

**Prairie Oat Growers Association Inc.**

**FINANCIAL STATEMENTS**

**Year Ended July 31, 2019**

# Prairie Oat Growers Association Inc.

Regina, Saskatchewan

July 31, 2019

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## Independent Practitioners' Review Engagement Report

To the board of directors  
Prairie Oat Growers Association Inc.

We have reviewed the accompanying financial statements of Prairie Oat Growers Association Inc., that comprise the Statement of Financial Position as at July 31, 2019, and the Statements of Operations and Cash Flow 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 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.

### *Practitioners' 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 Prairie Oat Growers Association Inc. as at July 31, 2019, 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 organizations.

**Baker Tilly SK LLP**

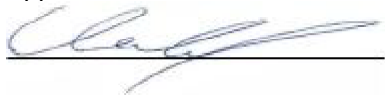
*Baker Tilly SK LLP*

Yorkton, SK  
November 6, 2019

**Prairie Oat Growers Association Inc.**  
 Regina, Saskatchewan  
 Statement of Financial Position as at July 31, 2019

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	144,961	127,748
Accounts receivable - note 4	123,079	101,776
Prepaid expenses	9,876	17,594
	<u>277,916</u>	<u>247,118</u>
<b>Capital Assets - note 5</b>	<u>1,961</u>	<u>3,171</u>
	<u>\$ 279,877</u>	<u>\$ 250,289</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities - note 6	103,532	239,514
Deferred revenue - note 7	170,420	4,850
	<u>273,952</u>	<u>244,364</u>
<b>Net Assets, Unrestricted</b>		
Balance, beginning of year	5,925	5,925
Add: Excess of revenue over expenses for the year	0	0
Balance, end of year	<u>5,925</u>	<u>5,925</u>
	<u>\$ 279,877</u>	<u>\$ 250,289</u>

Approved on behalf of the board:



## Prairie Oat Growers Association Inc.

Statement of Operations  
For the year ended July 31, 2019

	2019	2018
<b>Revenue Before Funding Contributions</b>		
<i>Grant revenues: - note 9</i>		
Growing Canadian Agri-Innovations Program - Tagging in Oats		36,724
AgriMarketing - China Mission	33,603	17,777
AgriMarketing - Mexico Project	122,516	65,243
AgriMarketing - USA Marketing Campaign		77,157
Agriculture Development Fund - Mycotoxins in Sask. Oats		14,786
Alberta Oat Variety Trial	7,500	13,875
National Oat Strategy		10,000
Oat Manual		10,000
<i>Other revenues:</i>		
Conference revenues	50,846	44,682
AAFC Post Doctoral Industry Support		41,590
Prairie Oat Breeding Consortium partner contributions - note 9	317,271	147,931
USA Marketing Campaign Industry Support		9,388
Royalty income	22,623	
Gain on foreign exchange	699	2,574
	<u>555,058</u>	<u>491,727</u>
 <b>Expenses - page 14</b>		
Research Projects	579,800	469,932
Market Development Projects	283,852	370,814
Communications	73,904	79,605
Policy	25,882	17,586
General Operating Expenses	395,758	414,965
	<u>1,359,196</u>	<u>1,352,902</u>
 <b>Deficiency of Revenue Over Expenses Before Funding Contributions</b>	<u>( 804,138)</u>	<u>( 861,175)</u>
 <b>Funding Contributions - note 8</b>		
Manitoba Oat Growers Association	226,324	241,449
SaskOats	505,687	504,400
Alberta Oat Development Commission	72,127	115,326
	<u>804,138</u>	<u>861,175</u>
 <b>Excess of Revenue Over Expenses for the Year</b>	<u>\$ 0</u>	<u>\$ 0</u>

