

**Agriculture in the Classroom -
Manitoba Inc.**
Financial Statements
For the Year Ended December 31, 2024
(Unaudited)

Agriculture in the Classroom - Manitoba Inc.
Financial Statements
For the Year Ended December 31, 2024
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the board of directors of
Agriculture in the Classroom - Manitoba Inc.

We have reviewed the accompanying financial statements of Agriculture in the Classroom - Manitoba Inc. that comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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 enterprises, 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 Agriculture in the Classroom - Manitoba Inc. as at December 31, 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 enterprises.

BDO Canada LLP

Chartered Professional Accountants

Portage la Prairie, Manitoba
April 16, 2025

Agriculture in the Classroom - Manitoba Inc.
Statement of Financial Position
(Unaudited)

December 31	2024	2023
Assets		
Current		
Cash	\$ 169,864	\$ 115,550
Restricted cash	72,000	29,708
Accounts receivable	203,668	245,254
Prepaid expenses	6,618	21,849
Current portion of long-term investments (Note 3)	87,897	45,143
	540,047	457,504
Long-term investments (Note 3)	123,399	161,497
Capital assets (Note 4)	26,852	30,153
	\$ 690,298	\$ 649,154
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 90,357	\$ 36,662
Unearned membership and sponsorship revenue	-	37,000
Deferred contributions (Note 6)	72,000	29,708
	162,357	103,370
Deferred contributions for capital assets (Note 7)	10,616	12,386
	172,973	115,756
Net assets		
Unrestricted	501,089	515,631
Invested in capital assets	16,236	17,767
	517,325	533,398
	\$ 690,298	\$ 649,154

Approved by:

_____ President

_____ Executive Director

Agriculture in the Classroom - Manitoba Inc.
Statement of Changes in Net Assets
(Unaudited)

For the year ended December 31	Unrestricted	Invested in Capital Assets	2024	2023
Net assets, beginning of year	\$ 515,631	\$ 17,767	\$ 533,398	\$ 392,152
Deficiency of revenue over expenditures for the year	(8,793)	(7,280)	(16,073)	141,246
Interfund transfer year (Note 9)	(5,749)	5,749	-	-
Net assets, end of year	\$ 501,089	\$ 16,236	\$ 517,325	\$ 533,398

Agriculture in the Classroom - Manitoba Inc. Statement of Operations (Unaudited)

For the year ended December 31	2024	2023
Revenue		
Annual support from corporations and individuals	\$ 461,392	\$ 477,529
Agriculture career revenue	38,378	35,286
Alexander Cherban funding	10,000	-
Amazing agriculture adventure	5,914	2,400
Amortization of deferred contributions	1,770	1,840
Canadian Ag Literacy Month	22,100	20,500
Classroom Garden - Little Green Thumbs	50,520	45,317
Foreign exchange gains and losses	10,125	13,193
Government funding - Canadian Agricultural Partnership	403,480	386,000
Government funding - Canadian Agricultural Partnership careers exploration	-	100,000
Government funding - Manitoba Education and Training grant	10,000	-
Government funding - summer student grants	10,967	8,894
Great Canadian farm tour	6,000	-
Interest income	7,998	8,896
Journey 2050	36,914	7,614
Manitoba Ag Days	18,157	7,139
Teacher workshop income	457	1,275
Project administration revenue	23,916	5,000
Resource project income	14,770	500
Seed Survivor program	42,529	35,755
Special projects	-	37,149
Sponsorships	5,500	50,000
	1,180,887	1,244,287
Expenditures		
Advertising and promotion	35,841	19,581
Agricultural career	73,224	42,139
Amazing agriculture adventure	58,108	63,114
Amortization	9,050	7,459
Canadian Ag Literacy Month	67,842	67,012
Classroom Garden - Little Green Thumbs	108,377	87,913
Data management	27,061	34,545
Follow the farmer	18,501	-
Fundraising	19,677	6,345
Government funding - Canadian Agricultural Partnership	-	32,477
Great Canadian farm tour	6,000	-
Insurance	6,293	5,675
Interest and bank charges	1,080	1,173
Journey 2050	37,487	2,199
Manitoba Ag Days	60,429	40,143
Meetings and conferences	44,297	33,641
Office expenses	11,197	11,590
Professional fees	48,271	55,242
Rental	9,012	7,800
Resources and development	107,372	115,867
Salaries and wages	332,782	361,443
Seed Survivor program	42,529	15,559
Special projects	1,938	18,331
Teacher workshop expense	49,679	48,481
Telephone and internet	12,727	11,439
Training	2,170	3,310
Travel	6,016	10,563
	1,196,960	1,103,041
Excess (deficiency) of revenue over expenditures for the year	\$ (16,073)	\$ 141,246

