

Prairie Oat Growers Association Inc.

FINANCIAL STATEMENTS

Year Ended July 31, 2023

Prairie Oat Growers Association Inc.

Regina, Saskatchewan

July 31, 2023

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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, 2023, and the Statements of Operations and Changes in Net Assets, 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, 2023, 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
December 4, 2023

Prairie Oat Growers Association Inc.
Regina, Saskatchewan
Statement of Financial Position as at July 31, 2023

Assets	2023	2022
Current Assets		
Cash and cash equivalents	83,442	233,178
Accounts receivable - note 4	96,184	188,562
Prepaid expenses	<u>32,748</u>	<u>28,092</u>
	212,374	449,832
Capital Assets - note 5	<u>0</u>	<u>1,317</u>
	<u>\$ 212,374</u>	<u>\$ 451,149</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities - note 6	196,509	280,788
Deferred revenue - note 7	<u>9,940</u>	<u>164,436</u>
	206,449	445,224
Net Assets, Unrestricted	<u>5,925</u>	<u>5,925</u>
	<u>\$ 212,374</u>	<u>\$ 451,149</u>

Approved on behalf of the board:



A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Prairie Oat Growers Association Inc.
Statement of Operations and Changes in Net Assets
For the year ended July 31, 2023

	2023	2022
Revenue Before Funding Contributions		
<i>Grant revenues: - note 9</i>		
AgriMarketing - Japan Market Access	45,774	46,667
AgriMarketing - Mexico Project	124,102	134,610
AgriMarketing - Canada	50,765	24,345
Ag Action Manitoba	57,701	88,099
Alberta Oat Variety Trial	7,500	7,500
AAFC CRISPR-Based Systems		3,702
<i>Other revenues:</i>		
Conference revenues	59,331	61,909
Prairie Oat Breeding Consortium partner contributions - note 9	158,636	237,954
Royalty income	18,335	4,540
Sponsorships	8,000	
Other income	359	75
	<u>530,503</u>	<u>609,401</u>
 Expenses - page 15		
Research Projects	350,075	389,505
Market Development Projects	561,259	589,649
Communications	107,242	111,491
Policy	15,893	22,050
General Operating Expenses	414,420	453,790
	<u>1,448,889</u>	<u>1,566,485</u>
 Deficiency of Revenue Over Expenses Before Funding Contributions	<u>(918,386)</u>	<u>(957,084)</u>
 Funding Contributions - note 8		
Manitoba Oat Growers Association	272,215	282,487
SaskOats	496,658	516,795
Alberta Oat Development Commission	149,513	157,802
	<u>918,386</u>	<u>957,084</u>
 Excess of Revenue Over Expenses for the Year	0	0
 Net Assets, Beginning of the Year	<u>5,925</u>	<u>5,925</u>
 Net Assets, End the Year	<u>\$ 5,925</u>	<u>\$ 5,925</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, 2023

	2023	2022
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year		
Add items not requiring cash resources		
Amortization - page 15	1,317	1,847
Net change in working capital	<u>(151,053)</u>	<u>15,300</u>
Net Cash Increase (Decrease) for the Year	(149,736)	17,147
Cash position, beginning of year	<u>233,178</u>	<u>216,031</u>
Cash Position, End of Year	<u>\$ 83,442</u>	<u>\$ 233,178</u>
Represented By:		
Cash and cash equivalents	<u>\$ 83,442</u>	<u>\$ 233,178</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	92,378	(103,593)
- prepaid expenses	(4,656)	(12,472)
Increase (decrease) - accounts payable and accrued liabilities	(84,279)	129,655
- other current liabilities	<u>(154,496)</u>	<u>1,710</u>
	<u>\$(151,053)</u>	<u>\$ 15,300</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, 2023

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:

	Method of Amortization	Rate of Amortization
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, 2023

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, 2023

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, 2023, cash of \$3,547 (2022 - \$3,454) is in US dollars and converted into Canadian dollars.

As at July 31, 2023, 91% (2022 - 64%) of the total receivables are due from provincial or federal government agencies.

