



Financial Statements

Year Ended December 31, 2020

CANOLA COUNCIL OF CANADA
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Year Ended December 31, 2020

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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, 2020, 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, 2020, 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.

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:

(continues)

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

- 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 18, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

CANOLA COUNCIL OF CANADA

Statement of Financial Position

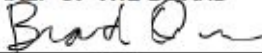

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and cash equivalents (Note 5)	\$ 8,601,741	\$ 7,676,500
Accounts receivable	1,220,410	1,480,371
Prepaid expenses	123,408	198,709
	9,945,559	9,355,580
CAPITAL ASSETS (Note 4)	547,906	471,876
	\$ 10,493,465	\$ 9,827,456
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Notes 6, 10)	\$ 2,647,171	\$ 2,407,299
Wages and salaries payable	367,445	331,909
Deferred administered project funds	100,555	100,555
Deferred revenue (Note 9)	979,944	1,241,957
	4,095,115	4,081,720
DEFERRED LEASEHOLD IMPROVEMENT ALLOWANCE (Note 7)	63,093	84,124
	4,158,208	4,165,844
NET ASSETS	6,335,257	5,661,612
	\$ 10,493,465	\$ 9,827,456

LEASE COMMITMENTS (Note 11)

SUBSEQUENT EVENTS (Note 12)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

CANOLA COUNCIL OF CANADA
Statement of Revenues and Expenditures
Year Ended December 31, 2020

	Budget (Unaudited) 2020	Total 2020	Total 2019
REVENUES			
Grain companies assessment	\$ 1,855,000	\$ 1,855,000	\$ 1,868,403
Provincial grower groups assessment	2,575,000	2,575,000	2,574,999
Life Science companies contributions	746,000	751,000	743,500
Investment interest	70,000	76,263	133,896
Memberships	21,500	30,375	21,500
Corporate sponsors	111,250	186,685	278,200
Annual convention	109,900	110,773	223,538
Service fees	153,400	143,223	195,171
Producer agronomy funding	460,400	452,424	449,175
Brand maintenance	140,275	109,177	76,903
Market access	811,925	565,202	621,163
Research	3,082,425	2,422,032	3,020,516
Research & knowledge transfer	171,025	113,816	169,275
Coordinated programs	3,473,925	2,941,209	3,142,326
Leasehold improvement allowance	21,050	21,031	21,031
	13,803,075	12,353,211	13,539,596
EXPENSES			
Salaries	2,955,675	2,869,361	2,860,327
Research	3,831,675	2,661,416	3,701,958
Agronomy specialists - operating costs	435,000	290,873	427,443
Consulting fees	158,500	388,726	107,794
Research and knowledge transfer	211,025	150,978	193,978
Market access	1,558,575	1,137,276	1,193,277
Annual convention	178,175	170,158	412,228
Website maintenance	62,400	68,936	54,640
Member communications	62,500	58,090	55,047
Board of directors meetings and expenses	55,875	18,807	59,815
Brand maintenance	288,600	222,573	166,692
Travel	191,725	59,859	175,636
Overhead	403,750	379,066	354,893
Administration	126,775	88,491	101,027
Memberships & subscriptions	165,475	165,249	160,467
Sponsorships	9,150	8,500	9,281
Coordinated programs	3,473,925	2,941,209	3,142,327
	14,168,800	11,679,566	13,176,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (365,725)	\$ 673,645	\$ 362,766

CANOLA COUNCIL OF CANADA
Statement of Changes in Net Assets
Year Ended December 31, 2020

	Invested in Capital Assets	Unrestricted	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 387,752	\$ 5,273,860	\$ 5,661,612	\$ 5,298,846
Excess of revenues over expenses	-	673,645	673,645	362,766
Amortization of capital assets	(176,366)	176,366	-	-
Amortization of deferred leasehold improvement allowance	21,031	(21,031)	-	-
Purchase of capital assets (net)	252,396	(252,396)	-	-
NET ASSETS - END OF YEAR	\$ 484,813	\$ 5,850,444	\$ 6,335,257	\$ 5,661,612

CANOLA COUNCIL OF CANADA

Statement of Cash Flow

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 673,645	\$ 362,766
Items not affecting cash:		
Amortization	176,366	170,994
Gain on disposal of capital assets	(16,629)	(29,857)
Deferred leasehold improvement allowance	(21,031)	(21,031)
	812,351	482,872
Changes in non-cash working capital:		
Accounts receivable	259,961	(171,068)
Prepaid expenses	75,301	15,254
Accounts payable and accrued liabilities	239,872	4,972
Wages and salaries payable	35,536	(160,425)
Deferred administered project funds	-	8,630
Deferred revenue	(262,013)	692,927
	348,657	390,290
Cash flow from operating activities	1,161,008	873,162
INVESTING ACTIVITIES		
Purchase of capital assets	(300,396)	(181,722)
Proceeds on disposal of capital assets	64,629	77,857
Cash flow used by investing activities	(235,767)	(103,865)
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	925,241	769,297
Cash and cash equivalents - beginning of year	7,676,500	6,907,203
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,601,741	\$ 7,676,500
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 4,851,741	\$ 3,926,500
Guaranteed Investment Certificates	3,750,000	3,750,000
	\$ 8,601,741	\$ 7,676,500