

The Canadian Medical Hall of Fame

Financial Statements
December 31, 2016



May 5, 2017

Independent Auditor's Report

To the Directors of The Canadian Medical Hall of Fame

We have audited the accompanying financial statements of The Canadian Medical Hall of Fame which comprise the statement of financial position as at December 31, 2016 and the statements of changes in funds, revenue and expenditures - unrestricted fund, revenue and expenditures - Scholarship Fund, revenue and expenditures - CMHF Award for Medical Students Fund and cash flows for the year then ended, and the related notes, which comprise 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 unqualified audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Canadian Medical Hall of Fame as at December 31, 2016 and the results of its operations and its cash flows for the year then ended December 31, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Professional Accountants

The Canadian Medical Hall of Fame

Statement of Financial Position

As at December 31, 2016

	Unrestricted Fund \$	Scholarship Fund \$	CMHF Award for Medical Students Fund \$	2016 \$	2015 \$
Current assets					
Cash	267,221	-	-	267,221	381,256
Investments (note 3)	123,226	62,561	32,332	218,119	286,529
Accounts receivable	62,325	-	-	62,325	40,850
GST and HST recoverable	5,280	-	-	5,280	21,394
Due from CMHF Award for Medical Students Fund	11,332	-	-	11,332	-
Due from unrestricted fund	-	-	-	-	18,254
Prepaid expenses	39,312	-	-	39,312	50,270
	<u>508,696</u>	<u>62,561</u>	<u>32,332</u>	<u>603,589</u>	<u>798,553</u>
Current liabilities					
Accounts payable and accrued liabilities (note 7)	22,548	-	-	22,548	24,309
Due to unrestricted fund	-	-	11,332	11,332	-
Due to CMHF Award for Medical Students Fund	-	-	-	-	18,254
Deferred revenue	54,550	-	-	54,550	161,000
	<u>77,098</u>	<u>-</u>	<u>11,332</u>	<u>88,430</u>	<u>203,563</u>
Funds					
Unrestricted	431,598	-	-	431,598	419,930
Scholarship Fund	-	62,561	-	62,561	73,560
CMHF Award for Medical Students Fund	-	-	21,000	21,000	101,500
	<u>431,598</u>	<u>62,561</u>	<u>21,000</u>	<u>515,159</u>	<u>594,990</u>
	<u>508,696</u>	<u>62,561</u>	<u>32,332</u>	<u>603,589</u>	<u>798,553</u>

Commitment (note 4)

Approved by the Board of Directors

Director

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

The Canadian Medical Hall of Fame

Statement of Changes in Funds

For the year ended December 31, 2016

				2016	2015
	Unrestricted Fund \$	Scholarship Fund \$	CMHF Award for Medical Students Fund \$	Total \$	Total \$
Balance - Beginning of year	419,930	73,560	101,500	594,990	672,914
Excess (shortfall) of revenue over expenditures for the year	11,668	(10,999)	(80,500)	(79,831)	(77,924)
Balance - End of year	<u>431,598</u>	<u>62,561</u>	<u>21,000</u>	<u>515,159</u>	<u>594,990</u>

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

The Canadian Medical Hall of Fame
Statement of Revenue and Expenditures - Unrestricted Fund
For the year ended December 31, 2016

	2016	2015
	\$	\$
Revenues		
Induction ceremony	377,625	362,100
Discovery Days	221,535	276,541
Grants	41,000	40,500
CMHF Award for Medical Students	58,000	35,687
Miscellaneous donations	18,537	17,575
Investment income (note 5)	16,442	14,799
Museum School	16,550	10,500
Hall income	1,035	571
	<hr/>	<hr/>
	750,724	758,273
Expenditures		
Salaries	325,723	313,781
Induction ceremony	181,754	159,238
Discovery Days	73,119	106,692
Hall expenses	33,496	36,059
Office	28,999	26,217
Other expenses	25,924	29,938
Board expenses	16,693	23,587
CMHF Award for Medical Students expenses	35,594	4,917
Professional fees	4,807	15,305
Fundraising	4,638	6,562
Insurance	4,231	4,307
Museum School	4,078	3,705
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	739,056	730,308
	<hr/>	<hr/>
Excess of revenue over expenditures for the year	11,668	27,965

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

The Canadian Medical Hall of Fame
Statement of Revenue and Expenditures - Scholarship Fund
For the year ended December 31, 2016

	2016 \$	2015 \$
Revenues		
Contributions to fund	3,930	3,930
Investment income	1,071	2,181
	<hr/> 5,001	<hr/> 6,111
Expenditures		
Scholarship payments	<hr/> 16,000	<hr/> 14,000
Shortfall of revenues over expenditures for the year	<hr/> (10,999)	<hr/> (7,889)

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

The Canadian Medical Hall of Fame

Statement of Revenue and Expenditures - CMHF Award for Medical Students Fund

For the year ended December 31, 2016

	2016 \$	2015 \$
Revenues		
Donations	157,000	80,500
Expenditures		
Awards paid	237,500	178,500
Shortfall of revenues over expenditures for the year	<u>(80,500)</u>	<u>(98,000)</u>

