

**Agriculture in the Classroom -
Manitoba Inc.**
Financial Statements
For the Year Ended December 31, 2025
(Unaudited)

Agriculture in the Classroom - Manitoba Inc.
Financial Statements
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(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, 2025, 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, 2025, 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
March 27, 2026

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

December 31	2025	2024
Assets		
Current		
Cash	\$ 94,312	\$ 169,864
Restricted cash	108,076	72,000
Accounts receivable	168,850	203,668
Prepaid expenses	16,548	6,618
Current portion of long-term investments (Note 3)	43,085	87,897
	430,871	540,047
Long-term investments (Note 3)	173,066	123,399
Capital assets (Note 4)	23,123	26,852
	\$ 627,060	\$ 690,298
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 41,365	\$ 90,357
Deferred contributions (Note 6)	108,075	72,000
	149,440	162,357
Deferred contributions for capital assets (Note 7)	9,096	10,616
	158,536	172,973
Net assets		
Unrestricted	454,497	501,089
Invested in capital assets	14,027	16,236
	468,524	517,325
	\$ 627,060	\$ 690,298

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	2025	2024
Net assets, beginning of year	\$ 501,089	\$ 16,236	\$ 517,325	\$ 533,398
Deficiency of revenue over expenditures for the year	(41,993)	(6,808)	(48,801)	(16,073)
Interfund transfer year (Note 9)	(4,599)	4,599	-	-
Net assets, end of year	\$ 454,497	\$ 14,027	\$ 468,524	\$ 517,325

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

For the year ended December 31	2025	2024
Revenue		
Amortization of deferred contributions	\$ 1,520	\$ 1,770
Annual support from corporations and individuals	563,553	461,392
Government funding (Note 14)	358,034	424,448
Program revenue	300,615	245,738
Project administration revenue	59,073	23,916
Sponsorships	11,750	5,500
	<u>1,294,545</u>	<u>1,162,764</u>
Expenditures		
Advertising and promotion	22,940	35,841
Amortization	8,328	9,050
Data management	36,732	27,061
Fundraising	13,080	19,677
Insurance	6,991	6,293
Interest and bank charges	1,760	1,080
Meetings and conferences	32,370	44,297
Office expenses	11,413	11,197
Professional fees	69,479	48,272
Program expense	725,180	631,485
Rental	9,206	9,012
Salaries and wages	397,634	332,782
Telephone and internet	14,634	12,727
Training	373	2,170
Travel	8,596	6,016
	<u>1,358,716</u>	<u>1,196,960</u>
Deficiency of revenue over expenditures before other items	<u>(64,171)</u>	<u>(34,196)</u>
Other items		
Foreign currency gain	-	10,125
Interest income	15,370	7,998
	<u>15,370</u>	<u>18,123</u>
Deficiency of revenue over expenditures for the year	<u>\$ (48,801)</u>	<u>\$ (16,073)</u>

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

For the year ended December 31	2025	2024
Cash flows from operating activities		
Deficiency of revenue over expenditures for the year	\$ (48,801)	\$ (16,073)
Adjustment for non-cash items:		
Amortization	8,328	9,050
Amortization of deferred capital contributions	(1,520)	(1,770)
	<u>(41,993)</u>	<u>(8,793)</u>
Changes in non-cash working capital:		
Accounts receivable	34,818	41,586
Prepaid expenses	(9,932)	15,231
Accounts payable and accrued liabilities	(48,992)	53,696
Deferred contributions	36,076	42,292
Unearned membership and sponsorship revenue	-	(37,000)
	<u>(30,023)</u>	<u>107,012</u>
Cash flows from (used in) investing activities		
Purchase of investments	(47,939)	(49,800)
Proceeds on disposal of investments	43,085	45,143
Purchase of capital assets	(4,599)	(5,749)
	<u>(9,453)</u>	<u>(10,406)</u>
Net (decrease) increase in cash	(39,476)	96,606
Cash, beginning of the year	<u>241,864</u>	<u>145,258</u>
Cash, end of the year	\$ 202,388	\$ 241,864
Represented by:		
Unrestricted cash	\$ 94,312	\$ 169,864
Restricted cash	<u>108,076</u>	<u>72,000</u>
	\$ 202,388	\$ 241,864

Agriculture in the Classroom - Manitoba Inc.

Notes to Financial Statements (Unaudited)

December 31, 2025

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, 2025

1. Significant Accounting Policies (continued)

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization based on estimated useful life of the asset is calculated as follows.

	Method	Rate
Furniture and equipment	Diminishing	20%
Computer equipment	Diminishing	30%

Contributed Materials and Services

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.

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

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.

Government Assistance

Government assistance received during the year for current expenses is included in the determination of net income for the year.

Foreign Currency Translation

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.

