cafe

Canadian Association of Fairs and Exhibitions

Association canadienne des foires et expositions



19/20

ANNUAL REPORT

2019–2020
CAFE BOARD OF DIRECTORS

The members of the Board of Directors are supported by their respective organizations which finance their involvement on the Board.

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Armstrong, BC
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CHRISTINA FRANC, EXECUTIVE DIRECTOR (Staff)
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About CAFE

The Canadian Association of Fairs & Exhibitions (CAFE) is a nonprofit organization established in 1924 and largely funded by membership fees. We represent Canadian rural and urban fairs and exhibitions, festivals, rodeos, agricultural societies, provincial associations, industry service providers and affiliate associations with a direct interest in the industry.

We work with members, industry, and government towards building a financially secure and sustainable industry that directs its resources toward improving and advancing the economic, social and cultural life of Canadian communities. CAFE provides advocacy, programs, services and leadership to coordinate, unify and advance the industry so that it can adapt to changes and build for the future to meet the needs and priorities of the communities our industry serves.



Vision

To be the recognized champions driving a vibrant and diverse national community of fairs and exhibitions.

Who Are We?

Fairs are living reflections of the life and times around them, rooted in agriculture and volunteer driven. They hold deep cultural, traditional and emotional connections to the people of their local area and define a sense of community that grows social capital and quality of life. Fair organizations positively impact their communities through events they plan, the assets they hold and the traditions and values they nurture.

Our members are comprised of the agricultural societies and organizations that produce fairs and those fairs' partners in production, such as exhibitors, vendors and entertainers.

Mission

CAFE is committed to fostering excellence through innovative leadership with partners and key stakeholders, providing meaningful resources, collaborating to increase national awareness and ensuring a sustainable future for the fair and event industry.

CONTENTS

4 President's Report
5 Executive Director's Report
6 2019 National Award Winners
8 Independent Auditor's Report
10 Statement of Financial Position
11 Statement of Operations & Members' Equity | Statement of Cash Flows
12 Notes to Financial Statements

PRESIDENT'S REPORT



I don't think anyone could have predicted a worldwide pandemic that would bring such change and uncertainty to not only our personal lives but also our industry. We have experienced so much over the last nine months from the closure of schools and all non-essential business, the health and safety of our loved one, and ever-changing restrictions and guidelines. We have seen fairs, festivals and events worldwide cancelled or postponed, leaving thousands of organizations in times of ambiguity, and having to make very difficult decisions for their future.

The Board of Directors continued to be active this year even through the pandemic. As a board we continue to use our Strategic Plan to guide us as we navigate through new challenges, opportunities, and ideas.

Government Advocacy during COVID-19 – CAFE spent the majority of 2020 working on advocacy efforts through letter writing campaigns, meeting with federal departments, and securing champions for our cause in Parliament sessions.

Re-Launch Working Group – Members from across Canada joined this working group and have spent the last eight weeks researching best practices in the industry and developing a re-opening model that they will present to the membership. This is guide that our members will be able to use as they navigate through the uncertainty and new challenges that COVID-19 has introduced to our industry. Be sure to join them for their presentation during the UNconvention.

Youth Inspired! Program – We are now officially in our second year of the program, which includes an extensive learning curriculum and a work exchange with another fair. In 2020 we saw incredible success and participation in the program, and we are so excited that we have the opportunity to continue to provide a program that will help develop the leaders of our industry.

Building Partnerships – We continue to focus on building partnership with a variety of internal and external stakeholders. We have established several new relationships already and will continue to build upon those over the next year to see opportunities for either uniting our voice, shared membership opportunities and learning from each other.

Our industry has always had a unique way of bringing the community and its people together. The last few months we have come together to support one another in challenging times and have thus strengthened our own community. We cannot predict the future of our events, but we can stay strong and support one another on this journey. The Canadian Association of Fairs and Exhibitions is committed to continually being there to support the membership through these changes and be there to assist wherever we can.

