

ONTARIO HORTICULTURAL ASSOCIATION

Financial Statements
For the year ended December 31, 2024
and Independent Auditor's Report

ONTARIO HORTICULTURAL ASSOCIATION

FINANCIAL STATEMENTS
DECEMBER 31, 2024

CONTENTS

Independent Auditor's Report	1 - 2
Statement of Operations and Changes in Fund Balance	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10
Schedule of Convention	11
Schedule of Raffle Lottery	12



CHARTERED
PROFESSIONAL
ACCOUNTANTS

DURWARD JONES BARKWELL
& COMPANY LLP

Big enough to know. SMALL ENOUGH TO CARE.

570 Highland Road West
Unit 1
Hamilton, ON L8W 0C4
T. 905.525.9520
TF. 866.358.8240
F. 905.522.3113

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ontario Horticultural Association:

Qualified Opinion

We have audited the financial statements of Ontario Horticultural Association (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and changes in fund balance and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified opinion.

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.

Durward Jones Barkwell + Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants
Hamilton, Ontario
March 29, 2025

ONTARIO HORTICULTURAL ASSOCIATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Affiliation fees	\$ 105,384	\$ 99,656
Convention (Page 11)	88,914	101,575
Donations	2,646	3,915
Fundraising	17,693	1,066
Investment interest	16,130	7,134
Liability insurance premiums	51,266	51,272
Miscellaneous	2,007	2,641
Raffle lottery (Page 12)	25,415	29,700
Supplies sales	11,974	12,121
	321,429	309,080
EXPENSES		
Amortization of trademark	591	282
Awards and grants	15,960	17,415
Bad debts	985	-
Bank charges and interest	517	508
Bursaries	2,000	2,000
Committees	543	1,589
Convention (Page 11)	74,608	113,449
Depreciation	636	824
District and officers	23,085	20,330
Education, promotion and publicity	6,242	2,651
In-memoriam trees	1,093	-
Liability insurance	51,157	51,106
Meetings	35,965	61,215
Newsletter and reports	2,231	4,070
Office	498	1,604
Professional fees	10,579	9,018
Raffle lottery (Page 12)	15,768	18,944
Salaries and benefits	43,512	42,446
Software and website	12,839	13,486
Storage	3,163	3,132
Supplies	13,657	9,139
Youth grants and camps	1,236	821
	316,865	374,029
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	4,564	(64,949)
GENERAL FUND BALANCE, BEGINNING OF YEAR	314,617	379,566
GENERAL FUND BALANCE, END OF YEAR	\$ 319,181	\$ 314,617

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

ONTARIO HORTICULTURAL ASSOCIATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash	\$ 73,615	\$ 67,398
Investments (Note 2)	168,623	103,580
Accounts receivable	6,453	427
Sales tax recoverable	2,216	6,944
Inventory	17,902	18,718
Prepaid expenses and deposits	5,638	27,268
	274,447	224,335
Investments (Note 2)	50,443	107,657
Capital assets (Note 3)	1,973	2,484
Trademarks, at net book value	4,882	3,449
	\$ 331,745	\$ 337,925
LIABILITIES		
Current liabilities		
Accounts payable and accrued liability (Note 4)	\$ 9,079	\$ 20,908
Deferred revenue	3,485	2,400
	12,564	23,308
GENERAL FUND BALANCE	319,181	314,617
	\$ 331,745	\$ 337,925

Approved by the Board:

_____ Director

_____ Director

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

ONTARIO HORTICULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 4,564	\$ (64,949)
Items not affecting cash		
Amortization of trademark	591	282
Depreciation	636	824
	5,791	(63,843)
Changes in non-cash operating assets and liabilities		
Accounts receivable	(6,026)	(248)
Sales tax recoverable	4,728	(3,809)
Inventory	816	5,483
Prepaid expenses and deposits	21,630	244
Accounts payable and accrued liability	(11,829)	5,072
Deferred revenue	1,085	1,760
	16,195	(55,341)
INVESTING ACTIVITIES		
Investments redeemed	126,461	-
Investments acquired	(120,501)	-
Income on investments reinvested	(13,789)	(5,315)
Purchase of capital assets	(125)	(1,605)
Purchase of trademarks	(2,024)	(2,368)
	(9,978)	(9,288)
INCREASE (DECREASE) IN CASH	6,217	(64,629)
CASH, BEGINNING OF YEAR	67,398	132,027
CASH, END OF YEAR	\$ 73,615	\$ 67,398

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

ONTARIO HORTICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Basis of accounting

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

Nature of business

Ontario Horticultural Association is a non-profit established to promote horticultural education and preservation of the environment. The Organization was incorporated without share capital, under the laws of the province of Ontario and is a registered charity under the Income Tax Act.

Revenue recognition

The Organization uses the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in an appropriate restricted fund or if no specific restricted fund is set up then recognized on a deferral basis as related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Affiliation fees and liability insurance premiums revenue are recorded in the period in which the revenue is earned and billed to the affiliated clubs and societies. During the year, a total of \$985 (2023 - \$Nil) was approved as a bad debts expense. The balance is related to Caledon Horticultural Society and Thamesville Horticultural Society in the amounts of \$233 and \$752 respectively for unpaid affiliation fees and liability insurance premiums.

Interest income is recorded on the accrual basis.