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

## Prairie Oat Growers Association Inc.

Statement of Cash Flow  
For the year ended July 31, 2019

	2019	2018
<b>Cash Provided By (Used In):</b>		
Operations		
Excess of revenue over expenses for the year	0	0
Add items not requiring cash resources		
Amortization - page 14	1,211	1,379
Net change in working capital	<u>16,002</u>	<u>( 89,808)</u>
	17,213	( 88,429)
Investing activities		
Capital asset purchases	<u>0</u>	<u>( 3,634)</u>
<b>Net Cash Increase (Decrease) for the Year</b>	17,213	( 92,063)
Cash position, beginning of year	<u>127,748</u>	<u>219,811</u>
<b>Cash Position, End of Year</b>	<u>\$ 144,961</u>	<u>\$ 127,748</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 144,961</u>	<u>\$ 127,748</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	( 21,303)	82,495
- prepaid expenses	7,718	( 8,969)
Increase (decrease) - accounts payable and accrued liabilities	( 135,983)	8,197
- other current liabilities	<u>165,570</u>	<u>( 171,531)</u>
	<u>\$ 16,002</u>	<u>\$ ( 89,808)</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, 2019

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## 1. Nature of Operations

The Prairie Oat Growers Association Inc. (POGA) 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 prairie producers and increase its value to the customer. The organization is not subject to income tax.

POGA also works to co-ordinate the efforts of the Saskatchewan Oat Development Commission (operating as SaskOats), the Manitoba Oat Growers Association and the Alberta Oat Growers Commission. Further information regarding the relationship between POGA and these provincial organizations is detailed in note 8.

## 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:

	<b>Method of Amortization</b>	<b>Rate of Amortization</b>
Furniture, fixtures and equipment	straight-line	5 years
Computer 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

Funding contributions from the Saskatchewan Oat Development Commission, the Alberta Oat Growers 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.

Grant revenues and other contributions are recognized following the deferral method of accounting. As such, restricted contributions subject to external stipulations, including grant revenues, are recognized as revenue in the same period in which the related expenditures are made, provided all grant qualifications have been met and collection is reasonably assured. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions.

## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

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### 2. Significant Accounting Policies - continued

#### (c) Revenue - continued

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

Prairie Oat Breeding Consortium partner contributions are recognized proportionately in each month of the related membership year.

Royalty revenue is recognized as received unless it can be reasonably estimated and collection is reasonably assured.

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

Investment income comprised of interest from cash and fixed income investments are recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments using the effective interest method. Other investment income is recognized when it is received.

#### (d) Project expenses

Project expenses are recognized when the expenditures are made or become payable.

#### (e) 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.

#### (f) 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.



## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

### 2. Significant Accounting Policies - continued

#### (f) Estimates - continued

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 not exposed to significant risks through its financial instruments, with the exception of currency risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization enters into contracts with vendors located in the United States of America from time to time for provision of research or other services. In the current year, no significant revenues or expenses were originally incurred in US dollars. Commitments contracted in US dollars are described in note 9. As at July 31, 2019, cash of \$129 (2018 - \$121) is in US dollars and converted into Canadian dollars.

As at July 31, 2019, 44% (2018 - nil) of the total receivables are due from federal government agencies.

	2019	2018
<b>4. Accounts Receivable</b>		
Accounts receivable are comprised of the following items:		
Accounts receivable	68,939	36,378
Accrued grants receivable:		
ADF - Mycotoxins in Saskatchewan Oats		14,786
AgriMarketing - Expanding the Canadian Oat Market	<u>54,140</u>	<u>50,612</u>
	<u>\$ 123,079</u>	<u>\$ 101,776</u>
<b>5. Capital Assets</b>		
Cost		
Furniture, fixtures and equipment	2,065	2,065
Computer equipment	<u>3,839</u>	<u>7,474</u>
	<u>5,904</u>	<u>9,539</u>
Accumulated amortization		
Furniture, fixtures and equipment	1,507	1,062
Computer equipment	<u>2,436</u>	<u>5,306</u>
	<u>3,943</u>	<u>6,368</u>
Net book value	<u>\$ 1,961</u>	<u>\$ 3,171</u>

## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

	2019	2018
<b>6. Accounts Payable and Accrued Liabilities</b>		
Accounts payable and accrued liabilities are comprised of the following items:		
Accounts payable	86,932	215,137
Government remittances	4,600	2,677
Accrued liabilities	12,000	21,700
	<b>\$ 103,532</b>	<b>\$ 239,514</b>

Accrued liabilities represents vacation pay earned but not yet paid.

