



Women's Musical Club of Toronto Foundation

Annual Report 2021-2022

Chair's Report

Despite frequent lockdowns and stringent public health restrictions, the Foundation remained committed to supporting the Women's Musical Club of Toronto in the delivery of virtual performances. During the year, all other business of the Foundation was conducted via Zoom and other forms of video conferencing.

The Foundation investments with Burgundy Asset Management remained stable and we closed the year with over \$1.6 million in assets, up 10% from the prior year. Markets have been volatile, but the Foundation remains invested in the long-term and the Investment and Finance committees are working closely with Burgundy to manage downside risk.

I was happy to welcome Raj Arora back to the board in November 2021. Four board members will be stepping down in September 2022: Eva Innes, Marjan Pouran, Joan Sinclair, and Adair Hope. On behalf of the board, I would like to thank these wonderful directors for their contribution, guidance, and efforts on behalf of the Foundation.

With the reduction in the number of board members, the Foundation will now have six board members, including the president of the Women's Musical Club of Toronto. With these changes, I believe we have achieved the optimum number of members for the Foundation given that its main activities revolve around overseeing the Foundation's investment performance.

My thanks go to all the directors, honorary advisers, members, and volunteers who have worked diligently to support the activities of the Foundation and ensure that it remains a healthy and vibrant organization.

A very special thanks must be added for Susan Corrigan, who, as the Foundation's arts administrator for the past year, has yet again worked to keep the board organized and on track in her most capable fashion.

Janne Farias, Chair

Investment Report

Amidst the economic gloom of spring and summer 2022, there are some positives: for the fiscal year ended March 31, 2021, the investment portfolio of the Women's Music Club of Toronto Foundation posted a one-year return of 6.3%. Over the past three, five, seven, and 10 years, the assets have posted gains of 7.4%, 6.6%, 6.5%, and 8.8% respectively. At the end of its fiscal year, the Foundation had investment assets of \$1,625,940.

More recently, the fund has suffered from decidedly poor equity markets. For instance, in the six months ended June 30, 2022, the widely followed S&P 500 index posted its worst performance since 1970. While all North American markets are lower this year, the Nasdaq is off by almost 30%.

As a result, the Foundation now has fewer assets than in the recent past. As of June 30, 2022, the assets were \$1,464,561: six months earlier they stood at \$1,617,370. So far this year the portfolio is down more than 10%. The performance is even worse given that we received a \$140,000 gift from a benefactor in March 2022.

However, despite the fall in the market value of assets, the Foundation hasn't actually lost any money: at this stage, all it has is a paper loss that will become an actual loss if and when the Foundation sells some of the assets. And the good news is the Foundation has withdrawn all it needed for the most recent fiscal year and does not need any major withdrawals until February 2023.

Thus, time is on the Foundation's side. This may work in its favour or it may not. Certainly, the current environment is negative: high inflation, the prospect of higher interest rates, talk of a major economic slowdown, the prospect of continued war in Ukraine, and continued supply chain issues all weigh heavily. Everybody wishes that the world was a more certain place.

But the reality is that markets, like the economy, do rebound in a cycle that has played out consistently. In short, an investment in a portfolio of high-quality stock produces steady returns over the long run. Indeed, return is generated by time in the market, not by market timing.

Indeed, like other investors, the Foundation is – and has to be – a long-term player. It is neither day traders nor stock flippers – a philosophy it shares with its fund manager, Burgundy Asset Management. It has been around for more than 30 years and has generated good, solid and steady returns over that period, though like all managers it has posted some less than satisfactory returns. And the Foundation has no control over Burgundy: as a discretionary money manager, it makes all the investment decisions, because that's what it's paid to do.

The manager recently tweaked the fund's asset mix: from now on Burgundy will have a tad higher percentage invested in fixed income with part of that component being invested in high yield bonds. The idea is to generate slightly more income.

