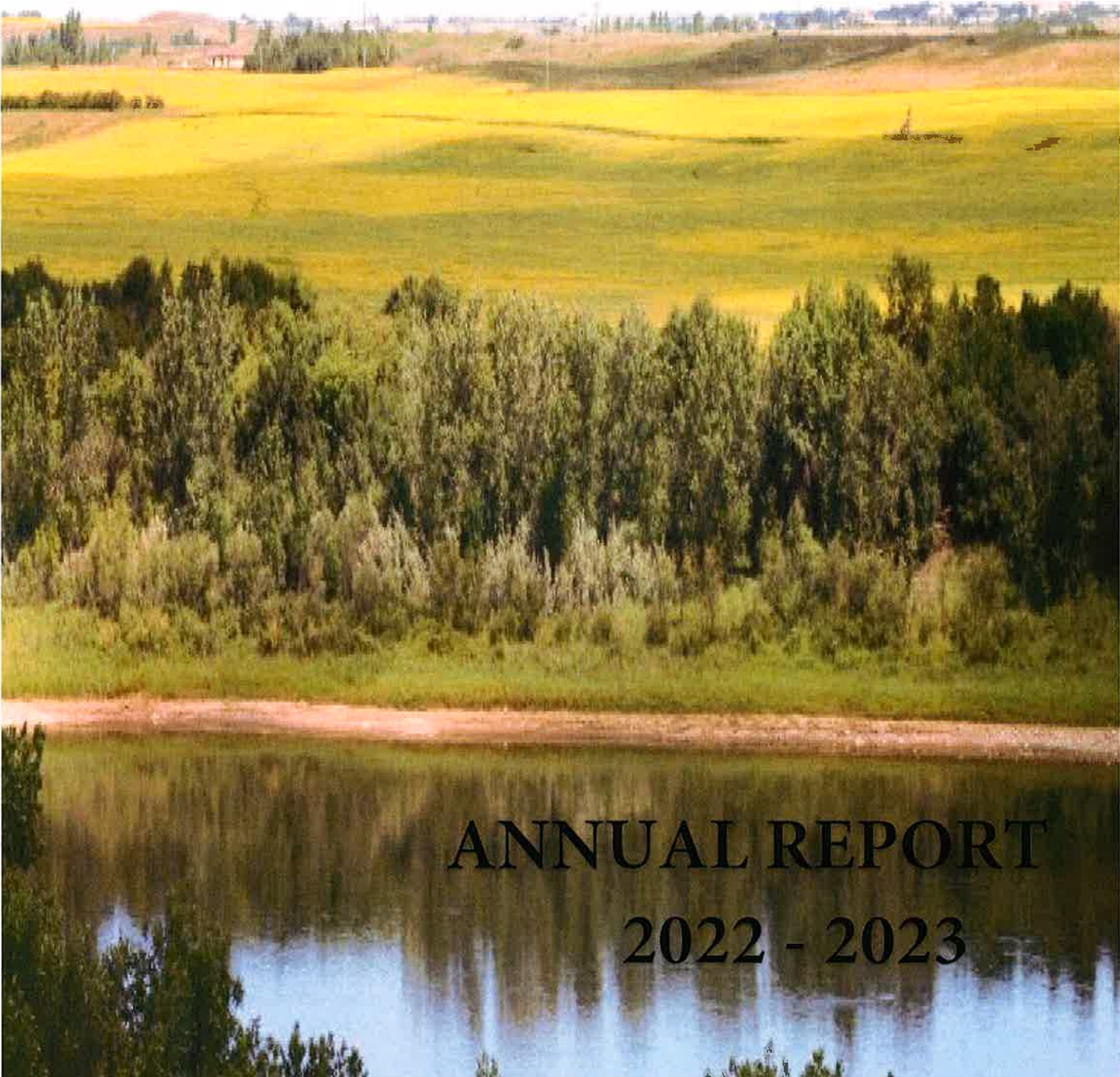




AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

A wide-angle photograph of a rural landscape. In the foreground, a calm body of water reflects the sky and the surrounding greenery. A dense line of trees and shrubs separates the water from the land. Beyond the trees, there are rolling hills covered in green and yellow vegetation, likely crops. In the far distance, a small town or village is visible under a clear sky.

