

**Canadian Agricultural Safety Association**  
**Financial Statements**  
*March 31, 2021*

# Independent Auditor's Report

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To the Directors of Canadian Agricultural Safety Association:

## Opinion

We have audited the financial statements of Canadian Agricultural Safety Association (the "Organization"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, 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.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

Management is responsible for the other information. The other information comprises of the Annual report. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba

September 9, 2021

Chartered Professional Accountants

# Canadian Agricultural Safety Association

## Statement of Financial Position

*As at March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current</b>		
Cash	205,070	250,795
Grants and accounts receivable	473,071	225,065
Prepaid expenses and deposits	6,965	11,519
Inventory	5,902	4,916
	<b>691,008</b>	492,295
<b>Capital assets (Note 4)</b>	<b>126,464</b>	212,890
	<b>817,472</b>	705,185
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	39,274	86,030
Deferred revenue (Note 5)	163,043	130,364
	<b>202,317</b>	216,394
<b>Canada Emergency Business Account Loan (Note 6)</b>	<b>30,000</b>	-
	<b>232,317</b>	216,394
<b>Commitments (Note 7)</b>		
<b>Net Assets</b>		
Invested in capital assets	126,467	212,893
Unrestricted	458,688	275,898
	<b>585,155</b>	488,791
	<b>817,472</b>	705,185

Approved on behalf of the Board

  
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 Director

  
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 Director

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

**Canadian Agricultural Safety Association**  
**Statement of Operations**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Conference	-	27,981
Grants		
Agriculture and Agri-Food Canada	<b>482,395</b>	614,554
Other grant revenue (Note 6)	<b>10,000</b>	1,516
FCC administrative fee	<b>1,836</b>	10,000
Interest	<b>1,604</b>	732
Memberships	<b>13,933</b>	4,481
Merchandise sales	-	6,440
Partnerships and sponsorships	<b>360,557</b>	546,912
Training, license fees and other	<b>29,800</b>	14,535
	<b>900,125</b>	1,227,151
<b>Expenses</b>		
Administrative	<b>21,500</b>	26,286
Amortization	<b>91,537</b>	96,953
Assistive grants	<b>37,036</b>	55,060
Communication	<b>68,394</b>	47,828
Consulting services	<b>145,949</b>	186,651
Cost of sales	<b>1,662</b>	17,968
Occupancy	<b>49,977</b>	63,741
Office equipment and maintenance	<b>32,669</b>	23,958
Professional fees	<b>73,703</b>	71,119
Promotional materials	<b>28,248</b>	23,537
Salaries and employee benefits	<b>249,405</b>	447,238
Travel and conference	<b>6,488</b>	142,309
	<b>806,568</b>	1,202,648
<b>Excess of revenue over expenses before other items</b>	<b>93,557</b>	24,503
<b>Other items</b>		
Foreign exchange gain (loss)	<b>2,807</b>	(3,569)
<b>Excess of revenue over expenses</b>	<b>96,364</b>	20,934

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

## Canadian Agricultural Safety Association Statement of Changes in Net Assets

*For the year ended March 31, 2021*

	<i>Invested in Capital Assets</i>	<i>Internally Restricted for Contingencies</i>	<i>Unrestricted</i>	<b>2021</b>	<i>2020</i>
<b>Balance, beginning of year</b>	<b>212,893</b>	-	<b>275,898</b>	<b>488,791</b>	467,857
<b>Excess of revenue over expenses</b>	-	-	<b>96,364</b>	<b>96,364</b>	20,934
<b>Amortization of capital assets</b>	<b>(91,537)</b>	-	<b>91,537</b>	-	-
<b>Interfund transfers - acquisition of capital assets</b>	<b>5,111</b>	-	<b>(5,111)</b>	-	-
<b>Net assets, end of year</b>	<b>126,467</b>	-	<b>458,688</b>	<b>585,155</b>	488,791

