

**LIVESTOCK OWNERS COMPENSATION BOARD
LIVESTOCK OWNERS COMPENSATION FUND
STATEMENT OF FINANCIAL POSITION**

As at March 31

2019

2018

FINANCIAL ASSETS

Cash	\$ 15,245	\$ 15,019
	15,245	15,019

LIABILITIES

Accounts payable	7	-
	7	-

Net financial assets	15,238	15,019
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NON-FINANCIAL ASSETS

Accumulated surplus	\$ 15,238	\$ 15,019
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*The accompanying notes are an integral part
of these financial statements*

Signed on behalf of the Board:

C. MacDonald
Chairperson

D. P. L. Dixon
Member

LIVESTOCK OWNERS COMPENSATION BOARD
LIVESTOCK OWNERS COMPENSATION FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2019 Budget	2019 Actual	2018 Actual
	(Note 7)		
REVENUES			
Province of Newfoundland and Labrador			
Payments on behalf of the Board (Note 6)	\$ 7,500	\$ 5,757	\$ 5,757
Premiums from livestock owners	2,000	348	997
	<u>9,500</u>	<u>6,105</u>	<u>6,754</u>
EXPENSES (Note 5)			
Indemnity claims	1,000	125	-
Administration	7,505	5,761	5,760
	<u>8,505</u>	<u>5,886</u>	<u>5,760</u>
Annual surplus	995	219	994
Accumulated surplus, beginning of year	15,019	15,019	14,025
Accumulated surplus, end of year	\$ 16,014	\$ 15,238	\$ 15,019

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

LIVESTOCK OWNERS COMPENSATION BOARD
LIVESTOCK OWNERS COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

1. Nature of operations

The Livestock Owners Compensation Board, Livestock Owners Compensation Fund (the Board) operates under the authority of the *Livestock Insurance Act*. The purpose of the Board is to operate the Livestock Owners Compensation Fund to provide insurance to farmers of the Province to restrict the amount of livestock loss. Its affairs are managed by a Board of Directors appointed by the Lieutenant-Governor in Council. These statements are a representation of the activities of the Board.

The Board is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Board is classified as an Other Government Organization as defined by the Canadian public sector accounting standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Board does not prepare a statement of change in net financial assets (debt) and a statement of cash flows as this information is readily apparent from the other statements. In addition, the Board does not prepare a statement of re-measurement gains and losses as the Board does not enter into relevant transactions or circumstances that are being addressed by the statement.

(b) Financial instruments

The Board's financial instruments recognized in the statement of financial position consist of cash and accounts payable. The Board generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Board subsequently measures all of its financial assets and financial liabilities at cost. Financial assets measured at cost include cash. Financial liabilities measured at cost include accounts payable.

The carrying value of cash and accounts payable approximates current fair value due to the nature associated with this instrument.

(c) Cash

Cash includes cash in bank.

LIVESTOCK OWNERS COMPENSATION BOARD
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NOTES TO FINANCIAL STATEMENTS
March 31, 2019

2. Summary of significant accounting policies (cont.)

(d) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers (Payments on behalf of the Board) are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations giving rise to the liabilities are settled.

(e) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

The Board is administered as a division of the Department of Fisheries and Land Resources. Expenses related to salaries are paid directly by the Department of Fisheries and Land Resources and are reflected in these financial statements as expenses of the Board and as revenue from the Province.

Indemnity claims are reported on an accrual basis. Indemnity claims are paid to insured persons upon approval by the Board of submitted insurance claims.

3. Change in accounting policy

On April 1, 2018, the Board adopted *PS 3430 Restructuring Transactions*. This is a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. The accounting change had no impact on the financial statements.

4. Financial risk management

The Board recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The only risk that the Board is exposed to through its financial instruments is liquidity risk. There was no significant change in the Board's exposure to this risk or its processes for managing this risk from the prior year.

LIVESTOCK OWNERS COMPENSATION BOARD
LIVESTOCK OWNERS COMPENSATION FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

4. Financial risk management (cont.)

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its financial liabilities as they come due. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities.

5. Expenses by object

The following is a summary of expenses by object:

	<u>2019</u>	<u>2018</u>
Bank charges	\$ 4	\$ 3
Indemnity claims	125	-
Salaries (Note 6)	5,757	5,757
	<hr/> \$ 5,886	<hr/> \$ 5,760

6. Related party transactions

The Board is administered by employees of the Department of Fisheries and Land Resources. Salary costs of \$5,757 (2018 - \$5,757) applicable to the operation of the Board have been paid by the Department of Fisheries and Land Resources and are reflected in these financial statements as expenses of the Board and as revenue from the Province.

7. Budgeted figures

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been approved by the Board of Directors.