

**MEDICAL ALUMNI ASSOCIATION
OF THE UNIVERSITY OF TORONTO**

**FINANCIAL STATEMENTS
AS AT
JULY 31, 2020**

| Contents | Page |
|--|-------------|
| Independent auditors' report | 1 - 2 |
| Balance sheet | 3 |
| Statement of operations and changes in unrestricted net assets | 4 |
| Statement of changes in restricted net assets | 5 - 7 |
| Statement of cash flows | 8 |
| Notes to financial statements | 9 - 12 |





INDEPENDENT AUDITORS' REPORT

To the Directors
Medical Alumni Association of the University of Toronto

Qualified Opinion

We have audited the financial statements of Medical Alumni Association of the University of Toronto which comprise the balance sheet as at July 31, 2020, and the statements of operations and changes in unrestricted net assets, changes in restricted net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at July 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Association provides zero interest loans to students as part of its mandate in providing financial assistance to students. These loans are not recorded at fair value which represents a departure from Canadian accounting standards for not-for-profit organizations. As the loans have never been recorded at fair value, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditure, net assets or loans receivable for the years ended July 31, 2020 and July 31, 2019.

The Association recognizes restricted fund contributions as a direct increase in net assets which represents a departure from Canadian accounting standards for not-for-profit organizations. As these contributions have never been separately identified from endowment contributions, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditure or net assets for the years ended July 31, 2020 and July 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 related 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.



Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 auditors' 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 auditors' 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.

Glenn Graydon Wright LLP

Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
December 9, 2020

MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Balance sheet

As at July 31, 2020

| | 2020 | 2019 |
|--|--------------|-----------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 516,277 | 223,769 |
| Government remittances receivable | 11,366 | 15,974 |
| Current portion of loans receivable (Note 4) | 120,550 | 97,100 |
| | 648,193 | 336,843 |
| Long-term assets | | |
| Loans receivable (Note 4) | 582,300 | 536,650 |
| Investments (Note 5) | 6,192,459 | 6,437,950 |
| | 6,774,759 | 6,974,600 |
| | \$ 7,422,952 | 7,311,443 |
| Liabilities and net assets | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 25,057 | 21,009 |
| Net assets | | |
| Restricted net assets (Notes 6) | 7,409,722 | 7,340,805 |
| Unrestricted net assets | (11,827) | (50,371) |
| | 7,397,895 | 7,290,434 |
| | \$ 7,422,952 | 7,311,443 |

Approved by the Board

Director

Director



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Statement of operations and changes in unrestricted net assets

For the year ended July 31, 2020

| | 2020 | 2019 |
|---|-------------|----------|
| Revenue | | |
| Donations | \$ 218,441 | 234,430 |
| Administration fee charged to Restricted Funds | 65,350 | 65,590 |
| Unrealized gain on investments | 408 | 87 |
| Realized investment loss | (1,551) | (1,904) |
| | 282,648 | 298,203 |
| Expenditure | | |
| Appeals | 46,813 | 41,543 |
| General | 17,824 | 20,461 |
| Insurance | 4,637 | 4,417 |
| Office | 2,225 | 6,221 |
| Professional fees | 16,846 | 25,045 |
| Salaries, wages and government taxes | 120,184 | 122,249 |
| | 208,529 | 219,936 |
| Excess of revenue over expenditure, before other | 74,119 | 78,267 |
| Other expenses | | |
| Scholarships and bursaries | - | 25,000 |
| Alumni affairs | | |
| Alumni events | 3,427 | 19,767 |
| Newsletters and magazine | 32,148 | 65,390 |
| | 35,575 | 85,157 |
| Total expenses | 244,104 | 330,093 |
| Excess of revenue over expenditure (expenditure over revenue) for year | 38,544 | (31,890) |
| Unrestricted net assets, beginning of year | (50,371) | (18,481) |
| Unrestricted net assets, end of year | \$ (11,827) | (50,371) |



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO
Statement of changes in restricted net assets
For the year ended July 31, 2020

| | 2020 | 2019 |
|---|---------------------|------------------|
| Restricted net assets, beginning of year | \$ 7,340,805 | 7,175,679 |
| Donations and bequests | 76,247 | 102,303 |
| Realized investment income allocation | 363,397 | 397,770 |
| Disbursements, scholarships and bursaries | (209,810) | (251,357) |
| Administration charged from General Fund | (65,350) | (65,590) |
| Change in unrealized losses | (95,567) | (18,000) |
| Restricted net assets, end of year | \$ 7,409,722 | 7,340,805 |



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Statement of changes in restricted net assets

