

Alberta Oat Growers Commission

FINANCIAL STATEMENTS

Year Ended July 31, 2024

Alberta Oat Growers Commission

Regina, Saskatchewan

July 31, 2024

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Independent Practitioners' Review Engagement Report

To the board of directors
Alberta Oat Growers Commission

We have reviewed the accompanying financial statements of Alberta Oat Growers Commission, that comprise the Statement of Financial Position as at July 31, 2024, 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 Alberta Oat Growers Commission as at July 31, 2024, 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 3, 2024

Alberta Oat Growers Commission
Regina, Saskatchewan
Statement of Financial Position as at July 31, 2024

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	172,765	183,596
Short-term investments - note 4	95,105	90,000
Accounts receivable	50,719	45,344
Accrued interest receivable	580	1,190
Prepaid expenses	417	417
	<u>319,586</u>	<u>320,547</u>
	<u>\$ 319,586</u>	<u>\$ 320,547</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	3,726	5,588
Net Assets, Unrestricted	<u>315,860</u>	<u>314,959</u>
	<u>\$ 319,586</u>	<u>\$ 320,547</u>

Approved on behalf of the board:



Alberta Oat Growers Commission
Statement of Operations and Change in Net Assets
For the year ended July 31, 2024

	2024	2023
Revenue		
Producer service charges	213,674	245,670
Less: Producer service charge refunds	3,578	3,605
Investment income	4,507	2,313
	<u>214,603</u>	<u>244,378</u>
Expenses		
Annual general meeting	14,696	11,106
Board of Directors	1,821	7,460
Communications	6,204	6,354
Levy administration fees	14,451	13,747
Meetings		1,887
Proportionate expenses of POGA - note 5	167,931	149,513
Research and development	2,000	4,500
Sponsorships	3,241	308
General and administrative:		
Bank charges	24	29
Office and other administrative	170	262
Professional fees	3,164	2,858
	<u>213,702</u>	<u>198,024</u>
Excess of Revenue Over Expenses for the Year	901	46,354
Net Assets, Beginning of the Year	<u>314,959</u>	<u>268,605</u>
Net Assets, End of the Year	<u>\$ 315,860</u>	<u>\$ 314,959</u>

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

Alberta Oat Growers Commission

Statement of Cash Flow
For the year ended July 31, 2024

	2024	2023
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	901	46,354
Net change in working capital	<u>(6,627)</u>	<u>(20,407)</u>
	<u>(5,726)</u>	<u>25,947</u>
Investing activities		
Additions to short-term investments	(147,395)	(130,000)
Proceeds on disposal of short-term investments	<u>142,290</u>	<u>90,000</u>
	<u>(5,105)</u>	<u>(40,000)</u>
Net Cash Increase (Decrease) for the Year	(10,831)	(14,053)
Cash position, beginning of year	<u>183,596</u>	<u>197,649</u>
Cash Position, End of Year	<u>\$ 172,765</u>	<u>\$ 183,596</u>
Represented By:		
Cash and cash equivalents	<u>\$ 172,765</u>	<u>\$ 183,596</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	(5,375)	(19,371)
- prepaid expenses		(250)
- other current assets	610	(915)
Increase (decrease) - accounts payable and accrued liabilities	<u>(1,862)</u>	<u>129</u>
	<u>\$(6,627)</u>	<u>\$(20,407)</u>

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

Alberta Oat Growers Commission

Notes to Financial Statements
For the year ended July 31, 2024

1. Nature of Operations

The organization was formed on July 30, 2012 pursuant to the Alberta Oat Growers Commission Plan Regulation under the Marketing of Agricultural Products Act. The main purpose of the organization is to fund oat research, market development and education. 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) Revenue

Under The Regulation, each producer is required to pay the organization a service charge of \$0.50 per tonne of oats grown in Alberta, collected upon the purchasing of the grain from the producer. Producers may request a refund for service charges paid in the year by submitting a written request within time limits as defined in The Regulation.

