

Box 339
4804-43 Ave
Forestburg, AB
T0B 1N0 Forestburg, Alberta
Tel: 780-582-7308

Battle River
Research Group



Regular BRRG Board Meeting Minutes

March 07, 2024

Directors Present: Blair Kuefler, Brent Christensen, Paul McKay, Dale Pederson, Donald Kroetch, Kirk Sorensen, Shawn Charbonneau, Stuart McMahon, and Terry Magnuson

Regrets: Stan Schulmeister, Ed Lefsrud, Bryan Zwack

CALL TO ORDER: Don called the meeting to order at 9:00 a.m.

Additions to agenda: Explain ARECA membership as 2.c. , ARECA rep as 2.d. , Annual Meeting as 2.e.

Review of past minutes. Note that Paul MacKay should be added to those present.

Don and Khalil explained the ARECA membership for everyone, it's benefits and costs. This due to Khalil's email requesting advice on paying membership dues. In spite of ARECA governance issues, we still need a membership, especially given it's relationship with RDAR.

Our ARECA rep has been Colin Weger who is stepping back. Ed Lefsrud has volunteered to take position, with Blair Kuefler as alternate.

Annual Meeting is in Killam at 9:00 a.m. on March 27. Don is unable to attend and asked for a volunteer to act as host. Blair volunteered.

Khalil explained the financial report. Current account \$141,579 Savings account \$133,300

Blair moved we accept the financial report as information. Carried.

BRRG Report:

Annual Report will soon be available online. Discussion about getting much more of our info online/on website. Khalil is working with a group to assist in this area. Received a grant from Ag For Life to help with this.

Soil samples and wild oat seed counts happening in shop.

Many demands on Khalil's time due to expertise in consulting/leading/teaching other groups. We agreed that he should try to keep expertise in our service area as much as possible, and adhere to our mandates.

Humalite project on peas with U of A

Make our website an info hub with links to other types of research

20 extension events last year

Daysland Crop Production Event – Blair hosted

Box 339
4804-43 Ave
Forestburg, AB
T0B 1N0 Forestburg Alberta
Tel: 780-582-7308

Battle River
Research Group



Make more use of board members as well as staff at booth at other functions

Drone School in Castor July 25 and 26 in partnership with Paintearth County

Speaker list for AGM

Presentation at ARECA AGM March 13

BRAED Ag Roundtable – Khalil and Don attending

Cooperative extension model – beginnings of a movement to link info/expertise/advice from all groups and levels into a publicly accessible information source

Khalil will have a budget available to next meeting.

Should we approach Provost to join us as Camrose has declined.

RDAR Report: Don and Khalil went to meetings re: Capital funding possibility

Difficulty dealing with insurance with trailer theft.

Brent moved we accept the report as information. Carried.

Commissions:

Brent and Terry went to Crossroads, Brent has been installed on the new Alberta Grains Board. Grains and pulse AGM's are doing well, AB Canola less so.

Brent and Terry attended the Combine to Customer course in Winnipeg.

Equipment Committee:

Stuart reported that we have received an offer from Pillar to purchase 6 new openers for our plot drill at much reduced pricing, as long as we give them some advertising for doing so. This option would require extensive modifications to existing drill. With potential new capital funding perhaps we should look at outright purchase of a plot drill? Potential funding from FCC an option maybe?

Personel Committee:

Blair moved for in camera. Carried. Khalil left the meeting

Kirk moved for out of camera. Carried. Khalil rejoined the meeting.

Shawn moved the managers salary be increased to \$97,000/yr. retroactive to Jan. 1, 2024. Carried

Blair moved that the manager be responsible for ensuring compensation for employees is fair, competitive, and reflects the duties and responsibilities of employees. Carried

Box 339
4804-43 Ave
Forestburg, AB
T0B 1N0 Forestburg, Alberta
Tel: 780-582-7308

Battle River
Research Group



Paul moved that the Personnel Committee review the managers salary annually, and present to the board any suggestions for changes for their approval. Carried.

