

Canadian Cattle Association
Financial Statements
June 30, 2023

Canadian Cattle Association

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For the year ended June 30, 2023

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Management's Responsibility

To the Board of Canadian Cattle Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board is composed of Members who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 21, 2023



Dennis Laycraft
Executive Vice President

Independent Auditors' Report

To the Board of The Canadian Cattle Association:

Opinion

We have audited the financial statements of Canadian Cattle Association (the "Association"), which comprise the statement of financial position as at June 30, 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 Association as at June 30, 2023, 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.

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 Association in accordance with the 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 - Unaudited schedules and Supplementary Information

Our audit of Canadian Cattle Association's financial statements for the year ended June 30, 2023, was not directed to the determination of the accuracy of the information included in Schedules 1 to 9. While such information has been subjected to the auditing process applied in the audit of the financial statements as a whole, we do not express a separate opinion on Schedules 1 to 9.

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

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

Calgary, Alberta

November 21, 2023

MNP LLP

Chartered Professional Accountants

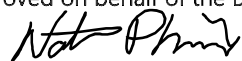
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Canadian Cattle Association
Statement of Financial Position

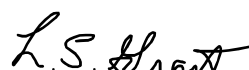
As at June 30, 2023

	2023	2022
Assets		
Current		
Cash	7,458,089	7,861,966
Marketable securities (Note 3)	1,146,418	1,125,000
Accounts receivable	1,825,263	1,776,171
Goods and Services Tax recoverable	2,442	2,442
Note receivable (Note 4)	500,000	500,000
Prepaid expenses	202,895	118,222
	11,135,107	11,383,801
Property and equipment (Note 5)	44,538	55,017
Investments (Note 6)	7,088,420	6,119,505
	18,268,065	17,558,323
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	1,277,561	602,045
Deferred contributions (Note 8)	1,708,283	2,734,888
	2,985,844	3,336,933
Commitments (Note 9)		
Net Assets		
Invested in property and equipment	44,538	55,017
Unrestricted	10,796,150	9,705,182
Restricted – Beef Cattle Research Council	2,000,000	2,000,000
Restricted – Marketing Assessment	1,698,868	1,348,546
Restricted – Canadian Roundtable for Sustainable Beef	61,000	150,000
Restricted – Public and Stakeholder Engagement	100,000	100,000
Restricted – Special Projects Fund	171,665	202,645
Restricted – Climate Change Reserve	200,000	450,000
Restricted – Canfax Research Services	210,000	210,000
	15,282,221	14,221,390
	18,268,065	17,558,323

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Canadian Cattle Association
Statement of Operations
For the year ended June 30, 2023

	2023	2022
Revenue		
Canadian Cattle Association Segment <i>(Schedule 1)</i>	4,695,454	4,905,813
Canfax Market Analysis Division <i>(Schedule 3)</i>	453,695	461,750
Canfax Research Services Division <i>(Schedule 5)</i>	577,410	466,432
Beef Cattle Research Council <i>(Schedule 6)</i>	6,688,913	5,896,608
Beef Science Cluster <i>(Schedule 7)</i>	1,593,684	2,444,467
Canadian Roundtable for Sustainable Beef <i>(Schedule 8)</i>	1,835,497	1,551,085
Public and Stakeholder Engagement <i>(Schedule 9)</i>	655,565	564,110
	16,500,218	16,290,265
Expenses		
Canadian Cattle Association Segment	4,269,085	3,353,691
Canfax Market Analysis Division	472,646	442,608
Canfax Research Services Division	488,727	465,450
Beef Cattle Research Council	6,107,018	7,368,266
Beef Science Cluster	1,568,070	2,444,467
Canadian Roundtable for Sustainable Beef	1,844,120	1,331,055
Public and Stakeholder Engagement	652,494	537,671
Amortization	37,227	36,412
	15,439,387	15,979,620
Excess of revenue over expenses	1,060,831	310,645

