

# **Canadian Wheat Research Coalition**

Financial Statements  
March 31, 2025



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## Independent Auditor's Report

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To the Board of Directors of Canadian Wheat Research Coalition

### Opinion

We have audited the financial statements of Canadian Wheat Research Coalition (the Coalition), which comprise the statement of financial position as at March 31, 2025, and the statement of operations and changes in net assets and the statement of cash flows 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 Coalition as at March 31, 2025, and its results of operations and its cash flows 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 Coalition 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 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 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.

In preparing the financial statements, management is responsible for assessing the Coalition'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 Coalition or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Coalition'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:

- 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 Coalition'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 Coalition'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 Coalition 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.

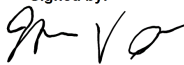
Chartered Professional Accountants

Saskatoon, Saskatchewan  
September 29, 2025

Canadian Wheat Research Coalition  
Statement of Financial Position  
As at March 31, 2025

|                                                                 | 2025<br>\$       | 2024<br>\$       |
|-----------------------------------------------------------------|------------------|------------------|
| <strong>Assets</strong>                                         |                  |                  |
| <strong>Current assets</strong>                                 |                  |                  |
| Cash and cash equivalents                                       | 4,309,446        | 1,481,827        |
| Accounts receivable                                             | 718,761          | 1,370,816        |
| Prepaid expenses                                                | -                | 31,538           |
|                                                                 | <u>5,028,207</u> | <u>2,884,181</u> |
| <strong>Liabilities</strong>                                    |                  |                  |
| <strong>Current liabilities</strong>                            |                  |                  |
| Accounts payable and accrued liabilities                        | 3,085,744        | 1,874,364        |
| Deferred revenue (note 3)                                       | 87,140           | 86,074           |
|                                                                 | <u>3,172,884</u> | <u>1,960,438</u> |
| <strong>Net assets</strong>                                     |                  |                  |
| Unrestricted net assets (note 15)                               | <u>1,855,323</u> | <u>923,743</u>   |
|                                                                 | <u>5,028,207</u> | <u>2,884,181</u> |
| <strong>Commitments</strong> (notes 5, 8, 9, 10, 11, 12 and 13) |                  |                  |

Approved by the Board of Directors  
  
A6B467ED69D248B... Director

Signed by:  
  
931AAF92B0474C8... Director

The accompanying notes are an integral part of these financial statements.

# Canadian Wheat Research Coalition

## Statement of Operations and Changes in Net Assets

For the year ended March 31, 2025

|                                                                  | 2025<br>\$        | 2024<br>\$        |
|------------------------------------------------------------------|-------------------|-------------------|
| <b>Revenue</b> (note 14)                                         |                   |                   |
| Canadian Wheat Research Coalition                                |                   |                   |
| Project contributions - CRDA (note 5)                            | 1,334,706         | 1,179,754         |
| Royalties - AAFC                                                 | 773,799           | 486,372           |
| Project contributions - Other                                    | 209,850           | 111,150           |
| Interest income                                                  | 47,640            | 65,188            |
| Core Breeding                                                    |                   |                   |
| Project contributions - AAFC-CBA (note 6)                        | 5,944,521         | 5,820,172         |
| Project contributions - CDC-CBA (note 6)                         | 2,029,063         | 1,979,574         |
| Project contributions - U of M CBA (note 6)                      | 559,332           | 531,370           |
| Project contributions - U of A CBA (note 6)                      | 409,757           | 199,882           |
| Canadian National Wheat Cluster                                  |                   |                   |
| Project contributions - AAFC (note 4)                            | 946,989           | 674,015           |
| Project contributions - Industry (notes 3 and 7)                 | 626,427           | 349,861           |
|                                                                  | <u>12,882,084</u> | <u>11,397,338</u> |
| <b>Expenses</b>                                                  |                   |                   |
| Research                                                         |                   |                   |
| Research projects - AAFC-CBA (note 11)                           | 5,944,521         | 5,820,172         |
| Research projects - CDC-CBA (note 9)                             | 2,029,063         | 1,979,574         |
| Research projects - CA (notes 8 and 10)                          | 1,430,378         | 930,796           |
| Research projects - CRDA (note 5)                                | 1,334,706         | 1,179,753         |
| Research projects - U of M CBA (note 13)                         | 549,330           | 531,373           |
| Research projects - U of A CBA (note 12)                         | 414,879           | 799,648           |
| Other research costs                                             | 12,907            | 8,612             |
| Operations and administration                                    |                   |                   |
| Communications                                                   | 138,980           | 101,581           |
| Service contracts (note 10)                                      | 80,832            | 91,421            |
| Professional fees                                                | 11,894            | 13,577            |
| General and administrative                                       | 3,015             | 3,083             |
|                                                                  | <u>11,950,504</u> | <u>11,459,590</u> |
| <b>Excess (deficiency) of revenue over expenses for the year</b> | 931,580           | (62,252)          |
| <b>Unrestricted net assets - Beginning of year</b> (note 15)     | <u>923,743</u>    | <u>985,995</u>    |
| <b>Unrestricted net assets - End of year</b> (note 15)           | <u>1,855,323</u>  | <u>923,743</u>    |

The accompanying notes are an integral part of these financial statements.

