

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES

Financial Statements

November 30, 2024

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
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Year Ended November 30, 2024

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LYNCH
RUTHERFORD
TOZER

CHARTERED
PROFESSIONAL
ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Ontario Association of Agricultural Societies

We have reviewed the accompanying financial statements of Ontario Association of Agricultural Societies (the Association) that comprise the statement of financial position as at November 30, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ontario Association of Agricultural Societies as at November 30, 2024, 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.

Lynch Rutherford Tozer

Independent Practitioner's Review Engagement Report to the Directors of Ontario Association of
Agricultural Societies *(continued)*

Port Hope, Ontario
January 31, 2025

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Statement of Financial Position
As at November 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 195,934	\$ 111,141
Investments (Note 3)	406,828	508,760
Accounts receivable (Note 4)	191,835	-
Prepaid expenses	11,641	11,611
	806,238	631,512
EQUIPMENT (Note 5)	213	388
	\$ 806,451	\$ 631,900
LIABILITIES		
CURRENT		
Accounts payable (Note 6)	\$ 147,149	\$ 22,301
Deferred income (Note 7)	87,758	63,826
	234,907	86,127
NET ASSETS		
UNRESTRICTED NET ASSETS	571,544	545,773
	\$ 806,451	\$ 631,900

ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Statement of Revenues and Expenditures
Year Ended November 30, 2024

	2024	2023
REVENUES		
Convention fees	\$ 155,035	\$ 129,413
Affiliation and Membership fees	121,345	114,745
Partnership donations	49,104	46,300
Book sales	2,755	2,390
Other	33,708	10,550
Government grants (Note 9)	332,055	-
Interest	19,090	25,904
	<u>713,092</u>	<u>329,302</u>
EXPENSES		
Salaries and wages	124,211	123,867
Website	2,187	617
Insurance	2,432	2,274
Memberships	4,859	3,701
Office (Note 9)	21,464	15,035
Professional fees	4,150	3,250
Project expenses (Note 9)	332,055	-
Professional development	3,904	2,907
Travel	113	1,638
Telephone	3,649	3,492
Interest and bank charges	5,029	2,907
Interest on long term debt (Note 8)	-	1,050
Amortization	175	318
Board member meetings	47,565	37,585
Committees and convention	90,939	51,597
Printing and reproduction	21,865	21,547
Fair visitations	637	3,439
Recognition awards	-	60
Other	6,087	6,322
Youth development	16,000	12,053
	<u>687,321</u>	<u>293,659</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 25,771</u>	<u>\$ 35,643</u>

The accompanying notes form an integral part of these financial statements

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Statement of Changes in Net Assets
Year Ended November 30, 2024

	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 545,773	\$ 510,130
EXCESS OF REVENUES OVER EXPENSES	25,771	35,643
NET ASSETS - END OF YEAR	\$ 571,544	\$ 545,773

The accompanying notes form an integral part of these financial statements

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Statement of Cash Flows
Year Ended November 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 25,771	\$ 35,643
Items not affecting cash:		
Amortization	175	318
CEBA Loan Interest	-	1,050
	<u>25,946</u>	<u>37,011</u>
Changes in non-cash working capital:		
Accounts receivable	(191,835)	-
Prepaid expenses	(30)	(5,238)
Accounts payable	124,848	5,619
Deferred income	23,932	840
	<u>(43,085)</u>	<u>1,221</u>
Cash flow from (used by) operating activities	<u>(17,139)</u>	<u>38,232</u>
INVESTING ACTIVITIES		
Purchase of investments	-	(20,568)
Maturity of Investments	101,932	-
	<u>101,932</u>	<u>(20,568)</u>
Cash flow from (used by) investing activities	<u>101,932</u>	<u>(20,568)</u>
FINANCING ACTIVITY		
CEBA loan repayment (Note 8)	-	(40,000)
INCREASE (DECREASE) IN CASH FLOW	84,793	(22,336)
CASH - BEGINNING OF YEAR	<u>111,141</u>	<u>133,477</u>
CASH - END OF YEAR	<u>\$ 195,934</u>	<u>\$ 111,141</u>