	2023	2022
4. Accounts Receivable		
Accounts receivable are comprised of the following items:		
Accounts receivable	9,500	66,734
Accrued grants receivable:		
AAFC - CRISPR - based systems		5,352
AgriMarketing - Expanding the Canadian Oat Market	86,684	74,439
Ag Action Manitoba - Canadian Oats		42,037
	<u>\$ 96,184</u>	<u>\$ 188,562</u>
5. Capital Assets		
Cost		
Furniture, fixtures and equipment	2,065	2,065
Computer equipment	5,925	5,925
	<u>7,990</u>	<u>7,990</u>
Accumulated amortization		
Furniture, fixtures and equipment	2,065	2,065
Computer equipment	5,925	4,608
	<u>7,990</u>	<u>6,673</u>
Net book value	<u>\$ 0</u>	<u>\$ 1,317</u>

Prairie Oat Growers Association Inc.

Notes to Financial Statements
For the year ended July 31, 2023

	2023	2022
6. Accounts Payable and Accrued Liabilities		
Accounts payable and accrued liabilities are comprised of the following items:		
Accounts payable	180,992	265,930
Government remittances	3,217	4,158
Accrued liabilities	<u>12,300</u>	<u>10,700</u>
	<u>\$ 196,509</u>	<u>\$ 280,788</u>

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		
Conference	<u>5,800</u>	<u>5,800</u>	<u>9,940</u>	<u>9,940</u>
	<u>\$ 164,436</u>	<u>\$ 164,436</u>	<u>\$ 9,940</u>	<u>\$ 9,940</u>

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, 2023

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:

Financial Statement Accounts	2023	2022
Assets		
Accounts receivable:		
POBC contributions (MOGA)	\$ 0	\$ 35,934
Liabilities		
MOGA's funding contributions	45,785	83,013
SaskOats' funding contributions	68,842	95,205
AOGC's funding contributions	16,987	14,698
Revenue		
Provincial funding contributions:		
SaskOats	496,658	516,795
AOGC	149,513	157,802
MOGA	272,215	282,487
POBC contributions (MOGA)		35,934

9. Projects and Future Funding Commitments

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

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, 2024 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 \$10,000 (\$228,290 to date). This commitment has been completed in the current year.

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

POGA has agreed to participate in a collaborative research project with the Canadian Agricultural Partnership (CAP) AgriScience program 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 \$237,950 (\$1,189,750 to date). The project commenced in April 1, 2018 and extends to March 31, 2023. This commitment has been completed in the current year.

The Prairie Oat Breeding Consortium, a group of oat industry stakeholders, has provided funds towards POGA's commitments to this project via an annual funding agreement applicable over the same April 1, 2018 to March 31, 2023 time frame.

Prairie Oat Growers Association Inc.

Notes to Financial Statements
For the year ended July 31, 2023

9. Projects and Future Funding Commitments - continued

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. This project commenced in April 2018, with prior year revenues and expenses being earned and incurred under agreements in effect at that time.

The organization entered into an agreement in 2021, with the purpose of addressing technical trade issues and promoting the health benefits of oats and the diverse uses of oats. POGA is eligible for a grant of up to \$259,050 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, 2021 and March 31, 2023. POGA's commitment under this contract totals \$471,000 for contracted services, plus sales taxes and actual travel and meeting costs. Expenses incurred in the current year total are recognized in the Mexican Oat expenses. \$471,000 in grant eligible expenses, and \$259,050 of revenue relating to this contract, have been recognized to date under this agreement, and this commitment has been completed in the current year.

The organization has received approval from the Minister of Agriculture and Agri-Food to continue the work under this program from April 1, 2023 through March 31, 2026 under the same 50% funding arrangement, including a 10% administrative cost allocation, to a maximum of \$415,325. POGA has incurred expenses after April 1, 2023 for this project, however, has not currently entered into any formal commitments for the purchase of contracted services for this project, pending the receipt of an official funding agreement. Expenses incurred in the current year total are recognized in the Mexican Oat expenses. \$84,815 in grant eligible expenses, and \$46,648 of revenue relating to the continuation of the project after March 31, 2023, have been recognized to date.

Development of the Japanese Oat Market

The purpose of this project is to develop the Japanese market for the export of Canadian oats by filling market needs, and satisfying growing specific demands of oats in healthy diets, cereal breakfast and healthy products for the senior population. This project commenced in April 2019, with prior year revenues and expenses being earned and incurred under agreements at that time.