For the year ended July 31, 2020

| | Balance July 31 2019 | Transfers between funds | Donations and bequests | Realized investment income | Disbursements scholarships and bursaries | 1% administration charge | Changes in unrealized gains during year | Balance July 31 2020 |
|---|----------------------------|-------------------------------|------------------------------|----------------------------------|---|--------------------------------|---|----------------------------|
| Access to Excellence Fund | \$ 2,226 | - | - | 113 | - | (20) | (30) | 2,289 |
| Barbara M. Hardy Memorial Award | 129,323 | - | - | 6,443 | (3,800) | (1,152) | (1,695) | 129,119 |
| C. Grant Hepburn Award Fund | 82,141 | - | - | 4,093 | (2,400) | (732) | (1,076) | 82,026 |
| Class of 1989 Award | 8,371 | - | - | 417 | (250) | (75) | (110) | 8,353 |
| 5T7 re Huffman | 40,311 | - | 200 | 2,013 | (1,200) | (359) | (530) | 40,435 |
| Class of 8T2 Fund | 3,379 | - | - | 171 | - | (30) | (45) | 3,475 |
| Class of 9T4 Student Fund | 23,150 | - | 10,815 | 1,421 | (1,000) | (206) | (374) | 33,806 |
| David Eberle Memorial | 9,097 | - | - | 454 | (250) | (81) | (119) | 9,101 |
| Dr. Agnes Kwasnicka Mem OT4 | 17,204 | - | - | 870 | - | (153) | (229) | 17,692 |
| Dr. Bernard A. Manace Award | 37,438 | - | 600 | 1,908 | - | (334) | (502) | 39,110 |
| Dr. Bill and Penny Harris Fund | 311 | - | - | 16 | - | - | (4) | 323 |
| Dr. Charlotte Hahn Memorial Fund | 1,949,974 | - | - | 97,145 | (57,600) | (17,372) | (25,547) | 1,946,600 |
| Dr. Delbert S. Hoare Medical Undergraduate Award | 19,929 | - | - | 994 | (550) | (178) | (262) | 19,933 |
| Dr. E. Mary Hollington Award | 36,387 | - | - | 1,827 | (525) | (324) | (480) | 36,885 |
| Dr. Edwards Endowment Fund | 35,263 | - | - | 1,758 | (1,000) | (314) | (462) | 35,245 |
| Dr. Ernest J. Clifford Medical Alumni Association Undergraduate Loan | 715,381 | (1,533) | 1,000 | 35,996 | (8,072) | (6,373) | (9,467) | 726,932 |
| Dr. F. Peggy Hill Estate | 123,520 | - | - | 6,173 | (2,870) | (1,101) | (1,624) | 124,098 |
| Dr. Helen Holden Quinian Bursaries | 360,664 | - | - | 17,964 | (10,800) | (3,213) | (4,724) | 359,891 |
| Dr. I. Markens Fund | 10,308 | - | - | 514 | (300) | (92) | (135) | 10,295 |
| Dr. James Boyce Student Bursary | 29,997 | - | - | 1,494 | (900) | (267) | (393) | 29,931 |
| Dr. L. Nelles Silverthorne Award | 4,203 | - | - | 213 | - | (39) | (56) | 4,321 |
| Dr. Liz Gillespie Memorial | 15,216 | - | - | 769 | - | (136) | (202) | 15,647 |
| Dr. Martin Berger 5T7 Fund | 11,660 | - | 200 | 587 | (300) | (104) | (154) | 11,889 |
| Dr. Nancy Katherine Ironside Fund | 2,179 | - | - | 59 | (2,000) | (19) | (16) | 203 |
| Dr. Robert P. Orange | 29,671 | - | - | 1,483 | (700) | (264) | (390) | 29,800 |
| Dr. Ronald Strickler Fund | - | - | 15,588 | 396 | - | - | (104) | 15,880 |
| Drs. Carl and Ann Witus Award | 1,161,587 | - | - | 58,419 | (12,651) | (10,348) | (15,363) | 1,181,644 |
| Dr. Sherwood P. & Judith G. Smith | 124,235 | 3,066 | - | 6,144 | (5,450) | (1,107) | (1,616) | 125,272 |
| Elve May Rowe Fund | 457,876 | - | - | 22,806 | (13,696) | (4,079) | (5,998) | 456,909 |



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Statement of changes in restricted net assets