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

The Canadian Medical Hall of Fame

Statement of Cash Flows

For the year ended December 31, 2016

	Unrestricted Fund \$	Scholarship Fund \$	CMHF Award for Medical Students Fund \$	2016 \$	2015 \$
Cash provided by (used for)					
Operating activities					
Excess (shortfall) of revenue over expenditures for the year	11,668	(10,999)	(80,500)	(79,831)	(77,924)
Change in non-cash working capital balances					
Accounts receivable	(21,475)	-	-	(21,475)	62,427
GST and HST recoverable	16,114	-	-	16,114	4,413
Prepaid expenses	10,958	-	-	10,958	(9,023)
Accounts payable and accrued liabilities	(1,761)	-	-	(1,761)	(267)
Deferred revenue	(106,450)	-	-	(106,450)	51,500
	(90,946)	(10,999)	(80,500)	(182,445)	31,126
Investing activities					
Net change in investments	(23,089)	10,999	80,500	68,410	284,175
Increase (decrease) in cash during the year	(114,035)	-	-	(114,035)	315,301
Cash - Beginning of the year	381,256	-	-	381,256	65,955
Cash - End of the year	267,221	-	-	267,221	381,256

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

The Canadian Medical Hall of Fame

Notes to Financial Statements

December 31, 2016

1 Nature of organization

The Canadian Medical Hall of Fame (CMHF) was incorporated without share capital on January 18, 1994. It is a non-profit organization whose purpose is to create an enduring tribute to Canada's medical heroes who, through discovery and innovation, have contributed to improved health in Canada and around the world. Through the celebration of its laureates and the delivery of education programs, CMHF inspires the pursuit of careers in health sciences fostering future innovators and leaders. The induction of the laureates into The Canadian Medical Hall of Fame is celebrated at a dinner event every 12 months.

2 Significant accounting policies

a) Basis of presentation

The accounts of CMHF are maintained and the accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

b) Revenue

CMHF follows the restricted fund method of accounting for contributions for the Scholarship and CMHF Award for Medical Students Funds. The Scholarship Fund is required to be used for the payment of scholarships to high school students entering university wishing to pursue a career in medicine or health sciences. The CMHF Award for Medical Students Fund is required to be used for the payment of cash awards to students in medical school.

Unrestricted contributions from donations, grants and corporate sponsorships are recognized as they are received or receivable. Revenue from dinner ticket sales and Discovery Days is recognized once the event has taken place. Amounts received in advance for these events are recorded as deferred revenue and recognized into revenue during the appropriate period.

c) Expenditures

CMHF records all expenses on an accrual basis.

d) Capital assets

Capital assets are expensed in the year acquired.

e) Financial instruments

CMHF's financial instruments include cash, investments, accounts receivable, GST and HST recoverable and accounts payable and accrued liabilities.

CMHF initially measures its financial assets and liabilities at fair value. CMHF subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity and debt instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess of revenues over expenditures.

The Canadian Medical Hall of Fame

Notes to Financial Statements

December 31, 2016

f) Investments and investment income

Investments consist of marketable securities, pooled investment funds and fixed income securities, all of which are recorded and carried at market value.

Pooled investment funds are valued based on reported unit values for each fund and marketable securities and fixed income securities that are publicly traded are valued based on the latest bid price for these instruments.

Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Investment income, which consists of dividends, interest income, distributions from pooled funds and realized and unrealized gains and losses on cash, short-term investment and securities, is recorded as revenue in the statements of revenue and expenditures for each of the funds.

g) Contributed services

Volunteers contribute a significant amount of time each year to assist CMHF in carrying out its fundraising activities. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

h) Use of estimates

The preparation of financial statements in conformity with ASNPO 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 date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3 Investments

	2016		2015	
	Fair value \$	Cost \$	Fair value \$	Cost \$
Marketable securities	33,810	33,810	21,025	21,025
Fixed income securities	137,090	135,825	221,526	220,123
Pooled investment funds				
Canadian equity	18,151	20,085	15,325	19,770
Foreign equity	29,068	18,432	28,653	18,063
	218,119	208,152	286,529	278,981

The Canadian Medical Hall of Fame

Notes to Financial Statements

December 31, 2016

4 Commitment

Scholarship Fund

CMHF has entered into an agreement with Great West Life Assurance Company and London Life (GWL & LL) to create an endowment scholarship. According to the terms of the agreement, GWL & LL donated \$80,000 to CMHF. This gift of \$80,000 requires matching gifts of \$80,000 from CMHF. To date, \$72,140 (2015 - \$68,210) has been contributed by CMHF.

5 London Community Foundation

CMHF entered into an agreement with the London Community Foundation (LCF) in 1997 to support the J. Allyn Taylor/Canadian Medical Hall of Fame Endowment Fund (the Fund). CMHF can access only the earnings on the investment of these funds. Investment income earned in the Fund, net of an administrative fee, is capitalized into the Fund at the discretion of the Board of Directors of the London Community Foundation. The balance of the Fund at December 31, 2016 is \$236,411 (2015 - \$229,860). During the year, CMHF received income from the Fund in the amount of \$8,500 (2015 - \$8,500) which is included in unrestricted investment income on the statement of operations.

6 Risk management

CMHF is subject to market risk, foreign currency risk and interest rate risk with respect to its investment portfolio. To manage these risks, CMHF has an investment policy setting out a target mix of investments designed to provide optimal return within reasonable risk tolerances.

CMHF is subject to credit risk to the extent of accounts receivable. Management is confident in the collectability of accounts receivable and accordingly considers such risk to be minimal.

7 Government remittances payable

At December 31, 2016, CMHF has outstanding government remittances payable for payroll taxes of \$5,391 (2015 - \$5,541). None of these remittances are in arrears.

