

MAPPING THE FUTURE

2018 Annual Report



Canadian Angus Association

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Canadian Angus Association Mission Statement

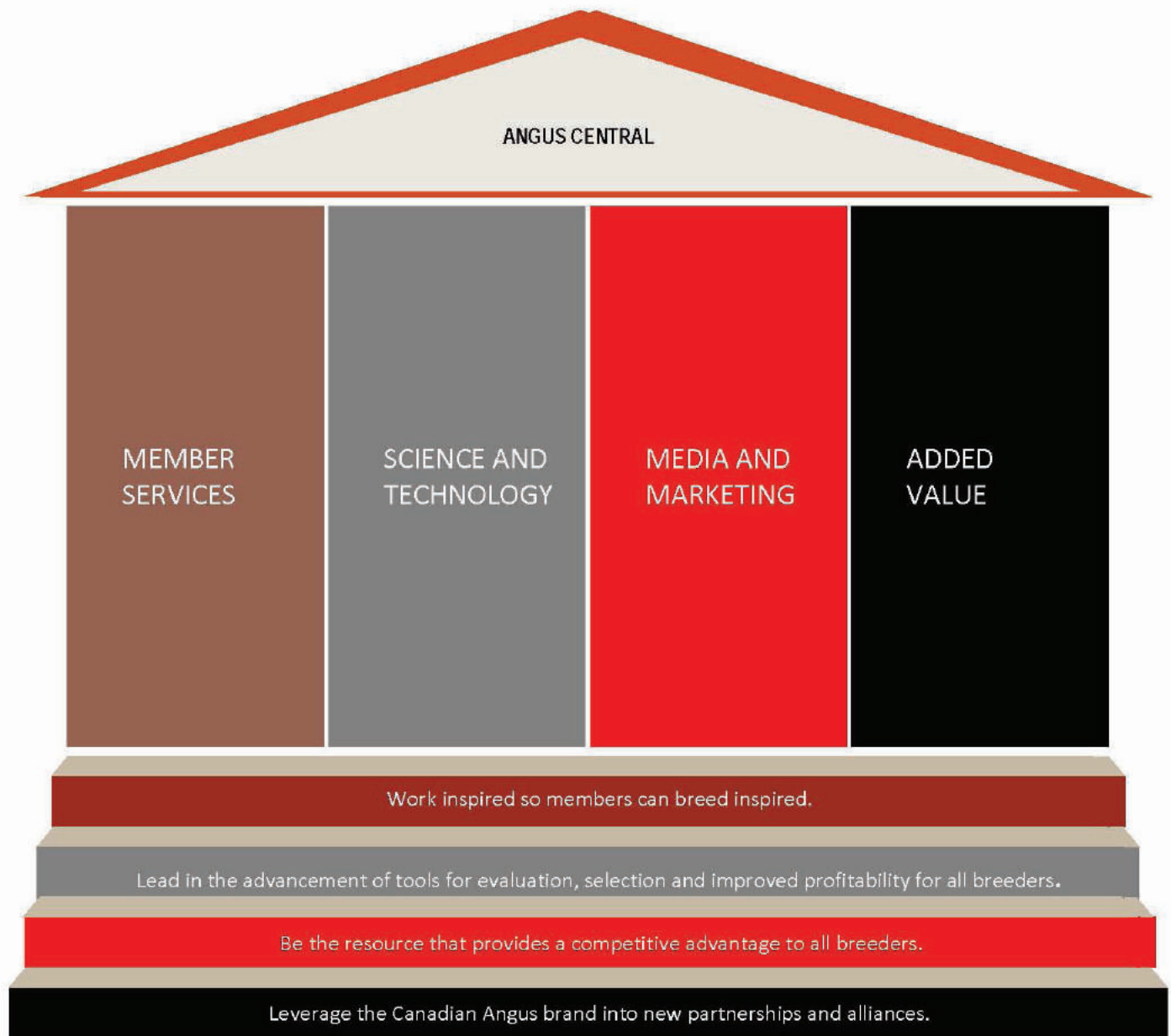
To maintain breed registry, breed purity and provide services that enhance the growth and position of the Angus breed.

Canadian Angus Association Vision

The Canadian Angus Association exists to preserve and expand the Angus breed for Canadian cattle producers and beef consumers, providing the best opportunities for profitability today and for future generations.

Grant Polston

CANADIAN ANGUS ASSOCIATION STRATEGIC PLAN



The Canadian Angus Association strategic plan was unveiled at National Convention 2018. The purpose of the Canadian Angus strategic plan is to communicate the Association's goals, the actions needed to achieve those goals, the timeline around those goals, as well as other critical elements developed throughout the strategic planning exercise.

PRESIDENT'S MESSAGE



My journey as president started last June in Comox, British Columbia, when I became your 83rd President of the Canadian Angus Association. And here we are one year later meeting in Drumheller, Alberta; I can't believe that my time is almost over. This past year is best described as a tumultuous roller coaster ride. Decisions were made that were not popular with all members, I'm afraid some friendships have been lost, but we should not lose sight

that we, as Angus breeders, are all working towards the same goal... to continue to raise the best Angus cattle we can, and with the help of our Association, keep Angus the number one breed in Canada.

I understand that not everyone agrees with all decisions that the Board of Directors (past and present) make. But I can tell you that after serving with these talented men and women for the last five years, we all have the betterment of our Association in mind every time we discuss issues and concerns or are faced with making a decision. Canadian Angus is a business and a complex one at that. We as a board do not always agree on every decision, but at the end of the day, after thorough debate we always leave the board room agreeing that the decisions we have made will move the breed and the Association forward. In fact, we will not leave the table until every director has had the chance to express their point of view. When there are opposing viewpoints it means that someone may leave the table feeling like they didn't "get their way", but every director is given the opportunity to voice their opinion and state their concerns. A very good friend of mine and a past director that I have the utmost respect for once said "there is a difference between being heard and getting your way." This certainly holds true around our board table, and in life in general I suspect. All opinions are valid and are given the respect that they deserve, and we always come to a decision that the entire board supports regardless of our opinions when we started discussing the topic.

I feel privileged to have had the opportunity to work with this group of directors over the past five years and to now call them my friends. I must also give a shout out to our remarkable staff at Angus Central and those on the road every day promoting our breed and Association for us. This past year hasn't been easy, and I want to personally say thank you for being there every day and keeping the day-to-day operations running smoothly.

One of my goals over the last year was to meet Angus breeders (purebred and commercial alike) from across the

country and listen to their concerns and ideas as to how the board of directors and our Association can help them keep their operation profitable, sustainable and efficient. I also told you in my opening remarks last June that a word to describe my theme for the upcoming year was the word "team". This word was chosen to encompass not only the Board, the staff and the regional associations but also the membership. As we are working our way through 2019, I feel very good about how our "Angus team" has come together, and continues to work towards making Canadian Angus the best it can be for the improvement of all connected with our team.

Over the last year, I have written many messages about how we can all be more successful in our endeavours, whether that is breeding or purchasing the next champion bull or cow, raising top quality calves going to market, and making sure that our farms and ranches remain sustainable for future generations. Hopefully each of you were able to take some small tidbit and incorporate it in your life or operation.

Our Junior program (backed by the generosity and commitment of you the members and channelled through the Canadian Angus Foundation) is the envy of other associations, and the participation by our Juniors from across Canada is what makes it so great! I thoroughly enjoyed every opportunity that I had to be involved with our fantastic Juniors, whether at a cattle show, Convention, Showdown and GOAL Conference to name a few.

As I leave the position of president, I want to share how humbled and honoured I feel every time I'm in our board room at Angus Central and look at the pictures of those Angus breeders that have served as president before me. I was very excited to take on the challenge of the position and I am very proud to have been chosen to serve as your 83rd president. It was not easy, nor should it be. But it has been one of the most challenging, humbling and greatest experiences of my life and I wouldn't trade it for anything!

Finally, I must say a huge thank you to my wife Angela, son Taylor and especially my father Fred Welch. Without their support and keeping things going back home while I travelled to board meetings, shows and other Angus events, I would not have been able to take on this challenge.

Thank you for allowing me to serve you. I look forward to many more years involved in the Canadian Angus fraternity.

Humbly,

Trevor Welch

MESSAGE DU PRÉSIDENT

Mon parcours en tant que président a débuté en juin dernier à Comox, en Colombie-Britannique, lorsque je suis devenu votre 83e président de l'Association canadienne Angus. Et nous voici réunis, un an plus tard à Drumheller, en Alberta ; Je peux à peine croire que mon temps est presque écoulé. En résumé, l'année a été comme des montagnes russes tumultueuses. Certaines décisions prises n'ont pas nécessairement été populaires auprès de tous les membres. Je crains que des amitiés ont été perdues, mais il ne faut pas perdre de vue que nous, les éleveurs d'Angus, travaillons tous envers le même objectif... Continuer à élever le meilleur bétail Angus que possible, et avec l'aide de notre association, maintenir notre position de tête au Canada.

Je comprends que les décisions prises par le conseil d'administration (passé et présent) ne sont pas toujours appuyées par les membres. Mais je peux vous assurer qu'après avoir servi au Conseil pendant cinq ans avec ces hommes et ces femmes talentueux, notre association garde toujours à l'esprit l'amélioration de notre association lors de chaque discussion, à l'approche de chaque problème ou de préoccupations. Les affaires Angus sont une entreprise complexe. En tant que conseil, nous ne sommes pas toujours d'accord sur toutes les décisions, mais au bout du compte, après un débat approfondi, nous quittons toujours la salle de réunion convaincus que les décisions que nous avons prises, feront progresser la race et l'association. En fait, nous ne quittons jamais la table avant que chaque administrateur ait eu l'occasion d'exprimer son point de vue. Lorsque des points de vue opposés se manifestent, cela signifie que quelqu'un pourrait quitter la table sous l'impression de ne pas avoir « réussi », mais chaque administrateur à la possibilité d'exprimer son opinion et ses préoccupations. Un ancien directeur qui est aussi un ami proche pour lequel j'ai le plus grand respect, a dit une fois : « Il y a une différence entre être entendu et obtenir ce que l'on veut. Toutes les opinions sont valables et reçoivent le respect qu'elles méritent, et nous prenons toujours une décision que tous les membres du conseil soutiennent, quelle que soit notre opinion lorsque nous avons commencé à discuter le sujet.

Je me sens privilégié d'avoir eu l'occasion de travailler avec ce groupe de directeurs au cours des cinq dernières années et je les considère mes amis. Je dois également rendre hommage à notre personnel remarquable à Angus Central et à ceux qui sont sur la route chaque jour pour promouvoir notre race et notre association pour nous. Les douze derniers mois n'ont pas été faciles et je tiens à vous remercier personnellement d'être présents tous les jours et de veiller au bon déroulement des opérations quotidiennes.

L'un de mes objectifs au cours de la dernière année était de rencontrer des éleveurs Angus (pur-sang comme commerciaux) au travers du pays et d'écouter leurs préoccupations et leurs idées sur la façon dont le conseil d'administration et notre Association peuvent les aider à

maintenir leur exploitation rentable, durable et efficace. Je vous ai également dit lors de mes remarques préliminaires en juin dernier que mon thème pour l'année à venir se décrivait en un mot, soit « équipe ». Ce mot a été choisi pour englober non seulement le conseil, le personnel et les associations régionales, mais également les membres. Alors que nous travaillons en 2019, je suis très heureux de la manière dont notre « équipe Angus » s'est réunie et continue de faire en sorte que le Angus canadien soit le meilleur possible pour améliorer tous ceux qui sont liés à notre équipe.