The organization entered into an agreement in 2021, with the purpose of promoting the health benefits of oats and the diverse uses of oats. POGA is eligible for a grant of up to \$91,740 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, 2021 and March 31, 2023. POGA's commitment under this contract totals \$166,800 for contracted services, plus sales taxes and actual travel and meeting costs. Expenses incurred in the current year are recognized in the Japan Market Access expenses. \$166,800 in grant eligible expenses, and \$91,740 of revenue relating to this contract, have been recognized to date under this agreement, and this commitment has been completed in the current year.

The organization has received approval from the Minister of Agriculture and Agri-Food to continue the work under this program from April 1, 2023 through March 31, 2026 under the same 50% funding arrangement, including a 10% administrative cost allocation, to a maximum of \$159,688. POGA has incurred expenses after April 1, 2023 for this project, however, has not currently entered into any formal commitments for the purchase of contracted services for this project, pending the receipt of an official funding agreement. Expenses incurred in the current year total are recognized in the Mexican Oat expenses. \$23,658 in grant eligible expenses, and \$13,012 of revenue relating to the continuation of the project after March 31, 2023, have been recognized to date.

Prairie Oat Growers Association Inc.

Notes to Financial Statements
For the year ended July 31, 2023

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

Canadian Oats Everyday

The purpose of this project is to encourage Canadians to add oats to their everyday meals to obtain dietary benefits, such as being heart healthy and having a low glycemic index. Increased consumer awareness will be attained through various social media platforms, creating videos and presentation materials, and creating a website. This project commenced in April 2020, with prior year revenues and expenses being earned and incurred under agreements in effect at that time.

The organization entered into an agreement in 2021, with the purpose of promoting the health benefits of oats and the diverse uses of oats. POGA is eligible for a grant of up to \$66,000 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, 2021 and March 31, 2023. POGA's commitment under this contract totals \$120,000 for contracted services, plus sales taxes and actual travel and meeting costs. Expenses incurred in the current year are recognized in the Canada Market Access expenses. \$120,000 in grant eligible expenses, and \$66,000 of revenue relating to this contract, have been recognized to date under this agreement, and this commitment has been completed in the current year.

The organization has received approval from the Minister of Agriculture and Agri-Food to continue the work under this program from April 1, 2023 through March 31, 2026 under the same 50% funding arrangement, including a 10% administrative cost allocation, to a maximum of \$210,318. POGA has incurred expenses after April 1, 2023 for this project, however, has not currently entered into any formal commitments for the purchase of contracted services for this project, pending the receipt of an official funding agreement. Expenses incurred in the current year total are recognized in the Mexican Oat expenses. \$49,133 in grant eligible expenses, and \$27,024 of revenue relating to the continuation of the project after March 31, 2023, have been recognized to date.

In the prior year, the organization entered into an additional agreement with the Government of Manitoba, as represented by the Minister of Agriculture and Resource Development (Ag Action Manitoba) for additional funding to expand consumer engagement through online and in-person outreach activities. This grant is available for 50% of eligible expenditures, plus an 8% administrative cost allocation, up to \$145,800 incurred between July 1, 2021 and December 31, 2022. POGA's has entered into contracts for the provision of related services totalling \$270,000, plus sales taxes and actual travel and meeting costs. Expenses incurred in the current year are recognized in the Canada Market Access expenses. \$270,000 in grant eligible expenses and \$145,799 of revenue relating to this contract, have been recognized to date.

Development of the Peruvian Oat Market

The purpose of this project is to encourage Peruvian's to increase their consumption of oats through social media and other marketing materials. Peru was selected due to the Government of Peru's encouragement of good health including a recent nutrition guide and the growing interest in nutritional content in Peru after Covid-19. Many of the foundational elements of the Mexican campaign will be used, due to consistent language, reducing the cost of this work when comparing to other countries.

Prairie Oat Growers Association Inc.

