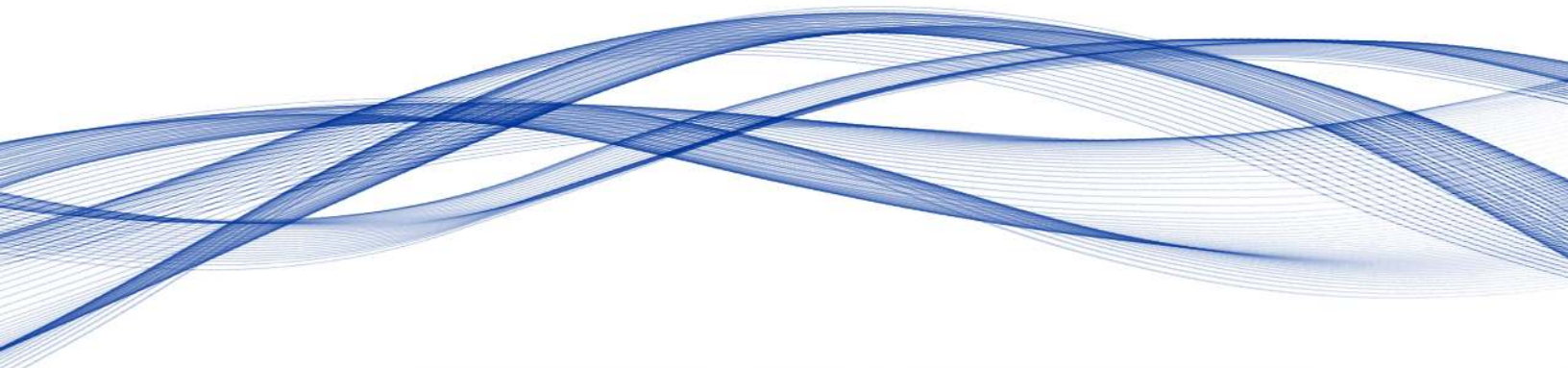




Poultry Industry Council

2020-2021 Annual Report



A photograph of a two-story stone building, likely the Poultry Industry Council (PIC) office. The building has a dark grey roof and several white-framed windows. A large, mature pine tree stands to the left of the building, its branches partially obscuring the sky. Red ivy is climbing up the side of the building, particularly around the entrance and windows. A sign with the PIC logo is visible near the entrance. The scene is set against a clear blue sky.

The Poultry Industry Council (PIC) is a registered charitable corporation.

PIC activities are made possible through the efforts of a 12-person volunteer Board, representing both producers and the poultry industry, along with 3 staff members.

2020-2021 ANNUAL REPORT

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2020-2021 BOARD OF DIRECTORS

The work PIC carries out each year would not be possible without our dedicated roster of volunteer directors. A successful year of initiatives relies on their strong leadership and drive to improve the sector.

Board Officers:

Ed Verkley (Chair), Verkley Enterprises

Greg Lansink, (Vice Chair), Turkey Farmers of Ontario

Cathy Lennon (Treasurer), Ontario Federation of Agriculture

Board Directors:

Laura Bowers, Burnbrae Farms Ltd.

Scott Buchan, Chicken Farmers of Ontario

Caroline Gonano, Turkey Farmers of Ontario

Brian Miller, Egg Farmers of Ontario

Kayla Price, Alltech

Marg Pritchard, Poultry Service Association

Babak Sanei, Zoetis

Mike Terpstra, Association of Ontario Chicken Processors

Bill Van Heeswyk, Ontario Broiler Hatching Egg and Chick Commission

Staff:

Executive Director: Ashley Honsberger

Executive Assistant & Office Coordinator: Terrina Fitzgerald

Events & Communications Coordinator: Charlotte Wall

PIC's Board and Staff would like to sincerely thank and acknowledge the 24 years of continued support by the Ontario Feather Boards: Chicken Farmers of Ontario, Egg Farmers of Ontario, Ontario Broiler Hatching Egg & Chick Commission and the Turkey Farmers of Ontario.



Messages from the Chair and Executive Director



Over the 2020-2021 year the Poultry Industry Council was able to continue delivering on our mandate of outreach, education and extension, despite ongoing challenges to gathering in person. Our strategic partnerships with various organizations and the immense support from the four feather boards ensured we were pushing ourselves to create unique and effective learning opportunities, and deliver projects to best serve industry needs.

The Board of Directors has shown commitment over the past year working in tandem with our staff, ensuring that we were able to maintain flexibility with our strategy and business plan outcomes. The National Poultry Show pivoted to an online format and welcomed speakers and participants from across the country and around the world. Increasing our reach has been a huge benefit of our pivot to virtual offerings, however we look forward to getting back to regular style meetings with some virtual offerings over the coming months.

Our membership base continued to show their commitment to the PIC mandate this past year and were strong supporters of our programming. We had a chance to interact during various consultations for new programs and the upcoming Virtual Poultry Innovations Conference. We strive to listen and incorporate input directly from industry to ensure we continue to meet the needs.

As always I extend my gratitude to all of our supporters and wish everyone all the best as we move into this next phase of global pandemic living.

A handwritten signature in dark ink, appearing to read "Ed Verkley".

Ed Verkley, Chair

A Year of Resilience and Adaptability

As we wind down another year of delivering extension and virtual events, it is clear to see that the "big pivot" of 2020 paid off for our organisation. We were able to transition into a remote work environment and still maintain excellent outreach to our membership and stakeholders. Our financial scenario improved compared to last year, in part due to taking advantage of some government supports, and largely due to the continued support of the industry.

The PIC staff team connected twice per week via Zoom, without fail and maintained a really strong team connection that helped us through some challenging times.

