



ANNUAL REPORT

2023



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BC TURKEY MARKETING BOARD

BOARD MEMBERS



KALPNA SOLANKI

Chair



RANDY REDEKOP

Board Member



JAMES KRAHN

Board Member & Vice Chair



SHAWN HEPPELL

Board Member



DEBBIE ETSSELL

Board Member, TFC Director



Left to Right - Randy Redekop, Kalpna Solanki, Shawn Heppell, Debbie Etsell, James Krahn

STAFF

NATALIE VELES

Executive Director

KOURTNEY KRAUSE

On-Farm Program Coordinator

NANCY SAMPSON

Office Manager

SUSAN MALLORY

Production Coordinator

CHAIR'S STATEMENT

What we thought was an unusual year in terms of Highly Pathogenic Avian Influenza (HPAI) in 2022, was not too unusual, as we had similar challenges in 2023, and we needed to pull together and support each other through yet another challenging year.



The industry's response was quite remarkable, at every level – from BC Turkey Marketing Board staff, to board directors, to the Emergency Operations Centre (EOC) team.

Although the spectre of HPAI hovered over us, we were able to get together and support our community through the industry's charity golf tournament in July.



Debbie Etsell, Randy Redekop, and Kalpna Solanki at the annual BC Turkey & Egg charity golf tournament

We were also persistent in accomplishing some goals that we had planned to achieve in 2023. To name a few:

1. Finalizing the Strategic Plan with four Strategic Priorities:
 - Grow the Market
 - Manage Risks
 - Administer Pricing
 - Build Strong Relationships
2. Developing/fine tuning our Vision and Mission;
3. Revamping of the General Orders to reflect changes in the industry;
4. Working with the Farm Industry Review Board on Administrative Monetary Penalties Policies and Procedures;
5. Collaborating with other poultry boards on the Ministry's Farmed Animal Welfare Framework Project; and,
6. Working with our processors to adjust our live price model.

I am fortunate to have the opportunity to work with a dedicated Board of Directors, staff team, other poultry boards, as well as provincial ministry staff, and the Minister of Agriculture, as we navigate the challenges that the industry continues to face.

Despite the challenges, I am confident that our industry will continue to grow and prosper as we work together and support each other.

Sincerely,



Kalpna Solanki
Chair

EXECUTIVE DIRECTOR'S REPORT

I am pleased to submit my report for 2023. It has been a busy year with many Board initiatives, events, opportunities, and a few challenges sprinkled in for good measure.

AVIAN INFLUENZA

Unfortunately, it was another busy year on the Avian Influenza front. While we had a reprieve for the first 10 months of 2023, late October brought a wave of new infections to BC poultry farms. We officially entered red biosecurity status on October 20, 2023.

There were fewer turkey farms infected and fewer turkeys culled in 2023 compared to 2022, but the impact was still substantial. We lost around 2.5Mkg of turkey product.

To help offset some of the losses, our office secured an interprovincial lease with Ontario. We also supported growers through the outbreak by sharing information, helping answer questions, and solving problems as they arose. We facilitated the submission of 154 permits to the CFIA to allow placements and shipments to occur and responded to media inquiries as they came up.



Interview on Global News Live discussing HPAI and turkey supply

In 2023, we worked with the BC Chicken Marketing Board and BC Broiler Hatching Egg Commission to explore AI-related insurance options. After receiving results of a premium study done by the Canadian Egg Industry Reciprocal Alliance (CEIRA), the Board decided it would be best to look at other options in 2024 that can be more tailored to our turkey sector.

BLACKHEAD

We had 5 farms affected by blackhead (histomoniasis) in 2023. Mortality in the affected flocks ranged from 6% to 84%. Disease notices were issued immediately to industry following the grower notifying the office of the positive disease detection. Grower cooperation this year for both blackhead and HPAI was excellent in the turkey sector.

