

**Saskatchewan Oat Development
Commission
operating as SaskOats**

FINANCIAL STATEMENTS

Year Ended July 31, 2021

Saskatchewan Oat Development Commission

Regina, Saskatchewan

July 31, 2021

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Independent Auditors' Report

To the Board of Directors
Saskatchewan Oat Development Commission

Qualified Opinion

We have audited the financial statements of Saskatchewan Oat Development Commission, (the non-profit), which comprise the Statement of Financial Position as at July 31, 2021 and the Statements of Operations, Changes in Net Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible 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 non-profit as at July 31, 2021, and results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The commission collects a check-off fee from Saskatchewan producers through buyers of oats. It was not practicable for us to verify whether all buyers of oats produced in Saskatchewan have collected and remitted the required check-off fee to the commission. In addition, the commission has engaged a third party to administer the check-off collection and refund administration, including the establishment and monitoring of all related controls. It was not practicable for us to examine the records of this third party. Accordingly, our verification of net check-off fee revenue was limited to the amounts recorded in the records of the commission. As such, we were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets, liabilities, net assets and cash flows of the commission.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the non-profit 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.

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 non-profit'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 non-profit or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the non-profit's financial reporting process.



Auditors' 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 auditors' 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 non-profit'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 non-profit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the non-profit 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
November 30, 2021

Saskatchewan Oat Development Commission

Regina, Saskatchewan

Statement of Financial Position as at July 31, 2021

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	711,739	537,674
Short-term investments - note 4	1,087,500	1,087,500
Accounts receivable - note 5	142,832	119,276
Accrued interest receivable	1,398	11,655
Prepaid expenses		5,950
	<u>1,943,469</u>	<u>1,762,055</u>
	<u>\$ 1,943,469</u>	<u>\$ 1,762,055</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	71,879	55,382
Deferred revenue - note 7		18,624
	<u>71,879</u>	<u>74,006</u>
Net Assets, Unrestricted	<u>1,871,590</u>	<u>1,688,049</u>
	<u>\$ 1,943,469</u>	<u>\$ 1,762,055</u>

Approved on behalf of the board:



Saskatchewan Oat Development Commission

Statement of Operations and Changes in Net Assets

For the year ended July 31, 2021

	Budget (Note 10)	2021	2020
Revenue			
Producer check-off fees	789,000	812,379	779,795
Less: Producer check-off refunds	(55,230)	(64,453)	(47,238)
	733,770	747,926	732,557
Grants		86,260	10,524
Investment and other income	15,000	6,604	21,053
	748,770	840,790	764,134
Expenses			
Amortization			495
Board of Directors	9,000	4,684	10,755
Communications - education	15,000	27,100	25,631
Levy administration fees	25,381	27,950	25,465
Producer meetings	4,250	1,655	12,975
Proportionate expenses of POGA - note 8	522,988	399,245	416,708
Research and development grants - note 9	115,700	186,606	94,367
General and administrative:	12,725		
Election expense			150
Interest and bank charges		63	26
Memberships		2,350	1,283
Office and other administrative		48	239
Professional fees		7,548	6,660
	705,044	657,249	594,754
Excess of Revenue Over Expenses for the Year	\$ 43,726	183,541	169,380
Net Assets, Beginning of the Year		1,688,049	1,518,669
Net Assets, End of the Year		\$ 1,871,590	\$ 1,688,049

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

Saskatchewan Oat Development Commission

Statement of Cash Flow
For the year ended July 31, 2021

	2021	2020
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	183,541	169,380
Add items not requiring cash resources		
Amortization		495
Net change in working capital	<u>(9,476)</u>	<u>(98,979)</u>
	<u>174,065</u>	<u>70,896</u>
Investing activities		
Additions to short-term investments	(1,087,500)	(1,087,500)
Proceeds on disposal of short-term investments	<u>1,087,500</u>	<u>1,087,500</u>
	<u>0</u>	<u>0</u>
Net Cash Increase for the Year	174,065	70,896
Cash position, beginning of year	<u>537,674</u>	<u>466,778</u>
Cash Position, End of Year	<u>\$ 711,739</u>	<u>\$ 537,674</u>
Represented By:		
Cash and cash equivalents	<u>\$ 711,739</u>	<u>\$ 537,674</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	(23,556)	(76,491)
- prepaid expenses	5,950	(5,117)
- other current assets	10,257	1,508
Increase (decrease) - accounts payable and accrued liabilities	16,497	(37,503)
- other current liabilities	<u>(18,624)</u>	<u>18,624</u>
	<u>\$(9,476)</u>	<u>\$(98,979)</u>

