

SUMMER 2016

Dividends



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
ALBERTA

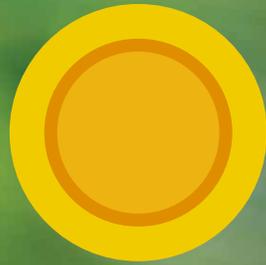


OLYMPIAN CHERYL GIBSON:
PURSUING EXCELLENCE

THE MAGAZINE FOR
ALBERTA'S CHARTERED
PROFESSIONAL
ACCOUNTANTS

cpaalberta.ca

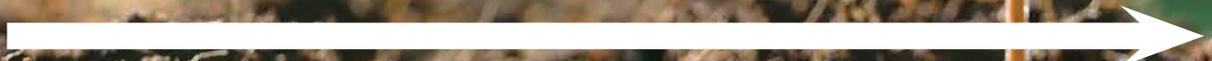
PUBLICATIONS MAIL AGREEMENT NO. 40064884
RETURN UNDELIVERABLE CANADIAN ADDRESSES TO
Chartered Professional Accountants of Alberta
580 Manulife Place 10180 - 101 Street
Edmonton AB T5J 4R2

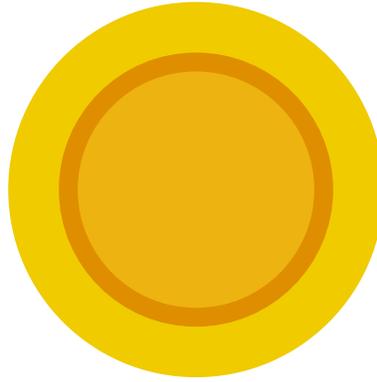


CULTIVATING A FIELD OF COLLABORATION

By Laura Ly

When you think of agriculture, an image of a lone farmer overseeing his or her vast field of crops and livestock may come to mind. However, the 21st century agriculture sector has become a diverse, multi-billion dollar industry involving multiple disciplines and professions, such as farmers, investors, insurers, lawyers, innovators, and more—and Alberta CPAs are there every step of the way to help and collaborate.





The multidisciplinary nature of the agriculture sector is one that Fred Mertz CPA, CGA knows very well—and as both a professional accountant and licensed farm and ranch realtor, it's also something he embodies in his professional life. So much so that, alongside three other professionals, he co-founded a new, innovative initiative called Four Quarters Advisory Group, which is made up of five professionals specializing in taxation, real estate, financial services, and legal. The group's motto is "Four Professions. One Focus. Your Family Farm,"

Fred Mertz CPA, CGA

and they are dedicated to helping family farms in Alberta find solutions for their farming needs.

The inspiration for Four Quarters was a belief that the agriculture industry could be better serviced by the professions that work with farmers: "Family agriculture is an economic engine in this country, and we don't believe that one single profession can provide all the answers to the farming families of today," explains Fred, who acts as the group's taxation specialist.

Four Quarters is particularly focused on collaborating with family farms on an "expanded, new family farm" model. "That's where you have young farmers and retiring farmers, and we bring in a new player: the private investor. The overlap between those three client bases is called agribusiness," says Fred. "That's what we're focusing on because agriculture needs new capital. It can no longer rely on a lot of debt. We arrange the joint ventures—the buy and sell deals where investors buy from the retiring farmer and enter a new venture with the young farmer."

Joint ventures on family farms are vital to maintaining the legacy of family farms and ensuring their continued success, particularly as aging farmers typically lack succession plans. "Retirement and farming don't mix; it's like oil and water," says Fred. "The average age of today's farmer is 60–65, but he needs to feel comfortable moving on at this stage in his life."

"That's what we're focusing on because agriculture needs new capital. It can no longer rely on a lot of debt. We arrange the joint ventures—the buy and sell deals where investors buy from the retiring farmer and enter a new venture with the young farmer."

—Fred Mertz CPA, CGA





“The benefit of our profession is to enhance and to bring out the best in the farmer and the producer in conducting their business. To take advantage of subsidies and grants that they didn’t even realize they had.”

—David Inhaber FCPA, FCGA

David Inhaber FCPA, FCGA

A self-described “business psychologist specializing in agriculture,” Fred decided to become a realtor after helping to sell his parents’ farm and realizing that most real estate agents are unaware of how complex taxation and GST issues can be. “Mistakes on a large scale are very expensive. When you’re buying a farm or selling a farm, you’re buying or selling assets, not just a farm,” explains Fred. “We’re probably one of the only real estate firms in the country that plans before, during, and after a sale, as well as practices tax at the same time.”

Raised on his parents’ farm, Fred has lived and breathed farming all of his life, which he believes makes him a better businessman. “I understand the producer and the rancher. My family went through the same challenges. To become really good at any profession, you need to live in the industry, you have to be part of that industry. And I am part of that industry,” he says. “I really believe that if you have your heart in the business, the business will always be in your heart. And that’s the way I operate. It’s more than numbers, it’s really about the people,” he adds.

David Inhaber FCPA, FCGA agrees that accounting and business is about helping people. His interest in agriculture started at a young age, while questioning how food was produced and delivered to the grocery store.

“It caused me to think, ‘what can I do to help put more food on the table, to make sure there are no food crises?’ It was a really high-level thought process that got me into this industry,” he recalls with a laugh.

Now, David is a Senior Tax Analyst at Farm Business Consultants (FBC), a full tax services firm that helps farmers minimize their income taxes, maximize their assets, and optimize the credits, subsidies, and grants available to farmers and producers in the country. In his role at FBC, David works with team members to ensure client tax returns are accurate and comply with the Canadian and Provincial Income Tax laws. He also acts as a liaison between federal government departments, and provides full compliance services in many aspects related to the agriculture industry.

“My passion isn’t just about putting the food on the table, so to speak, but also to help people. Agriculture is an industry where I felt I could have an impact. I’m in my strength here because I have a tax background, and if I’m going to be able to educate and share my knowledge, then this is the place to be,” says David.

Prior to joining FBC, David was an instructor and academic chair of the accounting program in the School of Business at SAIT, and spent more than 20 years with the Canada

Revenue Agency. He currently teaches CPA preparatory courses through the CPA Western School of Business, and even supports accounting education in the province as a donor for the CPA Education Foundation. He is passionate about the profession, and has built his career on teaching and sharing his veritable knowledge of tax and accounting with others.

David admits that “farmers and producers in the agriculture industry are not known for their expertise in record keeping,” and this is where CPAs specializing in agricultural taxation can truly add value. “The benefit of our profession is to enhance and to bring out the best in the farmer and the producer in conducting their business. To take advantage of subsidies and grants that they didn’t even realize they had.

“We assist in their business success,” he adds.

David emphasizes that complexity is an important factor of agriculture taxation, which he was unaware of until he started specializing in this area. “Agriculture is a very fascinating, very interesting area that has some very unique issues,” David explains. “Most of us think of inventory as a production—either manufactured or purchased—but here you have a live, living, breathing animal that you’re either classifying as inventory or as fixed assets. It takes on a uniqueness that we don’t generally think about.”