The accompanying notes are an integral part of these financial statements

Canadian Cattle Association
Statement of Changes in Net Assets

For the year ended June 30, 2023

	<i>Invested in property and equipment</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>2023</i>	<i>2022</i>
Net assets, beginning of year	55,017	9,705,182	4,461,191	14,221,390	13,910,745
Excess of revenue over expenses	-	1,060,831	-	1,060,831	310,645
Allocation of amortization	(37,227)	37,227	-	-	-
Reserve allocation (<i>Note 10</i>)	-	19,658	(19,658)	-	-
Invested in property and equipment	26,748	(26,748)	-	-	-
Net assets, end of year	44,538	10,796,150	4,441,533	15,282,221	14,221,390

The accompanying notes are an integral part of these financial statements

Canadian Cattle Association

Statement of Cash Flows

For the year ended June 30, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	1,060,831	310,645
Amortization	37,227	36,412
Dividends reinvested	(840,670)	(637,095)
Loss on sale of investments	4,666	9,484
Unrealized (gain) loss on investments	(175,194)	1,384,855
	86,860	1,104,301
Changes in working capital accounts		
Accounts receivable	(49,092)	584,146
Prepaid expenses	(84,673)	(32,678)
Accounts payable and accrued liabilities	675,516	(38,639)
Deferred contributions	(1,026,605)	(760,472)
Goods and services tax recoverable	-	1,546
	(397,995)	858,204
Investing		
Purchase of property and equipment	(26,748)	(44,748)
Proceeds on disposal of investments	42,283	44,299
Purchase of investments	-	(619,414)
Purchase of marketable securities	-	(1,125,000)
Interest reinvested on marketable securities	(21,418)	-
	(5,882)	(1,746,163)
Decrease in cash	(403,877)	(887,959)
Cash, beginning of year	7,861,966	8,749,925
Cash, end of year	7,458,089	7,861,966

The accompanying notes are an integral part of these financial statements

1. Description of business

The Canadian Cattle Association (the "Association" or "CCA") was incorporated in March 1932 as the Canadian Cattlemen's Association. Under the *Income Tax Act (Canada)*, the Association is classified as a not-for-profit organization and, accordingly, is not subject to income taxes. The Association's mandate is to represent the interests of Canadian beef producers for the enhancement of the beef industry. The Association undertakes its activities through a number of divisions. The Association changed its name to the Canadian Cattle Association on July 7, 2022.

The Canadian Cattle Association Segment ("CCA Segment") funds specific projects and organizational operations through provincial assessments.

The Canfax Market Analysis provides market intelligence services and up to the minute information to its members, who are primarily feedlot, cow-calf and backgrounding operators.

The Canfax Research Services provides a market research service that is used by provincial cattle association and government.

The Beef Cattle Research Council ("BCRC") sets priorities and contributes funding to national beef research and development projects in specific research areas.

The Beef Science Cluster is a contribution agreement between the Canadian Cattle Association and Agriculture and Agri-Food Canada. This initiative is administered by the Beef Cattle Research Council. It is intended to fund practical, applied research to improve the competitiveness of Canada's beef value chain, and to encourage continued investment in infrastructure and human capital in strategically important areas of beef and cattle research.

The Canadian Roundtable for Sustainable Beef ("CRSB") was set up as a division of CCA to engage a broad range of stakeholders to promote sustainability throughout the Canadian beef industry through three pillars of focus – Certified Sustainable Beef Framework, Sustainability Benchmarking, and Sustainability Projects.

The Public and Stakeholder Engagement Division ("PSE") was set up as a division of CCA with the goal of increasing consumer confidence, trust, and support of Canadian beef production practices, which will result in increased beef demand over competing proteins.

In 2021, the Association became the sole member of the Canadian Beef Breeds Council ("CBBC"), whose mandate supports, promotes, and represents the Canadian seedstock sector by developing partnerships that advance genetic improvement and research, identify market opportunities, and advocating effective policy. The CBBC has not been consolidated into the audited financial statements as its operations are immaterial to the Association.