ANNUAL REPORT
2022 - 2023



AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

CHAIR REPORT

The 2022-23 year has been another year of adaptation for ACS and Levy central. As the needs for services change, adjustments to ensure that the two organizations continue to deliver top-notch services were adopted over the past year. Small changes to streamline processes and ensure timely communication benefited the membership and users of the programs. The Farm Sourced Foods program in cooperation with Federated Cooperatives continues to yield positive results and wide benefits to the agriculture industry. The development of new products, which utilize Canadian grown crops, has proven to be a winning combination for both processors and producers.

ACS consistently reaches out to its membership for feedback and suggest support where possible. Again this year producers and ranchers faced new challenges with weather and in many regions in the province have experienced a dryer and hotter than normal growing season. As in 2022, the extra heat coupled with a lack of moisture left many producers with reductions in yield and quality.

The ACS Value Chain initiative continues to grow and diversify with new collaborations & partnerships within the producer and value add sector. As the cost of day to day goods continues to rise and a strong demand for locally sourced food continues, we see new initiatives moving forward across the sectors, particularly in the fruit and vegetables. The ACS Agriculture Management Program continues to provide its suite of services to the Saskatchewan agriculture industry to expand its reach with new supply chain opportunities within the Canadian Retail Industry. Bryan will provide more information on these two programs in his report today.

I wish to personally thank our Board of Directors for their dedication to the organization and the time they set aside to be actively involved with ACS. On behalf of the Board, I would also like to extend my sincere gratitude to all our staff for all their support and adjusting to the ongoing changes within the industry, their hard work and commitment to the program, always providing high quality customer service. On behalf of the board, I would like to thank Don Martin, who has represented Sask Fruit Growers Association, for your time with the ACS Board over the past three years. We enjoyed your lively discussions and insight to our industry. The Board and Staff wish you all the best in the future. Finally, we would also like to welcome Charles Sudom as a new ACS Board member, representing Sask Fruit Growers Association. We look forward to working with you over the next year.

All the best to ACS in the year ahead!

Sincerely,

Dan Prefontaine, ACS Chair
Director Strategic Projects - The Food Centre



AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

Executive Director Report

Agriculture Council of Saskatchewan Inc. (ACS) has a very diverse 31-year history in Saskatchewan's agriculture & agri-food sector. ACS is a member-based agriculture organization with 17 full members & 2 supporter members over the past fiscal year. Our membership continues to be consistent as collaboration continues to grow within the agriculture & agri-food sectors within the ACS Programs.

The Agriculture Management Program (AMP) continues to provide various types of services to the Saskatchewan agriculture Industry along with a growing demand of collaborating with producers & food companies, expanding supply chain opportunities within the Canadian retail industry. The AMP program currently oversees the operations of the Saskatchewan Vegetable Growers Association, the Saskatchewan Fruit Growers Association and the Prairie Fresh Food Corporation. The AMP program also provides various levels of services to FCL-Farm Sourced Foods, Sapientia, O.M.D. Food Products, and Riverbend Plantations, along with a long line of small to mid-size food companies.

The Agri-Food Value Chain Initiative continues to see collaboration and partnership within the value-add sector. Innovation on the retailer shelf has created a new wave of attention in developing new types of value-added food products along with innovation in packing food products. Worldwide supply chain issues have created opportunities for a major increase in driving local collaboration in supplying ingredients along with finished goods. Attention to the consistent supply of goods is a major driver of change within the agri-food sector.

Levy Central continues to administer levy collection and related professional services for 10 commodity organizations across the Prairie provinces. New initiatives in 2023 was the implementation of paperless process which provided greater efficiencies throughout the levy collection process. Levy collection increased over the past fiscal year which was very positive for all commodity groups. Nicole Yip, Senior Client Services Representative will provide a greater overview within her report.

I would like to thank the ACS Staff, Judy, Nicole, Koren & Jesse for their dedication to the organization along with the high-quality of support they provide daily. I would like to thank the ACS Board of Directors for their continued support of the ACS Programs, along with the time they provide throughout the year. I look forward to 2024 with the various ACS programs as we continue to support the Saskatchewan agriculture industry.

Bryan Kosteroski
Executive Director
Agriculture Council of Saskatchewan Inc.



