

THE ROSALIE HALL FOUNDATION

Financial Statements

March 31, 2018

THE ROSALIE HALL FOUNDATION

Financial Statements
For the year ended March 31, 2018

Contents

Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

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Independent Auditors' Report

To the Directors of The Rosalie Hall Foundation

We have audited the accompanying financial statements of ***The Rosalie Hall Foundation***, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditors' Report, continued

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, deficiency of revenues over expenditures, assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of The Rosalie Hall Foundation as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The comparative figures for the year ended March 31, 2017 were audited by another firm of chartered professional accountants.

Toronto, Canada
October 24, 2018

Fruitman Kates LLP

Chartered Professional Accountants
Licensed Public Accountants

The Rosalie Hall Foundation

Statement of Financial Position As at March 31, 2018

	2018	2017
Assets		
Current		
Cash	\$ 112,150	\$ 6,135
	112,150	6,135
Investments (Note 2)	3,550,230	3,533,991
	\$ 3,662,380	\$ 3,540,126
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 108,366	\$ 91,501
	108,366	91,501
Net Assets		
General Fund - unrestricted	(10,548)	(4,902)
Pastoral Fund - restricted	137,956	116,935
Kathy Frame-Adshead Fund - restricted	26,626	26,270
Frederick Whalen Fund - restricted	98,533	85,396
Knights of Columbus Fund - restricted	57,992	58,880
The Misericordia Sisters Fund - restricted	3,218,907	3,166,046
The Marianne Teubner Fund - restricted	24,548	-
	3,554,014	3,448,625
	\$ 3,662,380	\$ 3,540,126

Approved on behalf of the board

_____ Director

_____ Director

See accompanying notes to the financial statements

The Rosalie Hall Foundation

Statement of Operations For the year ended March 31, 2018

	General Fund	Pastoral Fund	Kathy Frame-Adshead Fund	Frederick Whalen Fund	Knights of Columbus Fund	The Misericordia Sisters Fund	The Marianne Teubner Fund		
								2018	2017
Revenue									
Investment income	\$ -	\$ 4,746	\$ 1,920	\$ 5,678	\$ 2,596	\$ 164,326	\$ 146	\$ 179,412	\$ 204,311
Donations	12,000	25,000	-	12,000	-	-	25,000	74,000	37,285
	<u>12,000</u>	<u>29,746</u>	<u>1,920</u>	<u>17,678</u>	<u>2,596</u>	<u>164,326</u>	<u>25,146</u>	<u>253,412</u>	<u>241,596</u>
Expenses									
Donations	-	9,000	1,500	4,000	4,000	150,000	-	168,500	220,450
Professional fees	14,425	-	-	-	-	-	-	14,425	7,891
Interest and bank charges	3,221	-	-	-	-	-	-	3,221	1,511
	<u>17,646</u>	<u>9,000</u>	<u>1,500</u>	<u>4,000</u>	<u>4,000</u>	<u>150,000</u>	<u>-</u>	<u>186,146</u>	<u>229,852</u>
Excess (deficiency) of revenues over expenses before other item	(5,646)	20,746	420	13,678	- 1,404	14,326	25,146	67,266	11,744
Other item									
Unrealized gain (loss) on investments	-	275	(64)	(541)	516	38,535	(598)	38,123	143,193
Excess (deficiency) of revenues over expenses	\$ (5,646)	\$ 21,021	\$ 356	\$ 13,137	\$ (888)	\$ 52,861	\$ 24,548	\$ 105,389	\$ 154,937

The Rosalie Hall Foundation

Statement of Changes in Net Assets For the year ended March 31, 2018

	General Fund	Pastoral Fund	Kathy Frame-Adshead Fund	Frederick Whalen Fund	Knights of Columbus Fund	The Misericordia Sisters Fund	The Marianne Teubner Fund	2018	2017
Balance, beginning of year	\$ (4,902)	\$ 116,935	\$ 26,270	\$ 85,396	\$ 58,880	\$ 3,166,046	\$ -	\$ 3,448,625	\$ 3,293,688
Excess (deficiency) of revenue over expenses	(5,646)	21,021	356	13,137	(888)	52,861	24,548	105,389	154,937
Balance, end of year	\$ (10,548)	\$ 137,956	\$ 26,626	\$ 98,533	\$ 57,992	\$ 3,218,907	\$ 24,548	\$ 3,554,014	\$ 3,448,625

The Rosalie Hall Foundation

Statement of Cash Flows For the year ended March 31, 2018

	2018	2017
Cash flows from (used in):		
Operating activities		
Excess of revenue over expenses	\$ 105,389	\$ 154,937
Realized gain on sale of investments	(49,686)	(80,415)
Unrealized gain on investments	(38,123)	(143,193)
	(87,809)	(223,608)
Change in non-cash working capital items		
Accounts payable and accrued liabilities	16,865	86,000
	34,445	17,329
Investing activities		
Investments - net	71,570	(71,533)
	71,570	(71,533)
Increase (decrease) in cash	106,015	(54,204)
Cash, beginning of year	6,135	60,339
Cash, end of year	\$ 112,150	\$ 6,135

See accompanying notes to the financial statements

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2018

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) 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.

ii) 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.

iii) 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.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2018

1. Significant accounting policies, continued

(a) Fund accounting, continued

iv) 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, who are clients of Rosalie Hall, as well as the investment income thereon.

v) 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.

vi) The Marianne Teubner Fund

The purpose of this fund is to account for the donations received from Marianne Teubner for which the purpose is to support the provision of nutritional and medical needs of infants and young children, who are clients of Rosalie Hall, as well as the investment income earned thereon.

vii) 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.

(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.

Investment income is recognized as revenue as it is earned.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2018

1. Significant accounting policies, continued

(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, which are measured at fair value.

Financial assets recorded at amortized cost includes cash.

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 net income. 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 net income.

(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.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2018

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.

	2018 Book value	2018 Market value	2017 Book value	2017 Market value
Cash	\$ 13,671	\$ 13,671	\$ 10,272	\$ 10,272
Investments	3,438,125	3,536,559	3,463,408	3,523,719
	<u>\$ 3,451,796</u>	<u>\$ 3,550,230</u>	<u>\$ 3,473,680</u>	<u>\$ 3,533,991</u>

The unrealized cumulative gain at year end was \$98,434 (2017 - \$60,311). The increase in unrealized gain for the 2018 fiscal year was \$38,123 (2017 - \$143,193).

3. 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 donated \$168,500 (2017 - \$220,450) to Rosalie Hall. Of this amount, \$100,000 (2017 - \$85,000) is included in accounts payable and accrued liabilities as at year end.

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.

4. 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.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2018

5. **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.