

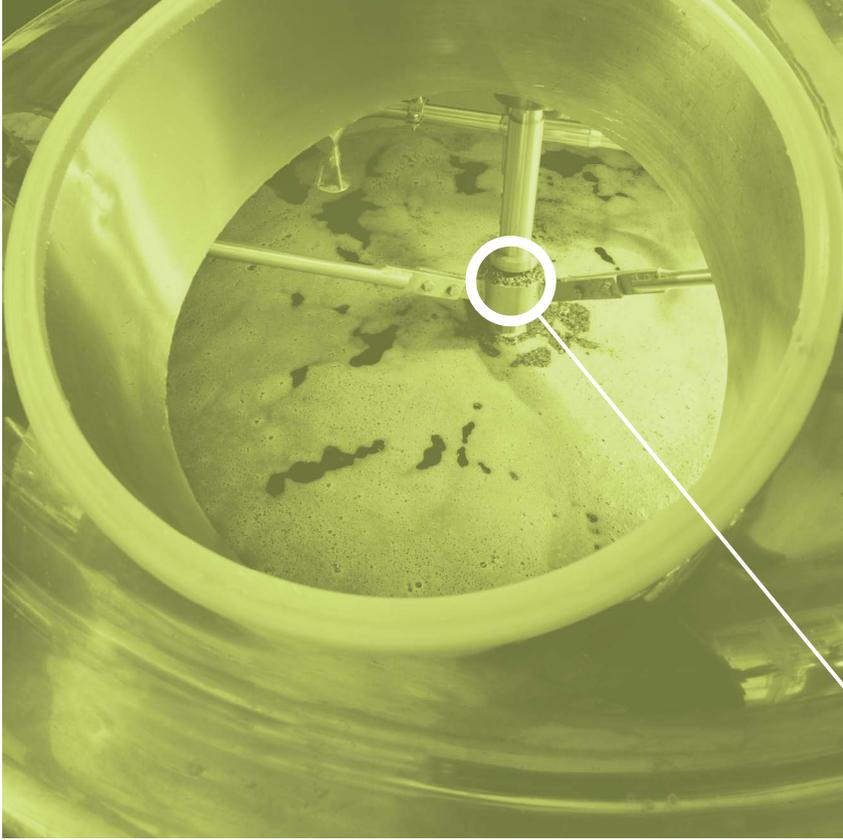


Connected through sustainability.



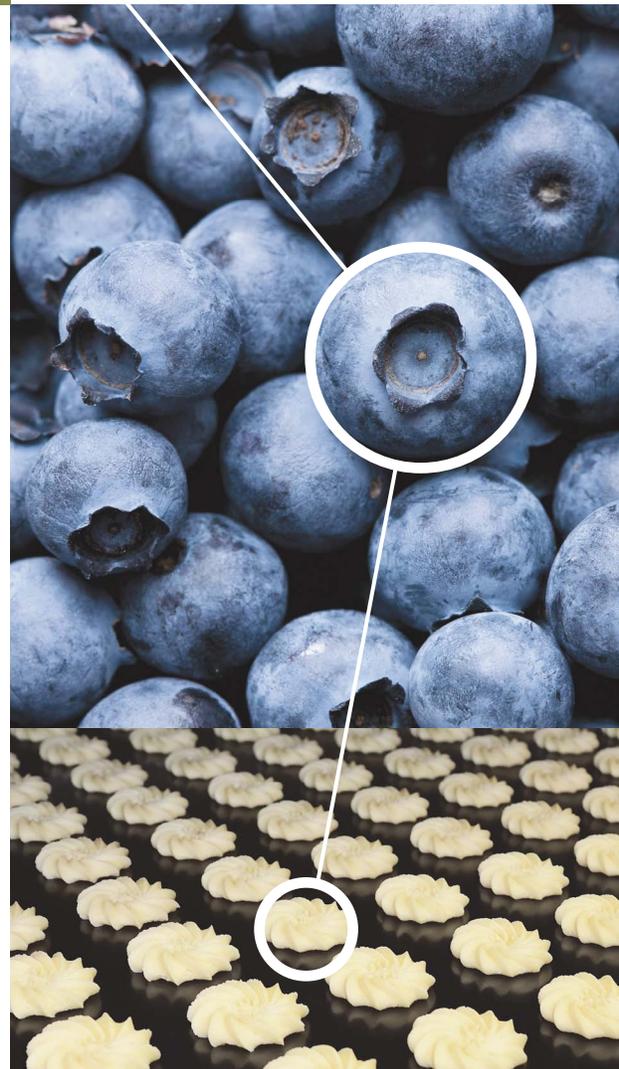
**PROVISION
COALITION**

MAKING FOOD SUSTAINABLY



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Message from the Chair

Earlier this year, Provision's Board of Directors convened a members' workshop to consult on the strategic priorities of the organization for the next five years and our alignment with the Agricultural Policy Framework (2018 – 2023). This was a rewarding and affirming session for Provision and the Board of Directors. We learned that key drivers of the organization—the Sustainability Management System, food loss + waste, responsible sourcing, climate change mitigation and knowledge transfer and outreach—were not only validated by our members but positioned for expansion.

Since that meeting, fellow Board member, Walter Kraus and I had the pleasure of meeting with the Hon. Jeff Leal, Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). We appreciated having a candid discussion on the potential role for Provision Coalition within the next agricultural policy framework and increased collaboration with OMAFRA specifically with respect to environmental stewardship.