Notes to Financial Statements
For the year ended July 31, 2023

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

Development of the Peruvian Oat Market - continued

The organization has received approval from the Minister of Agriculture and Agri-Food to commence the work under this project. POGA has been approved for a grant of up to \$171,688 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, 2023 and March 31, 2026. The organization has not currently entered into any formal commitments for the purchase of contracted services for this project, pending the receipt of an official funding agreement. No grant eligible expenses or revenues relating to this contract have been recognized to date.

Impact of Particle Size on Pulse & Oat Flours

The organization entered into an agreement with the University of Saskatchewan originally scheduled to run from December 12, 2018 to April 30, 2021 with a total commitment of \$30,000. The purpose of this project was to investigate the effects of milling/processing of pulse and cereal flours on physicochemical properties and technological functionality in foods and glycemic effect in adults. There were no expenses in the current year (\$26,250 to date).

Due to delays in research due to the pandemic, the project term is now extended to March 1, 2024.

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 October 1, 2024. 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". POGA's total commitment is \$40,000 for the project. Current year expenses of \$10,000 were incurred in the current year (\$40,000 to date). This commitment has been completed in the current year.

Revising the Crop Nutrient Uptake and Removal Guidelines for Western Canada

POGA has agreed to participate in a collaborative research project with the Alberta Wheat Commission, Saskatchewan Canola Development Commission, Saskatchewan Flax Development Commission, Saskatchewan Wheat Development Commission, and the Western Grains Research Foundation that will run from December 11, 2020 to March 31, 2023. The purpose of this project is to determine and revise estimates of the nutrient uptake and removal of crops commonly grown in western Canada and to develop a user-friendly app for determining nutrient uptake and removal estimates. POGA has committed to funding \$5,003 of the total project budget of \$151,728, with an initial payment of \$2,503 being paid upon the project starting in December 2020 and subsequent payments of \$1,875 in December 2021 and \$625 in December 2022 upon receiving annual project reports. Expenses in the current year total \$625 (\$5,003 to date). This commitment has been completed in the current year.

Prairie Oat Growers Association Inc.

Notes to Financial Statements
For the year ended July 31, 2023

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

Continued Studies on Intercropping

POGA has agreed to participate in a collaborative research project with Western Grain Research Foundation that will run from April 1, 2021 to March 31, 2025. The purpose of this project is to determine if intercropping with legumes or a living mulch will provide benefits such as reduced weeds and reduced disease. POGA has committed to funding \$10,000 of the total project budget of \$263,373, with payments of \$2,500 being due in each of fiscal years 2021 through 2024. Expenses in the current year total \$2,500 (\$7,500 to date).

Oat Advantage

The organization has signed an agreement with Vesper Sparrow Prairie Research Inc. for a project entitled "A 55lb bushel high protein oat, with top grain yield, is in your future". POGA has committed funding of \$175,000 total, payable at \$35,000 per year due on or after August 1 for each year of the project beginning August 1, 2021. The project will be conducted from August 1, 2021 to July 31, 2026. Expenses incurred in the current year total \$35,000 (\$70,000 to date).

Development of a Nutritionally Enhanced Plant-Based Milk Alternative Beverage from Canadian Oats and Study of its Glycemia-Lowering Effect

The organization has agreed to fund a total of \$30,000 to the Governors of the University of Alberta for a project undertaken from August 1, 2021 to July 31, 2024. The purpose of this project is to develop an oat based beverage and examine its ability for use in the management of type 2 diabetes. \$7,500 in expenses have been recognized in the current year (\$22,500 to date).

Oat Lodging: Identifying Key Root and Shoot Traits for Improved Standability

POGA has entered into an agreement with the National Research Council of Canada, in conjunction with the Western Grains Research Foundation, to fund a project running from January 5, 2022 to June 1, 2025. The purpose of this project is to assess root and stem traits of oat varieties important for lodging resistance. POGA's total commitment is \$15,000 for the project, payable in annual instalments of \$3,750. \$3,750 in expenses have been recognized in the current year (\$7,500 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 \$53,250, payable in six semi-annual instalments of \$8,875 as specific requirements are completed, towards a three year extension of this project commencing April 1, 2022. Amounts paid and recognized as an expense in the current year total \$17,750 (\$26,625 to date).

POGA has recognized revenue of \$7,500 from industry partners towards the funding of this project in the current year.

