

THE ROSALIE HALL FOUNDATION

Financial Statements

March 31, 2021

THE ROSALIE HALL FOUNDATION

Financial Statements
For the year ended March 31, 2021

Contents

Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Schedule 1 - Statement of Operations and Changes in Net Assets for Restricted Funds	11

Independent Auditor's Report

To the Directors of The Rosalie Hall Foundation

Qualified Opinion

We have audited the financial statements of The Rosalie Hall Foundation, which comprise the statement of financial position as at March 31, 2021, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

The Rosalie Hall Foundation, in common with many not-for-profit organizations, derives revenue from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues was limited to the amounts recorded in the records of The Rosalie Hall Foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses, assets and net assets. Our audit opinion on the financial statements was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
November 14, 2021

Fruitman Kates LLP
Chartered Professional Accountants
Licensed Public Accountants

The Rosalie Hall Foundation

Statement of Financial Position As at March 31, 2021

	2021	2020
Assets		
Current		
Cash	\$ 19,385	\$ 59,722
	19,385	59,722
Investments (Note 2)	4,554,225	3,657,694
	<u>\$ 4,573,610</u>	<u>\$ 3,717,416</u>
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 8,703	\$ 10,373
	<u>8,703</u>	<u>10,373</u>
Net Assets		
General Fund - unrestricted	22,963	32,581
The Misericordia Sisters Fund - restricted	3,760,414	3,196,494
Pastoral Fund - restricted	172,723	109,294
Kathy Frame-Adshead Fund - restricted	29,680	21,224
Frederick Whalen Fund - restricted	143,783	95,568
Knights of Columbus Fund - restricted	71,495	45,839
Child Welfare Fund - restricted	74,946	34,198
Helen Hull Fund - restricted	204,801	136,979
International Misericordia Family Fund - restricted	84,102	34,866
	<u>4,564,907</u>	<u>3,707,043</u>
	<u>\$ 4,573,610</u>	<u>\$ 3,717,416</u>

Approved on behalf of the board

Director

Director

The Rosalie Hall Foundation

Statement of Operations and Changes in Net Assets For the year ended March 31, 2021

	General Fund	Restricted Funds (Schedule 1)	Total 2021	Total 2020
Revenue				
Investment income	\$ 264	\$ 244,430	\$ 244,694	\$ 198,526
Donations	-	99,000	99,000	34,000
Donations - in kind	10,094	49,594	59,688	53,603
Expense recoveries	-	-	-	3,705
	10,358	393,024	403,382	289,834
Expenses				
Donations	-	212,900	212,900	13,000
Investment management fees	-	38,957	38,957	22,666
Professional fees	7,328	-	7,328	10,473
Interest and bank charges	104	-	104	-
Office and general	-	-	-	100
	7,432	251,857	259,289	46,239
Excess of revenues over expenses before other item	2,926	141,167	144,093	243,595
Other item				
Unrealized gain (loss) on investments	1,923	711,848	713,771	(374,678)
Excess (deficiency) of revenue over expenses	4,849	853,015	857,864	(131,083)
Net assets, beginning of year	32,581	3,674,462	3,707,043	3,838,126
Interfund transfers	(14,467)	14,467	-	-
Net assets, end of year	\$ 22,963	\$ 4,541,944	\$ 4,564,907	\$ 3,707,043

The Rosalie Hall Foundation

Statement of Cash Flows For the year ended March 31, 2021

	2021	2020
Cash flows from (used in):		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 857,864	\$ (131,083)
Adjustments for		
Realized gain on sale of investments	(83,021)	(51,529)
Unrealized (gain) / loss on investments	(713,771)	374,678
	<u>61,072</u>	<u>192,066</u>
Change in non-cash working capital items		
Accounts payable and accrued liabilities	(1,670)	1,478
	<u>59,402</u>	<u>193,544</u>
Investing activities		
Investments - net	(99,739)	(205,384)
	<u>(99,739)</u>	<u>(205,384)</u>
Decrease in cash	(40,337)	(11,840)
Cash, beginning of year	59,722	71,562
Cash, end of year	<u>\$ 19,385</u>	<u>\$ 59,722</u>

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2021

General

The Rosalie Hall Foundation (the "Foundation") is a registered charity, which obtains funds from donations, contributions, bequests and income from investments. The Foundation provides funding to Rosalie Hall. The Foundation was incorporated in the Province of Ontario on September 3, 2014 as a corporation without share capital and has been granted tax-exempt status as a registered charity under the Canadian Income Tax Act.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions to the various funds, which are classified according to their nature and purpose.

i) The Misericordia Sisters Fund

The purpose of this fund is to account for donations received from the Sisters of Misericordia, as well as the investment income earned thereon. The fund is restricted to supporting the charitable work of Rosalie Hall in accordance with its mission.

ii) Pastoral Fund

The purpose of this fund is to account for the donations received from the general public and others for which the purpose is to support pastoral care work performed by Rosalie Hall, as well as the investment income earned thereon.

iii) Kathy Frame-Adshead Fund

The purpose of this fund is to account for donations received from the Wexford Residence Foundation and others for which the purpose is to support three parenting programs a year titled Me, My Baby and Our World, as well as the investment income earned thereon.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2021

1. Significant accounting policies, continued

(a) Fund accounting, continued

iv) Frederick Whalen Fund

The purpose of this fund is to account for donations received from Frederick Whalen and others for which the purpose is to support the provision of food for young mothers and children attending Rosalie Hall, as well as the investment income earned thereon.

