

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Financial Statements
Year Ended December 31, 2017

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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LARRY D. GEE, CA
(1944 - 2007)

DOUGLAS W. LAMBERT
Professional Corporation

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LLOYD R. DAVENPORT
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Processing Vegetable Growers

We have audited the accompanying consolidated financial statements of Ontario Processing Vegetable Growers, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Independent Auditor's Report to the Members of Ontario Processing Vegetable Growers *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ontario Processing Vegetable Growers as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Arva, Ontario
March 28, 2018**

Gee, Lambert & Courneya LLP

**CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants**

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 1,237,094	\$ 1,556,096
Short term investments	319,817	300,828
Accounts receivable	77,925	89,923
Due from board funds	9,712	10,730
Prepaid expenses	3,861	4,131
	<u>1,648,409</u>	<u>1,961,708</u>
CAPITAL ASSETS (Note 2)	16,168	3,282
MANAGED INVESTMENTS	<u>3,328,453</u>	<u>3,333,478</u>
	<u>\$ 4,993,030</u>	<u>\$ 5,298,468</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 3)	\$ 347,534	\$ 256,300
Reserve for bursaries, current portion	2,000	2,000
	<u>349,534</u>	<u>258,300</u>
DEFERRED FUNDING	-	6,962
RESERVE FOR BURSARIES	<u>20,000</u>	<u>21,000</u>
	<u>369,534</u>	<u>286,262</u>
NET ASSETS		
Unrestricted net assets	1,805,195	2,199,364
Restricted net assets	2,810,715	2,809,560
Capital assets	7,586	3,282
	<u>4,623,496</u>	<u>5,012,206</u>
	<u>\$ 4,993,030</u>	<u>\$ 5,298,468</u>

APPROVED

Suzanne Van Bommel, Chair

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Revenues and Expenditures
Year Ended December 31, 2017

	Total 2017	Total 2016
LICENCE FEES		
Tomatoes	\$ 627,232	\$ 685,842
Green peas	138,561	151,659
Cucumbers	125,177	117,337
Sweet corn	74,324	73,455
Green and wax beans	65,300	61,375
Carrots	57,032	57,479
Lima beans	18,425	29,566
Pumpkins and squash	16,562	16,628
Onions	6,981	4,507
	<u>1,129,594</u>	<u>1,197,848</u>
OTHER INCOME		
Interest and other income	83,906	99,962
Federal research and development funding	71,465	89,833
Levies/checkoffs	500	-
	<u>155,871</u>	<u>189,795</u>
EXPENSES		
Employees paid leave and severance	385,411	-
Staff salaries, benefits, and related services (Note 4)	277,447	453,293
Grading expense	190,922	200,171
Research	181,998	155,473
Legal fees	102,809	65,554
Consulting fees	99,817	93,835
Board members fees and related costs (Note 4)	89,798	125,311
Office expense, stationery, postage, subscriptions	60,231	60,984
Education and Marketing	53,150	53,779
Board members travel and meeting expenses	49,855	82,639
Office rent, utilities, maintenance and improvements	49,827	52,910
Acreage measurement	28,089	27,081
Staff travel and meeting expenses	20,288	33,147
Audit fees	17,745	12,472
Negotiations and arbitration meetings	16,040	9,108
Public relations and promotions	13,338	4,518
Other conventions and meetings	13,101	29,129
Membership fees	11,568	15,372
Annual industry conference	9,604	24,533
Amortization	3,137	2,955
Bad debts	-	3,500
	<u>1,674,175</u>	<u>1,505,764</u>
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (388,710)	\$ (118,121)

See notes to consolidated financial statements

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2017

	Unrestricted Net Assets	Restricted Net Assets	Capital Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 2,199,364	\$ 2,809,560	\$ 3,282	\$ 5,012,206	\$ 5,130,327
Deficiency of revenues over expenses	(394,169)	1,155	4,304	(388,710)	(118,121)
NET ASSETS - END OF YEAR	\$ 1,805,195	\$ 2,810,715	\$ 7,586	\$ 4,623,496	\$ 5,012,206

See notes to consolidated financial statements

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency Of Revenues Over Expenses	\$ (388,710)	\$ (118,121)
Items not affecting cash:		
Amortization of capital assets	3,137	2,955
Loss on disposal of capital assets	109	-
	<u>(385,464)</u>	<u>(115,166)</u>
Changes in non-cash working capital:		
Accounts receivable	11,998	65,045
Due from board funds	1,018	-
Deferred funding	(6,962)	(18,165)
Accounts payable and accrued liabilities	91,235	22,621
Prepaid expenses	270	(695)
Other receivables	-	(9,108)
	<u>97,559</u>	<u>59,698</u>
Cash flows from operating activities	<u>(287,905)</u>	<u>(55,468)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(16,133)	-
Long term Investments	5,025	40,612
Reserve for bursaries	(1,000)	(2,000)
	<u>(12,108)</u>	<u>38,612</u>
Cash flows from (used by) investing activities	<u>(12,108)</u>	<u>38,612</u>
DECREASE IN CASH FLOWS	(300,013)	(16,856)
Cash - beginning of year	<u>1,856,924</u>	<u>1,873,780</u>
CASH - END OF YEAR	<u>1,556,911</u>	<u>1,856,924</u>
CASH CONSISTS OF:		
Cash	\$ 1,237,094	\$ 1,556,096
Short term investments	319,817	300,828
	<u>\$ 1,556,911</u>	<u>\$ 1,856,924</u>