**Levy Central Report
For the ACS Annual General Meeting
December 6, 2023 - 8:30 am**

The Levy Central program administers levy collection and related professional services for Saskatchewan, Manitoba and Alberta commodity organizations. Levy Central currently contracts with 10 commodity organizations, including:

- Alberta Oat Growers Commission
- Canary Seed Development Commission of Saskatchewan
- Manitoba Oat Growers Association
- Saskatchewan Alfalfa Seed Producers Development Commission
- Saskatchewan Barley Development Commission
- Saskatchewan Canola Development Commission
- Saskatchewan Flax Development Commission
- Saskatchewan Mustard Development Commission
- Saskatchewan Oat Development Commission
- Saskatchewan Wheat Development Commission

The Saskatchewan Winter Cereals Development Commission amalgamated with the Saskatchewan Wheat Development Commission on August 1, 2023. Also, as of this date, Levy Central has gone paperless. Commodity buyers report their transactions via Excel spreadsheets, which can be electronically imported into our database.

Levy Central collected \$27,533,393 in levies for the 2022-2023 crop year ending July 31, 2023; this is an increase of \$10,210,849 from the \$17,322,544 collected by July 31, 2022 for the 2021-2022 crop year. This levy collection involved the cooperation of 538 commodity buyers (down from 543) and represented deliveries from 52,810 (up from 52,277) agricultural producers. Core client services include levy collection, depositing and reporting; buyer follow up and individual producer transaction recording; annual buyer registration; refund preparation; newsletter mailing list and voter's list production; year end reconciliation and documentation preparation; liaison with client auditors during their year end process, and serving as election Returning Officer, as requested.

Producer refunds are up in the 2022-2023 crop year, with \$1,913,349 as compared to \$1,402,745 last year; however, the number of refund applications received went down to 1,778, as compared with 2,188 producers requesting refunds in 2021-2022.

The Levy Central Operating Budget for 2023-2024 (\$341,100) is 1.97% of the total levies collected in the 2021-2022 crop year. This percentage is up from last year's 1.07% due to the drought which lowered levy collections in 2021-2022 by over \$13 million in the previous year. The Levy Central program operates on a cost-recovery basis. Each client pays a portion of the actual program operational costs based upon the number of buyers and producers that they have, in relation to the total buyer and producer pool. These numbers are reviewed annually to provide the most realistic basis for budget allocation. If Levy Central operating expenses for the year come in under budget, each client's budgeted share also decreases.

Levy Central acted as election Returning Officer this year to 11 organizations.

Levy Central continues to provide an ideal option for any client seeking collection check-off administration. Our focus continues to be the provision of cost-effective, accurate and timely check-off collection for each of our clients, based upon a fair and equitable shared fee formula.

- Nicole Yip
Senior Client Service Representative, Levy Central

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Financial Statements

For the Year Ended July 31, 2023

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

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For the Year Ended July 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Agriculture Council of Saskatchewan Inc. (the Council), which comprise the statement of financial position as at July 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at July 31, 2023, and the results of its operations and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's 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 auditor's 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 these financial statements.

(continues)

Independent Auditor's Report to the Board of Directors of Agriculture Council of Saskatchewan Inc.
(continued)

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 Council'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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Council 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.

We 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.

Lingard + Dreger

Saskatoon, Saskatchewan
October 16, 2023

Chartered Professional Accountants

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Financial Position

As at July 31, 2023

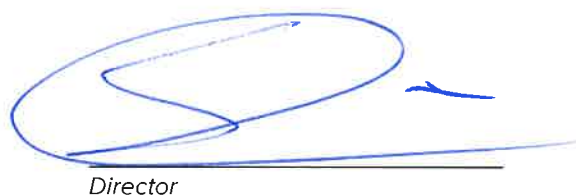
	2023	2022
ASSETS		
CURRENT		
Cash	\$ 556,560	\$ 525,753
Accounts receivable (Note 3)	176,558	112,665
Prepaid expenses	5,885	5,349
	739,003	643,767
TANGIBLE CAPITAL ASSETS (Note 4)	5,673	4,660
	\$ 744,676	\$ 648,427
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 98,078	\$ 28,384
NET ASSETS		
UNRESTRICTED	334,185	327,229
INTERNALLY RESTRICTED (Note 6)	312,413	292,814
	646,598	620,043
	\$ 744,676	\$ 648,427

COMMITMENTS (Note 7)

