



Financial Statements
Year Ended December 31, 2019

CANOLA COUNCIL OF CANADA

Index to Financial Statements

Year Ended December 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6

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, 2019, 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, 2019, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 these 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 ASNPO, 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 related 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.

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.

(continues)

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

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 10, 2020


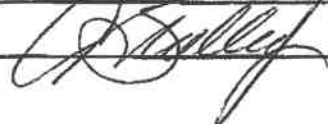
CHARTERED PROFESSIONAL ACCOUNTANTS

CANOLA COUNCIL OF CANADA
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and cash equivalents (Note 5)	\$ 7,676,500	\$ 8,907,203
Accounts receivable	1,480,371	1,309,303
Prepaid expenses	198,709	213,863
	9,355,580	8,430,469
CAPITAL ASSETS (Note 4)	471,876	509,146
	\$ 9,827,456	\$ 8,939,615
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Notes 6, 10)	\$ 2,407,289	\$ 2,402,325
Wages and salaries payable	331,909	492,334
Deferred administered project funds	100,555	91,925
Deferred revenue	1,241,957	549,030
	4,081,720	3,535,614
DEFERRED LEASEHOLD IMPROVEMENT ALLOWANCE (Note 7)	84,124	105,155
	4,165,844	3,640,769
NET ASSETS	5,661,612	5,298,846
	\$ 9,827,456	\$ 8,939,615

LEASE COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

CANOLA COUNCIL OF CANADA
Statement of Revenues and Expenditures
Year Ended December 31, 2019

	Budget (Unaudited) 2019	Total 2019	Total 2018
REVENUES			
Grain companies assessment	\$ 1,855,000	\$ 1,868,403	\$ 2,258,163
Provincial grower groups assessment	2,575,000	2,574,999	2,803,329
Life Science companies contributions	750,000	743,500	520,000
Investment interest	55,000	133,896	77,528
Memberships	23,250	21,500	22,396
Corporate sponsors	188,700	278,200	102,595
Annual convention	206,375	223,538	161,290
Service fees	132,500	195,171	141,211
Producer agronomy funding	449,175	449,175	433,860
Brand maintenance	193,950	76,903	305,063
Market access	677,700	621,163	572,020
Research	2,371,225	3,020,516	1,398,297
Research & knowledge transfer	130,775	169,275	118,355
Coordinated programs	4,563,725	3,142,326	3,184,624
Leasehold improvement allowance	21,000	21,031	21,031
	14,193,375	13,539,596	12,119,762
EXPENSES			
Salaries	2,801,175	2,860,327	2,872,006
Research	3,069,850	3,701,958	1,736,919
Agronomy specialists - operating costs	413,925	427,443	467,282
Consulting fees	65,000	107,794	111,141
Research and knowledge transfer	162,275	193,978	207,366
Market access	1,305,625	1,193,277	1,168,479
Annual convention	346,775	412,228	326,417
Website maintenance	28,300	54,640	29,418
Member communications	57,500	55,047	51,637
Board of directors meetings and expenses	55,400	59,815	96,112
Brand maintenance	412,375	166,692	701,927
Travel	209,525	175,636	182,583
Overhead	374,350	354,893	350,284
Administration	174,475	101,027	104,231
Memberships & subscriptions	157,900	160,467	115,614
Sponsorships	-	9,281	100
Coordinated programs	4,563,725	3,142,327	3,590,546
	14,198,175	13,176,830	12,112,062
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (4,800)	\$ 362,766	\$ 7,700

CANOLA COUNCIL OF CANADA
Statement of Changes in Net Assets
Year Ended December 31, 2019

	Invested in Capital Assets	Unrestricted	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 403,991	\$ 4,894,855	\$ 5,298,846	\$ 5,291,150
Excess of revenues over expenses	-	362,766	362,766	7,696
Amortization of capital assets	(170,994)	170,994	-	-
Amortization of deferred leasehold improvement allowance	21,031	(21,031)	-	-
Purchase of capital assets (net)	133,724	(133,724)	-	-
NET ASSETS - END OF YEAR	\$ 387,752	\$ 5,273,860	\$ 5,661,612	\$ 5,298,846

CANOLA COUNCIL OF CANADA

Statement of Cash Flow

Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 362,766	\$ 7,696
Items not affecting cash:		
Amortization	170,994	115,567
Gain on disposal of capital assets	(29,857)	(6,976)
Deferred leasehold improvement allowance	(21,031)	(21,031)
	<u>482,872</u>	<u>95,256</u>
Changes in non-cash working capital:		
Accounts receivable	(171,068)	(32,723)
Prepaid expenses	15,254	1,407
Accounts payable and accrued liabilities	4,972	(68,955)
Wages and salaries payable	(160,425)	65,704
Deferred administered project funds	8,630	7,943
Deferred revenue	692,927	421,522
	<u>390,290</u>	<u>394,898</u>
Cash flow from operating activities	<u>873,162</u>	<u>490,154</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(181,722)	(97,642)
Proceeds on disposal of capital assets	77,857	88,873
	<u>(103,865)</u>	<u>(8,769)</u>
Cash flow used by investing activities	<u>(103,865)</u>	<u>(8,769)</u>
INCREASE IN CASH	769,297	481,385
Cash and cash equivalents - beginning of year	<u>6,907,203</u>	<u>6,425,818</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,676,500</u>	<u>\$ 6,907,203</u>
 CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 3,926,500	\$ 3,157,203
Guaranteed Investment Certificates	3,750,000	3,750,000
	<u>\$ 7,676,500</u>	<u>\$ 6,907,203</u>