Au cours de la dernière année, j'ai écrit de nombreux messages sur la manière dont nous pouvons tous réussir avec nos entreprises, qu'il s'agisse d'élever ou d'acheter le prochain taureau ou vache, d'élever des veaux de qualité supérieure destinés au marché et de nous assurer que nos exploitations restent durables pour les générations futures. J'espère que vous en avez tiré un petit morceau applicable chez-vous.

Notre programme Junior (soutenu par la générosité et l'engagement des membres et canalisé par la Fondation Canadienne Angus) fait l'envie d'autres associations, et la participation de nos Juniors de partout au Canada est ce qui le rend si génial ! J'ai vraiment apprécié chaque occasion de m'impliquer avec les Juniors, que ce soit lors d'une exposition de bétail, d'un congrès, du Showdown ou d'une conférence GOAL, pour n'en nommer que quelques-uns.

En quittant mon poste de président, je tiens à vous dire à quel point je me sens honoré à chaque fois que je siège dans notre salle de conseil à Angus Central en regardant les photos de ceux qui ont présidé avant moi. J'étais très enthousiaste à l'idée de relever le défi de ce poste et je suis très fier d'avoir été choisi pour servir en tant que 83e président. Ça n'a pas été facile, mais je m'y attendais. Il reste que c'est l'une des expériences les plus déifiantes, les plus humbles et les plus enrichissantes de ma vie et je ne l'échangerais pour rien !

Enfin, je tiens à remercier mon épouse Angela, mon fils Taylor et plus particulièrement mon père Fred Welch. Sans leur soutien et leur contribution au travail chez-nous pendant que je me rendais aux réunions du conseil d'administration, aux expositions et à d'autres événements Angus, je n'aurais jamais pu accepter le défi.

Merci de m'avoir permis de vous servir. C'est avec enthousiasme que je continue mon chemin au sein de la fraternité Angus canadienne, et ce, pour de nombreuses années à venir.

Humblement,

Trevor Welch

CANADIAN ANGUS ASSOCIATION BOARD OF DIRECTORS

PRESIDENT Trevor Welch - Term expires in 2020

PAST PRESIDENT Brett Wildman - First term expires in 2019

PRESIDENT ELECT Bob Hahn - Term expires in 2021

BRITISH COLUMBIA Tom deWaal - First term expires 2021

ALBERTA Brian Geis - First term expires in 2021

ALBERTA George Baxter - First term expires in 2020

SASKATCHEWAN Mike Howe - First term expires 2021

SASKATCHEWAN Sheldon Kyle - First term expires 2021

SASKATCHEWAN Dale Easton - Term expires in 2022

MANITOBA Shawn Birmingham - Term expires in 2020

ONTARIO Graham McLean - First term expires in 2020

QUEBEC Ryan Currie - Term expires in 2020



Clockwise from top left: Dale Easton, Shawn Birmingham, Mike Howe, Tom deWaal, George Baxter, Ryan Currie, Brian Geis, Graham McLean, Bob Hahn, Trevor Welch, Brett Wildman, Sheldon Kyle

CURRENT REGIONAL ASSOCIATION REPRESENTATIVES

PROVINCE

BC
 Alberta
 Saskatchewan
 Manitoba
 Ontario
 Quebec
 Maritimes
 Canadian Red Angus
 Promotion Society

PRESIDENT

Jim Moon
 Blake Morton
 Trent Liebreich
 Barb Airey
 Paula Cornish
 Frederic Gouin
 Amy Higgins
 Mark Matejka

SECRETARY/MANAGER

Carley Henniger
 Susanne Fankhanel
 Belinda Wagner
 Mandi Fewings
 Julie Townsend
 Cynthia Jackson
 Stacey Mathon

CANADIAN ANGUS ASSOCIATION STAFF

ADMINISTRATION TEAM



Myles Immerkar
CEO



Tina Zakowsky
Administration
Team Leader



Kiani Evans
History Project
Intern



Joanelle Fuellbrandt
Office Administrator



Alan Yuen
Director of
Administration

MEMBER SERVICE TEAM



Julia Engel
Member Service
Advisor



Avery Parkinson
Member Service
Advisor



Mandi Tilleman
Member Service
Advisor



Eidel Torio
Member Service
Advisor

MEMBER VALUE TEAM



Carmen Koning
Member Value
Team Leader



Byron David
Member Value
Advisor



Brian Good
Senior Director of
Business Development,
BC & Alberta



Bob Toner
Director of Business
Development,
Saskatchewan &
Manitoba



Belinda Wagner
Canadian Junior
Angus Coordinator
& Canadian Angus
Foundation
Executive Director

BREED DEVELOPMENT



Kajal Devani
Director of Science
and Technology

FINANCIAL STATEMENTS OF THE CANADIAN ABERDEEN ANGUS ASSOCIATION

Year ended December 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Aberdeen Angus Association

Opinion

We have audited the accompanying financial statements of Canadian Aberdeen Angus Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2018;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

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 non-consolidated 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditors' 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 auditors' 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

- 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.

KPMG LLP

Chartered Professional Accountants
April 11, 2019
Calgary Alberta



CANADIAN ABERDEEN ANGUS ASSOCIATION

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	Canadian Aberdeen Angus Association	Canadian Junior Angus	2018	2017
Assets				
Current:				
Cash	\$ 166,796	\$ 13,685	\$ 180,481	\$ 300,608
Accounts receivable	182,190	17,468	199,658	188,479
Prepaid expenses and deposits	13,804	6,375	20,179	15,441
	362,790	37,528	400,318	504,528
Investments (note 2):				
Internally restricted	288,673	-	288,673	288,673
Unrestricted	24,414	-	24,414	30,060
Property and equipment (note 3)	4,656,109	-	4,656,109	4,737,848
	\$ 5,331,986	\$ 37,528	\$ 5,369,514	\$ 5,561,109
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities (notes 4 and 10)	\$ 238,272	\$ 11,063	\$ 249,335	\$ 174,156
Member accounts	44,781	-	44,781	64,322
Deferred revenue	146,016	125	146,141	23,302
Current portion of mortgage payable (note 6)	153,215	-	153,215	147,540
	582,284	11,188	593,472	409,320
Mortgage payable (note 6)	2,905,029	-	2,905,029	3,058,401
	3,487,313	11,188	3,498,501	3,467,721
Net assets:				
Invested in property and equipment	1,587,865	-	1,597,865	1,531,907
Internally restricted (note 2)	288,673	-	288,673	288,673
Unrestricted	(41,865)	26,340	(15,525)	272,808
	1,844,673	26,340	1,871,013	2,093,388
Commitments (note 8)				
Subsequent event (note 6)				
	\$ 5,331,986	\$ 37,528	\$ 5,369,514	\$ 5,561,109

See accompanying notes to financial statements.

Approved on behalf of the Board:

President

Chief Executive Officer

Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Registrations	\$ 2,021,888	\$ 2,070,587
CACP tag program	1,187,060	1,020,264
Transfers	404,120	407,946
Memberships	336,465	253,282
Performance weights	228,282	216,156
DNA	272,297	251,195
Grants	107,048	120,777
Other	117,138	150,173
	4,674,298	4,490,380
Expenses:		
Wages and employee benefits	1,354,658	1,262,396
CACP tag program	1,127,036	941,857
Office, rent and other expenses	471,914	357,554
Provincial activity grants	393,793	341,852
Interest on long term debt	118,526	122,066
Genetic evaluations	147,093	133,185
Advertising and promotion	172,168	159,100
DNA	219,047	183,902
Professional fees	193,198	102,727
Field service	116,646	133,140
Travel	103,831	140,097
Directors and committees	132,108	104,752
Bank charges	99,803	96,019
Registry	87,919	85,986
Subscriptions and memberships	35,756	20,865
Junior activity	31,804	32,984
Depreciation	88,091	133,739
	4,893,391	4,352,221
Excess of revenue over expenses before the undernoted	(219,093)	138,159
Other Income (loss):		
Canadian Junior Angus activity (note 11)	(291)	(5,708)
Unrealized gain (loss) on foreign exchange	-	1,169
Gain (loss) on unrealized investments	(8,997)	6,786
Investment income	6,006	4,287
	(3,282)	6,534
Excess of revenue over expenses	\$ (222,375)	\$ 144,693

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

2018	Invested in Property and equipment	Internally- restricted	Unrestricted	Total
Balance, beginning of year	\$ 1,531,907	\$ 288,673	\$ 272,808	\$ 2,093,388
Excess (deficiency) of revenue over expenses	(88,091)	-	(134,284)	(222,375)
Repayment of mortgage	147,697	-	(147,697)	-
Investment in property and equipment (note 2)	6,352	-	(6,352)	-
Transfers (note 2)	-	-	-	-
	\$ 1,597,865	\$ 288,673	\$ (15,525)	\$ 1,871,013
2017				
Balance, beginning of year	\$ 1,520,539	\$ 206,673	\$ 221,483	\$ 1,948,695
Excess (deficiency) of revenue over expenses	(133,739)	-	278,432	144,693
Repayment of mortgage	143,328	-	(143,328)	-
Investment in property and equipment (note 2)	1,779	-	(1,779)	-
Transfers (note 2)	-	82,000	(82,000)	-
	\$ 1,531,907	\$ 288,673	\$ 272,808	\$ 2,093,388

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
(Deficiency) excess of revenue over expenses items not involving cash:	\$ (222,375)	\$ 144,693
Depreciation	88,091	133,739
Unrealized loss on investment	8,997	-
Unrealized (gain) loss on foreign exchange	-	(1,169)
	(125,287)	277,263
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(11,179)	(10,935)
Decrease (increase) in prepaid expenses and deposits	(4,738)	3,005
Increase (decrease) in accounts payable and accrued liabilities	75,179	(69,922)
Increase (decrease) in member accounts	(19,541)	2,273
Increase (decrease) in deferred revenue	122,839	(51,926)
	37,273	149,758

Financing:		
Repayment of mortgage	(147,697)	(143,328)
Investing:		
Additions to investments	(3,351)	(90,463)
Purchase of property and equipment	(6,352)	(1,779)
	(9,703)	(92,242)
Unrealized gain on foreign currency held at year end	–	1,169
Decrease in cash	(120,127)	(84,643)
Cash beginning of year	300,608	385,251
Cash, end of year	\$ 180,481	\$ 300,608

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2018, with comparative information for 2017

Descriptions of business:

The Canadian Aberdeen Angus Association (the "Association") is a not for profit organization incorporated under the Animal Pedigree Act.

The purpose of the Association is to support the development of the Angus breed through programs and strategies that emphasize the superior characteristics of the Angus breed and maintain high genetic merit and the purity of the breed.

The Association is a not for profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements are met.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not for profit organizations. The Association's significant accounting policies are as follows:

(a) Basis of presentation:

These financial statements have been prepared on a non-consolidated basis. Financial details regarding the Canadian Angus Foundation Inc., a controlled entity, are disclosed in note 7 to these non-consolidated financial statements.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortization cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

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

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

(c) Investments:

Investments are stated at fair value measured on a portfolio

basis. They are disclosed separately from current assets to reflect the Association's intention to hold them at least throughout the following year as a reserve for unforeseen circumstances.

(d) Property and equipment:

Property and equipment is stated at cost and depreciation is provided for over the estimated useful lives of the assets. The building is depreciated using declining balance method at a rate of 2% annually and the remaining property and equipment is depreciated on a straight line basis over five years.

(e) Member accounts:

Member accounts represent cash receipts received during the current year in payment of membership fees applicable to the following year and for services not yet provided.