### 7. Deferred Revenue

Deferred revenue is comprised of the following items:

	Balance, Beginning of Year	Less Amount Recognized	Plus Amount Received or Receivable	Balance, End of Year
POBC annual contributions			158,636	158,636
Sponsorships	4,850	4,850	11,615	11,615
POGA Conference			169	169
	<b>\$ 4,850</b>	<b>\$ 4,850</b>	<b>\$ 170,420</b>	<b>\$ 170,420</b>

### 8. Transactions with Related Parties

Included in these financial statements are transactions with the Saskatchewan Oat Development Commission (SaskOats), the Manitoba Oat Growers Association (MOGA) and the Alberta Oat Growers Commission (AOGC), all of which are related by virtue of common board members. Prairie Oat Growers Association Inc. provides administration services, overhead expenses, and research and development projects of mutual benefit to SaskOats, the MOGA and the 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. The proportionate share attributable to each organization is determined annually. Any expenditures made by the organization which are for the sole benefit of either SaskOats, the MOGA or the AOGC exclusively are recovered from that organization based on the actual cost to the POGA.

## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

### 8. Transactions with Related Parties - continued

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

<b>Financial Statement Accounts</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Accounts receivable - SaskOats' funding contributions (netted against above)	\$ 35,237	\$
Accounts receivable - AOGC's funding contributions	10,077	12,401
Accounts receivable - MOGA's funding contributions	13,124	23,977
<b>Liabilities</b>		
Accounts payable - Board of Director expenses	6,501	14,450
Accounts payable - SaskOats' funding contributions		84,526
<b>Revenue</b>		
Funding contributions (SaskOats)	505,687	504,400
Funding contributions (AOGC)	72,127	115,326
Funding contributions (MOGA)	226,324	241,449
POBC contributions (MOGA)	47,912	18,981

### 9. Projects and Future Funding Commitments

In the current year, the organization was involved in the following projects:

#### ***Developing Superior Oat Cultivars for Canada and Prairie Oat Breeding Consortium (POBC)***

POGA has agreed to participate in a collaborative research project with Agriculture and Agri-Food Canada (AAFC) for the purposes of continuing the past project of developing superior oat cultivars for Canada. This project is led and administered by AAFC. POGA has committed to funding \$1,189,750 of the total project budget of \$3,172,665. Eligible expenditures paid and recognized as an expense in the current year total \$356,925 (\$356,925 to date). The project commenced in April 1, 2018 and extends to March 31, 2023.

The Prairie Oat Breeding Consortium, a group of oat industry stakeholders, has agreed to provide funds towards POGA's commitments to this project via an annual funding agreement.

#### ***Post Doctoral Researcher and Prairie Oat Breeding Consortium (POBC)***

POGA has agreed to contribute funding to support the salary of a post-doctoral researcher to assist with the oat breeder at AAFC's Brandon Research and Development Centre. POGA has committed to funding \$112,500 over the period commencing April 1, 2017 and ending October 31, 2018. POGA has received \$66,590 from industry partners towards the funding of this project to date. No income was recognized in the current year. Eligible expenditures paid and recognized as an expense in the current year total \$12,500 (\$112,500 to date). This commitment was completed in the current year.

## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

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### 9. **Projects and Future Funding Commitments** - continued

#### ***Development of Oat Cultivars***

The organization has agreed to fund \$20,000 per year, commencing April 1, 2013 through March 31, 2020, toward a research project undertaken by Oat Advantage in Saskatoon, Saskatchewan with the goal of improving the oat line quality selection for low hull content and improved oat line selection of variation of oat groat hairs. Amounts paid and recognized as an expense in the current year total \$20,000 (\$140,000 to date).

