

Manitoba Oat Growers Association

FINANCIAL STATEMENTS

Year Ended July 31, 2025

Manitoba Oat Growers Association

Regina, Saskatchewan

July 31, 2025

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Independent Practitioners' Review Engagement Report

To the board of directors
Manitoba Oat Growers Association

We have reviewed the accompanying financial statements of Manitoba Oat Growers Association, that comprise the Statement of Financial Position as at July 31, 2025, 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 Manitoba Oat Growers Association as at July 31, 2025, 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

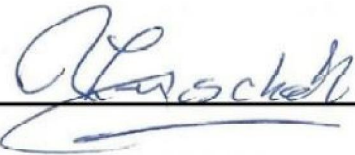
Baker Tilly SK LLP

Yorkton, SK
December 1, 2025

Manitoba Oat Growers Association
Regina, Saskatchewan
Statement of Financial Position as at July 31, 2025

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	380,432	62,738
Short-term investments - note 4	157,416	228,435
Accounts receivable	115,096	173,903
Accrued interest receivable	1,669	2,615
Prepaid expenses	<u>13,267</u>	<u>3,003</u>
	<u>\$ 667,880</u>	<u>\$ 470,694</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	17,098	9,470
Net Assets, Unrestricted	<u>650,782</u>	<u>461,224</u>
	<u>\$ 667,880</u>	<u>\$ 470,694</u>

Approved on behalf of the board:



Manitoba Oat Growers Association
Statement of Operations and Change in Net Assets
For the year ended July 31, 2025

	2025	2024
Revenue		
Producer fees	601,097	307,367
Less: Producer fee refunds	34,916	16,800
Investment income	7,342	8,267
	<u>573,523</u>	<u>298,834</u>
Expenses		
Annual general meeting	11,031	17,171
Board of Directors	11,907	7,406
Communications	20,053	13,905
Levy administration fees	15,593	15,914
Proportionate expenses of POGA - note 5	318,088	321,473
General and administrative:		
Interest and bank charges	88	33
Memberships	2,208	2,100
Office and other administrative	1,223	255
Professional fees	3,774	3,330
	<u>383,965</u>	<u>381,587</u>
Excess (Deficiency) of Revenue Over Expenses for the Year	189,558	(82,753)
Net Assets, Beginning of the Year	<u>461,224</u>	<u>543,977</u>
Net Assets, End of the Year	<u>\$ 650,782</u>	<u>\$ 461,224</u>

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

Manitoba Oat Growers Association

Statement of Cash Flow
For the year ended July 31, 2025

	2025	2024
Cash Provided By (Used In):		
Operations		
Excess (deficiency) of revenue over expenses for the year	189,558	(82,753)
Net change in working capital	<u>57,117</u>	<u>(67,430)</u>
	<u>246,675</u>	<u>(150,183)</u>
Investing activities		
Additions to short-term investments	(157,416)	(356,870)
Proceeds on disposal of short-term investments	<u>228,435</u>	<u>253,435</u>
	<u>71,019</u>	<u>(103,435)</u>
Net Cash Increase (Decrease) for the Year	317,694	(253,618)
Cash position, beginning of year	<u>62,738</u>	<u>316,356</u>
Cash Position, End of Year	<u>\$ 380,432</u>	<u>\$ 62,738</u>
Represented By:		
Cash and cash equivalents	<u>\$ 380,432</u>	<u>\$ 62,738</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	58,807	(67,735)
- prepaid expenses	(10,264)	46
- other current assets	946	104
Increase (decrease) - accounts payable and accrued liabilities	<u>7,628</u>	<u>155</u>
	<u>\$ 57,117</u>	<u>\$ (67,430)</u>

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

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2025

1. Nature of Operations

The organization was formed on July 25, 2008. The Manitoba Oat Growers Association is designated as the representative organization of all producers of oats in Manitoba, pursuant to The Manitoba Oat Growers Association Designation Regulation ("the Regulation"), under the authority of The Agricultural Producers' Organization Funding Act of Manitoba. 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 (ASNFPPO) 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 fee of \$0.75 per tonne of oats grown in Manitoba, collected upon the purchasing of the grain from the producer (\$0.50 per tonne prior to August 1, 2024). Producers may request a refund for fees paid in the year by submitting a written request within time limits as defined in The Regulation.

Producer 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.

(c) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value. Financial assets and liabilities originated or exchanged in related party transactions are initially measured at cost.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

Financial assets measured at amortized cost using the straight line method include cash and accounts receivable (excluding those from related parties). Amounts receivable from related parties are measured at cost. Equity investments are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses in the period they are incurred.

All financial liabilities are measured at amortized cost, except amounts payable to related parties which are measured at cost.

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2025

2. Significant Accounting Policies - continued

(e) Financial instruments - continued

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.

