

# Saskatchewan Bison Association Inc.

Box 31 STN. Main  
Regina, SK  
S4P 3G7

February 25, 2019

Lois Skinner CPA  
Box 131  
Wilkie, Saskatchewan  
S0K 4W0

Dear Madame:

This representation letter is provided in connection with your review of the financial statements of Saskatchewan Bison Association Inc. for the period ended December 31, 2018 and for the purposes of you expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements of Saskatchewan Bison Association Inc. do not present fairly, in all material respects, the financial position of Saskatchewan Bison Association Inc. as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Certain representations in this letter are described as being limited to matters that are material. Misstatements (including omissions) are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

**We confirm, to the best of our knowledge and belief, the following representations made to you during your review:**

## **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 28, 2018, for the preparation and fair presentation of the financial statements in accordance with ASNPO.
- We reviewed, approved and recorded all of your proposed adjustments (except for uncorrected misstatements, which are addressed in the next bullet point) to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this

representation letter.

- Management or other appropriate persons (such as those charged with governance) have accepted responsibility for the financial statements, including the related notes.

#### **Information Provided**

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the review; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you:
  - The identity of the entity's related parties and all the related-party relationships and transactions of which we are aware;
  - Significant facts relating to any fraud or suspected fraud known to us that may have affected the entity;
  - Known actual or possible non-compliance with laws and regulations for which the effects of non-compliance impact the financial statements of Saskatchewan Bison Association Inc.;
  - All information relevant to use of the going concern assumption in the financial statements;
  - All events occurring subsequent to the date of the financial statements that may require adjustment or disclosure;
  - Material commitments, contractual obligations or contingencies that have affected or may affect the entity's financial statements, including disclosures; and
  - Material non-monetary transactions or transactions for no consideration undertaken by the entity in the financial reporting period under consideration.

#### **Other Representations**

- ***Fair values of financial instruments***

We believe that the significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.

- ***Material transactions***

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

- ***Future plans***

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

- **Related-party transactions**

All related-party transactions have been appropriately measured and disclosed in the financial statements.

- **Estimates**

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

- **Claims**

We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

- **Liabilities and contingencies**

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

- **Ownership**

The company has satisfactory title to all assets, and there are no liens or encumbrances on the company's assets.

- **Compliance**

We have disclosed to you, and the company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

Acknowledged and agreed on behalf Saskatchewan Bison Association Inc. by:

original sided Title: President  
by Les Kroeger



**SASKATCHEWAN BISON ASSOCIATION INC.**  
**Regina, Saskatchewan**

**FINANCIAL STATEMENTS**

**December 31, 2018**  
**(unaudited)**

SASKATCHEWAN BISON ASSOCIATION INC.  
Regina, Saskatchewan

December 31, 2018

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# Lois Skinner CPA

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board members of  
Saskatchewan Bison Association Inc.:

I have reviewed the accompanying financial statements of Saskatchewan Bison Association Inc. which comprise the statement of financial position as at December 31, 2018 and the statements of operations, change 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.

### *Practitioner's Responsibility*

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my 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.

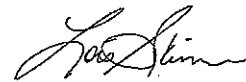
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of Saskatchewan Bison Association Inc. as at December 31, 2018, 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.

### *Other Matter*

The financial statements of Saskatchewan Bison Association Inc. for the year ended December 31, 2017 were reviewed by another practitioner who expressed an unqualified conclusion on those financial statements on February 23, 2018.



Wilkie, Saskatchewan  
February 25, 2019

CHARTERED PROFESSIONAL ACCOUNTANT

SASKATCHEWAN BISON ASSOCIATION INC.