Producer service charges 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.

(c) 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.

Alberta Oat Growers Commission

Notes to Financial Statements
For the year ended July 31, 2024

2. Significant Accounting Policies - continued

(d) 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.

3. Risks Arising from Financial Instruments

The organization is not exposed to significant risks through its financial instruments.

4. Short-Term Investments

Short-term investments consists of GICs bearing interests rates ranging from 4.30-4.98% per annum, maturing January to July 2025.

5. 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.

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

Assets

Accounts receivable - POGA
(overpayment of funding
contributions)

	2024	2023
	\$ 34,069	\$ 16,987

Expenses

Proportionate expenses of POGA

	167,931	149,513
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Alberta Oat Growers Commission

Notes to Financial Statements
For the year ended July 31, 2024

5. Transactions with Related Parties - continued

A summary of POGA's total revenues and expenses, including AOGC's share of POGA's net operating deficit, appears below:

	2024	2023
Revenues before funding contributions:		
Grant revenues	375,980	285,842
POBC contributions		158,636
Other revenues	<u>97,265</u>	<u>86,025</u>
	<u>473,245</u>	<u>530,503</u>
Expenses:		
Research projects	216,000	350,075
Market development projects	686,177	561,259
Communications	91,491	107,242
Policy	11,688	15,893
General operating expenses	<u>454,530</u>	<u>414,420</u>
	<u>1,459,886</u>	<u>1,448,889</u>
Deficiency of revenue over expenses before funding contributions	(986,641)	(918,386)
Funding contributions:		
MOGA	321,473	272,215
SaskOats	497,237	496,658
AOGC	<u>167,931</u>	<u>149,513</u>
Surplus after funding contributions	<u>\$ 0</u>	<u>\$ 0</u>

6. Commitments and Projects

In the current year, the AOGC contributed \$2,000 (\$4,000 to date) to the Alberta Wheat Commission toward their project "Regional Variety Trials - A Key in Driving Adoption of New Genetic Technologies". The organization has committed to contributing an additional \$2,000 in total over the next two fiscal years.

The organization has entered into an agreement for levy administration fees for the following fiscal year totaling \$15,979.

Alberta Oat Growers Commission

Notes to Financial Statements
For the year ended July 31, 2024

6. Commitments and Projects - continued

POGA has committed to funding certain projects, of which AOGC will provide proportionate funding based on the overall cost-sharing formula as agreed upon between the parties as detailed in note 5. POGA's commitments are as follows:

Project	Terms
Development of the Mexican Oat Market	<ul style="list-style-type: none">- \$755,137 commencing April 1, 2023 to be spent by March 31, 2026; \$246,532, was expended during the current year (\$331,347 to date).- POGA is eligible for up to \$415,325 in grant funds for the project, \$135,593 of which was recognized in the current year (\$182,241 to date).
Development of the Japanese Oat Market	<ul style="list-style-type: none">- \$290,341 commencing April 1, 2023 to be spent by March 31, 2026; \$115,634 was expended in the current year (\$139,292 to date).- POGA is eligible for up to \$159,688 in grant funds for the project, \$62,377 of which was recognized in the current year (\$75,389 to date).
Development of the Canadian Oat Market	<ul style="list-style-type: none">- \$382,396 commencing April 1, 2023 to be spent by March 31, 2026; \$106,937 was expended in the current year (\$156,071 to date).- POGA is eligible for up to \$210,318 in grant funds for the project, \$58,815 of which was recognized in the current year (\$85,839 to date).
Nurturing Canadian Oats	<ul style="list-style-type: none">- \$40,000 commencing April 1, 2024 to be spent by March 31, 2025; \$9,703 was expended in the current year (\$9,703 to date).- POGA is eligible for up to \$20,000 in grant funds for the project, \$4,852 of which was recognized in the current year (\$4,852 to date).
Development of the Latin American Oat Market	<ul style="list-style-type: none">- \$312,160 commencing April 1, 2023 to be spent by March 31, 2026; \$130,564 was expended in the current year (\$130,564 to date).- POGA is eligible for up to \$171,688 in grant funds for the project, \$71,810 of which was recognized in the current year (\$71,810 to date).
Continued Studies on Intercropping	<ul style="list-style-type: none">- \$10,000 commencing April 1, 2021 through March 31, 2025. Project was extended to March 31, 2027. Commitment of \$2,500 in each of the 2021, 2022, 2023, and 2026 fiscal years. Nothing was recognized as an expense during the current year (\$7,500 to date).

