Note to Accountants
Financial Statement Requirements for Agricultural Societies

Agricultural Societies are incorporated under their own specific legislation, the *Agricultural Societies Act* (Act), which is administered by Alberta Agriculture and Irrigation. The Act, along with the supporting Agricultural Societies Regulation, specify the requirements for their financial statements, which are presented at their annual general meeting and then submitted to AGI as part of their annual return to the Department. Agricultural societies must submit their financial statements **by February 15** of each year.

Specifically, agricultural societies require financial statements that **must be an audit report or a review engagement report prepared by a professional accounting firm**. **A Notice-to-Reader is not sufficient** under the legislation. Professional accounting firm means a person who is registered as a professional accounting firm in accordance with Part 3 of the *Chartered Professional Accountants Act*.

The financial statements also serve a secondary function, as AGI utilizes them to verify eligible expenses claimed by agricultural societies as part of the Department's annual agricultural societies grant program. Ideally any major expense claimed by the agricultural society on their grant application will show up under expenses in their statement of revenues and expenditures, or in a supporting schedule with further detail provided breaking out eligible and ineligible expenses under the program.

Agricultural societies can claim eligible expenses across three different categories of available funding:

1. **Governance, Leadership, and Training Expenses** (e.g. board capacity building, leadership development, and post secondary youth scholarships).

2. **Agricultural Activities and Program Expenses** (e.g. farmers markets, amateur rodeo, 4-H programming, agricultural education/farm safety, horse events, livestock shows/sales etc.).

3. **Operational Expenses** (e.g. from facilities owned or operated by the agricultural society including insurance, repairs and maintenance, utilities (heat and power), and wages).

If you have questions, please email agi.agsocietygrants@gov.ab.ca or call 780-968-3517 (toll free by dialing 310-000 first).