Regina, Saskatchewan  
Statement of Financial Position  
December 31, 2018  
(unaudited)

ASSETS

	<u>2018</u>	<u>2017</u>
<b>CURRENT</b>		
Bank	\$ 40,298	\$ 45,311
Investments - short term and cash & equivalents (Note 2)	61,329	30,527
Accrued Interest	1,061	706
Accounts Receivable	1,207	3,825
Receivable - GST	2,315	937
Prepaid expenses	<u>2,126</u>	<u>1,975</u>
	108,336	83,281
<b>CAPITAL</b>		
Land, Buildings and equipment (Note 4)	<u>-</u>	<u>382</u>
<b>OTHER</b>		
Investments - term deposits (Note 2)	<u>-</u>	<u>30,527</u>
	<u>\$ 108,336</u>	<u>\$ 114,190</u>

LIABILITIES

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ -	\$ 88
Deposits held	<u>5,450</u>	<u>-</u>
	<u>5,450</u>	<u>88</u>

NET ASSETS

Unrestricted Surplus	<u>102,886</u>	<u>114,102</u>
	<u>\$ 108,336</u>	<u>\$ 114,190</u>

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Director\_\_\_\_\_  
Director



SASKATCHEWAN BISON ASSOCIATION INC.  
Statement of Operations  
for the year ended December 31, 2018  
(unaudited)

	<u>2018</u>	<u>2017</u>
REVENUE		
Government Grants	\$ 31,700	\$ 33,500
Industry Development Fees	18,308	19,890
Bull Draft	26,703	31,687
Memberships	20,018	22,125
Investment Income	631	718
Other Income	45	4,206
	<u>97,405</u>	<u>112,126</u>
EXPENSES		
Advertising	600	-
Benchmarking Project	41,776	30,350
Bank Charges	239	232
Board Expense	3,000	3,000
Bull Draft	23,291	26,292
Contract Labour	23,979	19,363
Amortization	382	95
Industry Development	2,000	3,244
Industry & Producer Meetings	4,715	7,048
Insurance	2,479	3,313
Memberships & Subscriptions	2,545	1,168
Office Expense	527	1,469
Sponsorships	-	6,069
Professional Fees	2,400	1,519
Travel	460	-
Telephone	228	245
	<u>108,621</u>	<u>103,407</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>(11,216)</u>	\$ <u>8,719</u>
SURPLUS (DEFICIT) FOR THE YEAR	(11,216)	8,719
SURPLUS AT BEGINNING OF YEAR	<u>114,102</u>	<u>105,383</u>
SURPLUS AT END OF YEAR	\$ <u>102,886</u>	\$ <u>114,102</u>

SASKATCHEWAN BISON ASSOCIATION INC.Statement of Cash Flow  
for the year ended December 31, 2018  
(unaudited)

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Cash provided by (used in) operations		
Net income (loss) for the year	\$ <u>(11,216)</u>	\$ <u>8,719</u>
Add items not involving current cash flow:		
Amortization	<u>382</u>	<u>95</u>
	<u>(10,834)</u>	<u>8,814</u>
Net change in non-cash working capital		
Accounts receivable(increase)decrease	885	(4,078)
Investments(increase)decrease	30,527	(30,527)
Prepaid expense(increase) decrease	(151)	11,150
Accounts payable increase(decrease)	(88)	(1,384)
Deferred receipts increase(decrease)	<u>5,450</u>	<u>-</u>
	<u>36,623</u>	<u>(24,839)</u>
CASH FLOWS FROM(USED IN) OPERATING ACTIVITIES	<u>25,789</u>	<u>(16,025)</u>
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	25,789	(16,025)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>75,838</u>	<u>91,863</u>
CASH AND EQUIVALENTS AT END OF YEAR	\$ <u>101,627</u>	\$ <u>75,838</u>
Cash consists of :		
Bank Deposits	40,298	45,311
Short term GIC deposits	61,329	30,527
	\$ <u>101,627</u>	\$ <u>75,838</u>

**SASKATCHEWAN BISON ASSOCIATION INC.**

Notes to Financial Statements

December 31, 2018

(unaudited)

Saskatchewan Bison Association Inc. (SBA) is a non-profit organization which was incorporated under the Non-profit Corporations Act of Saskatchewan on October 27, 1993. SBA promotes the bison industry and bison products in Saskatchewan.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. SBA's significant accounting policies are as follows:

**a) Revenue Recognition**

Memberships - annual membership fees are recognized as revenue in the year to which they relate.

