

**FINANCIAL
STATEMENTS**

**Manitoba Oat Growers
Association**

Year Ended July 31, 2009

Manitoba Oat Growers Association

Yorkton, Saskatchewan

July 31, 2009

(Unaudited)

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PARKERQUINE LLP
Chartered Accountants Business Advisors

Review Engagement Report

To the members
Manitoba Oat Growers Association

We have reviewed the Statement of Financial Position of Manitoba Oat Growers Association as at July 31, 2009 and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization's management.

A review does not constitute an audit and consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

PARKERQUINE LLP

Per: *Mandy P... CA*

Yorkton, SK
August 4, 2011

Manitoba Oat Growers Association
Yorkton, Saskatchewan
Statement of Financial Position as at July 31, 2009
(Unaudited)

Assets

Current Assets

Cash and cash equivalents	124,028
Accounts receivable	60,093
Prepaid expenses	<u>15,450</u>
	<u>\$ 199,571</u>

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities	65,477
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Net Assets

Unrestricted net assets	<u>134,094</u>
	<u>\$ 199,571</u>

Approved on behalf of the board:

*The notes to financial statements are an integral
part of these financial statements.*

Manitoba Oat Growers Association

Statement of Changes in Net Assets

For the year ended July 31, 2009

(Unaudited)

Excess of revenue over expenses for the year	<u>134,094</u>
Balance, end of year	<u>\$ 134,094</u>

*The notes to financial statements are an integral
part of these financial statements.*

Manitoba Oat Growers Association

Statement of Operations

For the year ended July 31, 2009

(Unaudited)

Revenue

Levy central income	217,905
Less: Producer levy refunds	(2,140)
Over-cap levy refunds	(32,616)
	<u>183,149</u>

Expenses

Board of Directors	1,037
Levy administration fees	9,662
Prairie Oat Breeding Consortium membership	7,727
Proportionate expenses of POGA - note 5	23,495
General and administrative:	
Business registration fees	20
Bank charges	72
Promotion and website	1,958
Office and other administrative	301
Professional fees	4,783
	<u>49,055</u>

Excess of Revenue Over Expenses for the Year \$ 134,094

*The notes to financial statements are an integral
part of these financial statements.*

Manitoba Oat Growers Association

Statement of Cash Flows
For the year ended July 31, 2009
(Unaudited)

Cash Provided By (Used In):

Operations

Excess of revenue over expenses for the year	134,094
Net change in working capital	<u>(10,066)</u>

Net Cash Increase for the Year

124,028

Cash position, beginning of year

0**Cash Position, End of Year**\$ 124,028**Represented By:**

Cash and cash equivalents

\$ 124,028

Net change in working capital consists of:

Decrease (increase) - accounts receivable	(60,093)
- prepaid expenses	(15,450)

Increase (decrease) - accounts payable and accrued liabilities	<u>65,477</u>
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\$(10,066)

*The notes to financial statements are an integral
part of these financial statements.*

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2009
(Unaudited)

1. Nature of Operations

The organization commenced operations in July 2008. Pursuant to The Manitoba Oat Growers Association Designation Regulation ("the Regulation"), under the authority of The Agricultural Producers' Organization Funding Act of Manitoba, the organization is designated as the representative organization of all producers of oats in Manitoba. The purpose of the organization is to fund oat research, market development and education.

2. Significant Accounting Policies

These financial statements are the responsibility of the organization's management and have been prepared in accordance with Canadian generally accepted accounting principles using the accounting policies as summarized below:

(a) Revenue

Under the Regulation, each producer is required to pay the organization a check-off fee of \$0.50 per tonne of oats produced in Manitoba, to a maximum of \$250 per producer per year, collected upon the marketing of the grain. Producers may request a refund for check-off fees paid in the year by submitting a written request within time limits as defined in the Regulations.

Producer check-off fees are recognized when they are collected by registered oat buyers. Refunds are recognized as requested by producers in the same fiscal year as the related revenue is reported.

(b) Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the organization to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2009
(Unaudited)

3. Financial Instruments

The organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The carrying amount of these financial instruments approximate their fair value due to their short-term maturity or capacity of prompt liquidation.

4. Capital Disclosure

The organization manages its capital with the goals of maintaining a responsible financial position allowing it to meet its goals and obligations. Capital consists of cash and net assets.

5. Related-Party Transactions

Included in these financial statements are transactions with the Prairie Oat Growers Association (POGA), an organization related by virtue of common board members. POGA provides administration services, overhead expenses, and research and development projects of mutual benefit to the Manitoba Oat Growers Association (MOGA) and the Saskatchewan Oat Development Commission (SODC). The MOGA and the SODC have agreed to jointly fund the operations of POGA via a cost-sharing arrangement based on levy income net of levy refunds. The proportionate share attributable to each organization is determined annually.

Related party transactions and balances included in the financial statements are as follows:

Financial Statement Accounts	Terms or Conditions	2009
Assets		
Accounts receivable (POGA)	no specific terms	\$ 34,505
Liabilities		
Accounts payable (POGA) - Prairie Oat Breeding Consortium membership	no specific terms	23,117
Accounts payable (POGA) - other	no specific terms	1,961
Expenses		
Share of operational expenses (POGA)	no specific terms	23,495