See notes to consolidated financial statements

ONTARIO PROCESSING VEGETABLE GROWERS

Notes to Consolidated Financial Statements

Year Ended December 31, 2017

DESCRIPTION OF OPERATIONS

The Ontario Processing Vegetable Growers (OPVG) is incorporated under the regulations of the Farm Products Marketing Act. OPVG was formed to represent processing vegetable growers in the three districts across Ontario. There are 14 regulated processing vegetables in the Province. OPVG is a non-profit organization under the Income Tax Act and, accordingly, is exempt from income taxes under Section 149 (1)(e) of the Income Tax Act.

OPVG employs Fund Accounting. For each fund established by legal, contractual or voluntary actions of the Board there is a self-balancing set of accounts. Elements of a fund include assets, liabilities, net assets, revenues and expenses. Fund accounting involves an accounting segregation, although not necessarily a physical segregation, of resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

The organization defines cash to include cash on hand, cash in the bank and short term guaranteed investment certificates with maturities or rights to redeem of equal to or less than three months.

Measurement of financial instruments

The organization's financial instruments consist of cash, accounts receivable, investments (short term and managed), accounts payable and accrued liabilities. The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all financial assets and liabilities at cost or amortized cost. Estimates are required at times to account for accounts receivable and payables.

Revenue recognition

Licence Fees are levied by processing crop on licensed producers at a rate per delivered ton. The licensed processors collect the fees and remit to OPVG. Licence Fees are recognized as income in the fiscal year of delivery.

The organization has incurred bond premiums (net) on the purchase of in term bonds. The premium is a factor determined by market forces. The amounts are being amortized over the remaining term of the bond.

Interest income is recorded on an accrual basis.

Levies are calculated as a factor based on delivered tons as defined in the Processor Marketing Agreements.

Research and Development Funding from the Government are recorded when there is reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants and the corresponding research expense has been incurred.

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ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Contributions

The organization accounts for contributions using the restricted fund method of accounting:

(i) **Government Funding**

Funding is granted for specific research. It is accounted for in the appropriate restricted fund in accordance with the contact terms. Accrual accounting is employed and results in a matching of funding to the expenditure in the year.

(ii) **Levies**

OPVG and the Ontario Fruit and Vegetable Processors Association (OF&VPA) combine to equally fund projects in tomato research, cucumber research and to share the cost of the annual joint convention. The research levies are reported as income with OPVG share being eliminated upon consolidation. The cost of the annual convention is shown in expenses net of OF&VPA share.

(iii) **Bursaries**

Contributions received for the purpose of funding long term bursary programs is added to the liability in the balance sheet.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method
Leasehold improvements	5 years	straight-line method

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Managed Investments

It is the organization's policy to hold its managed investments to maturity. The funds are invested for income and the organization is not attempting to make gains on short term swings in interest rates.

Based on the held to maturity program, the accounting policies are:

- The bond premium (discount) paid upon purchase is amortized over the term of the bond, resulting in reported income being representative of the effective rate of interest at the time of purchase.
- The bonds are carried on the balance sheet at amortized cost and impairment is tested annually by comparing to market. A write-down to market would be recorded in the year the organization determines the investment to be impaired.
- A current portion is shown for non-restricted investments maturing in one year. All investments in the Reserve Fund are restricted and must be re-invested for income. As such, they are all classified long term assets.

Consolidated Funds

The purpose of the individual funds are:

General Fund - An unrestricted fund that derives the majority of its revenues from crop licence fees. The fund reports the use of resources for general operating activities.

Reserve Fund - A restricted fund. The original capital is maintained and invested for income. All resources are expended for research, market development and education projects of benefit to the entire processing vegetable industry.

Ontario Tomato Research Institute Reserve - A restricted fund. The fund conducts research on behalf of the Ontario tomato growers and processors.

Ontario Cucumber Research Committee - A restricted fund. The fund conducts research on behalf of the Ontario cucumber growers and processors.

Tomato Grading Reserve - A restricted fund. The fund acquires grading equipment and manages the tomato third party tomato grading system on behalf of growers and processors.

Pea, Bean and Corn Industry Research Committee - A restricted fund. The fund conducts research on behalf of the Ontario pea, bean and corn growers and processors.

The OF&VPA has a 50% equity interest in the last four funds listed above. In these consolidated financial's only the OPVG share of net assets is recorded.

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ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The Board makes estimates relative to accruals for accounts receivable, accounts payable and if a reserve for collections may be required.

