

**The Charitable Foundation of the  
Ontario Grocery Industry**

(operating as The Grocery Foundation)

**Summarized Financial Statements**

**For the Year Ended June 30, 2018**



## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of The Charitable Foundation of the Ontario Grocery Industry (operating as The Grocery Foundation)

The accompanying summarized financial statements of The Charitable Foundation of the Ontario Grocery Industry (the "Foundation") which comprise the summarized statement of financial position as at June 30, 2018 and the summarized statements of operations, changes in net assets and cash flows for the year then ended and the related notes, are derived from the complete audited financial statements of the Foundation for the same period. We expressed an unmodified audit opinion on those financial statements in our report dated October 30, 2018.

The summarized financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summarized financial statements, therefore, is not a substitute for reading the complete audited financial statements of the Foundation.

#### *Management's Responsibility for the Summarized Financial Statements*

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 2 to the summarized financial statements.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these summarized financial statements based on our procedures which were conducted in accordance with Canadian Auditing Standard ("CAS") 810, "Engagement to Report on Summary Financial Statements".

#### *Opinion*

In our opinion, the summarized financial statements derived from the complete audited financial statements of the Foundation for the year ended June 30, 2018 as a fair summary of those financial statements, on the basis described in Note 2 to the summarized financial statements.

*RSM Canada LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
October 30, 2018  
Toronto, Ontario

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**The Charitable Foundation of the Ontario Grocery Industry**  
 (operating as The Grocery Foundation)  
 Summarized Statement of Financial Position  
 As at June 30, 2018

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 652,461	\$ 755,224
Investments (Note 4)	2,797,103	2,733,885
Accounts receivable	475,056	389,964
Prepaid expenses	18,411	30,911
	<u>3,943,031</u>	<u>3,909,984</u>
<b>Capital assets</b>	<u>31,964</u>	<u>2,922</u>
	<u>\$ 3,974,995</u>	<u>\$ 3,912,906</u>

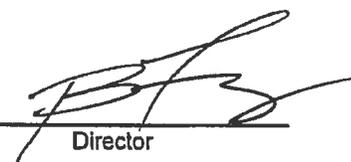
**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 669,131	\$ 354,567
Donation commitments (Note 6)	1,183,951	1,073,947
Deferred contributions	50,179	75,179
	<u>1,903,261</u>	<u>1,503,693</u>
<b>Net assets</b>	<u>2,071,734</u>	<u>2,409,213</u>
	<u>\$ 3,974,995</u>	<u>\$ 3,912,906</u>

Commitments (Notes 6 and 7)

Approved by the Board

  
 Director

  
 Director

**The Charitable Foundation of the Ontario Grocery Industry**  
**(operating as The Grocery Foundation)**  
**Summarized Statement of Changes in Net Assets**  
**Year Ended June 30, 2018**

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	<b>2018</b>	<b>2017</b>
<b>Net assets, beginning of year</b>	<b>\$ 2,409,213</b>	<b>\$ 2,471,380</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(337,479)</b>	<b>(62,167)</b>
<b>Net assets, end of year</b>	<b>\$ 2,071,734</b>	<b>\$ 2,409,213</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
 (operating as The Grocery Foundation)  
 Summarized Statement of Operations  
 Year Ended June 30, 2018

	2018	2017
<b>Revenues</b>		
Gala Dinner	\$ 3,204,026	\$ 3,411,619
Child Hunger		
Voucher Program	662,660	621,438
Toonies for Tummies	1,619,471	1,279,473
Investment income	91,379	99,367
Other revenue	71,913	25,556
	<b>5,649,449</b>	<b>5,437,453</b>
<b>Program expenses</b>		
Gala Dinner	1,365,147	1,284,015
Child Hunger		
Voucher Program	825,007	765,024
Toonies for Tummies	490,941	369,535
	<b>2,681,095</b>	<b>2,418,574</b>
<b>Program contribution before general and administrative expenses</b>	<b>2,968,354</b>	<b>3,018,879</b>
<b>General and administrative expenses</b>	<b>206,577</b>	<b>177,954</b>
<b>Excess of revenues over expenses before donation commitments</b>	<b>2,761,777</b>	<b>2,840,925</b>
<b>Donation commitments</b>	<b>3,099,256</b>	<b>2,903,092</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (337,479)</b>	<b>\$ (62,167)</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
 (operating as The Grocery Foundation)  
 Summarized Statement of Cash Flows  
 Year Ended June 30, 2018

	2018	2017
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Cash received from programs and investment income	\$ 5,515,641	\$ 5,241,238
Cash paid to suppliers	(2,559,231)	(2,558,488)
Donations paid	(2,989,252)	(2,512,640)
	<b>(32,842)</b>	170,110
<b>Investing</b>		
Proceeds from disposal of investments	2,026,060	-
Acquisition of investments	(2,059,413)	(29,405)
Acquisition of capital assets	(36,568)	(2,982)
	<b>(69,921)</b>	(32,387)
<b>Net change in cash</b>	<b>(102,763)</b>	137,723
<b>Cash, beginning of year</b>	<b>755,224</b>	617,501
<b>Cash, end of year</b>	<b>\$ 652,461</b>	<b>\$ 755,224</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
**(operating as The Grocery Foundation)**  
**Notes to Summarized Financial Statements**  
**June 30, 2018**

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**1. DESCRIPTION OF OPERATIONS**

The Charitable Foundation of the Ontario Grocery Industry (the "Foundation") was incorporated by Letters Patent under the Corporations Act (Ontario) on August 2, 1989. The Foundation was awarded registered charity status on March 18, 1990. As a registered charitable public foundation, the Foundation is tax exempt under paragraph 149.1(1)(g) of the Income Tax Act.

