THE CANADIAN MEDICAL HALL OF FAME FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Funds	4
Statement of Revenue and Expenditures - Unrestricted Fund	5
Statement of Revenue and Expenditures - CMHF Award For Medical Students Fund	6
Statement of Revenue and Expenditures - Building Fund	7
Statement of Revenue and Expenditures - Strategic Initiative Fund	8
Statement of Cash Flows	9 - 10
Notes to Financial Statements	11 - 15



## **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, 2023, and the statements of changes in funds, revenues and expenditures - Unrestricted Fund, revenue and expenditures - CMHF Award for Medical Students Fund, revenue and expenditures - Building Fund, revenue and expenditures - Strategic Initiative 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, 2023, 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

(continues)

Independent Auditor's Report to the Directors of The Canadian Medical Hall of Fame (continued)

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

VALENTE CPAS LLP **Chartered Professional Accountants** Licensed Public Accountants



## THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	U	nrestricted Fund		HF Award for ical Students Fund	Bui	ilding Fund	Stra	itegic Initative Fund		Operating serve Fund		Total 2023		Total 2022
ASSETS														
CURRENT														
Cash	\$	362,981	\$	28,301	\$	-	\$	147,562	\$	-	\$	538,844	\$	520,937
Investments (Note 4)	Ŧ	97,725	÷	-	Ŧ	-	Ŷ	39,892	÷	-	Ŧ	137,617	Ŷ	123,904
Accounts receivable		25,150		-		-		-		-		25,150		50,500
GST and HST recoverable		16,711		-		-		-		-		16,711		18,327
Prepaid expenses		37,919		-		-		-		-		37,919		40,474
Due from Unrestricted Fund		-		-		-		9,231		350,000		359,231		-
Due from Building Fund		22,318		-		-		-		-		22,318		22,315
		562,804		28,301		-		196,685		350,000		1,137,790		776,457
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5)		16,528		-		60,160		-		-		76,688		76,465
	\$	579,332	\$	28,301	\$	60,160	\$	196,685	\$	350,000	\$	1,214,478	\$	852,922
LIABILITIES AND NET ASSETS														
CURRENT														
Accounts payable and accrued liabilities	\$	49,053	\$	-	\$	-	\$	-	\$	-	\$	49,053	\$	69,011
Employee deductions payable		13,335	•	-	·	-	•	-	•	-	•	13,335		11,885
Deferred income		72,000		-		-		-		-		72,000		70,335
Due to Unrestricted Fund		-		-		22,318		-		-		22,318		22,315
Due to Strategic Initative Fund		9,231		-		-		-		-		9,231		-
Due to Operating Reserve Fund		350,000		-		-		-		-		350,000		-
		493,619		-		22,318		-		-		515,937		173,546
FUNDS		85,713		28,301		37,842		196,685		350,000		698,541		679,376
	\$	579,332	\$	28,301	\$	60,160	\$	196,685	\$	350,000	¢	1,214,478	\$	852,922

LEASE COMMITMENTS (Note 9)

\_\_\_\_ Director

See notes to financial statements

# THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF CHANGES IN FUNDS YEAR ENDED DECEMBER 31, 2023

	U	nrestricted Fund	fo	IHF Award or Medical dents Fund	Bu	ilding Fund	Strategic itative Fund	Оре	erating Fund	Total 2023	Total 2022
<b>BALANCE - BEGINNING OF YEAR</b> Excess (deficiency) of revenues over expenditures Allocation during the year	\$	424,459 11,254 (350,000)	\$	31,922 (3,621) -	\$	44,920 (7,078) -	\$ 178,075 18,610 -	\$	- - 350,000	\$ 679,376 19,165 -	\$ 678,366 1,010 -
BALANCE - END OF YEAR	\$	85,713	\$	28,301	\$	37,842	\$ 196,685	\$	350,000	\$ 698,541	\$ 679,376

## THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF REVENUE AND EXPENDITURES - UNRESTRICTED FUND YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
Induction ceremony	\$ 325,415	\$ 295,800
Partnerships and Grants	262,500	216,650
Discovery Days	258,000	218,135
CMHF Award for Medical Students	43,000	121,350
Museum School	31,032	6,877
Miscellaneous donations	20,725	22,485
Investment income	15,944	9,082
Unrealized gain (loss) on marketable securities	443	(20,184)
One-time government funding	445	10,000
	-	10,000
	957,059	880,195
EXPENDITURES		
Salaries	466,707	433,483
Induction ceremony	176,767	155,702
Discovery Days	109,133	83,026
Office	53,038	45,595
Hall expenses	44,243	40,502
Marketing and promotion	39,604	40,000
CMHF Award for Medical Students expenses	15,575	48,928
Professional fees	9,455	9,355
Fundraising	9,257	4,839
Amortization	6,715	3,896
Board expenses	6,532	8,912
Insurance	4,638	3,401
Museum School expenses	4,141	4,701
	· · ·	
	945,805	882,340
EXCESS (DEFICIENCY) OF REVENUES OVER	• • • • • • •	• /• · · -
EXPENDITURES	\$ 11,254	\$ (2,145

Unrestricted fund is for regular operations of the Organization.

# THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF REVENUE AND EXPENDITURES - CMHF AWARD FOR MEDICAL **STUDENTS FUND**

YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
Donations	\$ 75,000	\$ 82,500
Investment income	1,379	-
	76,379	82,500
EXPENDITURES		
Awards paid	80,000	77,500
EXCESS (DEFICIENCY) OF REVENUES OVER		
EXPENDITURES	\$ (3,621)	\$ 5,000

CMHF Awards for Medical Students is for CMHF to recognize medical students who demonstrate the qualities such as perseverance, collaboration, and entreprenurial spirit as well as show outstanding potential as future leaders and innovators of health care in Canada.



# THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF REVENUE AND EXPENDITURES - BUILDING FUND YEAR ENDED DECEMBER 31, 2023

		2022	
REVENUES EXPENDITURES Amortization Repairs and maintenance	\$	7,078 -	\$ 3,539 1,377
	\$	7,078	\$ 4,916

Building Fund is for the use of renovations during the move and cohabitation of their current premises.

# THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF REVENUE AND EXPENDITURES - STRATEGIC INITIATIVE FUND YEAR ENDED DECEMBER 31, 2023

		2022	
<b>REVENUES</b> Unrealized gains (losses) on marketable securities Investment Income	\$	11,503 7,107	\$ 3,070
		18,610	3,070
EXPENDITURES		-	-
EXCESS OF REVENUES OVER EXPENDITURES	\$	18,610	\$ 3,070

The Strategic Initiatives Restricted Fund is for short term board approved activities related to:

- increasing the national profile with new stakeholders

- investing in new or expanded activities designed to inspire excellence in the health sciences, health, and health care for future generations.

## THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2023

45,637

(14,018)

(13,713)

(27,731)

	Unrestricted Fund				Building Fund		Strategic Initative Fund		Operational Reserve Fund		Total 2023		Total 2022
PERATING ACTIVITIES													
Excess (deficiency) of revenues over expenditures	\$	11,254	\$	(3,621)	\$	(7,078)	\$	18,610	\$	-	\$	19,165	\$ 1,010
Items not affecting cash:													
Amortization of property, plant and equipment		6,715		-		7,078		-		-		13,793	7,43
Unrealized gains/losses as per Statement of Revenue and		(110)										(	00.40
Expenditures - Unrestricted Fund		(443)		-		-		-		-		(443)	20,184
		17,526		(3,621)		-		18,610		-		32,515	28,629
Changes in non-cash working capital:													
Accounts receivable		25,350		-		-		-		-		25,350	(36,50
GST and HST recoverable		1,616		-		-		-		-		1,616	(6,65
Prepaid expenses		2,555		-		-		-		-		2,555	(20,15
Accounts payable and accrued liabilities		(19,510)		(2)		-		-		-		(19,512)	(4,406
Employee deductions payable		1,451		-		-		-		-		1,451	242
Due to (from) Building Fund		(3)		-		-		-		-		(3)	(72,153
Due to (from) Unrestricted Fund		350,000		-		-		(9,231)	(3	350,000)		(9,231)	254,653
Due to (from) Strategic Initative Fund		9,231		-		-		-		-		9,231	(175,000
Due to (from) CMHF Award for Medical Students Fund		-		-		-		-		-		-	(7,500
Reserve Funds		(350,000)		-		-		-		350,000		-	-
Deferred income		1,665		-		-		-		-		1,665	83
		22,355		(2)		-		(9,231)		-		13,122	(66,636

(3,623)

-

9,379

(39, 892)

(39, 892)

-

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-

-

**INVESTING ACTIVITIES** Purchase of property, plant and equipment (14,018) -26,179 Investments --12,161 Cash flow from (used by) investing activities --

39,881

(continues)

(38,007)

(72, 786)

(3,542)

(76, 328)

Cash flow from (used by) operating activities

# THE CANADIAN MEDICAL HALL OF FAME STATEMENT OF CASH FLOWS (continued) YEAR ENDED DECEMBER 31, 2023

	Unrestricted Fund	CMHF Award for Medical Students Fund	Building Fund	Strategic Initative Fund	Operational Reserve Fund	Total 2023	Total 2022
FINANCING ACTIVITY Repayment of long term debt	_	-	-	_		-	(40,000 <u>)</u>
Cash flow from (used by) financing activity	-	-	-	-	-	-	(40,000)
INCREASE (DECREASE) IN CASH FLOW	52,042	(3,623)	-	(30,513)	-	17,908	(154,334)
Cash - beginning of year	310,939	31,924	-	178,075	-	520,937	675,271
CASH - END OF YEAR	\$ 362,981	\$ 28,301	\$-	\$ 147,562	\$-	\$ 538,844	\$ 520,937

### 1. BASIS OF PRESENTATION

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

### 2. PURPOSE OF THE ORGANIZATION

The Canadian Medical Hall of Fame ("the organization') is a not-for-profit organization of Ontario that was incorporated without share capital on January 18, 1994. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization's 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

The organization's policy is to disclose cash on hand and balances with financial institutions under cash and cash equivalents.