For the year ended July 31, 2020

| | Balance July 31 2019 | Transfers between funds | Donations and bequests | Realized investment income | Disbursements scholarships and bursaries | 1% administration charge | Changes in unrealized gains during year | Balance July 31 2020 |
|----------------------------------|----------------------------|-------------------------------|------------------------------|----------------------------------|---|--------------------------------|---|----------------------------|
| Ganguli Family Award | \$ 16,632 | - | - | 830 | (450) | (148) | (218) | 16,646 |
| Harris Family Award in Oncology | 129,869 | - | - | 6,471 | (3,800) | (1,157) | (1,702) | 129,681 |
| Harry Whittaker | 47,532 | - | - | 2,404 | - | (423) | (632) | 48,881 |
| I.M.A. Canadian Branch | 107 | - | - | 5 | - | (1) | (1) | 110 |
| Irving Gollish Class of 5T7 Fund | 29,344 | - | 200 | 1,469 | (800) | (261) | (386) | 29,566 |
| Janet K. Ross Fund | 32,005 | - | - | 1,594 | (950) | (285) | (419) | 31,945 |
| John A. Howe Scholarship Fund | 3,599 | - | - | 182 | - | (32) | (48) | 3,701 |
| MAA Bursary Fund | 5,000 | - | - | - | (5,000) | - | - | - |
| MAA Faculty Campaign | 8,429 | - | - | 426 | - | (75) | (112) | 8,668 |
| Meds 4T6 | 81,346 | - | - | 4,114 | - | (725) | (1,082) | 83,653 |
| Meds 6T3 50th Reunion | 18,981 | - | 10,115 | 1,217 | - | (169) | (320) | 29,824 |
| Ontario Medical Student Bursary | 1,849 | - | 300 | 101 | - | (16) | (26) | 2,208 |
| Pediatric Endowment | 12,294 | - | - | 622 | - | (110) | (163) | 12,643 |
| Robert Duff Barron 3T9 Fund | 32,158 | - | - | 1,626 | - | (286) | (428) | 33,070 |
| Robert Elgin Towle Interest Loan | 169,118 | - | - | 8,146 | (15,986) | (1,507) | (2,142) | 157,629 |
| Robert Elgin Towle Loan | 316,520 | (1,533) | - | 15,915 | (3,572) | (2,820) | (4,185) | 320,325 |
| Samuel J. Streight Scholarship | 10,288 | - | - | 513 | (275) | (90) | (135) | 10,301 |
| Ted & Maeve Lindenfield Fund | 53,513 | - | - | 2,665 | (1,600) | (477) | (701) | 53,400 |
| The Kurdyak Family Fund | 228,030 | - | - | 11,341 | (7,499) | (2,031) | (2,982) | 226,859 |
| Dr. Ruth Kurdyak MAA Bursary | 84,457 | - | 37,229 | - | (36,000) | (752) | - | 84,934 |
| Tom Fejer Lectureship Fund | 7,595 | - | - | 384 | - | (68) | (101) | 7,810 |
| Dr. Alan R. Kindler Fund | 6,063 | - | - | 307 | - | (54) | (81) | 6,235 |
| Weber Bursary Fund | 41,079 | - | - | 2,045 | (1,200) | (366) | (537) | 41,021 |
| Potter Fund – sequestered | 132,054 | - | - | 6,640 | (1,490) | (1,176) | (1,746) | 134,282 |
| Angus Fund – sequestered | 99,971 | - | - | 5,027 | (1,128) | (891) | (1,322) | 101,657 |
| Rowe Fund – sequestered | 206,884 | - | - | 10,403 | (2,334) | (1,843) | (2,737) | 210,373 |
| Carpenter Fund – sequestered | 125,087 | - | - | 6,290 | (1,412) | (1,115) | (1,654) | 127,196 |
| Total Restricted Funds | 7,340,805 | - | 76,247 | 363,397 | (209,810) | (65,350) | (95,567) | 7,409,722 |
| General Fund | (50,371) | - | 218,441 | (1,551) | (244,104) | 65,350 | 408 | (11,827) |
| Net assets total | \$ 7,290,434 | - | 294,688 | 361,846 | (453,914) | - | (95,159) | 7,397,895 |



