

AUDITOR'S REPORT

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ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)
Financial Statements
Year Ended December 31, 2014

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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LARRY D. GEE, CA
(1944 - 2007)

DOUGLAS W. LAMBERT
Professional Corporation

ROBERT G. COURNEYA, CPA, CA

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, 2014 and the statements of revenues and expenditures, changes in net assets and cash flow 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, 2014 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 19, 2015

Gee, Lambert & Courneya LLP

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)
Statement of Financial Position
December 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 1,332,194	\$ 1,169,060
Short term investments (Note 2)	178,073	182,056
Accounts receivable	117,892	6,785,851
Due from Board funds (Note 7)	11,780	9,717
Prepaid expenses	3,436	3,436
	<u>1,643,363</u>	<u>8,150,120</u>
CAPITAL ASSETS (Note 3)	8,580	4,691
LONG TERM INVESTMENTS (Note 2)	<u>698,240</u>	<u>679,440</u>
	<u>\$ 2,350,173</u>	<u>\$ 8,834,251</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 210,287	\$ 372,832
Demand loan - FCC	-	6,412,243
Reserve for bursaries, current portion	2,000	2,000
	<u>212,287</u>	<u>6,787,075</u>
RESERVE FOR BURSARIES	<u>28,000</u>	<u>27,620</u>
	<u>237,287</u>	<u>6,814,695</u>
NET ASSETS		
General fund	2,104,306	2,014,865
Capital assets (Note 3)	8,580	4,691
	<u>2,112,886</u>	<u>2,019,556</u>
	<u>\$ 2,350,173</u>	<u>\$ 8,834,251</u>

ON BEHALF OF THE BOARD


 _____ Jim Poel, Chairman


 _____ Francis Dobbelaar, Vice-Chairman

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Statement of Operations

Year Ended December 31, 2014

	Budget 2014	Total 2014	Total 2013
LICENSE FEES			
Tomatoes	\$ 603,560	\$ 590,907	\$ 476,503
Green peas	196,860	205,865	175,749
Cucumbers	110,500	118,382	92,015
Sweet corn	75,600	97,097	94,237
Green and wax beans	51,600	75,175	55,321
Lima beans	38,100	26,679	29,222
Carrots	36,630	42,800	44,114
Pumpkins and squash	14,790	14,344	4,559
Onions	5,130	6,496	-
Cauliflower	-	-	3,901
Red beets	-	-	522
	<u>1,132,770</u>	<u>1,177,745</u>	<u>976,143</u>
OTHER REVENUES			
Interest and other income	23,000	27,054	23,171
Federal research and development funding	28,622	50,827	228,122
	<u>51,622</u>	<u>77,881</u>	<u>251,293</u>
EXPENSES			
Staff salaries, benefits, and related services	435,350	440,392	447,199
Grading expense	118,575	140,958	146,184
Board members fees and related costs	123,850	104,909	122,202
Board members travel and meeting expenses	90,000	71,971	85,374
Office expense, stationery, postage, subscriptions	75,200	58,764	50,852
Office rent, utilities, maintenance and improvements	59,252	59,624	58,384
Research	58,162	80,082	267,431
Staff travel and meeting expenses	35,000	34,582	31,892
Other conventions and meetings	24,000	29,986	28,139
Legal fees	32,000	25,815	28,350
Acreage measurement	25,420	24,321	30,006
Consulting fees	23,000	37,076	17,980
Negotiations and arbitration meetings	12,900	15,092	22,810
Membership fees	14,000	13,621	13,009
Audit fees	12,500	10,580	11,186
Annual industry conference	7,600	8,733	17,685
Public relations and promotions	2,500	1,988	2,736
Amortization	6,000	3,822	6,405
	<u>1,155,309</u>	<u>1,162,296</u>	<u>1,387,824</u>
EXCESS (DEFICIENCY) OF LICENSE FEES OVER EXPENSES	<u>\$ 29,083</u>	<u>\$ 93,330</u>	<u>\$ (160,388)</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Statement of Changes in Net Assets
Year Ended December 31, 2014

	General Fund	Capital Assets	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 2,014,865	\$ 4,691	\$ 2,019,556	\$ 2,179,944
Excess (Deficiency) of license fees over expenses	89,441	3,889	93,330	(160,388)
NET ASSETS - END OF YEAR	\$ 2,104,306	\$ 8,580	\$ 2,112,886	\$ 2,019,556

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess (deficiency) of license fees over expenses	\$ 93,330	\$ (160,388)
Items not affecting cash:		
Amortization of capital assets	<u>3,822</u>	<u>6,405</u>
	<u>97,152</u>	<u>(153,983)</u>
Changes in non-cash working capital:		
Accounts receivable	6,867,959	3,820,180
Accounts payable and accrued liabilities	(162,544)	(1,316,267)
Prepaid expenses	-	930
Due from Board funds	<u>(2,041)</u>	<u>93,928</u>
	<u>6,503,374</u>	<u>2,598,771</u>
Net cash from operating activities	<u>6,600,526</u>	<u>2,444,788</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(7,712)	(1,299)
Bursaries, net	(2,620)	(1,380)
Long term Investments	<u>(18,800)</u>	<u>(104,040)</u>
Net cash used in investing activities	<u>(29,132)</u>	<u>(106,719)</u>
FINANCING ACTIVITY		
Demand loan - FCC	<u>(6,412,243)</u>	<u>(3,819,881)</u>
Net cash used in financing activity	<u>(6,412,243)</u>	<u>(3,819,881)</u>
NET INCREASE (DECREASE IN CASH)	<u>159,151</u>	<u>(1,481,812)</u>
Cash - beginning of year	<u>1,351,116</u>	<u>2,832,928</u>
CASH - END OF YEAR	<u>\$ 1,510,267</u>	<u>\$ 1,351,116</u>
CASH CONSISTS OF:		
Cash	\$ 1,332,194	\$ 1,169,060
Short term investments	<u>178,073</u>	<u>182,056</u>
	<u>\$ 1,510,267</u>	<u>\$ 1,351,116</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Notes to Financial Statements