PRICING

We started to see some relief on feed prices in 2023. The Board met with processors on several occasions to discuss BC's live price differential over Ontario. To allow time for ongoing dialogue with processors, the Board implemented a freeze on differential increases over Ontario across all three categories (broilers, hens, and toms) part way through the year that remained in place as of December 31, 2023.

APPEALS

On June 30, 2023, we were notified by the BC Farm Industry Review Board (FIRB) that K&M Farms appealed the Board's June 2nd decision declining K&M's request for the Board to direct a Class A processing facility to establish custom kill priority days. The Board's decision followed a consultation process that saw input from key stakeholders and discussion between those with hands-on production, processing, and marketing experience.

The hearing was held in Abbotsford on October 23-24, 2023. As of December 31, 2023, a decision is pending from FIRB.

GENERAL ORDERS AMENDMENTS

In 2023, the Board issued four amendments to the General Orders (#14-17):

14. The definition of "poult" was added to clarify permissible activities for poult brokers.
15. Available quota leasing tools were clarified and moved into the Quota Regulation section of the Orders.
16. Class II and Class III license categories were added for Direct Vendor Growers.

17. The Terms of Reference for the New Entrant and Specialty Markets Committee were modified to better enable the Board to appoint members to the Committee.

COMPLIANCE ENFORCEMENT

In July, the Board issued a notice of non-compliance to 5 Direct Vendors who were brooding their turkeys collectively at one premise. Follow-up will be done throughout 2024 to ensure the General Orders are being adhered to.

TFC ON-FARM PROGRAMS

The office continued its audits of the TFC On-Farm Food Safety and Flock Care programs on BC turkey farms throughout 2023. Some audits were changed from full audits to records reviews following the move to red biosecurity in October.

The most common corrective actions for the TFC programs were related to record keeping and Standard Operating Procedures documentation.

The office also had its internal audit which is done by TFC every 5 years to ensure good record keeping and program management practices. I am happy to report that the audit went well.

COMMUNICATIONS

In March, we launched our new website (www.bcturkey.com). The new site features updated information on the industry, a recipe page, and information for consumers on where to buy BC-raised turkey products.

We also implemented industry newsletters in the fall, with a new edition sent out every 4 to 6 weeks. I hope growers find this new channel to be an effective way to receive key information on regulations, events, and upcoming deadlines.

MARKETING

This year, we continued our ongoing traffic and weather advertisements with CKNW radio. In October, we worked with Chef Ned Bell for a cooking segment on CTV Morning Live where he walked through his favourite tips for selecting, preparing, and cooking a holiday turkey.



Mona Mahmoud and Ned Bell talking turkey on CTV Morning Live

We also launched our partnership with Raj Thandi of Pink Chai Media in 2023. Raj created three delicious recipes featuring BC turkey: Nimbu Turkey, Turkey Parontha Pockets, and a Turkey Lasagna. Raj's posts on social media tallied over 42,500 views.



Raj Thandi's Turkey Lasagna (left) and Nimbu Turkey (right)

I would like to extend a heartfelt thank you to all the growers and turkey industry stakeholders. Thanks for your time, patience, and generosity as I have continued to learn about the industry and, as always, thank you for your hard work throughout the year. It's a pleasure to work with you all.

Respectfully submitted,

Natalie Veles
Executive Director

TFC REPORT

The Canadian turkey industry experienced developments, challenges, and milestones across our sector in 2023 influencing work of the Turkey Farmers of Canada (TFC): a continuation of the historic levels of infections in turkeys with high path avian influenza (HPAI); ongoing work on the National Allocation Policy, year-five of the National Marketing Campaign, a constructive set of meetings of the Directors on a new Strategic Plan for 2024-26, and some moderate growth in farm output and domestic disappearance. In 2023, domestic disappearance of all turkey and turkey products increased to 134.8 million kg, which represents an increase of 5.3% over 2022. A positive amid some of the challenges faced through 2023.

The year began with the conclusion of the Lifecycle Assessment (LCA) of the turkey industry. This study, conducted by Groupe AGÉCO, was completed with the participation of turkey farmers, breeders, the feed industry, and processors across Canada.