I genuinely want to thank our members, supporters, and everyone who participated in our events, joined us for brainstorming calls, dedicated time to share their knowledge with the industry, and more. I am very grateful for the unwavering commitment to helping PIC bring the best resources and information to the sector!



A handwritten signature in dark ink, appearing to read "Ashley Honsberger".

Ashley Honsberger, Executive Director

October 28, 2021

Virtual Event via Zoom

Meeting commences at 10:00 am

AGENDA

Welcome and Call to Order

Adoption of Agenda

Approval of Annual General Meeting Minutes - October 22nd, 2020

Auditor's Report, BDO Canada

Appointment of Auditor for 2021/2022

Chair's Report

Executive Director's Report

Nominating Committee Report

Election of Directors at Large

Ratification Motion

Guest Speakers:

Paul Richardson - Vice President Investment Advisor, TD Wealth

Al Mussell - Research lead and founder of Agri-Food Economic Systems Inc.

Adjournment



Draft Minutes of the Annual General Meeting

Held by Webinar

October 22, 2020 10:30 a.m.

Welcome and Call to Order

Chair, Ed Verkley, called the meeting to order at 10:32 a.m. He welcomed everyone to our virtual Annual General Meeting (AGM) and introduced Ashley Honsberger, PIC's Executive Director.

The names and votes of those present were recorded.

PRESENT:

VOTING MEMBERS: Aubrie Willmott-Johnson, Babak Sanei, Bill Van Heeswyk, Brad Mandryk, Brian Miller, Bryce Bramhill, Caroline Gonano, Cathy Lennon, Charlie Elliott, Cheryl Hill, David Dyble, David Trott, Denis Carrier, Ed Verkley, Garrett McInerney, Greg Lansink, Heather Blackwell, Janelle Caldwell, Jeff Macdougald, Jody Durand, Kaitlin Lake, Kayla Price, Lacey Frizzell, Laura Bowers, Marg Pritchard, Maurice Smith, Mike Petrik, Mike Terpstra, Murray Scholl, Nicole Bernard, Paul Garvey, Roger Smith, Ron Shoup, Steve Zehr, Steven Wiebe, Ted Oke, Tomas Randall and Tom Reidy **38 votes with 4 absentee votes, representing a total of 42 votes**

NON-VOTING: Al Dam, Alison Moore, Chris Mullet Koop, Colleen McElwain, Craig Hunter, Curtis Nichol, Dale Krahn, Frances Anderson, Greg deVos, Jacqueline Reed, Jane Robinson, Lois Harris, Melissa Brown, Melissa Reginato, Michael Bell, Paul Crozier, Roberta Fraser, Roxanne Lormand, Ryan Snyder, Scott Houghton, Tom Baker and Will McFall – 6 dial ins.

GUESTS: Al Mussell - Agri-Food Economic Systems, Jean Pritchard, Auditor - BDO, and Paul Richardson - TD Wealth

STAFF: Ashley Honsberger , Terrina Fitzgerald, and Charlotte Wall

REGRETS: Patricia Botter and Mike Buchan

Adoption of Agenda

Moved by Charlie Elliott, seconded by Tom Reidy to adopt the Agenda as presented. - **CARRIED**

Approval of Minutes – October 24, 2019

Moved by Marg Pritchard, seconded Kayla Price to approve the Minutes of October 24, 2019 as presented. - **CARRIED**

Auditor's Report

Jean Pritchard, Auditor – BDO presented the audited financial statements for the year ending June 30, 2020.

Moved by Mike Terpstra, seconded by Murray Scholl to approve the audited financial statements for the year ending June 30, 2020. - **CARRIED**

Appointment of Auditors

Moved by Brian Miller, seconded by Marg Pritchard to appoint BDO Canada of 512 Woolwich St., Guelph, Ontario as the Poultry Industry Council's auditors for the 2020/2021 financial year. - **CARRIED**

Chair's Report

Ed Verkley reflected on the past year of change within PIC and the challenges that global pandemic has brought. He expressed that PIC's success this year has been the rooted connection that we have to our membership base.

His full report can be found with in PIC's AGM report found on PIC's website.

Executive Director's Report

Ashley Honsberger presented an overview of the strategic priorities PIC has delivered on this past year. She highlighted many of PIC's education and extension sessions, the success of the change to delivering sessions as webinars, as well as hosting sessions for the industry. She spoke on the impact of the cancellation of the National Poultry show and ongoing communications. She highlighted two new projects, the revamp of PIC's online training program Poultry Pro, and the project management of CPRC's research dissemination knowledge transfer.

Her full report can be found on the AGM page of PIC's website.

Nominating Committee report

Ed Verkley thanked Trish Botter and Charlie Elliott for their contributions and time served on the PIC Board of Directors.

The PIC Board of Directors consists of 8 Directors at Large and 4 Feather Board Appointees. Under PIC's Bylaws the 4 Feather Board appointees are to be re-affirmed annually by our voting members. The following Directors were appointed by their respective Feather Boards:

Brian Miller - Egg Farmers of Ontario
Bill Van Heeswyk - Ontario Broiler Hatching Egg and Chick Commission
Scott Buchan - Chicken Farmers of Ontario
Greg Lansink - Turkey Farmers of Ontario

Moved by Ed Verkley, seconded by Kayla Price to accept the above noted Feather Board Appointments. - **CARRIED**

Election of Directors at Large

The committee nominated two representatives to fill the 3 vacant Director's at Large seats. Their nominees were:

Dr. Babak Sanei - Zoetis
Cathy Lennon - Ontario Federation of Agriculture
Dr. Kayla Price - Alltech

A call for additional nominations from the floor occurred 3 times. No further nominations were made. The three nominees standing for election were therefore elected by acclamation.