Year Ended December 31, 2014

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

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 less than 3 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, 2014**

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, 2014, OPVG's market values are equal to carrying values and there are no impaired positions in the portfolio.

OPVG accounts for the investments at cost 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.

ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)

Notes to Financial Statements
Year Ended December 31, 2014

2. INVESTMENTS, at cost

	2014	2013
Investment cash account	\$ 73	\$ 56
GIC Pacific & Western 2.11%, due Oct. 3, 2014	-	125,000
GIC Home Trust 1.91%, due Oct. 7, 2014	-	57,000
GIC Mont. Trust 2.3%, due Oct. 3, 2015	125,000	125,000
GIC Home Trust 2.00%, due Oct. 8, 2015	26,500	-
GIC Vancity Savings 1.70%, due Dec. 16, 2015	26,500	-
GIC CIBC 2.54%, due Oct. 3, 2016	125,000	125,000
GIC CIBC 2.76%, due Mar. 22, 2017	100,400	100,400
GIC CDN West 2.55%, due Oct. 4, 2017	100,000	100,000
GIC B2B 2.65%, due Aug. 7, 2018	114,640	114,640
GIC Equitable 2.91%, due Oct. 9, 2018	114,400	114,400
GIC Presidents Choice 2.65%, due Oct. 7, 2019	125,000	-
GIC National Trust 2.50%, due Dec. 18, 2019	18,800	-
	<u>876,313</u>	<u>861,496</u>
Less: Investments due within one year	<u>(178,073)</u>	<u>(182,056)</u>
	<u>\$ 698,240</u>	<u>\$ 679,440</u>
Market value	<u>\$ 880,431</u>	<u>\$ 862,263</u>

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Furniture and equipment	\$ 37,310	\$ 31,872	\$ 5,438	\$ 150
Computer equipment	32,283	29,840	2,443	2,350
Leasehold improvements	12,582	11,883	699	2,191
	<u>\$ 82,175</u>	<u>\$ 73,595</u>	<u>\$ 8,580</u>	<u>\$ 4,691</u>

Additions during the year \$7,711 less amortization \$3,822 and disposals \$nil.

4. 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:

	2014	2013
HST Payable	\$ 120,203	\$ 89,236
Employee deductions payable	13,332	12,815
EHT Payable	1,641	1,401
	<u>\$ 135,176</u>	<u>\$ 103,452</u>

**ONTARIO PROCESSING VEGETABLE GROWERS
(General Fund)**

**Notes to Financial Statements
Year Ended December 31, 2014**

5. CONTRACTUAL OBLIGATIONS

OPVG is committed under the terms of an operating lease for office space to September 30, 2015. The base rate applies plus a proportionate share of common area expenses and taxes.

OPVG has a photocopy lease expiring in 2017 with payments of \$2,985 per year.

OPVG has a web portal service lease expiring August 31, 2016 with payments of \$11,940 per year.

Contractual obligation repayment schedule:

2015	\$	37,362
2016		10,945
2017		<u>2,985</u>
	\$	<u>51,292</u>

ONTARIO PROCESSING VEGETABLE GROWERS

(General Fund)

Notes to Financial Statements

Year Ended December 31, 2014

6. 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, 2014**

7. DUE FROM (TO) BOARD FUNDS

	<u>2014</u>	<u>2013</u>
Ontario Tomato Research Institute	\$ 6,988	\$ 4,158
Ontario Processing Vegetable Growers (A Trust Fund)	9,084	7,634
Tomato Grading Reserve Fund	(3,841)	(2,076)
Ontario Cucumber Research Institute	(451)	-
	<u>\$ 11,758</u>	<u>\$ 9,716</u>

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

8. BUDGET FIGURES

The budgeted figures are presented for comparison purposes as prepared and approved by OPVG. They have not been audited or reviewed by the auditor.

ONTARIO PROCESSING VEGETABLE GROWERS
(A Trust Fund)
THE RESERVE FUND FOR
PROCESSING-VEGETABLE PRODUCERS
Financial Statements
Year Ended December 31, 2014

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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LARRY D. GEE, CA
(1944 - 2007)

DOUGLAS W. LAMBERT
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, 2014 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.

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, 2014 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.