The LCA establishes how current sectoral practises contribute to the carbon footprint and social performance of the turkey sector, providing a benchmark from which to evaluate future work. We appreciate the time and effort of all who participated. This journey will be ongoing for TFC and more LCA information is available on the TFC website.

HPAI posed ongoing challenges to our industry with disruptions across Canada. TFC worked with the Canadian Food Inspection Agency (CFIA), provincial board offices and industry associations to build capacity for response efforts, while considering lessons learned from the avian influenza situation. At TFC in 2023, a Farmer HPAI Committee was established with a representative from each province. The committee provided an avenue for information and for practical feedback on communication materials. The Committee set several priority work items, including cleaning and disinfection SOPs and a preparedness Guidebook.

The Guidebook incorporated details on the HPAI response in Canada and a farm-specific preparedness planning section with SOPs and resources for producers to consider farm specific protocol should HPAI be detected on their farm. TFC HPAI Committee members are a valuable resource for practical information and support for other farmers.

The TFC On-Farm Food Safety Program[®] (OFFSP) and Flock Care Program[®] (FCP) were again implemented across provinces in 2023 despite the ongoing avian influenza outbreak necessitating adjustments to the audit process. With both programs being mandatory, 99% of existing turkey farmers have been certified under the TFC On-Farm Programs, with new entrants undergoing the initial certification process.

Throughout 2023, TFC conducted a review of TFC On-Farm Programs, focusing on assessing and strengthening the biosecurity requirements of the TFC On-Farm Food Safety Program[®] (OFFSP) resulting from the experience with avian influenza. It also considered potential new science and regulations, feedback from management reviews, and comments received from Provincial Boards, auditors, and producers since the last review for both the TFC OFFSP and the TFC Flock Care Program[®] (FCP). A draft including these recommended edits was developed by the TFC On-Farm Programs Committee and circulated to Provincial Boards for consultation in November. The final drafts for both programs will be presented to the TFC Board of Directors for approval, then followed by necessary reviews by the CFIA and the National Farm Animal Care Council (NFACC) expected in the first half of 2024.

Movement was made in 2023 on the development of a new National Commercial Allocation Policy. This policy, which distributes allocation changes amongst the eight member provinces of the Agency, was concluded at the TFC 275th General Meeting in September and the final written text was adopted at the TFC 276th General Meeting in November 2023. With this, the Allocation Policy review process,

initiated in the fall of 2016, was brought significantly towards completion and the new Allocation Policy was effective starting with the 2023/2024 control period. There does remain some work to do on a separate but related process with a hope for completion by early in the new year. The focus in most of 2023 was on a new Commercial Allocation Policy, and therefore, the review of other Agency policies (Primary Breeder, Multiplier Breeder, Export and Inter-Provincial Leasing Guidelines) have been prioritized for 2024.

Also on a positive note, by the end of 2023, the Poultry and Egg On-Farm Investment Program (PEFIP) had 63% of turkey producers registered with 180 applications received totalling \$31 million in requested funding. Currently, 102 turkey applications have been approved with 97 claims paid equalling \$13 million. The cost shared program aims to help supply-managed poultry and egg producers adapt to market changes resulting from the implementation of the CPTPP and the CUSMA agreements. TFC encourages all producers to sign up to this program. It supports on-farm investments that increase efficiency or productivity, improves on-farm food safety, biosecurity, environmental sustainability, and responds to consumer preferences.

Some challenges arose in regard to sentiment towards supply management within the media and with parliamentarians in 2023. However, we saw positive movement on Bill C-282, an *Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*. In June 2023, the Bill passed Third Reading in the House of Commons and was later introduced in the Senate. TFC participated in press conferences held by the Bloc Quebecois early in the year. The SM5, held several advocacy meetings through the Fall with a key focus on two lobby days on November 7 and November 23 in Ottawa. This presented a strong supply managed voice in support of the Bill, while also allowing the identification of any concerns of the Bill by Senators for the SM5 to address.