Ratification Motion

Moved by Bill Van Heeswyk, seconded by Marg Pritchard; Be it resolved that all acts, contracts, proceedings, appointments, disbursements made, authorized and taken by the Board of Directors and officers of the Poultry Industry Council since the preceding Annual General Meeting thereof be, and the same are herewith approved, ratified and confirmed by this meeting. - **CARRIED**

Guest Speakers

Paul Richardson, Vice President Investments, TD Wealth, presentation "Markets and economic outlook - I'm certain about uncertainty"

Al Mussell, Research Lead and Founder of Agri-Food Economic Systems, presentation, "Developing trade and policy environment for livestock and products"

Meeting Adjourned

Moved by Ed Verkley, seconded by Murray Scholl to adjourn the meeting at 12:05 p.m. - **CARRIED**

Next AGM – October 28, 2021

/tf

2020-2021 Highlights!

We are proud to report on our progress and deliverables for each of our four strategic pillars: education, extension, events and forums, project management and sustainable revenue.

We gratefully acknowledge the continued support from all our members and industry partners that makes this work possible and enables PIC to serve and support the Ontario poultry industry.



**Members- strong
organization!**

18 Events & Education sessions were held
attendees reporting an **95%** satisfaction rate
were either “Satisfied” or “Very Satisfied”

Check out our updated website!

It's easier to navigate and no more slow downs when searching through our various resources.



education and

that makes

re held with **1630**

satisfaction rate saying they

"satisfied" with the event...

The National Poultry Show
went virtual! Attendees tuned in for the 2
day event for 13 live presentations and
Q&A and had access to all content
following the event as well.



Enhanced
LinkedIn presence



New!
Find us on
Facebook!



FOLLOWERS on Twitter!

Co-hosting of events helped us help
others by providing some of the excellent
learning about hosting virtual events we
underwent this past year!

POULTRY RESEARCH
INNOVATION CORPORATION

UNIVERSITY
of GUELPH



DAIRY
at GUELPH
CANADA'S DAIRY UNIVERSITY



1225+
Growing our contacts!
Average of 40% open rate.

Eastern Ontario Poultry Conference

PIC Offered its 6th French and English event virtually this year. It happened in two parts and engaged with speakers from a variety of topics... antibiotic free production, mental health, pullet vaccine scheduling, the OMAFRA update and more!

Producer Updates

PIC's 2020-2021 Producer Updates changed in their format and areas of focus. This year rather than 5 regional events, we hosted three virtual events that each had a theme: Animal Welfare, Barn Environment, The Business of Birds. We pre-recorded bonus material and ensured participants had access to the event recordings after the fact which many opted to do. Moving forward we're investigating a hybrid model or at least ensuring we have a virtual offering to maintain an increased reach across the province.

2. RWA Feed formulation; Alternatives to corn & soybean meal.

- Wheat – reduces soybean meal supplementation
- Sunflower Meal – digestible protein, high in fibre.
- Extruded beans –high protein & oil
- Canola meal – replaces soybean meal, high fibre.
- DDGS – toxin, high fibre, relatively cheap.
- Wheat shorts – Low energy, cheap, *pelletizing.
- Enzymes - Phytase addition, phytate Soys.

Pullet rearing phase – common programs

AGENT	DESCRIPTION	COMMENT
anctitis	3 – 4 live primers followed by 1 killed	Available in combination with ND
	3 – 4 live primers followed by 1 killed	Fewer live needed if used vHVT
	2-3 live	Fewer live needed if used vHVT
	1 live via wing web or water	> 4-6 weeks before production
	1 live via wing web	
	1 TCO via eye drop or	Not needed if used vHVT
	1 Pox vectored via wing web	
	1 killed	Available in combination with IS & ND
coli	1 – 3 live	

Research & Health Day Events

This year we had a double header of Health Day and Research Day due to the postponement from last year of these events. Nevertheless we had strong interest in the subject matter which made for really engaging sessions!

Research Day included:

Importance of Innovation in Poultry Research for the Farm
Computational Fluid Dynamics Modeling of Ventilation
Current trends in poultry lighting for Broilers
Panel Discussion
Making Impacts on Farm with Research

Health Day Included:

Gut health
Infectious Laryngotracheitis (ILT) outbreaks in Ontario
Alternative Housing for Layers
Off-label use of Drugs



"Once a high standard has been set, it is a challenge to maintain it. I have full confidence that the PIC team will do exactly that! Thanks for an amazing education session!"

COVID Conversations Webinar Series

This webinar series had one session focused on each poultry type and created a space for sharing stories, triumphs, new ideas, and most of all, to recognise the sacrifices and hardships we've experienced over the past year.

This global pandemic wasn't easy both personally and business wise. The struggles to keep employees safe, and supply the changing markets were a daily struggle for many.

Every commodity handled the changes to regular processes differently and in some cases have given us new and better ways of doing things. The COVID Conversation series captured those ideas to ensure we were all in it together by sharing the best ideas.



Science in the pub was quite a bit of fun! We engaged with speakers both in Canada and abroad. We had great engagement and side chats with colleagues we hadn't seen in awhile.

Where there's a plate of chicken wings, there's a party...