London, Ontario
March 19, 2015

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

ONTARIO PROCESSING VEGETABLE GROWERS**(A Trust Fund)****Statement of Financial Position****December 31, 2014**

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 1,225	\$ 1,312
Accrued interest	20,438	16,879
	<u>21,663</u>	<u>18,191</u>
LONG TERM INVESTMENTS (Market Value - \$2,614,187- 2014; \$2,636,257- 2013) (Note 2)	<u>2,609,217</u>	<u>2,604,287</u>
	<u>\$ 2,630,880</u>	<u>\$ 2,622,478</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,479	\$ 1,450
Due to general fund	9,084	7,634
	<u>10,563</u>	<u>9,084</u>
NET ASSETS		
Restricted net assets	2,528,856	2,528,856
Unrestricted net assets	91,481	84,538
	<u>2,620,317</u>	<u>2,613,394</u>
	<u>\$ 2,630,880</u>	<u>\$ 2,622,478</u>

ON BEHALF OF THE BOARD


Jim Poel , Chairman

Bruce Shackelton , Past-Chairman

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS**(A Trust Fund)****Statement of Operations****Year Ended December 31, 2014**

	2014	2013
REVENUES		
Interest	\$ 75,155	\$ 64,916
Gain on sale of investments	<u>27,771</u>	<u>-</u>
	<u>102,926</u>	<u>64,916</u>
EXPENSES		
Audit and accounting	1,479	1,450
Amortization of bond purchase premium	<u>2,734</u>	<u>670</u>
	<u>4,213</u>	<u>2,120</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 98,713</u>	<u>\$ 62,796</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS**(A Trust Fund)****Statement of Changes in Net Assets****Year Ended December 31, 2014**

	Restricted Net Assets	Unrestricted Net Assets	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 2,528,856	\$ 84,538	\$ 2,613,394	\$ 2,691,968
Excess of revenues over expenses	-	98,713	98,713	62,796
	2,528,856	183,251	2,712,107	2,754,764
Research	-	(61,521)	(61,521)	(94,012)
Education	-	(30,269)	(30,269)	(47,358)
NET ASSETS - END OF YEAR	\$ 2,528,856	\$ 91,461	\$ 2,620,317	\$ 2,613,394

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS
(A Trust Fund)

Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 98,713	\$ 62,796
Changes in non-cash working capital:		
Accrued interest	(3,559)	(405)
Accounts payable	29	(451)
	<u>(3,530)</u>	<u>(856)</u>
Cash flow from operating activities	<u>95,183</u>	<u>61,940</u>
INVESTING ACTIVITY		
Long term investments	<u>(4,930)</u>	<u>82,944</u>
FINANCING ACTIVITIES		
Research	(61,521)	(94,012)
Education	(30,269)	(47,358)
Advances from (to) members	<u>1,460</u>	<u>(2,213)</u>
Cash flow used by financing activities	<u>(90,340)</u>	<u>(143,583)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(87)</u>	<u>1,301</u>
Cash - beginning of year	<u>1,312</u>	<u>11</u>
CASH - END OF YEAR	<u>\$ 1,225</u>	<u>\$ 1,312</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS

(A Trust Fund)

Notes to Financial Statements

Year Ended December 31, 2014

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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations .

Financial instruments policy

The fund's financial instruments consist of cash, accounts receivable, accrued interest, accounts payable and investments. The fund initially measures its financial assets and liabilities at fair value. The fund subsequently measures all financial assets and liabilities at cost or amortized cost.

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, 2014**

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 2015 maturities since all investments are restricted and must be re-invested for income.

2. LONG TERM INVESTMENTS

	<u>2014</u>
Corporate Guaranteed Term Deposits -maturing in 2015 - weighted average rate - 2.46%	\$ 388,700
Corporate Guaranteed Term Deposits and Province of Ontario Coupon - maturing in 2016 - weighted average rate - 2.31%	524,265
Corporate Guaranteed Term Deposits -maturing 2017 - weighted average rate - 2.75%	845,392
Corporate Guaranteed Term Deposits - maturing 2018 - weighted average rate - 2.34%	340,700
Corporate Guaranteed Term Deposits - maturing 2019 - weighted average rate - 1.95%	<u>510,160</u>
	<u>\$ 2,609,217</u>

ONTARIO PROCESSING VEGETABLE GROWERS

(A Trust Fund)

Notes to Financial Statements

Year Ended December 31, 2014

3. 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.

4. 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, 2014

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

244 PALL MALL ST., STE. 401, LONDON, ONTARIO N6A 5P6 (519) 673-1421 FAX: (519) 679-8540

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ROBERT G. COURNEYA, CPA, CA

LLOYD R. DAVENPORT
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Tomato Research Institute (Incorporated under the Agricultural and Horticultural Organizations Act)

We have audited the accompanying financial statements of Ontario Tomato Research Institute, (Incorporated under the Agricultural and Horticultural Organizations Act), which comprise the statement of financial position as at December 31, 2014 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.