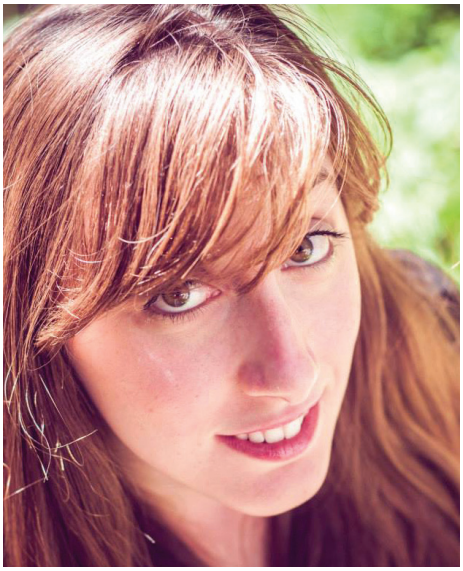
I want to acknowledge our incredible Executive Director, Christina Franc, she keeps us all on track and has worked extra hard this year to support our members through COVID-19. Every day she strives to make this association better and bring more value to our members.

I am also honoured to have the opportunity to work alongside my incredible colleagues from across Canada who are as dedicated and passionate as I am and who make up our Board of Directors. They have all invested many hours this year working on ways to help our membership grow, thrive and survive. I want to thank every board member, it does not matter if they have served, are currently serving or who will serve, you are all experts and your knowledge, skills and enthusiasm are the driving factors that have and will continue to drive this association. I want to say thank you to the past presidents who have helped me navigate through this unprecedented year and a big thank you to John Peco, his term was cut short but he left the organization in a great place. I also want to acknowledge our outgoing board members, George Araujo, Chad Findlay, Nathan Maier and Zis Parras, it was a such a pleasure serving alongside you.

As we head into the final stretch of 2020, lets ring in the New Year with optimism and hope and look forward to the fresh start that awaits us. We are continually reminded how important our industry is to our community. We are the ones who bring people together, we are there to support and build, we together must remain strong and positive for the future.

AMANDA FRIGON, PRESIDENT
CANADIAN ASSOCIATION OF FAIRS & EXHIBITIONS

EXECUTIVE DIRECTOR'S REPORT



Last year for the AGM report, I started with, "it has been a whirlwind year here at CAFE…" Little did I know what 2020 would bring. Little did any of us know. This year, our strategic plan was truly put to the test and was adapted to meet the unprecedented changes our members and we as an organization faced.

A strategic plan should be adaptable, but there should still be core truths guided by the mission and vision. As a reminder, the three pillars of our plan are:

1. **Membership value:** Build trust with our stakeholders as we grow and expand our value through industry education and strategic partnerships
2. **Leadership:** Innovative focus through learnings and investigation of best practices, as well as providing credible resources on emerging issues and opportunities specific to the fair and event industry
3. **Connecting people:** fairs and events are where the passions of Canadians come alive through culture, traditions and awareness

All of this still stands true after a year where we saw a global pandemic alter absolutely everything. What has changed is how we implement these pillars. For example, under the leadership pillar, we focus on government relations. This has shifted from raising our profile to advocacy for support in light of COVID-19. Another example, membership value has a focus to offer best in class programming. This is still what we are doing, but we are currently doing it online.

I'm proud of our achievements, not just of CAFE, but our industry as a whole, particularly over the past year. The creativity is astounding! From drive-thru and drive in events, to new delivery programs and creative fundraisers, our industry continues to support community vitality and their local businesses.

Finally, I'd like to thank our Board of Directors. We saw significant changeover in roles throughout the year and they have been able to continue to carry CAFE forward in its mission with resolve.

We're not out of the woods yet, but know that CAFE continues to fight for you and find better ways to support you. I sincerely thank you for your support. We know there is strength in numbers and your support truly counts.

