD MEMBERS:

 **KALPNA SOLANKI**
CHAIR

 **JAMES KRAHN**
BOARD MEMBER

 **SHAWN HEPPELL**
BOARD MEMBER

 **DEBBIE ETSSELL**
BOARD MEMBER

STAFF:

 **NATALIE VELES**
EXECUTIVE DIRECTOR

 **NANCY SAMPSON**
OFFICE MANAGER

 **SUSAN MALLORY**
PRODUCTION COORDINATOR

 **KOURTNEY KRAUSE**
ON-FARM PROGRAM AUDITOR



THINK TURKEY MARKETING REPORT

For its fourth year, the Think Turkey / Pensez Dindon campaign continued its mission to raise awareness of the versatility and benefits of turkey and drive year-round demand with the aim to increase consumption among Canadians.

In 2022, the national, bilingual program engaged primary meal planners, Gen Z first-time cooks, male grilling enthusiasts and new Canadians across various campaign tactics, including TV, online video, digital display, PR, influencer relations, paid social, search, and digital retail programs.

Think Turkey / Pensez Dindon kicked off the year with the MVP - Most Valuable Protein program, which leaned into the health benefits of turkey with a fitness and wellness-focused influencer and social campaign. Think Turkey's March Meatball Madness program followed, where influencers went head-to-head with their best turkey meatball recipes with social media followers voting for their favourite.

For Easter, Think Turkey / Pensez Dindon launched a cross-channel program with a focus on whole bird recipes, and how to turn one turkey into many meals. The campaign featured TikTok stars like Randy Feltis and Jamie Milne, creating mouth-watering recipes for Easter. BBQ experts Maddie and Kiki activated a TV broadcast tour showcasing their tips for cooking turkey on the smoker. Registered Dietitian Shannon Crocker also presented an Easter-themed segment, with both media opportunities resulting in over 14 million impressions combined.

Given rising food costs, and with Earth Day coinciding with Easter, Think Turkey / Pensez Dindon teamed up with Love Food Hate Waste, an organization aimed at educating and empowering Canadians to make their food go further and to create less waste developing recipes using one whole bird. Recipes were shared

across social channels and in broadcast media segments.

Veggies Love Turkey

With Canadians eating healthier and incorporating more vegetables in their diets, Think Turkey / Pensez Dindon saw the opportunity to team up with veggies and be declared their preferred protein! In May, the "Veggies Love Turkey" campaign kicked off with three animated characters – a country-singing tomato, a TV show host romaine lettuce, and gym buff carrot – all expressing their preference for turkey through 15-second commercial ad spots. These commercials ran as part of a national TV buy (both English and French) and as digital ads across YouTube, Instagram, Facebook, and Pinterest.

To announce this new campaign launch and showcase the new creative, Think Turkey secured sponsored articles with industry publications Canadian Grocer and L'Actualité alimentaire.

To further amplify the program, Think Turkey engaged influencer partners from across Canada to share their favourite veggie and turkey pairing recipes throughout the month. To expand reach and engage new audiences to further align turkey with veggies, Think Turkey / Pensez Dindon teamed up with vegetable brands and boards to develop co-branded content and a digital retail flight with Loblaws was activated.

The Global Griller's Bird

Kicking off the summer months, Think Turkey/ Pensez Dindon relaunched The Griller's Bird campaign to inspire Canadians to think turkey on the grill all summer long. A twist on the existing campaign, brought global flavours to the BBQ with the Global Griller's Bird program. The campaign showcased international cuisines while continuing to share the

THINK TURKEY MARKETING REPORT

versatility of turkey when grilled across a variety of flavour palates like Jamaican jerk, Portuguese piri-piri and Thai satay. The campaign featured celebrity chefs from across Canada including Wall of Chefs alum Nuit Regular, Montreal-based restaurateur Chuck Hughes, and from Netflix's Restaurants on the Edge, Dennis Prescott. On TV, culinary expert Andrea Buckett brought her turkey grilling how-tos to CP24 and acclaimed Toronto chef and author Adrian Forte shared his Jamaican jerk turkey wings recipe with CityNews Toronto.