Independent Auditor's Report to the Members of Ontario Tomato Research Institute *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Tomato Research Institute, (Incorporated under the Agricultural and Horticultural Organizations Act), as at December 31, 2014 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 19, 2015

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, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 164,060	\$ 151,652
Accounts Receivable - Funding	<u>1,918</u>	<u>17,246</u>
	<u>\$ 165,978</u>	<u>\$ 168,898</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 10,764	\$ 51,658
Due to general fund	<u>6,966</u>	<u>4,158</u>
	<u>17,730</u>	<u>55,816</u>
NET ASSETS		
Ontario fruit & vegetable processors association	74,124	56,541
Ontario processing vegetable growers	<u>74,124</u>	<u>56,541</u>
	<u>148,248</u>	<u>113,082</u>
	<u>\$ 165,978</u>	<u>\$ 168,898</u>

ON BEHALF OF THE MEMBERS

Phil Richards Phil Richards, OPVG

Doug Buttl Doug Buttl, Processor Representative

See notes to financial statements

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

Statement of Operations
Year Ended December 31, 2014

	2014	2013
REVENUES		
Ontario Fruit & Vegetable Processors Association levies	\$ 48,583	\$ 76,708
Ontario Processing Vegetable Growers levies	48,583	76,708
Ontario Tomato Seedling Growers' Marketing Board	1,000	5,000
Funding (Note 4)	28,681	54,712
Interest income	538	304
	<u>127,385</u>	<u>213,432</u>
EXPENSES		
Research (Note 4)	90,763	136,804
Audit	1,010	990
Meetings and office	446	447
	<u>92,219</u>	<u>138,241</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 35,166</u>	<u>\$ 75,191</u>

See notes to financial statements

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

Statement of Changes in Net Assets

Year Ended December 31, 2014

	Ontario Fruit & Vegetable Processors Association		Ontario Processing Vegetable Growers		2014	2013		
NET ASSETS - BEGINNING OF YEAR (Note 4)	\$	56,541	\$	56,541	\$	113,082	\$	37,891
Excess of revenues over expenses		17,583		17,583		35,166		75,191
NET ASSETS - END OF YEAR	\$	74,124	\$	74,124	\$	148,248	\$	113,082

See notes to financial statements

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

Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenues over expenses	<u>\$ 35,166</u>	<u>\$ 75,191</u>
Changes in non-cash working capital:		
Accounts Receivable - Funding	15,328	68,922
Accounts payable and accrued liabilities	<u>(40,894)</u>	<u>45,254</u>
	<u>(25,566)</u>	114,176
Cash flow from operating activities	<u>9,600</u>	<u>189,367</u>
FINANCING ACTIVITY		
Advances from (to) General Fund	<u>2,808</u>	<u>(91,716)</u>
INCREASE IN CASH FLOW	12,408	97,651
Cash - beginning of year	<u>151,652</u>	<u>54,001</u>
CASH - END OF YEAR	<u>\$ 164,060</u>	<u>\$ 151,652</u>

See notes to financial statements

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

Notes to Financial Statements
Year Ended December 31, 2014

DESCRIPTION OF BUSINESS

The Institute is a not-for-profit entity that conducts research on behalf of the Ontario tomato growers and processors. The net receipts over disbursements earned by this entity are restricted special purpose funds.

1. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

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

Financial instruments policy

Ontario Tomato Research Institute (OTRI) financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. OTRI initially measures its financial assets and liabilities at fair value. OTRI subsequently measures all financial assets and liabilities at cost or amortized cost.

Revenue Recognition

OF&VPA pays current levies based on prior year contract tons of member processors @ .10 (2013 - .15). OPVG matches the amount.

Funding revenues are recognized when the corresponding research expense has been incurred.

Interest income is recorded on an accrual basis.

Contributions

The restricted fund accounts for contributions using the restricted fund method of reporting :

(i) Government Funding

Funding is granted for specific research. It is accounted for in the fund in accordance with the contract terms. Accrual accounting is employed and results in a matching of funding to similar expenditures in the year.

(ii) Levies

OPVG and OF&VPA contribute equally to levies. The amount is based on delivered tons at rates determined annually by the Board of Directors.

(iii) Ontario Tomato Seedling Growers' Marketing Board

The Seedling Growers contribute annually to the research projects.

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 TOMATO RESEARCH INSTITUTE
(Incorporated under the Agricultural and Horticultural Organizations Act)
Notes to Financial Statements
Year Ended December 31, 2014

1. SUMMARY OF 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. The fund estimates at year end certain receivables and payables.

2. 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:

	<u>2014</u>	<u>2013</u>
HST Payable	<u>\$ 2,247</u>	<u>\$ 5,176</u>

ONTARIO TOMATO RESEARCH INSTITUTE
(Incorporated under the Agricultural and Horticultural Organizations Act)
Notes to Financial Statements
Year Ended December 31, 2014

3. FINANCIAL INSTRUMENTS

OTRI is exposed to various risks through its financial instruments. The following analysis provides a measure of OTRI'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. OTRI has limited risk given receivables are from OPVG.

Liquidity Risk

Liquidity risk is the risk that OTRI will encounter difficulty in meeting obligations associated with financial liabilities. OTRI is exposed to this risk mainly in respect of its accounts payable. OTRI 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. OTRI 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. OTRI 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, OTRI manages exposure through its normal operating and financing activities. OTRI 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. OTRI is not exposed to other price risk.

4. COMPARATIVE FIGURES

The fund has retroactively amended the reporting in 2013. A change in estimate has resulted in Revenues - Funding 2013 increasing by \$ 17,246 and Expenses - Research decreasing by \$33,382. These adjustments combined adds \$ 50,628 to the previously reported Excess of revenues .

During 2013 fiscal , the Tomato Breeding Project was initiated for a five year term at a total project cost of \$ 429,364. Federal funding for 50% was approved in 2013. The fund had accrued an estimate of its net commitment that had been incurred on this project by year end. After restatement the financial statements report a net cost of 2014 - \$ 28,681 and 2013 - \$ 17,246.