CHRISTINA FRANC, EXECUTIVE DIRECTOR
CANADIAN ASSOCIATION OF FAIRS & EXHIBITIONS

2019 Canadian Fair Champion



1 Cassandra Nicol
(Nothlands)



2 Mike Trimble
(Comox Valley Exhibition)



3 Jennifer Bowen
(Ayer's Cliff Fair)

2019 National Award Winners



FUTURE LEADERS

4 **Youth Inspired! Awards – Back row -** Daniel Litwack-CNE, Lynda Franc-NAME, Ashley Nelson-Westerner Park, Cassandra Nicol-Northlands, Nathan Anderson-AAAS, Lauren Tozer-NB Provincial Ex, Shannon Gillan-Carp Ag Society **Middle row -** Jennifer Lam-Present from AuthentiGATE, Ashley Warner-Calgary Stampede, Naomi Lawson-Baird-Calgary Stampede, Karen Van Staveren-Collingwood Ag Society, Megan Tackaberry-Calgary Stampede, Kaitlyn Courchesne-CAFE, Gillian Davidson-Hants County Ex, Samantha Salois-société d'agriculture de Missiquoi, Hayley Campbell-Pontiac Ag Society **Front -** John Peco President, Scooter Korek Past President

2019 National Award Winners





2018 CAFE INNOVATION AWARD

5 National Cutting Horse Association

6 Ron Kristjansson accepting the Innovation Award on behalf of the Provincial Exhibition of Manitoba









ROLL OF HONOUR

7 Tracy Gardner of Olds Retional Exhibiton accepts the Roll of Honour Award for Tami Gardner

8 Guylaine Tétreault accepts the Roll of Honour Award for Ernie Banks

9 Ashley Nelson of Westerner Park presents the Roll of Honour to Jim White with John Peco, President and Scooter Korek Past President

10 Naomi Lawson-Baird-Calgary Stampede accepts the Roll of Honour for the Bulls After Dark



INDEPENDENT AUDITOR'S REPORT

To the Members:

Opinion

We have audited the accompanying financial statements of Canadian Association of Fairs and Exhibitions which comprise the balance sheet as at July 31, 2020, and the statements of members' equity, income and cash flow 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 Canadian Association of Fairs and Exhibitions as at July 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-For-Profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian Auditing Standards (CASs), 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 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

Nephin Winter Bingley
Chartered Professional Accountants
Robert Winter CPA, CA, Partner

Smiths Falls, Ontario
October 22, 2020

NEPHIN WINTER BINGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS



CANADIAN ASSOCIATION OF FAIRS AND EXHIBITIONS/
ASSOCIATION CANADIENNE DES FOIRES ET EXPOSITIONS

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED JULY 31, 2020

ASSETS	2020	2019
CURRENT		
Cash	$ 344,476	$ 125,454
Investments - at cost (note 4)	–	140,000
Accounts receivable – other	7,600	28,071
– government	–	575
Prepaid expense	13,719	25,503
	$ 365,795	$ 319,603
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 7,066	$ 2,972
CEBA loan payable (note 5)	40,000	–
Deferred income (note 7)	175,232	160,141
	222,298	112,850
MEMBERS' EQUITY	143,497	156,490
	$ 365,795	$ 319,603

Commitment (note 7)

CANADIAN ASSOCIATION OF FAIRS AND EXHIBITIONS/
ASSOCIATION CANADIENNE DES FOIRES ET EXPOSITIONS

STATEMENT OF OPERATIONS & MEMBERS' EQUITY

FOR THE YEAR ENDED JULY 31, 2020

	2020	2019
REVENUE		
Memberships	$ 97,038	$ 114,351
Convention	158,121	189,518
Fair News and directory	7,231	10,236
Special Project	163,469	60,385
CAFE Service Levy	41,884	42,469
Merchandise, donations and other income	23,706	16,606
CEWS Wage subsidy	27,588	–
	519,037	433,565
EXPENSES		
Management and administration	170,625	201,272
Convention	159,026	181,265
Fair News and directory	8,060	12,456
E-Coli Project	190,770	47,423
Merchandise and other	3,549	4,635
	532,030	447,051
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,993)	(13,486)
MEMBERS' EQUITY - BEGINNING OF YEAR	156,490	169,976
MEMBERS' EQUITY - END OF YEAR	$ 143,497	$ 156,490