CONTINGENT LIABILITY (Note 8)

APPROVED ON BEHALF OF THE BOARD


Director


Director

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**Statement of Operations
For the Year Ended July 31, 2023**

	2023	2022
REVENUE		
General Council <i>(Schedule 1)</i>	\$ 16,712	\$ 6,827
Levy Central Services <i>(Schedule 2)</i>	332,452	377,435
Agriculture Management Program <i>(Schedule 3)</i>	177,591	138,514
	526,755	522,776
EXPENSES		
General Council <i>(Schedule 1)</i>	11,874	13,695
Levy Central Services <i>(Schedule 2)</i>	312,853	391,310
Agriculture Management Program <i>(Schedule 3)</i>	175,473	208,434
	500,200	613,439
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 26,555	\$ (90,663)

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**Statement of Operations - General Council****(Schedule 1)****For the Year Ended July 31, 2023**

	2023	2022
REVENUE		
Memberships	\$ 3,000	\$ 3,100
Interest	13,712	3,727
	16,712	6,827
EXPENSES		
Accounting and legal	9,998	10,800
Board of directors	1,194	1,911
Insurance	397	400
Office supplies and equipment	15	15
Website	270	569
	11,874	13,695
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 4,838	\$ (6,868)

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**Statement of Operations - Levy Central Services****(Schedule 2)****For the Year Ended July 31, 2023**

	2023	2022
REVENUE		
Funds from clients	\$ 295,093	\$ 334,582
Administration professional services	29,509	33,458
Other client services	1,273	7,524
Interest	6,577	1,871
	332,452	377,435
EXPENSES		
Accounting and legal	16,995	18,098
Amortization of tangible capital assets	2,282	932
Courier and postage	709	522
Database support costs	19,828	19,670
Database technology enhancements	2,100	1,869
Insurance	3,077	3,000
IT services	4,158	4,196
Office supplies and equipment	6,597	8,505
Other client services	1,273	7,525
Rent	34,098	39,000
Telephone and photocopying	3,649	3,841
Wages and benefits	218,087	284,152
	312,853	391,310
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 19,599	\$ (13,875)

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.
Statement of Operations - Agriculture Management Program (Schedule 3)
For the Year Ended July 31, 2023

	2023	2022
REVENUE		
Client revenue	\$ 171,405	\$ 135,054
Interest	5,698	1,951
Other	488	1,509
	177,591	138,514
EXPENSES		
Accounting and legal	4,702	4,980
Amortization of tangible capital assets	122	-
Bad debt (Note 3)	1,100	9,360
IT services	574	678
Insurance	1,005	1,000
Office supplies and equipment	434	754
Photocopying	695	747
Rent	9,804	9,804
Salaries and wages	150,462	176,694
Telephone	2,720	2,552
Travel	3,855	1,865
	175,473	208,434
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 2,118	\$ (69,920)

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Changes in Net Assets

For the Year Ended July 31, 2023

	Unrestricted	Internally Restricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 327,229	\$ 292,814	\$ 620,043	\$ 710,706
Excess (deficiency) of revenue over expenses	26,555	-	26,555	(90,663)
Interfund transfers <i>(Note 6)</i>	(19,599)	19,599	-	-
NET ASSETS - END OF YEAR	\$ 334,185	\$ 312,413	\$ 646,598	\$ 620,043

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Cash Flows

For the Year Ended July 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 26,555	\$ (90,663)
Item not affecting cash:		
Amortization of tangible capital assets	2,404	932
	28,959	(89,731)
Changes in non-cash working capital:		
Accounts receivable	(63,893)	23,137
Prepaid expenses	(536)	4,559
Accounts payable and accrued liabilities	69,693	(10,133)
	5,264	17,563
Cash flow from (used by) operating activities	34,223	(72,168)
INVESTING ACTIVITY		
Purchase of tangible capital assets	(3,416)	(5,592)
INCREASE (DECREASE) IN CASH	30,807	(77,760)
CASH - BEGINNING OF YEAR	525,753	603,513
CASH - END OF YEAR	\$ 556,560	\$ 525,753
CASH CONSISTS OF:		
Cash	\$ 556,560	\$ 525,753

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2023

1. NATURE OF OPERATIONS

Agriculture Council of Saskatchewan Inc. (the "Council") 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

Interest income is recognized as revenue using the accrual basis of accounting on a time proportion basis.