(f) Deferred revenue:

Deferred revenue represents amounts received in advance for services that will not be delivered until the next fiscal year.

(g) Revenue recognition:

The Association recognizes revenue for registration at the time of the registration as this is the point in time where the service is performed. Membership revenue is recognized over the period to which the membership applies. Tag revenue is recognized at the time payment is received which closely corresponds to the time of delivery. Grant revenue is recognized at the time it is received. Other services revenue is recognized at the time the service is performed.

(h) Use of estimates and assumptions:

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable and the useful life of property and equipment for depreciation purposes and evaluation of their net recoverable amount. Consequently, actual results could differ from those estimates.

(i) Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

2. Investments:

Investments consist of a guaranteed investment certificate of \$75,000 (2017 - \$75,000), which is earning interest at a rate of 1.75% per year, is set to mature on May 25, 2020, and marketable securities of \$238,087 (2017 - \$243,733), of which \$288,673 (2017 - \$288,673) is internally restricted.

During 2013, the Board of Directors resolved to restrict an amount equal to 3% (previously 1%) of that year's registration revenues, consisting of registration, memberships and transfers, for the next three years beginning in 2014. In 2014 this was amended by the Board of Directors to restrict an amount equal to 1% of that year's registration, membership and transfer revenues until such a time that the fund is equal to 15% of gross annual revenue. Subsequent to 2014 year end, a resolution was passed to waive the 1% requirement until 2015.

During 2015, the Board of Directors approved a contribution

of \$46,673 to the internally restricted fund. The contribution approved in 2015 covered the 2014 and 2015 contribution requirements of 1% of registration revenues as described above, including a contribution of \$20,000 made with respect to the 1% transfer that was previously waived in 2014.

During 2016, the Board of Directors approved a contribution of \$85,000 to the internally restricted fund. The contribution relates to the 2016 contribution requirement of 3% of the current year's registration revenues as described above.

During 2017, the Board of Directors approved a contribution of \$82,000 to the internally restricted fund. The contribution relates to the 2018 contribution requirement of 3% of the current year's registration revenues as described above.

During 2018, a resolution was passed to waive a contribution to the internally restricted fund.

The internally restricted amounts are not available without the approval of the Board of Directors.

3. Property and equipment:

	Cost	Accumulated depreciation	2018 Net book value	2017 Net book value
Land	\$ 1,263,276	\$ -	\$ 1,263,276	\$ 1,263,276
Building	3,745,711	(373,917)	3,371,794	3,440,606
Furniture and equipment	339,759	(330,805)	8,954	14,010
Computer software	204,996	(197,755)	7,241	9,966
Signs	44,435	(44,435)	-	6,700
Computer hardware	302,380	(297,536)	4,844	3,290
Automotive equipment	43,235	(43,235)	-	-
	<u>\$ 5,943,792</u>	<u>\$ (1,287,684)</u>	<u>\$ 4,656,109</u>	<u>\$ 4,737,848</u>

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$17,890 (2017 - \$20,981), which includes amounts payable for goods and services tax.

5. Bank indebtedness:

At December 31, 2018, the Association had an uncommitted demand revolving credit facility in the amount of \$75,000 with a Canadian financial institution. The interest rate charged on the bank facility is the bank's prime rate plus 15%. This facility is secured by the \$75,000 GIC. No amount was drawn as at December 31, 2018.

6. Mortgage payable:

	2018	2017
AFSC fixed rate mortgage, bearing interest at 3.84% repayable in monthly blended payments of \$22,185 commencing February 1, 2014, maturing January 1, 2019	\$ 3,058,244	\$ 3,205,941
Current portion of mortgage payable	153,215	147,540
	<u>\$ 2,905,029</u>	<u>\$ 3,058,401</u>

It is the Association's intention to refinance the mortgage in the normal course of business. Principal repayments, assuming refinanced under similar terms and conditions, are as follows:

2019	\$ 153,215
2020	159,108
2021	165,227
2022	2,580,694

The mortgage is secured by a registered first mortgage on the land and building, all present and after acquired personal property, including proceeds and an assignment of rent and lease revenues.

On January 14, 2019, an agreement was reached with AFSC to refinance the mortgage for a term of 5 years, maturing January 1, 2024 with monthly payments of \$23,215 including interest at 4.5% per annum.

7. Canadian Angus Foundation Inc.:

The Canadian Angus Foundation Inc. (the "Foundation") is incorporated, as a corporation without share capital, under the Canada Corporations Act. The Foundation operates to receive donations for purposes of funding scholarships and the preservation of Association archives. The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements are met.

The Association exercises control over the Foundation by virtue of its status as the 'single member' of the Foundation. As such, the Association's Board of Directors annually approves the elected Foundation Board of Directors.

The accounts of the Foundation have not been consolidated in these financial statements. The financial information of the Foundation as at December 31, 2018 are summarized as follows:

	2018	2017
Total assets	\$ 789,409	\$ 813,028
Total liabilities	365,673	362,329
Total net assets	<u>414,736</u>	<u>450,699</u>
	<u>\$ 780,409</u>	<u>\$ 813,028</u>

In accordance with donor imposed restrictions, \$324,234 (2017 - \$322,525) of the Foundation's assets are to be used to provide scholarships to junior candidates and other junior programming. A further \$30,442 (2017 - \$30,442) of the Foundation's assets are subject to donor imposed restrictions that they be maintained for a period of not less than ten years, after which time the funds are to be used towards meeting the goals and projects of the Foundation as established under its constitution, including support for the following objectives:

- 1) To promote education, research and development concerning specific agricultural topics that will benefit the entire beef industry.
- 2) To provide scholarships, bursaries and prizes to advance education in the field of breed production.
- 3) To provide funding for the advancement and benefit of youth agricultural activities.
- 4) To provide and promote education and research in the field of beef production.
- 5) Ensure respect, preservation and restoration for the rich and long history of the Angus breed in Canada, of those Canadians developing the Angus breed, and the Canadian Angus Association who are the national organization supporting both the producers and their Angus cattle.

These externally restricted contributions have been deferred and will be recognized in revenue when the contributed funds are spent on the program to which they are restricted. Investment income earned on these funds can be used at any time, at the discretion of the Foundation.

	2018	2017
Total revenues	\$ 194,970	\$ 241,068
Total expenses	226,067	169,994
(Deficiency) excess of revenue over expenses	<u>\$ (31,097)</u>	<u>\$ 71,074</u>
	<u>2018</u>	<u>2017</u>
Increase (decrease) in cash	\$ 1,153	\$ (9,528)

8. Commitments:

The Association is committed under certain leases for equipment and a software licensing and maintenance agreement. The aggregate amounts of these commitments over the next three years are as follows:

2019	\$	4,181
2020		1,045

9. Risk management:

The Association is exposed to a number of financial risks in the normal course of its business operations, including interest rate risk, credit risk, liquidity rates and commodity price risk.

(a) Interest rate risk:

The Association is exposed to interest rate risk on its fixed rate borrowings. The Association does not actively manage this risk.

(b) Credit risk:

The Association is exposed to credit risk from counterparties being unable to fulfil their obligations. The Association manages risk through various internal processes including credit policies and limits, credit checks and experience. There is no significant concentration of credit risk with any one party as at December 31, 2018.

(c) Commodity price risk:

Fluctuations in the market for cattle may impact on producers' decisions to register livestock which would reduce the Association's registration revenues and thereby limit operations. The Association mitigates this risk through the active promotion of the Angus breed.

(d) Liquidity risk:

Liquidity risk is the risk that the Association will encounter difficulties in meeting its financial liabilities when they come due. The Association manages liquidity risk by monitoring activity levels which affect cash flow while maintaining adequate cash

balances to cover daily operating expenses and investing surplus cash balances in such a manner to provide longer terms liquidity.

10. Related party transactions:

Revenue includes \$11,325 (2017 - \$10,246) generated from a company owned by a member of the Association acting in an oversight role with nil (2017 - \$nil) remaining in accounts receivable at year end relating to this revenue.

During the year, revenue of \$102,277 (2017 - \$25,062) was received from the Foundation for projects and services provided on behalf of the Association. In 2018, the Board resolved that all transaction fees collected from members of the Canadian Junior Angus ("CJA") for services performed by the Association would be donated to the Foundation. Accordingly, there is \$2,460 (2017 - \$2,400) in accounts payable and accrued liabilities at year end relating to this donation.

During the year, CJA had expenditures in excess of revenues of \$291 (2017 - deficiency of \$5,708) as a result there was no allocation to the Foundation. The process for dispersing the funds is at the request of the CJA, pending the approval of the Foundation's management.

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

11. Canadian Junior Angus ("CJA"):

For the current year, results of operations for CJA were as follows:

	2018	2017
Revenue:		
Juniors Revenue	\$ 96,985	\$ 96,944
Expenses:		
Juniors Expenses	108,766	114,847
Deficiency of revenue over expenses	(11,781)	(17,903)
Received from Canadian Aberdeen Angus Association	11,490	12,195
Allocation to the Foundation (note 10)	-	-
Net deficiency of revenue over expenses	\$ (291)	\$ (5,708)



REGIONAL REPORTS & HIGHLIGHTS

British Columbia *Jim Moon*

BC Angus saw our past president, Tom deWaal move into the role of national director for BC, and our vice president, Jim Moon become president of the BCAA. Our past national director, Lorraine Sanford moved into a role with the Canadian Angus Foundation Board of Directors. All of this happened right before the 2018 National Convention in Comox, BC, which BC was happy to host. We look forward to the 2019 Convention in Drumheller, Alberta.

The BC Junior Angus association was resurrected in August 2018 and continues to see the membership grow. We are happy to see events coming together to develop and establish our Junior association here in BC. We also look forward to hosting Showdown in Barriere, BC in July 2019.



Alberta *Blake Morton*

It is great to be hosting the 2019 convention. There has been a great group of volunteers and CAA staff working hard to make this a memorable weekend. Along with planning Convention, we, your Alberta board, have been busy promoting Angus beef genetics in our province.

We had the Alberta Angus booth set up at both Camrose and Oyen this spring. In Oyen we cooked steak samples for the exhibitors and the crowd. Even though there was no judging or competition, I believe the Angus beef was the best according to comments from the hungry crowd.

Looking back on 2018, we held the AGM in Bashaw just after the completion of the Alberta Junior Angus Show. We hosted a free barbecue for all members and their families that attended. It was an honour to have guest speaker Dr. Cody Creelman speaking about social media and its power to reach customers and grow your business.

The show committee for 2018 did a great job, starting with the Olds Fall Classic Gold Show. The show was well attended and it was good to see some new exhibitors as well as many of the same breeders we see out there promoting Angus beef.

The second Gold Show was in Edmonton. Farmfair International pulled in a reasonable crowd even though the CFR moved to Red Deer. The Cattlemen's Social, with a delicious beef supper and live and silent auction, was

well attended. The highlight of the evening was the Rock, Paper, Scissors contest.

We had the booth in Medicine Hat again for the pen show and also cooked up over 100 pounds of Angus beef at the steak fry there. Canadian Angus, Southern Alberta Angus Club and Alberta Angus members were on hand to help out with barbecuing and feeding the hungry crowd. Thanks go out to Cecilie Fleming for keeping us organized in Medicine Hat and also for manning our booth in Edmonton once again this year.

When it comes to 4-H in this province we are proud to say there are a lot of the members using Angus or Angus influence calves for their 4-H projects. We send out close to 700 awards for 4-H members. There was also money spent on youth programs and initiatives, as this is the future of our industry.

One of our big projects this year was the Alberta Angus directory.