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

# Canadian Agricultural Safety Association

## Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	96,364	20,934
Amortization	91,537	96,953
Forgivable portion of Canada Emergency Business Account Loan	(10,000)	-
	177,901	117,887
Changes in working capital accounts		
Grants and accounts receivable	(248,006)	140,119
Inventory	(986)	1,311
Prepaid expenses and deposits	4,554	3,438
Accounts payable and accrued liabilities	(46,756)	(49,120)
Deferred revenue	32,679	(154,439)
	(80,614)	59,196
<b>Financing</b>		
Canada Emergency Business Account Loan	40,000	-
<b>Investing</b>		
Repayment of advances to related parties	-	566
Purchase of capital assets	(5,111)	(1,468)
	(5,111)	(902)
<b>Increase (decrease) in cash resources</b>	<b>(45,725)</b>	<b>58,294</b>
<b>Cash resources, beginning of year</b>	<b>250,795</b>	<b>192,501</b>
<b>Cash resources, end of year</b>	<b>205,070</b>	<b>250,795</b>

The accompanying notes are an integral part of these financial statements

# Canadian Agricultural Safety Association

## Notes to the Financial Statements

For the year ended March 31, 2021

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### 1. Nature of the organization

Canadian Agricultural Safety Association (the "Organization") is a national non-profit organization dedicated to improving the health and safety of farmers, their families, and workers. The Organization works collaboratively with agricultural health and safety specialists and producers in all provinces and territories to promote health and safety on farms and ranches in Canada.

The Organization was incorporated under the Canada Business Corporations Act in 1995. The Organization is a non-profit organization and is exempt from income tax under section 149(l) of the Income Tax Act, Canada.

### 2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Revenue recognition**

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 including memberships and other revenues sources are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Financial instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

#### **Cash**

Cash includes balances with banks.

#### **Inventory**

Inventory held for resale is stated at the lower of cost and net realizable value with cost being determined as a selling price less average markup. Inventory held for promotion is stated at the lower of cost and replacement cost.

#### **Investment in a not-for-profit subsidiary**

The Organization's financial statements do not include the accounts of FarmSafe Foundation, which is controlled by the Organization.

All transactions with the subsidiary are disclosed as related party transactions.

#### **Capital assets**

Capital assets are recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the underlying asset is calculated at the following rates:

	<b>Method</b>	<b>Rate</b>
Furniture and office equipment	straight-line	3 years
Training equipment	straight-line	30 %
Computer equipment	declining balance	20 %

# Canadian Agricultural Safety Association

## Notes to the Financial Statements

For the year ended March 31, 2021

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### **Long-lived assets**

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

### **Measurement uncertainty (use of estimates)**

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 amounts of assets and liabilities and 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.

Amortization is based on the estimated useful life of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the statement of operations in the periods in which they become known.

### **Government assistance**

Government assistance includes all funding received from the federal and provincial government. The Organization recognizes government assistance received as earned revenue in the period for which all obligations in relation to the assistance have been satisfied.

### **3. Line of credit**

The Organization has a line of credit of \$100,000 which bears interest at prime plus 3% (effective rate of 5.45% as at March 31, 2021 and 5.45% as at March 31, 2020). The line of credit is secured by a general security agreement providing a first fixed and floating charge on all assets of the Organization. The line of credit was unused at year end.

# Canadian Agricultural Safety Association

## Notes to the Financial Statements

For the year ended March 31, 2021

### 4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>
Furniture and office equipment	49,706	41,563	8,143
Training equipment	506,872	393,374	113,498
Computer equipment	36,920	32,097	4,823
	<b>593,498</b>	<b>467,034</b>	<b>126,464</b>
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2020 Net book value</i>
Furniture and office equipment	44,594	39,242	5,352
Training equipment	508,421	306,912	201,509
Computer equipment	36,920	30,891	6,029
	<b>589,935</b>	<b>377,045</b>	<b>212,890</b>

Included in training equipment is \$29,466 (2020 - \$31,015) of equipment held for rental.