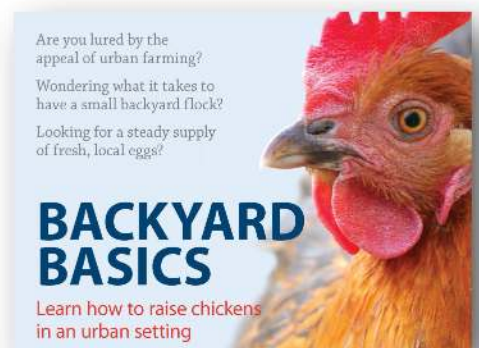


Backyard Basics Poultry Course

Backyard Basics was delivered virtually this past year with good support coming in from various "wanna be" poultry keepers and veterans alike. They attended with the hopes of having their questions answered and left with their eyes opened. This year we put special emphasis on biosecurity and animal welfare to ensure those two key takeaway learning points were well received.

A past participant sums it up nicely:

"The frankness of discussion and the openness for questions was really great; understanding that it is not all sunshine and rainbows"



PIC's Fundraiser Golf Tournament

The 2020 golf tournament was different with physical distancing measures and torrential downpours in the morning, but that didn't dampen the spirits of our volunteers or golfers! We saw beautiful blue skies in the afternoon, record contest winners with the lowest scores for Persistent Swingers, the Longest Drive on record at 302 yards and the Best Team score 12 under par!!!



Thank you to everyone who came out, volunteered and had a day of golfing fun. In 2020 we raised over \$17,000! The money raised helps offset the costs of PIC's future education and extension sessions and events that benefit the Ontario poultry industry.

Mark your calendars, our tournament is always the First Wednesday of September. See you on the green Sept 7, 2022!

PIC's 2020 Annual General Meeting went virtual!

Making their voices heard, the largest turnout of 64 attendees tuned in for PIC's Annual General Meeting on October 22, 2020. Thank you to our 2 guest speakers, the BDO audit team, and to our members and non-members for attending.



Join us for this year's
Poultry Innovations Conference!
November 17 & 18, 2021



Professional Animal Auditors Certification Organization

Due to the ongoing challenges of cross border travel, PAACO auditor training converted to a virtual offering in Poultry for the time being.





Save the date for PIC's upcoming sessions.

Type	Event	Date
Virtual	Annual General Meeting - Virtual	October 28, 2021
	Poultry Innovations Conference - Virtual	November 17 & 18, 2021
	Producer update - Virtual	December 15, 2021
	Science in the Pub - In person	January 24, 2022
Live/Hybrid	Producer update - tentative location - Jordan	February 16, 2022
	Producer update - tentative location - Mount Brydges	February 23, 2022
	Backyard Basics Poultry Course - Guelph	March 26, 2022
	National Poultry Show - London	April 6 & 7, 2022
	Research Day - tentative location - Stratford	May 11, 2022
	Health Day - tentative location - Stratford	June 22, 2022
	Golf tournament - Baden	September 7, 2022
TBA	PAACO	
	Master Class	
Ongoing	Recorded webinars and PAACO continuing education credit webinars. Contact us for more details!	

Please note that all sessions dates and locations are subject to change. Please keep up to date with our monthly e-blast, or visit our website at poultryindustrycouncil.ca.

At PIC we are always looking for new opportunities to partner on events and project management, to enhance our revenue streams. Here are the main projects we managed over the last year.

Canadian Agricultural Partnership Project - Poultry Pro Update



Thanks to CAP Funding delivered through OMAFRA, PIC received a grant to update the content and even add three new modules. The new resource is now complete and ready to be used. A sincere thanks to all those reviewers who read through each module with a fine tooth comb. Your contribution of time and experience ensures our resources are technically correct and up to date.



The Canadian Poultry Research Council (CPRC)

“Getting Research into Practice” Project

PIC delivers on the communications part of the CPRC research funding. New this year was the launch of the all access cluster research website. This site is intended to increase access to all research articles and outcomes. Find the website here: poultrysciencecluster.ca/

Agriculture Response Materials Management Inc. (ARMMI) Management

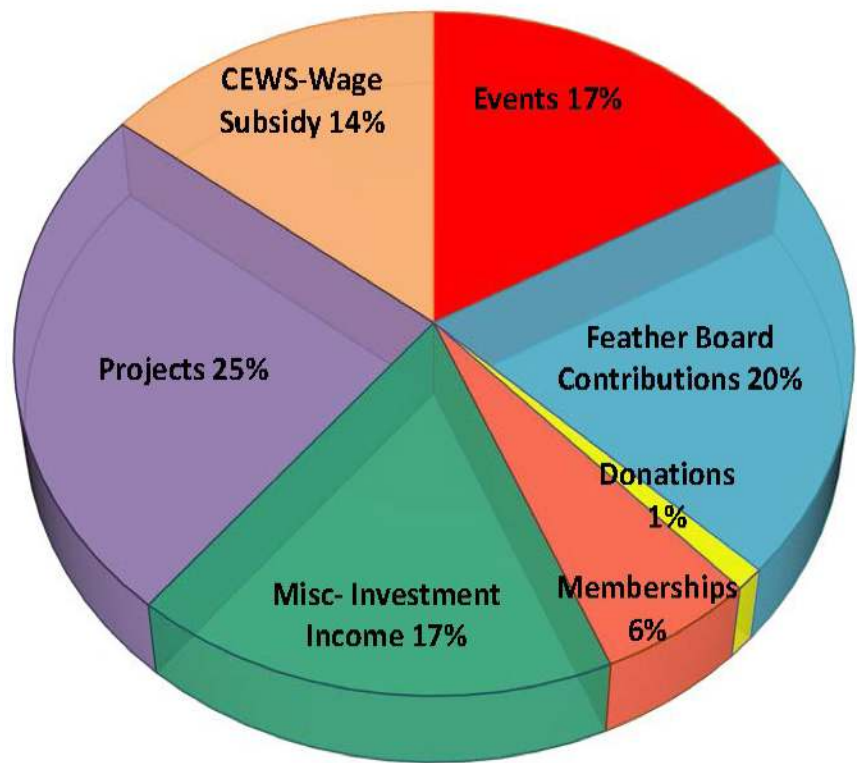
After 13 years in service to the poultry and broader livestock community in Ontario, ARMMI announced it has ceased operations.