Thanks to our Alberta board for all your hard work: Tiffany Richmond (Vice President), Laura Baxter (Finance Director), David Schneider (Director at Large), Darrell Hickman, Luke Tannas, BJ Scheirlinck, Grayden Kay, Quinn Elliot, Kelsey Knott, Melissa Lee, Kolby Heaven, Jordie Buba, Brett Wildman (CAA), Madison Sibbald (AJAA) and Susanne Fankhanel (Office Manager).

Saskatchewan *Trent Liebreich*

Member education remains a focus of our association and Breeder Information Sessions were hosted in Regina, Moosomin and Saskatoon over the course of the year, reaching over 100 members and commercial producers with topics such as VBP+, sustainability, use of social media, EPDs and genomics, BIXS and a workshop on the new AngusNOW online registry program.

More than 200 breeders from across Saskatchewan, Manitoba, Alberta, New Brunswick, Ontario and the US came together in the Weyburn area in August for the Visit the Southeast Angus Tour, two days of visiting and pasture viewing of seven Angus operations. The tour has become a 'must attend' event each summer.

The Saskatchewan Angus Purebred Breeder of the Year Award was presented to Wraz Red Angus of Wawota, SK.

The Saskatchewan Angus Commercial Producer of the Year Award was presented to Ferch Farms of Kipling, SK.

Barry Young, Young Dale Angus of Carievale, SK was presented the Honourary Saskatchewan Angus President plaque and Donna Hanel, Flying K Ranch of Wymark, SK was presented a Saskatchewan Angus Heritage Award.

Kodie Doetzel of Lipton, SK and Hillary Sauder of Hodgeville, SK were the 2018 Saskatchewan Junior Angus Scholarship recipients.

Very successful Gold Shows were hosted in Lloydminster at Stockade Roundup (Lloydminster also includes the provincial Junior Show) and in Regina at Canadian Western Agribition in November.

For over 40 years the Association sponsored Masterpiece Sale was hosted in Regina at various times in the fall, including a number of very successful years at Canadian Western Agribition. In 2018 the Masterpiece was re-branded and moved to Saskatoon in late December. The sale was very good, and we hope to continue to build on that success moving forward.



Photos by Erin Yewsiuk Photography

Manitoba *Barb Airey*

2018 was a year of many challenges with weather and feed being the biggest, but as Manitobans we are very resilient and are looking forward to 2019.

A year in review:

January 2018: Manitoba Angus had a booth set up at Ag Days with Bob Toner there representing Canadian Angus and promoting the Angus tag program.

February–April: Spring bull sales were steady with prices down slightly from the previous year, but a large volume of Angus bulls sold across the province.

June: The Canadian Angus National Convention was held in Comox, BC. It was a great opportunity to learn more about our Association's programs and meet many new Angus enthusiasts.

July: Manitoba Angus Summer Gold Show was held at Harding in conjunction with the Harding Fair. There was a strong representation of top quality cattle from Manitoba and Saskatchewan and many spectators in attendance.

October: Manitoba Angus hosted the National Angus Show in conjunction with Ag Ex. Considering the late harvest and difficult fall, we had a great turnout with over 160 head of Angus cattle. The cattle came from Manitoba, Saskatchewan, Alberta and some from as far away as BC, which made for a very strong show.

November: Our Manitoba Angus AGM was held November 30, coinciding with the Keystone Classic Sale the next day. The meeting was very well attended. Topics of discussion included the importance of Angus tags and how to promote them, the new AngusNow program and the combination of red and black EPDs under the AngusONE evaluation.

Presentations were made to the following:

Nolan Glover from Boissevain, MB received the Jack Hart Memorial Female Foundation Award of \$2,500 towards the purchase of a female at the Keystone Classic Sale.

Purebred breeder of the Year went to Anderson Cattle Co. Swan River, MB.

Commercial Breeder of the Year was awarded to Taylor Triplet Farms, Mather, MB.

It was announced that Brookmore Angus will be receiving a 50 year Canadian Angus membership award in 2018.

December: The Keystone Classic Sale had a large offering of cattle with 69 live lots averaging \$4,043. The Keystone Classic sale includes a great group of people, a good time and top quality cattle.

Manitoba Angus Association 2018 Highlights

Hosted the National Angus Show in Brandon on October 25, 2018 in conjunction with Ag Ex—had a great turnout of cattle with excellent quality overall and hosted an exhibitor meal

Presentation of Purebred Breeder of the Year to Anderson Cattle Co., Swan River and Commercial Producer Award to Taylor Triplet Farm, Mather

MAA booth at Ag Days and sponsorship of the Manitoba Beef Producers AGM

MAA handed out over 200 tokens to 4-H members in Manitoba with Angus influence projects

Successful summer Gold Show at Harding Fair with good number of cattle entries

MAA sponsored coffee at the fall feeder sales

Keystone Classic Female Sale was once again successful. The new Jack Hart Memorial Foundation Female Award was presented to Nolan Glover who used the money to purchase a female at the Keystone Classic.

AGM was hosted in conjunction with the Keystone Classic Sale which saw a high number of members in attendance once again



Photo of week old AN/SM calf by Hattie Campbell

I would like to thank the Ontario Angus membership for having me as your president once again this past year. Our 2018 annual meeting was hosted by the Western Club in Woodstock on Saturday, March 3, where we had a great turnout of members.

The show season kicked off in March for our Juniors with the Junior Beef Expo in London, then the Youth Forum in Lyndsey in April. It was good to see many of our Juniors at these events, where once again Angus had the most animals exhibited at these events.

In June I attended the Canadian Angus annual general meeting along with our secretary Julie Townsend in Comox, BC. I think this is always a good time to get with the other provinces' members to share ideas on what they do and find new ideas to try and implement to keep improving our association.

In July our Ontario Juniors did us proud by hosting the Canadian Junior Angus Showdown in Barrie. There was a tremendous turnout of Juniors, and outstanding quality of cattle exhibited. I strongly believe that this event is great for meeting new people, teambuilding and leadership.

The next event that we attended was our summer field day which was hosted by Brad and Kristie Gilchrist. We had a great turnout of people there. Our Juniors lead by Charlene Elliott did some judging of different events; as well Brad helped the Juniors with some Showmanship tips.

Our fall shows and sales kicked off in August and as always it seemed like time just flew by until the Royal. I think the calibre of cattle that come out to the shows just keeps getting stronger every year. The Royal Winter Fair rounded out our show season with close to 200 head being exhibited. Congratulations to all the exhibitors at all the shows this past year.

Right after the Royal, the Ontario Angus Association hosted the Ontario Angus Showcase Sale which was held in Lindsey. This sale was put together for all members across Ontario to have another place to market their cattle. The sale was managed by some of our Ontario directors, and this we felt helped to keep costs in line. We had a great set of heifers at the sale, and a good turnout of people.

In closing, as I round out my two-year term as your Ontario Angus President, I would like to first thank the board of directors for their help. Being on the board takes time and commitment for meetings and helping organizing events, but without your board these things wouldn't happen. I would strongly encourage the younger generation to step into this role as a director either on your regional clubs, or next step on the Ontario board. For me this has not only been a great experience to learn the logistics of what goes on at board level, but as well to meet and work with great people across the province and country.

Award Presentations

OAA Commercial Breeder of the Year recipient:
Kyle Adams

OAA Purebred Breeder of the Year recipient:
Kemp Brothers

OAA Honourary Presidents:
Tom and Judy McDonald

OAA Show Bull of the Year award:
Lazy JB Compound Effect 6011
Owned by Fallis Land and Cattle & Cedarview Angus

OAA Show Female of the Year award:
Brockhill Pride 6E
Owned by Worth-Mor Cattle



Quebec *Frederic Gouin*

Overall Highlights of 2018:

- Field day held at Ranch TM with well over 100 participants
- Angus breeders and their animals made their mark at various Quebec shows in 2018 winning various inter-breed championships and reserves
- Quebec Junior Beef Show in Brome was abundantly attended and is a highly recommended weekend activity for our young and upcoming breeders

Achievements:

- The association maintained an Angus presence at beef days, shows, and through our website and Facebook page
- Eight Angus shows throughout the year, including our Gold Show at Expo Bœuf and a second Gold Show at Brome all of which showcased many great quality animals
- Continued interest in the green Angus ATQ tag
- Bull sales are going well and a director was present at each sale

Thank yous:

- Thank you to the Angus breeders, the Juniors, the board of directors and our sponsors for their continued hard work and support

Maritimes *Amy Higgins*

I won't spend a lot of time on this report with the wonderful events that the provinces host like the field day, futurities, pasture tours, Gold Show and all-around great things that have been happening this past year.

The most major thing that the board has been working diligently on this past year was a comprehensive marketing plan that came out of a "special projects" request for funding to the Canadian Angus Association, and which was approved in the entirety of our request at \$10,000 in project dollars.

This project's purpose was to:

- a) Update and modernize a number of our promotional tools*
- b) Build a co-promotion with members who may find value in jointly coordinated services*
- c) Test some new marketing areas to see where we should invest time and money in the future*

- Updated breeder directory
- Facebook/Instagram/Twitter—active use and "boosting" posts

Les événements de 2018 :

- Journée champêtre organisée au Ranch TM avec plus de 100 participants
- Les éleveurs Angus et leurs animaux ont fait leur marque lors de divers salons au Québec en 2018, remportant divers championnats et réserves inter-races
- Le spectacle du Show Junior Bœuf de Boucherie à Brome a été très fréquenté et constitue une activité de fin de semaine fortement recommandée pour nos jeunes et futurs éleveurs

Réalisations :

- L'association a maintenu une présence d'Angus lors des journées du bœuf, des spectacles, ainsi que sur notre site Web et notre page Facebook
- 8 expositions Angus tout au long de l'année, y compris notre exposition d'or à l'Expo Bœuf et une deuxième exposition d'or à Brome, qui ont présenté de nombreux animaux de grande qualité
- Intérêt continu pour le tag vert Angus-ATQ
- Les ventes de taureaux vont bien et un directeur était présent à chaque vente

Remerciements :

- Merci aux éleveurs Angus, aux juniors, au conseil d'administration et à nos commanditaires pour leur travail acharné et leur soutien

- TradeShow tabletop display updated
- Popups directed at each of the provinces for their respective events ****In progress****
- NB Pasture Tour (NS and PEI deferred to 2019)
- Farm focus advertising—two ads
- Logo redesign and placement on field day t-shirts and new ball caps
- Photography co-promotion for sale cattle
- #greentagsatwork promos and prize packs for winners
- Green tags for bull buyers co-promotion
- Website update ****In Progress****
- Printing of extra copies of Angus in Action for mailing

I would like to thank the board of directors (Bev McMutrie, Tim Dixon, Patrick Holland, Trevor Welch, Betty Lou Scott, Wilfred Gilby and Bill Scott) for their time and energy spent on board business this year. It is an exciting time in Angus and I hope to see everyone out and spreading the word in 2019!

CANADIAN ANGUS ASSOCIATION HIGHLIGHTS & STATISTICS

2018 was the year of the Angus Tag. The Board set aggressive sales targets for the CAA CEO and staff to achieve over five years, from 2018–2022. In 2018 we increased our tag sales by 21%, or more than 59,000 tags.

Angus Tag Sales

BC

Member **8,553** | Commercial producer **23,650**

Alberta

Member **58,531** | Commercial producer **74,950**

Saskatchewan

Member **52,798** | Commercial producer: **64,660**

Manitoba

Member **12,458** | Commercial producer **14,875**

Ontario

Member **8,250** | Commercial producer **8,200**

Quebec

Member **2,995** | Commercial producer **5,970**

New Brunswick

Member **425** | Commercial producer **675**

Nova Scotia

Member **1,000** | Commercial producer **500**

PEI

Member **550** | Commercial producer **525**

Newfoundland

Member **0** | Commercial producer **25**

50 years of Red Angus registrations

The first record of Red Angus in Canada is the recorded importation of a red cow from Scotland in 1886. Rancher Matthew Cochrane imported red Angus from Scotland in 1889 for his ranch west of Calgary, Alberta.