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, 2025

3. Long-term Investments

	2025	2024
<u>Access Credit Union</u>		
4.20% Access Credit Union guaranteed investment certificate maturing August 2029.	\$ 45,143	\$ 45,143
3.6% Access Credit Union guaranteed investment certificate maturing August 2030.	45,753	-
2.10% Access Credit Union guaranteed investment certificate matured August 2025.	-	44,812
5.00 % Access Credit Union guaranteed investment certificate maturing August 2027.	49,094	46,756
<u>Royal Bank of Canada</u>		
2.00% Royal Bank of Canada guaranteed investment certificate maturing October 2026.	43,085	-
7.00% Royal Bank of Canada guaranteed investment certificate matured October 2025.	-	43,085
5.00% Royal Bank of Canada guaranteed investment certificate maturing August 2028.	33,076	31,500
	216,151	211,296
Less: current portion of long-term investments	(43,085)	(87,897)
	\$ 173,066	\$ 123,399

4. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 9,842	\$ 4,362	\$ 9,842	\$ 2,993
Computer equipment	40,813	23,170	36,215	16,212
	50,655	27,532	46,057	19,205
		\$ 23,123		\$ 26,852

Agriculture in the Classroom - Manitoba Inc.
Notes to Financial Statements
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December 31, 2025

5. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable	\$ 41,365	\$ 90,357

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:

	2025	2024
Balance, beginning of year	\$ 72,000	\$ 29,708
Add: Contributions received in the year	557,661	386,448
Less: Eligible expenditures	(521,586)	(344,156)
Balance, end of year	\$ 108,075	\$ 72,000

The balance is represented by the following:

	2025	2024
Canadian Ag Literacy Month (CALM)	\$ 12,222	\$ 10,000
Little Green Thumbs (Classroom Gardens)	38,438	-
Manitoba Ag Days	33,219	15,000
Journey 2050	8,000	-
Committed resources	16,196	47,000
	\$ 108,075	\$ 72,000

Agriculture in the Classroom - Manitoba Inc.
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December 31, 2025

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>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 10,616	\$ 12,386
Restricted contributions to purchase assets	-	-
Less: amount recognized as revenue in the year	<u>(1,520)</u>	<u>(1,770)</u>
Balance, end of year	<u>\$ 9,096</u>	<u>\$ 10,616</u>

8. Line of Credit

The organization has an approved line of credit of \$120,000 from the Access Credit Union bearing interest at prime rate as at December 31, 2025 was 5.20% (2024 - 5.45%) plus 0.5%, calculated and payable monthly. The line of credit is secured by an \$90,000 of Guaranteed Investment Certificates held by Access Credit Union on the organization. At December 31, 2025 the organization had unutilized capacity under its line of credit facility of \$120,000.

9. Interfund Transfers

During the year, the organization transferred from the Unrestricted funds to the Net Assets Invested in Capital Assets in the amount of \$4,599 (2024 - \$5,749) for the purchase of capital assets.

Agriculture in the Classroom - Manitoba Inc.
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December 31, 2025

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.

	2025	2024
Amazing Agriculture Adventure	\$ 70,343	\$ 47,668
Agriculture career events	71,587	51,587
Canadian Ag Literacy Month	54,296	45,724
Classroom Garden - Little Green Thumbs	79,605	85,582
Manitoba Ag Days	68,592	43,041
Committed resources	68,379	69,113
Special projects	-	72,945
Teacher workshop (educator PD)	32,072	45,435
Communication, operation, administration	65,070	188,386
	\$ 509,944	\$ 649,481

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.

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

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 the risk from prior year.

12. Commitments

The organization has an agreement with Prairie Spirit United Church to lease office space that expires December 31, 2026. The monthly payments are \$770.

Agriculture in the Classroom - Manitoba Inc.
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13. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation.

14. Government Funding

	2025	2024
Grants (Summer Student Funding)	\$ 10,069	\$ 10,967
Government Funding - Manitoba Education	5,000	-
Government Funding - Provincial	7,425	10,000
Government Program Funding - Canadian Agriculture Partnership	335,540	403,481
	\$ 358,034	\$ 424,448

The organization is party to a contribution agreement with the Government of Manitoba under the Sustainable Canadian Agricultural Partnership (SCAP) program that provides up to \$1,200,000 of funding for eligible expenditures over the period April 1, 2025 - March 14, 2028. The actual funding to be received under the agreement is the lesser of the approved maximum and actual eligible expenditures.

In prior years, comparable government program funding was provided primarily through lumpsum advances, and revenue was recognized as eligible expenditures were incurred. Under the current SCAP agreement, contributions are provided on a reimbursement basis and are subject to quarterly and category-specific caps (for example, salaries are capped at \$70,000 per quarter). Reimbursements are only made after eligible expenditures have been incurred and claimed and the claim approved by the funder. The organization recognizes revenue under this agreement when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

For the initial nine months of this SCAP agreement, the organization recognized approximately \$335,000 of the available SCAP contributions as revenue during the year ended December 31, 2025. Another \$78,000 of expenditures will be claimed with respect to the current year but have not been recognized as revenue in the year due to uncertainty regarding approvals. Any amounts from this claim will be recognized as revenue once the claim has been approved by the funder.

Management expects that, over the full term of the funding agreement, total SCAP contributions recognized in revenue will approximate the total committed funding.
