

**The Charitable Foundation of the  
Ontario Grocery Industry**  
(operating as The Grocery Foundation)

**Summarized Financial Statements**

**For the Year Ended June 30, 2014**

## 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 balance sheet as at June 30, 2014 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 22, 2014.

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, 2014 as a fair summary of those financial statements, on the basis described in Note 2 to the summarized financial statements.

*Collins Barrow Toronto LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
September 6, 2016  
Toronto, Ontario

The Charitable Foundation of the Ontario Grocery Industry  
 (operating as The Grocery Foundation)  
 Summarized Balance Sheet  
 As at June 30, 2014

	2014	2013
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 747,432	\$ 907,185
Investments (Note 4)	3,012,976	3,047,833
Accounts receivable	266,701	78,161
Prepaid expenses	18,411	11,148
	<u>4,045,520</u>	<u>4,044,327</u>
Capital assets (Note 5)	-	1,484
Website costs (Note 6)	5,024	16,169
	<u>\$ 4,050,544</u>	<u>\$ 4,061,980</u>

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 436,531	\$ 382,772
Donation commitments (Note 8)	900,979	106,818
	<u>1,337,510</u>	<u>489,590</u>
<b>Net assets</b>	<u>2,713,034</u>	<u>3,572,390</u>
	<u>\$ 4,050,544</u>	<u>\$ 4,061,980</u>

*Commitments (Notes 8 and 9)*

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, 2014**

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	<b>2014</b>	<b>2013</b>
<b>Net assets, beginning of year</b>	<b>\$ 3,572,390</b>	<b>\$ 4,707,792</b>
<b>Deficiency of revenues over expenses</b>	<b>(859,356)</b>	<b>(1,135,402)</b>
<b>Net assets, end of year</b>	<b>\$ 2,713,034</b>	<b>\$ 3,572,390</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
**(operating as The Grocery Foundation)**  
**Summarized Statement of Operations**  
**Year Ended June 30, 2014**

	2014	2013
<b>Revenues</b>		
Gala Dinner	\$ 3,771,024	\$ 3,419,138
Child Hunger		
Voucher Program	564,359	427,089
Toonies for Tummies	1,229,684	15,731
Investment income	217,005	131,108
Other revenue	2,926	15,661
	<b>5,784,998</b>	<b>4,008,727</b>
<b>Program expenses</b>		
Gala Dinner	1,873,373	1,462,302
Child Hunger		
Voucher Program	807,953	877,953
Toonies for Tummies	521,766	77,586
	<b>3,203,092</b>	<b>2,417,841</b>
<b>Program contribution before general and administrative expenses</b>	<b>2,581,906</b>	<b>1,590,886</b>
<b>General and administrative expenses</b>	<b>248,683</b>	<b>207,401</b>
<b>Funds available for the mission</b>	<b>2,333,223</b>	<b>1,383,485</b>
<b>Grant donation commitments</b>	<b>3,192,579</b>	<b>2,518,887</b>
<b>Deficiency of revenue over expenses</b>	<b>\$ (859,356)</b>	<b>\$ (1,135,402)</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
**(operating as The Grocery Foundation)**  
**Summarized Statement of Cash Flows**  
**Year Ended June 30, 2014**

	2014	2013
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Cash received from programs and investment income	\$ 5,483,551	\$ 3,994,135
Cash paid to suppliers	(3,386,622)	(2,404,822)
Donations paid	(2,398,418)	(2,487,069)
	<b>(301,489)</b>	<b>(897,756)</b>
<b>Investing</b>		
Proceeds from disposal of investments	270,638	56,108
Acquisition of investments	(122,874)	(40,210)
Acquisition of website costs	(6,028)	-
	<b>141,736</b>	<b>15,898</b>
<b>Net change in cash</b>	<b>(159,753)</b>	<b>(881,858)</b>
<b>Cash, beginning of year</b>	<b>907,185</b>	<b>1,789,043</b>
<b>Cash, end of year</b>	<b>\$ 747,432</b>	<b>\$ 907,185</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
**(operating as The Grocery Foundation)**  
**Notes to Summarized Financial Statements**  
**June 30, 2014**

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**1. DESCRIPTION OF OPERATIONS**

The Charitable Foundation of the Ontario Grocery Industry (the "Foundation") was incorporated under 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, 2013 to June 30, 2014, 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**

*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)**

*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.

**Capital Assets**

Capital assets are capitalized if its estimated useful life extends beyond one year and the cost exceeds \$1,000. Capital assets are amortized on the straight-line method over 3 years.

**Website Costs**

Website costs are amortized on the straight-line method over 3 years.

**Long-lived Assets**

Long-lived assets, which comprise capital assets and website costs are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is measured as the amount by which the carrying value of the long-lived assets exceeds its fair value.

**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 investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the 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 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.



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

**Financial Instruments (Cont'd)**

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in the 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 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.

**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:

	2014	2013
Bonds, at amortized cost	\$ 1,439,082	\$ 1,443,107
Mutual funds, fair value	603,158	707,573
Guaranteed investment certificates, at fair value	53,617	52,989
Equity investments, at fair value	917,119	844,164
	<b>\$ 3,012,976</b>	<b>\$ 3,047,833</b>

**5. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2014 Net	2013 Net
Leasehold improvements	\$ 4,920	\$ 4,920	\$ -	\$ 1,484

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**6. WEBSITE COSTS**

	Cost	Accumulated Amortization	2014 Net	2013 Net
	\$ 78,788	\$ 73,764	\$ 5,024	\$ 16,169

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$2,485 (2013 - \$345).

**8. DONATION COMMITMENTS**

- (a) The Foundation and Kids Help Phone ("KHP") partnered to undertake the annual Gala Dinner. As part of this arrangement KHP will receive, as a contribution from the Foundation, 50% of the net program income.
- (b) During fiscal 2010, the Foundation signed an agreement to donate in total \$300,000 over five years in varying instalments. The final donation commitment of \$50,000 related to the 2010 program was paid in 2014.
- (c) During fiscal 2012, the Foundation signed an agreement to donate in total \$75,000 over three years. The final donation commitment of \$25,000 related to the 2012 program was paid in 2014.
- (d) During fiscal 2013, the Foundation signed an agreement to donate \$300,000 over three years in three equal instalments of \$100,000 each. As at June 30, 2014 the Foundation has a remaining commitment of \$100,000 which will be paid subsequent to year end.
- (e) During fiscal 2013, the Foundation approved a donation to donate \$75,000 over two years. As at June 30, 2014 the Foundation has a remaining commitment of \$25,000 which will be paid subsequent to year end.

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**Notes to Summarized Financial Statements**  
**June 30, 2014**

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**9. COMMITMENTS**

The Foundation has the following annual minimum premises lease commitments with respect to operating leases for the fiscal years ending:

2015	\$	15,240
2016		15,240
2017		15,663
2018		15,875
2019 and thereafter		5,292
		<hr/>
		\$ 67,310

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

**10. 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.

**11. 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, 2014.