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

December 31, 2021

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario (the "Foundation"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, and the results of its operations and changes in fund balances, and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 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.

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.

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 GAAS 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 GAAS, 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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a plain sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
June 23, 2022

**The Retired Teachers of Ontario Foundation/La Fondation
des Enseignantes et Enseignants Retraités de L'Ontario**
Statement of operations and changes in fund balances
Year ended December 31, 2021

	Notes 7 and 10	General fund \$	Externally restricted funds \$	2021 Total \$	2020 Total \$
Revenue					
Donations					
Corporate		72,755	25,000	97,755	102,800
Individuals		161,105	167,659	328,764	268,614
Donation from the Retired Teachers of Ontario/ Les Enseignantes et Enseignants Retraités de l'Ontario ("RTOERO") and district offices		13,914	5,600	19,514	18,420
Corporate sponsorships		42,900	4,000	46,900	30,950
Investment income	4	12,118	—	12,118	38,451
Other income		—	—	—	2,926
		302,792	202,259	505,051	462,161
Expenses					
Operations					
General and administrative		15,316	—	15,316	15,899
Printing and postage		20,651	15,766	36,417	36,979
Meetings		—	—	—	1,872
Professional fees		18,579	1,411	19,990	19,466
Salaries and benefits (operation and fundraising)		136,911	30,339	167,250	152,860
		191,457	47,516	238,973	227,076
Program expenses					
Granting		—	83,039	83,039	50,000
General and administrative		—	—	—	—
Salaries and benefits (programming)		95,876	41,090	136,966	124,857
		95,876	124,129	220,005	174,857
		287,333	171,645	458,978	401,933
Excess of revenue over expenses		15,459	30,614	46,073	60,228
Fund balance, beginning of year		685,426	84,416	769,842	709,614
Fund balance, end of year		700,885	115,030	815,915	769,842

The accompanying notes are an integral part of the financial statements.

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

Statement of financial position

As at December 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash		302,171	207,673
Receivables	3	36,967	26,469
		339,138	234,142
Investments	4	642,293	652,760
		981,431	886,902
Liabilities			
Current liabilities			
Accounts payables and accrued liabilities	6	105,771	74,527
Due to RTOERO		59,745	42,533
		165,516	117,060
Fund balances			
Externally restricted funds	7	115,030	84,416
General fund		700,885	685,426
		815,915	769,842
		981,431	886,902

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

_____, Director

_____, Director

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

Statement of cash flows

Year ended December 31, 2021

	Notes	2021 \$	2020 \$
Operating activities			
Excess of revenue over expenses		46,073	60,228
Unrealized investment losses (gains)	4	7,888	(14,753)
		53,961	45,475
Changes in non-cash working capital items			
Receivables		(10,498)	80,753
Prepaid expenses		—	508
Accounts payables and accrued liabilities		31,244	9,429
Due to RTOERO		17,212	(42,614)
		91,919	93,551
Investing activity			
Proceeds on sale of investments		2,579	2,794
Net increase in cash		94,498	96,345
Cash, beginning of year		207,673	111,328
Cash, end of year		302,171	207,673

The accompanying notes are an integral part of the financial statements.

1. Nature of operations

The Retired Teachers of Ontario Foundation/La Fondation des Enseignantes et Enseignants Retraités de L'Ontario ("RTOERO Foundation" or the "Foundation") raises 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, the Foundation's focus is on supporting geriatrics/gerontology research and training at postsecondary institutions across Ontario. In 2014, the Foundation established the Retired Teachers of Ontario/ Les Enseignantes et Enseignants Retraités de l'Ontario ("RTOERO") Chair in Geriatric Medicine at the University of Toronto and in 2016, the Foundation established a new funding stream to address social isolation in seniors.

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 51 Districts of the RTOERO.

The Foundation was incorporated without share capital under the laws of the Province of Ontario on September 27, 2010. The Foundation is a registered charity under the *Income Tax Act (Canada)* 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. The following is a summary of significant accounting policies adopted by the Foundation in the preparation of the financial statements.

Fund balances

The Foundation collects donations which are both unrestricted and formally externally restricted by donors as to their use. A description of the Foundation's unrestricted and externally restricted funds is as follows:

(a) Geriatrics/Gerontology Fund (externally restricted)

The Geriatric/Gerontology Fund is an externally restricted fund and is used for the sole purpose of funding projects related to aging research and post-secondary training in Geriatrics and Gerontology.

