



Financial Statements

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario

December 31, 2015

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Independent auditor's report

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To the Board of
**The Retired Teachers of Ontario Foundation/La Fondation
des Enseignantes et Enseignants Retraités de L'Ontario**

We have audited the accompanying financial statements of **The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario**, which comprise the statement of financial position as at December 31, 2015, and the statements of operations and changes in fund balance, and statement of 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 auditor's 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 entity'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 entity'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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario** as at December 31, 2015, 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.



Toronto, Canada

April 25, 2016

Chartered Professional Accountants

Licensed Public Accountant

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraitées de L'Ontario

Statement of Financial Position

December 31	2015	2014
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Assets

Current

Cash and cash equivalents	\$ 1,005,083	\$ 489,124
Investment in term deposit	-	501,578
Receivables	<u>6,374</u>	7,929
	<u>1,011,457</u>	998,631
Capital assets (Note 3)	-	5,231
	<u>\$ 1,011,457</u>	<u>\$ 1,003,862</u>

Liabilities

Current

Payables	\$ 53,791	\$ 13,017
	<u>53,791</u>	13,017

Net assets

	<u>957,666</u>	990,845
	<u>\$ 1,011,457</u>	<u>\$ 1,003,862</u>

On behalf of the Board

Director

Director

**The Retired Teachers of Ontario Foundation/La Fondation
des Enseignantes et Enseignants Retraitées de L'Ontario
Statements of Operations and Changes in Fund Balance**

Year ended December 31	2015	2014
Revenues		
Donations		
Corporate	\$ 56,803	\$ 6,990
Individuals	<u>65,047</u>	<u>39,531</u>
Donation from The Retired Teachers of Ontario (RTO/ERO) and the District offices	<u>4,234</u>	<u>7,636</u>
Interest	<u>5,977</u>	<u>4,960</u>
	<u><u>132,061</u></u>	<u><u>59,117</u></u>
Operations expenses		
Amortization	5,231	8,521
General and administrative	<u>7,060</u>	<u>4,150</u>
Postage	<u>4,106</u>	<u>421</u>
Meetings	<u>4,982</u>	<u>2,088</u>
Professional fees	<u>21,144</u>	<u>24,591</u>
Salaries and benefits (operations and fundraising)	<u><u>63,292</u></u>	<u><u>28,576</u></u>
	<u><u>105,815</u></u>	<u><u>68,347</u></u>
Excess of revenues over expenses (expenses over revenues) before program expenses	<u><u>26,246</u></u>	<u><u>(9,230)</u></u>
Program expenses (Note 4)		
Granting - 2014	-	(2,500,000)
Granting - 2015	<u>(32,300)</u>	<u>-</u>
Salaries and benefits (programming)	<u><u>(27,125)</u></u>	<u><u>(12,248)</u></u>
Excess of expenses over revenues	<u><u>\$ (33,179)</u></u>	<u><u>\$ (2,521,478)</u></u>
Fund balance, beginning of year	\$ 990,845	\$ 3,512,323
Excess of expenses over revenues	<u><u>(33,179)</u></u>	<u><u>(2,521,478)</u></u>
Fund balance, end of year	<u><u>\$ 957,666</u></u>	<u><u>\$ 990,845</u></u>

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario

Statement of Cash Flows

For the year ended December 31	2015	2014
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Increase (decrease) in cash and cash equivalents

Operating activities

Excess of expenses over revenues	\$ (33,179)	\$ (2,521,478)
Amortization	<u>5,231</u>	<u>8,521</u>
	<u>(27,948)</u>	<u>(2,512,957)</u>

Net increase (decreases) in non-cash working capital items:

Receivables	(1,555)	4,275
Payables	<u>40,774</u>	<u>(4,609)</u>
Receivable from (payable to) the		
Retired Teachers of Ontario (RTO/ERO)	<u>-</u>	<u>2,995,961</u>
	<u>11,271</u>	<u>482,670</u>