A media and advertising campaign was also undertaken with information and facts about supply management. One aspect of the campaign was a survey conducted by Abacus Data looking at Canadians' perspectives on the food system and the value placed on supply management. According to the findings, 9 in 10 Canadians say it's important to them that the dairy, eggs, chicken and turkey they buy come from Canada. This sentiment is strong across multiple demographics and geographical regions, reflecting a shared belief in the benefits of this approach. The survey also highlights 94% of Canadians consider it a 'good thing' that local dairy, poultry, and egg products are produced with high standards of food safety and animal care under supply management. Furthermore, 97% of respondents feel it is important that Canada has strong domestic food supply chains that allow us to produce enough food to feed Canadians year-round. This survey will strengthen advocacy work on Bill C-282 and proactive media activity into 2024.

Bill C-234 - *an Act to amend the Greenhouse Gas Pollution Pricing Act* has been a focus for TFC and advocacy was undertaken through the Agency's membership with the Agriculture Carbon Alliance (ACA) over 2023. In December, a late-stage amendment in the Senate to Bill C-234 sent it back to the House of Commons. Under the ACA, Parliamentarian and Senator outreach will continue in addition to a #ShowYourReceipts campaign encouraging Canadian farmers to show the cost of the carbon tax. TFC Chair, Darren Ference's MP stood in question period, in late-December, to outline the cost of the tax on his turkey farm in conjunction with other MPs providing examples of farms in their respective ridings.

The national marketing campaign, Think Turkey, sustained efforts to increase demand for turkey both for everyday meals and the holidays. The campaign drove awareness of the benefits of turkey, aligned turkey with health-conscious lifestyles, met new target audiences and exceeded benchmarks for impressions. A detailed report of the marketing

campaign will be available in the TFC Annual Report released in March 2024.

To better understand the market for turkey meat in Canada and its dynamics, TFC commissioned an important piece of consumer research. It will span 19 months starting in December and is anticipated to uncover insights into consumer behaviour that will benefit this sector in the years ahead.

Overall, 2023 was a year of much activity and several initiatives were advanced in support of the turkey industry, underlining Turkey Farmers of Canada's ongoing commitment to meeting the needs of consumer preference, the market, and farmers across Canada.

As we enter the New Year, we reflect on the upcoming historical milestone of the TFC; Proclaimed into being as the Canadian Turkey Marketing Agency on February 14, 1974. The year ahead marks TFC's 50th Anniversary and is undoubtedly a time to celebrate supply management in the Canadian turkey sector. 2024 serves as a reminder of five decades of fostering supply management for the turkey industry, and the commitment to stability and efficiency in turkey production. A section of the TFC Annual Report and the TFC Chair's address at the local AGMs will provide insight into commemorating this milestone.

Submitted by Turkeys Farmers of Canada

STRATEGIC PLAN: 2024-2027

Developed by the BC Turkey Marketing Board and the BC Turkey Association in 2023, the following is an overview of the strategic plan for the next 3 years.

Vision

A thriving and successful BC turkey industry

Mission

To enhance the BC turkey industry within supply management through responsible decisions, exemplary leadership, and effective stakeholder relationships

Strategic Priorities



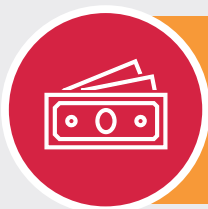
Grow the Market

- Engage with retail, food service, and processors on new and emerging market opportunities
- Gather baseline data on current turkey product offerings and sales in BC
- Work with TFC and processors to identify and capitalize on new export opportunities



Manage Risks

- Provide disease prevention education to growers and enable peer-to-peer learning
- Share information on current and emerging risks in a timely manner
- Develop clear plans to support industry stakeholders in times of crisis
- Identify and pursue tools to manage on-farm risks



Administer Pricing

- Ensure costs of production and a fair margin continue to be incorporated into the live pricing model
- Continue dialogue with processors to identify and pursue mutually beneficial outcomes