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

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

1. Nature of Operations

The organization was formed on April 12, 2006 pursuant to The Oat Development Plan Regulations, under the authority of The Agri-Food Act, 2004. The Saskatchewan Oat Development Commission, which operates under the name SaskOats, develops the oat industry in Saskatchewan by engaging in research and development projects intending to research new market opportunities, improve yields, decrease input costs, increase demand and create an overall better product. The organization is not subject to income tax.

2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) using the accounting policies as summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

(b) Capital assets

Capital assets are recorded at cost less accumulated amortization.

The assets are amortized until the value has diminished using the following methods and rates:

	Method of Amortization	Rate of Amortization
Furniture, fixtures and equipment	straight-line	3 years

In the year of acquisition, capital assets are amortized starting in the month of acquisition.

In the year of disposition, capital assets are amortized until the month of disposition.

(c) Revenue

Under the Regulation, each producer is required to pay the organization a check-off fee of \$0.50 per tonne of oats grown in Saskatchewan, collected upon the purchasing of the grain from the producer. 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 Regulation.

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.

Investment revenues are recognized on an accrual basis as the income is earned.

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

2. Significant Accounting Policies - continued

(d) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and liabilities at 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 excess of revenue over expenses.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is 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 excess of revenue over expenses.

(e) Estimates

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 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 the statement of operations in the period in which they became known.

Significant estimates have been made in the following financial statement areas:

- expected service lives of capital assets
- grant revenues are recognized when management determines that the criteria for earning the funding has been met; however, the final determination of the qualification of expenses for funding commitments is determined by the granting body

3. Risks Arising from Financial Instruments

The organization is exposed to various risks through its financial instruments. The following analysis presents the organization's risk exposure and concentrations at the reporting date.

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 fair value risk on its fixed interest rate financial instruments.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is exposed to other price risk from its investments.

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

	2021	2020
4. Short-Term Investments		
Description - GICs maturing within 6 months of year end		
Measurement basis - amortized cost		
Significant terms - rates 0.15% to 0.50% (2020 - 1.93 - 1.95%)	637,500	637,500
Description - GICs maturing within 6 to 12 months of year end		
Measurement basis - amortized cost		
Significant terms - rate 0.40% (2020 - 1.00%)	<u>450,000</u>	<u>450,000</u>
	<u>\$ 1,087,500</u>	<u>\$ 1,087,500</u>

5. Accounts Receivable

Accounts receivable are comprised of the following items:

Accounts receivable	142,832	100,652
Government grants receivable	<u> </u>	<u>18,624</u>
	<u>\$ 142,832</u>	<u>\$ 119,276</u>

6. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2021	Net Book Value 2020
Furniture, fixtures and equipment	<u>\$ 1,781</u>	<u>\$ 1,781</u>	<u>\$ 0</u>	<u>\$ 0</u>

7. Deferred Revenue

Deferred revenues are comprised of unspent amounts in relation to ADOPT grants applied for on behalf of Agri-arm locations across the province.

	2021	2020
Balance, beginning of year	18,624	
Less amount recognized as revenue	18,624	
Plus amount received or receivable	<u> </u>	<u>18,624</u>
Balance, end of year	<u>\$ 0</u>	<u>\$ 18,624</u>

8. Transactions with Related Parties

Included in these financial statements are transactions with the Prairie Oat Growers Association Inc. (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 Saskatchewan Oat Development Commission (SaskOats), the Manitoba Oat Growers Association (MOGA), and the Alberta Oat Growers Commission (AOGC). SaskOats, MOGA, and AOGC have agreed to jointly fund the net administrative and project expenses of POGA via a cost-sharing arrangement based on levy income net of levy refunds in the fiscal year.

