

The Canadian Medical Hall of Fame

Financial Statements
December 31, 2015



April 15, 2016

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, 2015 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, 2015 and the results of its operations and its cash flows for the year then ended December 31, 2015 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, 2015


	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	2015 \$	2014 \$
Current assets					
Cash	381,256	-	-	381,256	65,955
Investments (note 3)	129,723	73,560	83,246	286,529	570,704
Accounts receivable	40,850	-	-	40,850	103,277
GST and HST recoverable	21,394	-	-	21,394	25,807
Due from unrestricted fund	-	-	18,254	18,254	-
Prepaid expenses	50,270	-	-	50,270	41,247
	<u>623,493</u>	<u>73,560</u>	<u>101,500</u>	<u>798,553</u>	<u>806,990</u>
Current liabilities					
Accounts payable and accrued liabilities (note 7)	24,309	-	-	24,309	24,576
Due to CMHF Award for Medical Students Fund	18,254	-	-	18,254	-
Deferred revenue	161,000	-	-	161,000	109,500
	<u>203,563</u>	<u>-</u>	<u>-</u>	<u>203,563</u>	<u>134,076</u>
Funds					
Unrestricted	419,930	-	-	419,930	391,965
Scholarship Fund	-	73,560	-	73,560	81,449
CMHF Award for Medical Students Fund	-	-	101,500	101,500	199,500
	<u>419,930</u>	<u>73,560</u>	<u>101,500</u>	<u>594,990</u>	<u>672,914</u>
	<u>623,493</u>	<u>73,560</u>	<u>101,500</u>	<u>798,553</u>	<u>806,990</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, 2015

	2015			2014	
	Unrestricted Fund \$	Scholarship Fund \$	CMHF Award for Medical Students Fund \$	Total \$	Total \$
Balance - Beginning of year	391,965	81,449	199,500	672,914	457,383
Excess (shortfall) of revenue over expenditures	27,965	(7,889)	(98,000)	(77,924)	215,531
Balance - End of year	419,930	73,560	101,500	594,990	672,914

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, 2015

	2015	2014
	\$	\$
Revenues		
Induction ceremony	362,100	351,308
Discovery Days	276,541	286,737
Grants	40,500	52,000
CMHF Award for Medical Students	35,687	47,500
Miscellaneous donations	17,575	22,900
Investment income (note 5)	14,799	14,760
Museum School	10,500	10,200
Hall income	571	410
	<u>758,273</u>	<u>785,815</u>
Expenditures		
Salaries	313,781	302,145
Induction ceremony	159,238	205,433
Discovery Days	106,692	103,357
Hall expenses	36,059	39,267
Other expenses	29,938	28,463
Office	26,217	25,693
Board expenses	23,587	19,013
Professional fees	15,305	4,775
Fundraising	6,562	25,457
CMHF Award for Medical Students expenses	4,917	-
Insurance	4,307	4,279
Museum School	3,705	4,266
	<u>730,308</u>	<u>762,148</u>
Excess of revenue over expenditures	<u>27,965</u>	<u>23,667</u>

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, 2015

	2015	2014
	\$	\$
Revenues		
Contributions to fund	3,930	3,930
Investment income	2,181	2,434
	<hr/> 6,111	<hr/> 6,364
Expenditures		
Scholarship payments	<hr/> 14,000	<hr/> 14,000
Shortfall of revenues over expenditures for the year	<hr/> (7,889)	<hr/> (7,636)

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, 2015

	2015 \$	2014 \$
Revenues		
Donations	80,500	199,500
Expenditures		
Awards paid	178,500	-
Excess (shortfall) of revenues over expenditures for the year	<u>(98,000)</u>	<u>199,500</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, 2015

	Unrestricted Fund	Scholarship Fund	CMHF Award for Medical Students Fund	2015 \$	2014 \$
Cash provided by (used for)					
Operating activities					
Excess (shortfall) of revenue over expenditures	27,965	(7,889)	(98,000)	(77,924)	23,667
Change in non-cash working capital balances					
Accounts receivable	62,427	-	-	62,427	(83,077)
GST and HST recoverable	4,413	-	-	4,413	1,304
Due to/from other fund	18,254	-	(18,254)	-	-
Prepaid expenses	(9,023)	-	-	(9,023)	5,484
Accounts payable and accrued liabilities	(267)	-	-	(267)	3,694
Deferred revenue	51,500	-	-	51,500	59,967
	<u>155,269</u>	<u>(7,889)</u>	<u>(116,254)</u>	<u>31,126</u>	<u>11,039</u>
Investing activities					
Net change in investments	<u>160,032</u>	<u>7,889</u>	<u>116,254</u>	<u>284,175</u>	<u>(198,124)</u>
Increase in cash during the year	315,301	-	-	315,301	4,779
Cash - Beginning of the year	<u>65,955</u>	<u>-</u>	<u>-</u>	<u>65,955</u>	<u>61,176</u>
Cash - End of the year	<u>381,256</u>	<u>-</u>	<u>-</u>	<u>381,256</u>	<u>65,955</u>

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

The Canadian Medical Hall of Fame

Notes to Financial Statements

December 31, 2015

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) Change of accounting policy

During 2015, CMHF changed its accounting policy for contributions received for the CMHF Award for Medical Students Fund. These contributions were previously recorded as a direct increase in fund net assets. These contributions are now recorded following the restricted method as noted in c) below.

c) Revenue

CMHF follows the restricted fund method of accounting for contributions for the Scholarship and CMHC 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 scholarships 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.

d) Expenditures

CMHF records all expenses on an accrual basis.

e) Capital assets

Capital assets are expensed in the year acquired.

The Canadian Medical Hall of Fame

Notes to Financial Statements

December 31, 2015

f) 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.

g) 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 statement of operations for unrestricted investments and changes in funds for Scholarship Fund investments.

h) 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.

i) 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.

The Canadian Medical Hall of Fame

Notes to Financial Statements

December 31, 2015

3 Investments

	2015		2014	
	Fair value \$	Cost \$	Fair value \$	Cost \$
Marketable securities	21,025	21,025	162,470	162,470
Fixed income securities	221,526	220,123	365,593	364,055
Pooled investment funds				
Canadian equity	15,325	19,770	18,710	19,206
Foreign equity	28,653	18,063	23,931	17,024
	<u>286,529</u>	<u>278,981</u>	<u>570,704</u>	<u>562,755</u>

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, \$68,210 (2014 - \$64,280) 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, 2015 is \$229,860 (2014- \$231,030). During the year, CMHF received income from the Fund in the amount of \$8,500 (2014 - \$8,500) which is included in unrestricted investment income on the statement of operations.

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Notes to Financial Statements

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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, 2015, CMHF has outstanding government remittances payable for payroll taxes of \$5,541 (2014 - \$5,430). None of these remittances are in arrears.