- Accounts receivable are stated after evaluation of their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary;

- Depreciation is based on the estimated useful lives of capital assets;

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and Equipment	\$ 105,680	\$ 91,355	\$ 14,325	\$ 2,994
Computer equipment	11,333	9,490	1,843	288
	<u>\$ 117,013</u>	<u>\$ 100,845</u>	<u>\$ 16,168</u>	<u>\$ 3,282</u>

The amortization was \$3,137 for 2017 (\$2,955 - 2016)

3. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2017	2016
HST Payable	\$ 101,783	\$ 120,450
Employee deductions payable	19,894	14,984
EHT Payable	1,512	1,876
	<u>\$ 123,189</u>	<u>\$ 137,310</u>

ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

4. RELATED PARTY TRANSACTIONS

OMAFRA has funded the following persons directly. The cost of operating the Board in 2017 would have been greater than presented without these payments.

1. The Trustee, Elmer Buchanan, was paid by OMAFRA and only expenses were paid by the Board
 2. The Chair was paid the standard Director per diems by the Board and contracted with OMAFRA for an additional amount.
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5. CONTRACTUAL OBLIGATIONS

OPVG is committed under the terms of an operating lease for office space to September 30, 2025. The base rate applies plus a proportionate share of common area expenses and taxes.

OPVG has a photocopy lease expiring in 2023 with payments of \$3,120 per year.

OPVG has a web portal service lease expiring August 31, 2019 with payments of \$10,884 per year.

Contractual obligation repayment schedule:

2018	\$ 35,684
2019	30,242
2020	24,800
2021	25,284
2022	25,284
Thereafter	<u>67,272</u>
	<u>\$ 208,566</u>

ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2017

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to the collection of licence fees. The organization manages this risk by reviewing what entities are licensed, obtaining letters of credit for large amounts and the constant monitoring and evaluation of the accounts.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable. The organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

i) **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to currency risk.

ii) **Interest Rate**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through investing in non-risk GIC's for its investments. The organization is exposed to interest rate risk primarily through its investments.

iii) **Other Price Risk**

Other risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is not exposed to other price risk.

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)
Financial Statements
Year Ended December 31, 2017

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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LLOYD R. DAVENPORT
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Processing Vegetable Growers (General Fund)

We have audited the accompanying financial statements of Ontario Processing Vegetable Growers, (General Fund), which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Independent Auditor's Report to the Members of Ontario Processing Vegetable Growers *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Processing Vegetable Growers, (General Fund), as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Arva, Ontario
March 28, 2018

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 1,015,826	\$ 1,302,949
Short term investments	266,388	248,177
Accounts receivable	31,073	72,508
Due from board funds (Note 6)	31,496	33,531
Prepaid expenses	3,861	4,131
	1,348,644	1,661,296
CAPITAL ASSETS (Note 2)	7,585	3,282
LONG TERM INVESTMENTS	676,870	675,121
	\$ 2,033,099	\$ 2,339,699
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 3)	\$ 326,948	\$ 237,581
Reserve for bursaries, current portion	2,000	2,000
	328,948	239,581
RESERVE FOR BURSARIES	20,000	21,000
	348,948	260,581
 NET ASSETS		
General fund	1,676,566	2,075,836
Capital assets (Note 2)	7,585	3,282
	1,684,151	2,079,118
	\$ 2,033,099	\$ 2,339,699

APPROVED

Suzanne Van Bommel, Chair

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Statement of Revenues and Expenditures
Year Ended December 31, 2017

	Total 2017	Total 2016
LICENCE FEES		
Tomatoes	\$ 627,232	\$ 685,842
Green peas	138,561	151,659
Cucumbers	125,177	117,337
Sweet corn	74,324	73,455
Green and wax beans	65,300	61,375
Carrots	57,032	57,479
Lima beans	18,425	29,566
Pumpkins and squash	16,562	16,628
Onions	6,981	4,507
	<u>1,129,594</u>	<u>1,197,848</u>
OTHER REVENUES		
Interest and other income	22,708	34,904
Federal research and development funding	-	28,630
	<u>22,708</u>	<u>63,534</u>
EXPENSES		
Employees paid leave and severance	385,411	-
Staff salaries, benefits, and related services	277,447	453,293
Grading expense	190,922	200,171
Research	113,176	127,650
Legal fees	102,812	65,555
Consulting fees	99,817	93,835
Board members fees and related costs	89,798	125,311
Office expense, stationery, postage, subscriptions	59,568	60,601
Board members travel and meeting expenses	49,855	82,639
Office rent, utilities, maintenance and improvements	49,827	52,910
Acreage measurement	28,089	27,081
Staff travel and meeting expenses	20,288	33,147
Negotiations and arbitration meetings	16,040	9,108
Public relations and promotions	13,338	4,518
Other conventions and meetings	13,101	29,129
Audit fees	14,425	9,741
Membership fees	11,568	15,372
Annual industry conference	9,604	24,533
Amortization	2,183	2,222
Bad debts	-	3,000
	<u>1,547,269</u>	<u>1,419,816</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (394,967)</u>	<u>\$ (158,434)</u>

See notes to financial statements

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Statement of Changes in Net Assets
Year Ended December 31, 2017

	General Fund	Capital Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 2,075,836	\$ 3,282	\$ 2,079,118	\$ 2,237,552
Deficiency of revenues over expenses	(399,270)	4,303	(394,967)	(158,434)
NET ASSETS - END OF YEAR	\$ 1,676,566	\$ 7,585	\$ 1,684,151	\$ 2,079,118