ONTARIO CUCUMBER RESEARCH COMMITTEE
(A Joint Venture Fund)
Financial Statements
Year Ended December 31, 2014

Gee, Lambert & Courneya LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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ROBERT G. COURNEYA, CPA, CA

LLOYD R. DAVENPORT
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Cucumber Research Committee (A Joint Venture Fund)

We have audited the accompanying financial statements of Ontario Cucumber Research Committee, (A Joint Venture Fund), which comprise the statement of financial position as at December 31, 2014 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.

Independent Auditor's Report to the Members of Ontario Cucumber Research Committee (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Cucumber Research Committee, (A Joint Venture Fund), as at December 31, 2014 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 19, 2015

Gee, Lambert & Courneya LLP

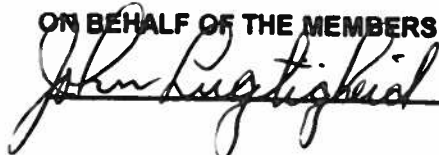
Chartered Professional Accountants
Licensed Public Accountants

ONTARIO CUCUMBER RESEARCH COMMITTEE
(A Joint Venture Fund)

Statement of Financial Position
December 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 37,284	\$ 52,456
Due from board	451	-
	<u>\$ 37,735</u>	<u>\$ 52,456</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 470</u>	<u>\$ 4,462</u>
NET ASSETS		
Ontario fruit & vegetable processors association	18,633	23,997
Ontario processing vegetable growers	<u>18,632</u>	<u>23,997</u>
	<u>37,265</u>	<u>47,994</u>
	<u>\$ 37,735</u>	<u>\$ 52,456</u>

ON BEHALF OF THE MEMBERS



John Lugtigheid, Chairman

See notes to financial statements

ONTARIO CUCUMBER RESEARCH COMMITTEE**(A Joint Venture Fund)****Statement of Operations****Year Ended December 31, 2014**

	2014	2013
REVENUES		
Ontario Fruit & Vegetable Processors Association levies	\$ 12,938	\$ 13,417
Ontario Processing Vegetable Growers levies	12,938	13,417
Interest income	172	273
	<u>28,048</u>	<u>27,107</u>
EXPENSES		
Research	36,308	36,750
Audit	469	461
	<u>36,777</u>	<u>37,211</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (10,729)</u>	<u>\$ (10,104)</u>

See notes to financial statements

ONTARIO CUCUMBER RESEARCH COMMITTEE**(A Joint Venture Fund)****Statement of Changes in Net Assets****Year Ended December 31, 2014**

	Ontario Fruit & Vegetable Processors Association	Ontario Processing Vegetable Growers	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 23,997	\$ 23,997	\$ 47,994	\$ 58,098
Deficiency of revenues over expenses	(5,364)	(5,365)	(10,729)	(10,104)
NET ASSETS - END OF YEAR	\$ 18,633	\$ 18,632	\$ 37,265	\$ 47,994

See notes to financial statements

ONTARIO CUCUMBER RESEARCH COMMITTEE**(A Joint Venture Fund)****Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (10,729)	\$ (10,104)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	(3,992)	4,010
Cash flow used by operating activities	(14,721)	(6,094)
FINANCING ACTIVITY		
Due from board	(451)	-
DECREASE IN CASH FLOW	(15,172)	(6,094)
Cash - beginning of year	52,456	58,550
CASH - END OF YEAR	\$ 37,284	\$ 52,456

See notes to financial statements

ONTARIO CUCUMBER RESEARCH COMMITTEE

(A Joint Venture Fund)

Notes to Financial Statements

Year Ended December 31, 2014

DESCRIPTION OF BUSINESS

The Ontario Cucumber Research Committee (OCRI) is a not-for-profit entity that conducts research on behalf of the Ontario cucumber growers and processors.

1. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

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

Financial instruments policy

OCRI's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. OCRI initially measures its financial assets and liabilities at fair value. OCRI subsequently measures all financial assets and liabilities at cost or amortized cost.

Revenue Recognition

The OF&VPA pays current levies based on prior year delivered tons @ .50 (2013 - .50). The calculation excludes # 4 grade and machine harvest. The OPVG matches the amount.

Interest income is recorded on an accrual basis.

Contributions

The restricted fund 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 fund in accordance with the contract terms. Accrual accounting is employed and results in a matching of funding to similar expenditures in the year.

(ii) Levies

OPVG and OF&VPA contribute equally to levies. The amount is based on delivered tons at rates determined annually by the Board of Directors.

(iii) Ontario Tomato Seedling Growers' Marketing Board

The Seedling Growers contribute annually to the research projects.

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 CUCUMBER RESEARCH COMMITTEE

(A Joint Venture Fund)

Notes to Financial Statements

Year Ended December 31, 2014

1. SUMMARY OF 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. There are no known uncertainties at this time.

2. FINANCIAL INSTRUMENTS

OCRI is exposed to various risks through its financial instruments. The following analysis provides a measure of OCRI'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. OCRI is not exposed to credit risk.

