

Canadian Wheat Research Coalition

Financial Statements
March 31, 2026



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Independent Auditor's Report

To the Board of Directors of Canadian Wheat Research Coalition

Opinion

We have audited the financial statements of the Canadian Wheat Research Coalition (the Coalition), which comprise the statement of financial position as at March 31, 2026, 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, 2026, 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 (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 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.

BDO Canada LLP

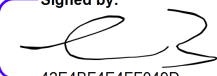
Chartered Professional Accountants

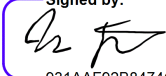
Saskatoon, Saskatchewan
September 17, 2026

Canadian Wheat Research Coalition
Statement of Financial Position
As at March 31, 2026

	2026 \$	2025 \$
Assets		
Current assets		
Cash and cash equivalents	3,463,116	4,309,446
Accounts receivable	102,032	718,761
	<u>3,565,148</u>	<u>5,028,207</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	751,537	3,085,744
Deferred revenue (note 3)	43,606	87,140
	<u>795,143</u>	<u>3,172,884</u>
Net assets		
Unrestricted net assets (note 15)	<u>2,770,005</u>	<u>1,855,323</u>
	<u>3,565,148</u>	<u>5,028,207</u>
Commitments (notes 5, 8, 9, 10, 11, 12 and 13)		

Approved by the Board of Directors

Signed by:  Director
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Signed by:  Director
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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, 2026

	2026 \$	2025 \$
Revenue (note 14)		
Canadian Wheat Research Coalition		
Project contributions - CRDA (note 5)	1,351,340	1,334,706
Project contributions - Others	288,488	209,850
Royalties - AAFC	270,137	773,799
Interest income	40,775	47,640
Royalties - U of A	36,250	-
Core Breeding		
Project contributions - AAFC - CBA (note 6)	6,369,890	5,944,521
Project contributions - CDC - CBA (note 6)	2,308,890	2,029,063
Project contributions - U of M - CBA (note 6)	567,742	559,332
Project contributions - U of A - CBA (note 6)	315,000	409,757
Canadian National Wheat Cluster		
Project contributions - AAFC (note 4)	1,020,323	946,989
Project contributions - Industry (notes 3 and 7)	735,899	626,427
	<u>13,304,734</u>	<u>12,882,084</u>
Expenses		
Research		
Research projects - AAFC - CBA (note 11)	6,369,890	5,944,521
Research projects - CDC - CBA (note 9)	2,308,890	2,029,063
Research projects - CA (notes 8 and 10)	1,596,566	1,430,378
Research projects - CRDA (note 5)	1,351,340	1,334,706
Research projects - U of M - CBA (note 13)	283,870	549,330
Research projects - U of A - CBA (note 12)	105,000	414,879
Other research costs	15,510	12,907
Operations and administration		
Special projects	112,035	23,898
Communications	97,986	108,139
Service contracts (note 10)	87,390	80,832
General and administrative	36,146	9,957
Professional fees	25,429	11,894
	<u>12,390,052</u>	<u>11,950,504</u>
Excess of revenue over expenses for the year	914,682	931,580
Unrestricted net assets - Beginning of year (note 15)	<u>1,855,323</u>	<u>923,743</u>
Unrestricted net assets - End of year (note 15)	<u>2,770,005</u>	<u>1,855,323</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, 2026

	2026 \$	2025 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	914,682	931,580
Changes in non-cash working capital items		
Accounts receivable	616,729	652,055
Accounts payable and accrued liabilities	(2,334,207)	1,211,380
Deferred revenue	(43,534)	1,066
Prepaid expenses	-	31,538
Change in cash and cash equivalents during the year	(846,330)	2,827,619
Cash and cash equivalents - Beginning of year	4,309,446	1,481,827
Cash and cash equivalents - End of year	3,463,116	4,309,446

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

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2026

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, 2026

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, 2025 \$	Revenue deferred \$	Revenue realized \$	March 31, 2026 \$
Canadian National Wheat Cluster	87,140	-	43,534	43,606

	March 31, 2024 \$	Revenue deferred \$	Revenue realized \$	March 31, 2025 \$
Canadian National Wheat Cluster	86,074	1,066	.	87,140

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, 2026

The total maximum commitment to projects awarded funding is \$6,495,332. Cumulative research project expenditures of \$3,865,800 (2025 - \$2,514,460) have been incurred related to these commitments up to March 31, 2026. The remaining commitment of the Coalition over the remaining term of the CRDA is anticipated to be as follows:

	\$
2027	1,342,879
2028	<u>1,286,653</u>
	<u>2,629,532</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. The industry portion of the total contributions recognized during the year ended March 31, 2026 was \$735,899 (2025 - \$626,427).