See notes to financial statements

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency Of Licence Fees Over Expenses	\$ (394,967)	\$ (158,434)
Items not affecting cash:		
Amortization of capital assets	2,183	2,222
Loss on disposal of capital assets	109	-
	<u>(392,675)</u>	<u>(156,212)</u>
Changes in non-cash working capital:		
Accounts receivable	41,435	38,979
Accounts payable and accrued liabilities	89,368	22,830
Prepaid expenses	270	(695)
Due from board funds	2,035	(19,725)
	<u>133,108</u>	<u>41,389</u>
Cash flows from operating activities	<u>(259,567)</u>	<u>(114,823)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(6,596)	-
Bursaries, net	(1,000)	(2,000)
Long term Investments	(1,749)	65,119
	<u>(9,345)</u>	<u>63,119</u>
Cash flows from (used by) investing activities	<u>(9,345)</u>	<u>63,119</u>
DECREASE IN CASH FLOWS	(268,912)	(51,704)
Cash - beginning of year	<u>1,551,126</u>	<u>1,602,830</u>
CASH - END OF YEAR	<u>1,282,214</u>	<u>1,551,126</u>
CASH CONSISTS OF:		
Cash	\$ 1,015,826	\$ 1,302,949
Short term investments	266,388	248,177
	<u>\$ 1,282,214</u>	<u>\$ 1,551,126</u>

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Notes to Financial Statements

Year Ended December 31, 2017

DESCRIPTION OF OPERATIONS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

OPVG defines cash to include cash on hand, cash in the bank and short term guaranteed investment certificates with maturities or rights to redeem of equal to or less than 12 months.

Measurement of financial instruments

OPVG's financial instruments consist of cash, short term deposits, accounts receivable, short term investments, managed investments, and accounts payable. OPVG initially measures its financial assets and liabilities at fair value. OPVG subsequently measures all financial assets and liabilities at cost or amortized cost.

Revenue recognition

Licence Fees are levied by processing crop on licensed producers at a rate per delivered ton. The licensed processors collect the fees and remit to OPVG. Licence Fees are recognized as income in the fiscal year of delivery.

Interest income is recorded on an accrual basis.

Research and Development Funding from Government are recognized when the corresponding research expense has been incurred.

Contributions

OPVG accounts for contributions using the restricted fund method of accounting:

(i) Government Funding

Funding is granted for specific research. Accrual accounting is employed to account for the contributions in the contract period and to match the reported funding to the related expenditures

(continues)

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Notes to Financial Statements

Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

General Fund

The General Fund reports unrestricted resources available for the Board's general operating activities. The OPVG presents consolidated financial statements that combine all of the resources of all funds where it has an economic interest.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method
Leasehold improvements	5 years	straight-line method

OPVG regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Short Term and Long Term Investments

It is OPVG's policy to hold investments to maturity. The funds are invested for income and OPVG is not attempting to make gains on short term swings in interest rates.

As at December 31, 2017, OPVG's market values are equal to carrying values and there are not impaired positions in the portfolio.

OPVG accounts for the investments at market value and accounts for income on an accrual basis.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The Board makes estimates relative to accruals for accounts receivable, accounts payable and if a reserve for collections may be required.

- Accounts receivable are stated after evaluation of their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary;

- Depreciation is based on the estimated useful lives of capital assets;

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Notes to Financial Statements
Year Ended December 31, 2017

2. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and equipment	\$ 41,694	\$ 35,952	\$ 5,742	\$ 2,994
Computer equipment	11,333	9,490	1,843	288
Leasehold improvements	12,582	12,582	-	-
	\$ 65,609	\$ 58,024	\$ 7,585	\$ 3,282

3. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2017	2016
HST Payable	\$ 106,287	\$ 118,616
Employee deductions payable	19,894	14,984
EHT Payable	1,512	1,876
	\$ 127,693	\$ 135,476

4. CONTRACTUAL OBLIGATIONS

OPVG is committed under the terms of an operating lease for office space to September 30, 2025. The base rate applies plus a proportionate share of common area expenses and taxes.

OPVG has a photocopy lease expiring in 2023 with payments of \$3,120 per year.

OPVG has a web portal service lease expiring August 31, 2019 with payments of \$10,884 per year.

Contractual obligation repayment schedule:

2018	\$ 35,684
2019	30,242
2020	24,800
2021	25,284
2022	25,284
Thereafter	67,272
	\$ 208,566

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Notes to Financial Statements

Year Ended December 31, 2017

5. FINANCIAL INSTRUMENTS

OPVG is exposed to various risks through its financial instruments. The following analysis provides a measure of OPVG's risk exposure and concentrations at the balance sheet date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. OPVG's main credit risks relate to the collection of licence fees. OPVG manages this risk by reviewing what entities are licensed, obtaining letters of credit for large amounts and the constant monitoring and evaluation of the accounts.

