



Medical Alumni Association
University of Toronto

FINANCIAL STATEMENTS

JULY 31, 2015

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

FINANCIAL STATEMENTS

JULY 31, 2015

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of the
Medical Alumni Association of the University of Toronto**

We have audited the accompanying financial statements of the Medical Alumni Association of the University of Toronto, which comprise the statement of financial position as at July 31, 2015, the statement of operations and changes in net assets and statement of cash flows for the year then ended, and 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 enterprises 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 qualified audit opinion.

Basis for Qualified Opinion

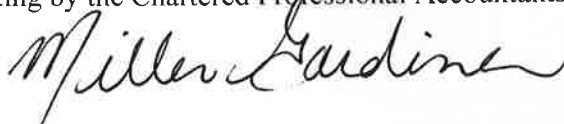
The Organization provides zero interest loans to students as part of its mandate in providing financial assistance to students. Under Canadian accounting standards these loans are required to be presented in the financial statements at fair market value. Since these loans have never been recorded at fair value, we were not able to determine, whether any adjustments might be necessary to loans receivable, interest revenue and excess (deficiency) of revenues over expenses reported in the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Medical Alumni Association as at July 31, 2015, its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit enterprises.

MILLER GARDINER Professional Corporation, Authorized to
practice public accounting by the Chartered Professional Accountants of Ontario.

Mississauga, Canada



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

BALANCE SHEET

AS AT JULY 31, 2015

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 120,360	\$ 122,876
Inventory	5,912	7,392
Current portion of loans receivable (Note 4)	132,150	152,004
Government receivables	19,483	20,487
Investments (Note 5)	4,433,379	4,096,288
	4,711,284	4,399,047
LONG TERM ASSETS		
LOANS RECEIVABLE (Note 4)	428,850	494,950
	\$ 5,140,134	\$ 4,893,997
LIABILITIES		
CURRENT LIABILITIES		
Accrued liabilities	\$ 31,190	\$ 37,297
NET ASSETS		
RESTRICTED NET ASSETS (Note 6 and 7)	5,316,730	4,951,216
UNRESTRICTED NET DEFICIENCY	(207,786)	(94,516)
	5,108,944	4,856,700
	\$ 5,140,134	\$ 4,893,997

(See accompanying notes to the financial statements)

Approved by the Board: _____, Director _____, Director

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO**STATEMENT OF OPERATIONS - UNRESTRICTED NET DEFICIENCY**

FOR THE YEAR ENDED JULY 31, 2015

	2015	2014
REVENUES		
Donations	\$ 262,101	\$ 330,274
Administration fee charged to restricted funds	40,963	35,889
Unrealized loss	(3,176)	(3,731)
Investment loss	(7,265)	(4,222)
Miscellaneous	160	540
	292,783	358,750
OPERATING EXPENSES		
Appeals	69,277	53,442
General	22,548	23,836
Insurance	3,229	3,256
Office	5,430	8,723
Professional fees	34,903	39,354
Salaries, wages and government taxes (Note 8)	153,311	140,487
	288,698	269,098
OPERATING SURPLUS	4,085	89,652
OTHER EXPENSES		
Scholarships and bursaries	25,000	25,000
	25,000	25,000
ALUMNI AFFAIRS		
Alumni events	32,286	44,491
Newsletters and magazine	60,069	58,739
	92,355	103,230
TOTAL EXPENSES	406,053	397,328
EXCESS OF EXPENSES OVER REVENUES FOR THE YEAR	(113,270)	(38,578)
UNRESTRICTED DEFICIENCY AT THE BEGINNING OF YEAR	(94,516)	(55,938)
UNRESTRICTED DEFICIENCY AT THE END OF YEAR	\$ (207,786)	\$ (94,516)

(See accompanying notes to the financial statements)

**MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JULY 31, 2015**

	<i>Balance</i>	<i>Donations</i>	<i>Investment</i>	<i>Disbursements,</i>	<i>1%</i>	<i>Changes in</i>	
	<i>July 31, 2014</i>	<i>and Bequests</i>	<i>Income</i>	<i>Scholarships,</i>	<i>Administration</i>	<i>Unreal gains</i>	<i>Balance</i>
				<i>Bursaries</i>	<i>Charge</i>	<i>During year</i>	<i>July 31, 2015</i>
Access to Excellence Fund	1,787	-	90	-	15	39	1,902
Barbara M. Hardy Memorial Award	94,826	-	4,704	2,500	785	2,056	98,302
C. Grant Hepburn Award Fund	76,467	-	3,788	2,200	633	1,656	79,079
Class of 1989 Award	7,742	-	384	225	64	168	8,004
5T7 re Huffman	35,504	-	1,760	1,000	294	769	36,739
Class of 8T2 Fund	2,714	-	136	-	22	60	2,888
Class of 9T4 Student Fund	5,831	1,650	335	-	48	146	7,914
David Eberle Memorial	7,804	575	401	225	65	175	8,666
Dr. Agnes Kwasnicka Mem 0T4	7,421	4,398	457	600	61	200	11,816
Dr. Bernard A. Manace Award	28,553	600	1,451	-	236	634	31,001
Dr. Delbert S. Hoare Medical							-
Undergraduate Award	18,437	-	914	500	153	400	19,098
Dr. E. Mary Hollington Award	33,581	-	1,668	800	278	729	34,901
Dr. Edwards Endowment Fund	17,316	14,800	1,236	300	143	541	33,450
Dr. Ernest J. Clifford Medical Alumni							-
Association Undergraduate Loan	620,597	-	31,021	6,997	5,134	13,561	653,048
Dr. F. Peggy Hill Estate	116,623	-	5,735	5,065	965	2,507	118,834
Dr. Helen Holden Quinlan Bursaries	335,615	-	16,619	10,000	2,777	7,265	346,722
Dr. I Markens Fund	7,753	-	384	225	64	168	8,015
Dr. James Boyce Student Bursary	27,682	-	1,376	600	229	602	28,832
Dr. L. Nelles Silverthorne Award	3,375	-	170	-	28	74	3,591
Dr. Liz Gillespie Memorial	12,552	-	631	-	104	276	13,355
Dr. Martin Berger 5T7 Fund	10,558	-	531	-	87	232	11,233
Dr. Robert P. Orange	17,235	5,695	998	500	143	436	23,721
Drs. Carl and Ann Witus Award	1,061,061	-	52,580	30,112	8,778	22,985	1,097,736
Dr. Sherwood P. & Judith G. Smith	28,400	87,903	3,557	-	235	1,555	121,180
Elva May Rowe Fund	442,019	-	21,766	18,013	3,657	9,515	451,630
Ganguli Family Award	5,279	10,500	518	500	44	226	15,979
Harris Family Award in Oncology	95,266	-	4,726	2,500	788	2,066	98,770
Harris Award in Ob/Gynecology	-	30,726	776	-	-	339	31,841
Harry Whittaker	38,178	-	1,919	-	316	839	40,620
Harvey Potter Fund	274,731	-	13,811	-	2,273	6,037	292,306
I.M.A. Canadian Branch	87	-	4	-	1	2	92
Irving Gollish Class of 5T7 Fund	26,219	200	1,305	700	217	571	27,378
Janet K. Ross Fund	29,667	-	1,471	800	245	643	30,736
John A. Howe Scholarship Fund	11,311	5,500	569	5,500	94	249	12,034
MAA Faculty Campaign	6,771	-	340	-	56	149	7,205
Meds 4T6	60,648	400	3,026	1,300	502	1,323	63,595
Meds 6T3 50th Reunion	8,175	1,175	441	-	68	193	9,915
Ontario Medical Student Bursary	1,529	275	84	-	13	37	1,912
Pediatric Endowment	8,523	300	436	-	71	191	9,379
Robert Duff Barron 3T9 Fund	29,903	-	1,482	850	247	648	30,935
Robert Elgin Towle interest Loan	9,931	-	130	14,637	82	57	(4,602)
Robert Elgin Towle Loan	481,989	-	24,093	5,434	3,988	10,532	507,191
Samuel J. Streight Scholarship	9,479	-	470	250	78	206	9,826
Ted & Maeve Lindenfield Fund	49,735	-	2,465	1,400	411	1,078	51,466
The Kurdyak Family Fund	213,724	-	10,564	7,125	1,768	4,618	220,013
Dr. Ruth Kurdyak MAA Bursary	44,673	52,240	-	44,000	370	-	52,544
Tom Fejer Lectureship Fund	6,334	-	318	-	52	139	6,739
Dr. Alan R. Kindler Fund	-	5,000	126	-	-	55	5,181
Weber Bursary Fund	32,328	-	1,600	1,000	267	699	33,359
Potter fund - sequestered	113,624	-	5,680	1,281	940	2,483	119,565
Angus fund - sequestered	86,018	-	4,300	970	712	1,880	90,515
Rowe fund - sequestered	178,011	-	8,898	2,007	1,473	3,890	187,319
Carpenter fund - sequestered	107,630	-	5,380	1,214	890	2,352	113,258
Total Restricted Funds	4,951,216	221,938	247,622	171,330	40,963	108,247	5,316,730
				<i>General Expenses</i>			
General Operating Fund	(94,516)	262,261	(7,265)	406,053	(40,963)	(3,176)	(207,786)
Total Net Assets	4,856,700	484,199	240,357	577,383	0	105,071	5,108,944