The coming year signals an important transition for the organization as we communicate our past results in advancing food and beverage manufacturer sustainability and present a plan for the measureable achievements to come.

I will expect our future performance to demonstrate even greater results with sector reductions in food loss + waste, Scope 1 greenhouse gas emissions, water, wastewater and utilities.

Let me express my gratitude to Provision's 15 national and provincial association members for their continued commitment. As a coalition we represent the majority of food and beverage manufacturers in Canada and together have a tremendous influence on the rate of sustainability adoption across the country.



“The coming year signals an important transition for the organization as we communicate our past results in advancing food and beverage manufacturer sustainability and present a plan for the measureable achievements to come.”

Message from the Executive Director

Two themes resonate for me when I reflect over the past year—global recognition of Provision’s leadership in food loss and waste, and increased collaboration with the retail sector in our Sustainability Management System (SMS) and coaching & mentoring program.

Provision’s Food Loss + Waste Stakeholder Collaborative members have demonstrated inspiring dedication to collectively addressing and achieving measureable improvements to a significant supply chain issue. This Collaborative has been instrumental in establishing Provision globally as Canada’s advocate and expert on food loss and waste; assisted in the development of our Food Loss + Waste Toolkit; and, shaped a successful 2017 Canadian Food Loss + Waste Forum—Finding Solutions.

Additionally, sustainability collaboration with the retail sector through a recent pilot project with Loblaw Companies Limited has been positive and rewarding for manufacturers such as Grand River Foods and Club Coffee who have engaged with Provision and our SMS tools as part of this retail pilot. Together, we are demonstrating how supply chain transparency and a sustainable business strategy can be easily adopted with Provision’s coaching & mentoring program and the SMS.

In closing, I offer my deepest appreciation for our Board of Directors and staff. Since 2013, we have successfully transitioned Provision Coalition to an organization that has partnered across the supply chain and across the country. We are assisting the Canadian food and beverage manufacturing industry with achieving measurable sustainability results and are well positioned to expand are impact and reach over the next five years.



“Together, we are demonstrating how supply chain transparency and a sustainable business strategy can be easily adopted with Provision’s coaching & mentoring program and the SMS.”

Board of Directors

Provision Coalition is governed by a Board of Directors made up of seven industry representatives, each representing various sectors of the food and beverage manufacturing industry.

Robert Cash

BOARD CHAIR, OFFICER

Canadian Oilseed Processors Association
Manager, Environmental Technology Centre
Canada, Australia, New Zealand & South Pacific,
Archer Daniels Midland Company

Paul Hetherington

VICE CHAIR

President & CEO
Baking Association of Canada

Ron Campbell

TREASURER, OFFICER

Operations & Member Services Manager
Ontario Agri Business Association

Cher Mereweather

SECRETARY TO THE BOARD, OFFICER

Executive Director
Provision Coalition

Walter Kraus

Baking Association of Canada
Vice President, Environment & Corporate
Responsibility, Weston Foods

Norm Beal

CEO, Food & Beverage Ontario
President & Founder
Peninsula Ridge Estates Winery

Stacey Skoloff

Manager, Member Services & Communications
Ontario Dairy Council

Sylvie Cloutier

President & CEO
Conseil de la transformation alimentaire du
Quebec (CTAQ)

Provision Coalition's Team

Cher Mereweather

EXECUTIVE DIRECTOR

Meena Hassanali

DIRECTOR, INDUSTRY PROGRAMS

Isabel Dopta

MARKETING & COMMUNICATIONS ADVISOR

Brett Wills

DIRECTOR, SMS SUPPORT PROGRAM

Janet Wakutz

COMMUNICATIONS & SMS RESOURCE MANAGER

Angela Van Arragon

EXECUTIVE ASSISTANT

Cynthia Waters

PROJECT COORDINATOR

Simone Weinstein

PROJECT COORDINATOR

Neetu Garcha

PROJECT INTERN (JULY TO MARCH)

Our Identity

Provision Coalition is Canada’s premier food and beverage manufacturer sustainability organization. At Provision, the latest sustainability advances, resources and solutions are shared with food and beverage businesses across the country. With our 15 provincial and national agri-food association members, we have committed to reducing the food and beverage manufacturing sector’s environmental impact and strengthening business competitiveness while improving employment culture and community engagement. Global challenges including the reduction of food loss + waste, responsible sourcing and climate change mitigation are our priorities.

This initiative is funded in part through *Growing Forward 2*, a federal-provincial-territorial initiative.



“Supporting sustainable food production is good for the environment, vital for the Canadian economy, and benefits all Canadians. I am pleased to join Ontario in recognizing Provision Coalition’s efforts in providing business solutions that assist Canada’s food and beverage sector.”

LAWRENCE MACAULAY
 MINISTER OF AGRICULTURE
 AND AGRI-FOOD CANADA



Our Members

Representing food and beverage manufacturers across Canada.