Agriculture in the Classroom - Manitoba Inc. Statement of Cash Flows (Unaudited)

For the year ended December 31	2024	2023
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures for the year	\$ (16,073)	\$ 141,246
Adjustment for non-cash items:		
Amortization	9,050	7,459
Amortization of deferred capital contributions	(1,770)	(1,840)
	(8,793)	146,865
Changes in non-cash working capital:		
Accounts receivable	41,586	(164,926)
Prepaid expenses	15,231	(13,835)
Accounts payable and accrued liabilities	53,696	(58,671)
Deferred contributions	42,292	(49,153)
Unearned membership and sponsorship revenue	(37,000)	12,000
	107,012	(127,720)
Cash flows from (used in) investing activities		
Purchase of investments	(49,800)	(73,085)
Proceeds on disposal of investments	45,143	82,327
Purchase of capital assets	(5,749)	(21,783)
	(10,406)	(12,541)
Cash flows from financing activities		
Repayment of long-term debt	-	(40,000)
Net increase (decrease) in cash	96,606	(180,261)
Cash, beginning of the year	145,258	325,519
Cash, end of the year	\$ 241,864	\$ 145,258
Represented by:		
Unrestricted cash	\$ 169,864	\$ 115,550
Restricted cash	72,000	29,708
	\$ 241,864	\$ 145,258

Agriculture in the Classroom - Manitoba Inc.

Notes to Financial Statements (Unaudited)

December 31, 2024

1. Significant Accounting Policies

Purpose of the Organization	<p>Agriculture in the Classroom - Manitoba Inc. ("the organization") is engaged in promoting agriculture in the schools through the development of school curriculums that include agriculture and through agriculture awareness interactive programs and events.</p> <p>The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.</p>
Financial Instruments	<p>Arm's length financial instruments are recorded at fair value at initial recognition.</p> <p>Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>

Agriculture in the Classroom - Manitoba Inc.

Notes to Financial Statements (Unaudited)

December 31, 2024

1. Significant Accounting Policies (continued)

Capital Assets	<p>Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization based on a straight line basis as follows.</p> <table><thead><tr><th></th><th style="text-align: center;">Method</th><th style="text-align: center;">Rate</th></tr></thead><tbody><tr><td>Furniture and equipment</td><td style="text-align: center;">Straight-line</td><td style="text-align: center;">20%</td></tr><tr><td>Computer equipment</td><td style="text-align: center;">Straight-line</td><td style="text-align: center;">30%</td></tr></tbody></table>		Method	Rate	Furniture and equipment	Straight-line	20%	Computer equipment	Straight-line	30%
	Method	Rate								
Furniture and equipment	Straight-line	20%								
Computer equipment	Straight-line	30%								
Contributed Materials and Services	<p>Volunteers and citizens contributed materials and service to assist the organization in carrying out its activities. Because of the difficulty in determining their fair value, contributed material and services are not recognized in the financial statements.</p>									
Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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.</p> <p>Revenue from annual support or sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Project administration revenue is recognized when services are provided.</p>									
Government Assistance	<p>Government assistance received during the year for current expenses is included in the determination of net income for the year.</p>									
Foreign Currency Translation	<p>Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in net income.</p>									

2. Restricted Cash

Restricted cash is the unspent portion of restricted contributions for specific programs presented as deferred contributions.

Agriculture in the Classroom - Manitoba Inc.
Notes to Financial Statements
(Unaudited)

December 31, 2024

3. Long-term Investments

	2024	2023
<u>Access Credit Union</u>		
4.20% Access Credit Union guaranteed investment certificate maturing August 2029.	\$ 45,143	\$ -
2.75% Access Credit Union guaranteed investment certificate matured August 2024.	-	45,143
2.10% Access Credit Union guaranteed investment certificate maturing August 2025.	44,812	43,888
5.00 % Access Credit Union guaranteed investment certificate maturing August 2027.	46,756	44,524
<u>Royal Bank of Canada</u>		
7.00% Royal Bank of Canada guaranteed investment certificate maturing October 2025.	43,085	43,085
5.00% Royal Bank of Canada guaranteed investment certificate maturing August 2028.	31,500	30,000
	211,296	206,640
Less: current portion of long-term investments	(87,897)	(45,143)
	\$ 123,399	\$ 161,497

4. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 9,842	\$ 2,993	\$ 9,842	\$ 1,281
Computer equipment	36,215	16,212	30,466	8,874
	46,057	19,205	40,308	10,155
		\$ 26,852		\$ 30,153