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

8. Transactions with Related Parties - continued

Related party balances bear no specific terms of repayment. Related party transactions and balances included in the financial statements are as follows:

Financial Statement Accounts	2021	2020
Assets		
Accounts receivable - POGA (overpayment of funding contributions)	\$ 64,755	\$ 33,992
Liabilities		
Accounts payable (Board of Director expenses)	710	1,219
Accounts payable - POGA		464
Expenses		
Proportionate expenses of POGA	399,245	416,708

In the current year, SaskOats contributed \$41,218 to POGA's Japan project as agreed (\$33,238 to POGA's China project in 2019) in addition to its current year share of POGA's net operating deficit of 53% (61% in the prior year). A summary of POGA's total revenues and expenses appears below:

	2021	2020
Revenues before funding contributions:		
Grant revenues	267,096	195,700
POBC contributions	237,954	237,954
Other revenues	6,159	64,687
	<u>511,209</u>	<u>498,341</u>
Expenses:		
Research projects	418,514	323,083
Market development projects	461,051	332,356
Communications expenses	91,747	92,597
Policy	16,800	38,526
General operating expenses	249,424	395,294
	<u>1,237,536</u>	<u>1,181,856</u>
Deficiency of revenue over expenses before funding contributions	(726,327)	(683,515)
Funding contributions as originally recognized:		
MOGA	222,107	182,446
SaskOats	399,245	438,689
AOGC	104,975	62,380
	<u>726,327</u>	<u>683,515</u>
Surplus/(Deficit) After Funding Contributions	<u>\$ 0</u>	<u>\$ 0</u>

POGA's financial statements for the year ending July 31, 2020 reflect the provincial contributions attributable to POGA's 2020 fiscal year, which differed from the amounts actually charged to the provincial organizations in 2020, due to the correction of an error in the calculation of POGA's 2019 operating results. The excess amounts charged in 2019 were offset against the prior year proportionate contributions as follows:

	2021	2020
Based on corrected funding calculation		438,689
2019 overfunding correction		(21,981)
	<u>0</u>	<u>416,708</u>
Expense as recognized	<u>\$ 0</u>	<u>\$ 416,708</u>

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

9. Commitments and Projects

The organization has committed to budget a maximum of \$15,000 per growing year on an ongoing basis to post registration variety performance trials by the Saskatchewan Variety Performance Group. Actual costs are determined and invoiced annually. The current year's \$8,696 expense is included in research and development grant expenses.

In 2018, the organization committed to providing a total of \$30,000 to the Northeast Agriculture Research Foundation (NARF), commencing May 1, 2018 and ending June 30, 2021, for a research project entitled, "Improved Integrated Disease Management for Oats in Saskatchewan". The organization was originally obligated to provide funding of \$10,000 annually upon receipt of an annual report from NARF. Due to delays due to the COVID-19 pandemic, the final reports were not received by year end, and the final reports are now due in November 2021. \$2,500 was recognized as an expense in the current year (\$20,000 to date).

In 2019, the organization entered into an agreement with the University of Saskatchewan to provide semi-annual payments of \$37,500 on April 1 and October 1 for the five-year period commencing April 1, 2019 and ending March 31, 2024 for an oat breeding research project at the University. The total project commitment is \$375,000. Two payments of \$37,500, for a total of \$75,000, is included in research and development grant expenses (\$187,500 to date).

In 2020, the organization applied for an additional ADOPT grant on behalf of Agri-arm locations across the province for the research period, commencing February 5, 2020 and ending February 15, 2021. The project is entitled "Oat Pea Intercrop Demonstration". \$23,280 was received and disbursed for this project in the current year (total project \$23,280).

