

**THE CANADIAN MEDICAL HALL OF FAME
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**



**THE CANADIAN MEDICAL HALL OF FAME
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YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of The Canadian Medical Hall of Fame

Opinion

We have audited the financial statements of The Canadian Medical Hall of Fame (the Organization), which comprise the statement of financial position as at December 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, 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.

Basis for Opinion

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 Organization 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 those 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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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 Organization'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 Organization'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 Organization 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.

London, Ontario
May 4, 2020

Valente CPAs LLP
VALENTE CPAS LLP
Chartered Professional Accountants
Licensed Public Accountants



**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Total 2019	Total 2018
ASSETS						
CURRENT						
Cash	\$ 278,737	\$ -	\$ -	\$ -	\$ 278,737	\$ 343,508
Investments (Note 3)	64,694	28,956	10,418	-	104,068	93,121
Accounts receivable	139,894	-	-	-	139,894	84,865
GST and HST recoverable	11,118	-	-	-	11,118	6,363
Prepaid expenses	30,618	-	-	-	30,618	34,294
Due from Unrestricted Fund	-	-	-	33,712	33,712	-
Due from CMHF Award for Medical Students Fund	5,418	-	-	-	5,418	277
	530,479	28,956	10,418	33,712	603,565	562,428
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 7)	7,943	-	-	-	7,943	-
	\$ 538,422	\$ 28,956	\$ 10,418	\$ 33,712	\$ 611,508	\$ 562,428
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities (Note 6)	\$ 50,697	\$ -	\$ -	\$ -	\$ 50,697	\$ 36,659
Due to Unrestricted Fund	-	-	5,418	-	5,418	277
Due to Building Fund	33,712	-	-	-	33,712	-
	84,409	-	5,418	-	89,827	36,936
DEFERRED REVENUE	95,150	-	-	-	95,150	83,050
	179,559	-	5,418	-	184,977	119,986
FUNDS	358,863	28,956	5,000	33,712	426,531	442,442
	\$ 538,422	\$ 28,956	\$ 10,418	\$ 33,712	\$ 611,508	\$ 562,428

COMMITMENTS

Director

Derek Bodkin



See notes to financial statements

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**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF CHANGES IN FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Total 2019	Total 2018
BALANCE - BEGINNING OF YEAR	\$ 403,272	\$ 39,168	\$ -	\$ -	\$ 442,442	\$ 467,995
Interfund transfer	(50,000)	-	-	50,000	-	-
Excess (deficiency) of revenues over expenditures	5,591	(10,212)	5,000	(16,288)	(15,909)	(25,553)
BALANCE - END OF YEAR	\$ 358,863	\$ 28,956	\$ 5,000	\$ 33,712	\$ 426,533	\$ 442,442

See notes to financial statements



**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF REVENUE AND EXPENDITURES - UNRESTRICTED FUND
YEAR ENDED DECEMBER 31, 2019**

	2019	2018
REVENUES		
Induction ceremony	\$ 340,550	\$ 371,993
Discovery Days	275,030	197,930
Partnerships and Grants	82,500	47,500
CMHF Award for Medical Students	40,000	40,000
Miscellaneous donations	31,451	29,050
Investment income	14,598	3,269
Museum School	10,275	22,285
Hall income	339	4,843
	794,743	716,870
EXPENDITURES		
Salaries	344,705	338,139
Induction ceremony	187,378	170,515
Discovery Days	108,179	84,464
Miscellaneous	39,479	13,680
Hall expenses	34,660	36,132
Office	25,659	26,408
Board expenses	12,570	14,180
CMHF Award for Medical Students expenses	12,260	12,630
Professional fees	8,835	13,895
Fundraising	5,812	3,583
Insurance	3,559	3,371
Museum School expenses	3,043	7,670
Amortization	3,013	-
	789,152	724,667
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,591	\$ (7,797)

**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF REVENUE AND EXPENDITURES - SCHOLARSHIP FUND
YEAR ENDED DECEMBER 31, 2019**

	2019	2018
REVENUES		
Contributions to fund	\$ -	\$ 3,930
Investment income	788	814
	788	4,744
EXPENDITURES		
Scholarship payments	11,000	16,000
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (10,212)	\$ (11,256)

**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF REVENUE AND EXPENDITURES - CMHF AWARD FOR MEDICAL
STUDENTS FUND
YEAR ENDED DECEMBER 31, 2019**

	2019	2018
REVENUES		
Donations	\$ 82,500	\$ 45,000
EXPENDITURES		
Awards paid	77,500	51,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 5,000	\$ (6,500)

**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF REVENUE AND EXPENDITURES - BUILDING FUND
YEAR ENDED DECEMBER 31, 2019**

	2019	2018
REVENUES	\$ -	\$ -
EXPENDITURES		
Repairs and maintenance	16,288	-
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (16,288)	\$ -

**THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019**

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Total 2019	Total 2018
OPERATING ACTIVITIES						
Excess (deficiency) of revenues over expenditures	\$ 5,591	\$ (10,212)	\$ 5,000	\$ (16,288)	\$ (15,909)	\$ (25,553)
Items not affecting cash:						
Amortization of property, plant and equipment	3,013	-	-	-	3,013	-
Interfund transfer	(50,000)	-	-	50,000	-	-
	(41,396)	(10,212)	5,000	33,712	(12,896)	(25,553)
Changes in non-cash working capital:						
Accounts receivable	(55,029)	-	-	-	(55,029)	(53,806)
Accounts payable and accrued liabilities	14,036	-	-	-	14,036	22,830
GST and HST recoverable	(4,755)	-	-	-	(4,755)	(231)
Prepaid expenses	3,676	-	-	-	3,676	(1,494)
Due from CMHF Award for Medical Students Fund	(5,141)	-	-	-	(5,141)	(257)
Due from Building Fund	33,712	-	-	-	33,712	-
Due to Unrestricted Fund	-	-	5,141	(33,712)	(28,571)	257
Deferred revenue	12,100	-	-	-	12,100	6,950
	(1,401)	-	5,141	(33,712)	(29,972)	(25,751)
Cash flow from (used by) operating activities	(42,797)	(10,212)	10,141	-	(42,868)	(51,304)
INVESTING ACTIVITIES						
Purchase of property, plant and equipment	(10,956)	-	-	-	(10,956)	-
Investments	(11,018)	10,212	(10,141)	-	(10,947)	17,724

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See notes to financial statements

THE CANADIAN MEDICAL HALL OF FAME
STATEMENT OF CASH FLOWS *(continued)*
YEAR ENDED DECEMBER 31, 2019

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	Building Fund	Total 2019	Total 2018
Cash flow from (used by) investing activities	(21,974)	10,212	(10,141)	-	(21,903)	17,724
DECREASE IN CASH FLOW	(64,771)	-	-	-	(64,771)	(33,580)
Cash - beginning of year	343,508	-	-	-	343,508	377,088
CASH - END OF YEAR	\$ 278,737	\$ -	\$ -	\$ -	\$ 278,737	\$ 343,508
CASH CONSISTS OF:						
Cash	\$ 278,737	\$ -	\$ -	\$ -	\$ 278,737	\$ 343,508

See notes to financial statements



1. PURPOSE OF THE ORGANIZATION

The organization was incorporated without share capital on January 18, 1994. The organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

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, the organization 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

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Revenue recognition

The organization follows the restricted fund method of accounting for contributions for the Scholarship and CMHF Award for Medical Students Funds. The Scholarship Funds 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.

Expenditures

The organization records all expenses on an accrual basis.

Financial instruments

Financial instruments include cash, investments, accounts receivable, GST and HST recoverable and accounts payable and accrued liabilities.

The organization initially measures its financial assets and liabilities at fair value. The organization 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 (deficiency) of revenues over expenditures.

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**THE CANADIAN MEDICAL HALL OF FAME
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 or losses on cash, short-term investment and securities, is recorded as revenue in the statements of revenue and expenditures for each of the funds.

Contributed services

Volunteers contribute a significant amount of time each year to assist the organization in carrying out its fundraising activities. The fair value of contributed services cannot be reasonably determined and, are therefore, not reflected in these financial statements.

Use of estimates

The preparation of financial statements in accordance 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.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis.

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. MARKETABLE SECURITIES

	2019	2018
Marketable securities (<i>cost: 2019 - \$10,418; 2018 - \$277</i>)	\$ 10,418	\$ 277
Fixed income securities (<i>cost: 2019 - \$28,803; 2018 - \$38,829</i>)	28,956	39,168
<u>Pooled investment funds</u>		
Canadian equity (<i>cost: 2019 - \$20,928; 2018 - \$20,592</i>)	22,182	18,496
Foreign equity (<i>cost: 2019 - \$19,594; 2018 - \$19,378</i>)	42,512	35,180
	\$ 104,068	\$ 93,121



**THE CANADIAN MEDICAL HALL OF FAME
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

4. LONDON COMMUNITY FOUNDATION

The organization 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"). The organization can access only the earnings on the investment of this Fund. 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, 2019 is \$239,130 (2018 - \$234,428). During the year, the organization received income from the Fund in the amount of \$7,500 (2018 - \$7,500) which is included in unrestricted investment income on the statement of revenue and expenditures.

5. RISK MANAGEMENT

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

The organization 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.

6. GOVERNMENT REMITTANCES PAYABLE

Accounts payable include government remittance payable. As at December 31, 2019, the organization has outstanding government remittances payable for payroll taxes of \$5,977 (2018 - \$5,901). None of these remittances are in arrears.

7. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 10,956	\$ 3,013	\$ 7,943	\$ -