Since its founding, the objective of the Foundation has been to support programs primarily for the benefit of children with intellectual and developmental disabilities. Principal annual activities are the child hunger program and the Gala Dinner.

**2. BASIS OF PREPARATION**

These summarized financial statements are derived from the complete annual audited financial statements of the Foundation for the period from July 1, 2017 to June 30, 2018, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The set of criteria applied by management in preparing these financial statements is outlined in the paragraph below.

The figures presented in these summarized financial statements agree with or can be recalculated from the figures presented in the complete audited financial statements. Management believes that the summarized financial statements contain the necessary information and are at an appropriate level of aggregation so as not to be misleading to the users.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Foundation.

**Revenue Recognition**

The Foundation follows the deferred method of accounting for restricted contributions whereby they are deferred and recognized as revenue in the periods the related expenses are incurred.

*Gala Dinner*

Revenue from admission tickets is recognized as the tickets are sold. Corporate sponsorship revenue is recognized when the collection of the contribution is reasonably assured. Revenue from the fundraising events related to the gala is recorded on a cash basis.

*Child Hunger - Voucher Program*

Voucher sales are recorded when cash is received from the school.

**3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Revenue Recognition (Cont'd)**

*Child Hunger - Toonies for Tummies*

Donation revenue is recorded when received from donor.

**Donation Commitments**

The Foundation recognizes the liability for the donation commitments when there is an obligation to pay the donee and there are no conditions or a future event that the commitment is contingent upon.

**Financial Instruments**

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for equity investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenue over expenses.

Financial assets measured at amortized cost include accounts receivable and bond investments. The Foundation's financial assets measured at fair value include cash and investments (excluding bond investments). Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and donation commitments.

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the excess (deficiency) of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to 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 the excess (deficiency) of revenue over expenses.

**Donated Goods**

The Foundation receives donated goods in respect of the Gala Dinner. Where significant, these items are recorded in the financial statements when the fair market value is reasonably determinable and when the items would have been otherwise purchased.

**The Charitable Foundation of the Ontario Grocery Industry**  
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 Notes to Summarized Financial Statements  
 June 30, 2018

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**3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Management's Estimates**

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 amounts reported in the financial statements and accompanying notes. Significant estimates included in these financial statements are with respect to the allowance for doubtful accounts and voucher redemptions. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates and the differences could be material.

**4. INVESTMENTS**

Investments consist of the following:

	<b>2018</b>	<b>2017</b>
Mutual funds, at fair value	<b>\$ 323,454</b>	\$ 1,805,589
Equity investments, at fair value	<b>404,759</b>	873,486
Investments, at fair value	<b>728,213</b>	2,679,075
Bonds, at amortized cost	<b>2,014,069</b>	-
Guaranteed investment certificates, at cost	<b>54,821</b>	54,810
	<b>\$ 2,797,103</b>	\$ 2,733,885

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$Nil (2017 - \$Nil).

**6. DONATION COMMITMENTS**

The Foundation and Kids Help Phone ("KHP") partnered to undertake the annual Gala Dinner. As part of this agreement KHP will receive, as a contribution from the Foundation, 50% of the net program income.

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**June 30, 2018**

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**7. COMMITMENTS**

As at June 30, 2018 the Foundation is committed under operating leases for printers/copying equipment and annual minimum premises lease commitments as follows:

2019	\$ 8,259
2020	2,225
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	\$ 10,484

Additional charges are levied for realty tax, utilities and maintenance.

On August 27, 2018, TGF entered into a new lease agreement with Slate GTA Suburban Office Inc. The term of the lease is from November 1, 2018 to October 31, 2023.

**8. FINANCIAL INSTRUMENTS**

**Credit Risk**

The Foundation is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

The Foundation is also exposed to credit risk on the accounts receivable from its customers. Management has adopted credit policies in an effort to minimize those risks. The Foundation does not have a significant exposure to any individual customer or counter-party.

**Market Risk**

Market risk is the risk that changes in market prices will affect the Foundation's surplus of revenue over expenses or the value of financial instruments. For the investments carried at fair value there is the risk that the fair value or future cash flows of a investment will fluctuate because of changes in market prices. The investments held by the Foundation are subject to normal fluctuations and the risks inherent in investment in financial markets. These risks are generally outside the control of the Foundation. The objective of the Foundation is to mitigate market risk exposures within acceptable limits, while maximizing returns.

**9. BANKING FACILITIES**

The Foundation has the following banking facilities:

- (a) Letter of credit or letter of guarantee to a maximum of \$80,000 at an interest rate of 1%.
- (b) Credit card facility, to a maximum of \$50,000.

The Foundation has not drawn upon these facilities as of June 30, 2018.