### 5. Deferred revenue

	<i>Balance, Beginning of Year</i>	<i>Received during the Year</i>	<i>Recognized during the Year</i>	<i>2021 Balance, End of Year</i>
Back to Ag	35,075	40,000	(1,836)	73,239
Canadian Agricultural Injury Reporting	9,232	-	-	9,232
Grain Safety Program	78,000	172,000	(215,003)	34,997
Grain Safety Program - Rescue Tubes	-	60,000	(44,000)	16,000
Corteva Ag Safety Day Fund	5,747	-	(5,747)	-
Farm Credit Canada Restricted Deferred Funds	-	50,000	(22,000)	28,000
Other	2,310	1,575	(2,310)	1,575
	<b>130,364</b>	<b>323,575</b>	<b>(290,896)</b>	<b>163,043</b>
	<i>Balance, Beginning of Year</i>	<i>Received during the Year</i>	<i>Recognized during the Year</i>	<i>2020 Balance, End of Year</i>
Back to Ag	28,846	40,000	(33,771)	35,075
Canadian Agricultural Injury Reporting	9,232	-	-	9,232
Grain Safety Program	177,554	232,861	(332,415)	78,000
Corteva Ag Safety Day Fund	35,000	-	(29,253)	5,747
Other	25,000	2,310	(25,000)	2,310
Progressive Ag Safety Day Fund	6,861	-	(6,861)	-
	<b>282,493</b>	<b>275,171</b>	<b>(427,300)</b>	<b>130,364</b>

# Canadian Agricultural Safety Association

## Notes to the Financial Statements

For the year ended March 31, 2021

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### 6. Canada Emergency Business Account Loan

The Canada Emergency Business Account (CEBA) Loan was introduced by the Federal government to help businesses affected by COVID-19, with non-deferrable expenses such as rent, utilities, insurance, payroll, and property taxes. Businesses can access interest free loans of up to \$60,000 and have \$20,000 of the loan forgiven if paid back by December 31, 2022. The Organization received \$40,000 of CEBA loan and recorded the \$10,000 forgivable portion of the loan as other income.

### 7. Commitments

The Organization occupies leased premises subject to minimum monthly rent of \$3,770 until September 30, 2022. Minimum monthly payments on photocopier lease are \$297 until June 30, 2021.

### 8. Related party transactions

The Organization established FarmSafe Foundation / Foundation Securiferme ("Foundation"), a registered charity supporting farm safety education and training. The Organization controls the Foundation as the three directors of the Foundation are the Organization's Chairperson, Past Chairperson and Executive Director.

The Foundation's financial statements have not been consolidated in the Organization's financial statements. Financial statements of the Foundation are available on request.

The financial summary for the Foundation as at and for the year ended March 31, 2021 are as follows:

	2021	2020
<b>Statement of financial position</b>		
Total assets	70,125	69,882
Total liabilities	64,721	58,335
Total net assets	5,404	11,547
<b>Results of operations</b>		
Total revenue	84	6,927
Total expense	100	4,305
Excess (deficiency) of revenue over expenses	(16)	2,622
Cash flows from operating activities	(3,638)	(7,945)

### 9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Credit risk**

Credit risk is the risk that the Organization will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist primarily of grants and accounts receivable. The Organization is not exposed to significant credit risk as the grants receivable are primarily from government agencies with funding due under contractual agreement, and accounts receivable are typically collected when due.

#### **Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they fall due. The Organization maintains adequate levels of working capital to ensure all its obligations can be met when they fall due, and has access to temporary financing through financing through authorized lines of credit.

# Canadian Agricultural Safety Association

## Notes to the Financial Statements

*For the year ended March 31, 2021*

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### **10. Economic dependence**

The Organization is economically dependent on funding from the Agriculture and Agri-Food Canada and other agencies for its continued operations.

### **11. Canada Emergency Wage Subsidy**

During the year, the Organization qualified for \$234,589 of Canada Emergency Wage Subsidy from the Government of Canada as part of Canada's COVID-19 Economic Response Plan to support Canadians and protect jobs during the global COVID-19 pandemic. This amount has been reflected in these financial statements within salaries expense.

### **12. Canada Emergency Rent Subsidy**

During the year, the Organization received \$18,257 of Canada Emergency Rent Subsidy from the Government of Canada to cover part of their commercial rent or property expenses. At March 31, 2021, there is \$12,895 in accounts receivable related to the rent subsidy.

### **13. Significant event**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected the global and local economies resulting in an economic slowdown. The Organization ceased operations for three months of the 2020 fiscal year as a result of Provincial Government mandated shut downs. The Organization recognizes the loss of fees as part of their main source of revenues. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Organization.