Investment income - interest is recorded in the year it is earned on investments.

Government grants and Contributions - SBA 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**b) Financial Instruments*****Measurement***

Financial instruments are recorded at fair value on initial recognition. Subsequently, equity instruments that are quoted in an active market are measured at fair value, and all other financial instruments are recorded at cost or amortized cost. The short-term investments are carried at cost plus accrued interest.

***Transaction costs***

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

***Impairment***

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the SBA determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the SBA expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

**SASKATCHEWAN BISON ASSOCIATION INC.**

Notes to Financial Statements

December 31, 2018

(unaudited)

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****c) Allocation of Expenses**

SBA records a number of its expenses by function: Benchmarking Project, Bull Draft, Industry Development and Industry & Producer Meetings.

**d) Management Estimates**

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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

**e) Fixed Assets**

Fixed assets are recorded at cost. Amortization is calculated on the diminishing balance method at a rate of 20% per year.

**2. INVESTMENTS**

Investments consist of GICs and fixed short-term deposits with maturity dates greater than 12 month from date of acquisition. Investments which can be readily withdrawn at no penalty and those with maturity dates of 12 months or less are considered current and included in Cash & Equivalents. At yearend both GICs renewed within 15 days and are shown as current assets.

**3. FINANCIAL INSTRUMENTS**

The SBA's financial instruments include cash and deposits, investments, receivables, interest receivable, accounts payable and accrued liabilities. The fair value of these instruments, other than investments, approximates carrying value due to their immediate or short-term nature.

The SBA is exposed to various risks through its financial instruments:

***Credit Risk***

The SBA is exposed to normal credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. There have been no changes in this risk from the prior year.

SASKATCHEWAN BISON ASSOCIATION INC.

Notes to Financial Statements

December 31, 2018

(unaudited)

**3. FINANCIAL INSTRUMENTS** (continued)***Liquidity Risk***

Liquidity risk is the risk that the SBA will not be able to meet a demand for cash or fund its obligations as they come due. The SBA meets its liquidity requirements by preparing and monitoring cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. There have been no changes in this risk from the prior year.

***Market Risk***

Market risk is the risk that investment values will fluctuate as a result of changes in market prices or other factors affecting the value of investments. Market risk is comprised of currency risk, interest risk and other price risk. The SBA is subject to market risk with respect to its investments. There have been no changes in this risk from the prior year.

***Currency Risk***

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The functional currency of the SBA is the Canadian dollar. Possibly transactions in U.S. dollars may occur due to certain revenues and operating costs being denominated in U.S. Dollars, as well as sourcing certain purchases and capital asset acquisitions internationally. There have been no changes in this risk from the prior year.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the SBA to interest rate risk arises from its interest bearing assets. There have been no changes in this risk from the prior year.

**4. CAPITAL ASSETS**

			<u>2018</u>	<u>2017</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Office Equipment	\$ 15,347	\$ 15,347	-	\$ 341
Other Equipment	3,133	<u>3,133</u>	<u>-</u>	<u>41</u>
	<u>\$ 18,480</u>	<u>\$ 18,480</u>	<u>-</u>	<u>\$ 382</u>

SASKATCHEWAN BISON ASSOCIATION INC.

Notes to Financial Statements

December 31, 2018

(unaudited)

**5. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation. The prior period balances were reviewed by another accountant.

**6. RELATED PARTY TRANSACTIONS**

The members of the Board of Directors of SBA are elected but serve on a volunteer basis. Except for the chairman, they receive no honorarium or other payments for their time and they pay their own travel and telephone costs for SBA related activities.

**7. SIGNIFICANT INFLUENCE**

SBA utilizes the staff and office resources of the Canadian Bison Association. The SBA paid \$18,800 in administration expenses to the Canadian Bison Association, as well as separate payments totaling \$4,261 for reimbursed expenses to the Canadian Bison Association during the year.