Liquidity risk

Liquidity risk is the risk that OPVG will encounter difficulty in meeting obligations associated with financial liabilities. OPVG is exposed to this risk mainly in respect of its accounts payable. OPVG expects to meet these obligations as they come due by generating sufficient cash flow from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. OPVG is mainly exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. OPVG is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, OPVG manages exposure through investing in non-risk GIC's for its investments. OPVG is exposed to interest rate risk primarily through its investments.

Other price risk

Other risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. OPVG is not exposed to other price risk.

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Notes to Financial Statements

Year Ended December 31, 2017

6. DUE FROM (TO) BOARD FUNDS

	<u>2017</u>	<u>2016</u>
Ontario Tomato Research Institute	\$ 4,158	\$ 6,018
Ontario Processing Vegetable Growers (A Trust Fund)	12,072	12,072
Tomato Grading Reserve Fund	(1,794)	(2,075)
Ontario Cucumber Research Institute	7,250	3,000
Pea, Bean and Corn Industry Research Committee	9,810	14,516
	<u>\$ 31,496</u>	<u>\$ 33,531</u>

Transfers between boards are non-interest bearing with no set terms of repayment.

**ONTARIO PROCESSING VEGETABLE GROWERS
(A Trust Fund)
THE RESERVE FUND FOR PROCESSING-VEGETABLE PRODUCERS
Financial Statements
Year Ended December 31, 2017**

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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Professional Corporation

ROBERT G. COURNEYA, CPA, CA

LLOYD R. DAVENPORT
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Processing Vegetable Growers (A Trust Fund)

We have audited the accompanying financial statements of Ontario Processing Vegetable Growers, (A Trust Fund), which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

Independent Auditor's Report to the Members of Ontario Processing Vegetable Growers *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Processing Vegetable Growers, (A Trust Fund), as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Arva, Ontario
March 28, 2018

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ONTARIO PROCESSING VEGETABLE GROWERS

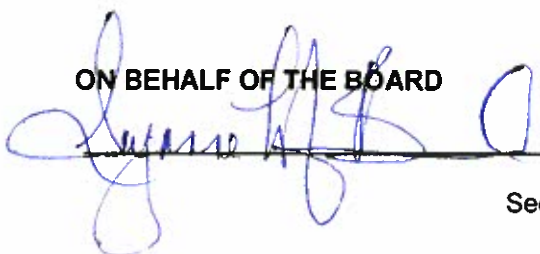
(A Trust Fund)

Statement of Financial Position

December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 6,093	\$ -
Accrued interest	13,381	16,148
	<u>19,474</u>	16,148
LONG TERM INVESTMENTS - at cost	<u>2,651,583</u>	2,658,357
	<u>\$ 2,671,057</u>	\$ 2,674,505
LIABILITIES AND NET ASSETS		
CURRENT		
Broker cash account overdraft	\$ -	\$ 8,550
Accounts payable and accrued liabilities	1,499	1,499
Due to board	12,072	12,072
	<u>13,571</u>	22,121
NET ASSETS		
Restricted net assets	2,528,856	2,528,856
Unrestricted net assets	128,630	123,528
	<u>2,657,486</u>	2,652,384
	<u>\$ 2,671,057</u>	\$ 2,674,505

ON BEHALF OF THE BOARD



Suzanne Van Bommel, Chair

See notes to financial statements

ONTARIO PROCESSING VEGETABLE GROWERS

(A Trust Fund)

Statement of Operations
Year Ended December 31, 2017

	2017	2016
REVENUES		
Interest	\$ 59,792	\$ 64,049
EXPENSES		
Professional fees	<u>1,540</u>	<u>1,509</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 58,252</u>	<u>\$ 62,540</u>

See notes to financial statements

ONTARIO PROCESSING VEGETABLE GROWERS
(A Trust Fund)

Statement of Changes in Net Assets
Year Ended December 31, 2017

	Restricted Net Assets	Unrestricted Net Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 2,528,856	\$ 123,528	\$ 2,652,384	\$ 2,643,623
Excess of revenues over expenses	-	58,252	58,252	62,540
	2,528,856	181,780	2,710,636	2,706,163
Education / Marketing	-	(53,150)	(53,150)	(53,779)
NET ASSETS - END OF YEAR	\$ 2,528,856	\$ 128,630	\$ 2,657,486	\$ 2,652,384

See notes to financial statements

ONTARIO PROCESSING VEGETABLE GROWERS
(A Trust Fund)

Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 58,252	\$ 62,540
Change in non-cash working capital:		
Accrued interest	2,767	194
Cash flows from operating activities	<u>61,019</u>	<u>62,734</u>
INVESTING ACTIVITY		
Long term investments	<u>6,774</u>	<u>(24,507)</u>
FINANCING ACTIVITIES		
Education	(53,150)	(53,779)
Advances from members	-	1,509
Cash flow used by financing activities	<u>(53,150)</u>	<u>(52,270)</u>
INCREASE (DECREASE) IN CASH FLOWS	14,643	(14,043)
Cash (deficiency) - beginning of year	<u>(8,550)</u>	<u>5,493</u>
CASH (DEFICIENCY) - END OF YEAR	\$ 6,093	\$ (8,550)
CASH (DEFICIENCY) CONSISTS OF:		
Cash	\$ 6,093	\$ -
Broker cash account overdraft	-	(8,550)
	<u>\$ 6,093</u>	<u>\$ (8,550)</u>