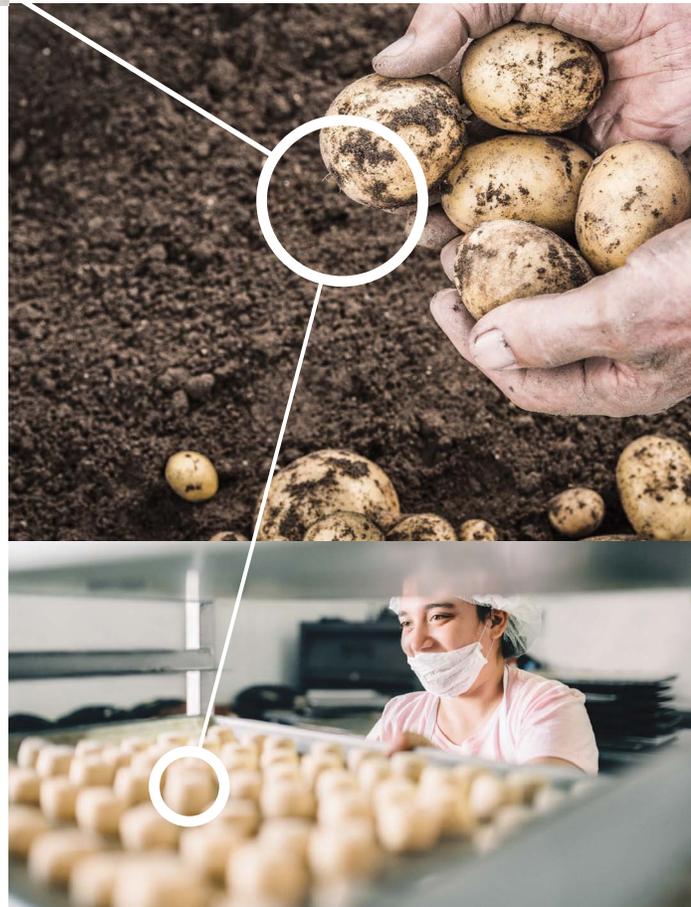


*Provision Coalition
delivers expert resources
& programs to make food
sustainably.*

Our Purpose

The Board of Directors is resolute in that Provision Coalition is committed to a shared purpose—**making food sustainably**—so that people, the economy and the environment benefit. Provision Coalition is proud to make this commitment on behalf of its member groups and manufacturers; the result will be a more sustainable and competitive Canadian food and beverage industry.

With our five-year strategic plan, Provision Coalition is reflecting on the success of the past and drafting a blueprint for the future. Provision's new vision makes a powerful statement for the next five years as Canada's premier sustainability food and beverage manufacturer organization.



Our Focus

SUSTAINABILITY MANAGEMENT SYSTEM

Empowering manufacturers with the tools and resources to embed sustainability into their business through: maintenance and enhancements of the SMS, an onsite SMS coaching and support program, and industry data and analysis.

“The government is pleased to partner with organizations like the Provision Coalition to support sustainability in the food and beverage manufacturing sector.

We really appreciate the organization’s work on its Food Loss and Waste Toolkit and its other efforts to make progress in that regard in 2016 – 2017.

By reducing food waste and input costs, the government is encouraging strategic and responsible growth in the Ontario agri-food sector.”

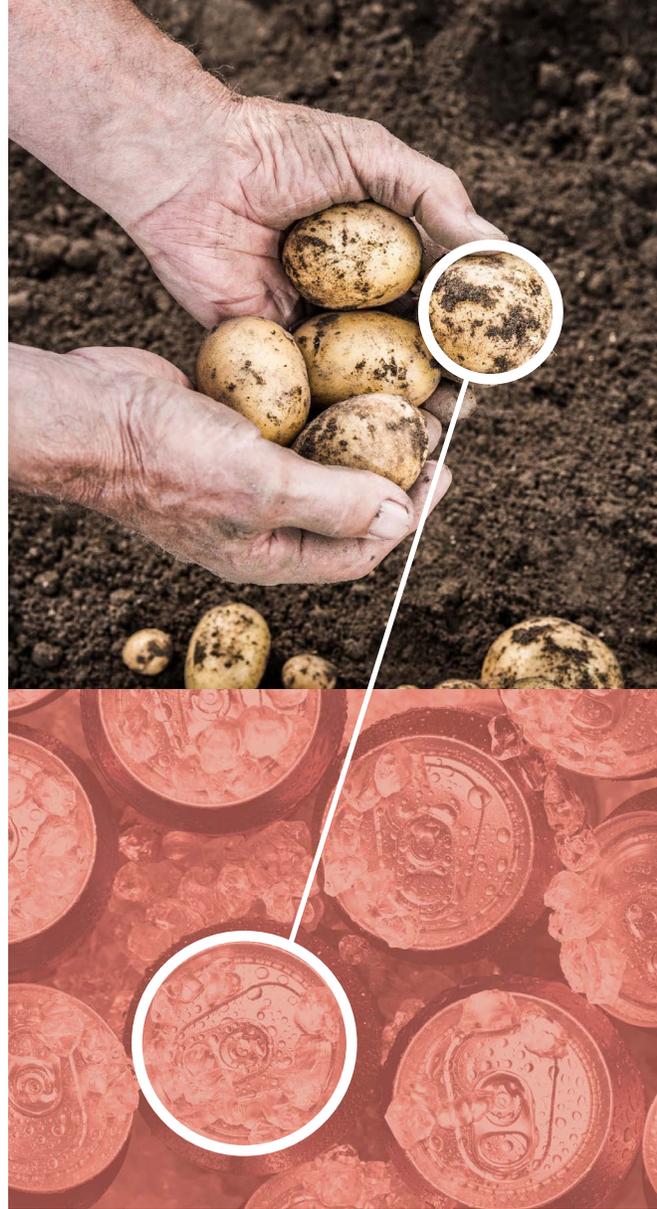
JEFF LEAL

ONTARIO MINISTER OF AGRICULTURE,
FOOD & RURAL AFFAIRS

VALUE CHAIN COLLABORATION

To collaborate on key sustainability issues impacting the agri-food industry.

