



AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

Annual Report

2014 - 2015



Message from the Chair of the Board of Directors – Dr. Michael Nickerson

Agriculture Council of Saskatchewan Inc. (ACS) continued to remain a strong organization in 2014-2015 by being dedicated to delivering quality programming to the Saskatchewan agriculture sector.

The Canadian Agricultural Adaptation Program (CAAP) was completed in March, 2014. CAAP was a five year, \$163 million AAFC funding program, and ACS's Saskatchewan share was \$14.3 million.

The Board of Directors, through the residual ACAAFS dollars, were able to fund 23 projects for clients for a commitment of \$1.9 million. Applications came in from a diverse group of Saskatchewan agricultural clients and the Board was pleased to be able to approved funding for these projects.

Through ACAAFS a new Value Chain initiative called “The Saskatchewan Grocery Retail and Foodservice Value Chain Initiative” was launched in 2014. This allows Bryan Kosteroski, Value Chains Specialist, to continue the excellent work to assist Saskatchewan producers to create sustainable business practices.

The Levy Central program continues to provide quality services to clients. Levy Central manages the collection of a levy collected on each of the crop member organizations. In turn the levy collected is directed to research, market development and education activities through each commodity organization. Levy Central continues to expand their services offered to clients.

Allan Kuhlman retired from the ACS Board of Directors in June 2014. Allen represented the Saskatchewan Flax Development Commission and was first elected to the Board of Directors in June 2008. Over the past 3 years, Allen led the board as the Chair of ACS. Allen has committed many hours to ACS through the years and the contributions Allen made at the Board table and in committees were invaluable. We wish him well in the next phase of his life and all his future endeavors.

I would also like to honour a retiring staff member of ACS, Christine Colborne. Christine has been with the Levy Central program for the last 19 years, the last four with ACS when the program came over from Sask. Canola Development Commission. Christine was instrumental in the growth of the program over the years through her hard work and dedication. We wish her all the best in her retirement years.

Last, but not least, we said goodbye to Blair Goldade in October, 2014. Blair accepted a position at Saskatchewan Wheat Development Commission as Research Program Manager. Blair has been with ACS since 2005, most of those years as a Senior Project Officer for the AAFC funded programs. He was appointed the ACS Executive Director in 2012. We wish Blair all the best in his future endeavors.



Message from the Executive Director, Bryan Kosteroski

It was a transition year for ACS, with CAAP coming to a close at March 31, 2014. We had to see two long-term staff leave as a result of the CAAP program coming to an end. In October, 2014, Blair Goldade resigned as the ACS Executive Director for an opportunity to work with Saskatchewan Wheat Development Commission. I was appointed as the Executive Director in October, and I also continue my work with the Value Chains program. With the continued dedication and commitment from the ACS Board of Directors and staff, we continue to be steadfast in the delivery of all our programming.

The CAAP (Canadian Agricultural Adaptation Program) program wrapped up on March 31, 2014. Subsequently ACS had to incur all program administration costs and complete project reporting to AAFC by March 31, 2014. All financial reporting requirements were sent to AAFC before the deadline of June 30, 2014. CAAP was a five year, \$163 million AAFC funding program, and ACS's Saskatchewan share was \$14.3 million. In the five years of the program, ACS approved 214 CAAP projects for a funding commitment of \$13.325 million. Funds were returned to AAFC in the amount of \$974,641 which was the result of unused funds from project applicants. Funds had to be returned because CAAP was a contribution program and not a grant program.