Strategic Plan Review:

Increase in Secondary Education involvement and collaboration – accomplished and growing

Expand research to Camrose County – denied. Is this possible in the future? Should we approach M.D. of Provost?

Knowledge transfer – yes, we hosted 20 extension programs

Funding – there are new things in the works

Testimonials – Add to website, this is in progress

Measure our successes

Capital Asset Plan – working on this as well

5 year forecast and funding plan

Staff housing project – we have tossed around several ideas, but this is costly and challenging

ASB Updates

Beaver County – Dale reported on Watershed Alliance meeting. ASB Provincial Conference in Lethbridge. Ground squirrel control issues. Seed Plant grain flow to color sorter

Flagstaff County – Drought issues and water station usage

Stettler County – drought and water supply for livestock, wild boars near Byemoor, seminars on drought, shelterbelt, and cattle, private windmill in hamlet

Next meeting will be after AGM for re-organisation or as needed.

Brent's term on the board has come to an end, and thanks to him.

Adjourn at 12:05 p.m.



BATTLE RIVER RESEARCH GROUP SOCIETY

Financial Statements

For the Year Ended December 31, 2023

Draft for discussion purposes only

Prepared by	Reviewed by	Partner review

BATTLE RIVER RESEARCH GROUP SOCIETY
Index to Financial Statements
For the Year Ended December 31, 2023

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

Draft for discussion purposes only

KROEGER JOYCE INMAN

CHARTERED PROFESSIONAL ACCOUNTANTS

B.H. Kroeger, CPA, CA, CFA*

G.R. Joyce, CPA, CA*

D.R. Inman, CPA, CGA*

* denotes partner, professional corporation

tel: (780)679-2515

fax: (780)679-2507

toll free: 1-877-679-2515

e-mail: office@kjicpa.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Battle River Research Group Society

Opinion

We have audited the financial statements of Battle River Research Group Society (the society), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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 society as at December 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 (ASNPO)

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 society 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.

Other Matter

The financial statements for the year ended December 31, 2022 are unaudited.

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 ASNPO, 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 society'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 society or to cease operations, or has no realistic alternative but to do so.

(continues)

Printed: March 25, 2024 4:36 PM

Independent Auditor's Report to the Members of Battle River Research Group Society (*continued*)

Those charged with governance are responsible for overseeing the society'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.

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 society'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 society'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 society 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.

Camrose, Alberta



KROEGER JOYCE INMAN
CHARTERED PROFESSIONAL
ACCOUNTANTS

BATTLE RIVER RESEARCH GROUP SOCIETY**Statement of Financial Position****As at December 31, 2023**

	2023	2022 (Unaudited) (Restated)
ASSETS		
CURRENT		
Cash	\$ 364,212	\$ 239,532
Accounts receivable	25,335	176,210
Goods and services tax recoverable	11,346	6,784
Prepaid expenses	8,443	24,639
	409,336	447,165
CAPITAL ASSETS (Note 3)	115,138	113,907
UFA PATRONAGE EQUITY	497	497
	\$ 524,971	\$ 561,569
LIABILITIES		
CURRENT		
Accounts payable	\$ 37,550	\$ 47,526
Employee deductions payable	4,167	12,751
	41,717	60,277
DEFERRED REVENUES (Note 4)	10,250	58,116
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	49,083	52,380
	101,050	170,773
NET ASSETS		
NET ASSETS INVESTED IN CAPITAL ASSETS	66,054	61,527
UNRESTRICTED NET ASSETS	357,867	329,269
	423,921	390,796
	\$ 524,971	\$ 561,569

ON BEHALF OF THE BOARD_____
Director_____
Director

Printed: March 25, 2024 4:36 PM

Prep _____ Added _____ Approved _____

BATTLE RIVER RESEARCH GROUP SOCIETY**Statement of Revenues and Expenditures****For the Year Ended December 31, 2023**

