

**FINANCIAL  
STATEMENTS**

**Prairie Oat Growers  
Association Inc.**

**Year Ended July 31, 2009**

**Prairie Oat Growers Association Inc.**

Yorkton, Saskatchewan

July 31, 2009

(Unaudited)

---

**Table of Contents**

	Page
Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to Financial Statements	5-7

**PARKERQUINE LLP**  
**Chartered Accountants Business Advisors**

---

**Review Engagement Report**

To the members  
Prairie Oat Growers Association Inc.

We have reviewed the Statement of Financial Position of Prairie Oat Growers Association Inc. as at July 31, 2009 and the Statements of Operations 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 Pice* CA

Yorkton, SK  
August 4, 2011

**Prairie Oat Growers Association Inc.**  
 Yorkton, Saskatchewan  
 Statement of Financial Position as at July 31, 2009  
 (Unaudited)

	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7,183	8,919
Accounts receivable	71,618	2,925
Prepaid expenses	417	
	79,218	11,844
<b>Capital Assets - note 4</b>	968	0
	<b>\$ 80,186</b>	<b>\$ 11,844</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities - note 5	74,262	5,920
<b>Net Assets</b>		
Balance, beginning of year	5,924	8,982
Add: Excess (deficiency) of revenue over expenses for the year	0	( 3,058)
Balance, end of year	5,924	5,924
	<b>\$ 80,186</b>	<b>\$ 11,844</b>

Approved on behalf of the board:

\_\_\_\_\_

# Prairie Oat Growers Association Inc.

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

	2009	2008
<b>Revenue</b>		
<i>Funding contributions:</i>		
Manitoba Oat Growers Association	23,495	
Saskatchewan Oat Development Commission	61,480	15,000
<i>Other revenues:</i>		
Conference revenues	21,349	22,588
Memberships	50	150
Producer meeting registrations	340	1,680
Other	950	
	<u>107,664</u>	<u>39,418</u>
<b>Expenses</b>		
Administration services	42,666	12,000
Advertising and promotion	2,596	1,931
Bank charges	49	56
Conference costs	9,243	18,201
Directors' meeting	588	203
Directors' travel and administration	10,252	5,280
Manager's expenses	12,348	286
Market development	3,568	
Meetings - producers	3,730	
Office	14,371	178
Professional fees	1,006	666
Rent - building	819	
Telephone	5,263	266
Website design and maintenance	923	409
Website information development		3,000
	<u>107,422</u>	<u>42,476</u>
<b>Excess (Deficiency) of Revenue over Expenses Before Amortization</b>	242	( 3,058)
<b>Amortization</b>		
Furniture, fixtures and equipment	<u>242</u>	<u>0</u>
<b>Excess (Deficiency) of Revenue over Expenses for the Year</b>	<u>\$ 0</u>	<u>\$ ( 3,058)</u>

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

**Prairie Oat Growers Association Inc.**

Statement of Cash Flows

For the year ended July 31, 2009

(Unaudited)

	2009	2008
<b>Cash Provided By (Used In):</b>		
Operations		
Excess (deficiency) of revenue over expenses for the year	0	( 3,058)
Add items not requiring cash resources		
Amortization	242	
Net change in working capital	<u>( 768)</u>	<u>3,294</u>
	( 526)	236
Investing activities		
Capital asset purchases	<u>( 1,210)</u>	<u>0</u>
<b>Net Cash Increase (Decrease) for the Year</b>	( 1,736)	236
Cash position, beginning of year	<u>8,919</u>	<u>8,683</u>
<b>Cash Position, End of Year</b>	<u>\$ 7,183</u>	<u>\$ 8,919</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 7,183</u>	<u>\$ 8,919</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	( 68,693)	( 2,925)
- prepaid expenses	( 417)	1,409
Increase (decrease) - accounts payable and accrued liabilities	<u>68,342</u>	<u>4,810</u>
	<u>\$( 768)</u>	<u>\$ 3,294</u>

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

# Prairie Oat Growers Association Inc.

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

---

## 1. Nature of Operations

The organization was incorporated on April 20, 1998 under the Non-Profit Corporations Act of Saskatchewan. The organization's purpose is to develop and support partnerships in the agricultural industry that will enhance the profitability of oats for the grower and increase its value to the customer.

## 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) Capital assets

Capital assets are recorded at acquisition cost less accumulated amortization. The assets are amortized on a straight-line basis at the following rates:

Furniture, fixtures and equipment	5 years
-----------------------------------	---------

### (b) Revenue

Funding contributions from the Saskatchewan Oat Development Commission and the Manitoba Oat Growers Association are recognized based on a cost-sharing agreement between the three parties. Related revenues are recognized in the year in which the expenses included in the cost sharing agreement are incurred.

Conference and meeting registration revenues are recognized when the related conference is held and any conditions relating to the revenues have been fulfilled.

### (c) 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.

## Prairie Oat Growers Association Inc.

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

### 3. Financial Instruments

The organization's financial instruments consist of cash and cash equivalents, 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.

	2009	2008
<b>4. Capital Assets</b>		
Cost		
Furniture, fixtures and equipment	1,210	
Accumulated amortization		
Furniture, fixtures and equipment	<u>242</u>	<u>          </u>
Net book value	<u>\$ 968</u>	<u>\$ 0</u>

### 5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following items:

Accounts payable	74,262	920
Accrued liabilities	<u>          </u>	<u>5,000</u>
	<u>\$ 74,262</u>	<u>\$ 5,920</u>

### 6. Related-Party Transactions

Included in these financial statements are transactions with the Saskatchewan Oat Development Commission (SODC) and the Manitoba Oat Growers Association (MOGA), both of which are related by virtue of common board members. The Prairie Oat Growers Association Inc. provides administration services, overhead expenses and research and development projects of mutual benefit to the SODC and the MOGA. The SODC and the MOGA have agreed to jointly fund the operations of the organization via a cost sharing arrangement based on levy income net of levy refunds. The proportionate share attributable to each organization is determined annually. Any expenditures made by the organization which are for the sole benefit of either the SODC or the MOGA exclusively are recovered from that organization based on the cost to the Prairie Oat Growers Association Inc.



## Prairie Oat Growers Association Inc.

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

### 6. Related-Party Transactions - continued

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

<b>Financial Statement Accounts</b>	<b>Terms or Conditions</b>	<b>2009</b>	<b>2008</b>
Assets			
Accounts receivable (MOGA) - Prairie Oat Breeding Consortium membership	no specific terms	\$ 23,117	\$ 0
Accounts receivable (MOGA) - other	no specific terms	1,961	
Accounts receivable (SODC)	no specific terms	46,480	2,925
Liabilities			
Accounts payable (board of director expenses)	no specific terms	8,767	
Accounts payable (management expenses)	no specific terms	12,348	
Accounts payable (MOGA)	no specific terms	34,505	
Accounts payable (SODC)	no specific terms	18,000	
Revenue			
Funding contributions (MOGA)	no specific terms	23,495	
Funding contributions (SODC)	no specific terms	61,480	