ALBERTA ELK COMMISSION
FINANCIAL STATEMENTS
(UNAUDITED)
DECEMBER 31, 2017

Al Scherbarth
Professional Corporation
Chartered Professional Accountant

ALBERTA ELK COMMISSION
DECEMBER 31, 2017

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Al Scherbarth
Professional Corporation
Chartered Professional Accountant

Al Scherbarth
Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANT

#2020, Sun Life Place
10123 - 99 Street
Edmonton, Alberta
T5J 3H1
Tel: (780) 426-6446
Fax: (780) 428-1563
email: aspc@telus.net

INDEPENDENT REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF
ALBERTA ELK COMMISSION

I have reviewed the accompanying financial statements of Alberta Elk Commission that comprise the statement of financial position as at December 31, 2017, and the statements of operations, and 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.

Practitioner's Responsibility
My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted a review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion
Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Alberta Elk Commission as at December 31, 2017, 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.

EDMONTON, ALBERTA
FEBRUARY 26, 2018

CHARTERED PROFESSIONAL ACCOUNTANT

ALBERTA ELK COMMISSION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(UNAUDITED)

	2017	2016
ASSETS		
CURRENT		
Cash and equivalents (Note 6, Page 10)	$ 446,537	$ 527,183
Accrued interest	26	1,433
Accounts receivable (Note 3, Page 10)	79,480	83,630
Inventory Note 4, Page 10)	7,207	7,940
Goods and services taxes receivable	2,765	15,207
Prepaid expense	3,985	3,940
	540,000	639,333
CAPITAL ASSETS (Note 5, Page 10)	17,028	14,395
	$ 557,028	$ 653,728
LIABILITIES		
CURRENT		
Accounts payable	$ 13,396	$ 38,810
Deferred membership revenue (Note 8, Page 11)	19,547	20,874
	32,943	59,684
NET ASSETS		
Internally restricted rainy day fund	312,970	312,970
Unrestricted	94,585	167,177
Internally restricted for industry promotion and development	57,000	57,000
Internally restricted reserve for event profits	40,000	40,000
Invested in capital assets	17,028	14,395
Internally restricted benevolent fund	1,267	1,267
Internally restricted new producer educational initiatives	1,235	1,235
	524,085	594,044
	$ 557,028	$ 653,728

APPROVED BY THE BOARD:

_____ Director

_____ Director

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ALBERTA ELK COMMISSION
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

	2017	2016
REVENUE		
Memberships	$ 82,688	$ 82,661
Convention (Schedule II, Page 13)	39,225	84,254
Supplies sales and services	18,987	32,611
Elk Expo (Schedule I, Page 12)	16,822	14
Interest on accounts receivable	4,394	856
Investment income	2,804	5,605
ALMA grant for Asian trade and enhancement	-	49,198
TOTAL REVENUE	164,920	255,199
EXPENSES		
Management and administrative fees (Note 10, Page 11)	61,553	95,681
Convention (Schedule II, Page 13)	36,505	57,740
Board expenses	28,508	27,981
Office rent and upkeep	15,655	11,400
Professional fees	13,756	10,767
Telephone, fax, copier and internet	10,909	10,364
Marketing and promotion	8,441	13,763
Asian trade and enhancement	8,405	19,181
Elk Expo (Schedule I, Page 12)	6,676	900
Supplies for resale	6,572	7,892
Supplies	5,760	15,281
Producer refunds	5,348	21,029
Amortization	4,298	3,690
Insurance	3,496	3,369
Repairs and maintenance	2,940	572
Bank charges	2,880	4,174
Postage	2,865	3,583
Travel	2,343	4,795
Dues and memberships	500	1,000
Special meetings	-	3,709
	227,410	316,871
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	(62,490)	(61,672)
Chapter operations (Schedule III, Page 14)	(7,468)	(4,430)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ (69,958)	$ (66,102)

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ALBERTA ELK COMMISSION
STATEMENT OF UNRESTRICTED NET ASSETS
YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

	2017	2016
BALANCE, BEGINNING OF YEAR	$ 167,177	$ 229,589
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(69,958)	(66,102)
CAPITAL ASSET PURCHASES	(6,932)	-
AMORTIZATION OF CAPITAL ASSETS	4,298	3,690
BALANCE, END OF YEAR	$ 94,585	$ 167,177

ALBERTA ELK COMMISSION
STATEMENT OF NET ASSETS
FOR ALLOCATED FUNDS
DECEMBER 31, 2017
(UNAUDITED)