	2023	2022 (Unaudited) (Restated)
REVENUES		
Results Driven Agriculture Research - base funding	\$ 333,300	\$ -
Government project grants	82,178	498,506
Municipal grants	55,000	39,500
Meeting/workshop registrations	35,330	41,159
Industry and commission trials	19,300	115,477
STEP/SCP program funding	9,428	14,141
Rental revenue	3,600	7,200
Amortization of deferred capital contributions	3,215	3,881
Other income	2,881	2,664
	544,232	722,528
EXPENSES		
Advertising and promotion	1,665	2,250
Amortization	18,812	18,018
Board of Directors expenses	4,921	3,836
Communications and Internet	3,731	4,920
Contract labour	12,072	480
Fuel and oil	12,323	11,634
Insurance	14,313	12,826
Interest and bank charges	1,062	893
Licenses and memberships	10,060	4,522
Meals and entertainment	1,415	2,266
Office	4,640	9,424
Plot Leases	3,300	3,692
Plot expenses	28,443	85,197
Professional fees	24,597	17,340
Property taxes	3,155	3,113
Relocation Expense	-	326
Repairs and maintenance	17,993	12,941
Seminars, workshops, tours	42,702	25,605
Soil/Feed/Seed/Water Tests	18,198	48,990
Staff development	544	1,174
Travel	2,357	2,498
Utilities	6,724	6,659
Wages and benefits	296,076	364,331
	529,103	642,935
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	15,129	79,593
OTHER INCOME		
Gain (loss) on disposal of capital assets	(2,900)	18,615
Interest income	3,695	1,472
Alberta Jobs Now Program	17,201	-
	17,996	20,087
EXCESS OF REVENUES OVER EXPENSES	\$ 33,125	\$ 99,680

BATTLE RIVER RESEARCH GROUP SOCIETY

Statement of Changes in Net Assets

For the Year Ended December 31, 2023

	Net Assets invested in capital assets	Unrestricted net assets	2023	2022 (Unaudited) (Restated)
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 61,527	\$ 284,529	\$ 346,056	\$ 272,907
Prior period adjustments (Note 8)	-	44,740	44,740	18,209
As restated	61,527	329,269	390,796	291,116
EXCESS OF REVENUES OVER EXPENSES	(15,597)	48,722	33,125	99,680
Investment in capital assets	20,124	(20,124)	-	-
NET ASSETS - END OF YEAR	\$ 66,054	\$ 357,867	\$ 423,921	\$ 390,796

BATTLE RIVER RESEARCH GROUP SOCIETY**Statement of Cash Flows****For the Year Ended December 31, 2023**

	2023	2022 (Unaudited) (Restated)
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 33,125	\$ 99,680
Items not affecting cash:		
Amortization of capital assets	18,812	18,018
Loss (gain) on disposal of capital assets	2,900	(18,615)
Amortization of deferred capital contributions	(3,215)	(3,881)
	<u>51,622</u>	<u>95,202</u>
Changes in non-cash working capital:		
Accounts receivable	150,875	(101,474)
Accounts payable	(9,977)	(6,223)
Prepaid expenses	16,196	(17,338)
Goods and services tax payable	(4,562)	(3,373)
Employee deductions payable	(8,584)	(111)
Deferred revenues	(47,866)	(52,032)
	<u>96,082</u>	<u>(180,551)</u>
Cash flow from (used by) operating activities	<u>147,704</u>	<u>(85,349)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(23,074)	(24,378)
Proceeds on disposal of capital assets	50	18,615
Cash flow used by investing activities	<u>(23,024)</u>	<u>(5,763)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>124,680</u>	<u>(91,112)</u>
Cash - beginning of year	<u>239,532</u>	<u>330,644</u>
CASH - END OF YEAR	<u>\$ 364,212</u>	<u>\$ 239,532</u>

BATTLE RIVER RESEARCH GROUP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

1. NATURE OF OPERATIONS

Battle River Research Group Society, "the Society", was incorporated under the Societies Act of Alberta. The Society encourages agricultural improvements within the agriculture community in east central Alberta. The Society is an income tax exempt not-for-profit organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Society has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Revenue Recognition

The Society 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.

Seminar and workshop fees are recognized when the event takes place and collection is reasonably assured. Amounts received in advance are recorded as deferred revenue.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and short term investments with maturities of three months or less.

