



Financial Statements
Year Ended December 31, 2018

CANOLA COUNCIL OF CANADA
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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canola Council of Canada

Opinion

We have audited the financial statements of Canola Council of Canada (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Winnipeg, MB
February 21, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

CANOLA COUNCIL OF CANADA


Statement of Financial Position


December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalent (Note 5)	\$ 6,907,203	\$ 6,425,818
Accounts receivable	1,309,303	1,276,580
Prepaid expenses	213,963	215,370
	8,430,469	7,917,768
CAPITAL ASSETS (Note 4)	509,146	608,969
	\$ 8,939,615	\$ 8,526,737
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Notes 6, 10)	\$ 2,402,325	\$ 2,471,281
Wages and salaries payable	492,334	426,630
Deferred administered project funds	91,925	83,982
Deferred revenue	549,030	127,508
	3,535,614	3,109,401
DEFERRED LEASEHOLD IMPROVEMENT ALLOWANCE (Note 7)	105,155	126,186
	3,640,769	3,235,587
NET ASSETS		
Invested in Capital Assets	403,991	482,783
Unrestricted	4,894,855	4,808,367
	5,298,846	5,291,150
	\$ 8,939,615	\$ 8,526,737

LEASE COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

CANOLA COUNCIL OF CANADA
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	Budget (Unaudited) 2018	Total 2018	Total 2017
REVENUES (Schedule 1)			
Core revenue			
Crush assessment	\$ 1,531,800	\$ 1,566,444	\$ 2,057,848
Export assessment	575,000	691,719	2,304,648
Levy assessment - Grower Organizations	2,772,375	2,803,329	3,835,595
Levy assessment - Life science companies	520,000	520,000	520,000
Investment interest	24,000	77,528	32,353
Memberships	23,250	22,396	22,000
	<u>5,446,425</u>	<u>5,681,416</u>	<u>8,772,444</u>
Project and grant revenue			
Market access & government relations	570,150	572,020	23,123
Market development	675,750	440,647	2,029,230
Coordinated projects	1,711,550	3,049,039	1,856,279
Communication	221,275	198,183	402,985
Crop production & innovation	3,062,450	1,684,016	3,140,309
Salaries	461,600	473,410	329,594
Finance and overhead	21,000	21,031	21,221
	<u>6,723,775</u>	<u>6,438,346</u>	<u>7,802,741</u>
	<u>12,170,200</u>	<u>12,119,762</u>	<u>16,575,185</u>
EXPENSES			
Market Development Expenditures (Schedule 3)	1,406,025	888,820	3,053,555
Crop Production Expenditures (Schedule 4)	4,196,725	2,632,059	4,694,472
Communication Expenditures (Schedule 5)	470,550	431,292	444,625
Corporate Affairs and Government Relations Expenditures (Schedule 6)	1,458,275	1,482,235	1,573,161
Finance and Overhead Expenditures (Schedule 7)	476,020	402,001	431,638
Coordinated Projects Expenditures (Schedule 8)	1,711,550	3,049,039	1,817,497
Salaries Expenditures (Schedule 9)	3,341,650	3,226,620	3,254,282
	<u>13,060,795</u>	<u>12,112,066</u>	<u>15,269,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (890,595)	\$ 7,696	\$ 1,305,955

CANOLA COUNCIL OF CANADA
Statement of Changes in Net Assets
Year Ended December 31, 2018

	Invested in Capital Assets	Unrestricted	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 482,783	\$ 4,808,367	\$ 5,291,150	\$ 3,985,195
Excess of revenues over expenses	-	7,696	7,696	1,305,955
Amortization of capital assets	(115,567)	115,567	-	-
Amortization of deferred leasehold improvement allowance	21,031	(21,031)	-	-
Purchase of capital assets (net)	15,744	(15,744)	-	-
NET ASSETS - END OF YEAR	\$ 403,991	\$ 4,894,855	\$ 5,298,846	\$ 5,291,150

CANOLA COUNCIL OF CANADA

Statement of Cash Flow

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 7,696	\$ 1,305,955
Items not affecting cash:		
Amortization	115,567	165,044
Gain on sale of capital assets	(6,976)	(6,782)
Deferred leasehold improvement allowance	(21,031)	(21,031)
	95,256	1,443,186
Changes in non-cash working capital:		
Accounts receivable	(32,723)	473,643
Prepaid expenses	1,407	(37,758)
Accounts payable and accrued liabilities	(68,955)	(359,408)
Wages and salaries payable	65,704	1,844
Deferred administered project funds	7,943	(2,155)
Deferred revenue	421,522	(52,273)
	394,898	23,893
Cash flow from operating activities	490,154	1,467,079
INVESTING ACTIVITIES		
Purchase of capital assets	(97,642)	(97,928)
Proceeds on disposal of capital assets	88,873	57,785
Cash flow used by investing activities	(8,769)	(40,143)
NET CHANGE IN CASH AND CASH EQUIVALENTS	481,385	1,426,936
Cash - beginning of year	6,425,818	4,998,882
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,907,203	\$ 6,425,818
CASH CONSISTS OF:		
Cash	\$ 3,157,203	\$ 6,425,818
Guaranteed Investments Certificates	3,750,000	-
	\$ 6,907,203	\$ 6,425,818