See notes to financial statements

ONTARIO PROCESSING VEGETABLE GROWERS

(A Trust Fund)

Notes to Financial Statements

Year Ended December 31, 2017

PURPOSE AND TERMS OF RESERVE FUND (FUND)

Under a 1992 agreement with the Ontario Ministry of Agriculture, Food and Rural Affairs, the Ontario Processing Vegetable Growers (OPVG) administers this fund as a separate trust. The fund capital consists of the funds available from the wind-up of the Processing-Vegetable Financial Protection Board. The terms of the agreement stipulate that the Ontario Processing Vegetable Growers shall not have access to the restricted capital and shall spend the interest only for the purposes of research, market development and education projects of benefit to the entire processing-vegetable industry.

The fund employs Fund Accounting. For each fund established by legal, contractual or voluntary actions of the association there is a self balancing set of accounts. Elements of a fund include assets, liabilities, net assets, revenues and expenses. Fund accounting involves an accounting segregation, although not necessarily a physical segregation, of resources.

1. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue Recognition

The fund reports income on the accrual basis of accounting with interest income being recognized as earned.

The Fund

The Fund reports resources available for the fund's general operating activities. The association presents consolidated financial statements that combine all of the resources of all funds where the OPVG has an economic interest.

(continues)

ONTARIO PROCESSING VEGETABLE GROWERS

(A Trust Fund)

Notes to Financial Statements

Year Ended December 31, 2017

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Long Term Investments

The funds are invested for income and fund management may sell before maturity based on their judgement, however normally investments are held to maturity.

The accounting policies for the bond portfolio are:

- The bond premium (discount) paid upon purchase is amortized over the term of the bond, resulting in reported income being representative of the effective rate of interest at the time of purchase.
 - The bonds are carried on the balance sheet at amortized cost and impairment is tested annually by comparing to market. A write-down to market would be recorded in the year OPVG determines the investment to be impaired.
 - A current portion is not shown based on 2017 maturities since all investments are restricted and must be re-invested for income.
-

ONTARIO PROCESSING VEGETABLE GROWERS

(A Trust Fund)

Notes to Financial Statements

Year Ended December 31, 2017

2. FINANCIAL INSTRUMENTS

The fund is exposed to various to various risks through its financial instruments. The following analysis provides a measure of the fund's risk exposure and concentrations at the balance sheet date.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. There is some risk that the bond and interest bearing investments will not pay at redemption date, however the investments are made in high grade securities and the risk is considered low.

Liquidity Risk

Liquidity risk is the risk that the fund will encounter difficulty in meeting obligations associated with financial liabilities. The fund is exposed to this risk mainly in respect of its demand loan and accounts payable. The fund expects to meet these obligations as they come due by generating sufficient cash flow from operations

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The fund is mainly exposed to interest rate risk.

i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is not exposed to currency risk.

ii) Interest Rate

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the fund manages exposure through its normal operating and financing activities. The fund is exposed to interest rate risk primarily through its investments.

iii) Other Price Risk

Other risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The fund is not exposed to other price risk.

3. FUND MANAGEMENT

The Ontario Processing Vegetable Growers has assigned the day-to-day custody and management of the assets of the Reserve Fund to CIBC Wood Gundy. CIBC on a segregated and separate basis makes investments as authorized under the Trustee Act of the Province of Ontario and in accordance with the general investment policy stipulated by the Board.

ONTARIO TOMATO RESEARCH INSTITUTE
(Incorporated under the Agricultural and Horticultural Organizations Act)
Financial Statements
Year Ended December 31, 2017
(Unaudited - See Notice To Reader)

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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LLOYD R. DAVENPORT
Professional Corporation

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Ontario Tomato Research Institute, (Incorporated under the Agricultural and Horticultural Organizations Act), as at December 31, 2017 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Arva, Ontario
March 28, 2018

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ONTARIO TOMATO RESEARCH INSTITUTE
(Incorporated under the Agricultural and Horticultural Organizations Act)

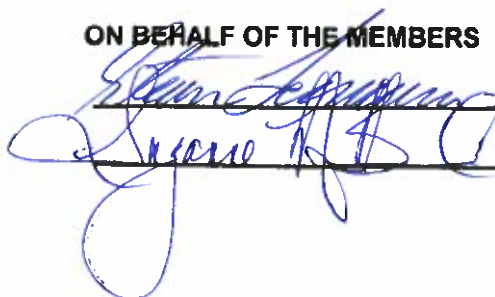
Statement of Financial Position

December 31, 2017

(Unaudited - See Notice To Reader)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 319,876	\$ 402,590
Accounts Receivable	66,824	2,403
	<u>\$ 386,700</u>	<u>\$ 404,993</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 29,928	\$ 29,046
Deferred funding	-	13,923
Due to board	4,158	6,018
	<u>34,086</u>	<u>48,987</u>
NET ASSETS		
Ontario Fruit & Vegetable Processors Association	176,307	178,003
Ontario Processing Vegetable Growers	176,307	178,003
	<u>352,614</u>	<u>356,006</u>
	<u>\$ 386,700</u>	<u>\$ 404,993</u>

