

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

**Summarized Financial Statements**

**For the Year Ended June 30, 2016**

## **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, 2016 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 November 11, 2016.

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, 2016 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  
November 11, 2016  
Toronto, Ontario

**The Charitable Foundation of the Ontario Grocery Industry**  
 (operating as The Grocery Foundation)  
 Summarized Balance Sheet  
 As at June 30, 2016

	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 617,501	\$ 1,050,812
Investments (Note 4)	2,649,227	3,110,192
Accounts receivable	267,770	460,065
Prepaid expenses	18,411	8,017
	3,552,909	4,629,086
<b>Website costs (Note 5)</b>	<b>2,316</b>	<b>5,201</b>
	<b>\$ 3,555,225</b>	<b>\$ 4,634,287</b>

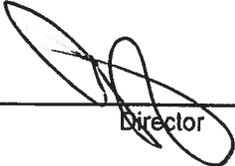
**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 300,171	\$ 338,344
Donation commitments (Note 7)	683,495	1,555,487
Deferred contributions	100,179	-
	1,083,845	1,893,831
<b>Net assets</b>	<b>2,471,380</b>	<b>2,740,456</b>
	<b>\$ 3,555,225</b>	<b>\$ 4,634,287</b>

Commitments (Notes 7 and 8)

Approved by the Board

  
 \_\_\_\_\_  
 Director

  
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 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, 2016**

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	<b>2016</b>	<b>2015</b>
<b>Net assets, beginning of year</b>	<b>\$ 2,740,456</b>	<b>\$ 2,713,034</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(269,076)</b>	<b>27,422</b>
<b>Net assets, end of year</b>	<b>\$ 2,471,380</b>	<b>\$ 2,740,456</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
 (operating as The Grocery Foundation)  
 Summarized Statement of Operations  
 Year Ended June 30, 2016

	2016	2015
<b>Revenues</b>		
Gala Dinner	\$ 3,531,357	\$ 3,423,779
Child Hunger		
Voucher Program	530,821	673,957
Toonies for Tummies	887,866	1,316,715
Investment income	39,513	124,120
Other revenue	25,156	1,360
	<b>5,014,713</b>	<b>5,539,931</b>
<b>Program expenses</b>		
Gala Dinner	1,777,600	1,510,584
Child Hunger		
Voucher Program	652,955	819,985
Toonies for Tummies	298,427	421,356
	<b>2,728,982</b>	<b>2,751,925</b>
<b>Program contribution before general and administrative expenses</b>	<b>2,285,731</b>	<b>2,788,006</b>
<b>General and administrative expenses</b>	<b>196,911</b>	<b>163,021</b>
<b>Funds available for the mission</b>	<b>2,088,820</b>	<b>2,624,985</b>
<b>Grant donation commitments</b>	<b>2,357,896</b>	<b>2,597,563</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (269,076)</b>	<b>\$ 27,422</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
 (operating as The Grocery Foundation)  
 Summarized Statement of Cash Flows  
 Year Ended June 30, 2016

	2016	2015
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Cash received from programs and investment income	\$ 5,369,700	\$ 5,341,839
Cash paid to suppliers	(2,979,776)	(3,130,291)
Donations paid	(3,229,888)	(1,813,055)
	<b>(839,964)</b>	<b>398,493</b>
<b>Investing</b>		
Proceeds from disposal of investments	1,937,412	63,017
Acquisition of investments	(1,530,759)	(155,505)
Acquisition of website costs	-	(2,625)
	<b>406,653</b>	<b>(95,113)</b>
<b>Net change in cash</b>	<b>(433,311)</b>	<b>303,380</b>
<b>Cash, beginning of year</b>	<b>1,050,812</b>	<b>747,432</b>
<b>Cash, end of year</b>	<b>\$ 617,501</b>	<b>\$ 1,050,812</b>

**The Charitable Foundation of the Ontario Grocery Industry**  
**(operating as The Grocery Foundation)**  
**Notes to Summarized Financial Statements**  
**June 30, 2016**

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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, 2015 to June 30, 2016, 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)**

*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.

**Website Costs**

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

**Long-lived Assets**

When long-lived assets, which comprise capital assets and website costs no longer contribute to the Foundation's ability to provide services, its carrying amount is written down to its residual 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 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 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 the 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.

**The Charitable Foundation of the Ontario Grocery Industry**  
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 Notes to Summarized Financial Statements  
 June 30, 2016

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

**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:

	<b>2016</b>	<b>2015</b>
Bonds, at amortized cost	\$ -	\$ 1,436,399
Mutual funds, fair value	<b>1,760,127</b>	745,061
Guaranteed investment certificates, at fair value	<b>54,632</b>	54,257
Equity investments, at fair value	<b>834,468</b>	874,475
	<b>\$ 2,649,227</b>	<b>\$ 3,110,192</b>

**5. WEBSITE COSTS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2016 Net</b>	<b>2015 Net</b>
Website costs	\$ 81,413	\$ 79,097	\$ 2,316	\$ 5,201

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$Nil (2015 - \$Nil).

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**Notes to Summarized Financial Statements**  
**June 30, 2016**

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**7. DONATION COMMITMENTS**

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.

**8. COMMITMENTS**

As at June 30, 2016 the Foundation is committed under operating leases for printers/copying equipment and annual minimum premises lease commitments as follows:

2017	\$ 18,631
2018	18,842
2019	8,259
2020	2,225
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	\$ 47,957

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

**9. 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.

**10. 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, 2016.