Volume I of the Canadian Angus Herdbook was published in 1908. Red Angus females were included but red males were excluded. On March 15, 1921, the CAA bylaws were amended and all Red Angus cattle were excluded. This decision would stand until April 3, 1968 when the Minister of Agriculture officially approved that Red Angus cattle be eligible for registration.

Although Red Angus were not eligible for registration in the Canadian herdbook, several breeders accumulated herds of Red Angus cattle and registered them with the Red Angus Association of America after it was chartered in 1954. When red cattle were once again permitted in the Canadian Angus herdbook, the supply of Canadian-born Red Angus was very limited and breeders turned to the United States to find breeding stock.

When the Canadian Angus herdbook was opened to Red Angus in 1968, the Association offered to register all Red Angus cattle under the age of 24 months at the lowest price point, allowing Red Angus breeders an affordable opportunity to populate the herdbook and register their herds.

Thanks to the pioneering efforts of Angus breeders dedicated to red hide colour, 50 years later, Red Angus account for more than 40% of Canada's national Angus herd.

Strategic Plan Launch

After consulting extensively with members through the fall of 2017, the new CAA strategic plan launched at Convention in June.

AngusONE Genetic Evaluation

We launched our first Red and Black Angus national cattle evaluation in August 2018. The AngusONE evaluation features one set of EPDs (calculated with our American Angus Association partners) for all Canadian Angus animals, both red and black. EPDs for Canadian Angus animals, regardless of hide colour, are comparable. The EPDs are calculated on a monthly basis using single step methodology developed at the University of Georgia. This methodology uses genomic test results (Zoetis HD50K, and AngusGS) directly.

AngusNOW, the new live registration system launched in the fall to a group of testers with a full roll-out to all members in the first quarter of 2019.

Kajal Devani was elected to the Beef Improvement Federation (BIF) Board of Directors as one of the Cattle Breed Registry Association Representatives.

The Canadian Angus Association and Agri-Traçabilité Québec began offering qualifying producers **Angus ATQ tags** in sets of 10 or 30.

CAA partnered with Boehringer Ingelheim on a joint promotion of the Canadian Angus RFID Tag Program and the Express Verified vaccination program.

CEO transition

The Board of Directors chose not to renew CEO Rob Smith's contract. His employment with the Canadian Angus Association ended on December 31, 2018. New CEO Myles Immerkar was hired in November 2018 and started in January 2019.

Canadian Angus Foundation Commits \$145,000 in Support of Canadian Angus Association-Led Research and Development

The Canadian Angus Foundation, run by a group of dedicated and passionate Angus volunteers, aims to preserve and expand the Angus breed for future generations through education, youth development, scientific research and development, and historical preservation of our treasured archives. The Foundation recently committed \$145,000 over the next two years in support of several research projects that the Association has planned, some in partnership with other Angus associations around the world. These research initiatives range from exploring the genetics of disease resistance to accessing and recording feed intake that members invest in measuring on their operations or at bull test and research stations equipped with GrowSafe equipment. We're excited to leverage this investment from the Foundation to access federal and provincial grant funding, and to collaborate with our project partners in order to bring you, our members, new tools, technology and information to add value to your Canadian Angus registration.

La Fondation Canadian Angus annonce un appui de 145 000 \$ à la recherche et au développement dirigés par l'Association canadienne Angus

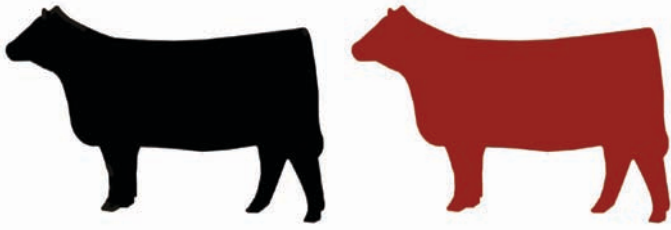
La Fondation canadienne Angus, dirigée par un groupe de bénévoles dévoués et passionnés, vise à préserver et à croître la race Angus pour les générations futures par le biais de l'éducation, du développement de la relève, de la recherche et du développement scientifique et de la conservation historique de nos archives précieuses. La Fondation a récemment engagé 145 000 \$ au cours des deux prochaines années pour soutenir plusieurs projets de recherche planifiés par l'Association, certains en partenariat avec d'autres associations Angus du monde entier. Ces initiatives de recherche s'étalent de l'exploration génétique au niveau de la résistance aux maladies jusqu'à l'accès des données sur l'efficacité alimentaires que les membres investissent à recueillir sur leurs exploitations ou en stations d'épreuve ou centres de recherche équipés de l'équipement GrowSafe. Nous sommes ravis de tirer parti de cet investissement de la Fondation pour obtenir des subventions fédérales et provinciales et pour collaborer avec nos partenaires de projet, afin d'offrir à nos membres, de nouveaux outils, de nouvelles technologies et de l'informations pour ajouter de la valeur à vos enregistrements Angus.

Membership Stats by Country/State/Province

Annual		Annual		Junior		Life		Young Breeder	
CANADA		USA		CANADA		CANADA		CANADA	
Alberta	511	Montana	1	Alberta	135	Alberta	35	Alberta	87
British Columbia	93	Nebraska	1	British Columbia	29	British Columbia	9	British Columbia	12
Manitoba	111	Total	2	Manitoba	22	Manitoba	4	Manitoba	14
New Brunswick	18	Annual		New Brunswick	7	Nova Scotia	1	New Brunswick	2
Nova Scotia	19	UNITED KINGDOM		Nova Scotia	11	Ontario	5	Ontario	19
Ontario	238	Total		Ontario	103	PEI	1	PEI	12
PEI	20	1		PEI	16	Quebec	2	Quebec	6
Quebec	55	Junior		Quebec	4	Saskatchewan	17	Saskatchewan	61
Saskatchewan	393	UNITED KINGDOM		Saskatchewan	105	Total	74	Total	203
Total	1458	Total		Total	432				
		UNITED KINGDOM							
		Total							
		1							

CANADIAN ANGUS ASSOCIATION HIGHLIGHTS & STATISTICS

Animal Count



Males **22,811**
Females **23,151**
Steers **1,350**

Males **10,772**
Females **10,585**
Steers **588**

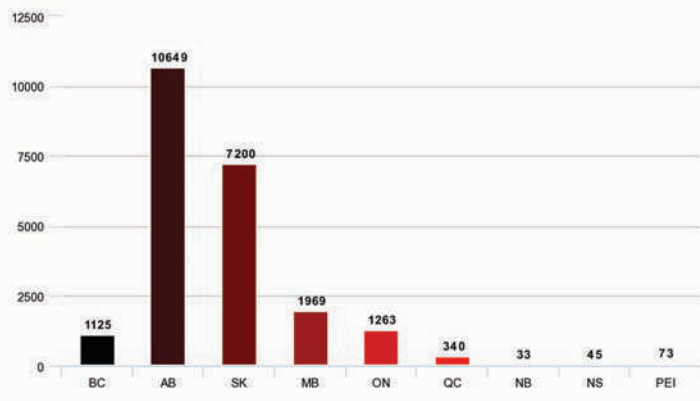
AI/ET Animal Counts

AI, non-ET **14,336**
AI & ET **845**
AI Total **15,181**
non-AI ET **751**
ET Total **1,596**
non-AI non-ET **53,345**
Total Calves **69,277**

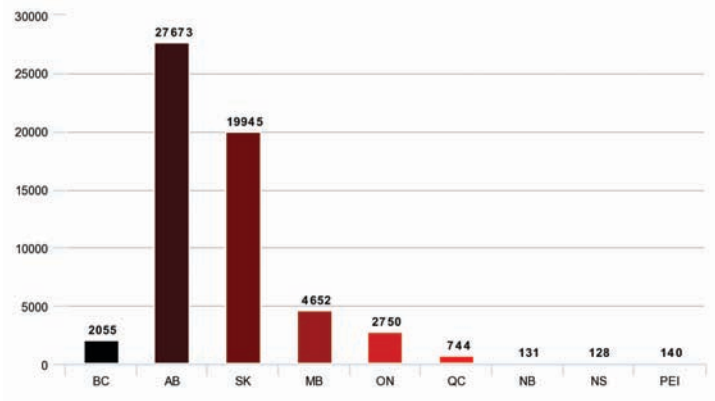
Registrations by Animal Age

Electronic registration under 6 months **34,553**
0-4 months **72**
4-7 months **2,388**
7-12 months **7,903**
12 months+ **3,268**

Transfers

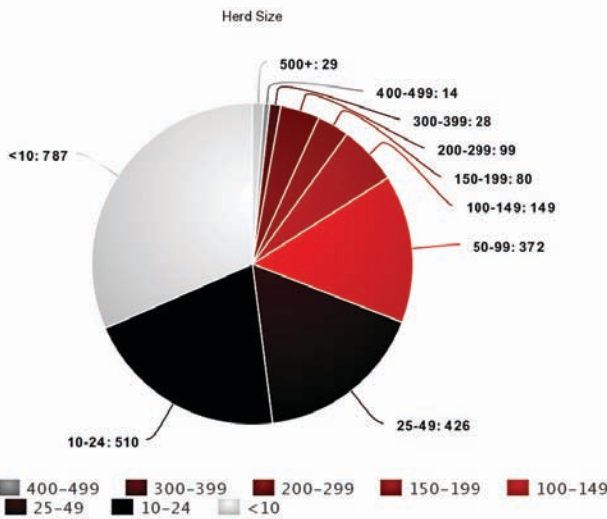


Registrations



413 Imported animals registered

Herd Size



66,746

birth weights submitted

Males **21,684** **10,438**
Females **21,843** **10,196**
Steers **1,294** **575**

38,306

weaning weights submitted

Males **12,423** **6,119**
Females **12,296** **5,821**
Steers **1,142** **505**

2,494 total number of herds

RECOGNITION OF THE COMMERCIAL SECTOR

In appreciation of the commercial sector, the CAA recognizes an Auction Market of the Year for their promotion of Angus and Angus-cross cattle. The following auction marts have received this prestigious award and been presented with Angus artwork to feature at their market:

- Mankota Stockmen’s Weigh Co. - SK, 2006
- B.C. Livestock Producers Co-Op Williams Lake- BC, 2007
- Saskatoon Livestock Sales Ltd. - SK, 2008
- Provost Livestock Exchange - AB, 2009
- Assiniboia Auction Mart - SK, 2010
- VJV Auction Co. Ltd. - Ponoka & Stavely, AB and Dawson Creek BC, 2011
- Valley Auction Ltd. - BC, 2012
- Perlich Brothers Auction Market - AB, 2013
- Heartland Livestock Services Virden - MB, 2014
- Cowtown Livestock Exchange Inc - SK, 2015
- Heartland Livestock Services Swift Current - SK, 2016
- TEAM Auction Sales - AB, 2017



2017 Western Partner of the Year Award
Direct Livestock Marketing Systems (DLMS)

CAA began to recognize an Eastern and Western Feedlot of the Year in 2011. The following feedlots have received this award in recognition of their endorsement of Angus cattle to their customers and promotion of the Canadian Angus Tag program.

