

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

(operating as The Grocery Foundation)

Summarized Financial Statements

For the Year Ended June 30, 2019



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

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

Opinion

The summary financial statements, which comprise the summary statement of financial position as at June 30, 2019, the summary statement of operations, summary statement of changes in net assets and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of The Charitable Foundation of the Ontario Grocery Industry (the Foundation) for the year ended June 30, 2019. We expressed a qualified audit opinion on those financial statements in our report dated October 24, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 2. However, the summary financial statements are misstated to the equivalent extent as the audited financial statements of the Foundation for the year ended June 30, 2019.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian Accounting Standards for Not-for-Profit Organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the audited financial statements in our report dated October 24, 2019. The basis for our qualified audit opinion was in common with many not-for-profit organizations, the Foundation derives revenue from fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenue over expenses and cash flows from operations for the year ended June 30, 2019, current assets as at June 30, 2019 and net assets as at June 30, 2019 and July 1, 2018.

Management's Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
October 24, 2019
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, 2019

	2019	2018
Assets		
Current		
Cash	\$ 1,409,949	\$ 652,461
Investments (Note 4)	2,355,423	2,797,103
Accounts receivable	733,074	475,056
Prepaid expenses	19,035	18,411
	4,517,481	3,943,031
Capital assets	19,781	31,964
	\$ 4,537,262	\$ 3,974,995

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 999,215	\$ 669,131
Donation commitments (Note 5)	1,528,492	1,183,951
Deferred contributions	25,179	50,179
	2,552,886	1,903,261
Net assets	1,984,376	2,071,734
	\$ 4,537,262	\$ 3,974,995

Commitments (Notes 5 and 6)

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, 2019

	2019	2018
Net assets, beginning of year	\$ 2,071,734	\$ 2,409,213
Excess (deficiency) of revenues over expenses	(87,358)	(337,479)
Net assets, end of year	\$ 1,984,376	\$ 2,071,734

The Charitable Foundation of the Ontario Grocery Industry
 (operating as The Grocery Foundation)
 Summarized Statement of Operations
 Year Ended June 30, 2019

	2019	2018
Revenues		
Gala Dinner	\$ 3,293,559	\$ 3,204,026
Child Hunger		
Voucher Program	777,852	662,660
Toonies for Tummies	2,159,978	1,619,471
Investment income	111,364	91,379
Other revenue	25,495	71,913
	6,368,248	5,649,449
Program expenses		
Gala Dinner	1,852,163	1,365,147
Child Hunger		
Voucher Program	900,122	825,007
Toonies for Tummies	513,767	490,941
	3,266,052	2,681,095
Program contribution before general and administrative expenses	3,102,196	2,968,354
General and administrative expenses	204,510	206,577
Excess of revenues over expenses before donation commitments	2,897,686	2,761,777
Donation commitments	2,985,044	3,099,256
Excess (deficiency) of revenue over expenses	\$ (87,358)	\$ (337,479)

The Charitable Foundation of the Ontario Grocery Industry
 (operating as The Grocery Foundation)
 Summarized Statement of Cash Flows
 Year Ended June 30, 2019

	2019	2018
Cash provided by (used in)		
Operations		
Cash received from programs and investment income	\$ 6,085,831	\$ 5,515,641
Cash paid to suppliers	(3,135,807)	(2,559,231)
Donations paid	(2,640,503)	(2,989,252)
	309,521	(32,842)
Investing		
Proceeds from disposal of investments	480,476	2,026,060
Acquisition of investments	(31,308)	(2,059,413)
Acquisition of capital assets	(1,201)	(36,568)
	447,967	(69,921)
Net change in cash	757,488	(102,763)
Cash, beginning of year	652,461	755,224
Cash, end of year	\$ 1,409,949	\$ 652,461

The Charitable Foundation of the Ontario Grocery Industry
(operating as The Grocery Foundation)
Notes to Summarized Financial Statements
June 30, 2019

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, 2018 to June 30, 2019, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue Recognition (Cont'd)

Child Hunger - Voucher Program

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

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, 2019

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 an accrued liability for the expected voucher redemptions in the subsequent period. 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:

	2019	2018
Mutual funds, at fair value	\$ 163,111	\$ 323,454
Equity investments, at fair value	411,760	404,759
Investments, at fair value	574,871	728,213
Bonds, at amortized cost	1,725,720	2,014,069
Guaranteed investment certificates, at cost	54,832	54,821
	\$ 2,355,423	\$ 2,797,103

5. 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.

The Charitable Foundation of the Ontario Grocery Industry
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Notes to Summarized Financial Statements
June 30, 2019

6. COMMITMENTS

As at June 30, 2019 the Foundation is committed under operating leases for printers/copying equipment and annual minimum premises lease commitments as follows:

2020	\$ 10,385
2021	8,373
2022	8,480
2023	8,480
2024	2,827
	<hr/>
	\$ 38,545

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

7. 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 of investments carried at fair value 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.

8. 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 during the year and as of June 30, 2019.