PIC will facilitate the wind down process including dissemination of the stockpile for use by each of the four feather boards.



Earlier this year we worked with OMAFRA to create a new resource to assist poultry businesses with pandemic specific issues. This resource is designed to highlight key areas of interest for how you run a poultry business including workplace resources, best practises for health and safety, and potentially to reduce labour demands. Free and easy to access, this resource can be found at the header of our website. Poultryindustrycouncil.ca

2020-2021 REVENUE SOURCES



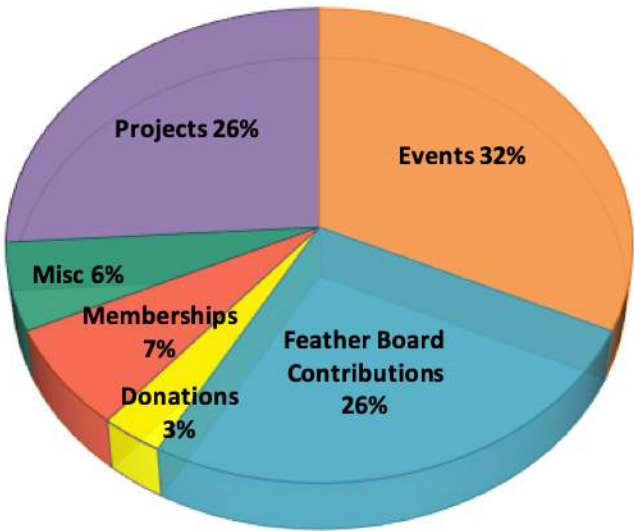
This year we benefitted from the Canadian Emergency Wage Subsidy which was a lifeline for not for profit organisations who rely on events as a significant source of revenue.

Aside from that we maintained strong support from our industry partners through sponsorship and membership retention.

Our organisation also maintained lower costs of delivery due to our virtual slate of offerings as well as a temporary remote office situation.

Overall PIC has maintained a strong financial position through strategic thinking and nimble operations, and moving forward, whatever the future brings, we are ready for it!

2019-2020 REVENUE COMPARATIVE



MEMBERSHIP COMPARATIVE

Plus 11 Founding Members



Thank You! We gratefully acknowledge that PIC would not be here without the support of our members! We would like to acknowledge their dedication to the continued education and extension programs PIC provides poultry farmers and industry representatives. We have worked with industry members for guidance on many of our new initiatives, and many of our successes come from working together for even greater progress for the poultry sector.

Corporate Members

Alltech	Farm Credit Canada	Moonfleet Group
Animal Health Laboratory Uof G	Farm Health Guardian	Nafico Distribution
Archer's Poultry Farm	Farm Mutual Re	Nature's Wave Inc.
Arkell Research Station Uof G	Fleming Foundation	New-Life Mills Farm Division
Association of Ontario Chicken Processors	Floradale Feed Mill Ltd.	New-Life Mills Feed Division
Aviagen NA	Ford Dickison (2000) Inc	OBCHEPA
Aviagen Turkeys Ind - USA	Frey's Hatchery	OBHECC
B-W Feed & Seed Ltd.	Germania Mutual Insurance	Ogena Solutions Canada Corp
Bauer Energy Design	Glass-Pac	Ontario Federation of Agriculture
Bayer Inc	Gowans Feed Consulting	Ontario Hatcheries Association
Boehringer Ingelheim Animal Health Cda	Gray Ridge Eggs Inc	Pinty's Delicious Foods
Brian's Poultry Services	Halchemix Canada Inc	Pol's Enterprises
Burnbrae Farms Ltd	Hayters Turkey Farms Ltd	Poultry Insurance Exchange
Canadian Animal Health Institute	Hendrix-Genetics	Poultry Service Association
Canadian Bio-Systems Inc	Hensall District Co-operative Inc	ProBiotech International Inc
Canadian Hatching Egg Producers	Intervet Canada Corp / Merck	Protekta Inc
Canadian Poultry Magazine	James Way Incubator Inc	Pullets Plus Inc
Cargill	Jefo Nutrition Inc	Rothsay
Ceva Animal Health	Jeni Mobile Wash Ltd	Ruby 360
Charisons Turkey Hatchery Ltd	John Ernewein Ltd	S.E.C. Repro Inc
Chicken Farmers of Canada	Libro Credit Union	Shur Gain Trouw Nutrition
Chicken Farmers of Ontario	Livestock Research Innovations Council	TD Canada Trust -Agriculture
Clark Ag Systems	Manitoba Egg Farmers	Thames River Hatchery
Cobb-Vantress Inc	Maple Leaf Foods Inc	Turkey Farmers of Canada
County Line Equipment	Maple Lodge Farms	Turkey Farmers of Ontario
Cumberland - AGCO Corp	Maple Lodge Hatcheries	Vencomatic North America
Darling Ingredients	Masterfeeds	Wallenstein Feed & Supply Ltd
Egg Farmers of Alberta	Maurice Smith Consulting	Weeden Environments Inc.
Egg Farmers of Ontario	MaxOn Ag Solutions	Western Fair Association
Elanco Animal Health	McKinley Hatchery	Zenexotech Inc
EthoGuard Inc	MNP LLP	Zoetis