Leverage value chain collaboration in the following areas: industrial food loss + waste reduction, climate change mitigation and a responsible sourcing data sharing platform to enhance transparency.



KNOWLEDGE TRANSFER, TRANSLATION & OUTREACH

Leveraging expertise and providing knowledge transfer and outreach to industry and value chain stakeholders by:

- annual conferences
- manufacturer workshops and a speakers’ bureau
- support to post-secondary education curriculum development
- public facing communications
- networking & relationship building
- public policy collaboration



Our Story

This 2016 – 2017 Annual Report tells the story of Provision's work within these three pillars.



Sustainability Management System

Empowering manufacturers with the tools & resources to embed sustainability into their business.

Sustainability Management System

What's New

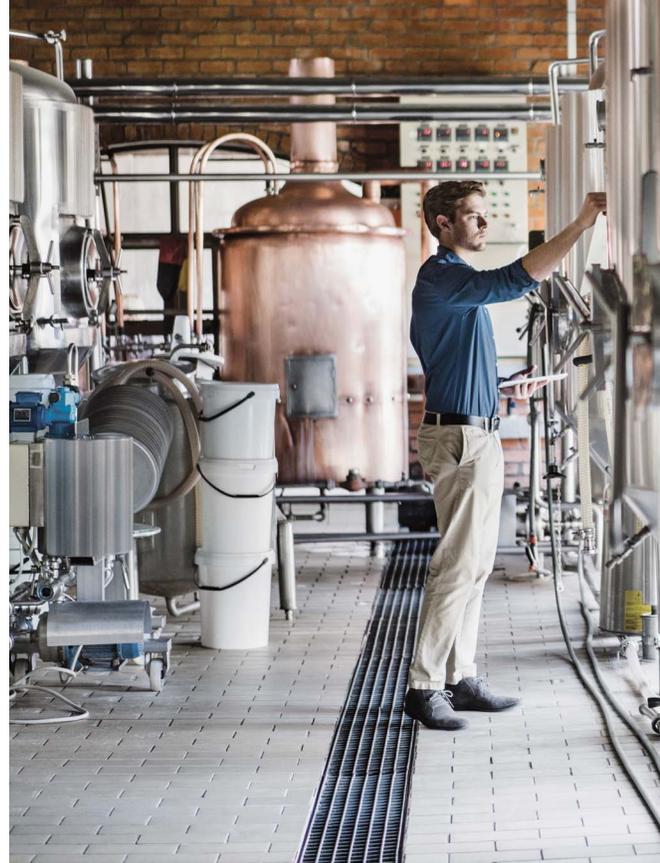
This year, Provision's online Sustainability Management System (SMS) was recognized as a top three project by Canada's Clean50 Top 15 for advancing the cause of sustainability through innovation and the ability to inspire or inform; an award the organization was honoured to win.

In keeping with the sustainability commitment of continuous improvement, Provision's SMS underwent a major upgrade of its content management system (CMS). The new CMS launched an improved user-friendly platform which makes it easier to update information and support current and future innovations, tools and applications.

An important SMS enhancement milestone this year was the launch of the Food Loss + Waste (FLW) Toolkit. This unique tool is already demonstrating its worth with proven reduction results in production facilities in Ontario and Alberta.

The FLW Toolkit holds status as the only online resource available to assist Canada's 6,000 plus manufacturers in quantifying in-plant avoidable food waste, calculating the dollar value, understanding the root cause and supporting the identification of cost effective reduction strategies. The toolkit was developed in partnership with Enviro-Stewards, 2cg and Dillon Consulting.

In addition to the FLW Toolkit, Provision developed a comprehensive step-by-step guide for corporate sustainability reporting. This guide, which was developed in partnership with Anthesis Group, is being designed as a web-based tool that will be added to the SMS in 2017. The tool will complement the Facility Self-Assessment and Key Performance Indicator Scorecard within the SMS and assist manufacturers in sharing their story. Finally, work that had begun with a University of Toronto student project was



completed with the launch of a new idea evaluator tool that provides a means of quantitatively and qualitatively analyzing employee suggestions to prioritize projects.

Provision thanks the Industry Standing Committee for their expertise and oversight on the SMS improvements and enhancements made this year.



New Funding, More On-site Support for the Sustainability Management System

Earlier this year, Provision Coalition received a grant from the Ontario Trillium Foundation to expand the on-site support program for the Sustainability Management System. This grant led to a number of early and beneficial outcomes for Provision including the hiring of Brett Wills, a well-known sustainability expert and real asset to the Provision team. The new project also led to a collaboration with Loblaw Companies Limited on a pilot project to engage six of their control brand suppliers to evaluate the program.

Provision's SMS support program was initially tested in 2015 and 2016 with Marsan Foods, EarthFresh Foods and Ippolito Fruit & Produce. The participation and generous feedback from these companies was used to strengthen the on-site program and facilitate information sharing through case studies.



Provision's SMS support program was initially tested in 2015 and 2016 with Marsan Foods, EarthFresh Foods and Ippolito Fruit & Produce.

Ontario Trillium Foundation support and launch of the pilot program with Loblaw Companies Limited has been an incredible success for Provision. The pilot has attracted the participation of a number of additional small to medium food and beverage processor businesses including :



Participating businesses will benefit from onsite, hands-on support by Brett Wills and the Provision team in developing a strategy that firmly integrates sustainability within their business and operational plans. The proven tools and resources within the online SMS provide the backbone to this on-site pilot facilitating energy, water, waste and emissions reductions.