ON BEHALF OF THE MEMBERS



Steve Lamoure, OF&VPA

Suzanne Van Bommel, OPVG Chair

ONTARIO TOMATO RESEARCH INSTITUTE
(Incorporated under the Agricultural and Horticultural Organizations Act)
Statement of Revenues and Expenditures
Year Ended December 31, 2017
(Unaudited - See Notice To Reader)

	2017	2016
REVENUES		
Funding	\$ 142,930	\$ 122,406
Ontario Processing Vegetable Growers levies	47,005	49,699
Ontario Fruit & Vegetable Processors Association levies	47,005	49,699
Interest income	1,102	686
Ontario Tomato Seedling Growers' Marketing Board	1,000	-
	<u>239,042</u>	<u>222,490</u>
EXPENSES		
Research	240,041	161,006
Accounting	1,351	1,050
Meetings and office	1,042	766
Bad debts	-	1,000
	<u>242,434</u>	<u>163,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (3,392)	\$ 58,668

ONTARIO TOMATO RESEARCH INSTITUTE
(Incorporated under the Agricultural and Horticultural Organizations Act)
Statement of Changes in Net Assets
Year Ended December 31, 2017
(Unaudited - See Notice To Reader)

	Ontario Fruit & Vegetable Processors Association	Ontario Processing Vegetable Growers	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 178,003	\$ 178,003	\$ 356,006	\$ 297,338
Deficiency of revenues over expenses	(1,696)	(1,696)	(3,392)	58,668
NET ASSETS - END OF YEAR	\$ 176,307	\$ 176,307	\$ 352,614	\$ 356,006

ONTARIO CUCUMBER RESEARCH COMMITTEE
(A Joint Venture Fund)
Financial Statements
Year Ended December 31, 2017
(Unaudited - See Notice To Reader)

Gee, Lambert & Courneya LLP

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Professional Corporation

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Ontario Cucumber Research Committee, (A Joint Venture Fund), as at December 31, 2017 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Arva, Ontario
March 28, 2018

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS
Licensed Public Accountants

ONTARIO CUCUMBER RESEARCH COMMITTEE
(A Joint Venture Fund)
Statement of Financial Position
December 31, 2017
(Unaudited - See Notice To Reader)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 44,154	\$ 37,459
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,652	\$ 4,491
Due to board	7,250	3,000
	11,902	7,491
 NET ASSETS		
Ontario Fruit & Vegetable Processors Association	16,126	14,984
Ontario Processing Vegetable Growers	16,126	14,984
	32,252	29,968
	\$ 44,154	\$ 37,459

ON BEHALF OF THE MEMBERS


 _____ Suzanne Van Bommel, OPVG Chair


 _____ Steve Lamoure, OF&VPA

ONTARIO CUCUMBER RESEARCH COMMITTEE
(A Joint Venture Fund)

Statement of Revenues and Expenditures

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

	2017	2016
REVENUES		
Ontario Fruit & Vegetable Processors Association levies	\$ 17,263	\$ 17,598
Ontario Processing Vegetable Growers levies	17,263	17,598
Interest income	119	48
	<u>34,645</u>	<u>35,244</u>
EXPENSES		
Research	31,500	30,500
Accounting	861	490
	<u>32,361</u>	<u>30,990</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 2,284</u>	<u>\$ 4,254</u>

ONTARIO CUCUMBER RESEARCH COMMITTEE

(A Joint Venture Fund)

Statement of Changes in Net Assets

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

	Ontario Fruit & Vegetable Processors Association	Ontario Processing Vegetable Growers	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 14,984	\$ 14,984	\$ 29,968	\$ 25,714
Excess of revenues over expenses	1,142	1,142	2,284	4,254
NET ASSETS - END OF YEAR	<u>\$ 16,126</u>	<u>\$ 16,126</u>	<u>\$ 32,252</u>	<u>\$ 29,968</u>

PEA, BEAN AND CORN INDUSTRY RESEARCH COMMITTEE
(A Joint Venture Fund)
Financial Statements
Year Ended December 31, 2017
(Unaudited - See Notice To Reader)

Gee, Lambert & Courneya LLP

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LLOYD R. DAVENPORT
Professional Corporation

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Pea, Bean and Corn Industry Research Committee, (A Joint Venture Fund), as at December 31, 2017 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Arva, Ontario
March 28, 2018

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS
Licensed Public Accountants

PEA, BEAN AND CORN INDUSTRY RESEARCH COMMITTEE

(A Joint Venture Fund)

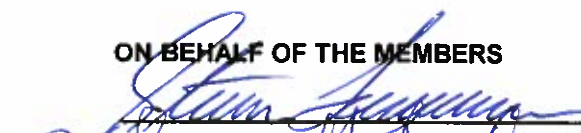
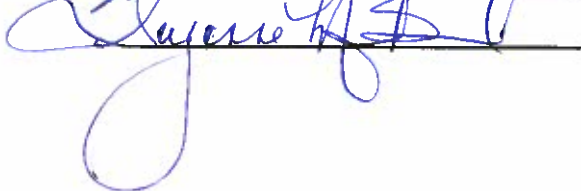
Statement of Financial Position