(See accompanying notes to the financial statements)

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JULY 31, 2015

	2015	2014
Operating Activities		
Excess of expenses over revenue	\$ (113,270)	\$ (38,578)
Non-cash items		
Unrealized gains on unrestricted investments	3,176	3,731
Loans advanced	(72,000)	(90,000)
Loans repayments received	161,961	184,800
(Recovery of bad debts, net of current year allowance) AFDA	(4,007)	11,700
Change in non-cash working capital (see below)	(3,623)	21,822
	(27,763)	93,475
Investing Activities		
Restricted contributions	221,938	95,527
Scholarships, bursaries and disbursements from restricted funds	(212,293)	(208,395)
Allocation of net investment income to restricted fund balances	247,622	264,577
Investment income, net	(119,465)	(146,396)
Purchase of investments	(1,036,864)	(3,397,345)
Proceeds on disposal of investments	924,309	3,266,353
	25,247	(125,679)
Decrease in Cash	(2,516)	(32,204)
Cash and cash equivalents, Beginning of Year	122,876	155,080
Cash, End of Year	\$ 120,360	\$ 122,876
Cash consists of:		
Bank account	92,066	106,615
Cash held in investment accounts	28,294	16,261
	\$ 120,360	\$ 122,876
Change in Non-Cash Working Capital		
Inventory	1,480	(7,392)
Government receivables	1,004	14,963
Accrued liabilities	(6,107)	14,251
	\$ (3,623)	\$ 21,822

(See accompanying notes to the financial statements)

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2015

1. Purpose and Legal Form of the Organization

The Medical Alumni Association of the University of Toronto is a national organization that is registered with Canada Revenue Agency as a charitable organization. The organization's purpose is to assist the medical undergraduate student body of the University of Toronto in financial matters, to reward excellence in the educational field of medicine, to assist the Faculty of Medicine at the University of Toronto in its educational goals and to be a resource for a variety of the University of Toronto Medical Alumni's affairs.

2. Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash in an operating account and cash held investment accounts.

(c) Inventory

Inventory is measured at the lower of cost and net realizable value, with cost being the price paid for the goods.

(d) Property, Plant and Equipment

Due to the size of the entity, assets purchased are expensed in the statement of operations in the period of purchase.

(e) Fund Accounting

Revenue and expenses for administration of the organization and for annual alumni affairs are reported in the General Fund. In addition, some scholarships or bursaries are also awarded out of the General Fund.

Endowment or restricted contributions are reported in the Restricted Funds and held in separate funds based on the donor's name and instructions.

Realized and unrealized gains and losses on resources of the Endowment Funds and General Fund are allocated based on the proportionate average market value of the beginning and ending fund value.