# Canadian Wheat Research Coalition

## Statement of Cash Flows

For the year ended March 31, 2025

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|                                                            | 2025<br>\$       | 2024<br>\$       |
|------------------------------------------------------------|------------------|------------------|
| <b>Cash provided by (used in)</b>                          |                  |                  |
| <b>Operating activities</b>                                |                  |                  |
| Excess (deficiency) of revenue over expenses for the year  | 931,580          | (62,252)         |
| Changes in non-cash working capital items                  |                  |                  |
| Accounts receivable                                        | 652,055          | (1,195,973)      |
| Accounts payable and accrued liabilities                   | 1,211,380        | 1,314,963        |
| Deferred revenue                                           | 1,066            | 86,074           |
| Prepaid expenses                                           | 31,538           | (31,538)         |
| <b>Change in cash and cash equivalents during the year</b> | <b>2,827,619</b> | <b>111,274</b>   |
| <b>Cash and cash equivalents - Beginning of year</b>       | <b>1,481,827</b> | <b>1,370,553</b> |
| <b>Cash and cash equivalents - End of year</b>             | <b>4,309,446</b> | <b>1,481,827</b> |

The accompanying notes are an integral part of these financial statements.

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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### 1 Nature of business

The Canadian Wheat Research Coalition (the Coalition or CWRC) was incorporated under the Canada Not-for-profit Corporations Act on August 9, 2017.

The purpose of the Coalition is to coordinate key research proposals aimed at improving the relative profitability and competitiveness of wheat for Western Canadian producers and to pursue research-led breakthroughs in science and agronomics that expand the relative competitiveness of wheat.

### 2 Summary of significant accounting policies

#### Basis of presentation

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

#### Cash and cash equivalents

Cash consists of cash balances with banks and demand deposits.

#### Revenue recognition

The Coalition follows the deferral method of accounting for project contributions, including grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for expenses of the current period are recognized as revenue in the current period and restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods in which the related expenses are recognized.

Interest income is recognized in the period in which it is earned.

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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### Research project expenditures

Research project expenditures are recognized when the current year commitment to the research project is due under the terms of the research agreement.

### Financial instruments

Financial assets and financial liabilities, consisting of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, are initially recognized at fair value and subsequent measurement is at amortized cost. The Coalition does not consider itself to have significant exposure to credit risk, currency risk, interest rate risk, liquidity risk, market risk or other price risk.

### 3 Deferred revenue

|                                    | March 31,<br>2024<br>\$ | Revenue<br>deferred<br>\$ | Revenue<br>realized<br>\$ | March 31,<br>2025<br>\$ |
|------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------|
| Canadian National Wheat<br>Cluster | 86,074                  | 1,066                     | -                         | 87,140                  |

|                                    | March 31,<br>2023<br>\$ | Revenue<br>deferred<br>\$ | Revenue<br>realized<br>\$ | March 31,<br>2024<br>\$ |
|------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------|
| Canadian National Wheat<br>Cluster | -                       | 86,074                    | .                         | 86,074                  |

### 4 Contribution agreement - Agriculture and Agri-Food Canada

The Coalition signed a contribution agreement with Agriculture and Agri-Food Canada effective April 1, 2023 and ending March 31, 2028, with a maximum total contribution of \$4,293,461 to the Coalition, ranging from \$674,015 to \$1,020,323 per year. Any portion of the contribution not expended in each fiscal year will not be available in a subsequent fiscal year and will thereby reduce the amount of the total contribution.

### 5 Collaborative research and development agreement - Agriculture and Agri-Food Canada

The coalition signed a collaborative research and development agreement (CRDA) with Agriculture and Agri Food Canada effective April 1, 2023 and expiring March 31, 2028. The CRDA may be terminated by either party at any time upon 60 days' written notice. If terminated, the Coalition would pay any funds owing under the CRDA during the 60 day notice period plus any funds necessary to meet any commitments made prior to or during the notice period but not owing until after the notice period.