To invite new Canadians to try turkey on the grill, Think Turkey also launched a multicultural grilling campaign targeted to South Asian Canadians in Greater Toronto and Vancouver.

Back to School Season

With summer coming to an end, the focus shifted to back-to-school season, engaging primary meal planner audiences to Think Turkey for quick, easy-to-make school lunches and nutritious weekday meals. The campaign also continued to engage younger Gen-Z and Millennial audiences, or first-time cooks, to consider cooking with turkey as part of their everyday meals via engaging influencer and social content.

Think Turkey / Pensez Dindon partnered with George Brown Culinary School to develop and host a turkey-themed masterclass, led by George Brown alumni and celebrity chef Christine Cushing.

The First Ever Thanksgiving Song

Given the insight that music and scent can unlock memories, especially around the holidays, and that music, like a good Thanksgiving dinner, has the power to connect family and friends, Think Turkey / Pensez Dindon teamed up with Canadian JUNO-nominated jazz singer Alex Bird to write and produce "The Sweetest

Moments", a nostalgic tune that got Canadians in the mood to celebrate and host a traditional Thanksgiving dinner.

The song has achieved over 70,000 streams on Spotify to date and received airplay on radio stations across the country. Think Turkey refreshed the 30-second TV ad spot with Bird's song and new footage to call Canadians back to the holiday table. The ad aired on broadcast TV and digital pre-roll in the lead up to and over Thanksgiving weekend.

While the Sweetest Moments song got Canadians in the spirit to celebrate and saw media talking turkey, Think Turkey engaged influencers like Randy Feltis (ON), Ashley Fehr (MB) and Karolane Rondeau (QC) to amplify the song across Instagram and TikTok with Thanksgiving turkey recipes and "The Sweetest Moments" as the videos' soundtrack. The campaign also generated segments on national outlets like CBC, CityNews and iHeartRadio that syndicated across the country. For the first time, Think Turkey developed a Thanksgiving hub on the website which featured Thanksgiving recipe inspiration, whole turkey tips and tricks and a link to stream "The Sweetest Moments". Across these campaign activations, ThinkTurkey.ca saw an 82% increase in site visitors in the lead up to and over Thanksgiving weekend as compared to 2021, and a 157% increase in time spent on the website.

Turkey Makes the Season Brighter

To reinforce the message that it's not the holidays without turkey, this festive season Think Turkey / Pensez Dindon launched a new ad campaign across social and digital platforms titled 'Turkey Makes the Season Brighter.' The ads showcased the Think Turkey / Pensez Dindon drumstick logo lighting up festive scenes, like the top of the Christmas tree and on Rudolph's nose. Holiday messaging was also

THINK TURKEY MARKETING REPORT

reinforced through the 30-second Manifesto TV ad in both English and French markets.

To make the season brighter, Think Turkey / Pensez Dindon launched the 12 Days of Giveaways contest across Facebook and Instagram, featuring a daily prize to help followers cook turkey with ease during the holidays and star influencers Jamie Milne, Randy Feltis and Max L’Affame also developed delicious and trending turkey recipe videos, amplified across Instagram and TikTok.

In December, Think Turkey / Pensez Dindon launched the first ever Holiday Turkey Tok Challenge, engaging the TikTok community to develop and post their most innovative turkey recipes for the chance to win a cash prize. The best part – users need to purchase a turkey to participate.

Stay tuned for more deliciously inspiring Think Turkey / Pensez Dindon programs to come throughout 2023!