The accompanying notes form an integral part of these financial statements

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Notes to Financial Statements
November 30, 2024

1. NATURE OF OPERATIONS

The Ontario Association of Agricultural Societies (OAAS) is a non-profit organization without share capital established in 1935 to serve as the unifying organization for all of the Agricultural Societies in the province. The Association operates under the Agricultural and Horticultural Act (Ontario). The Board of Directors represent 15 districts from across the province. The Association is financed primarily through affiliation fees of the agricultural society and service members.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and are in accordance with Canadian generally accepted accounting principles.

Cash

Cash consists of bank deposits and cash on hand.

Revenue recognition

The Association follows the deferral method of accounting for contributions such as affiliation and convention fees, donations, and grants. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Convention fees are recognized at the time the underlying convention event is held; at the time service requirements for the payment have been met. Affiliation fees are recognized in the year of which the affiliation relates; as contributions, rather than fees for services because the fees paid are not commensurate with the value of services received. Book sales revenues are recognized when the books are sold. Unrestricted donations and grants are recognized when received or when the amount can be reasonably estimated and when ultimate collection is reasonably assured. Restricted donations and grants for expenditures of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenditures are recognized.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life on a declining balance basis :

Computer equipment	45%	declining balance method
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The Association regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Notes to Financial Statements
November 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Volunteer Services

The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because these services are not normally purchased by the Association and because of the difficulty of determining their fair value, amounts for donated services are not recognized in these financial statements (current or prior year). Donations-in-kind are only recognized in the financial statements if they are normally purchased and their fair value can be established.

Financial instruments policy

Financial instruments are recorded at its fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to the instrument. These costs on the acquisition, sale or issue of financial instruments are expensed when incurred if the financial instrument will be subsequently measured at fair market value. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date when there are indications of impairment.

Financial assets measured at amortized cost on a straight-line basis include cash, term deposit investments, trade and other accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and long-term debt reported as financial liabilities.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. In particular, estimates are used in accounting for certain items such as deferred revenues, allowance for doubtful accounts and useful lives of capital assets. Actual results could differ from these estimates.

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Notes to Financial Statements
November 30, 2024

3. INVESTMENTS

The investments (including accrued interest) consist of the following:

	<u>2024</u>	<u>2023</u>
Non-Redeemable GIC -Home Bank, 3.90%, due November 18, 2025	\$ 56,943	\$ 53,903
Non-Redeemable GIC -Home Trust, 4.55%, due September 6, 2025	60,412	56,772
Non-Redeemable GIC -Home Trust, 3.90%, due November 18, 2025	56,943	53,903
Non-Redeemable GIC -Home Bank, 4.55%, due September 6, 2025	29,775	27,980
Non-Redeemable GIC- Community Tr 5.21%, matured June 21, 2024	-	110,176
Non-Redeemable GIC- RBC Scholarship 4.60%, due January 20, 2025	101,117	100,466
Non-Redeemable GIC- RBC Scholarship 4.25% , due August 26, 2025	101,638	105,560
	<u>406,828</u>	<u>508,760</u>

Investments in the guaranteed investment certificates have been classified as current assets on the statement of financial position when the amounts mature in less than twelve months. Investments that mature in more than twelve months are classified as long term assets.

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following;

	<u>2024</u>	<u>2023</u>
Government grant receivable (Note 9)	\$ 180,855	\$ -
Government agencies	10,460	-
Trades Receivable	520	-
	<u>\$ 191,835</u>	<u>\$ -</u>

The amounts receivable from government agencies relates to a \$10,460 HST receivable and \$180,855 receivable under the new agreement with the government (see note 9 for more details).