Liquidity Risk

Liquidity risk is the risk that OCRI will encounter difficulty in meeting obligations associated with financial liabilities. OCRI is exposed to this risk mainly in respect of its accounts payables. OCRI 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. OCRI 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. OCRI 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, OCRI manages exposure through its normal operating and financing activities. OCRI 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. OCRI is not exposed to other price risk.

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Financial Statements
Year Ended December 31, 2014

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

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, 2014 and the consolidated 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 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.

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, 2014 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 19, 2015

Gee, Lambert & Courneya LLP

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Financial Position
December 31, 2014

	OPVG (General Fund) 2014	OPVG (Trust Fund) 2014	OTRI 2014	OCRI 2014	Tomato Grading 2014	Interfund- elimination 2014	QFSVPA Share of Funds - Note 7 2014	Total 2014	Total 2013
ASSETS									
CURRENT									
Cash	\$ 1,332,194	\$ 1,225	\$ 184,060	\$ 37,284	\$ 49,507	\$ -	\$ (125,428)	\$ 1,468,544	\$ 1,298,315
Short-term investments	178,073	-	-	-	102,846	-	(51,423)	229,496	232,839
Accounts receivable	117,892	20,438	1,918	-	-	-	(959)	139,289	6,811,353
Due from (to) related board	11,758	(9,084)	(6,968)	451	3,842	-	1,337	1,338	1,041
Prepaid expenses	3,436	-	-	-	-	-	-	3,436	3,436
	<u>1,643,353</u>	<u>12,579</u>	<u>159,012</u>	<u>37,735</u>	<u>159,195</u>	<u>-</u>	<u>(176,471)</u>	<u>1,832,403</u>	<u>8,346,984</u>
CAPITAL ASSETS (Note 2)	<u>8,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,400</u>	<u>-</u>	<u>(2,200)</u>	<u>10,780</u>	<u>8,358</u>
MANAGED INVESTMENTS (Note 3)	<u>698,240</u>	<u>2,609,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,307,457</u>	<u>3,283,727</u>
	<u>\$ 2,350,173</u>	<u>\$ 2,621,796</u>	<u>\$ 159,012</u>	<u>\$ 37,735</u>	<u>\$ 180,595</u>	<u>\$ -</u>	<u>\$ (178,671)</u>	<u>\$ 5,160,640</u>	<u>\$ 11,639,069</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Financial Position
December 31, 2014

	OPVG (General Fund) 2014	OPVG (Trust Fund) 2014	OTRI 2014	OCRI 2014	Tomato Grading 2014	Interfund- allocation 2014	OPAVPA Share of Funds -Notes 7 2014	Total 2014	Total 2013
LIABILITIES AND NET ASSETS									
CURRENT									
Accounts payable and accrued liabilities (Note 4)	\$ 210,287	\$ 1,479	\$ 10,764	\$ 470	\$ 388	\$ -	\$ (5,811)	\$ 217,877	\$ 402,532
Reserve for bursaries, current portion	2,000	-	-	-	-	-	-	2,000	2,000
Demand loan -FCC	-	-	-	-	-	-	-	-	6,412,243
	212,287	1,479	10,764	470	388	-	(5,811)	218,877	6,816,775
	25,000	-	-	-	-	-	-	25,000	27,820
RESERVE FOR BURSARIES	237,287	1,479	10,764	470	388	-	(5,811)	244,877	6,844,395
NET ASSETS									
General Fund	2,104,308	-	-	-	-	-	-	2,104,308	2,014,865
Capital assets	8,590	-	-	-	-	-	-	8,590	4,681
Restricted net assets	-	2,528,856	148,248	37,265	160,207	-	(172,860)	2,781,716	2,680,560
Unrestricted net assets	-	91,481	-	-	-	-	-	91,481	84,538
	2,112,898	2,620,317	148,248	37,265	160,207	-	(172,860)	4,906,063	4,784,574
	\$ 2,350,173	\$ 2,621,798	\$ 159,012	\$ 37,735	\$ 160,595	\$ -	\$ (178,671)	\$ 5,159,640	\$ 11,639,069

ON BEHALF OF THE BOARD

 Jim Pool

Chairman

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Operations
Year Ended December 31, 2014