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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The total maximum commitment to projects awarded funding is \$6,495,332. Cumulative research project expenditures of \$2,514,460 (2024 - \$1,179,754) have been incurred related to these commitments up to March 31, 2025. The remaining commitment of the Coalition over the remaining term of the CRDA is anticipated to be as follows:

|      | \$               |
|------|------------------|
| 2026 | 1,351,340        |
| 2027 | 1,342,879        |
| 2028 | 1,286,653        |
|      | <u>3,980,872</u> |

### 6 Funding shares agreement - Wheat Breeding Research

The Coalition signed a funding shares agreement with the Saskatchewan Wheat Development Commission, Alberta Grains and Manitoba Crop Alliance in order to fulfill the budget and payment schedule requirements of the collaborative agreements on wheat breeding research between the Coalition, the University of Saskatchewan Crop Development Centre (note 9 - effective January 1, 2020 and expiring December 31, 2030), Agriculture and Agri-Food Canada (note 11 - effective April 1, 2020 and expiring March 31, 2028), University of Alberta (note 12 - effective May 1, 2021 and expiring December 31, 2026) and University of Manitoba (note 13 - effective January 1, 2021 and expiring March 31, 2026).

### 7 Contribution agreement - Funding Agencies

The Coalition signed a funding agreement with Alberta Grains, Canadian Field Crop Research Alliance, Manitoba Crop Alliance, Saskatchewan Wheat Development Commission, and Western Grains Research Foundation (the Funding Agencies). The agreement is effective April 1, 2023 and, unless terminated early, will expire upon satisfactory completion of all research reporting and payment obligations outlined in the agreement.

The maximum total contributions to the Coalition will be \$9,259,268, ranging from \$1,607,079 to \$2,028,197 per year.

During the year ended March 31, 2025, the industry portion of the total contributions received was \$627,493 (2024 - \$435,936), of which an amount of \$50,256 (2024 - \$86,075) as deferred (note 3), for a net amount of industry contributions recognized during the year ended March 31, 2025 of \$577,237 (2024 - \$349,861).

The Funding Agencies have the right to withhold any payment of funds in the event that the research activity performance does not proceed in accordance with or conform to the agreement, or in the event that any report is not submitted to the Funding Agencies as outlined in the agreement, or the Coalition materially breaches the agreement and does not remedy the breach within 30 days. Either the Coalition or any funding agency may terminate the agreement, at any time and any reason, upon 90 days' written notice.

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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### 8 Agriscience program cluster agreement - Agriculture and Agri-Food Canada

Under the terms of the contribution agreements for the Canadian National Wheat Cluster (Project SCAP-ASC-08) between the Coalition and Agriculture and Agri-Food Canada, which commenced during the year ended March 31, 2024 and expires March 31, 2028, the total maximum commitment to projects awarded funding is \$7,118,551. Cumulative expenditures, including research projects and science coordination, of \$2,548,103 have been incurred related to these commitments up to March 31, 2025. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

|      |                  |
|------|------------------|
|      | \$               |
| 2026 | 1,849,020        |
| 2027 | 1,449,242        |
| 2028 | 1,272,186        |
|      | <u>4,570,448</u> |

Agriculture and Agri-Food Canada has the right to withhold any payment of funds in the event that the research activity performance does not proceed in accordance with or conform to the agreement, or in the event that any report is not submitted to the Funding Agencies as outlined in the agreement, or the Coalition materially breaches the agreement and does not remedy the breach within 30 days. Either the Coalition or any funding agency may terminate the agreement, at any time and any reason, upon 90 days' written notice.

### 9 Collaborative research agreement - University of Saskatchewan Crop Development Centre

The Coalition signed a collaborative agreement on wheat breeding research with the University of Saskatchewan Crop Development Centre (CDC) effective January 1, 2020 and extending through December 31, 2024. The agreement may be terminated by either party at any time upon nine months advance written notice. If terminated, the Coalition would pay any funds necessary to meet demonstrable cash commitments made by the CDC attributable to the eligible research that has been completed prior to the delivery of notice of termination.

The total maximum commitment to projects awarded funding is \$9,662,348. Cumulative research project expenditures of \$9,662,348 (2024 - \$7,633,285) have been incurred related to these commitments through March 31, 2025. An amendment to the agreement was signed in December 2024 that extended the agreement to the end of fiscal 2030. This amendment follows the same stipulations as the original agreement. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

|      |                   |
|------|-------------------|
|      | \$                |
| 2026 | 2,308,890         |
| 2027 | 2,308,890         |
| 2028 | 2,308,890         |
| 2029 | 2,308,890         |
| 2030 | 2,308,890         |
|      | <u>11,544,450</u> |

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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### 10 Service contract including science coordination - Saskatchewan Wheat Development Commission

The Coalition signed a service contract with the Saskatchewan Wheat Development Commission for science coordination and administration services effective April 1, 2023 extending through December 31, 2028. The total maximum commitment awarded funding is \$1,030,564.