TFC MARKETING ANALYSIS



The National Marketing Working Group established benchmarks to monitor the return on investment and performance indicators for the Think Turkey/Pensez Dindon campaign. Nielsen's Marketing Mix Measurement (MMM) was engaged to review and analyze the spend on various media tactics against the retail scan data from purchases within the turkey category. The performance indicators will be used against last year's campaign as well as this year's. Key takeaways included:

- When reviewing the total media dollars spent year-over-year it was noted that the return on advertising spend is steadily increasing.
- Facebook and Instagram have remained the top performing platforms for sales return.
- TV, followed by Facebook/Instagram and Online Advertising, have proven to be the most effective mediums at driving returns year-over-year, while Out of Home (OOH) advertising (billboards) has not been as efficient. Recommend redistributing media spend away from OOH and towards media that drives the highest returns, focusing on digital.
- Facebook and Instagram have seen a stronger return on investment as compared to Pinterest and LinkedIn. Recommend increasing spend on these channels.
- Continue to focus on earned Public Relations efforts, as it drives significant impressions for the Think Turkey campaign as a mass awareness tactic.
- Overall campaign impressions are compared year over year to ensure campaign goals are being achieved.
- Usage and attitude consumer survey comparisons conducted every two years.

TFC REPORT

Avian Influenza

Moving into 2022, much of TFC's focus has been on avian influenza. Nationally, over the last year TFC staff, the National Poultry Group (NPG), Animal Nutrition Association of Canada (ANAC) and the Canadian Food Inspection Agency (CFIA) held regular meetings to discuss emerging issues as it pertains to avian influenza.

The national feather groups met with Minister Bibeau regarding avian influenza on April 29 and November 18; she was understanding of the issues faced and receptive towards working with our groups through this process. The National Poultry Group held two meetings in August with representatives of Western and Eastern Provincial feather boards to hear feedback on avian influenza by province and on region-specific issues by commodity. These meetings helped the national groups dial-in on topics for CFIA. TFC participated in several other meetings on avian influenza, including two lessons learned meetings with CFIA, and a NPG/ANAC Provincial HPAI Stakeholder meeting in October. TFC recognizes and appreciates the hard work being undertaken provincially and by individual farmers on avian influenza.

Allocation Policy Review

Another primary focus by the agency, was the development of a new National Commercial Allocation Policy for distributing allocation changes amongst the eight signatory provinces, to the Federal-Provincial Agreement (FPA) for turkey. In total, the Allocation Policy Review Committee (APRC) met eleven times and combined with sub-committee meetings, a total of eighteen meetings were held. As a result of the significant progress made by the APRC in 2022, the TFC Executive Committee is targeting the end of the first quarter of 2023 as the date for completion of recommendations for the TFC Board. As a result of

the Agency's focus on developing a new Commercial Allocation Policy in 2022, policy items subject to review and direction by the Agency's Supply Policy Committee (SPC) are extended into 2023.

Advocacy Work

In terms of advocacy work, TFC spent much time on COVID, CUSMA mitigation, and engagement in other timely events through 2022. The Agency monitored key topics for the turkey sector and the wider supply managed industries. This involved watching Parliamentary Committees, legislation, current events and news across agri-food, the Conservative Leadership race, and several other items where TFC advocacy is potentially needed.

In 2022, TFC in conjunction with the national SM5 and SM4, was able to host advocacy events again, with COVID restrictions lifted. This included Downtown Diner on June 9 and Federation of Canadian Municipalities (FCM) Conference from June 2-5.

FCM provided an opportunity to speak with Mayors, city councillors and other municipal leaders from across Canada. Additionally TFC participated in a panel titled Farmers Support Communities with Debbie Etsell speaking for TFC and Calvin Bruekelman for CHEP, hosted by TFC staff. The Downtown Diner generated positive awareness for supply management with a theme of how supply management ensures access to fresh, local, and high-quality food, across Canada. Farmers and representatives from each commodity group met with key government stakeholders, local media, and members of the Ottawa public.

Compensation work

2022 saw CUSMA compensation announced in the Fall Economic Statement. Following this, TFC participated in announcements on November 14 with Minister

TFC REPORT

Bibeau in Sherbrooke QC and on November 17 with MP Lloyd Longfield on behalf of the Minister in Guelph ON, to provide details on various aspects of the compensation funding.