In 2021, the organization applied for two ADOPT grants on behalf of Agri-arm locations across the province for the research period, commencing March 2, 2021 and ending February 15, 2022. The organization received and disbursed \$30,480 for the project entitled "Which Oat Varieties Hold it Together when the Going Gets Tough" (total project \$38,100) and \$32,500 for the project entitled, "Are Oats Responding to Higher Levels of Macronutrients" (total project \$40,000, \$5,000 of which is to be contributed by a contribution by Fertilizer Canada). These expenses are included in research and development grant expenses.

In 2021, the organization committed to the University of Saskatchewan funding of \$4,000 towards a project entitled "Collecting the carbon data needed for Climate-Smart agriculture in Saskatchewan", commencing December 15, 2020 and ending May 15, 2025. \$1,000 was paid during the year and is included in research and development costs.

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

9. Commitments and Projects - continued

In 2021, the organization committed \$9,000 to Agriculture and Agri-Food Canada for a project entitled "Stimulating Germination of Wild Oat and Volunteer Cereals (Wheat, Barley and Oats) from the Soil Seed Bank", commencing April 1, 2021 and ending March 31, 2022. \$6,750 was recognized as an expense and included in research and development expenses for the year.

In 2021, the organization committed \$1,400 to the Saskatchewan Soil Conservation Association for the project entitled "Developing a Phase II Agricultural Climate Solutions Proposal" which is to be carried out between July 1 and December 31, 2021. The full contribution of \$1,400 was recognized in the research and development grant expenses for the year.

In 2021, the organization committed \$15,000 to Agriculture and Agri-Food Canada for a project entitled "Intercropping Pea with Canola or Oat: Impact in Nitrogen, Disease and Economics," commencing December 15, 2020 and ending October 15, 2024. \$5,000 was recognized as an expense and included in research and development expenses for the year.

Subsequent to year end, the organization committed \$5,000 toward the engagement of a government and public affairs firm to provide intelligence on government policy discussions at a provincial and federal level. This agreement was made in partnership with five other Saskatchewan Development Commissions.

The organization has entered into an agreement for levy administration fees for the following fiscal year totaling \$26,151.

POGA has committed to funding certain projects, of which SaskOats will provide proportionate funding based on the overall cost-sharing formula as agreed upon between the parties as detailed in note 8. POGA's commitments are as follows:

Project	Terms
Developing Superior Oat Cultivars and Prairie Oat Breeding Consortium	- \$1,189,750 over five years commencing April 1, 2018, \$237,950 of which was expended in the current year (\$713,850 to date). - The Prairie Oat Breeding Consortium, a group of oat industry stakeholders, has agreed to provide funds towards POGA's commitments to this project via annual funding agreement.
AB Variety Trials, including Estimation of Beta Glucans Content and Yield of Seed from Different Oat Varieties in Alberta	- \$53,250 payable in six instalments of \$8,875 as specific requirements are completed commencing April 1, 2019. Amounts expended in the current year total \$17,750 (\$44,375 to date). Funding of \$7,500 has been received from industry partners (\$22,500 to date).
Developing New Strategies to Efficiently Utilize Oat Grains in High Production Dairy Cows	- \$228,290 commencing September 2, 2017 and ending August 30, 2023. \$69,360 was expended in the current year (\$182,610 to date).