2. Significant accounting policies

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

Divisional reporting

These financial statements have been prepared to include the results of the following Association divisions: the Canadian Cattle Association Segment, the Canfax Market Analysis Division, the Canfax Research Services Division, the Beef Cattle Research Council, the Beef Science Cluster, the Canadian Roundtable for Sustainable Beef, and the Public and Stakeholder Engagement.

For presentation purposes, amortization expense has not been segregated on the Schedule of Operations and changes in Net Assets for the Canadian Cattle Association Segment, the Canfax Market Analysis Division, the Canfax Research Services Division, the Beef Cattle Research Council, the Beef Science Cluster, the Canadian Roundtable for Sustainable Beef, and the Public and Stakeholder Engagement.

2. **Significant accounting policies** *(continued from previous page)*

Expenditures

The expense categories on the Schedule of Operations for the Canadian Cattle Association Segment have been grouped by department.

The expense categories on the Schedules of Operations and Net Assets for the CCA Segment, the Canfax Market Analysis Division, the Canfax Research Services Division, the BCRC Division, the Beef Science Cluster, the Canadian Roundtable for Sustainable Beef, and the Public and Stakeholder Engagement, have been grouped by type of expense.

Cash

Cash includes bank balances and deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Marketable securities

Marketable securities include Guaranteed Investment Certificates ("GIC") with maturities of greater than three months. Marketable securities are initially and subsequently recorded at fair value.

Property and equipment

Purchased property and equipment are recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	10 years

Revenue recognition

The Association 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. Subscription and assessment revenues that meet the definition of a liability are deferred and recognized on a pro-rata basis over the subscription and assessment period. Interest income is recognized as revenue in the year in which it is earned.

Contributed service and materials

Contributions of services and materials are recognized both as contributions and expenses in the Statement of Operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

Investments

Investments are recorded at fair value for those with prices quoted in an active market and cost less impairment for those that are not quoted in an active market.

Measurement uncertainty (use of 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year.

2. **Significant accounting policies** *(continued from previous page)*

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, are reported in excess of revenue over expenses in the years in which they become known.

Allocation of expenses

The Association follows CPA Handbook Section 4470 *Disclosure of Allocated Expenses*, which establishes disclosure standards for not-for-profit organizations that classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate. The Association has allocated administrative expenses, primarily salaries and office expense, to the Canadian Cattle Association Segment, Canfax Market Analysis Division and Beef Cattle Research Council Division. The expenses are allocated based on budgeted figures and are disclosed in the accompanying schedules. The Association does not engage in any fundraising activities.

Restricted net assets

Restricted net assets represent amounts set aside to finance future operating and capital expenditures. Restrictions are established at the discretion of the Association. Increases to and/or from the restricted net assets are reflected as an adjustment to the respective division.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Association reduces the carrying amount of any impaired financial assets to the highest of the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

Canadian Cattle Association

Notes to the Financial Statements

For the year ended June 30, 2023

2. Significant accounting policies *(continued from previous page)*

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

3. Marketable securities

Marketable securities consist of guaranteed investment certificates bearing interest rates ranging from 4.00% to 5.10% and mature within the next fiscal year.

4. Related party transactions

During 2020, the Association provided a loan to VBP+ Delivery Services Inc., a party related through significant influence due to a common director. The loan is non-interest bearing and there are no principal repayments due within the first five years. Repayments of \$100,000 per year will commence in fiscal 2025.