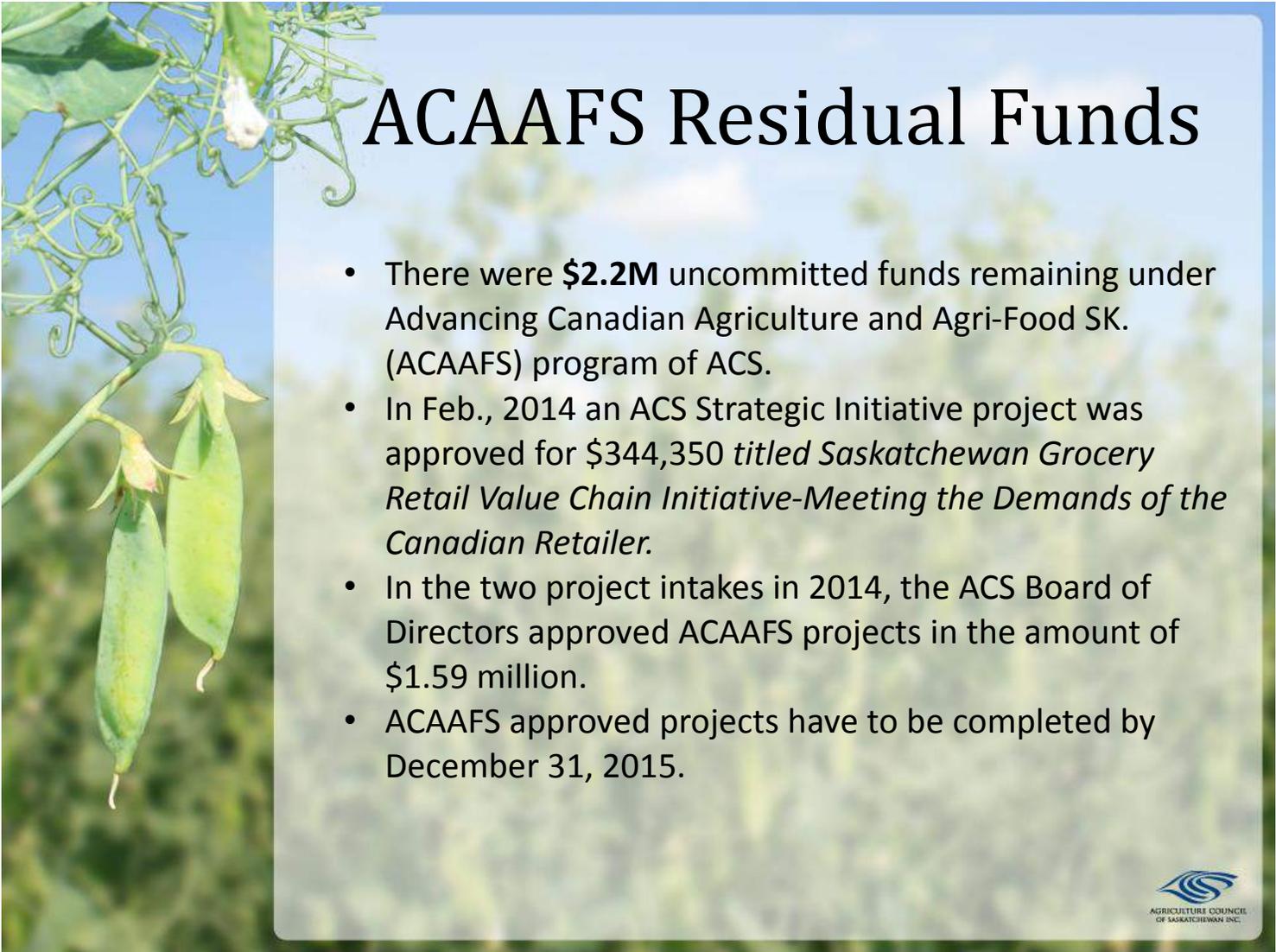
There were \$2.2 million in residual funds remaining under the ACAAFS (Advancing Canadian Agriculture and Agri-Food SK) program of ACS. This was a grant program and residual funds did not have to be sent back to AAFC. ACS issued a call for applications in February, 2014. The Board of Directors approved projects at the April 2014 and July 2014 Board meetings in the amount of \$1.59 million. ACAAFS approved projects must be completed by December 31, 2015.

The Saskatchewan Grocery Retail and Foodservice Value Chain Initiative was approved as an ACAAFS funded project in February 2014 in the amount of \$344,350.00. A value chain is a business model based on collaboration. It is a partnership between producers, processors and marketers. The goal of value chains is to generate a substantial competitive advantage by maximizing the value creation in all the participants' activities while minimizing the cost of these activities, and to create sustainable business practices by focusing the managerial resources of reducing costs and improving efficiencies. One of the advantages of a value chain is the ability to rapidly respond to consumer demands. The response is due to the channels of communication within the value chain and better positions for quick solutions. There has been major growth in the fruit and vegetable industry. It is a young industry and it takes time to develop these programs.

ACS's Levy Central program continues to provide services to various commodity groups. The ACS Levy Central program operates levy collection and related professional services for Saskatchewan, Manitoba and Alberta commodity organizations. While we do this, our clients can expend their energies increasing profitability for their producers through research and education activities, and in the promotion of and market development for their commodities, activities which are all funded through the levies collected. Activities in 2014-2015 continued to focus on maintaining the high quality of service offered to clients, marketing the program, and examining ways to expand the suite of services offered.