Barry Critchley, Investments Chair

Treasurer's Report

The Foundation's total assets increased to \$1,631,242, as at March 31, 2022. Assets a year earlier were \$1,468,471. Although financial markets were weak in the first quarter of 2022, the Foundation's investment portfolio experienced a gain of \$159,322 in fiscal 2022. This was primarily due to a bequest of \$140,000.

The Foundation made a total contribution to the Women's Musical Club of Toronto in the amount of \$45,000 in 2021-2022, which included \$25,000 in support of the WMCT's scholarships at the Faculty of Music, University of Toronto, and The Glenn Gould School of The Royal Conservatory of Music.

Since the fall fundraising campaign has moved to the Women's Musical Club of Toronto, donations, excluding the \$140,000 bequest from the Estate of Ivan Elkan in fiscal 2022, were just \$353.

The operating expenses were below budget due to prudent management. The Foundation's accounts were audited by Stephanie Chung of Pennylegion Chung LLP, whose firm specializes in providing audit services to small and medium-sized not-for-profit organizations in the Toronto area.

Since Career Development Award is paid out every three years, no award was paid out this year. The CDA is a project of the Women's Musical Club of Toronto in partnership with CBC Radio Music and Espace musique de Radio-Canada and is funded by the WMCT Foundation.

My thanks go to the members of the Finance Committee for their continued guidance and dedication: Raj Arora, Janne Farias (ex officio), and Janet Murray (WMCT treasurer).

Sylvia Sarkus, Treasurer

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	2022	2021
ASSETS		
Current assets		
Cash	\$ 7,943	\$ 4,752
Guaranteed investment certificate (note 3)	1,000	1,003
HST rebate recoverable	<u>750</u>	<u>489</u>
	9,693	6,244
Long-term assets		
Investments (note 4)	<u>1,621,549</u>	<u>1,462,227</u>
	<u>\$ 1,631,242</u>	<u>\$ 1,468,471</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 4,312</u>	<u>\$ 3,377</u>
Net assets		
Internally restricted (note 5)	26,000	26,000
Unrestricted	<u>1,600,930</u>	<u>1,439,094</u>
	<u>1,626,930</u>	<u>1,465,094</u>
	<u>\$ 1,631,242</u>	<u>\$ 1,468,471</u>

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
REVENUE		
Donations	\$ 140,353	\$ 7,102
Realized gains	72,203	36,005
Interest and dividends	<u>36,707</u>	<u>30,869</u>
	<u>249,263</u>	<u>73,976</u>
EXPENSES		
Donation to Women's Musical Club of Toronto	45,000	26,300
Office and general	25,911	20,132
Career Development Award	<u>-</u>	<u>26,000</u>
	<u>70,911</u>	<u>72,432</u>
Excess of revenue over expenses for the year before change in unrealized gains	178,352	1,544
Change in unrealized gains	<u>(16,516)</u>	<u>265,448</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	161,836	266,992
Net assets, beginning of year	<u>1,465,094</u>	<u>1,198,102</u>
NET ASSETS, END OF YEAR	<u>\$ 1,626,930</u>	<u>\$ 1,465,094</u>

Legacy Circle Members

Hanna Feuerriegel
Barbara Gory
Betty Gray

Dianne Henderson
Diane Martello
Esther McNeil

Mary VanderVennen
Marianne Weil
Nora R. Wilson

Thank you to 2021-2022 donors Sylvia Schmid and the Estate of Ivan Elkan for their support of the Foundation.

BOARD OF DIRECTORS 2021-2022

Janne Farias, Chair
Sylvia Sarkus, Secretary-Treasurer
Eva Innes, Past Chair
Rajeev Arora
Barry Critchley

Sudhir Gandhi
Adair Hope
Kathleen McMorro
Marjan Pouran
Joan Sinclair

HONORARY ADVISERS

Esther McNeil, Founding President
Richard J. Balfour
Barbara N. Gory, FCPA, FCA
Betty Gray
William A. Lambert

Arts Administrator: Susan Corrigan

MEMBERS 2021-2022

Dianne Henderson
Jerri Merritt Jones

Diane Martello
Janet Murray
Mary VanderVennen

Marianne Weil
Nora R. Wilson



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