December 31, 2017

(Unaudited - See Notice To Reader)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 60,469	\$ 58,051
Accounts receivable	118	131
	<u>\$ 60,587</u>	<u>\$ 58,182</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,201	\$ 501
Due to board	9,810	14,517
	<u>13,011</u>	<u>15,018</u>
NET ASSETS		
Ontario Fruit & Vegetable Processors Association	23,788	21,582
Ontario Processing Vegetable Growers	23,788	21,582
	<u>47,576</u>	<u>43,164</u>
	<u>\$ 60,587</u>	<u>\$ 58,182</u>

ON BEHALF OF THE MEMBERS

Steve Lamoure, OF&VPA

Suzanne Van Bommel, OPVG Chair

PEA, BEAN AND CORN INDUSTRY RESEARCH COMMITTEE

(A Joint Venture Fund)

Statement of Revenues and Expenditures

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

	2017	2016
REVENUES		
Ontario Fruit & Vegetable Processors Association levies	\$ 20,092	\$ 20,517
Ontario Processing Vegetable Growers levies	20,092	20,517
	<u>40,184</u>	<u>41,034</u>
EXPENSES		
Research	34,821	39,767
Accounting	951	501
	<u>35,772</u>	<u>40,268</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 4,412</u>	<u>\$ 766</u>

PEA, BEAN AND CORN INDUSTRY RESEARCH COMMITTEE
(A Joint Venture Fund)

Statement of Changes in Net Assets

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

	Ontario Fruit & Vegetable Processors Association		Ontario Processing Vegetable Growers		2017	2016		
NET ASSETS - BEGINNING OF YEAR	\$	21,582	\$	21,582	\$	43,164	\$	42,398
Excess of revenues over expenses		2,206		2,206		4,412		766
NET ASSETS - END OF YEAR	\$	23,788	\$	23,788	\$	47,576	\$	43,164

TOMATO GRADING RESERVE FUND

Financial Statements

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

14361 Medway Road, P.O. Box 199, Arva, Ontario N0M 1C0 (519) 673-1421 FAX: (519) 679-8540

LARRY D. GEE, CA
(1944 - 2007)

DOUGLAS W. LAMBERT
Professional Corporation

ROBERT G. COURNEYA, CPA, CA

LLOYD R. DAVENPORT
Professional Corporation

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Tomato Grading Reserve Fund as at December 31, 2017 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Arva, Ontario
March 28, 2018

Gee, Lambert & Courneya LLP

Chartered Professional Accountants
Licensed Public Accountants

TOMATO GRADING RESERVE FUND

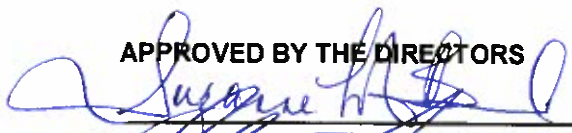
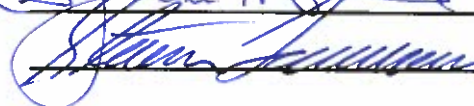
Statement of Financial Position

December 31, 2017

(Unaudited - See Notice To Reader)

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash	\$ 5,852	\$ 25,294
Investments	106,859	105,302
Due from board	<u>1,794</u>	<u>2,076</u>
	114,505	132,672
EQUIPMENT		
	<u>17,168</u>	-
	<u>\$ 131,673</u>	<u>\$ 132,672</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 397	\$ 402
NET ASSETS		
Ontario Fruit & Vegetable Processors Association	65,638	66,135
Ontario Processing Vegetable Growers	<u>65,638</u>	<u>66,135</u>
	131,276	132,270
	<u>\$ 131,673</u>	<u>\$ 132,672</u>

APPROVED BY THE DIRECTORS

Suzanne Van Bommel, Chair

Steve Lamoure, OF&VPA

TOMATO GRADING RESERVE FUND
Statement of Revenues and Expenditures
Year Ended December 31, 2017
(Unaudited - See Notice To Reader)

	2017	2016
REVENUES		
Interest on term deposit	\$ 1,557	\$ 1,239
Interest income	36	45
	<u>1,593</u>	<u>1,284</u>
EXPENSES		
Amortization	1,908	1,467
Accounting	397	403
Meetings	282	-
	<u>2,587</u>	<u>1,870</u>
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (994)	\$ (586)

TOMATO GRADING RESERVE FUND

Statement of Changes in Net Assets

Year Ended December 31, 2017

(Unaudited - See Notice To Reader)

	Ontario Fruit & Vegetable Processors Association	Ontario Processing Vegetable Growers	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 66,135	\$ 66,135	\$ 132,270	\$ 132,856
Deficiency of revenues over expenses	(497)	(497)	(994)	(586)
NET ASSETS - END OF YEAR	\$ 65,638	\$ 65,638	\$ 131,276	\$ 132,270