Individual Members

Louise Arbour	Michael Gerber	Greg Lansink	Michael Schiedel
Eric Bastiaansen	Gundrun Haas	Henry Lansink	Murray Scholl
Lisa Begin	Joseph Hamilton	Ed McKinlay	Robert Scott
Dayna Blake	Jim Harkness	Greg Morrison	Ron Shoup
Hart Boersma	Harry Huffman	Anastasia Novy	Melissa Sudman
Kim Clark	Krista Hulskenper	Mike Oegema	Bruce Vandermolen
Jim DeBlock	Andy Humphreys	Brandon Olszowka	Ed Verkley
Kirsten DeKeyser	Dan Jones	Mike Petrik	Tom Walton
Jody Durand	Shah Noor Kirmani	Bill Revington	Dr. Lloyd Weber
Charlie Elliott	John Kloeze	Eva Sanz-Sole	Dr. Alexandru Weisz



Poultry Industry Council Financial Statements For the Year Ended June 30, 2021

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BDO Canada LLP
512 Woolwich Street
Guelph ON N1H 3X7 Canada

Independent Auditor's Report

To the Members of Poultry Industry Council

Opinion

We have audited the accompanying financial statements of Poultry Industry Council (the "Organization"), which comprise the statement of financial position as at June 30, 2021, and the statement 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 Organization as at June 30, 2021, and its results of 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those 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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Entity 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.

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
September 10, 2021

Poultry Industry Council Statement of Financial Position

June 30	Operating Fund	Industry Reserve Fund	2021 Total	2020 Total
Assets				
Current				
Cash (Note 2)	\$ 201,517	\$ -	\$ 201,517	\$ 91,264
Short-term investments (Note 3)	-	140,775	140,775	447,734
Accounts receivable	29,591	-	29,591	30,081
Interest receivable	4,791	-	4,791	6,641
HST receivable	8,710	-	8,710	8,988
Prepaid expenses	6,698	-	6,698	2,983
	251,307	140,775	392,082	587,691
Capital Assets (Note 4)	15,062	-	15,062	7,427
Long-term investments (Note 3)	180,789	1,768,663	1,949,452	1,232,965
	\$ 447,158	\$ 1,909,438	\$ 2,356,596	\$ 1,828,083
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	\$ 15,952	\$ -	\$ 15,952	\$ 28,897
Deferred contributions (Note 5)	33,800	-	33,800	39,800
Deferred memberships	20,134	-	20,134	18,625
	69,886	-	69,886	87,322
Net Assets				
Internally restricted	-	1,909,438	1,909,438	1,540,565
Unrestricted	377,272	-	377,272	200,196
	377,272	1,909,438	2,286,710	1,740,761
	\$ 447,158	\$ 1,909,438	\$ 2,356,596	\$ 1,828,083

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

Poultry Industry Council

Statement of Operations and Changes in Net Assets

For the year ended June 30	Operating Fund	Industry Reserve Fund	2021 Total	2020 Total
Revenue				
Contributions from members	\$ 172,540	\$ -	\$ 172,540	\$ 172,674
Projects	164,062	-	164,062	134,428
Events and sponsorships	112,106	-	112,106	166,131
Government assistance	96,209	-	96,209	-
Donations	7,100	-	7,100	16,000
Miscellaneous income	5,991	-	5,991	22,106
	558,008	-	558,008	511,339
Expenses				
Wages and benefits	257,712	-	257,712	237,304
Project expense	127,977	-	127,977	87,497
Professional fees	21,630	-	21,630	29,380
Office	18,794	-	18,794	26,963
Facility and catering	10,772	-	10,772	70,239
Subscription and advertising	6,648	-	6,648	9,138
Conference and training	4,956	-	4,956	1,620
Materials and supplies	4,874	-	4,874	3,229
Amortization of capital assets	3,372	-	3,372	2,758
Insurance	3,025	-	3,025	3,586
Bank charges and interest	2,970	-	2,970	4,043
Fee for service	1,604	-	1,604	9,064
Maintenance	501	-	501	3,851
Contracted personnel	124	-	124	54,157
Travel	107	-	107	6,805
Bad debt expense	71	-	71	1,120
PAACO profit sharing	-	-	-	27,024
	465,137	-	465,137	577,778
Excess (deficiency) of revenue over expenditures from operations	92,871	-	92,871	(66,439)
Investment income				
Investment income	771	71,362	72,133	70,581
Realised gain on disposal of investments	-	12,072	12,072	4,031
Unrealised gain (loss) on investments	-	368,873	368,873	(165,966)
	771	452,307	453,078	(91,354)
Excess (deficiency) of revenues over expenses	93,642	452,307	545,949	(157,793)
Net Assets, beginning of the year	200,196	1,540,565	1,740,761	1,898,554
Transfer of investment income to Operating Fund (Note 6)	83,434	(83,434)	-	-
Net Assets, end of the year	\$ 377,272	\$ 1,909,438	\$ 2,286,710	\$ 1,740,761

Poultry Industry Council Statement of Cash Flows

For the year ended June 30	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 545,949	\$ (157,793)
Items not affecting cash:		
Amortization of capital assets	3,372	2,758
Gain on disposal of investments	(12,072)	(4,031)
Change in unrealised (gain) loss on investments	(368,873)	165,966
	<u>168,376</u>	<u>6,900</u>
Changes in non-cash working capital:		
Accounts receivable	490	86,419
Interest receivable	1,850	(80)
Dividends receivable	-	663
HST receivable	278	(3,642)
Prepaid expenses	(3,715)	6,551
Accounts payable and accrued liabilities	(12,945)	(39,692)
	<u>154,334</u>	<u>57,119</u>
Cash flows from investing activities		
Acquisition of capital assets	(11,007)	-
Acquisition of investments	(486,672)	(337,876)
Proceeds from sale of investments	458,089	350,000
	<u>(39,590)</u>	<u>12,124</u>
Cash flows from financing activities		
Deferred contributions received	53,934	58,425
Deferred contributions recognized in income	(58,425)	(69,945)
	<u>(4,491)</u>	<u>(11,520)</u>
Increase in cash	110,253	57,723
Cash, beginning of the year	91,264	33,541
Cash, end of the year	\$ 201,517	\$ 91,264

