

THE ROSALIE HALL FOUNDATION

Financial Statements

March 31, 2023

THE ROSALIE HALL FOUNDATION

Financial Statements
For the year ended March 31, 2023

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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, 2023, 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, 2023, 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
September 18, 2023

Fruitman Kates LLP

Chartered Professional Accountants
Licensed Public Accountants

The Rosalie Hall Foundation

Statement of Financial Position As at March 31, 2023

| | 2023 | 2022 |
|---|--------------|--------------|
| Assets | | |
| Current | | |
| Cash | \$ 137,278 | \$ 80,298 |
| | 137,278 | 80,298 |
| Investments (Note 2) | 5,614,961 | 5,499,241 |
| | \$ 5,752,239 | \$ 5,579,539 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 9,269 | \$ 10,119 |
| | 9,269 | 10,119 |
| Net Assets | | |
| General Fund - unrestricted | 141,236 | 84,528 |
| The Misericordia Sisters Fund - restricted | 3,795,797 | 3,846,783 |
| Pastoral Fund - restricted | 185,386 | 210,871 |
| Kathy Frame-Adshead Fund - restricted | 29,051 | 33,256 |
| Frederick Whalen Fund - restricted | 213,691 | 185,927 |
| Knights of Columbus Fund - restricted | 89,610 | 101,447 |
| Child Welfare Fund - restricted | 70,959 | 82,714 |
| Helen Hull Fund - restricted | 217,488 | 222,328 |
| The International Misericordia Family Fund - restricted | 90,910 | 98,349 |
| The Scholarship Fund - restricted | 909,142 | 703,217 |
| | 5,743,270 | 5,569,420 |
| | \$ 5,752,539 | \$ 5,579,539 |

Approved on behalf of the board

_____ Director

_____ Director

See accompanying notes to the financial statements

The Rosalie Hall Foundation

Statement of Operations and Changes in Net Assets For the year ended March 31, 2023

| | General Fund | Restricted Funds (Schedule 1) | Total 2023 | Total 2022 |
|---|-------------------|-------------------------------------|---------------------|---------------------|
| Revenue | | | | |
| Donations | \$ 2,406 | \$ 254,781 | \$ 257,187 | \$ 829,304 |
| Investment income | 1,119 | 165,467 | 166,586 | 235,367 |
| Expense recoveries | 5,262 | - | 5,262 | 5,490 |
| | <u>8,787</u> | <u>420,248</u> | <u>429,035</u> | <u>1,070,161</u> |
| Expenses | | | | |
| Investment management fees | - | 48,523 | 48,523 | 46,051 |
| Donations | - | 48,000 | 48,000 | 40,000 |
| Professional fees | 8,800 | - | 8,800 | 19,400 |
| Office and general | 100 | - | 100 | - |
| Interest and bank charges | 73 | - | 73 | 157 |
| | <u>8,973</u> | <u>96,523</u> | <u>105,496</u> | <u>105,608</u> |
| Excess of revenues over expenses before other item | (186) | 323,725 | 323,539 | 964,553 |
| Other item | | | | |
| Unrealized gain (loss) on investments | (2,168) | (147,522) | (149,690) | 39,960 |
| Excess (deficiency) of revenue over expenses | (2,354) | 176,203 | 173,850 | 1,004,513 |
| Net assets, beginning of year | 84,528 | 5,484,892 | 5,569,420 | 4,564,907 |
| Interfund transfers | 59,062 | (59,062) | - | - |
| Net assets, end of year | \$ 141,236 | \$ 5,602,033 | \$ 5,743,270 | \$ 5,569,420 |

See accompanying notes to the financial statements

The Rosalie Hall Foundation

Statement of Cash Flows For the year ended March 31, 2023

| | 2023 | 2022 |
|---|-------------------|------------------|
| Cash flows from (used in): | | |
| Operating activities | | |
| Excess of revenue over expenses | \$ 173,850 | \$ 1,004,513 |
| Adjustments for | | |
| Realized (gain) loss on sale of investments | 69,409 | (45,491) |
| Unrealized (gain) loss on investments | 149,690 | (39,960) |
| | <u>392,949</u> | <u>919,062</u> |
| Change in non-cash working capital items | | |
| Accounts payable and accrued liabilities | (850) | 1,416 |
| | <u>392,099</u> | <u>920,478</u> |
| Investing activities | | |
| Investments - net | (334,819) | (859,565) |
| | <u>(334,819)</u> | <u>(859,565)</u> |
| Increase in cash | 57,280 | 60,913 |
| Cash, beginning of year | 80,298 | 19,385 |
| Cash, end of year | <u>\$ 137,578</u> | <u>\$ 80,298</u> |

See accompanying notes to the financial statements

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2023

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, 2023

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 and nursing services 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.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2023

1. Significant accounting policies, continued

(a) Fund accounting, continued

viii) The Scholarship Fund

The purpose of this fund is to account for donations for which the purpose is to provide scholarships, bursaries and grants for post-secondary education to graduates of Rosalie Hall, as well as the investment income earned thereon. The recipients of the awards are selected by the board of directors in accordance with the terms of the scholarship application procedures.

ix) General Fund

The purpose of the fund is to meet the Foundation's ongoing operating costs and account for the 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.