For poultry and egg producers, there was a total of \$112 million under the Poultry and Egg On-Farm Investment Program with \$15 million of that going to turkey farmers. This concludes a long negotiation process between SM4 and the Federal Government, resulting in a commitment to follow through on CUSMA compensation. TFC and the SM4 will continue our advocacy efforts to remind the Government of its commitment to no further access in future trade, or bilateral agreements.

TFC encourages all farmers to sign up now for the PEFIP, even if they are not planning to apply for a few years, as this will help to ensure a smooth process. We appreciate the provincial boards assistance in spreading this message and any questions can be directed to TFC.

On-Farm Program

In terms of the TFC On-Farm Food Safety Program© (OFFSP) and Flock Care Program© (FCP), implementation continued in 2022 across provinces despite the ongoing avian influenza outbreak and the COVID-19 pandemic, which required adjustments to the audit process. With both programs being mandatory, 99 percent of existing turkey farmers have been certified under the TFC On-Farm Programs, with new entrants undergoing the initial certification process.

Following a review of the TFC On-Farm Programs in 2021 to ensure continuous improvement, several edits to both the commercial and turkey breeder module were published in the spring of 2022 for implementation by producers by August 31, 2022.

The edits were based on feedback from management reviews and scientific developments. Comments were last received on the producer manuals when they were reprinted in 2019, so all edits and comments were intended to provide additional clarification to select program requirements. Prior to publication, the edits obtained necessary approvals from the TFC Board of Directors and were presented to the Canadian Food Inspection Agency (CFIA) and the National Farm Animal Care Council (NFAACC) to confirm continued recognition for the TFC OFFSP and FCP.

Further work by TFC

The national marketing campaign was ongoing through 2022. More in-depth results of the campaign are available in the 2022 TFC Annual Report set to release in March 2023. The campaign continues to reach new target audiences and exceed benchmarks for impressions.

Finally, TFC undertook a comprehensive strategic planning session with the Board and staff in fall 2022. Departmental updates were reviewed as well as previously identified Key Result Areas to set priorities for the next 3 to 5 years, along with a revised business plan.

Full details of TFC operations are also available in the Annual Report. TFC appreciates work by all farmers, staff and provincial boards for continued collaboration and cooperation during this difficult year.

Financial Statements of

**BRITISH COLUMBIA
TURKEY MARKETING BOARD**

And Independent Auditors' Report thereon

Year ended December 31, 2022



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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, 2022
- 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, 2022 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 15, 2023

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 331,410	\$ 115,774
Accounts receivable (note 2)	103,629	141,685
Investments (note 3)	3,230	162,639
Prepaid expenses	5,113	7,465
	<u>443,382</u>	<u>427,563</u>
Restricted investments (note 3)	615,000	750,000
Capital assets (note 4)	15,340	16,120
	<u>\$ 1,073,722</u>	<u>\$ 1,193,683</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 254,745	\$ 193,551
Net assets:		
Investment in capital assets	15,340	16,120
Internally restricted (note 6)	615,000	771,649
Unrestricted	<u>188,637</u>	<u>212,363</u>
	818,977	1,000,132
Contingencies (note 7)		
	<u>\$ 1,073,722</u>	<u>\$ 1,193,683</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, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Levies revenue:		
Primary levies collected	\$ 818,962	\$ 870,858
Turkey Farmers of Canada Marketing Levy - Growers	255,926	272,143
Turkey Farmers of Canada Marketing Levy - Processors	254,747	270,724
Less: Marketing Levy remitted to Turkey Farmers of Canada	(510,673)	(548,980)
	818,962	864,745
Other revenues:		
Interprovincial allocation lease revenue	112,031	-
Promotions	47,055	47,055
Interest income	24,510	20,478
License income	14,550	13,250
	198,146	80,783
	1,017,108	945,528
General and administrative expenses:		
Primary levies remitted to Turkey Farmers of Canada	368,693	396,440
Wages and benefits	242,055	303,569
Per diems	127,078	62,218
Interprovincial allocation lease payments	102,624	-
Promotion expenses	55,217	72,952
Office supplies	46,589	28,843
Rent and property costs (note 8)	41,365	36,267
BCTA producers membership dues (note 8)	20,483	22,024
Professional fees	17,086	30,406
Meetings and conventions	14,995	19,118
Amortization	3,799	3,897
Bank charges	3,220	2,638
	1,043,204	978,372
Deficiency of revenues over expenses before the undernoted items	(26,096)	(32,844)
Other income (expenses):		
Grant revenues	68,010	-
Grant expenses	(44,130)	-
AI expenses (note 10)	(54,254)	-
Loss on investments	(124,685)	(57,901)
	(155,059)	(57,901)
Deficiency of revenues over expenses	\$ (181,155)	\$ (90,745)