Financial Instruments

Initial measurement

The Society's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Society measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. All changes in fair value of the Society's investments in equities quoted in an active market are recorded in the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, accounts payable, and deferred revenues.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

(continues)

BATTLE RIVER RESEARCH GROUP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	55%	declining balance method

When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over and residual value is recognized as an expense in the statement of operations. Any write-downs recognized are not reversed.

Contributed materials and services

The Society benefits from the value of services donated by members interested in furthering its objectives. Contributed services are not recorded because their fair value is not readily determinable. Contributed goods and services are recognized at their fair value in the financial statements when the amount can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Items subject to significant management estimates include expected useful life of capital assets.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Buildings	105,544	59,331	46,213	51,312
Computer equipment	11,078	8,753	2,325	359
Equipment	146,359	113,199	33,160	18,750
Motor vehicles	326,116	302,676	23,440	33,486
	<u>\$ 599,097</u>	<u>\$ 483,959</u>	<u>\$ 115,138</u>	<u>\$ 113,907</u>

BATTLE RIVER RESEARCH GROUP SOCIETY**Notes to Financial Statements****Year Ended December 31, 2023****4. DEFERRED REVENUES**

Deferred contributions represent funding received in the current period that is related to the subsequent period.

	<u>2023</u>	<u>2022</u>
Deferred Revenue - Alberta Agriculture	\$ 10,250	\$ 58,116

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions with which some of the Society's capital assets were originally purchased. The changes in deferred contributions balance for the period are as follows:

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 52,380	\$ 58,702
Less amounts amortized to revenue	(3,215)	(3,881)
Recognition of deferred capital contributions on disposal of assets	(82)	(2,441)
	<u>\$ 49,083</u>	<u>\$ 52,380</u>

6. FINANCIAL INSTRUMENT RISKS**Liquidity Risk**

The Society's liquidity risk represents the risk that the Society could encounter difficulty in meeting obligations associated with its financial liabilities. The Society has determined that it is not exposed to significant amount of liquidity risk with respect to its accounts payable. There was no significant change in exposure from the prior year.

Credit Risk

The Society has determined that the financial assets with credit risk exposure are accounts receivable since failure to fulfill these obligations could result in financial losses for the organization. The organization has a significant number of funders and customers which minimizes concentration of credit risk. The Society has determined that it is not exposed to significant amount of credit risk with respect to its accounts receivable. There was no significant change in exposure from the prior year.

7. ECONOMIC DEPENDENCE

The Society derives approximately 88% (2022 - 81%) of its revenue from various Government grants.

BATTLE RIVER RESEARCH GROUP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

8. PRIOR PERIOD ADJUSTMENTS

During 2023, the Society discovered that amounts received in 2023 for projects completed in 2022 were not recognized as revenue and accounts receivable in 2022. The 2022 financial statements have been restated to increase revenues, accounts receivable by \$46,737 and 2023 opening retained earnings have been increased by this amount.

During 2023, the Society discovered that wages and benefit expenses were recorded incorrectly in 2022 due to an overpayment of payroll source deductions. The 2022 financial statements have been restated to decrease expenses, increase prepaid expenses by \$18,158 and increase 2023 opening retained earnings by this amount.

During 2023, the Society discovered that project expenses completed in 2022 but not yet paid for were not recognized as expenses or accounts payable in 2022. The 2022 financial statements have been restated to increase expenses and accounts payable by \$32,364 and 2023 opening retained earnings have been decreased by this amount.

During 2023, the Society discovered amounts received in 2023 for projects completed in 2020 and 2021 were not recognized as revenue and accounts receivable in 2020 and 2021 year end. The 2022 financial statements have been restated to increase accounts receivable and opening retained earnings by \$18,209

During 2023, the Society discovered an error in the recording of a specific expense invoice. The 2022 financial statements have been restated to decrease revenues, increase expenses, increase accounts payable, decrease accounts receivable by \$3000 and decrease 2023 opening retained earnings by \$6000.
