

SEED CORN GROWERS OF ONTARIO

**AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2009

SEED CORN GROWERS OF ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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AUDITORS' REPORT

To the Members of the
Seed Corn Growers of Ontario

We have audited the statement of financial position of Seed Corn Growers of Ontario, as at December 31, 2009 and the statement of operations for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chatham, Ontario
January 26, 2010

Collins Barrow CK LLP

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SEED CORN GROWERS OF ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2009

	2009	2008
REVENUE		
Board fees	\$ 215,044	\$ 230,402
OSGA - service contract	21,376	19,991
Research - CORD funds	-	40,908
Research - ORD funds	7,624	7,624
Research - industry contributions	13,150	9,550
Interest income	11,172	12,458
Annual meeting income	1,513	1,450
Gain (loss) on bond disposals	(553)	7,185
	<u>269,326</u>	<u>329,568</u>
EXPENSES		
Advertising and sponsorship	2,490	1,575
Annual meeting expense	1,051	1,105
Bank charges	192	99
Board meetings	16,804	9,211
Committee expenses (note 7)	4,995	-
Delegation expenses	36,540	27,205
Directors' office expense	2,075	1,899
Education expenses	-	1,082
Fees (note 8)	3,684	3,677
Grains and oilseeds safety net expenses	10,052	11,849
Insurance	1,509	1,509
Investment management fees	1,231	1,222
Negotiation expenses	15,774	11,257
Office equipment	476	1,226
Office supplies	7,827	8,479
Professional fees	1,500	1,100
Rent	16,300	15,600
Research	30,753	6,538
Salaries and benefits	80,828	75,917
Telephone	2,902	2,189
	<u>236,983</u>	<u>182,739</u>
	32,343	146,829
OTHER INCOME		
Change in fair market value	<u>14,107</u>	<u>(25,731)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 46,450</u>	<u>\$ 121,098</u>

SEED CORN GROWERS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash	\$ 24,504	\$ 52,158
Investments (note 5)	467,973	396,135
Accrued interest	<u>2,237</u>	<u>221</u>
	<u>\$ 494,714</u>	<u>\$ 448,514</u>
LIABILITIES		
Goods and services tax payable	<u>\$ 7,020</u>	<u>\$ 7,270</u>
NET ASSETS		
Beginning balance	441,244	320,146
Excess of revenue over expenses	<u>46,450</u>	<u>121,098</u>
Ending balance	<u>487,694</u>	<u>441,244</u>
	<u>\$ 494,714</u>	<u>\$ 448,514</u>

ON BEHALF OF THE BOARD

Neil Wilson

Director

[Signature]

Director

SEED CORN GROWERS OF ONTARIO**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2009**

1. NATURE OF ACTIVITIES

Seed Corn Growers of Ontario, formerly The Ontario Seed Corn Growers' Marketing Board, came into existence December, 1940 under The Farm Products Control Act. The Board currently operates under the authority provided by the Ontario Farm Products Marketing Act. The Board's main responsibility is to represent the growers in contract negotiations with the seed corn companies. The Board also has the responsibility to take an active part in the agricultural community, supporting efforts to improve and protect the conditions for seed corn growers.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by the Board's management in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

REVENUE RECOGNITION

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions which include Board fees, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

INVESTMENTS

Investment income, including interest income and gain (loss) on bond disposals are recognized as earned.

Investments held to maturity: Securities which the Board both positively intends and has the ability to hold to maturity are classified as investments held-to-maturity and are carried at amortized cost. Intent and ability to hold are not considered to be satisfied if an investment is available to be sold in response to changes in interest rates, prepayment rates, liquidity needs or other reasons as part of the overall asset/liability management strategy.

Investments held for trading: Securities that the Board has elected to hold for trading are reported at estimated fair value. Recognized changes in fair value are recognized in net income immediately.

SEED CORN GROWERS OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CAPITAL ASSETS

The purchase of capital assets is recorded as an expense in the year acquired.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Board's management to make estimates and assumptions such as the calculation of accrued interest receivable, that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from the Board's management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

3. STATEMENT OF CASH FLOWS

A statement of cash flows is not considered meaningful and consequently has been omitted from these financial statements.

4. COMMITMENTS

Payments on a building lease expiring May 2014 amount to \$72,800. They will become due as follows:

2010	\$	16,800
2011		16,800
2012		16,800
2013		16,800
2014		<u>5,600</u>
	\$	<u>72,800</u>

SEED CORN GROWERS OF ONTARIO**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2009****5. FINANCIAL INSTRUMENTS**

The Board's financial instruments consist of cash and investments. Unless otherwise noted, it is the Board's opinion that the Board is not exposed to significant currency or credit risks arising from these financial instruments. The Board is exposed to interest rate risk arising from fluctuations in interest rates on its investments. For financial instrument purposes, management has classified the GIC investments held to maturity and the RBC investments as held for trading.

	2009	2008
Investments are comprised as follows:		
GIC due December 22, 2009 - 1.25%	\$ -	\$ 120,000
GIC due December 24, 2009 - 1.25%	-	96,181
GIC due December 24, 2010 - .45%	207,325	-
RBC - fixed income and equity investments	<u>260,648</u>	<u>179,954</u>
	<u>\$ 467,973</u>	<u>\$ 396,135</u>

6. CAPITAL DISCLOSURES

The Board's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to represent the growers in contract negotiation and benefits for other stakeholders.

The Board manages the investments and makes adjustments to the investments in the light of changes in economic conditions and the risk characteristics of the underlying assets.

SEED CORN GROWERS OF ONTARIO**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2009**

7. COMMITTEE EXPENSES

The Board in the prior year included committee expenses with delegation expenses. In the current year these expenses have been disclosed separately. Unfortunately the Board is unable to modify the prior year disclosure to reflect the current year disclosure.

8. FEES EXPENSE	2009	2008
Chamber of Commerce	\$ 99	\$ 97
American Seed Trade Association	228	223
Ontario Agricultural Commodity Council	500	500
Canadian Seed Trade Association	1,208	1,208
Ontario Federation of Agriculture	500	500
AG Care	1,000	1,000
Agricultural Adaptation Council	<u>149</u>	<u>149</u>
	<u>\$ 3,684</u>	<u>\$ 3,677</u>