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	Investment in capital assets	Internally restricted (note 6)	Unrestricted	Total 2022	Total 2021
Net assets, beginning of year	\$ 16,120	\$ 771,649	\$ 212,363	\$ 1,000,132	\$ 1,090,877
Deficiency of revenues over expenses	(3,799)	(21,649)	(155,707)	(181,155)	(90,745)
Interfund transfer	-	(135,000)	135,000	-	-
Invested in capital assets	3,019	-	(3,019)	-	-
Net assets, end of year	\$ 15,340	\$ 615,000	\$ 188,637	\$ 818,977	\$ 1,000,132

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$ (181,155)	\$ (90,745)
Items not involving cash:		
Amortization	3,799	3,897
Loss on investments	124,685	57,901
	<u>(52,671)</u>	<u>(28,947)</u>
Changes in non-cash operating working capital:		
Accounts receivable	38,056	(64,854)
Prepaid expenses	2,352	(4,662)
Accounts payable and accrued liabilities	61,194	34,886
	<u>48,931</u>	<u>(63,577)</u>
Investing:		
Decrease (increase) in investments, net	169,724	(18,750)
Purchase of capital assets	(3,019)	(4,463)
	<u>166,705</u>	<u>(23,213)</u>
Increase (decrease) in cash and cash equivalents	215,636	(86,790)
Cash and cash equivalents, beginning of year	115,774	202,564
Cash and cash equivalents, end of year	<u>\$ 331,410</u>	<u>\$ 115,774</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements

Year ended December 31, 2022

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, 2022

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, 2022

2. Accounts receivable:

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

3. Investments:

	Cost	2022 Market	Cost	2021 Market
Investments	\$ 705,484	\$ 618,230	\$ 876,170	\$ 912,639
Internally restricted amounts	(615,000)	(615,000)	(750,000)	(750,000)
Unrestricted investments	\$ 90,484	\$ 3,230	\$ 126,170	\$ 162,639

The Board has internally restricted \$615,000 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	2022 Net book value	2021 Net book value
Furniture and fixtures	\$ 174,405	\$ 159,708	\$ 14,697	\$ 15,046
Computer software	23,821	23,391	430	861
Leasehold improvements	40,117	39,904	213	213
	\$ 238,343	\$ 223,003	\$ 15,340	\$ 16,120

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$12,216 (2021 - \$13,649), which includes amounts payable for GST and payroll related taxes.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Internally restricted:

	2022	2021
Reserve for self-insurance	\$ 615,000	\$ 750,000
Liquidated damages fund	-	21,649
	\$ 615,000	\$ 771,649

The reserve for self-insurance is internally restricted for any disease issues that may affect the turkey industry in the province.

During the year, the Board approved a \$135,000 (2021 - nil) transfer from the reserve for self-insurance to unrestricted net assets.

7. Contingencies:

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 (2021 - \$96,785) expiring November 2023. The letter of credit automatically renews every November. The Board has estimated liquidated damages for the 2021/2022 quota year to be nil. The final liability for the 2022/2023 quota year will be based on actual production up to the end of the quota year and will be recorded at that time.