Initial overall SMS Support Program results have been encouraging. Participating companies have refined their strategic priorities and developed company key performance indicator dashboards with goals and measures for tracking performance outcomes.

Ippolito Fruit & Produce has already begun successfully executing a strategy with sustainability targets that are driving their business performance.

With three years of continuous support provided by the Ontario Trillium Foundation, Provision is able to engage with 40 food and beverage processing companies through the program until 2019.



An agency of the Government of Ontario
Un organisme du gouvernement de l'Ontario



Value Chain Collaboration

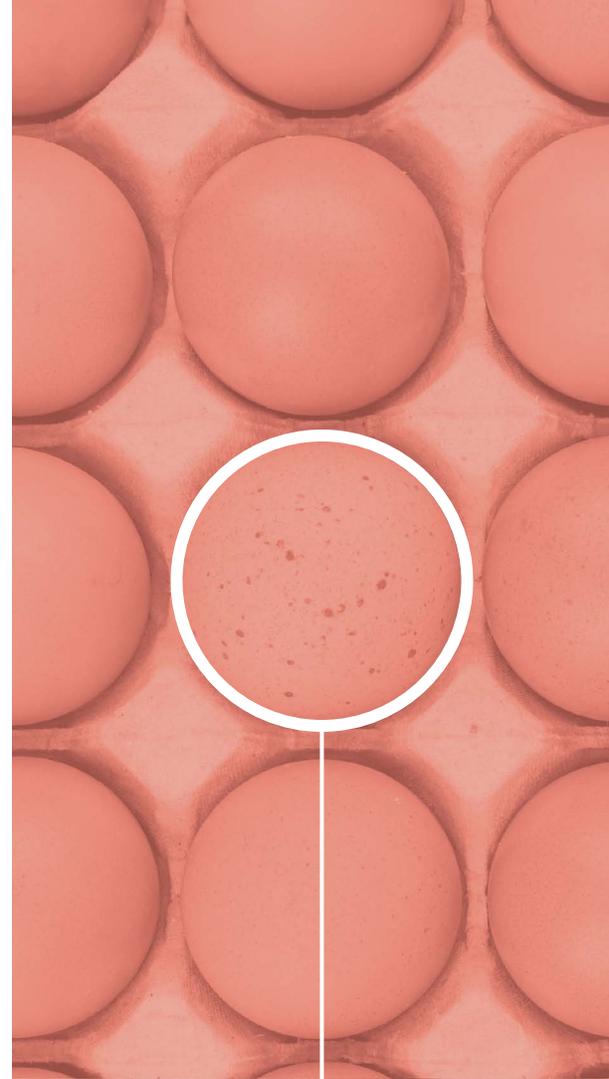
To collaborate on key sustainability issues impacting the agri-food industry.

International Recognition of Canada's Food Loss + Waste Solutions

In July 2016, the Commission for Environmental Cooperation (CEC), a tri-national organization established by the governments of Canada, Mexico, and the United States to promote cooperation on environmental issues, invited Provision to comment on food waste reduction and recovery. Provision was then invited to present at The World Bank's 2016 International Conference on Food Loss and Waste in Washington, followed by another presentation at the CEC's North American Workshop on Food Waste Reduction. These activities led by Provision, resulted in important recognition of Canada's leadership in food loss and waste by the UN Environment North America Research Office.

Provision's success in achieving a number of food loss and waste milestones this year has come from the inspiration and guidance provided by the Food Loss + Waste Stakeholder Collaborative. This Collaborative has guided Provision in becoming a leader, spokesperson, solutions provider and advocate on the issue. With Collaborative members National Zero Waste Council and PAC, Packaging Consortium, Provision hosted Canada's 2017 Food Loss + Waste Forum — Finding Solutions. The Forum featured 22 high profile local and international speakers and brought together more than 175 delegates to discuss common concerns and practical solutions to addressing food loss and waste in the supply chain. The Forum also welcomed 13 exhibitors showcasing over 45 solutions.

One of Provision's latest resources, the Food Loss + Waste (FLW) Toolkit was piloted this year by **Campbell Company of Canada** at their Toronto facility. The results from this process were impressive. The FLW Toolkit identified six food loss and waste reduction opportunities which when implemented will increase the yield of the Campbell's facility by 938 tonnes per year with a product value of \$706,000.



The net payback on the required changes will be less than six months.

Two similar case studies were completed in Alberta with support from Alberta Agriculture and Forestry and expert assistance from Enviro-Stewards. **Byblos Bakery** and **Calgary Italian Bakery Ltd** participated in an assessment utilizing the FLW Toolkit with exceptional cost savings in both facilities identified. Finally, a partnership with the Ivey Business School at Western University led to an informative solutions paper, Food Loss and Waste Solutions: Innovative Technologies and Beneficial Practices that is available online in the SMS Library.