Build Strong Relationships

- Work with TFC and other provinces to uphold the national allocation policy
- Promote effective governance practices and sound equitable national policies
- Collaborate with stakeholders to promote, regulate, and serve the industry

Financial Statements of

**BRITISH COLUMBIA
TURKEY MARKETING BOARD**

And Independent Auditors' Report thereon

Year ended December 31, 2023



KPMG LLP
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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, 2023
- 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, 2023 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 13, 2024

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Financial Position

December 31, 2023, with comparative information for 2022

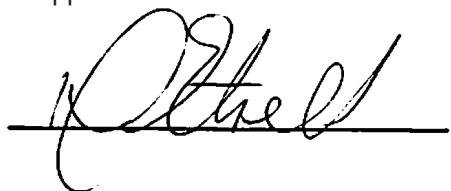
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 193,849	\$ 331,410
Accounts receivable (note 2)	114,960	103,629
Investments (note 3)	37,299	3,230
Prepaid expenses	4,249	5,113
	<u>350,357</u>	<u>443,382</u>
Restricted investments (note 3)	465,000	615,000
Capital assets (note 4)	13,372	15,340
	<u>\$ 828,729</u>	<u>\$ 1,073,722</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 136,527	\$ 254,745
Net assets:		
Investment in capital assets	13,372	15,340
Internally restricted (note 7)	465,000	615,000
Unrestricted	213,830	188,637
	<u>692,202</u>	<u>818,977</u>
Commitments (note 6)		
Contingencies (notes 8 and 12)		
	<u>\$ 828,729</u>	<u>\$ 1,073,722</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, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Levies revenue:		
Primary levies collected	\$ 1,070,304	\$ 818,962
Turkey Farmers of Canada Marketing Levy - Growers	309,909	255,926
Turkey Farmers of Canada Marketing Levy - Processors	249,695	254,747
Less: Marketing Levy remitted to Turkey Farmers of Canada	(559,604)	(510,673)
	1,070,304	818,962
Other revenues:		
Interprovincial allocation lease revenue	95,216	112,031
Promotions	47,055	47,055
Interest and other income (note 9)	31,326	24,510
License income	13,525	14,550
	187,122	198,146
	1,257,426	1,017,108
General and administrative expenses:		
Primary levies remitted to Turkey Farmers of Canada	446,415	368,693
Wages and benefits	305,359	242,055
Interprovincial allocation lease payments	87,788	102,624
Per diems	83,812	127,078
Promotion expenses	60,809	55,217
Professional fees	45,750	17,086
Rent and property costs (note 9)	44,009	41,365
Office supplies	43,305	46,589
Meetings and conventions	24,992	13,046
BCTA producers membership dues (note 9)	24,801	20,483
Farm auditor fees	21,744	1,949
Amortization	3,343	3,799
Bank charges	2,439	3,220
	1,194,566	1,043,204
Excess (deficiency) of revenues over expenses before the undernoted items	62,860	(26,096)
Other income (expenses):		
Gain (loss) on investments	13,471	(124,685)
Grant revenues	-	68,010
Grant expenses	-	(44,130)
AI expenses (note 12)	(203,106)	(54,254)
	(189,635)	(155,059)
Deficiency of revenues over expenses	\$ (126,775)	\$ (181,155)

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Investment in capital assets	Internally restricted (note 7)	Unrestricted	Total 2023	Total 2022
Net assets, beginning of year	\$ 15,340	\$ 615,000	\$ 188,637	\$ 818,977	\$ 1,000,132
Deficiency of revenues over expenses	(3,343)	-	(123,432)	(126,775)	(181,155)
Interfund transfer	-	(150,000)	150,000	-	-
Invested in capital assets	1,375	-	(1,375)	-	-
Net assets, end of year	\$ 13,372	\$ 465,000	\$ 213,830	\$ 692,202	\$ 818,977