	<i>2023</i>	<i>2022</i>
Note receivable	500,000	500,000

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. Property and equipment

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2023 Net book value</i>	<i>2022 Net book value</i>
Computer equipment	201,917	172,882	29,035	33,704
Furniture and fixtures	34,089	18,586	15,503	21,313
Office equipment	10,015	10,015	-	-
	246,021	201,483	44,538	55,017

6. Investments

	<i>2023</i>	<i>2022</i>
Canadian Cattle Association Segment - Mawer Balanced Pooled Funds, at fair market value (cost - \$2,010,977 (2022 - \$1,561,114))	1,856,589	1,366,541
Beef Cattle Research Council Division - Mawer Balanced Pooled Funds, at fair market value (cost - \$5,418,848 (2022 - \$5,094,621))	4,931,643	4,480,252
Public and Stakeholder Engagement Division – Mawer Balanced Pooled Funds, at fair market value (cost - \$115,085 (2022 - \$108,905))	95,083	86,381
Canfax Research Services Division – Mawer Balance Pooled Funds, at fair market value (cost - \$223,876 (2022 - \$210,382))	205,105	186,331
	7,088,420	6,119,505

Canadian Cattle Association
Notes to the Financial Statements
For the year ended June 30, 2023

7. Accounts payable and accrued liabilities

	2023	2022
Canadian Cattle Association Segment	1,192,561	602,045
Beef Science Cluster	85,000	-
	1,277,561	602,045

Canadian Cattle Association Segment accounts payable in 2023 included \$891,930 of general accounts payable (2022 - \$414,747), \$18,960 of GST payable (2022 - \$3,795), \$208,556 of payroll liabilities (2022 - \$65,955) and \$73,115 of other accruals (2022 - \$117,548).

8. Deferred contributions

Deferred contributions consist of the following:

	2023	2022
Beef Science Cluster (a)	-	1,080,390
Beef Cattle Research Council Division (b)	-	138,618
Canfax Marketing (c)	137,265	121,664
Legal Contingency (d)	500,000	500,000
Young Leaders Development Program (e)	261,448	304,468
Canadian Roundtable for Sustainable Beef (f)	110,887	157,349
Canfax Research Services Division (g)	90,500	-
National Beef Strategy (h)	25,064	23,848
Public and Stakeholder Engagement (i)	583,119	408,551
	1,708,283	2,734,888

a) During the year, interest of \$25,160 (2022 - \$3,648) was earned on the grant, and grant income allocations for the year totalled \$1,568,525 (2022 - \$2,610,153). Expenditures totalled \$1,568,070 (2022 - \$1,529,763) resulting in an excess of revenues over expenses of \$25,615 (2022 - \$1,080,390). This amount has not been deferred as this is the final year of the contribution agreement.

b) At June 30, 2023, the Beef Cattle Research Council has spent all contributions on qualifying expenses for existing projects, and no amounts were deferred to the following year.

c) These balances represent the unearned portion of yearly subscriptions billed for Canfax Marketing.

d) The balance represents the unearned portion of funds received from the provincial members to help support legal costs. A standing policy is on record that the Canadian Cattle Association retain a cap of \$500,000 in the legal reserve with a special assessment triggered quarterly for all legal costs incurred.

8. Deferred contributions *(continued from the previous page)*

e) During the 2023 fiscal year, the Association received industry sponsorship of \$174,500 (2022 - \$179,500). In the 2023 fiscal year, the Association spent \$217,520 (2022 - \$182,832) in qualifying expenses. The balance of unexpended funds is \$261,448 (2022 - \$304,468) and this amount has been deferred.

f) During the 2023 fiscal year, the Association received \$352,931 (2022 - \$948,588) in industry sponsorship and government funding for the Sustainable Beef Program. As of June 30, 2023, the Association has spent \$399,393 (2022 - spent \$1,405,966), resulting in deferred contributions of \$110,887 (2022 - \$157,349).

g) During the 2023 fiscal year, the Association received \$90,500 (2022 - \$383,729) in contracts for the Canfax Research Services Division. As of June 30, 2023, the Association has spent \$nil (2022 - \$486,317), resulting in deferred contributions of \$nil (2022 - \$nil).