Our Collaborative

- 2CG INC.
- AGRI-FOOD ECONOMIC SYSTEMS
- CAMPBELL SOUP COMPANY OF CANADA
- COCA COLA BOTTLING CO.
- DILLON CONSULTING
- ENVIRO-STEWARDS INC.
- ENVIRONMENT AND CLIMATE CHANGE CANADA
- FARM & FOOD CARE ONTARIO
- FERRERO CANADA
- FOOD & CONSUMER PRODUCTS CANADA
- FREAD & ASSOCIATES LTD
- MAPLE LEAF FOODS
- MCDONALD'S CANADA
- MCGILL UNIVERSITY
- ONTARIO MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS
- MOECC RESOURCE RECOVERY POLICY BRANCH
- NATIONAL ZERO WASTE COUNCIL
- OAKRUN FARM BAKERY
- ONTARIO ASSOCIATION OF FOOD BANKS
- ONTARIO DAIRY COUNCIL
- ONTARIO INDEPENDENT MEAT PROCESSORS PAC, PACKAGING CONSORTIUM
- REGION OF PEEL/MUNICIPAL WASTE ASSOCIATION
- RETAIL COUNCIL OF CANADA
- SCS CONSULTING
- SECOND HARVEST
- SOBEYS
- SUSTAIN ONTARIO
- UNIVERSITY OF GUELPH
- VALUE CHAIN MANAGEMENT INTERNATIONAL
- YORK REGION





Knowledge Transfer, Translation & Outreach

Leveraging expertise and providing knowledge transfer and outreach to industry and value chain stakeholders.

Public Policy Collaboration F+B Manufacturers | Join the Dialogue

To assist food and beverage manufacturers in achieving more sustainable operations, Provision is regularly engaged in conversations with government and industry on public policy issues that have the potential to impact sustainability advancements in the sector.

Monitoring, research and analysis are tools used to understand incoming regulatory and policy changes and to better communicate the implications to Provision's members. Members are then better positioned to further connect with their member companies on details, and to address specific concerns with decision makers in government.



In 2016 – 2017 Provision provided the membership with 25 Public Policy Collaboration Updates and seven Environmental Bill of Rights (EBR) responses to government. Provision also participated in a number of strategic meetings, including:

- Federal Sustainable Development Strategy for Canada Consultations
- Witness at the Senate Standing Committee for Agriculture and Forestry
- Ministry of Environment and Climate Change (MOECC)'s Food and Organic Waste Stakeholder Working Group
- Ontario Ministry of Energy's Large Building Energy Reporting and Benchmarking Consultations
- Canada's Chemicals Management Plan (CMP) Substance Groupings Initiative Consultations
- MOECC's Modernization of Approvals Stakeholder Round Table
- Agri-Food Open for Business Forum
- President's Council
- Ontario's Green Button Workshop



Provision's role in public policy collaboration is as a sustainability subject matter expert—engaging, informing and providing supportive communications between manufacturers, member groups and governments.

The organization values its supporting role in providing credible and expert input on the development of policies and directives that may impact food and beverage manufacturing businesses.

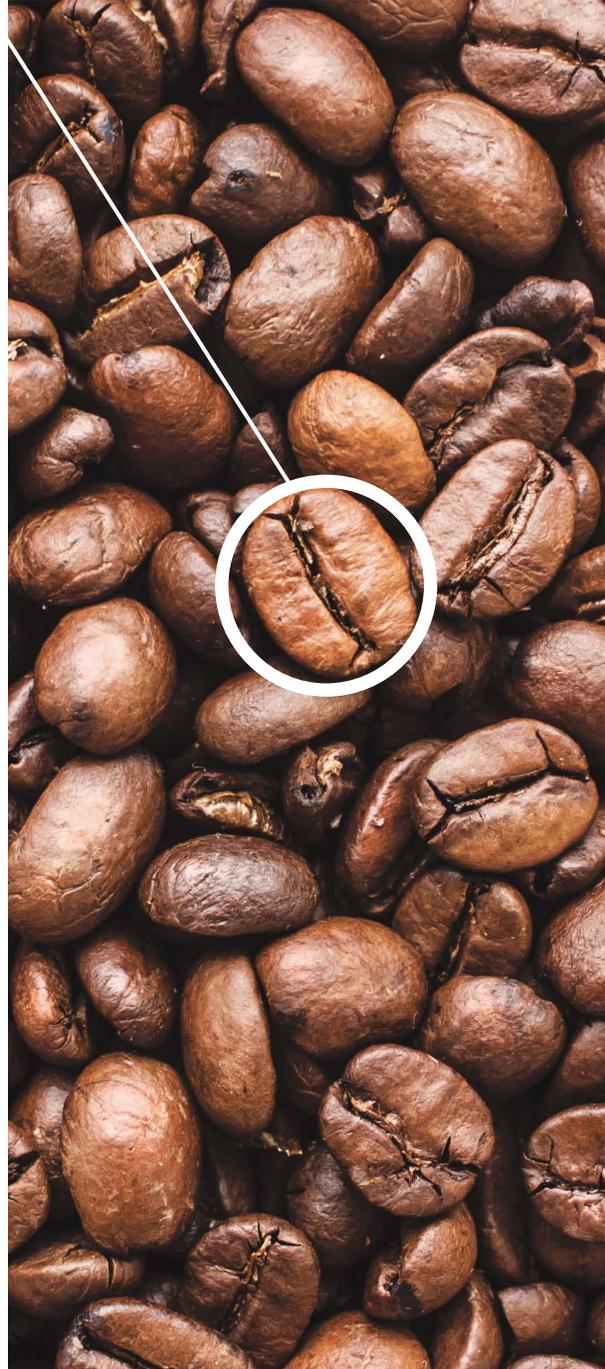


Putting the Spotlight on Real Stories of Sustainability

On September 22nd, we took our annual event on the road. Sixty stakeholders and decision makers from across industry, government and NGOs boarded two luxury buses for the Sustainability Spotlight Tour. Participants learned firsthand the processes and strategies implemented by Canada's top food and beverage manufacturers. Industry leaders from Maple Leaf Foods, Coca-Cola Refreshments Canada, Club Coffee and EarthFresh Foods opened their doors to share how they are responding to sustainability challenges including climate change, food waste and consumer trust.