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$ (126,775)	\$ (181,155)
Items not involving cash:		
Amortization	3,343	3,799
(Gain) loss on investments	(13,471)	124,685
	(136,903)	(52,671)
Changes in non-cash operating working capital:		
Accounts receivable	(11,331)	38,056
Prepaid expenses	864	2,352
Accounts payable and accrued liabilities	(118,218)	61,194
	(265,588)	48,931
Investing:		
Decrease in investments	129,402	169,724
Purchase of capital assets	(1,375)	(3,019)
	128,027	166,705
(Decrease) increase in cash and cash equivalents	(137,561)	215,636
Cash and cash equivalents, beginning of year	331,410	115,774
Cash and cash equivalents, end of year	\$ 193,849	\$ 331,410

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements

Year ended December 31, 2023

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, 2023

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, 2023

2. Accounts receivable:

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

3. Investments:

	Cost	2023 Market	Cost	2022 Market
Investments	\$ 541,268	\$ 502,299	\$ 705,484	\$ 618,230
Internally restricted amounts	(465,000)	(465,000)	(615,000)	(615,000)
Unrestricted investments	\$ 76,268	\$ 37,299	\$ 90,484	\$ 3,230

The Board has internally restricted \$465,000 of investments for self insurance. The investments have interest rates ranging between 1.78% and 6.93% and mature between November 2025 to June 2045.

4. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and fixtures	\$ 175,843	\$ 162,791	\$ 13,052	\$ 14,697
Computer software	23,821	23,606	215	430
Leasehold improvements	40,117	40,012	105	213
	\$ 239,781	\$ 226,409	\$ 13,372	\$ 15,340

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$14,959 (2022 - \$12,216), which includes amounts payable for GST and payroll related taxes.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Commitments:

The Company rents premises under long-term operating leases. Future minimum lease payments for the next three years are as follows:

2024	\$	30,612
2025		31,536
2026		32,484
	\$	94,632

7. Internally restricted:

	2023	2022
Reserve for self-insurance	\$ 465,000	\$ 615,000

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 \$150,000 (2022 - \$135,000) transfer from the reserve for self-insurance to unrestricted net assets.

8. 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 (2022 - \$96,785) expiring November 2023. The letter of credit automatically renews every November. The Board has estimated liquidated damages for the 2022/2023 quota year to be nil. The final liability for the 2023/2024 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 was 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. This agreement concluded following the Fall/Winter outbreak in 2022/2023 and resulted in payments from the Board totalling \$203,106 during the year (2022 - \$54,124).

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. 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 \$29,727 (2022 - \$28,861) and producers membership dues payments of \$24,801 (2022 - \$20,483) 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.

During the year, the Board received \$9,900 (2022 - nil) in payments for administrative services provided to the Association, which was recorded in interest and other income.

10. 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.

BRITISH COLUMBIA TURKEY MARKETING BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2023

11. Comparative information:

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

12. 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



BCTA PRESIDENT'S REPORT

I'd like to start my report by thanking everyone in our turkey industry for their collaboration and dedication this year. We have accomplished a lot and continue to persevere through disease challenges, which is only possible when we work together. My report will capture several key initiatives that the Association was engaged in throughout 2023.

In July, we hosted our annual charity golf tournament in partnership with BC Egg. A record was set for funds raised, with \$180,000 coming in from generous sponsors and players at the tournament. The funds are being used by the Union Gospel Mission (UGM) to purchase turkey and egg products for their outreach meals as well as fund their Fraser Valley Mobile Mission. The Association is grateful for everyone's participation and commitment towards this worthwhile cause.



UGM's Mobile Mission on display at the Golf Tournament

In August, we were successful in obtaining \$1 million in funding from the Ministry of Agriculture and Food's Farmed Animal Disease (FAD) Program. The bulk of the funds are earmarked to improve biosecurity and disease preparedness on our turkey farms. We have already seen some of those monies put to good use through the purchase of equipment and improved barn biosecurity measures and look forward to facilitating the funding of other great projects over the next 2 years.