#### ***Investigation of Avenanthramides***

The organization has agreed to fund a total of \$90,000 from December 5, 2014 through December 31, 2018 toward a research project conducted by the University of Saskatchewan to survey the content of nutritional avenanthramides in oat species, cultivators and breeding lines to increase the levels of the healthy compounds in oats. \$10,000 was paid and recognized as an expense in the current year (\$90,000 to date). This project was completed in the current year.

#### ***Crown Rust Initiative***

The organization has agreed to fund a maximum of \$100,000, denoted in US dollars, from October 1, 2015 through June 30, 2020 toward a research project conducted by the United States Department of Agriculture, Agricultural Research Service to identify genes that will provide resistance to crown rust in oats. Payments are to be made October 1, 2015, and each July 1 thereafter upon receipt of invoice. No payments were made in the current year (\$27,466 to date, measured in Canadian dollars).

#### ***Development of an Oat-Based Beverage Rich in Dietary Fibre and Protein***

The organization has agreed to fund a total of \$60,000, July 1, 2016 through February 28, 2020, toward a research project conducted by the University of Alberta to develop two oat protein-based beverages that will improve the quality of life of patients who are undergoing radiation therapy. There were no expenses incurred for this project in the current year (\$45,000 to date).

#### ***Alberta Variety Trials, Including Estimation of Beta Glucans Content and Yield of Seeds from Different Oat Varieties in Alberta***

The organization agreed to fund a total of \$35,500, payable in four instalments of \$8,875 as specific requirements are completed, towards an extension of the research project commencing April 1, 2017. Amounts paid and recognized as an expense in the current year total \$9,250 (\$36,250 to date, which includes an additional \$750 received from an industry partner).

In the current year, the organization agreed to fund an additional \$53,250, payable in six instalments of \$8,875 as specific requirements are completed, towards an additional three year extension of this project commencing April 1, 2019. POGA has recognized revenue of \$7,500 from industry partners towards the funding of this project in the current year (\$7,500 to date). Amounts paid and recognized as an expense in the current year total \$8,875 (\$8,875 to date).

## **Prairie Oat Growers Association Inc.**

Notes to Financial Statements  
For the year ended July 31, 2019

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### **9. Projects and Future Funding Commitments - continued**

#### ***Develop New Strategies to Efficiently Utilize Oat Grains in High Production Dairy Cows***

The organization has agreed to fund a total of \$228,290 from September 2, 2017 through August 30, 2023 toward a research project conducted by the University of Saskatchewan to increase and enhance knowledge of the optimal nutrient supply to dairy cattle through variety selection, feed processing, and optimal feed ingredient blending. These funds are to be used by the University on a matching basis, with the other 50% of the project funded by the Natural Sciences and Engineering Research Council of Canada (NSERC). Amounts paid and recognized as an expense in the current year total \$31,000 (\$59,750 to date).

#### ***Development of the Mexican Oat Market***

The purpose of this project is to develop the Mexican market for the export of Canadian oats with the purpose of the project to expand the reach and awareness of health benefits of consuming oats in Mexico. POGA is eligible for a grant of up to \$348,150 from the Government of Canada, as represented by the Minister of Agriculture and Agri-Food, under the "Expanding the Canadian Oats Market" grant, to fund 50% of eligible expenditures (including a 10% administrative cost allocation) under this project incurred between April 1, 2018 and March 31, 2021. POGA's commitment under this contract totals \$633,000 for contracted services, plus actual travel and meeting costs. Grant eligible expenses incurred in the current year are recognized in the Mexican Oats expenses (\$282,456 to date).

#### ***Development of the China Oat Market***

The purpose of this project is to develop the China market for the export of Canadian oats by acting as liaison to understand specific needs of the Chinese phytosanitary authority, facilitate research and engagement of Chinese officials to conduct reviews, conduct technical training meetings, conduct literature review to collect technical information on plant health records of oats, and prepare oat fact sheet in Mandarin. POGA is eligible for a grant of up to \$102,300 from the Government of Canada as represented by the Minister of Agriculture and Agri-Food, under the "Expanding the Canadian Oat Market" grant, to fund 50% of eligible expenditures (including a 10% administrative cost allocation) under this project incurred between April 1, 2018 and March 31, 2021. POGA's commitment under this contract totals \$262,000 for contracted services, plus actual travel and meeting costs. Grant eligible expenses incurred in the current year are recognized in the China project expenses (\$93,418 to date).