- Ferme d’Anjou et Fils, QC - 2010 Eastern Feedlot of the Year
- High Ridge Feeders and Shannondale Farm, MB - 2010 Western Feedlot of the Year
- Les Fermes Desrosiers, QC - 2011 Eastern Feedlot of the Year
- Red Coat Cattle Feeders Inc. - 2011 Western Feedlot of the Year
- Conlin Feeders - 2012 Eastern Feedlot of the Year
- Hagel Feeders - 2012 Western Feedlot of the Year
- JSE Farms - 2013 Eastern Feedlot of the Year
- Kasko Cattle Company - 2013 Western Feedlot of the Year
- Highway 21 Feeders Ltd. - 2014 Western Feedlot of the Year
- Korova Feeders - 2015 Western Feedlot of the Year
- Kolk Feeders - 2016 Western Feedlot of the Year



2017 Auction Market of the Year
The Electronic Auction Market (TEAM)

In 2015, the award program was expanded to recognize the CAA Partner of the Year to acknowledge important partnerships and other sectors of the supply chain that promote Angus beef to the public and appreciate authentic Angus beef.

- Hero Certified Burgers - ON, 2015
- Longo’s Brother’s Fruit Markets - ON, 2016
- St. Helen’s Meat Packers - ON, 2017



Partner of the Year Award
St. Helen’s Packers

2018 GOLD SHOW WINNERS

The Canadian Angus Association is pleased to announce the winners of the 2018 national Gold Show Program. CAA representatives presented the awards at Agribition in Regina, SK, surprising the winners with the awards in their stalls the day following the final Angus show of the year.

Photos - thanks to Erin Yewsiuk Photography

2018 Black Angus Show Bull of the Year



DMM International 54D

Owned by Lee & Dawn Wilson, Miller Wilson Angus of Bashaw, AB and Glen Gabel of Regina, SK

2018 Black Angus Show Female of the Year



Loretta 5511 of Tripp & Mich Wheatland Bull 897

Owned by Michelson Land & Cattle of Ituna, SK

2018 Red Angus Show Bull of the Year



Red DKF Racer 8E

Owned by Eric Fettes, DKF Angus of Gladmar, SK and Shiloh Cattle Co. of Craigmyle, AB

2018 Red Angus Show Female of the Year



Red Ter-Ron Diamond Mist 138D & Red Ter-Ron Diamond Mist 12F

Owned by Rob Adams and Halley Adams, Ter-Ron Farms of Forestburg, AB

2018 GOLD SHOW WINNERS

Aggregates

Reserve Aggregate Champion
Black Angus Show Female
of the Year

**Merit Flora 6078D &
Merit 8130E**
Carson Grady Leibreich

Reserve Aggregate Champion
Red Angus Show Female
of the Year

**Red Vancise Sweet Sue 065D
& Red Vancise Umpire 065F**
Vancise Cattle Company Inc.

Runner-up Aggregate Champion
Black Angus Show Female
of the Year

Merit Socialite 7163E
Garrett Mac Liebreich

Runner-up Aggregate Champion
Red Angus Show Female
of the Year

**Red Lazy MC Sparkle 169C &
Red Lazy MC Capital 144F**
Layne Morasch

Reserve Aggregate Champion
Black Angus Show Bull
of the Year

Merit Sting 7047E
Trent & Janelle Liebreich and
Kelly Feige

Reserve Aggregate Champion
Red Angus Show Bull of the Year

Red Ter-Ron Rosco 10F
Halley Adams

Runner-up Aggregate Champion
Black Angus Show Bull
of the Year

Mich Wheatland Hicaliber 7197E
Peter Frijters; Hasson Livestock;
Main Stream Genetics; Dudgeon
Cattle Co. ; and M K Cattle Co.

Runner-up Aggregate Champion
Red Angus Show Bull of the Year

Red Mar Mac Debut 70D
Shiloh Cattle Co.

All Star Champions

Black Heifer Calf Champion

Boss Lake Ms Tibbie 804F
Boss Lake Genetics

Red Heifer Calf Champion

Red Redrich Frey-Ex 240F
Redrich Farms

Black Junior Champion Female

Merit Socialite 7163E
Garrett Mac Liebreich

Red Junior Champion Female

Red Redrich Lexi 135E
Lexi Dietrich

Black Senior Champion Female

**Loretta 5511 of Tripp & Mich
Wheatland Bull 897**
Michelson Land & Cattle

Red Senior Champion Female

**Red Ter-Ron Diamond Mist 138D
& Red Ter-Ron Diamond Mist 12F**
Rob Adams and Halley Adams

Black Bull Calf Champion

MJT Impressive 813F
Matthew Trefiak

Red Bull Calf Champion Red

Red Ter-Ron Rosco 10F
Halley Adams

Black Junior Champion Bull

Merit Sting 7047E
Trent & Janelle Liebreich and
Kelly Feige

Red Junior Champion Bull

Red DKF Racer 8E
Eric Fettes; Shiloh Cattle Co.

Black Senior Champion Bull

DMM International 54D
Lee & Dawn Wilson and Glen
Gabel

Red Senior Champion Bull

Red Mar Mac Debut 70D
Shiloh Cattle Co.



LONG-TERM RECOGNITION

In 1998, the Canadian Angus Association instituted a long-term recognition award to honour those individuals and families that have demonstrated a long-term commitment to the Angus breed in Canada by maintaining a continuous membership in the Association for at least 50 years. In 2011, the award program expanded to recognize families with 75 and 100 continuous years of membership.

Not pictured:

- Gumbo Gulch Cattle Co–Steven & BZ Aylward and Families–BC–50 Years
- Bayshore Angus, Glenn Harris–Alberta–50 Years
- Jack Hart–Brookmore Angus–Manitoba–50 Years



50 Year Heritage Award Winner
Haughton Bros–BC



50 Year Heritage Award Winner
Douglas Benneweis–Alberta



50 Year Heritage Award Winner
Rick & Sharon Gabert–Alberta



50 Year Heritage Award Winner
KBJ Round Farms–Alberta



50 Year Heritage Award Winner
Gary Slezina–Alberta



50 Year Heritage Award Winner
Benco Angus–Saskatchewan



50 Year Heritage Award Winner
Collin Sauder–Windy Willows Farms
Saskatchewan



50 Year Heritage Award Winner
Young Dale Angus–Barry & Marj Young
and Family–Saskatchewan

CANADIAN JUNIOR ANGUS PRESIDENT MESSAGE

MEGHAN MCGILLIVRAY



Canadian Junior Angus has had quite a busy year and we have a lot coming up. Last February we started off 2018 at our annual GOAL Conference in Winnipeg, Manitoba and we were very fortunate to have some great speakers. Sixty-five members learned about succession planning, farm finances, marketing and toured the Human Rights Museum. It was a great

experience and awesome to see so many Junior members take advantage of the travel assistance we have available and make the trip out.

We participate in exchange programs with both the National Junior Angus Association and the Junior Red Angus Association of America. We were pleased to host seven juniors from the U.S. at GOAL. In March, Bailey (Gus) Dietrich and Kodie Doetzel travelled to Kansas to participate in the JRA's Junior Stockman Program and in August Brianna Kimmel and Macy Liebreich attended the NJAA's LEAD Conference in Montana. These exchanges are an excellent way to learn about each other's organizations and help to foster international relationships with our closest neighbour and trading partner.

In June at the National Convention in Comox, the Junior Ambassador competition took place. Our past ambassador Macy Liebreich helped guide the five finalists through the weekend and passed on the role to Matthew McGillivray at the weekend's conclusion. Being the Ambassador is an incredible opportunity and if you are interested, I encourage you to check out our website for more information or reach out to one of the past ambassadors. The application deadline is April 30 each year. Be sure to take advantage of these great opportunities and send an application in. Additionally, the Dick Turner Memorial Scholarship was awarded to Macy Liebreich at Convention. Each year the winner is awarded \$1,000 and the application deadline is May 15.

In July we held our annual general meeting at Showdown in Barrie, Ontario. We had a fantastic show with more than 100 Juniors and over 150 cattle in attendance. I want to thank all of the sponsors and supporters of our Junior programs that helped to make our show and other events possible. At Showdown we also welcome our new directors and elect our new executive for the coming year. Incoming directors included Naomi Best representing Manitoba and replacing Raina Syrnyk and Beverly Booth representing the Maritimes, replacing Ella Wood.

With a busy fall show season, we closed out the year at

Agribition. This year the CJA was fortunate enough to receive a donation heifer from Wright Livestock of Melfort, Saskatchewan to raise funds for our CJA scholarship. The heifer was sold by "dutch auction" at the Power and Perfection Sale at Canadian Western Agribition and I would like to thank everyone who participated and supported the sale. Our CJA scholarship is awarded at Showdown annually and the application deadline is June 15th. This year our winners were Meghan McGillivray, Halley Adams and Heidi Tymko.

We started off 2019 with GOAL Conference in Moose Jaw, Saskatchewan. We had a fantastic turnout with over 60 members from around the country in attendance. The weekend started out with an interactive talk on livestock water quality and a motivational talk on adversity, hard work and passion. On Sunday we were lucky enough to have Bruce Vincent come in to speak on industry advocacy, went on tours of the Tunnels of Moose Jaw and engaged in other social activities. On Monday members participated in a VBP+ training session and learned about cow herd nutrition. Additionally, we also hosted the panel discussion for the Canadian Angus Foundation Legacy Scholarships after our formal dinner on Saturday evening. This is always a really great way to discuss current aspects of the Angus breed, the cattle industry and the agriculture industry at large and hear some of the Juniors' opinions and ideas. Between the five finalists, \$11,000 in scholarship money is distributed, thanks to the support of the Canadian Angus Foundation. I would like to congratulate our finalists Matthew McGillivray, Jarrett Hargrave, Naomi Best, Tyra Fox and Charlene Elliott.

Lastly, Showdown 2019 is coming up in Barriere, BC, my home province, July 18-20. There are travel bursaries available to attend Showdown and GOAL both nationally and in many of our provinces. Additionally, if you are looking to bring cattle to Showdown there is also trucking assistance available so make sure to look into that option.

All in all, your Juniors are keeping busy and are looking forward to having another great year. If you have any questions about any of our events or scholarship opportunities don't hesitate to reach out to one of our directors.



MESSAGE FROM THE CANADIAN ANGUS FOUNDATION CHAIR CECILIE FLEMING



Our mission statement reads: *"The Canadian Angus Foundation functions to preserve and expand the Angus breed for future generations through education, youth development, scientific and market research and historical preservation and restoration."* We as a CAF Board of Directors strive to meet our mission statement in all that we support through projects, scholarships, awards, grants and bursaries.

2018 Canadian Angus Board of Directors

Chair: Cecilie Fleming

Vice Chair: Kirk Wildman

Past Chair: Sylvia Jackson

Treasurer: Rob Smith (CAA CEO)

Executive Director: Belinda Wagner

Directors: Noreen Blair, Tammi Ribey, Lorraine Sanford, Jackie Brown, Susan MacKinnon, Raina Syrnyk,

CAA Reps Shawn Birmingham, Ryan Currie and Brian Geis

Thank you to our retiring directors David Bolduc, Jim Colodey, Erika Easton, Jane Halford and David Sibbald.

