

**CANOLA COUNCIL OF  
CANADA**

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Statements Year Ended  
December 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of Canola Council of Canada

We have audited the accompanying financial statements of Canola Council of Canada, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, 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.

### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report to the Board of Directors of Canola Council of Canada *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canola Council of Canada as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Winnipeg, MB  
February 22, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

**CANOLA COUNCIL OF CANADA**  
**Statement of Financial Position**  
**December 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 5)	\$ 6,425,818	\$ 4,998,882
Accounts receivable	1,276,580	1,750,223
Prepaid expenses	216,370	177,612
	7,917,768	6,926,717
<b>CAPITAL ASSETS (Note 4)</b>	608,969	727,087
	\$ 8,526,737	\$ 7,653,804
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Notes 6, 10)	\$ 2,471,281	\$ 2,830,688
Wages and salaries payable	426,530	424,786
Deferred administered project funds	83,982	86,137
Deferred revenue	127,508	179,781
	3,109,401	3,521,392
<b>DEFERRED LEASEHOLD IMPROVEMENT ALLOWANCE (Note 7)</b>	126,186	147,217
	3,235,587	3,668,609
<b>NET ASSETS (Note 8)</b>		
Invested in Capital Assets	482,783	579,870
Unrestricted	4,808,367	3,405,325
	5,291,150	3,985,195
	\$ 8,526,737	\$ 7,653,804

LEASE COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**CANOLA COUNCIL OF CANADA**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2017**

	Budget (Unaudited) 2017	Total 2017	Total 2016
<b>REVENUES (Schedule 1)</b>			
<b>Core revenue</b>			
Crush assessment	\$ 1,840,000	\$ 2,057,848	\$ 1,958,130
Export assessment	1,840,000	2,304,648	2,198,966
Levy assessment - growers organization	3,820,500	3,835,595	3,544,052
Levy assessment - Life science companies	545,000	520,000	520,000
Investment interest	24,000	32,353	18,735
Memberships	23,250	22,000	22,335
	<b>8,092,750</b>	<b>8,772,444</b>	<b>8,262,218</b>
<b>Project and grant revenue</b>			
Market Development and Market Access	2,206,250	2,052,352	2,214,824
Coordinated projects	1,659,400	1,817,497	1,818,063
Communication services	385,800	402,985	370,515
Crop production	2,990,850	3,179,091	2,647,693
Salaries	336,300	329,594	371,582
Finance and overhead	21,000	21,221	21,031
	<b>7,599,600</b>	<b>7,802,740</b>	<b>7,443,708</b>
	<b>15,692,350</b>	<b>16,575,184</b>	<b>15,705,926</b>
<b>EXPENSES</b>			
Market Development and Market Access Expenditures (Schedule 3)	4,960,725	4,269,322	4,704,188
Crop Production Expenditures (Schedule 4)	4,795,125	4,694,472	4,138,328
Communication Services Expenditures (Schedule 5)	479,000	444,624	571,800
Salaries Expenditures (Schedule 6)	3,275,100	3,254,282	3,080,370
Corporate Affairs Expenditures (Schedule 7)	392,275	357,393	413,713
Finance and Overhead Expenditures (Schedule 8)	511,575	431,639	458,082
Coordinated Projects Expenditures (Schedule 9)	1,659,400	1,817,497	1,818,063
	<b>16,073,200</b>	<b>15,269,229</b>	<b>15,184,544</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (380,850)</b>	<b>\$ 1,305,955</b>	<b>\$ 521,382</b>

**CANOLA COUNCIL OF CANADA**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2017**

	Invested in Capital Assets	Unrestricted	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 579,870	\$ 3,405,325	<b>\$ 3,985,195</b>	\$ 3,463,813
Excess of revenues over expenses	-	1,305,955	<b>1,305,955</b>	521,382
Amortization of capital assets	(165,044)	165,044	-	-
Amortization of deferred leasehold improvement allowance	21,031	(21,031)	-	-
Purchase of capital assets (net)	46,926	(46,926)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 482,783</b>	<b>\$ 4,808,367</b>	<b>\$ 5,291,150</b>	<b>\$ 3,985,195</b>

**CANOLA COUNCIL OF CANADA**  
**Statement of Cash Flow**  
**Year Ended December 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 1,305,955	\$ 521,382
Items not affecting cash:		
Amortization	165,044	101,323
Gain on sale of capital assets	(6,782)	(11,278)
Deferred leasehold improvement allowance	(21,031)	(21,031)
	<b>1,443,186</b>	<b>590,396</b>
Changes in non-cash working capital:		
Accounts receivable	473,643	(335,551)
Accounts payable and accrued liabilities	(359,408)	325,886
Prepaid expenses	(37,758)	58,296
Wages and salaries payable	1,844	43,805
Deferred administered project funds	(2,155)	4,534
Deferred revenue	(52,273)	(27,332)
	<b>23,893</b>	<b>69,638</b>
<b>Cash flow from operating activities</b>	<b>1,467,079</b>	<b>660,034</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(97,928)	(215,195)
Proceeds on disposal of capital assets	57,785	184,992
<b>Cash flow used by investing activities</b>	<b>(40,143)</b>	<b>(30,203)</b>
<b>INCREASE IN CASH</b>	<b>1,426,936</b>	<b>629,831</b>
Cash - beginning of year	4,998,882	4,369,051
<b>CASH - END OF YEAR</b>	<b>\$ 6,425,818</b>	<b>\$ 4,998,882</b>