The Association follows the restricted fund method of accounting for contributions. The Association ensures, as part of this fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The Association charges an annual fee to restricted funds equal to 1% of the market value of the holdings in the investment account at the start of each fiscal year. These fees are intended to cover the operational costs of administering the restricted funds.

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2015

2. Significant Accounting Policies (cont.)

(f) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as direct increases in net assets in the year.

Investment income in the Restricted Funds includes dividend, interest and foreign income earned on investments, as well as realized and unrealized investment gains and losses. Unrestricted dividends and interest are recognized as they are earned.

Realized and unrealized gains and losses on the General Fund are reported in the statement of operations while unrealized gains and losses on restricted funds are included directly in net assets until the asset is sold or reclassified.

(g) Financial Instruments

Measurement of financial instruments

The enterprise measures its financial loans and other receivables and financial liabilities at the cash value expected to be received for receivables or paid for payables.

The enterprise measures investments traded in an active market at fair value. Changes in fair value are recognized in net income.

Impairment

Financial assets are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The enterprise allocates its investment management fees by allocating them to restricted and unrestricted funds proportionately based on the fair value in each of the restricted and operating funds at the beginning of the year.

(h) Income taxes

The Organization is a not-for-profit organization registered under the Income Tax Act and as such, is exempt from income taxes.

3. Financial Risk Management Policy

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the reporting date of July 31, 2015.

The Association is exposed to market risk through its investment in marketable securities as these investments are subject to price and market volatility. The Association uses its objectives in its Investment Policy Statement to guide their investment decisions in conjunction with their Investment Advisor's recommendations.

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2015

3. Financial Risk Management Policy (cont.)

The Association's financial instruments and the nature and the risks which they may be subject to are as follows:

Credit Risk

The Association provides credit to students who obtain loans for financial assistance in the normal course of its operations. The Association determines, on a continuous basis, amounts receivable on the basis of amounts it is certain to receive based on their estimated realizable value.

Liquidity Risk

Liquidity risk is the risk of being unable to meet a demand for cash or fund obligations as they come due. It stems from the possibility of a delay in realizing the fair value of investments. The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flow and by holding assets that can be readily converted into cash.

Interest Rate Risk

The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments if held as part of their portfolio of investments. Fixed-rate instruments subject the Association to a fair value risk while the floating rate instruments subject it to a cash flow risk.

Market Risk

The market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association is exposed to market risk because it invests in the marketplace and manages this risk as part of its Investment Policy Statement.

4. Loans Receivable

Loans receivable represent non-interest bearing loans granted to students enrolled in the University of Toronto's under graduate medical program. These loans become payable following the student's year of graduation. The current portion of the loans expected in the next twelve months is \$132,150 (2014 - \$152,004).

5. Investments

	2015 Fair Value	2014 Fair Value
Short term investments	\$ 150,503	\$ 219,030
Fixed income and related securities	1,734,881	1,555,375
Common equity and related securities	2,547,995	2,321,883
	\$ 4,433,379	\$ 4,096,288

The investment management fees incurred for the year were \$17,958 (2014 -\$17,212). These fees are allocated to the restricted and unrestricted funds based on the fair value in the restricted and operating funds at the beginning of the year.

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2015

6. Restriction on Net Assets

The Board of Directors recognizes restrictions on net assets of \$5,316,730 (2014 - \$4,951,216) to use to provide financial assistance by way of non-interest bearing loans to undergraduate medical students, bursaries, scholarships and elective travel grants.

7. Capital Management Disclosure

The Association's capital is made up of net assets. The Association's capital management objectives consist of ensuring it continues as a going concern in order to fulfil its mission. The Association manages its capital structure by preparing and monitoring its annual budgets to maintain a satisfactory level of capital.

In managing capital, the Association focuses on the following objectives:

- safeguarding its ability to continue to support students
- funding current and future operations
- ensuring that the Association is able to meet its financial obligations as they come due

8. Non-recurring Transaction

During the year, a payment of \$17,500 was made to a former employee to settle a dispute. This one time payment is included in salaries, wages and government taxes. This expense category would total \$135,811 without this one time payment.