The Board is party to an agreement with the BC Chicken Marketing Board and the BC Broiler Hatching Egg Commission in that extraordinary costs to clean and disinfect an infected premise resulting from a confirmed notifiable Avian Influenza occurrence in BC for a registered producer/grower are partially covered. The Board has committed to set aside a minimum of \$250,000 to help cover these costs. As of December 31, 2022, the Board has paid \$54,254 to reimburse producers for cleaning and disinfecting costs.

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.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Economic dependence (continued):

During the year, the Board made rental payments of \$28,861 (2021 - \$28,020) and producers membership dues payments of \$20,483 (2021 - \$22,024) 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.

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. Impact of Avian Influenza:

Beginning in May 2022, Avian Influenza has had a significant impact on turkey production in British Columbia. The situation is dynamic and the ultimate duration and magnitude of the Avian Influenza event and the financial effect on our operations is not known at this time but may be considerable.

BC TURKEY ASSOCIATION



PRESIDENT'S STATEMENT

2022 turned out to be another challenging year for our BC turkey sector. The start of the year included engagement with various levels of government in the aftermath of the November 2021 floods. We were also focused on being vigilant on our farms throughout the year as Avian Influenza cases continued to occur across the world. Unfortunately, AI ended up infecting quite a few turkey farms in BC.

On the AI front, our Association Directors along with several growers stepped up to work on the industry-led Emergency Operations Centre. They played critical roles in communicating with infected premise owners and farm managers, and helping secure sawdust and labour to complete destruction, cleaning, and disinfection activities. On behalf of the Association, I'd like to thank all growers, processors, hatcheries and other industry stakeholders for continuing to maintain high biosecurity standards and supporting each other during such a trying time.

On a lighter note, we had another successful joint Turkey and Egg farmer's charity golf tournament in 2022. We were able to raise over \$100,000 for Union Gospel Mission. This is a great organization to support,

and we are very happy to hear every year about how our meal donations impact those in need.

We have turned a corner with COVID-related restrictions and are excited to have an in-person BC Poultry Conference and AGM with the rest of our poultry industry colleagues in 2023. We are also looking forward to carrying out a joint strategic planning process with the Marketing Board to help ensure comprehensive planning for our growers and sector stakeholders. We will continue to hold Growers Meeting at our office throughout the year and encourage growers to take advantage of these opportunities to share information and get to know each other.

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. It has been a pleasure and honor to serve you as Association President this past year.

Sincerely,
Steve Heppell

The BC Turkey Association Directors as of December 31, 2022 include:

Steve Heppell, President
Stan Thiessen
Erv Wiens
Henry Klassen
Myles Andrew
Steve Froese



Financial Statements of

**BRITISH COLUMBIA
TURKEY ASSOCIATION**

And Independent Practitioners' Review Engagement
Report thereon

Year ended December 31, 2022



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Tel (604) 854-2200
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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, 2022, 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, 2022, 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 15, 2023

