

Charitable Foundation Of Ontario Grocery Industry

(operating as The Grocery Foundation)

Summarized Financial Statements

For the Year Ended June 30, 2023

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

**To the Board of Directors of Charitable Foundation Of 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, 2023, the summary statements of changes in net assets, operations and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Charitable Foundation Of Ontario Grocery Industry (the Foundation) for the year ended June 30, 2023.

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, we were not able to determine if any adjustments to the summary financial statements were necessary for the reasons described in *The Audited Financial Statements and Our Report Thereon* section of this audit report.

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 Foundation's audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

In our audit report dated November 8, 2023:

We expressed a qualified audit opinion on the audited financial statements because we were not able to obtain sufficient appropriate audit evidence regarding the completeness of revenue from fundraising activities.

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
November 8, 2023
Toronto, Ontario

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Charitable Foundation Of Ontario Grocery Industry
 (operating as The Grocery Foundation)
Summarized Statement of Financial Position
As at June 30, 2023

	2023	2022
Assets		
Current		
Cash	\$ 1,031,502	\$ 1,190,476
Investments (Note 3)	6,260,390	4,530,663
Accounts receivable	397,962	2,401,439
Prepaid expenses	25,968	20,479
	7,715,822	8,143,057
Capital assets	-	3,193
	\$ 7,715,822	\$ 8,146,250

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued liabilities	\$ 788,276	\$ 1,237,969
Donation commitments (Note 4)	4,250,035	4,331,377
Deferred contributions	-	45,000
	5,038,311	5,614,346
Net assets	2,677,511	2,531,904
	\$ 7,715,822	\$ 8,146,250

Commitments (Notes 4 and 5)

Approved by the Board	 C6D81C06DBD0444...	 E8B6E60CA311439...
	Director	Director

Charitable Foundation Of Ontario Grocery Industry
 (operating as The Grocery Foundation)
 Summarized Statement of Changes in Net Assets
 Year Ended June 30, 2023

	2023	2022
Net assets, beginning of year	\$ 2,531,904	\$ 2,433,773
Excess of revenues over expenses	145,607	98,131
Net assets, end of year	\$ 2,677,511	\$ 2,531,904

Charitable Foundation Of Ontario Grocery Industry
(b)perating as The Grocery Foundation)
Summarized Statement of Operations
Year Ended June 30, 2023

	2023	2022
Revenues		
Gala Dinner	\$ 3,964,325	\$ 2,455,284
Child Hunger		
Voucher Program	884,897	918,559
Toonies for Tummies	4,889,399	4,937,728
Investment income	93,960	11,538
Other income	16,826	80,742
	9,849,407	8,403,851
Program expenses		
Gala Dinner	1,856,195	532,846
Child Hunger		
Voucher Program	444,023	784,679
Toonies for Tummies	1,057,260	1,012,081
	3,357,478	2,329,606
Program contribution before general and administrative expenses	6,491,929	6,074,245
General and administrative expenses	424,014	193,731
Excess of revenues over expenses before donation commitments	6,067,915	5,880,514
Donation commitments	5,922,308	5,782,383
Excess of revenues over expenses	\$ 145,607	\$ 98,131

Charitable Foundation Of Ontario Grocery Industry
(operating as The Grocery Foundation)
Summarized Statement of Cash Flows
Year Ended June 30, 2023

	2023	2022
Cash provided by (used in)		
Operations		
Cash received from programs and investment income	\$ 11,778,138	\$ 4,327,617
Cash paid to suppliers	(4,233,482)	(2,276,959)
Donations paid	(6,003,650)	(5,573,854)
	1,541,006	(3,523,196)
Investing		
Proceeds from disposal of investments	2,243,000	572,000
Acquisition of investments	(3,942,980)	(619,813)
	(1,699,980)	(47,813)
Net change in cash	(158,974)	(3,571,009)
Cash, beginning of year	1,190,476	4,761,485
Cash, end of year	\$ 1,031,502	\$ 1,190,476

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. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These summarized financial statements are derived from the audited financial statements of the Foundation for the year ended June 30, 2023, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Management prepared these summarized financial statements using the following criteria:

- (a) the summarized financial statements include a statement for each statement included in the audited financial statements;
- (b) information in the summarized financial statements agrees with the related information in the audited financial statements; and
- (c) major subtotals, totals and comparative information from the audited financial statements are included.

Revenue Recognition

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

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.

Child Hunger - Toonies for Tummies

Donation revenue is recorded when received from donor.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 of revenues 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 of revenues 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 of revenues 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 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.

Charitable Foundation Of Ontario Grocery Industry
(broadcasting as The Grocery Foundation)
Notes to Summarized Financial Statements
June 30, 2023

3. INVESTMENTS

Investments consist of the following:

	2023	2022
Mutual funds, at fair value	\$ 1,405,843	\$ 1,183,545
Equity investments, at fair value	372,018	376,519
Investments, at fair value	1,777,861	1,560,064
Bonds, at amortized cost	718,659	864,828
Guaranteed investment certificates, at cost	3,763,870	2,105,771
	\$ 6,260,390	\$ 4,530,663

4. 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, 40% (2022 - 40%) of the net program income.

5. COMMITMENTS

As at June 30, 2023 the Foundation is committed under operating leases for printers/copying equipment and annual minimum premises lease commitments as follows:

2024	\$ 3,438
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Additional charges are levied for realty tax, utilities and maintenance.

6. 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. As at June 30, 2023 the Foundation had % of its accounts receivable due from two parties. These amounts were received in .

6. FINANCIAL INSTRUMENTS (Cont'd)

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.

7. BANKING FACILITIES

The Foundation has the following banking facilities:

- (a) 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, 2023.