

Canadian Agricultural Safety Association
Non-Consolidated Financial Statements
March 31, 2022

Independent Auditor's Report

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, 2022, 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, 2022, 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


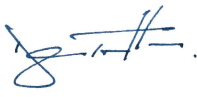
September 22, 2022

Chartered Professional Accountants

Canadian Agricultural Safety Association

Non-Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash	241,421	205,070
Grants and accounts receivable	354,887	473,071
Prepaid expenses and deposits	49,778	6,965
Inventory	22,675	5,902
	668,761	691,008
Capital assets (Note 4)	71,058	126,464
	739,819	817,472
Liabilities		
Current		
Accounts payable and accrued liabilities	118,465	39,274
Deferred revenue (Note 5)	167,515	163,043
	285,980	202,317
Canada Emergency Business Account Loan (Note 6)	40,000	30,000
	325,980	232,317
Commitments (Note 7)		
Net Assets		
Invested in capital assets	71,058	126,464
Unrestricted	342,781	458,691
	413,839	585,155
	739,819	817,472
Approved on behalf of the Board		
		
_____ Director	_____ Director	

The accompanying notes are an integral part of these financial statements

Canadian Agricultural Safety Association

Non-Consolidated Statement of Operations

For the year ended March 31, 2022

	2022	2021
Revenue		
Conference	1,380	-
Grants		
Agriculture and Agri-Food Canada	503,047	482,395
Other grant revenue (Note 6)	10,000	10,000
FCC administrative fee	3,669	1,836
Interest	1,100	1,604
Memberships	9,367	13,933
Merchandise sales	99,455	-
Partnerships and sponsorships	358,899	360,557
Training, license fees and other	14,611	29,800
	1,001,528	900,125
Expenses		
Administrative	36,640	21,500
Amortization	92,718	91,537
Assistive grants	55,890	37,036
Communication	78,469	68,394
Consulting services	281,322	145,949
Cost of sales	43,362	1,662
Occupancy	49,563	49,977
Office equipment and maintenance	23,066	32,669
Professional fees	71,380	73,703
Promotional materials	15,848	28,248
Salaries and employee benefits (Note 11)	402,142	249,405
Travel and conference	21,349	6,488
	1,171,749	806,568
Excess (deficiency) of revenue over expenses before other items	(170,221)	93,557
Other items		
Foreign exchange gain (loss)	(1,095)	2,807
Excess (deficiency) of revenue over expenses	(171,316)	96,364

The accompanying notes are an integral part of these financial statements

Canadian Agricultural Safety Association
Non-Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2022

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	2022	<i>2021</i>
Balance, beginning of year	126,464	458,691	585,155	488,791
Excess (deficiency) of revenue over expenses	-	(171,316)	(171,316)	96,364
Amortization of capital assets	(92,718)	92,718	-	-
Interfund transfers - acquisition of capital assets	39,017	(39,017)	-	-
Interfund transfers - Disposal of capital assets	(1,705)	1,705	-	-
Net assets, end of year	71,058	342,781	413,839	585,155

The accompanying notes are an integral part of these financial statements

Canadian Agricultural Safety Association Non-Consolidated Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(171,316)	96,364
Amortization	92,718	91,537
Forgivable portion of Canada Emergency Business Account Loan	(10,000)	(10,000)
	(88,598)	177,901
Changes in working capital accounts		
Grants and accounts receivable	118,184	(248,006)
Inventory	(16,773)	(986)
Prepaid expenses and deposits	(42,813)	4,554
Accounts payable and accrued liabilities	79,191	(46,756)
Deferred revenue	4,472	32,679
	53,663	(80,614)
Financing		
Canada Emergency Business Account Loan	20,000	40,000
Investing		
Purchase of capital assets	(39,017)	(5,111)
Proceeds on disposal of capital assets	1,705	-
	(37,312)	(5,111)
Increase (decrease) in cash resources	36,351	(45,725)
Cash resources, beginning of year	205,070	250,795
Cash resources, end of year	241,421	205,070

The accompanying notes are an integral part of these financial statements

Canadian Agricultural Safety Association

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2022

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. Merchandise sales are recognized as revenue immediately when merchandise is sold. 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.

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:

	Method	Rate
Furniture and office equipment	straight-line	3 years
Training equipment	straight-line	30 %
Computer equipment	declining balance	20 %
Leasehold improvements	declining balance	20 %

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.

Canadian Agricultural Safety Association

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

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.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

Canadian Agricultural Safety Association Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2022

3. Line of credit

The Organization has a line of credit of \$100,000 which bears interest at prime plus 3% (effective rate of 5.70% as at March 31, 2022 and 5.45% as at March 31, 2021). 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.

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>
Furniture and office equipment	51,758	43,325	8,433
Training equipment	526,049	481,577	44,472
Computer equipment	22,760	19,850	2,910
Leasehold improvements	16,937	1,694	15,243
	617,504	546,446	71,058

	<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
	593,498	467,034	126,464

Included in training equipment is \$47,089 (2021 - \$29,466) of equipment held for rental.

Canadian Agricultural Safety Association

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2022

5. Deferred revenue

	2022			
	Balance, Beginning of Year	Received during the Year	Recognized during the Year	Balance, End of Year
Back to Ag	73,239	48,000	(56,764)	64,475
Canadian Agricultural Injury Reporting	9,232	-	-	9,232
Grain Safety Program	34,997	147,000	(135,247)	46,750
Grain Safety Program - Rescue Tubes	16,000	85,000	(97,000)	4,000
Farm Credit Canada Restricted Deferred Funds	28,000	50,000	(40,500)	37,500
Other	1,575	40,558	(36,575)	5,558
	163,043	370,558	(366,087)	167,515
				2021
	Balance, Beginning of Year	Received during the Year	Recognized during the Year	Balance, End of Year
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
	130,364	323,575	(290,896)	163,043

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, 2023. The Organization received \$40,000 of CEBA loan and recorded the \$10,000 forgivable portion of the loan as other income in fiscal 2021. The Organization received an additional \$20,000 of CEBA loan in fiscal 2022 and recorded the \$10,000 forgivable portion of the loan as other income.

7. Commitments

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2023	13,800
2024	14,200
2025	14,900
2026	14,900
2027	7,500
	65,300

Canadian Agricultural Safety Association

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2022

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, 2022 are as follows:

	2022	2021
Statement of financial position		
Total assets	86,446	70,125
Total liabilities	65,121	64,721
Total net assets	21,325	5,404
Results of operations		
Total revenue	15,921	84
Total expense	-	100
Excess (deficiency) of revenue over expenses	15,921	(16)
Cash flows from operating activities	399	(3,638)

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.

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 \$26,614 (2021 - \$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.

Canadian Agricultural Safety Association

Notes to the Non-Consolidated Financial Statements

For the year ended March 31, 2022

12. Canada Emergency Rent Subsidy

During the year, the Organization received \$3,879 (2021 - \$18,257) of Canada Emergency Rent Subsidy from the Government of Canada to cover part of their commercial rent or property expenses. This amount has been reflected in these financial statements within occupancy expense.

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.