

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.
(Operating As Alberta Seed Processors)

Financial Statements

For The Year Ended November 30, 2018

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DARYL ANDRE PROFESSIONAL CORPORATION

Chartered Professional Accountant

Box 5252
Lacombe, Alberta
T4L 1W9

Tel 403/782-7774
Fax 403/782-6005

INDEPENDENT AUDITOR'S REPORT

To : The Members Of Association Of Alberta Co-op Seed Cleaning Plants Ltd.

I have audited the accompanying financial statements of the Association of Alberta Co-op Seed Cleaning Plants Ltd. (Operating As Alberta Seed Processors), which comprise the statement of financial position as at November 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Association Of Alberta Co-op Seed Cleaning Plants Ltd. (Operating As Alberta Seed Processors) as at November 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lacombe, Alberta
January 7, 2019.

Daryl Andre Professional Corporation
Chartered Professional Accountant

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.*(Operating As Alberta Seed Processors)***Statement Of Financial Position****As At November 30, 2018**

	2018	2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	179,646	290,793
Short-term investments (Note 3)	256,908	229,398
Accounts receivable	29,100	43,127
Prepaid expenses	25,318	3,490
	<u>490,972</u>	<u>566,808</u>
LONG-TERM INVESTMENTS (Note 3)	217,194	107,784
	<u>708,166</u>	<u>674,592</u>
TOTAL ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	8,556	22,120
Deferred contributions (Note 4)	100,400	86,630
	<u>108,956</u>	<u>108,750</u>
MEMBERSHIPS	670	670
NET ASSETS		
Internally restricted	25,205	25,205
Unrestricted	573,335	539,967
	<u>598,540</u>	<u>565,172</u>
TOTAL LIABILITIES AND NET ASSETS	<u>708,166</u>	<u>674,592</u>

Approved By The Board of Directors

Hector Ouellette
President

Dan Brachmann
Vice-President

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.*(Operating As Alberta Seed Processors)***Statement Of Operations****For The Year Ended November 30, 2018**

	2018	2017
	\$	\$
REVENUE		
Association dues	177,550	177,550
Association affiliation	21,000	21,000
Convention	114,825	107,432
Royalty income (Note 5)	38,314	42,597
Investment income	8,674	7,296
Insurance office	4,800	4,800
Growing Forward grant revenue	-	2,400
Educational and promotional contributions	-	14,670
	<hr/>	<hr/>
	365,163	377,745
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OPERATING EXPENSES		
Bank charges	234	276
Convention	90,710	79,788
Director expenses (Note 6)	76,392	93,027
Director insurance	2,034	2,034
Education and promotion	26,078	24,776
Office and administration	13,240	4,288
Professional fees	9,800	9,600
Royalty expenses (Note 5)	4,136	112
Seed plant inspections (Note 6)	14,038	10,712
Strategic activities	12,729	13,788
Wages and benefits	82,404	78,250
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	331,795	316,651
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EXCESS OF REVENUE OVER EXPENSES	33,368	61,094
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The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.*(Operating As Alberta Seed Processors)***Statement Of Changes In Net Assets****For The Year Ended November 30, 2018**

	Internally Restricted	Unrestricted	2018	2017
	\$	\$	\$	\$
NET ASSETS - BEGINNING OF YEAR	25,205	539,967	565,172	504,078
Excess of revenue over expenses	-	33,368	33,368	61,094
NET ASSETS - END OF YEAR	25,205	573,335	598,540	565,172

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.*(Operating As Alberta Seed Processors)***Statement Of Cash Flows****For The Year Ended November 30, 2018**

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses	33,368	61,094
Changes In Non-Cash Working Capital		
Accounts receivable	14,027	(16,652)
Prepaid expenses	(21,828)	2,445
Accounts payable and accrued liabilities	(13,564)	12,708
Deferred contributions	13,770	5,230
	(7,595)	3,731
<i>Cash provided by operating activities</i>	25,773	64,825
INVESTING ACTIVITIES		
Purchase of investments	(366,318)	(231,174)
Proceeds on sale of investments	229,398	253,197
<i>Cash provided by (used for) investing activities</i>	(136,920)	22,023
INCREASE (DECREASE) IN CASH	(111,147)	86,848
CASH - BEGINNING OF YEAR	290,793	203,945
CASH - END OF YEAR	179,646	290,793
<i>CASH CONSISTS OF THE FOLLOWING :</i>		
<i>Cash balances with banks</i>	179,646	290,793

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.