Also, with support from the FAD Program, we were able to hold 4 workshops in September and October where we worked with Zach Fleming from Pacific Coast Agriculture to walk turkey growers through the Cleaning and Disinfection process required for HPAI. The workshops also served as an opportunity for growers to exchange ideas and talk about their experiences with HPAI on their farms. We had 37 attendees across the four sessions, representing 35 turkey farms and approximately 90% of our provincial production. Feedback from the workshops was overwhelmingly positive and the Association looks forward to hosting more production-focused sessions in the future.

In September, we did some joint strategic planning with the Marketing Board. We were able to work together and identify several areas where we can provide more support for our growers and work with other stakeholders in the industry to continue improving our disease preparedness and response efforts.

Unfortunately, October and November brought HPAI to several of our turkey farms. While disease outbreaks are never easy to deal with, our Association was engaged with the industry's Emergency Operations Centre to support the response. I'd like to thank all of our growers for their cooperation during the outbreak.

We're now looking ahead to a productive 2024. I would like to thank my fellow Association Directors 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

Financial Statements of

**BRITISH COLUMBIA TURKEY
ASSOCIATION**

And Independent Practitioner's Review Engagement Report
thereon

Year ended December 31, 2023



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

INDEPENDENT PRACTITIONER'S 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 balance sheet as at December 31, 2023, the statement of earnings, statement of 's equity 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 private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of British Columbia Turkey Association as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

February 14, 2024

BRITISH COLUMBIA TURKEY ASSOCIATION

Balance Sheet

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 15,237	\$ 152,897
Term deposit (note 2)	595,014	30,668
Accounts receivable	6,511	2,276
Prepaid expenses and deposits	-	4,164
	<u>616,762</u>	<u>190,005</u>
Capital assets (note 3)	73,137	70,078
Long-term investment (note 4)	1	1
	<u>\$ 689,900</u>	<u>\$ 260,084</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,263	\$ 3,232
Deferred contributions (note 5)	416,536	-
Deferred capital contributions (note 6)	8,329	10,411
	<u>438,128</u>	<u>13,643</u>
Net assets:		
Investment in capital assets (note 7)	64,808	59,667
Unrestricted	186,964	186,774
	<u>251,772</u>	<u>246,441</u>
	<u>\$ 689,900</u>	<u>\$ 260,084</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Earnings

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Rental income (note 9)	\$ 29,727	\$ 28,861
Producers membership dues (note 9)	24,801	20,483
Amortization of deferred capital contributions	2,082	2,603
Interest income	1,368	465
	<u>57,978</u>	<u>52,412</u>
Expenses:		
Amortization	4,978	5,491
Annual general meeting	12,911	5,407
BC Poultry Association	12,803	10,321
Directors - expenses	881	469
Directors - per diems	6,403	2,000
Office and general (note 9)	9,059	690
Professional fees	4,494	3,610
	<u>51,529</u>	<u>27,988</u>
Excess of revenue over expenses before the undernoted items	6,449	24,424
Other income (expenses):		
Grant revenues (note 5)	107,806	-
Grant expenses (notes 5 and 9)	(107,806)	-
Golf tournament (note 8)	(1,118)	(5,973)
	<u>1,118</u>	<u>(5,973)</u>
Excess of revenue over expenses	<u>\$ 5,331</u>	<u>\$ 18,451</u>

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of 's Equity

Year ended December 31, 2023, with comparative information for 2022

	Investment in capital assets (note 7)	Internally restricted	Unrestricted	Total 2023	Total 2022
Net assets, beginning of year	\$ 59,667	\$ -	\$ 186,774	\$ 246,441	\$ 227,990
Excess (deficiency) of revenues over expenses	(2,896)	-	8,227	5,331	18,451
Internally imposed restrictions (note 8)	-	85,338	(85,338)	-	-
Approved expenditures (note 8)	-	(85,338)	85,338	-	-
Net change in invested in capital assets (note 7(c))	8,037	-	(8,037)	-	-
Net assets, end of year	\$ 64,808	\$ -	\$ 186,964	\$ 251,772	\$ 246,441