ACS launched a new program this year with the Agriculture Management Program. This new program provides opportunities for ACS to provide third party management and project coordination assistance to agriculture non-profit organizations and for-profit companies.

I would like to thank the Board of Directors and the ACS Advisory Groups for their dedication, hard work and leadership, all to the benefit of ACS clients and members. I would also like to thank the staff for their continued hard work and commitment to delivering our programs.



ACAAFS Residual Funds

- There were **\$2.2M** uncommitted funds remaining under Advancing Canadian Agriculture and Agri-Food SK. (ACAAFS) program of ACS.
- In Feb., 2014 an ACS Strategic Initiative project was approved for \$344,350 *titled Saskatchewan Grocery Retail Value Chain Initiative-Meeting the Demands of the Canadian Retailer.*
- In the two project intakes in 2014, the ACS Board of Directors approved ACAAFS projects in the amount of \$1.59 million.
- ACAAFS approved projects have to be completed by December 31, 2015.

Levy Central

Ann Smith, Levy Manager

The ACS Levy Central program operates levy collection and related professional services for Saskatchewan, Manitoba and Alberta commodity organizations. While we do this, our clients can expend their energies increasing profitability for their producers through research and education activities, and in the promotion of and market development for their commodities – activities which are all funded through the levy collected.

Levy Central is contracted to 12 commodity organizations which together represent 13 separate check-off programs. As of June 9, 2015, Levy Central has collected \$14,952,316.26 representing commodity deliveries from 72,097 producers to 537 buyers. In addition to levy collection, depositing and reporting, buyer follow up and individual producer transaction recording, the core client services also include annual buyer registration, refund preparation, producer list generation for mail outs, elections and year-end reconciliation documentation.

Levy Central was pleased to offer our services as election Returning Officer and Scrutineer in 2014-2015 to several Commissions. For the first time, we were involved in an electronic election process, acting as Returning Officer.

Levy Central has the benefit of input from an advisory group which is made up of a representative from each client partner organization and three directors from the ACS Board. This group provides feedback and recommendations regarding the operation of Levy Central.

We are fortunate to have four fantastic Levy Client Service Representatives. Their combined strengths are what make this program function.

Through a supportive team effort from the Board, Executive Director and staff we continue to make Levy Central a stronger, broader and more effective and applicable program than ever before. A communication plan has been developed for outreach to Canada-wide agricultural organizations, to offer our levy collection services as well as a suite of other professional management services that will be of mutual benefit to our current and future clients. A new Levy Central website has been developed and can be viewed at: www.levycentral.com

Our team is looking ahead to the new year with anticipation and confidence knowing that a good program has been made better. It is up to us to ensure that we continue to meet and exceed the needs of our client partners, and we are up for that challenge.

Saskatchewan Grocery Retail and Foodservice Value Chain Initiative

- ACS approved a new Strategic Initiative in 2014 titled '*Saskatchewan Grocery Retail Value Chain Initiative - Meeting the Demands of the Canadian Retailer*'. This program will provide an increased focus of expanding production and value adding of vegetables, fruits & greenhouse products into both the Canadian Grocery Retail & Foodservice Industries. The increased focused will increase the awareness of Saskatchewan grown products with associated Category Managers and will better position the Saskatchewan Industries to provide innovation to today's produce aisles across western Canada.
- A new guide called "The Practical Guide to Value Chains" was launched in 2014 and provides an overview of Canadian Agri-Food Value Chains and goes beyond the theory of Value Chains by providing the reader with the practical tools for establishing a working value chain. The guide puts the Value Chains in a Canadian content and provides a survey of tools that have proven success within the Canadian Agri-Food Industry.
- The Foodservice Go to Market Guide is a template that provides a user friendly tool to assist food growers and processors with a better understanding of the Foodservice Industry and how to tap into business opportunities within it. 2 workshops hosted 27 Industry representatives looking at either entering or expanding their business within the Canadian Grocery Retail & Foodservice Industries. Demand and interest is growing continuously in utilizing the Go to Market Guide.

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

FINANCIAL STATEMENTS

For the fiscal year ended March 31, 2015

and Auditors' Report

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

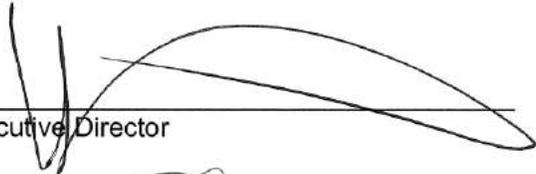
The management of Agriculture Council of Saskatchewan Inc. is responsible for management of the Council. The accompanying financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, and necessarily include amounts which are based on informed judgment and management estimates. Financial data presented elsewhere in this annual report is consistent with that in the financial statements.