#### ***Tuning the Oat Genome with CRISPR-based systems***

The purpose of this project is to lay the foundation for a new genome editing method in oats, which will allow plant breeders to make targeted improvements within a plant's existing DNA. The project, through McGill University, will run from April 1, 2019 through April 1, 2021 with an initial payment of \$65,000 in year one, followed by payments of \$32,500 in each of year two and year three. Expenses incurred in the current year on this project are \$65,000 (\$65,000 to date).

## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

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### 9. **Projects and Future Funding Commitments** - continued

#### **Breeding, Genomics and Agronomy Research**

The purpose of this project is to conduct breeding, genomics and agronomy research to improve oat yield and quality. The organization has an agreement with the Canadian Field Research Alliance, effective April 1, 2018 with the agreement to expire upon satisfactory completion of the research reporting and payment obligation. The total commitment on this project is \$52,500. Included in the current year expense is \$21,000 (\$21,000 to date), with \$10,500 due in each of fiscal years 2020 through 2022.

#### **Organic Oat Breeding**

The organization has an agreement with the Organic Federation of Canada, effective April 1, 2018 through March 31, 2023 with the objective of developing milling quality oat cultivars suitable for organic oat production in western Canada, and potentially across Canada. The organization has committed \$25,000 to this project with \$10,000 included in current year expenses (\$10,000 to date). \$5,000 is due in each of fiscal years 2020 through 2022.

#### **Coordinated Monitoring of Field Crop Insect Pests**

The organization agreed to fund an additional project undertaken by the Western Grains Research Foundation for a total of \$22,500 over the five years April 1, 2018 through March 31, 2023. The purpose of this project is to coordinate monitoring of field crop insect pests in the prairie ecosystem, and select crop sequences and develop a risk model to mitigate fusarium head blight in western Canadian cereal production. Included in the current year expense is \$9,000 (\$9,000 to date), with \$4,500 due on each of fiscal years 2020 through 2022.

#### **Grain Safety Sponsorship**

The organization agreed to continue sponsorship of the Grain Safety Program initiated by the Canadian Agriculture Safety Association for a total of \$10,000 as per an agreed payment schedule commencing August 1, 2018 and ending September 30, 2020. In return for the sponsorship, Canadian Agriculture Safety Association has agreed to acknowledge POGA as a contributing sponsor throughout the term of the project. Amounts paid in the current year total \$5,000 (\$5,000 to date). These expenses have been recognized in advertising expenses.

#### **Economic Value of Diversified Cropping System**

The purpose of this project is to look at the economic trade-offs between current profits of short rotation systems with a limited number of crops, that also have a high potential for reduced future productivity and higher costs from plant diseases and herbicide tolerant weeds, against diversified cropping systems that maintain productivity and profitability. The total approved funding for this project through the University of Lethbridge is \$274,045 with costs to be shared by the Alberta Pulse Growers Commission (APG), Alberta Wheat Commission (AWC), Brewing and Malting Barley Research Institute (BMBRI), Manitoba Pulse & Soybean Growers (MPSG), Saskatchewan Wheat Development Commission (SWDC), Western Grains Research Foundation (WGRF) and Prairie Oat Growers Association. Prairie Oat Growers Association's signed the agreement on September 19, 2018, which is to run through to March 31, 2022. The organization's share of the agreement totals \$2,500 with the first payment of \$625 due immediately upon signing of the agreement, and the second payment of \$625 due May 30, 2019 for a total of \$1,250, which is included in current year expenses (\$1,250 to date). Payments of \$625 are due in each of 2020 and 2021 to complete the funding commitment of the project.