Development of Healthy Food Products by Combining Proteins and Dietary Fibers

The purpose of this project is to develop high quality protein and fiber ingredients from oats for healthy food development by developing technology innovations to combine protein and dietary fiber from oats and pulse crops. POGA has committed to funding \$30,000 total between the execution of the contract in September 2022 and May 31, 2024. Amounts paid and recognized as an expense in the current year total \$25,000 (\$25,000 to date).

Prairie Oat Growers Association Inc.

Notes to Financial Statements
For the year ended July 31, 2023

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

Insect Response to Climate Change and Ag-Inputs Across the Prairies

The purpose of this project is to evaluate the response of insect pests to climate variables to understand their population dynamics, outbreak frequency, and recent changes in insect distribution and relative abundance. POGA has committed to funding \$2,500 total between the execution of the contract in April 2023 and November 2028. No expenses have been recognized to date.

The Prairie Crop Disease Monitoring Network: Fostering Further Network Development

The purpose of this project is to further develop and refine the Prairie Crop Disease Monitoring Network, including new methods and improving existing protocols for disease and pathogen monitoring, enhancing information dissemination online, and strengthen coordination of annual biovigilance efforts. POGA has committed to funding \$5,000 total between the execution of the contract in June 2023 and May 2028. No expenses have been recognized to date.

Dissecting the Association of Flowering Time and Yield in Oats

The purpose of this project is to research genome editing and understanding molecular mechanisms to permit plant breeders to engineer superior germplasm that will help farmers harness the crop's biological potential, such as delivering well-adapted cultivars to the short growing season in Canada. POGA has committed to funding \$56,250 total between the execution of the contract in June 2023 and May 2026. No expenses have been recognized to date.

Dried Oat Oil Emulsion Powders Stabilized by Oat Hull-Derived Nanocellulose

The purpose of this project is to increase shelf life of stable formulations of dry and re-dispersible dried oil-in-water emulsions. Post yearend, POGA has committed to funding \$10,000 total between the execution of the contract in October 2023 and September 2024. No expenses have been recognized to date.

Other Agreements

POGA has entered into an agreement for the provision of project management support. The agreement is for the period of September 2023 to June 2024 for a minimum monthly fee of \$1,440 plus GST.

POGA has agreed to contribute a total of \$10,000 for the BeGrainSafe Program over a four year period from August 2022 to July 2026.

Prairie Oat Growers Association Inc.

Schedule of Expenses
For the year ended July 31, 2023

	2023	2022
1. Research Projects - note 9		
Development of healthy food products	25,000	
Alberta Oat Variety Trial	17,750	17,750
Breeding, Genomics & Agronomy Research		10,500
Breeding Oat for Western Canada (POBC)	237,950	237,950
Crown Rust	10,000	10,000
Dairy Cattle - Use of Oats	10,000	35,680
Development of an Oat Based Beverage	7,500	15,000
Development of Oat Cultivars	35,000	35,000
Health Benefits of Oat Protein		5,000
Integrated Crop Cluster (FHB & Prairie Pest)		4,500
Intercropping for Increasing Yield and Quality	2,500	2,500
Oat Lodging	3,750	3,750
Organic Oat Breeding/Oat Cultivars		5,000
Revising the Crop Nutrient Uptake	625	1,875
Tuning the Oat Genome with CRISPR - Based Systems		5,000
	<u>\$ 350,075</u>	<u>\$ 389,505</u>
2. Market Development Projects - note 9		
Canadian Oats Everyday	229,750	235,704
Japan Market Access	87,080	88,820
Mexican Oats	244,429	265,125
	<u>\$ 561,259</u>	<u>\$ 589,649</u>
3. Communications		
Advertising, newsletter, website and membership	89,242	93,366
Sponsorships	18,000	18,125
	<u>\$ 107,242</u>	<u>\$ 111,491</u>
4. General Operating Expenses		
Administrative	247,104	248,567
Amortization	1,317	1,847
Annual conference	82,145	100,022
Directors' travel and administration	55,435	68,957
Loss on foreign exchange	95	79
Insurance	5,175	4,137
Interest and bank charges	859	1,192
Meetings	13,576	20,858
Professional fees	8,714	8,131
	<u>\$ 414,420</u>	<u>\$ 453,790</u>