	OPVG (General Fund) 2014	OPVG (Trust Fund) 2014	OTRI 2014	OCRI 2014	Tomato Grading 2014	Interfund- elimination 2014	OF&VPA Share of Funds-Note 7 2014	Total 2014	Total 2013
REVENUES									
Licence fees	\$ 1,177,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,177,745	\$ 978,143
Investment and other income	27,054	75,155	536	172	1,468	-	(1,089)	103,296	88,280
Government research and development funding	50,827	-	28,681	-	-	-	(14,341)	65,167	255,478
Levies/checkoffs	-	-	98,166	25,876	-	(61,521)	(31,260)	31,261	47,563
Gain on sale of Investments	-	27,771	-	-	-	-	-	27,771	-
	<u>1,255,626</u>	<u>102,926</u>	<u>127,385</u>	<u>26,048</u>	<u>1,468</u>	<u>(61,521)</u>	<u>(46,690)</u>	<u>1,495,242</u>	<u>1,389,484</u>
EXPENSES									
Staff salaries/directors fees	545,301	-	-	-	-	-	-	545,301	569,401
Research	80,082	91,780	90,763	36,308	-	(61,521)	(32,775)	204,647	450,516
Grading expense	165,279	-	-	-	-	-	-	165,279	176,190
Travel and Meetings	106,553	-	-	-	310	-	(155)	106,708	117,417
Professional fees	73,471	1,479	1,010	469	389	-	(934)	76,694	59,862
Office rent and utilities	59,624	-	446	-	-	-	(223)	59,847	58,608
Office expense	58,764	-	-	-	-	-	-	58,764	50,852
Industry conference and other meetings	53,791	-	-	-	-	-	-	53,791	68,634
Membership fees	13,621	-	-	-	-	-	-	13,621	13,009
Amortization	3,822	-	-	-	2,933	-	(1,467)	6,288	7,872
Bond premium amortization	-	2,734	-	-	-	-	-	2,734	670
Public relations and promotions	1,988	-	-	-	-	-	-	1,988	2,736
	<u>1,162,296</u>	<u>96,003</u>	<u>92,219</u>	<u>36,777</u>	<u>3,632</u>	<u>(61,521)</u>	<u>(35,554)</u>	<u>1,293,862</u>	<u>1,575,787</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 93,330	\$ 6,923	\$ 35,166	\$ (10,729)	\$ (2,164)	\$ -	\$ (11,136)	\$ 111,396	\$ (207,323)

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2014

	OPVG (General Fund) 2014	OPVG (Trust Fund) 2014	OTRI 2014	OCRI 2014	Tomato Grading 2014	Interfund- elimination 2014	OF&VPA Share of Funds - Note 7 2014	Total 2014	Total 2013
NET ASSETS - BEGINNING OF YEAR	\$ 2,019,556	\$ 2,613,394	\$ 113,082	\$ 47,994	\$ 162,371	\$ -	\$ (161,724)	\$ 4,794,673	\$ 5,001,986
Excess of revenues over expenses	93,330	6,923	35,166	(10,729)	(2,164)	-	(11,136)	111,390	(207,323)
NET ASSETS - END OF YEAR	<u>\$ 2,112,886</u>	<u>\$ 2,620,317</u>	<u>\$ 148,248</u>	<u>\$ 37,265</u>	<u>\$ 160,207</u>	<u>\$ -</u>	<u>\$ (172,860)</u>	<u>\$ 4,966,063</u>	<u>\$ 4,794,673</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS**Consolidated Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 111,390	\$ (207,323)
Items not affecting cash:		
Amortization of capital assets	<u>5,288</u>	<u>7,872</u>
	<u>116,678</u>	<u>(199,451)</u>
Changes in non-cash working capital:		
Accounts receivable	6,672,064	3,897,320
Accounts payable and accrued liabilities	(184,956)	(1,295,697)
Prepaid expenses	-	930
Other receivables	(297)	(1,041)
Joint partner interest - Ontario Fruit & Vegetable Processors Association	<u>-</u>	<u>(124,950)</u>
	<u>6,486,811</u>	<u>2,476,562</u>
Net cash from operating activities	<u>6,603,489</u>	<u>2,277,111</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(7,710)	(1,299)
Managed Investments	(23,730)	(21,096)
Reserve for bursaries	<u>(2,620)</u>	<u>(1,380)</u>
Net cash used in Investing activities	<u>(34,060)</u>	<u>(23,775)</u>
FINANCING ACTIVITY		
Demand loan - FCC	<u>(6,412,243)</u>	<u>(3,819,881)</u>
Net cash used in financing activity	<u>(6,412,243)</u>	<u>(3,819,881)</u>
NET INCREASE (DECREASE) IN CASH	157,186	(1,566,545)
Cash - beginning of year	<u>1,531,154</u>	<u>3,097,699</u>
CASH - END OF YEAR	\$ 1,688,340	\$ 1,531,154
CASH CONSISTS OF:		
Cash - Unrestricted	\$ 1,332,194	\$ 1,170,386
Cash - Restricted	126,650	127,929
Short Term Investments - Unrestricted	178,073	182,057
Short Term Investments - Restricted	<u>51,423</u>	<u>50,782</u>
	<u>\$ 1,688,340</u>	<u>\$ 1,531,154</u>

See accompanying notes

ONTARIO PROCESSING VEGETABLE GROWERS

Notes to Consolidated Financial Statements

Year Ended December 31, 2014

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 13 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 ACCOUNTING POLICIES

Basis of presentation

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

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 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.

OPVG 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 OPVG 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.

(continues)

ONTARIO PROCESSING VEGETABLE GROWERS

Notes to Consolidated Financial Statements

Year Ended December 31, 2014

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Contributions

OPVG accounts for contributions using the restricted fund method:

(i) Government Funding

Funding is granted for specific research. It is accounted for in the appropriate restricted fund in accordance with the contract 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 recorded at cost less accumulated amortization and 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

Managed Investments

It is OPVG's policy to hold its managed investments to maturity. The funds are invested for income and OPVG 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 OPVG determines the investment to be impaired.
- A current portion is not shown as no investments in the General Fund mature in 2013. All investments in the Reserve Fund are restricted and must be re-invested for income. As such, the short term maturities have not been accounted for as current assets.

(continues)

ONTARIO PROCESSING VEGETABLE GROWERS

Notes to Consolidated Financial Statements

Year Ended December 31, 2014

1. SUMMARY OF ACCOUNTING POLICIES (continued)

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.