(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 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 interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the organization to fair value risk, while floating interest rate instruments subject it to cash flow risk.

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. The risk associated with investments is minimized as these assets are mainly invested in principal guaranteed investments.

4. Short-Term Investments

Short-term investments consists of GICs bearing interest at 2.97-3.09% per annum, maturing from February to May 2026.

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.

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2025

5. 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	2025	2024
Assets		
Accounts receivable - POGA (overpayment of funding contributions)	\$ 65,523	\$ 137,249
Liabilities		
Accounts payable - board of directors	2,968	556
Expenses		
Proportionate expenses of POGA	318,088	321,473
Board of Directors honorariums	8,800	4,850

In the current year, MOGA contributed \$44,611 to POGA's Climate-Smart Trait Development in Oat Germplasm for Canada project (\$89,422 in 2024) in addition to its current year share of POGA's net operating deficit, as per below. This project is a continuation of the Prairie Oat Breeding Consortium. A summary of POGA's total revenues and expenses, including MOGA's share of POGA's net operating deficit, appears below:

	2025	2024
Revenues before funding contributions:		
Grant revenues	329,815	375,980
Other revenues	128,774	97,265
	<u>458,589</u>	<u>473,245</u>
Expenses:		
Research projects	177,880	216,000
Market development projects	607,800	686,177
Communications	109,667	91,491
Policy	19,071	11,688
General operating expenses	499,593	454,530
	<u>1,414,011</u>	<u>1,459,886</u>
Deficiency of Revenue over Expenses before Funding Contributions	(955,422)	(986,641)
Funding contributions:		
MOGA	318,088	321,473
SaskOats	478,702	497,237
AOGC	158,632	167,931
	<u>955,422</u>	<u>986,641</u>
Surplus after funding contributions	<u>\$ 0</u>	<u>\$ 0</u>

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2025

6. Commitments

The organization has entered into an agreement for levy administration fees for the following fiscal year totaling \$16,289.

POGA has committed to funding certain projects, of which MOGA 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; \$229,195 was expended during the current year (\$557,909 to date).- POGA is eligible for up to \$415,325 in grant funds for the project, \$124,609 of which was recognized in the current year (\$306,850 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; \$83,473 was expended in the current year (\$220,544 to date).- POGA is eligible for up to \$159,688 in grant funds for the project, \$45,910 of which was recognized in the current year (\$121,299 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; \$133,219 was expended in the current year (\$289,290 to date).- POGA is eligible for up to \$210,318 in grant funds for the project, \$73,271 of which was recognized in the current year (\$159,110 to date).
Nurturing Canadian Oats	<ul style="list-style-type: none">- \$40,000 commencing April 1, 2025 to be spent by March 31, 2026; \$13,087 was expended in the current year (\$13,087 to date).- POGA is eligible for up to \$20,000 in grant funds for the project, \$6,543 of which was recognized in the current year (\$6,543 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; \$103,333 was expended in the current year (\$233,897 to date).- POGA is eligible for up to \$171,688 in grant funds for the project, \$56,833 of which was recognized in the current year (\$128,644 to date).
Oat Advantage	<ul style="list-style-type: none">- \$35,000 per year commitment commencing August 1, 2021 through July 31, 2026. \$35,000 was recognized as an expense during the current year (\$140,000 to date).

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2025

6. Commitments - continued

Project	Terms
AB Variety Trials, including Estimation of Beta Glucans Content and Yield of Seed from Different Oat Varieties in Alberta	- \$61,500 payable in six semi-annual installments of \$10,250 as specific requirements are completed commencing April 1, 2025. Amounts expended in the current year total \$10,250 (\$10,250 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 \$500 (\$1,500 to date).
The Prairie Crop Disease Monitoring Network: Fostering Further Network Development	- \$5,000 commencing June 2023 through May 2028. No amounts expended in the current year (\$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 \$14,063 (\$51,563 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 \$5,000 (\$7,500 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 \$3,000 (\$4,500 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 \$7,448 (\$14,476 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. Amounts expended in the current year total \$4,000 (\$4,000 to date).
Understanding, Mitigating, and Managing PPO Inhibitor (Group 14)-Resistant	- \$5,000 commencing December 2023 through May 2029. Amounts expended in the current year total \$2,283 (\$2,283 to date).
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 \$44,611 (\$133,833 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.

Manitoba Oat Growers Association

Notes to Financial Statements
For the year ended July 31, 2025

6. Commitments - continued

Project	Terms
Expansion, Validation, and Optimization of Rapid Genetic Tests for Herbicide Resistance	- \$20,000 commencing April 2025 to November 2029. Amounts expended in the current year total \$4,790 (\$4,790 to date).
Optimizing Oat Floral Architecture to Maximize Grain Yield and Quality	- \$29,843 commencing April 2025 to November 2028. Amounts expended in the current year total \$10,690 (\$10,690 to date).