(Operating As Alberta Seed Processors)

Notes To The Financial Statements

For The Year Ended November 30, 2018

1. NATURE OF THE ORGANIZATION

The Association Of Alberta Co-op Seed Cleaning Plants Ltd. is a non-profit, member funded association incorporated under the Co-operatives Association Act.

The Association's mandate is to provide its members with an organization for coordinating services and supplies, and for developing and promoting the advancement of the seed processing industry.

As a non-profit organization, the Association is exempt from tax under the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Association dues and affiliation revenue, as well as convention and royalty revenue are recognized in the year to which they apply. Revenues received in advance are recorded as deferred contributions.

Investment income is recognized when earned.

Measurement Uncertainty

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the years in which they become known.

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.

(Operating As Alberta Seed Processors)

Notes To The Financial Statements

For The Year Ended November 30, 2018

2. SIGNIFICANT ACCOUNTING POLICIEScontinued

Financial Instruments

Financial assets and financial liabilities consist of cash, short-term investments, accounts receivable, long-term investments and accounts payable and accrued liabilities.

All financial instruments are initially recorded at fair value when issued or acquired, and subsequently measured at amortized cost.

It is management's opinion that the Association is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Internally Restricted Net Assets

The Association has internally restricted net assets totalling \$25,205, to be utilized for future strategic activities. These funds cannot be used for any other purpose without the approval of the Board Of Directors.

Contributed Goods And Services

Certain goods and services contributed to the Association that are required for operating activities are not recognized in these financial statements due to the difficulty in determining their value.

3. INVESTMENTS

Investments include guaranteed investment certificates with yields to maturity from 1.70% to 3.35%; and maturity dates from February, 2019 to November, 2023. It is the intention of the Association to hold all investments until maturity. Investments maturing within the next fiscal year have been reclassified as short-term investments.

4. DEFERRED CONTRIBUTIONS

The Association collects registration fees from members during the current fiscal year, to be used to fund convention expenses for the following year. These amounts are recorded as deferred contributions, and will be included in revenue on the November 30, 2019 financial statements.

The Association also receives contributions from sponsors and association affiliates to be applied toward operations for the following year. These amounts are also recorded as deferred contributions, and will be included in revenue on the November 30, 2019 financial statements.

ASSOCIATION OF ALBERTA CO-OP SEED CLEANING PLANTS LTD.

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Notes To The Financial Statements

For The Year Ended November 30, 2018

5. COMMITMENTS

Royalty Agreement

The Association Of Alberta Co-op Seed Cleaning Plants Ltd., and the Alberta Seed Growers' Association have entered into an agreement with Issues Ink to exclusively prepare and compile editorial content, to sell advertising, and to promote, publish and distribute the publication; *The Alberta Seed Guide*. Website design, maintenance and development are also included in this agreement. Royalties for print and website sales, as well as expenses for website maintenance and database updates are shared equally between the two Associations.

This agreement is for a two year term, and will end on May 31, 2019.

Canadian Agricultural Partnership Agreement

In November, 2018; the Association entered into an agreement with Alberta Agriculture to provide funding for communication training sessions under the Public Agriculture Literacy Program. Under the terms of this agreement, the Association is eligible for 50% funding for specific costs related to the provision of these services, to a maximum grant amount of \$20,250.

This agreement is for the period from November 9, 2018 to March 15, 2020.

6. DIRECTOR EXPENSES

	2018	2017
	\$	\$
Honorarium	35,050	35,575
Mileage	12,294	22,225
Subsistence & meetings	29,048	35,227
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	76,392	93,027
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Payments for honorarium and mileage are based on specific rates approved by the Board Of Directors. Subsistence and meeting expenses include actual, invoiced costs for meals and accommodation. Plant inspection costs are paid on the same basis.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial statement presentation.