Service contract and science coordination expenditures during the year ended March 31, 2025 of \$200,420 (2024 - \$207,421), of which \$124,400 (2024 - \$128,000) relates to science coordination and is included in research contract expenditures and \$76,020 (2024 - \$79,421) is included in service contract expenditures, have been incurred related to these commitments up to March 31, 2025. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows

|      | \$      |
|------|---------|
| 2026 | 202,920 |
| 2027 | 205,520 |
| 2028 | 214,286 |
|      | <hr/>   |
|      | 622,726 |
|      | <hr/>   |

### 11 Collaborative research agreement - Agriculture and Agri-Food Canada

The Coalition signed a collaborative agreement on wheat breeding research with Agriculture and Agri-Food Canada effective April 1, 2020 and extending through March 31, 2025. The agreement may be terminated by either party at any time upon six months advance written notice. If terminated, the Coalition would pay any funds owing during the termination notice period plus any funds necessary to meet any commitments made prior to or during the notice period.

The total maximum commitment to projects awarded funding is \$24,994,693. Cumulative research project expenditures of \$24,994,693 (2024 - \$19,050,172) have been incurred related to these commitments up to March 31, 2025.

An amendment to the agreement was entered into prior to the March 31, 2025 expiration that extended the agreement to the end of fiscal 2028 with the option to extend into fiscal 2029. This amendment will follow the same stipulations as the original agreement. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

|                    | \$         |
|--------------------|------------|
| 2026               | 6,369,890  |
| 2027               | 6,624,685  |
| 2028               | 6,889,672  |
| 2029 (if extended) | 7,165,259  |
|                    | <hr/>      |
|                    | 27,049,506 |
|                    | <hr/>      |

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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### 12 Collaborative research agreement - University of Alberta

The Coalition signed a collaborative agreement on wheat breeding research with University of Alberta effective May 1, 2021 and expiring December 31, 2026. The agreement may be terminated by either party at any time upon six months advance written notice. If terminated, the Coalition would pay any funds owing during the termination notice period plus any funds necessary to meet any commitments made prior to or during the notice period.

The total maximum commitment to projects awarded funding is \$2,000,003. Cumulative research project expenditures of \$1,790,034 (2024 - \$1,375,155) have been incurred related to these commitments up to March 31, 2025. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

|      |                |
|------|----------------|
|      | \$             |
| 2026 | 105,000        |
| 2027 | <u>105,000</u> |
|      | <u>210,000</u> |

### 13 Collaborative research agreement - University of Manitoba

The Coalition signed a collaborative agreement on wheat breeding research with University of Manitoba effective January 1, 2021 and expiring March 31, 2026. The agreement may be terminated by either party at any time upon six months advance written notice. If terminated, the Coalition would pay any funds owing during the termination notice period plus any funds necessary to meet any commitments made prior to or during the notice period.

The total maximum commitment to projects awarded funding is \$2,592,425. Cumulative research project expenditures of \$2,024,684 (2024 - \$1,475,353) have been incurred related to these commitments up to March 31, 2025. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

|      |                |
|------|----------------|
|      | \$             |
| 2026 | <u>567,741</u> |

# Canadian Wheat Research Coalition

## Notes to Financial Statements

March 31, 2025

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### 14 Revenue by source

The Coalition's revenue is derived from the following sources:

|                                              | 2025<br>\$        | 2024<br>\$        |
|----------------------------------------------|-------------------|-------------------|
| Saskatchewan Wheat Development Commission    | 5,275,983         | 4,655,899         |
| Alberta Grains                               | 3,364,290         | 3,120,503         |
| Manitoba Crop Alliance                       | 1,646,672         | 1,785,291         |
| Agriculture and Agri-Food Canada             | 946,989           | 674,015           |
| Agriculture and Agri-Food Canada - royalties | 773,799           | 486,372           |
| Western Grains Research Foundation           | 520,989           | 426,716           |
| Canadian Field Crop Research Alliance        | 292,837           | 176,442           |
| Interest income                              | 47,640            | 65,188            |
| Other industry funding agencies              | 12,885            | 6,912             |
|                                              | <u>12,882,084</u> | <u>11,397,338</u> |

### 15 Unrestricted net assets

Unrestricted net assets as at March 31, 2025 relate to a) industry contributions for the Core Breeding Agreement with the University of Alberta with payments held pending a contract amendment of \$254,503 (2024 - \$298,478); and b) the 10% contracted administration fee for the Canadian National Wheat Cluster project and interest income and royalties from Agriculture and Agri-Food Canada of \$1,600,820 (2024 - \$625,265). The Coalition intends to use these unrestricted funds for research related expenses determined by the Coalition's Board of Directors.