Agriculture in the Classroom - Manitoba Inc.
Notes to Financial Statements
(Unaudited)

December 31, 2024

5. Accounts Payable and Accrued Liabilities

	2024	2023
Trade accounts payable	\$ 90,357	\$ 36,662
	\$ 90,357	\$ 36,662

6. Deferred Contributions

The deferred contributions represent funds which have been received and restricted. Changes in the deferred contributions balance reported in net assets or operations are as follows:

	2024	2023
Balance, beginning of year	\$ 29,708	\$ 81,575
Add: Contributions received in the year	386,448	149,516
Less: Eligible expenditures	(344,156)	(201,383)
Balance, end of year	\$ 72,000	\$ 29,708

The balance is represented by the following:

	2024	2023
Canadian Ag Literacy Month (CALM)	\$ 10,000	\$ -
Little Green Thumbs (Classroom Gardens)	-	6,433
Manitoba Ag Days	15,000	11,361
Journey 2050	-	11,914
Resource committed	47,000	-
	\$ 72,000	\$ 29,708

Agriculture in the Classroom - Manitoba Inc.
Notes to Financial Statements
(Unaudited)

December 31, 2024

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred contributions balance for the period are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 12,386	\$ 11,512
Restricted contributions to purchase assets	-	2,714
Less: amount recognized as revenue in the year	<u>(1,770)</u>	<u>(1,840)</u>
Balance, end of year	<u>\$ 10,616</u>	<u>\$ 12,386</u>

8. Line of Credit

The organization has an approved line of credit of \$25,000 from the Access Credit Union bearing interest at prime rate as at December 31, 2024 was 5.45% (2023 - 7.20%) plus 0.5%, calculated and payable monthly. The line of credit is secured by an assignment of Credit Union deposits and a general security agreement on the organization. At December 31, 2024 the organization had unutilized capacity under its line of credit facility of \$25,000.

9. Interfund Transfers

During the year, the board of directors approved a transfer from the Unrestricted funds to the Net Assets Invested in Capital Assets in the amount of \$5,749 (2023 - \$16,069) in order to fund the cash outlays for capital asset acquisitions.

Agriculture in the Classroom - Manitoba Inc. Notes to Financial Statements (Unaudited)

December 31, 2024

10. Allocation of Salaries by Program

The organization has a number of programs ongoing throughout the year which employees allocate time to based on the amount of time spent on the program. The following salaries have been allocated to programs in the year.

	2024	2023
Amazing Agriculture Adventure	\$ 47,668	\$ 54,383
Agriculture career events	51,587	41,448
Canadian Ag Literacy Month	45,724	40,989
Classroom Garden - Little Green Thumbs	85,582	42,596
Manitoba Ag Days	43,041	33,005
Committed resource	69,113	64,995
Special projects	72,945	55,976
Teacher workshop (educator PD)	45,435	45,997
Communication, operation, administration	188,386	188,415
Total salaries	\$ 649,481	\$ 567,804

Comparative figures related to the allocation of salaries have been reclassified to conform to the current year's presentation.

11. Financial Instruments

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 an obligation. The organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable from companies that operate in the agriculture industry.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its floating interest rate line of credit. Currently the organization has not drawn on this credit facility and therefore the risk is considered to be limited.

There have not been any changes in these risks from the prior year.

Agriculture in the Classroom - Manitoba Inc.
Notes to Financial Statements
(Unaudited)

December 31, 2024

12. Commitments

The organization has an agreement with Prairie Spirit United Church to lease office space that expires December 31, 2025, with an option to renew for one year. The monthly payments are \$770.

13. Subsequent Events

Line of Credit Approval

Subsequent to year end, the organization entered into an agreement with Access Credit Union to secure a line of credit in the amount of \$120,000. The line of credit is secured by \$90,000 of Guaranteed Investment Certificates held by Access Credit Union on behalf of the organization. The line of credit will be interest only payments at an interest rate of prime rate plus 0.5%.

Potential Tariffs

On February 1, 2025, the United States imposed tariffs on goods imported from Canada, effective February 4, 2025. In response, Canada introduced counter-tariffs on U.S. goods entering Canada. However, on February 3, 2025, a 30-day delay in the implementation of these tariffs was announced. The related financial impact cannot be reasonably estimated at this time. The company may experience a decline in revenue and an increase in costs resulting from the tariffs imposed. The entity's ability to continue to service debt and meet other obligations as they come due is dependent on the continued ability to generate earnings and cash flows, including the use of existing credit facilities.