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.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2023

1. Significant accounting policies, continued

(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 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 of revenue over expenses.

(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, 2023

2. Investments

The investment portfolio has been diversified amongst several classes of privately and publicly traded investments based on the investment policy of the Foundation. At year end, the Foundation holds \$1,050,000 (2022 - \$850,000) of investments traded in private markets, which are recorded at amortized cost.

Amounts quoted in an active market and reflected at fair value are as follows:

| | 2023 Book value | 2023 Fair value | 2022 Book value | 2022 Fair value |
|---|--------------------|--------------------|--------------------|--------------------|
| Investments, quoted in an active market | \$ 4,205,639 | \$ 4,564,961 | \$ 4,139,939 | \$ 4,649,241 |

The unrealized cumulative gain at year end was \$359,322 (2022 - \$509,302).

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.

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 \$NIL (2022 - \$20,000) of donations from members of the Foundation's board.

During the year, the Foundation donated \$48,000 (2022 - \$40,000) 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.

The Rosalie Hall Foundation

Notes to Financial Statements
For the year ended March 31, 2023

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.

The Rosalie Hall Foundation

Schedule 1 - Statement of Operations and Changes in Net Assets for Restricted Funds For the year ended March 31, 2023

| | The Misericordia Sisters Fund | Pastoral Fund | Kathy Frame- Adshead Fund | Frederick Whalen Fund | Knights of Columbus Fund | Child Welfare Fund | Helen Hull Fund | The International Misericordia Family Fund | The Scholarship Fund | Total Restricted Funds 2023 | Total Restricted Funds 2022 |
|--|--|-------------------|------------------------------------|-----------------------------|--------------------------------|--------------------------|--------------------|--|----------------------------|--------------------------------------|--------------------------------------|
| Revenue | | | | | | | | | | | |
| Donations | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 204,781 | \$ 254,781 | \$ 822,304 |
| Investment income | 89,567 | 14,819 | 2,603 | 14,088 | 6,045 | 6,508 | 4,140 | 7,729 | 19,969 | 165,467 | 233,127 |
| | 89,567 | 14,819 | 2,603 | 64,088 | 6,045 | 6,508 | 4,140 | 7,729 | 224,750 | 420,248 | 1,055,431 |
| Expenses | | | | | | | | | | | |
| Investment management fees | 38,792 | 1,092 | 152 | 1,155 | 625 | 367 | 1,526 | 496 | 4,318 | 48,523 | 46,051 |
| Donations | - | 10,000 | 1,500 | 9,750 | 6,000 | 5,000 | 10,000 | - | 5,750 | 48,000 | 40,000 |
| | 38,792 | 11,092 | 1,652 | 10,905 | 6,625 | 5,367 | 11,526 | 496 | 10,068 | 96,523 | 86,051 |
| | 50,775 | 3,727 | 951 | 53,183 | (580) | 1,141 | (7,386) | 7,233 | 214,682 | 323,725 | 969,380 |
| Other item | | | | | | | | | | | |
| Unrealized gain (loss) on investments | (62,540) | (29,212) | (5,156) | (25,419) | (11,257) | (12,896) | 5,723 | (14,672) | 7,907 | (147,522) | 40,057 |
| Excess of revenue over expenses | (11,765) | (25,485) | (4,205) | 27,764 | (11,837) | (11,755) | (1,663) | (7,439) | 222,589 | 176,203 | 1,009,437 |
| Net assets, beginning of year | 3,846,783 | 210,871 | 33,256 | 185,927 | 101,447 | 82,714 | 222,328 | 98,349 | 703,217 | 5,484,892 | 4,541,944 |
| Interfund transfers | (39,221) | - | - | - | - | - | (3,177) | - | (16,664) | (59,062) | (66,489) |
| Net assets, end of year | \$3,795,797 | \$ 185,386 | \$ 29,051 | \$ 213,691 | \$ 89,610 | \$ 70,959 | \$ 217,488 | \$ 90,910 | \$ 909,142 | \$5,602,033 | \$5,484,892 |