Ensuring the integrity and objectivity of financial information is an integral part of management's responsibility. Management maintains an appropriate system of internal accounting and administrative controls, policies and procedures to provide reasonable assurance that all transactions are authorized, financial records are complete and accurate, and assets are safeguarded against loss.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board has reviewed and approved these financial statements.

Davies & Drury Chartered Accountants, the Council's independent auditors, have examined the financial statements of the corporation. Their responsibility is to conduct an independent and objective audit and to report on the fairness of presentation of the Council's financial position and results of operations as shown in the financial statements. The Auditors' Report outlines the scope of their examination and their opinion.

On behalf of management,



Executive Director



Finance Manager

AUDITORS' REPORT

To the Board of Directors of
Agriculture Council of Saskatchewan Inc.:

We have audited the accompanying financial statements of Agriculture Council of Saskatchewan Inc., which comprise the balance sheet as at March 31, 2015 and the statements of revenue and expenses and of 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 (ASNFPO) 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.

Auditors' Responsibility

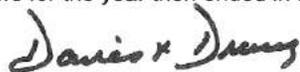
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 auditors' judgment, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the balance sheet of Agriculture Council of Saskatchewan Inc. as at March 31, 2015, and the statements of revenue and expenses and of cash flows for the year then ended in accordance with Canadian ASNFPO.



Chartered Accountants

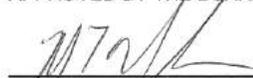
June 3, 2015

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

BALANCE SHEET AS AT MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash (Note 3)	\$ 2,667,590	\$ 5,310,427
Accounts receivable	64,068	203,769
GST recoverable	-	3,713
	<u>\$ 2,731,658</u>	<u>\$ 5,517,909</u>
<u>LIABILITIES AND SURPLUS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 94,150	\$ 2,210,649
Deferred revenue	-	5,332
	<u>94,150</u>	<u>2,215,981</u>
RESERVES (Note 4)	<u>2,637,508</u>	<u>3,301,928</u>
	<u>\$ 2,731,658</u>	<u>\$ 5,517,909</u>

APPROVED BY THE BOARD:



 Chair



 Vice-Chair

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE:		
General Council (Schedule 1)	\$ 177,921	\$ 255,731
Levy Central Services (Schedule 2)	479,105	520,220
Advancing Canadian Agriculture & Agri-Food (ACAAF) (Schedule 3)	34,906	37,572
Canadian Adaptation & Rural Development Saskatchewan (CARDS) (Schedule 4)	22	3,052
Biofuels Opportunities for Producers Initiative (BOPI) (Schedule 5)	-	20,766
Canadian Agricultural Adaptation Program (CAAP) (Schedule 6)	-	2,262,412
	<u>691,954</u>	<u>3,099,753</u>
EXPENSES:		
General Council (Schedule 1)	160,077	226,370
Levy Central Services (Schedule 2)	439,916	511,929
Advancing Canadian Agriculture & Agri-Food (ACAAF) (Schedule 3)	754,032	259,329
Canadian Adaptation & Rural Development Saskatchewan (CARDS) (Schedule 4)	2,349	23,588
Biofuels Opportunities for Producers Initiative (BOPI) (Schedule 5)	-	113,177
Canadian Agricultural Adaptation Program (CAAP) (Schedule 6)	-	5,444,435
	<u>1,356,374</u>	<u>6,578,828</u>
EXCESS OF EXPENSES OVER REVENUE	(664,420)	(3,479,075)
RESERVE, BEGINNING OF THE YEAR	<u>3,301,928</u>	<u>8,976,281</u>
	2,637,508	5,497,206
TRANSFERS TO GOVERNMENT OF CANADA - AAFC	-	(2,195,278)
RESERVE, END OF THE YEAR	<u>\$ 2,637,508</u>	<u>\$ 3,301,928</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**STATEMENT OF REVENUE AND EXPENSES - GENERAL COUNCIL**

FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE:		
Interest on bank accounts	\$ 17,180	\$ 6,432
Administrative fee	-	29,182
Memberships	7,900	7,600
Other income - Online leadership program revenue	5,332	-
ACS - ACAAFS projects	147,509	212,517
	<u>177,921</u>	<u>255,731</u>
EXPENSES:		
Accounting and legal	500	500
ACS - ACAAFS projects	147,509	212,517
AGM and general meeting	1,849	2,963
Capital purchases	-	4,062
Insurance	-	200
Memberships	128	67
Office supplies	91	-
Salaries and benefits	10,000	6,000
Telephone, postage and photocopying	-	61
	<u>160,077</u>	<u>226,370</u>
EXCESS OF REVENUE OVER EXPENSES	17,844	29,361
RESERVE, BEGINNING OF THE YEAR	382,401	353,040
	<u>400,245</u>	<u>382,401</u>
TRANSFER OF PRIOR YEAR RESERVE TO LEVY CENTRAL	(127,082)	-
	<u>273,163</u>	<u>382,401</u>
RESERVE, END OF THE YEAR	\$ 273,163	\$ 382,401

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**STATEMENT OF REVENUE AND EXPENSES****LEVY CENTRAL SERVICES**

FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE:		
Funds from clients	\$ 434,328	\$ 498,483
Administration professional services	39,582	-
Interest on bank account	2,583	3,165
Other client services	2,612	18,572
	<u>479,105</u>	<u>520,220</u>
EXPENSES:		
Accounting and legal	2,000	2,800
Advisory Group meetings	9	75
Computer equipment	-	914
Courier and postage	2,494	2,530
Database support costs	21,143	18,743
Insurance	2,000	763
IT services	2,561	3,497
Office supplies	4,721	5,196
Other client services	5,587	13,446
Rent	45,000	48,693
Salaries and benefits	353,775	414,539
Telephone and photocopying	626	733
	<u>439,916</u>	<u>511,929</u>
EXCESS OF REVENUE OVER EXPENSES	39,189	8,291
RESERVE, BEGINNING OF THE YEAR	8,291	-
	<u>47,480</u>	<u>8,291</u>
TRANSFER OF PRIOR YEAR RESERVE FROM GENERAL COUNCIL	127,082	-
	<u>174,562</u>	<u>8,291</u>
RESERVE, END OF THE YEAR	\$ 174,562	\$ 8,291

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.STATEMENT OF REVENUE AND EXPENSESADVANCING CANADIAN AGRICULTURE & AGRI-FOOD SASKATCHEWAN (ACAAFS)FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE:		
Interest on bank account	\$ 34,906	\$ 37,572
EXPENSES:		
Accounting and legal	500	1,957
Capital purchases	-	7,108
Committee, Board and Advisory Group	7,836	4,902
Communications	2,983	206
Conference/meetings attending/presenting	21	153
Corporations Branch account	110	100
Courier	770	159
Insurance	234	169
Memberships and subscriptions	91	191
National meetings	-	554
Office supplies and equipment leases	3,532	1,226
Outside expertise	1,065	510
Project grants	555,602	162,757
Rent	43,742	13,074
Salaries and benefits	133,448	65,162
Secretariat	1,912	738
Telephone, photocopying and postage	2,186	363
	<u>754,032</u>	<u>259,329</u>
EXCESS OF EXPENSES OVER REVENUE	(719,126)	(221,757)
RESERVE, BEGINNING OF THE YEAR	<u>2,908,909</u>	<u>3,130,666</u>
RESERVE, END OF THE YEAR	<u>\$ 2,189,783</u>	<u>\$ 2,908,909</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.STATEMENT OF REVENUE AND EXPENSESCANADIAN ADAPTATION & RURAL DEVELOPMENT SASKATCHEWAN (CARDS)FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE:		
Interest on bank account	\$ 22	\$ 3,052
EXPENSES:		
Accounting and legal	300	300
Insurance	-	100
Project grants	-	8,200
Salaries and benefits	2,049	14,988
	<u>2,349</u>	<u>23,588</u>
EXCESS OF EXPENSES OVER REVENUE	(2,327)	(20,536)
RESERVE, BEGINNING OF THE YEAR	<u>2,327</u>	<u>22,863</u>
RESERVE, END OF THE YEAR	<u>\$ -</u>	<u>\$ 2,327</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**STATEMENT OF REVENUE AND EXPENSES****BIOFUELS OPPORTUNITIES FOR PRODUCERS INITIATIVE (BOPI)****FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
REVENUE:		
Interest on bank account	\$ -	\$ 20,766
EXPENSES:		
Accounting	-	200
Project grants	-	92,474
Salaries and benefits	-	20,503
	<u>-</u>	<u>113,177</u>
EXCESS OF EXPENSES OVER REVENUE	-	(92,411)
RESERVE, BEGINNING OF THE YEAR	<u>-</u>	<u>1,313,048</u>
	-	1,220,637
TRANSFER TO GOVERNMENT OF CANADA - AAFC	<u>-</u>	<u>(1,220,637)</u>
RESERVE, END OF THE YEAR	<u>\$ -</u>	<u>\$ -</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**STATEMENT OF REVENUE AND EXPENSES****CANADIAN AGRICULTURAL ADAPTATION PROGRAM (CAAP)****FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
REVENUE:		
Government of Canada - AAFC - Program allocation	\$ -	\$ 1,919,759
Government of Canada - Collective Outcome funds	-	268,819
Interest on bank account	-	73,834
	<u>-</u>	<u>2,262,412</u>
EXPENSES:		
Accounting and legal	-	9,038
Capital purchases	-	1,781
Committee, Board and Advisory Group	-	13,090
Communications	-	8,017
Conference/meetings attending/presenting	-	210
Corporations Branch account	-	100
Courier	-	601
Insurance	-	735
National meetings	-	6,392
Office supplies and equipment leases	-	4,907
Outside expertise	-	8,496
Project allocations	-	4,969,535
Project development	-	10,000
Rent	-	21,277
Salaries and benefits	-	379,904
Secretariat	-	2,219
Telephone, photocopying and postage	-	3,134
Translation costs	-	4,999
	<u>-</u>	<u>5,444,435</u>
EXCESS OF EXPENSES OVER REVENUE	-	(3,182,023)
RESERVE, BEGINNING OF THE YEAR	<u>-</u>	<u>4,156,664</u>
	-	974,641
TRANSFER TO GOVERNMENT OF CANADA - AAFC	<u>-</u>	<u>(974,641)</u>
RESERVE, END OF THE YEAR	<u>\$ -</u>	<u>\$ -</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Cash receipts from programs	\$ 830,036	\$ 2,552,556
Cash paid to suppliers and employees	<u>(3,472,873)</u>	<u>(6,662,218)</u>
	<u>(2,642,837)</u>	<u>(4,109,662)</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Capital purchases	<u>-</u>	<u>(12,951)</u>
DECREASE IN CASH DURING THE YEAR	(2,642,837)	(4,122,613)
CASH AT BEGINNING OF THE YEAR	<u>5,310,427</u>	<u>9,433,040</u>
CASH AT END OF THE YEAR	<u>\$ 2,667,590</u>	<u>\$ 5,310,427</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