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

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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 \$4,397,123 (2025 - \$2,597,292) have been incurred related to these commitments up to March 31, 2026. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2027	1,449,242
2028	1,272,186
	<u>2,721,428</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.

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.

Under the amendment and extension to the agreement, the total maximum commitment to projects awarded funding is \$11,544,450. Cumulative research project expenditures of \$2,308,890 (2025 - nil) have been incurred related to these commitments through March 31, 2026. The remaining commitments of the Coalition over the remaining term of the amended and extended agreement are anticipated to be as follows:

	\$
2027	2,308,890
2028	2,308,890
2029	2,308,890
2030	2,308,890
	<u>9,235,560</u>

Canadian Wheat Research Coalition

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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, 2026 of \$202,920 (2025 - \$200,420), of which \$126,900 (2025 - \$124,400) relates to science coordination and is included in research contract expenditures and \$76,020 (2025 - \$76,020) is included in service contract expenditures, have been incurred related to these commitments, with a total cumulative spend of \$610,758 up to March 31, 2026. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows

	\$
2027	205,520
2028	<u>214,286</u>
	<u>419,806</u>

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.

An amendment to the agreement was entered into extending the original term of the agreement to the end of fiscal 2028 with the further option to extend into fiscal 2029. This amendment will follow the same stipulations as the original agreement.

The total maximum commitment to projects awarded funding under the amended and extended agreement is \$27,049,506. Cumulative research project expenditures of \$6,369,890 (2025 - nil) have been incurred related to these commitments up to March 31, 2026. The remaining commitments of the Coalition over the remaining term of the amended and extended agreement are anticipated to be as follows:

	\$
2027	6,624,685
2028	6,889,672
2029 (if extended)	<u>7,165,259</u>
	<u>20,679,616</u>

Canadian Wheat Research Coalition

Notes to Financial Statements

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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 \$1,895,034 (2025 - \$1,790,034) have been incurred related to these commitments up to March 31, 2026. The remaining commitment of the Coalition over the remaining term of the agreement is anticipated to be as follows:

	\$
2027	<u>105,000</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 \$2,308,554 (2025 - \$2,024,684) have been incurred related to these commitments up to March 31, 2026. The remaining commitments of the Coalition over the remaining term of the agreement are anticipated to be as follows:

	\$
2027	<u>283,871</u>

Canadian Wheat Research Coalition

Notes to Financial Statements

March 31, 2026

14 Revenue by source

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

	2026 \$	2025 \$
Saskatchewan Wheat Development Commission	5,603,295	5,275,983
Alberta Grains	3,375,288	3,364,290
Manitoba Crop Alliance	2,049,741	1,646,672
Agriculture and Agri-Food Canada	1,020,323	946,989
Western Grains Research Foundation	541,667	520,989
Canadian Field Crop Research Alliance	350,083	292,837
Agriculture and Agri-Food Canada - royalties	270,137	773,799
Interest income	40,775	47,640
University of Alberta - royalties	36,250	-
Other industry funding agencies	16,487	12,885
Canadian Barley Research Coalition	688	-
	<u>13,304,734</u>	<u>12,882,084</u>

Royalties from the Crop Development Centre (CDC) at the University of Saskatchewan are collected and held in a special purpose account at the University of Saskatchewan to be used towards core breeding activities approved by the Board of Directors of the Coalition. This special purpose account is not included in the financial statements of the Coalition. During the year ended March 31, 2026, \$99,274 was received into account (2025 - \$117,837). As of March 31, 2026, the cumulative amount received is \$474,115.

15 Unrestricted net assets

Unrestricted net assets as at March 31, 2026 relate to a) cumulative unspent industry contributions for the Core Breeding Agreement with the University of Alberta and the University of Manitoba of of \$719,662 (2024 - \$254,503); and b) the cumulative 10% contracted administration fee for the Canadian National Wheat Cluster project and cumulative amounts of interest income and royalties of \$2,050,343 (2025 - \$1,600,821). The Coalition intends to use these unrestricted funds for research-related expenses determined by the Coalition's Board of Directors.