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 152,897	\$ 132,913
Term deposit (note 2)	30,668	30,203
Accounts receivable	2,276	3,044
Prepaid expenses and deposits	4,164	2,347
	<u>190,005</u>	<u>168,507</u>
Capital assets (note 3)	70,078	75,569
Long-term investment (note 4)	1	1
	<u>\$ 260,084</u>	<u>\$ 244,077</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,232	\$ 3,073
Deferred capital contributions (note 5)	10,411	13,014
	<u>13,643</u>	<u>16,087</u>
Net assets:		
Investment in capital assets (note 6)	59,667	62,555
Unrestricted	186,774	165,435
	<u>246,441</u>	<u>227,990</u>
	<u>\$ 260,084</u>	<u>\$ 244,077</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Rental income (note 8)	\$ 28,861	\$ 28,020
Producers membership dues (note 8)	20,483	22,024
Amortization of deferred capital contributions	2,603	3,254
Interest income	465	45
	<u>52,412</u>	<u>53,343</u>
Expenses:		
Amortization	5,491	6,362
Annual general meeting	5,407	-
BC Poultry Association	10,321	13,052
Directors - expenses	469	239
Directors - per diems	2,000	5,250
Office and general	690	143
Professional fees	3,610	3,758
	<u>27,988</u>	<u>28,804</u>
Excess of revenue over expenses before the undernoted item	24,424	24,539
Golf tournament (note 7)	(5,973)	-
Excess of revenue over expenses	<u>\$ 18,451</u>	<u>\$ 24,539</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	Investment in capital assets (note 6)	Internally restricted	Unrestricted	Total 2022	Total 2021
Net assets, beginning of year	\$ 62,555	\$ -	\$ 165,435	\$ 227,990	\$ 203,451
Excess (deficiency) of revenues over expenses	(2,888)	-	21,339	18,451	24,539
Internally imposed restrictions (note 7)	-	75,995	(75,995)	-	-
Approved expenditures (note 7)	-	(75,995)	75,995	-	-
Net assets, end of year	\$ 59,667	\$ -	\$ 186,774	\$ 246,441	\$ 227,990

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 18,451	\$ 24,539
Items not involving cash:		
Amortization	5,491	6,362
Amortization of deferred capital contributions	(2,603)	(3,254)
	21,339	27,647
Changes in non-cash operating working capital:		
Accounts receivable	768	8,418
Prepaid expenses and deposits	(1,817)	(500)
Accounts payable and accrued liabilities	159	225
	20,449	35,790
Investing:		
Increase in term deposit	(465)	(44)
Increase in cash	19,984	35,746
Cash, beginning of year	132,913	97,167
Cash, end of year	\$ 152,897	\$ 132,913

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2022

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, 2022

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.

(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.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

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 2.850%; maturing December 13, 2023.

3. Capital assets:

			2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value	Net book value	Net book value
Buildings	\$ 151,961	\$ 94,223	\$ 57,738	\$ 60,144		
Equipment	21,423	9,083	12,340	15,425		
	<u>\$ 173,384</u>	<u>\$ 103,306</u>	<u>\$ 70,078</u>	<u>\$ 75,569</u>		

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:

	2022		2021	
100 Class D Common shares	\$	1	\$	1

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

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:

	2022	2021
Deferred capital contributions, beginning of year	\$ 13,014	\$ 16,268
Less: amortization of deferred capital contributions	(2,603)	(3,254)
	\$ 10,411	\$ 13,014

6. Invested in capital assets:

a) Invested in capital assets is calculated as follows:

	2022	2021
Capital assets	\$ 70,078	\$ 75,569
Amounts financed by deferred capital contributions	(10,411)	(13,014)
	\$ 59,667	\$ 62,555

b) Deficiency of revenues over expenses:

	2022	2021
Amortization of deferred capital contributions	\$ 2,603	\$ 3,254
Amortization of capital assets	(5,491)	(6,362)
	\$ (2,888)	\$ (3,108)

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2022

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.

	2022	2021
Revenue	\$ 187,753	\$ 115,950
Expenses	(35,763)	(34,256)
	151,990	81,694
Allocation of net proceeds:		
BC Egg Marketing Board	(75,995)	(40,847)
BC Turkey Association	(75,995)	(40,847)
	\$ -	\$ -

During the year, the Board of Directors restricted \$75,995, (2021 - \$40,847) for donations to the Union Gospel Mission ("UGM") and spent \$75,995 (2021 - \$40,847) on donations to UGM.

	2022	2021
Net proceeds	\$ 75,995	\$ 40,847
Donations to UGM	(75,995)	(40,847)
	\$ -	\$ -

During the year, the Association incurred an additional \$5,973 (2021 - nil) of costs related to the golf tournament. These costs were not shared with BC Egg and are recorded on the financial statements as an expense to the Association.

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 \$28,861 (2021 - \$28,020) 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 \$20,483 (2021 - \$22,024) 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, 2022

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.