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

Poultry Industry Council Notes to Financial Statements

June 30, 2021

1. Significant Accounting Policies

Nature and Purpose of Organization Poultry Industry Council (the "Organization") is a not-for-profit organization whose purpose is to efficiently deliver poultry extension services, event coordination, and project and program management, while supporting research capacity for the betterment of the Ontario Industry. The Organization is incorporated without share capital under the the Corporations Act of Ontario. The Organization is a charitable organization under the Income Tax Act (Canada) and as such is exempt from income tax and may issue income tax receipts to donors.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital Assets Capital assets are stated at acquisition cost less accumulated amortization. Amortization is calculated based on the estimated useful life of the assets and is calculated as follows:

	Method	Rate
Equipment	Declining balance	20%
Computer equipment	Declining balance	30%
Website	Straight-line	5 years

In the year of acquisition, one half the normal rate is used.

Fund Accounting The Organization follows the deferral method of accounting for contributions and uses fund accounting.

The Operating Fund accounts for the Organization's program delivery and administrative activities. With the exception of the Industry Reserve Fund, all amounts are included in the Operating Fund. The fund reports unrestricted resources. In addition, the Operating Fund includes the Lysine Fund investments which are accounted for as a deferred contribution. The principal in the Lysine Fund is to be allocated for industry betterment at the direction of the board.

The Industry Reserve Fund accounts for amounts which are not available for the Organization's program delivery and administrative activities. The fund is intended to provide long-term financial stability. The Board may expend principal as it deems appropriate; giving consideration for the improvement of the industry, long-term industry sustainability and the future of the Poultry Industry Council.

Poultry Industry Council Notes to Financial Statements

June 30, 2021

1. Significant Accounting Policies (continued)

Revenue Recognition	<p>The Organization follows the deferral method of accounting for contributions. Restricted contributions, such as contributions for specific research and government grants, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Membership fees are recorded as revenue over the membership term.</p> <p>Investment income includes interest from fixed income investments, reinvested distributions from mutual funds, dividends, realised gains and losses on the sale of investments, and unrealised appreciation and depreciation in the fair value of equities and mutual funds. Revenue is recognized on the accrual basis.</p>
Financial Instruments	<p>Financial Instruments are recorded at fair value when acquired or issued. In subsequent periods, equities and mutual funds traded in an active market are reported at fair value with any gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when indicators of impairment exist. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.</p>
Contributed Services	<p>Volunteers contribute many hours per year to assist the Organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p> <p>As well, contributed materials and services including rent and operating costs of Kay House, provided by OMAFRA, are not reflected in the financial statements.</p>
Government Assistance	<p>The Organization makes periodic applications for financial assistance under government incentive programs. Government assistance received during the year for current expenses is included in the determination of net income for the year.</p>

Poultry Industry Council Notes to Financial Statements

June 30, 2021

2. Cash

The Organization's bank accounts are held at one chartered bank.

3. Investments

The carrying amounts of investments are comprised of the following:

Short-term investments

	<u>2021</u>	<u>2020</u>
Money market funds	<u>\$ 140,775</u>	<u>\$ 447,734</u>

Long-term investments - Industry Reserve Fund

	<u>2021</u>	<u>2020</u>
Fixed income	<u>\$ 1,189,176</u>	<u>\$ 658,700</u>
Equities	<u>700,907</u>	<u>525,470</u>
	<u><u>\$ 1,890,083</u></u>	<u><u>\$ 1,184,170</u></u>

Long-term investments consist of guaranteed investment certificates and Canadian preferred shares with maturity dates greater than a year from the statement of financial position date and bear interest or dividend rates ranging from 0.20% to 5.5% (2020 - 0.25% to 5.3%).

Long-term investments - Operating Fund

	<u>2021</u>	<u>2020</u>
Equities	<u>\$ 59,369</u>	<u>\$ 48,795</u>

Market risk is the risk that that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Organization is exposed to this risk through its equity holdings within its investment portfolio. The Organization manages market risk by diversifying its investments. The market risk related to the Organization's investments has increased due to the impact of COVID-19.

Poultry Industry Council Notes to Financial Statements

June 30, 2021

4. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 18,438	\$ 15,417	\$ 17,195	\$ 14,817
Computer equipment	32,384	24,074	26,765	21,716
Website	4,145	414	-	-
	<u>54,967</u>	<u>39,905</u>	<u>43,960</u>	<u>36,533</u>
		<u>\$ 15,062</u>		<u>\$ 7,427</u>

5. Deferred Contributions

Deferred contributions consist of amounts received by the Organization for specific events, programs and projects that will be expensed in future years.

	2021	2020
Beginning balance, Operating Fund	\$ 39,800	\$ 51,045
Repayment of research contributions	-	-
Amounts received in the year	33,800	39,800
Amounts recognized as revenue in the year	<u>(39,800)</u>	<u>(51,045)</u>
Ending balance, Operating Fund	<u>\$ 33,800</u>	<u>\$ 39,800</u>

6. Interfund Transfers

During the year, the Organization's board of directors approved the transfer of investment income earned on investments in the Industry Reserve Fund to the Operating Fund. The amount of dividends, interest and capital gains (losses) earned and transferred in the year was \$83,434 (2020 - \$74,612).