CANADIAN ASSOCIATION OF FAIRS AND EXHIBITIONS/
ASSOCIATION CANADIENNE DES FOIRES ET EXPOSITIONS

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JULY 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	$ (12,993)	$ (13,486)
Changes in certain non-cash operating assets and liabilities		
- Accounts receivable	21,046	(5,843)
- Prepaid expense	11,784	46,731
- Accounts payable and accrued liabilities	4,094	(17,683)
CEBA Loan Payable	40,000	–
- Deferred revenue	15,091	67,945
	92,015	91,150
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	79,022	77,664
Cash and cash equivalents - beginning of year	265,454	187,790
CASH AND CASH EQUIVALENTS - END OF YEAR (note 7)	$ 344,476	$ 265,454

CANADIAN ASSOCIATION OF FAIRS AND EXHIBITIONS/
ASSOCIATION CANADIENNE DES FOIRES ET EXPOSITIONS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2020





1. ORGANIZATION

The Canadian Association of Fairs and Exhibitions/ Association Canadienne des Foires et Expositions (CAFE/ACFE) is the national association representing fairs, exhibitions and agricultural society organizations and such firms, organizations and enterprises as may rely on the Canadian Fair Industry for an important part of their continuing livelihood.

The CAFE/ACFE was originally incorporated under Part II of the Canada Corporations Act as a not-for-profit organization and qualifies as a registered charity under the Income Tax Act. The Association has received certification of continuance under the Canada Not-for-Profit Corporations Act.

2. GENERAL

Basis of Presentation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for profit organizations.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) ***Basis of accounting***

Revenue and expenditures are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.



(b) ***Revenue Recognition***

The Canadian Association of Fairs and Exhibitions/ Association Canadienne des Foires et Expositions follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured.

Membership fees are recorded in the year they are related to. Contributed services, conference, advertising for publications and project revenues are recorded in the year the function or supply takes place. The CAFE Service Levy is recorded when received.

(c) ***Use of estimates***

The preparation of financial statements in conformity with gene rally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates. Significant estimates and assumptions include the carrying amount of accounts receivable and accounts payable and accrued liabilities.

(d) ***Contributed Materials and Services***

Contributed costs are recognized when the fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

4. SHORT-TERM INVESTMENTS

Investments, if applicable, comprise cashable GIC's.

5. CEBA LOAN PAYABLE

The Canadian Emergency Business Account (CEBA) represents an interest free loan to December 31, 2022. Should the full amount be repaid, $10,000 will result in loan forgiveness.

6. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying amounts rep01ted on the balance sheet for these financial instruments approximate fair market values due to their immediate or short-term maturities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge and obligation. The Association is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association constantly monitors its liquidity risk through current and future cash flows and financial liability maturities.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Association is not exposed to market risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not exposed to this risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is not exposed to this risk.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to this risk.

Changes in risk

There have been no significant changes in the Association's risk exposures from year to year.



7. COMMITMENT

(a) The Association has entered into a two year contribution agreement with the Minister of Canadian Heritage and Multiculturalism commencing April I, 2019 and ending March 31, 2021. The Minister agrees to contribute $150,000 or 75% towards eligible expenditures incurred by the association. The objective of the "Youth Inspired!" program is to strengthen youth attachment to Canada through engagement. The approved funding amounts are $75,000 for each period. The excess of the current year advance of $71,250 over the eligible expenditures is $58,817 (2019 - 3,750) and is included in deferred revenue.

(b) The Association has entered into a three year agreement from February I, 2020 to March 31, 2023 re: a contribution agreement with the Agriassurance Program-National Industry Association Component. The intent of the project is to develop a national guideline for animal care at fairs and exhibitions and to offer training on these guidelines to lead event organizers. Total maximum funding is $240,352 and 75% of qualifying expenses are required to support the funding. $43,441 was received in fiscal 2020, of which $22,519 is in deferred revenue. As a result of COVID-19 aspects of this agreement may be modified.

8. CASH AND EQUIVALENTS

Cash and equivalents consist of the following:

	2020	2019
Cash	$ 344,476	$ 125,454
Investments	–	140,000
	$ 344,476	$ 265,454

9. COVID-19 AND SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the COVID-19 coronavirus outbreak to constitute a pandemic. The COVID-19 outbreak has caused business disruptions in this business year and the following. The extent of the impact on the organization's future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on customers, all of which are uncertain. As such, the extent to which COVID-19 may impact the organization's financial condition cannot be readily predicted at this time.



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