As a Board, we foster existing programs, explore new program ideas and seek fundraising opportunities to support our CAF initiatives. It is with great pleasure and privilege that we share with you the 2018 summary of awards:

Robert C McHaffie Junior Ambassador

Matthew McGillivray, Kamloops, BC

Outstanding Young Angus Breeders

Karl & Kristine Sauter, Wawota, SK

Junior Angus Stockman of the Year

Wade Olynyk, Goodeve, SK

Dick Turner Memorial Scholarship

Macy Liebreich, Radville, SK

Legacy Scholarship Recipients

Chris Jermey, Ashern, MB; Lexi Hicks, Mortlach, SK;

Alexis DeCorby, Rocanville, SK; Heidi Tymko, St. Paul, AB;

and Briana Kimmel, Lloydminster, AB

Canadian Junior Angus Scholarship Recipients

Meghan McGillivray, Kamloops, BC; Halley Adams,

Forestburg, AB; and Heidi Tymko, St. Paul, AB

Angus Roots Scholarship for Juniors age 13 - 15 years

(new in 2018) - *Nolan Chambers, Oro-Medonte, ON;*

Jessica Davey, Saskatoon, SK; Owen Dudgeon,

Dobbington, ON; Madison Ethier, Milverton, ON;

Braiden Hasson, East Garafraxa, ON; and Hillary Sauder,

Hodgeville, SK

The bursary program opportunities are ongoing throughout the year, some with firm deadlines and some on a first come, first served basis. Details and application forms are available on the Foundation website.

Our 2018 projects:

GOAL Travel Bursaries supported 12 youth up to \$750 to assist with their travel to get to the Junior GOAL Conference in Winnipeg, MB.

Showdown Travel Bursaries supported six youth up to \$750 to assist with their travel to get to Showdown in Barrie, ON, as well as provided trucking assistance to six additional Juniors.

Self-Directed Travel Bursary supported a number of Juniors and Young Angus Breeders to attend livestock networking events or learning opportunities.

Speaker Sponsorship: The Foundation is committed to member education and was able to support a speaker subsidy to approved regional Angus events, helping Angus promoters bring in speakers to expand the knowledge of our Angus breeders across the nation.

Mentorship Travel Bursaries: These bursaries allow participants of the Canadian Angus Mentorship Program to apply for a travel bursary to meet with their mentor at conferences or events related to the beef industry.

Summer Interns: We were very fortunate in 2018 to again have two summer student interns who worked on cataloguing and organizing our Angus archives. We at the Foundation have a responsibility to accurately account for books, articles and items that have been entrusted to our care. To know where you are going in the future it is important to know where you have been. Respecting and capturing the work of our Angus pioneers is important.

Angus History Book: The history book is in full production and will be launched at the 2019 Canadian Angus Convention in Drumheller, AB. Thank you to all who took the time make submissions to the History Book and thank you to the commitment of volunteers and staff for bringing the History Book to reality.

Supporting Angus Research Projects: The CAF supports Canadian Angus Association research initiatives with dollars that help leverage the industry support needed to obtain various grants.

New Initiatives:

Bridging the Gap Trucking Bursary assists Juniors who apply to offset costs incurred for long-distance trucking to encourage Juniors to attend Junior Shows and major livestock shows across the nation.

Connecting Food and Farm Bursary is designed to support travel and expenses for non-livestock youth who are willing to become a Junior Angus member and companion with a current Canadian Junior Angus member to attend a Junior Angus or industry event. The goal is to foster understanding of livestock production and connect food to production so the non-livestock youth can become an informed advocate of our slice of agriculture.

Building the Legacy sale: Building the Legacy 7 in Comox, BC was a huge success, thanks to the donors and purchasers. Through everyone's generosity and philanthropy in 2018

we were able to add more than \$168,000 to the Canadian Angus Foundation for program enhancement. We are truly grateful to all who support the Foundation. We look forward to the possibilities at Building the Legacy 8 in Drumheller, AB.

Thank you for the opportunity to serve with a tremendous board of directors and staff to further the opportunities for Juniors, young breeders and members.



FINANCIAL STATEMENTS OF CANADIAN ANGUS FOUNDATION

Year Ended December 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Angus Foundation

Opinion

We have audited the financial statements of Canadian Angus Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2018, 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 Foundation as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Foundation in Canada, and we have fulfilled our other 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 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

Regina, Saskatchewan
April 8, 2019


Dudley & Company L.P.
Chartered Professional Accountants

FINANCIAL STATEMENTS OF CANADIAN ANGUS FOUNDATION

Year Ended December 31, 2018

CANADIAN ANGUS FOUNDATION Statement of Financial Position December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 14,998	\$ 13,845
Investments (Note 4)	106,145	150,000
Accounts receivable	15,733	3,202
Inventory	5,530	7,000
Goods and services tax recoverable	182	480
	<u>142,588</u>	<u>174,527</u>
LONG TERM INVESTMENTS (Note 4)	<u>637,821</u>	<u>638,501</u>
	<u>\$ 780,409</u>	<u>\$ 813,028</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,647	\$ 9,362
Deferred income	7,350	-
	<u>10,997</u>	<u>9,362</u>
Deferred Contributions (Note 6)	50,378	48,278
Junior Scholarship Fund (Note 7)	143,538	134,488
Junior Fund (Note 8)	<u>160,760</u>	<u>170,201</u>
	<u>365,673</u>	<u>362,329</u>
NET ASSETS		
Unrestricted net assets	<u>414,736</u>	<u>450,699</u>
	<u>\$ 780,409</u>	<u>\$ 813,028</u>

ON BEHALF OF THE BOARD

Paula D. Fleming Director
Paul Wilson Director



	2018	2017
REVENUE		
Building the Legacy	\$ 168,250	\$ 184,600
National Angus Cookbook sales	324	629
Promotional items sales	1,450	4,557
Fundraising and donations	24,959	15,645
Youth programming	-	21,403
Investment income	887	14,234
	<u>194,970</u>	<u>241,068</u>
EXPENSES		
Administration	1,201	972
Archives and Angus Central display	11,625	16,131
Bank charges	107	121
Building the Legacy	18,317	17,607
Donor recognition and fundraising expenses	922	771
Foundation Legacy Scholarship	11,000	11,000
GOAL	14,956	9,271
GST expense	797	1,624
Heifer draw vouchers	10,000	10,000
History book	2,171	854
Investment account fees	3,372	-
Junior Ambassador Program	19,254	15,571
Junior Angus Stockman of the Year	4,175	5,925
Meeting and travel	11,706	9,323
Member Education	2,400	-
National Angus Cookbook	155	268
Other scholarships	-	1,500
Outstanding Young Angus Breeder	4,180	3,580
Professional fees	2,536	2,854
Promotional items	1,314	2,425
Research projects	81,775	-
Self-directed travel	4,394	4,350
Showdown	20,110	12,629
WAF Youth Competition	-	43,218
	<u>226,067</u>	<u>169,994</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>(31,097)</u>	<u>71,074</u>
OTHER REVENUE		
Other revenue	2,051	2,391
Write-down of marketable securities	(6,517)	-
	<u>(4,466)</u>	<u>2,391</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (35,963)</u>	<u>\$ 73,465</u>

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 450,699	\$ 377,234
Deficiency of revenue over expenses	(35,963)	73,465
NET ASSETS - END OF YEAR	<u>\$ 414,736</u>	<u>\$ 450,699</u>

	2018	2017
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Cash receipts from grants, members, and other	\$ 184,036	\$ 252,742
Cash paid to suppliers	(230,014)	(172,754)
Interest received	887	14,234
Cash Flows From (For) Operating Activities	<u>(45,091)</u>	<u>94,222</u>
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Disposal (purchase) of investments	44,535	(119,230)
Deferred contributions	2,100	(8,833)
Junior Investment Fund	(9,441)	8,138
Junior Association Scholarship Fund	9,050	16,175
Cash Flows From (For) Investing Activities	<u>46,244</u>	<u>(103,750)</u>
Increase (decrease) in cash	<u>1,153</u>	<u>(9,528)</u>
CASH - BEGINNING OF YEAR	<u>13,845</u>	<u>23,373</u>
CASH - END OF YEAR	<u>\$ 14,998</u>	<u>\$ 13,845</u>

"The Sheriff" because of the close to perfect star on her forehead, photo by Sophie Campbell

CANADIAN ANGUS FOUNDATION DONOR RECOGNITION

Over \$20,000

Canadian Angus Association
Hamilton Farms

\$15,000–\$19,999

Crescent Creek Angus

\$10,000–\$14,999

Cudlobe Angus
Geis Angus
Jim & Rita Round
Red Moon Angus

\$5,000–\$9,999

Allison Farms Red Angus
Bar-E-L Angus
Benchmark Angus
Blairs.Ag Cattle Co.
Boehringer Ingelheim
Bridgeway Livestock
Eastondale Angus
J & S Cattle Company
Lock Farms Ltd.
McGillivray Land and Livestock
Merit Cattle Co.
Miller Wilson Angus
Redrich Farms
Reid Angus
Sealin Creek Ranch
Six Mile Ranch Ltd.
Wilbar Cattle Co.

\$1,000–\$4,999

Allandale Angus
Allflex
Alta Genetics
Artisan Farms
Avula Safaris
Belinda Wagner
Blacklane Farms
Blairswest Land & Cattle Co.
Bohrson Marketing Services
Chittick Farms
Cockburn Red Angus
Coul Angus
Crisis Cattle Co.
CSI Angus
Diamond T Cattle Co.
DLMS
Donna Donaldson

Doug Haughton
Dusty Rose Cattle Co.
Elliot Bros.
Enright Farms
Everblack Angus
Gail Wildman
Gilchrist Farms
Glacier FarmMedia
Grady C. Dickerson
Greenwood Limousin & Angus
Greg Johnson
Harprey Farms
Harvest Angus
Heart of the Valley Farms
Jaymarandy Livestock
Lazy MC Angus
MJT Cattle Company
Muirhead Cattle Co.
Nine Mile Ranch Ltd.
Nordal Angus
OBI Livestock Ltd.
Pondsvie Farms
Poplar Meadows Angus
Richmond Ranch Ltd.
Rock Star Cattle Co.
Royal Angus Farm
Russell Hutchison
Sheidaghan Anghus
Steve Dorrان
T Bar C Cattle Co.
Tambri Angus
Triple S Cattle Co. Ltd
TSN Livestock
U-2 Ranch
W Sunrise Angus
Wildman Livestock

\$500–\$999

Alberta Angus Association
Boss Lake Genetics
Bow Valley Genetics Ltd.
C.D. Land & Cattle
Cairnlee Acres
Chance Folkmann
Count Ridge Stock Farms
CUP Lab
Diane Fletcher
Flesch Farms Inc.
Garvie Mountain Angus
Get-A-Long Stock Farm

Glen Gabel Angus
Hahn Cattle Co.
HBH Farms Inc.
Lewis Farms Ltd.
Lorenz Angus Farm
Mary Paziuk
Quest Farms
Semex
Shiloh Cattle Company
Slack Farms
Summit Livestock Ltd.
Tannas Ranches
Ter-Ron Farms
Tony Robertson
Triple L Angus

up to \$499

8C's Cattle Co.
Bouchard Livestock International
Carberry Ag Society
Christine Strong
Clear View Angus
Dale & Shelly Ann Dodgson
DJ Cook
Dwajo Angus
Ferme des Collines
Fred Wilhelm
Friends of Jock Ockerman
Hasson Cattle Co.
Hugh Christie
Ian Selte
J Bar Dee Farms
Jack Anderson
Justamere Farms Ltd.
Kitscoty 4-H Beef Club
Kolby Heaven
Maritime Angus Association
Minburn Angus
Otter Creek Angus
Premier Livestock
Remitall Farms Inc.
Rock Point Angus
Scott Stock Farm Ltd.
Still Meadow Farm
Towaw Cattle Co. Ltd.
Vermilion 4-H Club
Wright Livestock
Wynne Chisholm

ROBERT C. MCHAFFIE JUNIOR AMBASSADOR REPORT

MATTHEW MCGILLIVRAY



This past year has been a lot of fun and a great experience. I have had some unique opportunities to travel and learn about the industry and the Angus breed. My journey started at the 2018 Canadian Angus Convention in Comox, BC where I competed with four other Junior Angus members for the Ambassador title. The process was an excellent learning experience and

I certainly enjoyed getting to know the other candidates as well as the members that attended Convention.