1. NATURE OF OPERATIONS:

Agriculture Council of Saskatchewan Inc. (ACS) was incorporated under the *Non-Profit Corporations Act of Saskatchewan* on June 6, 1996. The purpose of the council is to provide leadership and programming to advance the agriculture and agri-food sector, contributing to a healthy Saskatchewan community.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPFO) and include the following significant accounting policies:

Equipment

The purchase of equipment is treated as a period cost and is not capitalized.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian ASNFPFO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Assumptions underlying deferred cost valuations are limited by the availability of reliable comparable data and the uncertainty concerning future events.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

Revenue Recognition

The Council 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.

Income Taxes

No provision has been made for income taxes as none of the activities carried on by the Council are subject to income taxes.

Financial Instruments

Measurement of Financial Instruments

The Council initially measures its financial assets and liabilities at fair value.

The Council subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED MARCH 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - continued:

Financial instruments - continuedImpairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Risks and Concentrations

The Council as part of its operations carries a number of financial instruments. It is management's opinion that the Council is not exposed to significant interest or credit risks arising from these financial instruments.

3. CASH:

Cash is comprised of bank accounts, bearing interest at prime less 1.50%.

4. RESERVES:

	<u>2015</u>	<u>2014</u>
<u>General Council</u>		
This fund is the general operating fund of the Council.	\$ 273,163	\$ 382,401
<u>Levy Central Services</u>		
This fund is used for programs and services that will benefit Levy Central members and clients.	174,562	8,291
<u>CARDS</u>		
This fund is used for projects that will help develop a strong, vibrant agricultural and rural economy.	-	2,327
<u>ACAAFS</u>		
This fund is used to support innovative agriculture related projects that enable a sustainable, well-diversified economy for the benefit of the industry and for the people of Saskatchewan and Canada.	2,189,783	2,908,909
	<u>\$ 2,637,508</u>	<u>\$ 3,301,928</u>

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED MARCH 31, 2015

5. COMPARATIVE FIGURES:

Certain of the prior year figures presented for comparative purposes have been restated to conform to the current year's presentation.