5. EQUIPMENT

	Cost	Accumulated amortization	<u>2024 Net book value</u>	<u>2023 Net book value</u>
Computer equipment	\$ 1,656	\$ 1,443	\$ 213	\$ 388

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Notes to Financial Statements
November 30, 2024

6. ACCOUNTS PAYABLE

Accounts payable consists of the following;

	2024	2023
Trade and other accounts payable	\$ 147,149	\$ 9,722
Government agencies	-	12,579
	\$ 147,149	\$ 22,301

The is no amount owing to Government agencies (HST receivable in 2024 vs HST balance owing in 2023).. The increase in the trade and other accounts payable relates to \$130,330 owing to the Rural Ontario Institute for costs incurred and funded by the government grant (see note 9 for more details).

7. DEFERRED INCOME

The following amounts have been received, but not yet recognized as revenue:

	2024	2023
Convention Registration	\$ 4,870	\$ -
Fair Affiliation	51,823	47,581
Family Showcase Fees	400	500
Partnership Donations	5,500	900
Service Member Fees	7,300	4,675
Showcase Fees	3,850	1,650
Tradeshow Badge	330	270
Tradeshow Fees	12,075	8,250
Ambassador Registration	735	-
Workshops GrassRoots G I	875	-
	\$ 87,758	\$ 63,826

In 2024 and 2023, deferred income consists of fees which are paid in the current fiscal year but relate to the subsequent fiscal year. As a result, the entire balance has been reported as a current liability. The organization implemented a policy for the fair affiliation fees to be paid in advance. Therefore, the \$51,823 collected for 2025 fair affiliation fees has been deferred in full (\$47,581 deferred in 2023).

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES
Notes to Financial Statements
November 30, 2024

8. LONG TERM DEBT

	2024	2023
CEBA Loan	\$ -	\$ 60,000
Loan forgiveness	-	(20,000)
CEBA loan repayment	-	(40,000)
CEBA loan at face value	-	-
Writedown	-	(4,593)
Cumulative Interest	-	4,593
CEBA loan at amortized cost	\$ -	\$ -

The Association repaid the \$40,000 loan on November 30, 2023. The \$20,000 was reported as forgiveness income on the statement of revenues and expenditures in prior years.

9. GOVERNMENT GRANT

During 2024, the Association and the Province of Ontario executed an agreement under which the Province agreed to provide a grant to cover the costs of addressing challenges to ease the process for providing and accessing information for member societies while reducing Human resource requirements and increasing support for agriculture incurred by the Association in its operations in 2024 and 2025.

Government grants in the amount of \$50,700 were received during the year of which \$50,700 was used for the cost of program development including legal fees and office expenses. There is \$14,300 of funding available for this program at the end of 2024 that can be accessed in 2025.

During 2024 the Association and the Province of Ontario executed a second agreement under which the Province agreed to provide a grant to cover the costs of developing and instituting programming to enhance safety and risk management practices in the agri-food sector as well as strengthen public trust and knowledge about Ontario's agrifood systems which are available to the association from 2024 to 2026.

Government grants in the amount of \$100,500 were provided during the year. There is also \$180,855 in accounts receivable that has been approved but not funded at the 2024 year end. Therefore, the total government grants under this agreement were \$281,355 in 2024. Expenses were incurred totaling \$281,355 included in Legal Fees, Office expenses, Board member meetings as well as Committees and convention expenses. \$130,330 is still outstanding to be paid and is included in accounts payable. There is also \$554,895 of funding available for this program that can be accessed in 2025 and 2026.

The total government grant revenues reported based on the 2 agreements was \$332,055 in 2024 (zero in 2023). The total project expenses funded by the 2 agreements was also \$332,055 in 2024 (zero in 2023).

ONTARIO ASSOCIATION OF AGRICULTURAL SOCIETIES

Notes to Financial Statements

November 30, 2024

10. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of November 30, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

Fair value

The Association's carrying value of cash and cash equivalents, term deposits, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association has invested funds in investments at a fixed interest rate.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.