## Prairie Oat Growers Association Inc.

Notes to Financial Statements  
For the year ended July 31, 2019

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### 9. **Projects and Future Funding Commitments** - continued

#### **Impact of Particle Size on Pulse & Oat Flours**

The organization entered into an agreement with the University of Saskatchewan to run from December 12, 2018 to April 30, 2021 with a total commitment of \$30,000. The purpose of this project is to investigate the effects of milling/processing of pulse and cereal flours on physiocochemical properties and technological functionality in foods and glycemic effect in adults. \$15,000 is included in current year expenses (\$15,000 to date).

#### **Markers Linked to Oat Crown Rust Resistance**

The organization has entered into an agreement with the University of Saskatchewan in conjunction with the Western Grains Research Foundation to run from December 12, 2018 to July 1, 2023. POGA's total commitment is \$40,000 for the project. The purpose of this project is to perform the research project entitled "Development of markers linked to oat crown rust resistance to help breed improved oat varieties for Saskatchewan producers". Expenses of \$10,000 are recognized in the current year (\$10,000 to date). \$10,000 will be due in each of fiscal years 2020 through 2022.

#### **Other Agreements**

The organization has agreed to provide a sponsorship in the amount of \$2,500 to the Canadian Agronomist in the 2020 fiscal year.

The organization has signed an agreement with Emerging Ag Inc. to assess opportunities for Canadian oats, prepare a briefing document for the oat sector on ways to interact with the Government of Canada's new National Food Policy, and to ultimately advocate for a role for prairie oats in the program for the period July 29, 2019 to October 31, 2019 at a cost of \$17,850 plus the costs of up to two trips to Ottawa.

The organization has signed an agreement with Emerging Ag Inc. to help establish and refresh business relationships in Ottawa for the period of January 1 to December 31, 2019 at a cost of \$22,550.

Subsequent to year end, the organization signed an agreement with Dr. Linda Hall of the University of Alberta for a revision of the 2017 Oat Growers manual at a cost of \$7,000.

## Prairie Oat Growers Association Inc.

Schedule of Expenses  
For the year ended July 31, 2019

	2019	2018
<b>1. Research Projects - note 9</b>		
Alberta Oat Variety Trial	18,125	18,125
Breeding, Genomics & Agronomy Research	21,000	
Breeding Oat for Western Canada	356,925	
Crop Sequencing		10,000
Crown Rust	10,000	
Dairy Cattle - Use of Oats	31,000	
Development of an Oat Based Beverage		45,000
Development of Oat Cultivars	20,000	20,000
Developing Superior Oat Cultivars		171,379
Economic Value of Diversified Cropping Systems	1,250	
Impact of Particle Size - Oat & Pulse Flour	15,000	
Integrated Crop Cluster (FHB & Prairie Pest)	9,000	
Investigation of Avenanthramide	10,000	
Leaf Blotch		15,000
Mitigating Mycotoxins		14,001
Mycotoxins in Saskatchewan		14,786
National oat strategy meeting		23,341
Oat growers manual		15,000
Organic Oat Breeding/Oat Cultivars	10,000	
Post-Doctoral Research Assistant	12,500	75,000
Tagging in Oats		48,300
Tuning the Oat Genome with CRISPR based systems	65,000	
	<u>\$ 579,800</u>	<u>\$ 469,932</u>
<b>2. Market Development Projects - note 9</b>		
China Project	61,096	54,827
Mexican Oats	222,756	143,059
USA Marketing Campaign		172,928
	<u>\$ 283,852</u>	<u>\$ 370,814</u>
<b>3. Communications</b>		
Advertising, newsletter, website and membership	60,779	62,605
Sponsorships	13,125	17,000
	<u>\$ 73,904</u>	<u>\$ 79,605</u>
<b>4. General Operating Expenses</b>		
Administrative	215,563	234,937
Amortization	1,211	1,379
Annual conference	58,539	69,068
Directors' travel and administration	82,098	88,092
Insurance	2,728	2,403
Interest and bank charges	1,198	1,269
Meetings	28,261	11,823
Professional fees	6,160	5,994
	<u>\$ 395,758</u>	<u>\$ 414,965</u>

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