	2017	2016
INTERNALLY RESTRICTED FOR RAINY DAY FUND		
BALANCE, BEGINNING OF YEAR	$ 312,970	$ 312,970
BALANCE, END OF YEAR	$ 312,970	$ 312,970
INTERNALLY RESTRICTED RESERVE FOR EVENT PROFITS		
BALANCE, BEGINNING OF YEAR	$ 40,000	$ 40,000
BALANCE, END OF YEAR	$ 40,000	$ 40,000
INTERNALLY RESTRICTED FOR INDUSTRY PROMOTION AND DEVELOPMENT		
BALANCE, BEGINNING OF THE YEAR	$ 57,000	$ 57,000
BALANCE, END OF YEAR	$ 57,000	57,000
INTERNALLY RESTRICTED BENVOLENT FUND		
BALANCE, BEGINNING OF YEAR	$ 1,267	$ 1,267
BALANCE, END OF YEAR	$ 1,267	$ 1,267
INTERNALLY RESTRICTED NEW PRODUCER EDUCATIONAL FUND		
BALANCE, BEGINNING OF YEAR	$ 1,235	$ 1,235
BALANCE, END OF YEAR	$ 1,235	$ 1,235
INVESTED IN CAPITAL ASSETS		
BALANCE, BEGINNING OF YEAR	$ 14,395	$ 18,085
CAPITAL ASSET PURCHASES	6,932	-
AMORTIZATION	(4,298)	(3,690)
BALANCE, END OF YEAR	$ 17,028	$ 14,395

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ALBERTA ELK COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

	2017	2016
OPERATING ACTIVITIES		
Cash received from revenue	$ 161,523	$ 253,910
Interest received	8,605	11,292
Cash paid to suppliers	(243,842)	(310,032)
	(73,714)	(44,830)
INVESTING ACTIVITIES		
Office furniture acquisitions	(6,932)	-
(DECREASE) IN CASH	(80,646)	(44,830)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	527,183	572,013
CASH AND EQUIVALENTS, END OF YEAR	$ 446,537	$ 527,183
CASH AND EQUIVALENTS		
Cash and equivalents - unrestricted	$ 34,065	$ 115,946
Cash and equivalents - restricted	412,472	411,237
	$ 446,537	$ 527,183

ALBERTA ELK COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017
(UNAUDITED)

1. ORGANIZATION

Alberta Elk Commission was established October 8, 2002 under the Alberta Marketing of Agricultural Products Act. The Commission is an incorporated not-for-profit organization exempt from income tax. The purpose of the Commission is to foster, enhance and promote the elk industry in Alberta.

The organization was previously known as the Alberta Venison Council, operating as Alberta Elk Association. The Commission was originally incorporated September 22, 1988 under the Societies Act of Alberta.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of presentation**
These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) **Revenue Recognition**
The Commission follows the deferral method of accounting for contributions. Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred and appropriate reporting has been submitted. Unrestricted contributions and grants are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenue is based on a 12 month period ending March 31 of each year, therefore, a portion of membership revenue invoiced in the current year is deferred to the subsequent fiscal year.

(c) **Inventory**
Inventory consists of promotional items and is valued at the lesser of cost and current replacement cost, which is determined by the specific item method.

(d) **Cash and Allocation of Expenses**
Cash includes $ 12,880 (2016 - $20,348) which is held in the bank accounts of the Commission's six chapters.

The Alberta Elk Commission receives grants to fund different programs throughout the year. As part of these grant commitments the Commission must report back as to how the grant funding was spent. Support costs are allocated to each applicable program by management based on the numbers of hours that are spent providing support. These expenses are reported to the government in order to ensure the full amount of the funding is obtained from the funding bodies.

(e) **Capital Assets**
Capital assets are recorded at cost if purchased, or fair market value at the date of acquisition if received by gift. Proceeds of disposals, less carrying values of these assets are reported in the statement of revenue and expenses as gains or losses on disposal. Amortization is provided annually on a declining balance basis at the following rates:

Computer equipment	-20%
Computer software	-30%
Furniture and fixtures	-20%
Office equipment	-20%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) **Contributed Services**
Volunteers contribute about 8,500 hours per year to assist the Commission in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. The value of items donated for the silent auction is not included in the financial statements.

(g) **Use of Estimates**
The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. Actual results could differ from management's best estimates, as additional information becomes available in the future.

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

Revenue includes a provision for possible refunds of membership fees.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in income in the periods in which they become known.

(h) **Financial Instruments**
It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from its financial instruments.

Held for trading:
The Commission has classified cash and guaranteed investment certificates as held for trading. These instruments are initially recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediatly recognized in income.
Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in income.

Available for sale:
The Commission has not classified any financial assets as available-for-sale.

Receivables:
These assets are recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income.
Receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables (continued):
reduction for impairment or uncollectibility. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.
Other financial liabilities:
The Commission has classified accounts payable and accruals as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any differences between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Financial asset impairment:
The Commission assesses impairment of all its financial assets, except those classified as held for trading. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year income.

(i) Long-lived assets:
Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.
The organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured at the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in income for the year.
Prices for similar items are used to measure fair value of long-lived assets.