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 5,331	\$ 18,451
Items not involving cash:		
Amortization	4,978	5,491
Amortization of deferred capital contributions	(2,082)	(2,603)
	8,227	21,339
Changes in non-cash operating working capital:		
Accounts receivable	(4,235)	768
Prepaid expenses and deposits	4,164	(1,817)
Accounts payable and accrued liabilities	10,031	159
Increase in deferred contributions	416,536	-
	434,723	20,449
Investing:		
Purchase of capital assets	(8,037)	-
Increase in term deposit	(564,346)	(465)
	(572,383)	(465)
(Decrease) increase in cash	(137,660)	19,984
Cash, beginning of year	152,897	132,913
Cash, end of year	\$ 15,237	\$ 152,897

See accompanying notes to financial statements.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2023

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%
Furniture and fixtures	20%

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

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, 2023

2. Term deposit:

The Association has a one-year redeemable short-term investment certificate at Bank of Montreal, with interest at the bank's prime rate less 4.95%, maturing October 30, 2024.

3. Capital assets:

			2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value	Net book value	Net book value
Buildings	\$ 151,961	\$ 96,533	\$ 55,429	\$ 57,738		
Equipment	21,423	11,551	9,872	12,340		
Furniture and fixtures	8,037	201	7,836	-		
	\$ 181,421	\$ 108,285	\$ 73,137	\$ 70,078		

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:

	2023		2022	
100 Class D Common shares	\$	1	\$	1

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

5. Deferred contributions:

Deferred contributions are comprised of unspent grant funding received from Investment Agriculture Foundation, which relate to the following programs:

	2023			2022	
Animal disease	\$	209,101	\$	-	
BioSecurity		207,435		-	
	\$	416,536	\$	-	

	Animal disease	BioSecurity	Strategic plan	2023	2022
Amounts received during the year	\$ 249,538	\$ 250,000	\$ 24,804	\$ 524,342	\$ -
Amounts recognized as revenue	(40,437)	(42,565)	(24,804)	(107,806)	-
Deferred contributions, end of year	\$ 209,101	\$ 207,435	\$ -	\$ 416,536	\$ -

6. 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:

	2023		2022	
Deferred capital contributions, beginning of year	\$	10,411	\$	13,014
Less: amortization of deferred capital contributions		(2,082)		(2,603)
	\$	8,329	\$	10,411

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Invested in capital assets:

a) Invested in capital assets is calculated as follows:

	2023		2022	
Capital assets	\$	73,137	\$	70,078
Amounts financed by deferred capital contributions		(8,329)		(10,411)
	\$	64,808	\$	59,667

b) Deficiency of revenues over expenses:

	2023		2022	
Amortization of deferred capital contributions	\$	2,082	\$	2,603
Amortization of capital assets		(4,978)		(5,491)
	\$	(2,896)	\$	(2,888)

c) Change in net assets invested in capital assets:

	2023		2022	
Purchase of capital assets	\$	8,037	\$	-

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. 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.

	2023	2022
Revenue	\$ 216,554	\$ 187,753
Expenses	(45,878)	(35,763)
	170,676	151,990
Allocation of net proceeds:		
BC Egg Marketing Board	(85,338)	(75,995)
BC Turkey Association	(85,338)	(75,995)
	\$ -	\$ -

During the year, the Board of Directors restricted \$85,338, (2022 - \$75,995) for donations to the Union Gospel Mission ("UGM") and spent \$85,338 (2022 - \$75,995) on donations to UGM.

	2023	2022
Net proceeds	\$ 85,338	\$ 75,995
Donations to UGM	(85,338)	(75,995)
	\$ -	\$ -

During the year, the Association incurred an additional \$1,118 (2022 - \$5,975) 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.

9. 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 \$29,727 (2022 - \$28,861) is based on the fair market value of rent for similar facilities at the time the multi-year lease was entered into. The producers membership dues of \$24,801 (2022 - \$20,483) 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.

During the year, the Association paid \$9,900 (2022 - nil) for administrative services provided by the Board, which was recorded in office and general expenses and grant expenses.

BRITISH COLUMBIA TURKEY ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. 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.