Event highlights included remarks by Tim Faveri, VP Sustainability & Shared Values, Maple Leaf Foods who spoke about Maple Leaf's evolving animal welfare policies and the move away from sow stalls. Coca-Cola Refreshments Canada toured participants through operational changes the company has embraced to protect our natural capital. Club Coffee, Canada's largest roaster, manufacturer and distributor of packaged coffees turned the spotlight on innovation with their biodegradable single serve coffee pod. Brad Wiseman, CFO, EarthFresh Foods, a company specializing in premium potatoes, carrots and onions for Canadian retail and foodservice, wrapped up the event speaking candidly on a small company's transition to integrating sustainability into the business plan and the importance of planning, communication and celebration.

To extend Provision's reach, the ***Making Food Sustainably Podcast Series*** was developed to share the spotlight stories to a broader audience. The podcasts, available on ***Soundcloud*** and ***iTunes*** engage sustainability experts at Coca-Cola Refreshments Canada, Club Coffee and EarthFresh Foods to speak candidly about making operational and cultural changes within their businesses.





Audited Financials





Chartered
Professional
Accountants

June 7, 2017

Provision The Food Industry Sustainability Coalition
100 Stone Road West, Suite 202
Guelph, Ontario
N1G 5L3

Dear Board of Directors of Provision The Food Industry Sustainability Coalition

We have completed our audit of the financial statements of the Provision The Food Industry Sustainability Coalition for the year ended March 31, 2017. As part of our work, we reviewed the accounting procedures and systems of internal control in the principal areas of financial activity within the organization. We report to you that, within the scope of our examinations, the systems of internal control are adequate to support the fairness of presentation and that we did not come across any material weaknesses.

However, we do stress that this observation is not the result of a specific examination of the organization's system of internal control and, therefore, must be taken in the context that it is meant, namely review of internal control systems to allow us to voice our opinion on the financial statements in accordance with Canadian accounting standards for not for profit organizations.

During the course of our audit of the organization for the year ended March 31, 2017, we may have identified matters which might have been of interest to management but tended to be minor or more of a housekeeping nature. During the audit, we would have met with Cher Mereweather (Executive Director) and communicated these minor items, if applicable. The comments that follow are those that we believe should be addressed formally and brought to the attention of the board of directors.

This communication is prepared solely for the information of management and is not intended for any other party and, as such, we accept no responsibility to a third party who uses this communication.

We would like to take this opportunity to thank you and your staff for the excellent co-operation and assistance we received throughout the course of our work and, in particular, the assistance and co-operation received from Cher Mereweather.

We will certainly be pleased to discuss the matters set out in the accompanying memo with you further, at your convenience.

Yours truly,

Handwritten signature of RLB LLP in black ink.

G. J. Barr, CPA, CA, is responsible for the engagement and its performance, and for the report that is issued on behalf of RLB LLP, and who, where required, has the appropriate authority, from a professional, legal or regulatory body.

1. Revenue recognition policies

Observation:

During the audit, we noted two new material sources of revenue - event registration revenue and sponsorship revenue. The transactions for registrants who paid to attend the event in fiscal 2017 was appropriately recognized as deferred revenue for the event as the event had not yet occurred. However, some expenditures relating to the April 2017 event were recorded as expenditures in the year ending March 31, 2017. Similarly for sponsorship revenue.

Implication:

This creates a timing difference for when revenue and the related expenditures have been recorded in the financial records compared to when the event occurs. We estimate that the current year surplus is approximately \$10,000 higher due to this timing difference.

Recommendation:

We recommend:

- a) The organization formalize its revenue recognition policy with respect to sponsorship revenue and evaluate the agreement with the sponsor to determine if the sponsorship revenue has any external restrictions. The sponsorship revenue would be recognized in accordance with any restrictions. If there are no restrictions, then the organization would recognize the sponsorship revenue based on an acceptable revenue recognition policy. This would depend on the classification of this revenue source as a contribution or as revenue.

- b) The organization evaluate whether there are any prepaid event expenditures for events that span beyond the current fiscal year end. Examples of this are prepaid airfare and venue prepayments. Any prepaid expenditures would be recorded as an expense once the event has occurred.

We would be pleased to discuss further and assist in the development of the accounting policies.

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

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Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of: Provision The Food Industry Sustainability Coalition

We have audited the accompanying financial statements of Provision The Food Industry Sustainability Coalition, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures and 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Provision The Food Industry Sustainability Coalition as at March 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.

A handwritten signature in black ink that reads 'RLB LLP'.

Kitchener, Ontario
June 7, 2017

Chartered Professional Accountants
Licensed Public Accountants

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 200,866	\$ 71,217
Accounts receivable	52,772	9,752
Government grants receivable	8,598	0
Prepaid expenses	<u>7,592</u>	<u>8,564</u>
	269,828	89,533
CAPITAL ASSETS (note 4)	<u>4,740</u>	<u>7,206</u>
	<u>\$ 274,568</u>	<u>\$ 96,739</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 25,838	\$ 44,420
Deferred revenue (note 5)	<u>111,401</u>	<u>0</u>
	137,239	44,420
NET ASSETS		
UNRESTRICTED	<u>137,329</u>	<u>52,319</u>
	<u>\$ 274,568</u>	<u>\$ 96,739</u>