#### 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.

#### 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 interest income, distributions from pooled funds and realized and unrealized gains/losses on cash, short-term investments and securities, is recorded as revenue in the statements of revenues and expenditures for each of the funds.

(continues)

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 at the following rates:

Computer equipment	50%
Furniture and fixtures	20%

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.

#### Revenue recognition

The organization follows the restricted fund method of accounting for contributions for the CMHF Award for Medical Students, Building, and Strategic Initiative Funds. The CMHF Award for Medical Students Fund is required to be used for the payment of cash awards to students in medical school. The Building Fund is required to be used to pay for the expenses associated with the construction of the new space at 100 Kellogg Lane.

Unrestricted contributions from donations, grants, partnerships, and corporate sponsorships are recognized as they are received or receivable. Revenue from dinner ticket sales, Discovery Days, and the Induction ceremony are 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. Revenue from CMHF Award donations and CMHF Award for medical students is recognized as revenue when the awards are paid out to the students. Unrealized gains and losses are recognized throughout the year.

#### Expenditures

The organization records all expenses on an accrual basis.

#### 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.

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## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Strategic Initiative Fund

The Board has further internally restricted funds in a Strategic Initiative Fund for Board-approved activities related to increasing the national profile of the CMHF with new stakeholders (which can include Induction Ceremonies in small markets) or to invest in new or expanded activities designed to inspire excellence in the health sciences, health and healthcare for future generations.

## **Operating Reserve Fund**

The Board has interally restricted funds which are intended to stabilize CMHF finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses. This has been determined by the Board to be a minimum of approximately 6 months' of the following year's operating expenses.

#### 4. MARKETABLE SECURITIES

2023	2022
\$ 44,961	\$ 42,495
92,656	81,409
\$ 137 617	\$ 123,904
	\$ 44,961

## 5. PROPERTY, PLANT AND EQUIPMENT

	Cost	 cumulated ortization	Ne	2023 Net book value		2022 Net book value
Computer equipment Furniture and fixtures Leasehold improvements	\$ 31,865 9,155 70,777	\$ 20,399 4,094 10,617	\$	11,466 5,061 60,160	\$	2,901 6,327 67,238
	\$ 111,797	\$ 35,110	\$	76,687	\$	76,466

Amortization expense for the year amounted to \$6,715 (\$3,896 in 2022) for the Unrestricted Fund and \$7,078 (\$3,539 in 2022) for the Building Fund.

## 6. DEFERRED REVENUE

-	2023	 2022
Induction ceremony Discovery Days	\$ 63,000 9,000	\$ 36,660 33,675
	\$ 72,000	\$ 70,335

During the year, the organization received funding that was subject to spending restrictions. Since the organization was unable to expend the funds received for the induction ceremony and discovery days prior to the end of the fiscal year, any remaining funding balances have been recorded as deferred revenue which is consistent with the organization's revenue recognition policies.

## THE CANADIAN MEDICAL HALL OF FAME NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2023

#### 7. SIGNIFICANT CONTRIBUTORS

	2023	2022
Not-For-Profit Organization MD Financial Management	\$  250,000 227,000	\$ 250,000 223,225
	\$ 477,000	\$ 473,225

Both of the above contributors have funding agreements with the organization.

### 8. 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, 2023 is \$255,683 (2022 - \$243,798). During the year, the organization received income from the Fund in the amount of \$9,400 (2022 - \$9,400) which is included in unrestricted investment income on the statement of revenue and expenditures.

### 9. LEASE COMMITMENTS

The organization has a 10 year signed lease with respect to its premises, starting August 1, 2022. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2024	\$ 31,008
2025	31,628
2026	32,260
2027	32,906
2028	33,564
Thereafter	125,722
Thereatter	<u>    125,722</u> <u>\$  287,088</u>

#### **10. RISK MANAGEMENT**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks.

The organization is subject to market risk, currency risk and interest rate risk with respect to its investment portfolio. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. 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.

Credit risk arises from the potential that a counter party will fail to perform its obligations. 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.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk mainly in respect of its receipt of funds from its funders and other related sources, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other risks arising from these financial instruments.

#### **11. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.