The OF&VPA has a 50% equity interest in the last three funds listed above. In these consolidated financials only the OPVG share is recorded as an asset.

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. Accounting estimates for accruals are required in preparing these financials.

2. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Furniture and equipment	\$ 91,759	\$ 84,121	\$ 7,638	\$ 3,817
Computer equipment	32,283	29,840	2,443	2,350
Leasehold improvements	12,582	11,883	699	2,191
	<u>\$ 136,624</u>	<u>\$ 125,844</u>	<u>\$ 10,780</u>	<u>\$ 8,358</u>

The amortization was \$5,288 for 2014 (\$7,872 for 2013)

ONTARIO PROCESSING VEGETABLE GROWERS**Notes to Consolidated Financial Statements****Year Ended December 31, 2014****3. LONG TERM INVESTMENTS**

	<u>2014</u>
RESTRICTED INVESTMENTS	
Corporate Guaranteed Term Deposits - maturing in 2015 - weighted average rate - 2.46%	\$ 388,700
Corporate Guaranteed Term Deposits and a Province of Ontario Coupon - maturing 2016 - weighted average rate - 2.31%	524,285
Corporate Guaranteed Term Deposits - maturing 2017 - weighted average rate - 2.75%	845,392
Corporate Guaranteed Term Deposits - maturing 2018 - weighted average rate - 2.34%	340,700
Corporate Guaranteed Term Deposits - maturing 2019 - weighted average rate - 1.95%	510,160
GIC Bank of Montreal 1.27%, cashable	51,423
Less: Investments due within one year	<u>(51,423)</u>
	<u>2,609,217</u>
NON RESTRICTED INVESTMENTS	
Investment cash account	73
GIC Mont. Trust 2.3%, due Oct. 3, 2015	125,000
GIC Home Trust 2.00%, due Oct. 8, 2015	26,500
GIC Vancity Savings 1.70%, due Dec. 16, 2015	26,500
GIC CIBC 2.54%, due Oct. 3, 2016	125,000
GIC CIBC 2.76%, due Mar. 22, 2017	100,400
GIC CDN West 2.55%, due Oct. 4, 2017	100,000
GIC B2B 2.65%, due Aug. 7, 2018	114,640
GIC Equitable 2.91%, due Oct. 9, 2018	114,400
GIC Presidents Choice 2.65%, due Oct. 7, 2019	125,000
GIC National Trust 2.50%, due Dec. 18, 2019	18,800
Less: Investments due within one year	<u>(178,073)</u>
	<u>698,240</u>
Total long term investments	<u>\$ 3,307,457</u>

4. 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:

	<u>2014</u>	<u>2013</u>
HST Payable	\$ 121,327	\$ 94,412
Employee deductions payable	13,332	12,815
EHT Payable	<u>1,641</u>	<u>1,401</u>
	<u>\$ 136,300</u>	<u>\$ 108,628</u>

ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

5. CONTRACTUAL OBLIGATIONS

OPVG is committed under the terms of an operating lease for office space to September 30, 2015. The base rate applies plus a proportionate share of common area expenses and taxes.

OPVG has a photocopy lease expiring in 2017 with payment of \$2,985 per year.

OPVG has a web portal service lease expiring August 31, 2016 with payments of \$11,940 per year.

Contractual obligation repayment schedule:

2015	\$	37,362
2016		10,945
2017		<u>2,985</u>
	\$	<u>51,292</u>

ONTARIO PROCESSING VEGETABLE GROWERS

Notes to Consolidated Financial Statements

Year Ended December 31, 2014

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.

7. CHANGE IN ACCOUNTING POLICY

Starting in 2014 and retroactively applied to 2013, the Board has changed the method of accounting for the OF&VPA equity interest in three funds. OTRI, OCRI and the Grading Reserve are affected at consolidation. Prior to the change the total assets were being recorded with a corresponding liability to the processor organization. Currently under the new policy only 50% of the assets are consolidated. In 2014 the total assets and liabilities are reduced by \$ 198,581 (2013 - \$ 181,349) .

ONTARIO PROCESSING VEGETABLE GROWERS
Notes to Consolidated Financial Statements
Year Ended December 31, 2014

8. COMPARATIVE FIGURES

The 2013 consolidated accounts have been restated. A change in estimate in the OTRI fund has resulted in Funding being increased by \$ \$8,623 and Research being decreased by \$ 16,691. The Deficiency of Revenues over Expenses previously reported as \$232,637 has been restated to \$ 207,323, being a change of \$ 25,314.

ONTARIO PROCESSING VEGETABLE GROWERS

2014 CASH FLOW ANALYSIS

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
Revenue	\$25,691	\$5,684	\$698	\$1,223,553	\$1,255,626
Expenses	<u>\$294,344</u>	<u>\$217,668</u>	<u>\$234,524</u>	<u>\$415,760</u>	<u>\$1,162,296</u>
Cash Requirements	<u>\$268,653</u>	<u>\$211,984</u>	<u>\$233,826</u>	<u>(\$807,793)</u>	<u>(\$93,330)</u>

Note: The major portion of the board's annual revenue is received in the 4th Quarter whereas significant expenditures occur in the first three quarters annually. It is necessary therefore to maintain a cash balance at December 31st to meet the cash requirements of the first three quarters.