v) Knights of Columbus Fund

The purpose of this fund is to account for donations received from the Knights of Columbus and others for which the purpose is to support the funding of basic needs of young women attending Rosalie Hall, as well as the investment income thereon.

vi) Child Welfare Fund

The purpose of this fund is to account for the donations for which the purpose is to support the provision of nutritional and medical needs of infants and young children attending Rosalie Hall, as well as the investment income earned thereon.

vii) Helen Hull Fund

The purpose of this fund is to account for donations received from Helen Hull for which the purpose is to support the provision of nursing services for young mothers and children attending Rosalie Hall, as well as the investment income earned thereon.

vii) The International Misericordia Family Fund

The purpose of this fund is to account for donations for which the purpose is to provide resources to continue the legacy of the Misericordia Sisters, supporting members of The International Misericordia Family in their communications and activities, as well as the investment income earned thereon.

viii) General Fund

The purpose of the fund is to meet the foundation's ongoing operating costs and account for the management of the investment funds and income earned thereon. This fund encompasses all amounts not included in the other funds and reports all unrestricted resources of the Foundation.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2021

1. Significant accounting policies, continued

(b) Revenue recognition

Donations, contributions, restricted contributions and bequests are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

In kind donations are recognized at their fair value on the date of receipt.

Investment income is recognized as revenue as it is earned.

(c) Contributed services

Volunteers contribute their time to the ongoing programs of the Foundation. Because of the difficulty of determining their fair value, volunteer time is not recognized in the financial statements. Contributed materials and services, other than volunteer time, are recognized in the financial statements when a fair value can be reasonably estimated.

(d) Financial instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are measured at fair value.

Financial assets recorded at amortized cost includes cash and investment in private markets.

Financial liabilities recorded at amortized cost includes accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess (deficiency) of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than 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 excess (deficiency) of revenue over expenses.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2021

1. Significant accounting policies, continued

(e) Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

2. Investments

The investment portfolio has been diversified amongst several classes of investments based on the investment policy of the Foundation. The market values have been determined from quoted market prices as at year end.

	2021	2021	2020	2020
	Book value	Market value	Book value	Market value
Investments, in private markets	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Investments, quoted in an active market	3,485,174	3,954,225	3,302,412	3,057,694
	<u>\$ 4,085,174</u>	<u>\$ 4,554,225</u>	<u>\$ 3,902,412</u>	<u>\$ 3,657,694</u>

The unrealized cumulative gain at year end was \$469,051 (2020 - \$244,718 loss). The increase in unrealized gain for the 2021 fiscal year was \$713,771 (2020 - \$374,678 loss).

3. Interfund transfers

During the year, there were various transfers between the restricted funds and the general fund. These transfers have been approved by the Board of Directors.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2021

4. Related party transactions

Certain Directors of the Foundation are also Directors of Rosalie Hall, which is a major funding recipient of the Foundation.

During the year, the Foundation received \$12,000 (2020 - \$10,000) of donations from members of the Foundation's board.

During the year, the Foundation donated \$212,900 (2020 - \$13,000) to Rosalie Hall.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. Financial instruments

The significant financial risk to which the Foundation is exposed are the following:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is exposed to market risk on its investments, the carrying value of which will fluctuate with market conditions.

6. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

7. Other information

The World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Foundation in future periods.

The Rosalie Hall Foundation

Schedule 1 - Statement of Operations and Changes in Net Assets for Restricted Funds For the year ended March 31, 2021

	The Misericordia Sisters Fund	Pastoral Fund	Kathy Frame- Adshood Fund	Frederick Whalen Fund	Knights of Columbus Fund	Child Welfare Fund	Helen Hull Fund	The International Misericordia Family Fund	Total Restricted Funds 2021	Total Restricted Funds 2020
Revenue										
Investment income	\$ 198,474	\$ 10,903	\$ 1,949	\$ 8,964	\$ 4,720	\$ 3,841	\$ 10,599	\$ 4,980	\$ 244,430	\$ 198,526
Donations	-	12,000	-	12,000	-	25,000	-	50,000	99,000	34,000
Donations - in kind	-	-	-	-	-	-	49,594	-	49,594	53,603
	198,474	22,903	1,949	20,964	4,720	28,841	60,193	54,980	393,024	286,129
Expenses										
Donations	200,000	3,600	900	3,600	1,800	1,200	1,800	-	212,900	13,000
Investment management fees	37,362	-	-	-	-	-	803	792	38,957	22,666
	237,362	3,600	900	3,600	1,800	1,200	2,603	792	251,857	35,666
	(38,888)	19,303	1,049	17,364	2,920	27,641	57,590	54,188	141,167	250,463
Other item										
Unrealized gain (loss) on investments	549,434	45,399	8,283	37,614	19,859	14,387	16,824	20,048	711,848	(374,678)
Excess (deficiency) of revenue over expenses	510,546	64,702	9,332	54,978	22,779	42,028	74,414	74,236	853,015	(124,215)
Net assets, beginning of year	3,196,494	109,294	21,224	95,568	45,839	34,198	136,979	34,866	3,674,462	3,793,859
Interfund transfers	53,374	(1,273)	(876)	(6,763)	2,877	(1,280)	(6,592)	(25,000)	14,467	4,818
Net assets, end of year	\$3,760,414	\$ 172,723	\$ 29,680	\$ 143,783	\$ 71,495	\$ 74,946	\$ 204,801	\$ 84,102	\$4,541,944	\$3,674,462