h) During the 2023 fiscal year, the Association received \$15,000 (2022 - \$15,000) in contributions for the National Beef Advisors. As of June 30, 2023, the Association has spent \$13,784 (2022 - \$5,312), resulting in deferred contributions of \$25,064 (2022 - \$23,848).

i) During the 2023 fiscal year, the Association received \$34,000 (2022 - \$85,388) in sponsorships for the development and advertising of public engagement programs, \$750,975 of funding from the National Check-off (2022 - \$757,176), \$20,363 of grant funding (2022 - \$nil), and \$24,795 of interest income (2022 - interest income of \$10,967). As of June 30, 2023, the PSE Division has spent \$655,565 (2022 - \$540,215), resulting in deferred contributions of \$174,568 (2022 - \$267,487).

9. Commitments

The Association has annual lease commitments for office space in Calgary and Ottawa. The Calgary lease expires May 31, 2024, and the Ottawa lease expires August 31, 2027. The Association has entered into various lease agreements with estimated minimum annual payments as follows:

2024	176,382
2025	28,455
2026	30,036
2027	30,351
Thereafter	5,059
	270,283

In addition, the Association is obligated to pay common area costs under certain leases.

Canadian Cattle Association
Notes to the Financial Statements
For the year ended June 30, 2023

10. Net assets

	<i>Invested in property and equipment</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>2023</i>	<i>2022</i>
Canadian Cattle Association Segment	26,352	3,377,568	1,898,868	5,302,791	4,835,740
Canfax Market Analysis Division	2,919	120,194	-	123,113	145,671
Canfax Research Services Division	1,669	217,949	210,000	429,618	342,269
Beef Cattle Research Council	7,303	5,903,894	2,000,000	7,911,197	7,338,026
Canadian Roundtable for Sustainable Beef	3,447	843,341	61,000	907,788	920,990
Public and Stakeholder Engagement	2,845	333,204	100,000	436,049	436,049
Special Projects Fund	-	-	171,665	171,665	202,645
	44,538	10,796,150	4,441,533	15,282,221	14,221,390

During the year, the CCA Segment increased its restricted assets from \$1,798,546 to \$1,898,868 (2022 - \$1,719,131 to \$1,798,546), which is comprised of \$1,698,868 (2022 - \$1,348,546) for the marketing assessment reserve, and \$200,000 (2022 - \$450,000) for the climate change reserve. Also, during the year, the Canadian Roundtable for Sustainable Beef Division segment increased its restricted assets by \$25,000 to \$175,000, then decreased its restricted assets by \$114,000 to \$61,000; and the Special Projects Reserve fund segment decreased its restricted assets from \$202,645 to \$171,665.

11. Budget information

Budget figures shown on the divisional supplementary schedules have not been audited. They were approved by the Board of Directors.

12. Economic dependence

The Canadian Cattle Association Segment receives a significant amount of its revenue from assessments received from various provincial associations. Each member province is assessed by the Association according to its relative marketing. The Association received \$3,713,412 (2022 - \$3,937,803) in assessments and \$217,402 (2022 - \$nil) in legal assessments; during the year, \$nil (2022 - \$nil) of legal assessments previously received and deferred were recognized as revenue. The Beef Cattle Research Council received \$4,765,534 (2022 - \$4,879,534) of funds from the Canadian Beef Cattle Check-Off Agency.

13. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Association are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, credit risk, currency risk, liquidity risk and other price risk.

14. Indemnifications

In the ordinary course of operations, the Association enters into grant and contribution agreements which contain indemnification provisions. In such contracts, the Association may indemnify counter parties to the contracts if certain events occur. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Association could be required to pay cannot be reasonably estimated, and no amounts have been recorded in these financial statements.

15. Compensation

The remuneration and benefits paid to all members of the Board of Directors (on an individual basis by title) are as follows:

	<i>2023</i>	<i>2022</i>
President	30,000	30,000
Vice-President	15,000	15,000
	<hr/> 45,000	<hr/> 45,000