(b) Social Isolation Fund (externally restricted)

The Social Isolation Fund is an externally restricted fund and is used for the sole purpose of funding projects that address social isolation in seniors.

(c) General Fund

The general fund balance is unrestricted and comprises the remaining excess of revenue over expenses from operations since inception that is available for general use.

2. Summary of significant accounting policies (continued)

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. Amounts involving estimates include the fair value of investments and amortization of capital assets.

Cash

Cash includes cash on hand and balances with banks.

Revenue recognition

The Foundation follows the restricted fund method of accounting for donations. Donations are recognized as revenue of their respective funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income includes dividend and interest income and realized and unrealized investment gains and losses. Investment income is unrestricted and recognized as revenue of the General Fund when earned.

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.

Financial instruments

The Foundation's financial assets and liabilities are comprised of cash, investments, receivables, and accounts payable and accrued liabilities.

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.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

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 investments quoted in an active market, which must be measured at fair value. The financial instruments measured at amortized cost are cash, receivables and accounts payable and accrued liabilities. The financial instruments measured at fair value are the investments in pooled mortgage 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.

Temporary wage subsidy for employers ("TWS")

During the prior year, the Government of Canada announced the Canada temporary wage subsidy for employers under the COVID-19 Economic Response Plan for Canadian employers whose businesses were affected by the pandemic. The TWS is a 3-month measure that allows eligible employers to reduce the amount of payroll deductions they need to remit to the Canada Revenue Agency with respect to federal and provincial income taxes. The subsidy is equal to 10% of the remuneration paid for the 3-month period from March 18 to June 19, 2020, up to \$1,375 for each eligible employee, with a maximum total of \$25,000 for each eligible employer.

Accordingly, the Foundation met the requirements to receive the subsidy and reduced the remittances for the 3-month period by \$2,926. This government assistance was recorded in the prior year in the other income line in the Statement of operations.

3. Receivables

	2021	2020
	\$	\$
Accounts receivable trade and other	34,732	22,443
Harmonized Sales Tax receivable	2,235	4,026
	36,967	26,469

4. Investments

The Foundation's investments are held in units of pooled mortgage funds. Investment income earned during the year from the pooled mortgage funds is as follows:

	2021	2020
	\$	\$
Dividends	20,006	23,187
Interest	—	511
Unrealized investment (losses) gains	(7,888)	14,753
	12,118	38,451

5. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Financial transaction system	35,761	35,761	—	—

6. Accounts payable and accrued liabilities

	2021	2020
	\$	\$
Accounts payable trade	1,792	397
Accruals and other	103,979	74,130
	105,771	74,527

**The Retired Teachers of Ontario Foundation/La Fondation
des Enseignantes et Enseignants Retraités de L'Ontario**
Notes to the financial statements
December 31, 2021

7. Externally restricted funds

	Geriatrics/ Gerontology Fund \$	Social Isolation Fund \$	2021 Total \$	2020 Total \$
Donations				
Corporate	—	25,000	25,000	25,100
Individuals	88,608	79,051	167,659	102,509
Donation from the RTOERO and district offices	600	5,000	5,600	2,675
Corporate sponsorships	—	4,000	4,000	30,340
	89,208	113,051	202,259	160,624
Expenses				
Operations				
Printing and postage	10,656	5,110	15,766	22,337
Professional fees	517	894	1,411	870
Salaries and benefits (operation and fundraising)	13,381	16,958	30,339	24,094
	24,554	22,962	47,516	47,301
Program expenses				
Granting	—	83,039	83,039	50,000
Salaries and benefits (programming)	—	41,090	41,090	39,121
	—	124,129	124,129	89,121
	24,554	147,091	171,645	136,422
Excess (deficiency) of revenue over expenses	64,654	(34,040)	30,614	24,202
Fund balance, beginning of year	58,140	26,276	84,416	60,214
Fund balance, end of year	122,794	(7,764)	115,030	84,416

8. 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 investments in pooled mortgage funds, resulting in exposure to the risk of changes in fair value from interest rate fluctuations.

8. Financial instruments (continued)

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 has determined that the financial assets with credit risk exposure are receivables since failure of any of these parties to fulfill their obligations could result in significant financial losses to the Foundation.

The Foundation is also exposed to concentration risk in that all of its cash and investments are held with two financial institutions and the balances held are in excess of Canadian Deposit Insurance. The Foundation's management does not expect any financial loss on the December 31, 2021 cash, investments and receivable balances.

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.