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

9. Commitments and Projects - continued

Project	Terms
Development of the Mexican Oat Market	<ul style="list-style-type: none"> - \$471,000 commencing April 1, 2021 to be spent by March 31, 2023; \$87,179 was expended during the current year (\$87,179 to date). - POGA is eligible for up to \$259,050 in grant funds for the project \$46,984 of which was recognized in the current year (\$46,984 to date).
Development of the Japanese Oat Market	<ul style="list-style-type: none"> - \$166,800 commencing April 1, 2021 to be spent by March 31, 2023; \$22,724 was expended in the current year (\$22,724 to date). - POGA is eligible for up to \$91,740 in grant funds for this project, \$12,311 of which was recognized in the current year (\$12,311 to date).
Canadian Oats Everyday	<ul style="list-style-type: none"> - \$120,000 commencing April 1, 2021 to be spent by March 31, 2023; \$33,194 was expended in the current year (\$33,194 to date). - POGA is eligible for up to \$132,000 in grant funds for this project, \$17,916 of which was recognized in the current year (\$17,916 to date).
Breeding, Genomics and Agronomy research	<ul style="list-style-type: none"> - \$52,500 commencing April 1, 2018 through to the satisfactory completion of the research reporting and payment obligation. \$10,500 expended in the current year (\$42,000 to date).
Organic Oat Breeding	<ul style="list-style-type: none"> - \$25,000 commencing April 1, 2018 through March 31, 2023. \$5,000 expended in the current year (\$20,000 to date).
Coordinated Monitoring of Field Crop Insect Pests	<ul style="list-style-type: none"> - \$22,500 commencing April 1, 2018 through March 31, 2023. \$4,500 expended in the current year (\$18,000 to date).
Grain Safety Sponsorship	<ul style="list-style-type: none"> - \$10,000 commencing August 1, 2018 and ending September 30, 2020. \$2,500 was expended in the current year (\$10,000 to date).
Economic Value of Diversified Cropping System	<ul style="list-style-type: none"> - \$2,226 commencing September 19, 2018 through March 31, 2022. \$351 expended in the current year (\$2,226 to date).
Impact of Particle Size on Pulse Oat & Flours	<ul style="list-style-type: none"> - \$30,000 commencing December 12, 2018 through February 1, 2023. There were no expenses in the current year (\$26,250 to date).
Markers Linked to Oat Crown Rust Resistance	<ul style="list-style-type: none"> - \$40,000 commencing December 12, 2018 through July 1, 2023. There were no expenses in the current year (\$20,000 to date).

Saskatchewan Oat Development Commission

Notes to Financial Statements
For the year ended July 31, 2021

9. Commitments and Projects - continued

Project	Terms
Tuning the Oat Genome with CRISPR based systems	<ul style="list-style-type: none">- \$130,000 commencing April 1, 2019 through March 31, 2022 with an initial payment of \$65,000 in year one, followed by payments of \$32,500 in each of years two and three. \$27,500 expended in the current year (\$125,000 to date).- POGA is eligible for up to \$100,100 in grant funds for this project, \$21,175 of which was recognized in the current year (\$96,250 to date).
Revising the Crop Nutrient Uptake and Removal Guidelines for Western Canada	<ul style="list-style-type: none">- \$5,003 commencing December 11, 2020 through December 31, 2022, with an initial payment of \$2,053 in December 2020, followed by payments of \$1,875 in December 2021 and \$625 in December 2022. \$2,503 was recognized as an expense during the current year (\$2,503 to date).
Continued Studies on Intercropping	<ul style="list-style-type: none">- \$10,000 commencing April 1, 2021 through March 31, 2025, with annual payments of \$2,500. \$2,500 was recognized as a current year expense (\$2,500 to date).
Beyond Glucan: Demonstrating Health Benefits of Oat Protein	<ul style="list-style-type: none">- \$45,600 commitment commencing August 11, 2020 continuing through March 31, 2023, with an initial payment of \$31,000 upon signing, \$9,600 on April 15, 2021 and \$5,000 on April 15, 2022. \$40,600 was recognized as an expense during the current year (\$40,600 to date).
Oat Advantage	<ul style="list-style-type: none">- \$35,000 per year commitment commencing August 1, 2021 through July 31, 2026. No expense has been recognized in the current year.

10. Budget

The figures shown under the "Budget" column in the statement of operations are provided for information purposes only.

11. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The extent of this outbreak and related containment measures has not significantly impacted the organization during the 2021 fiscal year. The ongoing pandemic and related containment measures could have a material impact on the organization's operations, which cannot be reliably estimated at this time.

Due to delays in research and reporting, one of the organization's commitments to a project was not payable in the current year as discussed in note 9. Also, travel normally undertaken by staff and board members was cancelled due to travel restrictions, leading to lower than expected travel expenses in the current year.