(j) Rainy day fund:
The Commission has allocated a total of $ 312,970 of unrestricted net assets to a rainy day fund, for the long term sustainability of the Commission.

(k) Benevolent fund:
A benevolent fund has been established in the hope that the commission will be able to help producers when they have family losses or other unforseen struggles.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2017	2016
Receivable from members	$ 79,480	$ 83,630

4. INVENTORY

Inventory consists of the following:

	2017	2016
Jackets, shirts etc.	$ 4,797	$ 5,490
Retail inventory	2,410	2,450
	$ 7,207	$ 7,940

5. CAPITAL ASSETS

	2017		
	Cost	Accumulated Amortization	Net
Portable billboards	$ 20,000	17,017	$ 2,983
Computer equipment	21,697	19,599	2,098
Computer software	10,555	10,385	170
Furniture and fixtures	89,496	77,719	11,777
	$ 141,748	124,720	$ 17,028

	2016		
	Cost	Accumulated Amortization	Net
Portable billboards	$ 20,000	16,271	$ 3,730
Computer equipment	21,697	19,075	2,622
Computer software	10,555	10,313	242
Furniture and fixtures	82,565	74,764	7,801
	$ 134,817	120,423	$ 14,395

6. CASH AND EQUIVALENTS

	Due Date	Interest Rate	2017	2016
CASH IN BANK	N/A	N/A	$ 441,334	$ 246,599
GIC - ATB	Feb 8/18	0.55%	5,203	-
GIC - ATB	Mar 20/17	0.65%	-	275,415
GIC - ATB	Feb 8/17	0.65%	-	5,169
			$ 446,537	$ 527,183

Cash is restricted in the amount of $ 412,472 to fund restricted net asset accounts.

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7. ALLOCATION OF EXPENSES

Grant expenses reported in the statement of operations and in the schedules I - III are reported after the allocation of support costs (i.e. salaries, copier expense). In the current year, an adminstration grant was not received. It is management's duty to allocate expenses to the applicable program based upon the amount of time spent on working to complete the project. As per the reporting standards the number of hours and expenses must be tracked and recorded during the year to provide evidence of the expense when reporting to the grants. The allocation of these costs is captured in schedule I - III.

8. DEFERRED MEMBERSHIP REVENUE

Billing year is April 1 - March 31. Therefore 25% of membership revenue received in the current year is transferred to this deferred account.

9. MANAGEMENT AND ADMINISTRATIVE FEES

	2017	2016
Office salaries, benefits and management agreement	$ 61,553	$ 104,092
Allocated to Convention	-	(7,561)
Allocated to Expo	-	(850)
	$ 61,553	$ 95,681

ALBERTA ELK COMMISSION
SCHEDULE OF ELK EXPO REVENUE AND EXPENSE
YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

SCHEDULE I

	2017	2016
REVENUE		
Event income	$ 8,704	$ 14
Auction	8,118	-
	16,822	14
EXPENSE		
Other Expo expenses	6,676	-
Management and administrative fees (Note 9, page 11)	-	850
Insurance	-	50
	6,676	900
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	$ 10,146	$ (886)

ALBERTA ELK COMMISSION
SCHEDULE OF CONVENTION REVENUE AND EXPENSE
YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

SCHEDULE II

	2017	2016
REVENUE		
Auction	$ 16,750	$ 39,082
Registration	9,949	23,197
Grants	6,000	9,878
Sponsorships, donations and booths	5,911	9,550
Silent auction	615	2,547
	39,225	84,254
EXPENSE		
Other convention expenses	32,281	35,787
Convention auction expenses	4,224	14,392
Management and administrative fees (Note 9, Page 11)	-	7,561
	36,505	57,740
EXCESS OF REVENUE OVER EXPENSE	$ 2,720	$ 26,514

ALBERTA ELK COMMISSION
SCHEDULE OF CHAPTER OPERATIONS
YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)

SCHEDULE III

	Elk Point	Peace River	Sherwood Park	West Central	Chinook	Yellowhead	2017 TOTAL	2016 TOTAL
REVENUE								
Refunds	$ -	$ -	$ -	$ 525	$ -	$ 250	$ 775	$ 625
Interest	7	12	181	2	-	1	203	103
Total	7	12	181	527	-	251	6,181	728
EXPENSE								
Meetings	744	3,709	-	1,000	-	-	5,453	3,014
Donations	2,350	500	-	-	-	-	2,850	1,980
Interest and bank charges	66	30	-	25	-	5	126	145
Office	-	17	-	-	-	-	17	19
Total expenses	3,160	4,256	-	1,025	-	5	8,446	5,158
Change in net assets	(3,153)	(4,244)	181	(498)	-	246	(7,468)	(4,430)
Net assets, opening	5,953	11,185	979	1,855	303	73	20,348	24,778
Net assets, closing	$ 2,800	$ 6,941	$ 1,160	$ 1,357	$ 303	$ 319	$12,880	$20,348