Other revenues are recognized as revenue in the year they are earned provided the amount to be received can be reasonably estimated and collection is reasonably assured.

Agriculture Management Program

As part of its Agriculture Management Program (AMP) activities the Council purchases significant goods and services on behalf of its AMP clients, and subsequently receives reimbursement from AMP clients for these purchases. As the Council is not the principal in these transactions they have not been recorded as offsetting revenues and expenses in these financial statements.

Net assets

Net assets consist of the following:

- a) Internally restricted net assets are funds which have been designated for a specific purpose by the Council's Board of Directors as described in *Note 6*.
- b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Council each year, net of transfers, and are available for general purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash balances with banks and short-term investments with maturities of three months or less.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Furniture and equipment	5 years

Tangible capital asset additions in the year are amortized at one-half of the stated annual rates. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Income taxes

The Council qualifies as a tax exempt organization under Section 149 of the *Income Tax Act*.

(continues)

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense allocations

Administrative expenses include accounting and legal, office supplies, photocopying, postage, salaries and benefits, and telephone. Certain administrative expenses are common to the operation of the Council and its Levy Central and Agriculture Management Program activities. These expenses have been allocated to the Levy Central and Agriculture Management Programs based on the percentage of employees' time spent supporting each activity. Such allocations are reviewed annually. The basis of allocation may be revised according to circumstances prevailing at any given time.

Financial instruments

Measurement of financial instruments

The Council initially measures its financial assets and financial 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 and accrued liabilities.

Impairment

Financial assets measured at amortized 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.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant estimates include, but are not limited to, the determination of the useful lives of long-lived assets.

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2023

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2023	2022
Accounts receivable	\$ 133,563	\$ 97,537
AMP expense reimbursements receivable	41,634	15,128
Receivable from employees	1,361	-
	\$ 176,558	\$ 112,665

As at July 31, 2023, an allowance for impairment of \$1,100 (2022 - \$9,360) was recognized with respect to an account receivable from a client with a gross carrying amount of \$1,100.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 8,576	\$ 3,293	\$ 5,283	\$ 4,660
Furniture and equipment	433	43	390	-
	\$ 9,009	\$ 3,336	\$ 5,673	\$ 4,660

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable and accrued liabilities	\$ 2,610	\$ 1,823
Vacation payable	16,475	18,722
AMP expenses to be reimbursed payable	78,993	7,839
	\$ 98,078	\$ 28,384

6. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has set up the Levy Central Services internally restricted net assets to be used for programs and services that will benefit Levy Central Services members and clients. The Levy Central Services funds are internally restricted to be used as follows:

	2023	2022
Levy Central Services		
Database	\$ 40,000	\$ 40,000
Equipment	20,000	20,000
Operations	237,413	217,814
Website	15,000	15,000
	\$ 312,413	\$ 292,814

During the year the Board transferred \$19,599 to internally restricted net assets from unrestricted net assets, representing the fiscal year surplus of Levy Central Services as per the Council's financial policy (2022 - \$13,875 transferred to unrestricted net assets).

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2023

7. COMMITMENTS

The Council is committed to an office lease for its premises at 2335 Schuyler Street, Saskatoon, Saskatchewan with a minimum monthly cost of \$3,484 plus GST, expiring July 25, 2025.

Estimated minimum annual payments over the term of the lease are as follows:

2024	\$	41,811
2025		<u>41,811</u>
	\$	<u>83,622</u>

8. CONTINGENT LIABILITY

The Council has a contingent liability for accrued sick time as employees are allowed to accumulate up to 90 sick days. The sick leave contingent liability represents sick days which have accrued to employees who, if on sick leave, would require a replacement worker to perform their daily duties. In the event that employees were to fully utilize their accumulated sick days the sick leave liability would be significant.

9. FINANCIAL INSTRUMENTS

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 risks arising from these financial instruments except as follows:

Credit risk

The Council is exposed to credit risk as it grants credit to its clients in the normal course of operations. To mitigate this risk, management regularly reviews its accounts receivable list, and based on knowledge of their clients, will stop granting credit to clients who have not made regular payments in the past.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting obligations associated with financial liabilities. The Council enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

The Council manages the liquidity risk resulting from its accounts payable and accrued liabilities by constantly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash.