7. Economic Dependence

The Organization's major source of revenue is derived from four organizations. The Organization's ability to continue to operate is dependent on maintaining contributions from these organizations.

Poultry Industry Council Notes to Financial Statements

June 30, 2021

8. Financial Instruments

Credit risk

The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable and investments held in fixed income securities. This risk has increased in light of the uncertainty around the impact of COVID-19, which could lead to potential losses.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and research grant payable. This risk has increased due to the impact of COVID-19, which could lead to increased difficulty in meeting the Organization's obligations as they come due.

Interest rate risk

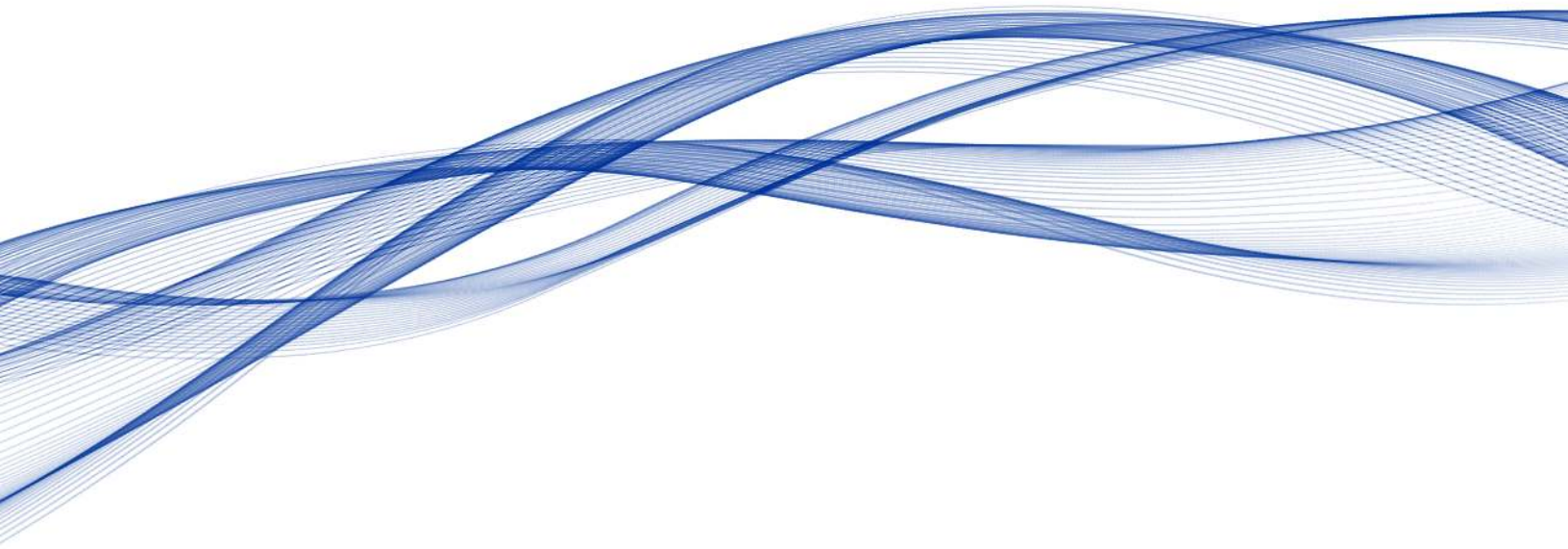
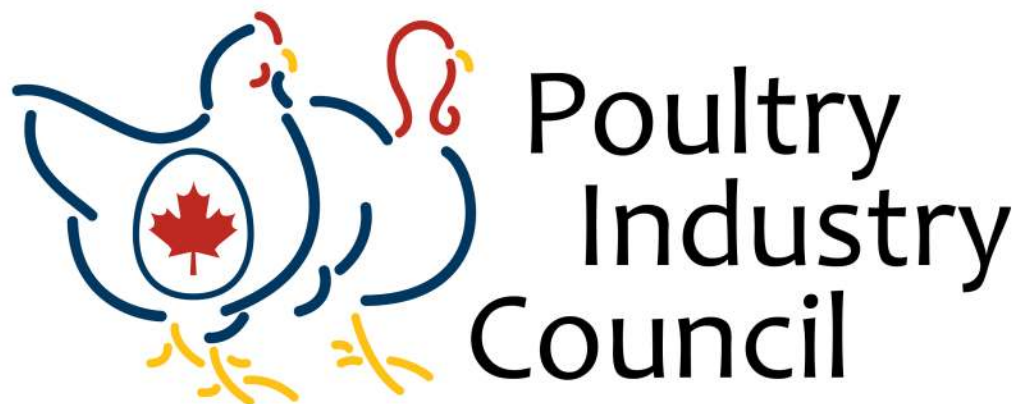
Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Organization invests in interest sensitive investments such as bonds and other fixed income investments. As a result of COVID-19, interest rates have decreased. The interest rate risk related to the Organization's fixed income investments has increased due to the impact of COVID-19, which could lead to declines in investment income.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to the changes in foreign currencies. The risk arises when the Organization holds foreign equities. At year-end, the currency risk has increased with the impact of COVID-19 because foreign exchange rates have seen increased volatility.

9. Material Uncertainty

On March 11, 2020, the World Health Organization characterized the outbreak COVID-19 as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As a result, the Organization has adapted program delivery models and has continued to deliver programming and services through other innovative means. The Organization has been able to continue operations during this time period. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of the disruption and related financial impact cannot be reasonably estimated at this time.



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