Alberta Oat Growers Commission

Notes to Financial Statements
For the year ended July 31, 2024

6. Commitments and Projects - continued

Project	Terms
Oat Advantage	- \$35,000 per year commitment commencing August 1, 2021 through July 31, 2026. \$35,000 was recognized as an expense during the current year (\$105,000 to date).
Oat Lodging	- \$15,000 commencing January 5, 2022 through June 1, 2025. \$3,750 was recognized in the current year (\$11,250 to date).
AB Variety Trials, including Estimation of Beta Glucans Content and Yield of Seed from Different Oat Varieties in Alberta	- \$53,250 payable in six semi-annual installments of \$8,875 as specific requirements are completed commencing April 1, 2022. Amounts expended in the current year total \$17,750 (\$44,375 to date).
Development of Healthy Food Products	- \$30,000 commencing September 2022 through February 2025. Nothing was expended in the current year (\$25,000 to date).
Insect Response to Climate Change and Ag-Inputs Across the Prairies	- \$2,500 commencing April 2023 through November 2028. Amounts expended in the current year total \$1,000 (\$1,000 to date).
The Prairie Crop Disease Monitoring Network: Fostering Further Network Development	- \$5,000 commencing June 2023 through May 2028. Amounts expended in the current year total \$2,000 (\$2,000 to date).
Dissecting the Association of Flowering Time and Yield in Oats	- \$56,250 commencing June 2023 through May 2026. Amounts expended in the current year total \$37,500 (\$37,500 to date).
Dried Oat Oil Emulsion Powders Stabilized by Oat Hull-Derived Nanocellulose	- \$10,000 commencing October 2023 through September 2024. Amounts expended in the current year total \$7,500 (\$7,500 to date).
Different Oat Varieties, PGRs, Seeding Rates and their Interaction on Lodging and Shattering	- \$20,000 commencing July 2024 through June 2027. Amount expended in the current year total \$7,028 (\$7,028 to date).
Improving Productivity and Resilience of Cropping Systems on the Canadian Prairies	- \$12,500 commencing April 2023 through December 2028. Amounts expended in the current year total \$2,500 (\$2,500 to date).
The Prairie Weed Monitoring Network: Building a Strong Biovigilance Foundation	- \$7,500 commencing April 2023 through December 2028. Amounts expended in the current year total \$1,500 (\$1,500 to date).

Alberta Oat Growers Commission

Notes to Financial Statements
For the year ended July 31, 2024

6. Commitments and Projects - continued

Project	Terms
Climate-Smart Trait Development in Oat Germplasm for Canada and the Prairie Oat Breeding Consortium	- \$223,057 commencing April 2023 through March 2028. Amounts expended in the current year total \$89,222 (\$89,222 to date).
Long-term C and N20 Monitoring, and Climate-Smart Management of Organic Grain Production Systems	- \$8,000 commencing April 2024 through March 2026. No expenses have been incurred to date.
Understanding, Mitigating, and Managing PPO Inhibitor (Group 14)-Resistant	- \$5,000 commencing December 2023 through May 2029. No expenses have been incurred to date.
On Farm Fall Applied Granular Herbicide Products for the Control of Wild Oats and Koachia After Oats	- \$3,916 commencing September 2024 through December 2025. No expenses have been incurred to date.

7. Subsequent Events

Effective August 1, 2024, the producer service charge for marketed oats will increase from \$0.50 per tonne to \$0.75 per tonne.