

**NATIONAL FARMED ANIMAL HEALTH  
AND WELFARE COUNCIL**  
**Financial Statements**  
**For the Year Ended March 31, 2018**

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**Financial Statements**  
**For the Year Ended March 31, 2018**

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## Independent Auditor's Report

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**To the members of  
NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL**

We have audited the accompanying financial statements of NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and surplus 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**

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 auditor's 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 financial position of NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL as at March 31, 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Woodstock, Ontario  
June 14, 2018

**NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL**  
**Statement of Financial Position**

**March 31** **2018** **2017**

**Assets**

**Current**

Cash and bank	\$	157,471	\$	101,248
Accounts receivable		34,840		49,661
HST rebate receivable		13,295		13,353
Prepaid expenses		2,218		-
		\$ 207,824		\$ 164,262

**Liabilities and Surplus**

**Current**

Accounts payable and accrued liabilities	\$	22,233	\$	38,910
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**Surplus**

		185,591		125,352
		\$ 207,824		\$ 164,262

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL

### Statement of Operations and Surplus

For the year ended March 31	2018	2017
<b>Revenue</b>		
Industry support	\$ 104,500	\$ 104,500
Federal, provincial and territorial support	214,160	214,490
Recovery of support	20,000	-
Sponsorship of Forum	10,000	9,500
CFIA CAHSS database development	-	6,780
CFIA CAHSS website	-	8,441
CFIA CAHSS website improvements	-	9,605
CFIA CAHSS/CEZD website communications	8,345	-
CFIA CAHSS website enhancements	5,495	-
Miscellaneous	-	206
	<b>362,500</b>	<b>353,522</b>
<b>Expenses</b>		
CFIA CAHSS database development	-	4,288
CFIA CAHSS website	-	12,525
CFIA CAHSS website improvements	-	5,847
CFIA CAHSS/CEZD website communications	6,756	-
CFIA CAHSS website enhancements	4,158	-
Communications	1,114	1,668
Forum expenses	69,995	67,347
Honorariums	5,600	7,700
Insurance	890	2,069
Meetings	9,611	9,418
Office supplies and miscellaneous	864	569
Professional fees	4,848	6,894
Research	51,450	53,028
Secretariat	94,728	92,649
Translation	7,783	19,659
Travel	44,464	31,739
Uncollected support	-	20,660
	<b>302,261</b>	<b>336,060</b>
<b>Excess of revenues over expenses</b>	<b>60,239</b>	<b>17,462</b>
<b>Surplus, beginning of year</b>	<b>125,352</b>	<b>107,890</b>
<b>Surplus, end of year</b>	<b>\$ 185,591</b>	<b>\$ 125,352</b>

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

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**NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL**  
**Statement of Cash Flows**

For the year ended March 31	2018	2017
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 60,239	\$ 17,462
Changes in non-cash working capital items:		
Accounts receivable	14,821	(18,331)
HST rebate receivable	58	8,899
Prepaid expenses	(2,218)	2,069
Accounts payable and accrued liabilities	(16,677)	(2,403)
Deferred contributions	-	(8,441)
	56,223	(745)
<b>Net increase (decrease) in cash</b>		
Cash, beginning of the year	101,248	101,993
<b>Cash, end of the year</b>	\$ 157,471	\$ 101,248

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

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# NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL

## Notes to Financial Statements

March 31, 2018

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	The National Farmed Animal Health and Welfare Council ("Council"), located in Bluevale, Ontario, was federally incorporated without share capital on May 20, 2011. The Council's objective is to establish a harmonized and integrated approach to the management of animal health and welfare in Canada. The Council acts as an advisory group to provide scientific, strategic and policy advice and recommendations on animal health and welfare matters to the public and private sectors.
<b>Basis of Accounting</b>	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
<b>Financial Instruments</b>	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.
<b>Income Taxes</b>	The Council is incorporated under the Canadian Corporations Act as a not-for-profit organization and therefore is not subject to income taxes as long as it maintains its not-for-profit status.
<b>Revenue Recognition</b>	<p>The Council follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and membership fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p>
<b>Contributed Services</b>	Members of the Council contribute time and services to assist the Council in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
<b>Use of Estimates</b>	The preparation of 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL Notes to Financial Statements

**March 31, 2018**

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### 2. Economic Dependence and Government Support

The Council is dependent on funding received from government agencies. Overall, revenue from government agencies represented approximately 69% of total revenue for the year ended March 31, 2018 (67% - 2017).

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### 3. Related Party Balances and Transactions

The Canadian Animal Health Coalition is related to the Council since the Coalition is appointed as Secretariat for the Council.

(a) The following table summarizes the transactions with the Canadian Animal Health Coalition during the year:

	<u>2018</u>	<u>2017</u>
<b>Expenditures</b>		
Forum planning	<u>\$ 31,182</u>	<u>\$ 31,182</u>
Secretariat	<u>\$ 93,546</u>	<u>\$ 91,467</u>

(b) During the year, the Council reimbursed the Canadian Animal Health Coalition for expenditures as outlined in the following table:

	<u>2018</u>	<u>2017</u>
Expenditures reimbursed	<u>\$ 5,057</u>	<u>\$ 5,215</u>

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

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# NATIONAL FARMED ANIMAL HEALTH AND WELFARE COUNCIL

## Notes to Financial Statements

March 31, 2018

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#### 4. Financial Instruments

##### Liquidity risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset at all. Liquidity risk arises from accounts payable and accrued liabilities.

There have been no changes in this risk or the organization's exposure to it from the previous period.