Investing activities

Proceeds on (purchase of) investments	<u>504,688</u>	<u>(501,578)</u>
Net increase (decrease) in cash and cash equivalents	<u>515,959</u>	<u>(18,908)</u>
Cash and cash equivalents, beginning of year	<u>489,124</u>	<u>508,032</u>
Cash and cash equivalents, end of year	<u>\$ 1,005,083</u>	<u>\$ 489,124</u>

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario

Notes to the Financial Statements

December 31, 2015

1. Nature of operations

The RTO/ERO Foundation aims to raise funds to increase the numbers of professional and support staff qualified and trained in geriatric care as well as to support research and programs that improve the quality of life of seniors in Ontario and Canada.

Currently our focus is on supporting geriatrics/gerontology research and training at post-secondary institutions across Ontario. In 2014, we established the Retired Teachers of Ontario/ Les Enseignantes et Enseignants Retraités de l'Ontario Chair in Geriatric Medicine at the University of Toronto.

The Foundation is governed by a volunteer Board of Directors and is supported through a network of volunteer District Foundation Representatives acting as liaison between the Foundation and the 48 Districts of the RTO/ERO.

The Foundation was incorporated without share capital under the laws of Ontario on September 27, 2010. The Foundation is a registered charity under the Income Tax Act and is exempt from income taxes.

2. Summary of significant accounting policies

Basis of presentation

The Foundation follows accounting policies that conform with Canadian accounting standards for not-for-profit organizations (ASNPO). The following is a summary of significant accounting policies adopted by the Foundation in the preparation of the financial statements.

Use of estimates

In preparing the Foundation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributions are recognized as revenue on an accrual basis when collection is reasonably assured.

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario

Notes to the Financial Statements

December 31, 2015

2. Summary of significant accounting policies (continued)

Financial Instruments

The Foundation's financial assets and liabilities are comprised of cash and cash equivalents, investment in term deposit, receivables, payable to the RTO/ERO, and payables.

Initial measurement

The Foundation's financial instruments are measured at fair value when acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The financial instruments measured at amortized cost are cash and cash equivalents, receivables and payables. The financial instruments measured at fair value are the investments in mutual funds.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful life. The following annual rates and bases of amortization are used:

Financial Transaction System - 3 years, straight-line

Donated services and materials

Donated services of the volunteers and vendors are not recorded in the financial statements as the fair value of these services cannot reasonably be estimated. Donated materials received by way of gifts-in-kind are recorded in the financial statements at the exchange amount.

3. Capital assets

			2015 Net Book Value	2014 Net Book Value
	Cost	Accumulated Depreciation		
Financial Transaction System	\$ 35,761	\$ 35,761	\$ -	\$ 5,231

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario

Notes to the Financial Statements

December 31, 2015

4. Program Expenses

The donation to the University of Toronto in 2014 was a culmination of a 3-year fundraising campaign (2011-2013) to establish the endowed RTO/ERO Chair in Geriatric Medicine. The donation to the University of Ottawa includes donor designated funds raised in 2014 and 2015. Operations and fundraising expenses are from the unrestricted fund balance.

5. Financial instruments

The Foundation's main financial instrument risk exposure is detailed as follows:

Market risk

The Foundation's financial instruments expose it to market risk, in particular, interest rate risk which results from investing activities. The Foundation is exposed to interest rate risk with respect to its investment in a term deposit which bears interest at a fixed rate, resulting in exposure to the risk of changes in fair value from interest rate fluctuations.

Credit risk

The Foundation is subject to credit risk through receivables. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation's management does not expect any financial loss on the December 31, 2015 receivable balance.

Liquidity Risk

Liquidity risk is the risk that the Foundation may encounter difficulty in meeting its obligations associated with its financial liabilities as they become due. It is management's opinion that the Foundation is not exposed to significant liquidity risks arising from its financial instruments.

6. Net assets

The net asset balance of \$957,666 includes funds in the amount of \$889 (2014 - \$9,197) specifically donated for the purpose of funding geriatrics and/or gerontology research and training at post-secondary institutions.

7. Comparative figures

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