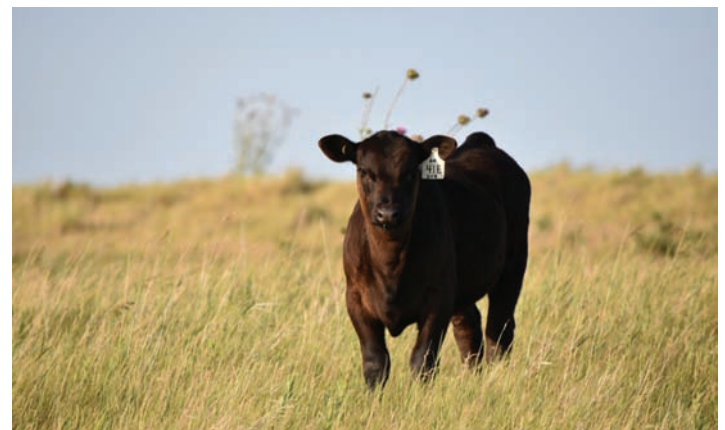
The first thing I did as Ambassador was attend Showdown 2018 in Barrie, Ontario. It was a nice show and I met lots of other CJA members. I was able to assist a couple of young Juniors with their cattle and helped the Junior board with organizing at the event as well. I hope to see lots of Juniors at Showdown 2019 in Barriere, BC. It's going to be another great event.

I had the opportunity to attend Agribition where I helped ring the Red and Black Angus shows. That was a very cool experience. There were lots of good cattle in the barn and I enjoyed meeting Angus breeders throughout the week.

In January, I took a trip to Wooster, Ohio and attended the Certified Angus Beef youth seminar. I again met some great people there and learned a lot. We had workshops on carcass criteria for the CAB brand, marketing, industry information and the value of different carcass cuts across grades. My highlight was that we all got to break down a top sirloin. It was interesting meeting producers from across America and comparing practices and genetics.

Most recently I attended the GOAL Conference in Moose Jaw, Saskatchewan. There were some excellent speakers there and the event ran very smoothly. We learned about water quality, nutrition, and the Verified Beef Production Plus program. I was also a finalist in the Legacy Scholarship and was in the panel discussion and did an interview as well. GOAL conference is a great way to meet other Juniors and learn new things about the industry. I highly recommend that any Juniors who are interested in coming next year do. If travel is an issue, the Canadian Angus Foundation as well as many of the provinces provide travel bursaries that you can take advantage of.

I'm looking forward to what's to come in 2019. Be sure to check out the CJA Ambassador Facebook page and Instagram to see some pictures from the events I've attended!



HONOURARY PRESIDENTS

BRITISH COLUMBIA **Lorraine Sanford**

Lorraine and her husband Alan have been raising cattle for more than 40 years. They farm the same land base that was homesteaded by Alan's great-grandparents in 1922. The Nine Mile valley has been home to six generations of Sanfords and several more generations of cattle.

The early years in the cattle business involved raising commercial cattle, crossbreeding and selecting AI genetics to influence the commercial cow herd. This was balanced with a growing family of four children added into the operation. Over the course of time, the herd developed into an exceptional set of hard-working and efficient females. Raised primarily on BC bush range, the Nine Mile branded steers and females are highly sought after every fall.

Lorraine started in the purebred business in 2000, buying a set of bred females from Leachman Cattle Co in Montana. This was the foundation for the Angus program that has grown to more than 100 head today. Nine Mile bulls are marketed every spring with a large majority selling by private treaty.

Lorraine has a passion for breeding good cattle but also ensuring those cattle are healthy and functional. She can



often be found researching the latest vaccines, treatments and other herd health best practices to adopt.

Throughout her time in the beef industry she has worn many hats and has served on several boards and agricultural committees. Most recently she served for six years as the BC director for the Canadian Angus Association and was grateful for the opportunity to represent BC at this level.

Lorraine continues to farm full-time and still has time to provide to family including her seven grandchildren. It is important to her to build a legacy, to set a high standard and to continue to work hard for future generations.

ALBERTA **Ellamae Rodgers**

Ellamae Rodgers' husband Michael passed away on July 21, 2016. Their lives were dedicated to the progression of Red Angus in Canada. After buying their first Red Angus bull from Gary Conrad in 1969, they felt confident that Red Angus would be the breed of the future and through hard work and promotion, Rodger and Ellamae have developed a very successful program. They started with a small select group of cattle in 1971 and now the family (Ellamae and her son Shawn and Cathy Rodgers and their son Kurt) have a herd of about 325; a great accomplishment! Their cattle business is Rodgers Red Angus located in Warner, Alberta.

Together they raised the type of cattle that they liked and always said they hoped that others could find value in them too. The Rodgers were never ones to chase trends and were not big proponents of the show ring but knew its importance in the advancement of the breed. They believed that Red Angus were meant to be performance-driven cattle without compromising their maternal traits or calving ease, meaning that you could breed them to heifers and get a highly marketable steer or heifer.



SASKATCHEWAN Marilyn Mountenay

I am so grateful to be nominated as the Canadian Angus Association Honourary President from Saskatchewan in 2019. Thank you to the Saskatchewan Angus Association for bestowing on me this honor.



My involvement with Angus cattle began as child. I proudly say that we are the fourth generation to reside on the Ivanhoe Farm on SW20-17-23 W2, just east and north of Belle Plaine. Ron and I raised our family on this family farm and our three daughters all played a role in the development of the Ivanhoe Angus herd. It is wonderful to see our grandchildren tour the cow herd in the pasture that my grandparents' cows once grazed. In 1986, we purchased Bell Blackbird 23U as our foundation female. Our cow lines include Atlantas of Toner Angus, Heroines of Crescent Creek, as well as Royal Angus and Kenosee Park Angus females. The foundation bulls came from John and Marj Willmott and were followed by herd sires from Sandy Bar, Young Dale, Wiwa Creek and Crescent Creek.

The progeny of our Ivanhoe herd were exhibited for 22 years at the Regina Bull Sale and also marketed through the Triple A Bull Sale. In 2011 we embarked on our own annual bull sale with City View Simmental the third week of March at Johnstone Auction Mart in Moose Jaw. Females have been sold through the Masterpiece and Gateway Sales.

My love and involvement with the Angus Association began while my girls were involved in the Junior Angus programs. I then sat on the Saskatchewan Angus Association Board of Directors for 10 years, on multiple committees for Canadian Western Agribition, Junior programs and Angus promotion. It has been an honour to receive the 2011 Saskatchewan Angus Association Breeder of the Year, 2013 Saskatchewan Livestock Honour Scroll and 2017 Saskatchewan Angus Heritage Award. In 2016 we co-hosted the "Heart of the South" Saskatchewan Angus Summer Tour.

I started to make friends in the cattle business at an early age showing at many events under the Ivanhoe Farm name. Ron and I continued this tradition with the girls as we attended many Angus events. Our greatest honour at Ivanhoe Angus is the friendships that we've made along the way.



ONTARIO Tom & Judy McDonald

It is indeed our honour to have been selected as Honourary President(s) for Ontario and thank the Ontario and Central Associations for this nomination.

Both of us grew up on farms with Tom working for Bell Canada and farming full-time since 1994. Our family was recognized for farming 150 years consecutively in Ontario with recent sesquicentennial celebrations in 2017. We did own purebred Angus in the early 70s but only used them in our commercial herd. In 1991 we bought another purebred—Dodsworth Blackbird—as a 4-H project for our daughter. This time the commercial herd was phased out in favour of the Angus breed. Locust Grove was unique in that we never owned a herd bull, relying 100% on AI.

Tom has served as president of both the Central and Ontario Associations as well as an Ontario director to the Canadian board. Judy has been the secretary-treasurer of the Central club and taking responsibility for the Preview (Gold) Show for many years. As well we have been active in our community and with local fair boards and Beef Farmers of Ontario.

Sadly we decided it was time for other things and we dispersed our herd September 2018. The camaraderie



and friendships through the Angus breed will be treasured forever.

MARITIMES Charlie MacKenzie



Land and sea are two words associated with the Maritimes; for our nominee these two words are close to home. He has made his living both as commercial fisherman and farmer. His passion for cattle and agriculture began, like many, at an early age working his family farm. Becoming a pipefitter led to work off the family farm and following construction projects across Canada.

Returning to the Maritimes and starting from scratch, Charlie MacKenzie purchased Hereford cattle initially; it was a trip to Agribition that led Charlie to purchase his first Angus more than 20 years ago. Today you will find a herd of 30 commercial black cows grazing the fields beside St. George's Bay in Antigonish County, NS.

Charlie has purchased and sold Angus cattle throughout the Maritimes, Canada and USA. Exhibiting Angus began with his daughter Maureen through the 4-H program followed by exhibiting at the Atlantic Winter Fair and Royal Agricultural Winter Fair.

Travel and meeting people led to partnership purchases and show success. The partnership purchase of JL Evening Tinge 8001 proved to be the most exciting as her progeny have done extremely well on both sides of the border.

Charlie has and continues to support Angus shows, sales and events along with the beef industry as a whole. His greatest contribution has been through associations as a past director and president of Nova Scotia Cattle Producers, past director of the Canadian Cattlemen's Association and past chair of Beef Council Research Committee.

Charlie's community contributions also extend to director of the Eastern Nova Scotia Exhibition, service in his church, past director of the Antigonish-Guysborough Federation of Agriculture, and past director and president of Antigonish Farmers' Mutual Insurance Company.

Charlie and his wife Anne have two children and three grandchildren.

TRIBUTE TO OUTGOING PRESIDENT TREVOR WELCH

Written by Trevor's wife Angela, son Taylor and father Fred

Let me first start by saying how proud we are that Trevor was only the second president from New Brunswick and only the fourth president from the Maritimes.

Trevor is a fourth-generation farmer on the family farm located in Glassville, N.B. The farm is at the base of the very scenic Garvie Mountain hence, the name of the farm, Garvie Mountain Angus. Trevor's father bought six Angus heifers in 1972 when Trevor was six years old and now he, Trevor and Taylor have grown the herd to about 60 cattle.

Trevor has been actively involved with the Angus breed from showing Angus cattle through 4-H to serving as the president of the New Brunswick Angus Association in 2009–2010 as well as the Maritime Angus President for three years, 2011–2013.

This past year has had its challenges for Trevor as a new CEO was brought on board. Trevor spent many hours on the phone and a couple of trips to the head office in Calgary to make the transition as smooth as possible.

I'm not sure there has been a past president that has travelled as much as he has to promote the Angus breed in this past year. Trevor told me he felt honoured to promote the Angus breed and represent the Canadian Angus Association as he has travelled across Canada, the United States and to Uruguay. It was one of his goals to travel to every province in Canada to represent the CAA and he was only one shy of his goal as he was unable to get to Manitoba this year. He has met some wonderful people in his travels and has enjoyed each and every trip.

As Trevor's year as president winds down in Drumheller, Alberta and one more year on the executive, I know he would like to thank the board members and office staff at the Canadian Angus Association for their hard work and support.

He has truly enjoyed his year as president and would like to thank everyone that has made this year as president very memorable.