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUES		
OMAFRA contributions	\$ 639,178	\$ 726,547
Ontario Trillium contributions	72,882	0
Industry projects revenue	60,580	28,504
Event revenue	74,353	0
Membership fees	5,550	4,800
Portal revenue	5,467	6,673
	<u>858,010</u>	<u>766,524</u>
EXPENDITURES		
Salaries and benefits	431,467	366,192
Professional fees - projects	229,383	259,342
Rent	28,964	27,057
Travel	21,850	23,971
Professional fees - operations	16,059	16,257
IT	10,544	8,223
Telephone	9,794	10,084
Meetings	9,242	6,100
Insurance	4,444	0
Office	4,242	4,477
Amortization	3,640	4,541
Membership fees	1,777	2,974
Bank charges	1,594	1,309
	<u>773,000</u>	<u>730,527</u>
EXCESS OF REVENUES OVER EXPENDITURES for the year	85,010	35,997
NET ASSETS, beginning of year	<u>52,319</u>	<u>16,322</u>
NET ASSETS, end of year	<u>\$ 137,329</u>	<u>\$ 52,319</u>

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 85,010	\$ 35,997
Items not requiring an outlay of cash		
Amortization	<u>3,640</u>	<u>4,541</u>
	88,650	40,538
Changes in non-cash working capital		
Accounts receivable	(43,020)	3,276
Government grants receivable	(8,598)	0
Prepaid expenses	972	(1,641)
Accounts payable and accrued liabilities	(18,582)	13,344
Government remittances payable	0	(130)
Deferred revenue	<u>111,401</u>	<u>(67,449)</u>
	<u>130,823</u>	<u>(12,062)</u>
CASH (USED IN) INVESTING ACTIVITIES		
Additions to capital assets	<u>(1,174)</u>	<u>(4,044)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	129,649	(16,106)
CASH, beginning of year	<u>71,217</u>	<u>87,323</u>
CASH, end of year	<u>\$ 200,866</u>	<u>\$ 71,217</u>

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. NATURE OF ORGANIZATION

Provision The Food Industry Sustainability Coalition, operating as Provision Coalition ("Provision Coalition") is a not for profit organization incorporated under the laws of Ontario on March 11, 2013 without share capital. Provision The Food Industry Sustainability Coalition is exempt from income tax. Its purpose is to promote sustainability solutions and practices by those engaged in the food and beverage value chain, by developing and providing tools and programs relating to sustainability to assist businesses and associations in the food and beverage value chain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Event registration revenue is recognized as revenue when the event occurs and collection is reasonably assured.

Membership fees are recognized as revenue proportionately over the fiscal year to which they relate.

Industry project revenue is recognized proportionately as the project is completed or services provided and collection is reasonably assured.

Portal revenue is recognized when earned and collection is reasonably assured.

Event sponsorship revenue is recognized as received and collection is reasonably assured.

(b) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) FINANCIAL INSTRUMENTS (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in the excess of revenues over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(c) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Office furniture	- 5	years straight line basis
Computer equipment	- 2	years straight line basis

Amortization is recorded at 50% of the above rates in the year of addition.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from their financial instruments.

The extent of the organization's exposure to these risks did not change in 2017 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2017	Net 2016
Office furniture	\$ 3,059	\$ 1,582	\$ 1,477	\$ 1,846
Computer equipment	<u>15,465</u>	<u>12,202</u>	<u>3,263</u>	<u>5,360</u>
	<u>\$ 18,524</u>	<u>\$ 13,784</u>	<u>\$ 4,740</u>	<u>\$ 7,206</u>

PROVISION THE FOOD INDUSTRY SUSTAINABILITY COALITION

(Operating as "PROVISION COALITION")

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

5. DEFERRED REVENUE

Deferred revenue, which consist of the unexpended portion of OMAFRA, Ontario Trillium Foundation, prepaid event registration, and project contributions received, are as follows:

	2017	2016
Balance, beginning of year	\$ 0	\$ 67,449
Amounts received	884,041	659,098
Less amount recognized as revenue in the year	<u>(772,640)</u>	<u>(726,547)</u>
Balance, end of year	<u>\$ 111,401</u>	<u>\$ 0</u>

6. COMMITMENTS

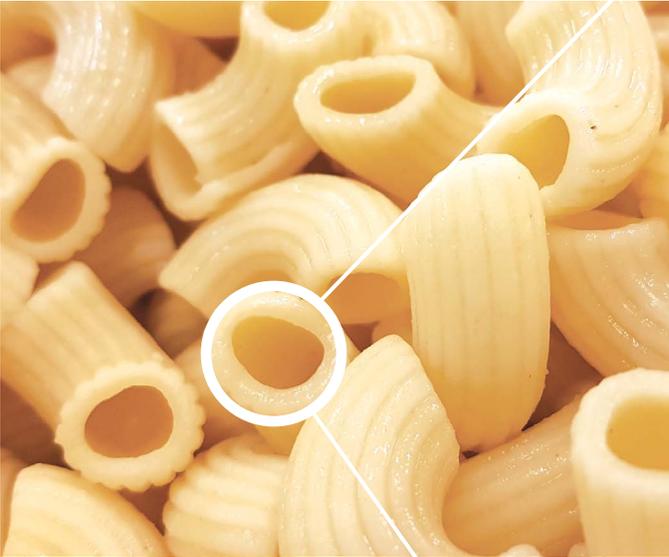
The organization has operating leases for the premises. Future minimum lease payments are as follows:

Year ended March 31, 2018 \$ 36,820

7. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

Connected through sustainability.



PROVISION COALITION

MAKING FOOD SUSTAINABLY