Donation and fundraising revenue are recorded in the period received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

All other revenue is recognized in the period when the services have been provided or goods have been sold.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Inventory consists of items available for sale to members, and also includes prepaid awards that under special circumstances may be awarded to volunteers at no charge and expensed on the statement of operations. During the year, inventory in the amount of \$12,050 (2023 - \$7,594) was expensed through supplies expense.

Capital assets

Capital assets are recorded at cost. The Organization provides for depreciation using the declining balance method at rates designed to depreciate the cost of the capital assets over their estimated useful lives. The annual depreciation rates are as follows:

Computer hardware	30%
Computer software	55%
Convention equipment	20%
Office furniture and equipment	20%

Trademarks

Trademarks are stated at cost of \$5,906 (2023 - \$3,882) and are being amortized on a straight-line basis over 10 years.

ONTARIO HORTICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION — continued

Long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Contributed services

The Organization relies on the services of volunteers. The value of services contributed are only recognized if the services would otherwise have been purchased as described in Note 5.

Income taxes

No provision for income taxes is required as the Organization is exempt from income taxes under Section 149(1)(l) of the Canadian Income Tax Act.

Financial instruments

(a) *Measurement of financial instruments*

(i) *Initial measurement*

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

(ii) *Subsequent measurement*

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liability.

(b) *Transaction costs*

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

ONTARIO HORTICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION — continued

Financial instruments — continued

(c) *Impairment*

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are revenue recognition, impairment of long-lived assets, determination of useful lives of capital assets and accrued liabilities.

External events such as domestic and international pandemics, geopolitical unrest, natural disasters, climate change or inflationary pressures may cause economic uncertainty for many organizations. Management assesses available information about the future, considers the possible outcomes, and develops a planned response to mitigate the effect of significant events or changes in conditions impacting the Organization. Although it is not guaranteed that these efforts will be successful, management is of the opinion that the actions that the Company has taken are sufficient to mitigate these uncertainties.

2. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Tangerine GIC - 5.70%	\$ -	\$ 54,382
Tangerine GIC - 5.75%, maturing April 2025	57,263	54,388
Tangerine GIC - 4.60%, maturing August 2025	55,569	53,269
Tangerine GIC - 3.50%, maturing January 2025	6,782	-
Tangerine GIC - 3.90%, maturing October 2026	50,443	-
TD GIC - 0.55%	-	28,265
TD GIC - 4.00%	-	10,435
TD GIC - 4.20%	-	10,498
TD GIC - 3.70%, maturing February 2025	33,815	-
TD GIC - 2.75%, maturing March 2025	15,194	-
	219,066	211,237
Less: amounts maturing within one year	(168,623)	(103,580)
	\$ 50,443	\$ 107,657

ONTARIO HORTICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

3. CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Computer hardware	\$ 3,071	\$ 2,276	\$ 3,071	\$ 1,935
Computer software	1,819	1,819	1,819	1,819
Convention equipment	1,730	603	1,605	321
Office furniture and equipment	480	429	480	416
	7,100	5,127	6,975	4,491
Net book value		\$ 1,973		\$ 2,484

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

	2024	2023
Accounts payable	\$ 1,079	\$ 9,806
Government remittances payable	-	3,102
Accrued liability	8,000	8,000
	\$ 9,079	\$ 20,908

5. HONORARIUMS TO VOLUNTEERS

During the year, the Organization paid honorariums to certain volunteers for various services. The amounts paid have been included in the expense line related to the services performed as follows:

	2024	2023
Awards coordinator	\$ 2,200	\$ 2,000
Convention registrar and others	3,691	4,219
Newsletter editor and distributor	1,980	2,515
Supplies coordinator	660	600
Website coordinator	10,560	6,960
	\$ 19,091	\$ 16,294

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the parties.

ONTARIO HORTICULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

6. FINANCIAL RISK MANAGEMENT

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include liquidity risk, credit risk, market (other price) risk, currency risk and interest rate risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

It is management's opinion that the Organization is not exposed to significant liquidity, credit, market, currency or interest rate risks arising from its financial instruments.

ONTARIO HORTICULTURAL ASSOCIATION

SCHEDULE OF CONVENTION
YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Activities	\$ 5,679	\$ 8,728
Banquet and meals	26,424	23,406
Registration	52,001	62,146
Sponsorships and donations	4,810	7,295
	88,914	101,575
EXPENSES		
Administration	11,562	11,123
Banquet and meals	43,809	56,186
Competitions	2,221	4,601
Facilities and rentals	6,105	25,920
Honorariums	3,691	4,219
Programs	7,220	11,400
	74,608	113,449
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 14,306	\$ (11,874)

ONTARIO HORTICULTURAL ASSOCIATION

SCHEDULE OF RAFFLE LOTTERY
YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Raffle sales	\$ 24,915	\$ 28,200
Sponsorship for early bird prizes	500	1,500
	25,415	29,700
EXPENSES		
Administration	2,810	3,344
Early bird prize payouts	500	1,500
Raffle prize payouts	12,458	14,100
	15,768	18,944
NET RAFFLE PROCEEDS	9,647	10,756
PROCEEDS USED FOR AND INCLUDED IN OPERATIONS		
Awards and grants	6,860	8,697
Bursaries	1,000	1,000
Convention programs	600	800
Youth grants	857	578
	9,316	11,075
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 331	\$ (319)