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Statement of cash flows

For the year ended July 31, 2020

| | 2020 | 2019 |
|---|-------------------|------------------|
| Cash flows from (used in) operating activities | | |
| Excess of revenue over expenditure (expenditure over revenue) for year | \$ 38,544 | (31,890) |
| Adjustments for | | |
| Unrealized gain on unrestricted investments | (408) | (87) |
| Realized loss on sale of unrestricted investments | 809 | 1,113 |
| Allocation of administration fee | (65,350) | (65,590) |
| | (26,405) | (96,454) |
| Changes in non-cash working capital | | |
| Decrease in government remittances receivable | 4,608 | 1,901 |
| Decrease in other receivable | - | 3,000 |
| Increase (decrease) in accounts payable and accrued liabilities | 4,048 | (12,834) |
| Decrease in government remittances payable | - | (64) |
| Cash flows used in operating activities | (17,749) | (104,451) |
| Cash flows from (used in) investing activities | | |
| Restricted contributions | 76,247 | 102,303 |
| Scholarships, bursaries and disbursements from Restricted Funds | (209,810) | (251,357) |
| Allocation of investment income, excluding realized gains, to Restricted Fund balances | 173,879 | 165,231 |
| Loans advanced | (183,000) | (180,000) |
| Loan repayments | 110,900 | 106,250 |
| Accounts written off | 3,000 | 1,100 |
| Purchase of investments | (15,351) | (707,780) |
| Proceeds on sale of investments | 354,392 | 985,855 |
| Cash flows from investing activities | 310,257 | 221,602 |
| Net increase in cash during year | 292,508 | 117,151 |
| Cash and cash equivalents, beginning of year | 223,769 | 106,618 |
| Cash and cash equivalents, end of year | \$ 516,277 | 223,769 |
| Consists of: | | |
| Bank | \$ 168,498 | 126,725 |
| Cash held in investment accounts | 347,779 | 97,044 |
| | \$ 516,277 | 223,769 |



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Notes to financial statements

As at July 31, 2020

1. Purpose of the organization

The Medical Alumni Association of the University of Toronto (the "Association") is incorporated without share capital under the laws of Ontario as a registered charity. 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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Association follows the deferral method of accounting for contributions.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less.

e) Property, plant and equipment

Due to the size of the entity, property, plant and equipment purchased are expensed in the statement of operations, general expenditure in the period of purchase. No amount of property, plant and equipment was expensed in the current period (2019 - \$3,000).



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Notes to financial statements

As at July 31, 2020

2. Significant accounting policies – continued**f) Fund accounting**

Revenue and expenses for administration of the Association 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.

Endowments 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 resource of the Restricted Funds and General Fund are allocated based on the proportionate average market value of the beginning and ending fund value.

The Association charges an annual fee to Restricted Funds equal to 1% of the market value of the holdings, including cash, 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.

g) Revenue recognition

The Association follows the restricted fund method of accounting for contributions. Contributions that the donor has required to be held in perpetuity are recognized as revenue in the Endowed Funds. Restricted contributions are recognized as revenue in the Restricted Funds.

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. Endowment contributions are recognized as direct increases in net assets in the year.

Realized investment income (loss) consists of interest and dividends received, realized capital gains and losses, and is offset by fees paid to outside professional portfolio managers. Realized investment income (loss) is recognized in the period it is earned. Unrealized investment gains and losses are recognized in the period to which they apply.

h) Contributed materials and services

The value of contributed materials and services and volunteer time is not reflected in these financial statements.

3. Financial instruments**a) Fair value**

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions and loans receivable. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Notes to financial statements

As at July 31, 2020

3. Financial instruments – continued**b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The Association is exposed to foreign currency risk, interest rate risk and credit risk.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

A portion of the Association's investments are denominated in foreign currencies.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association's loans receivable and a portion of the Association's investments bear interest at fixed rates or are non-interest bearing. Consequently, the cash flow risks are not significant. However, there is a risk of fair value on these parts of the assets.

iii) Credit risk

Credit risk is the risk that one party to a financial investment will cause a loss for the other party by failing to discharge an obligation.

The Association is subject to credit risk. To mitigate this, the Association actively manages and monitors its receivables. Bad debt experience has not been significant.

c) Liquidity risk

Liquidity risk is the risk that the Association cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Association is not subject to significant liquidity risk. The Association manages liquidity risk by:

- investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.
- holding financial assets for which there is not a liquid market, but which are expected to generate cash inflows that will be available to meet cash outflows on liabilities.



MEDICAL ALUMNI ASSOCIATION OF THE UNIVERSITY OF TORONTO

Notes to financial statements

As at July 31, 2020

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.

| | 2020 | 2019 |
|---------------------------------|-------------------|----------------|
| Loans receivables | \$ 713,100 | 644,000 |
| Allowance for doubtful accounts | (10,250) | (10,250) |
| | <u>702,850</u> | <u>633,750</u> |
| Less current portion | 120,550 | 97,100 |
| | <u>\$ 582,300</u> | <u>536,650</u> |

5. Investments

| | 2020 | 2019 |
|--------------------------------------|---------------------|------------------|
| Fixed income and related securities | \$ 2,667,431 | 2,657,969 |
| Common equity and related securities | 3,525,028 | 3,779,981 |
| | <u>\$ 6,192,459</u> | <u>6,437,950</u> |

Unrealized gains included in the investment total is \$962,273 (2019 - \$1,057,432). The investment management fees incurred for the year were \$24,863 (2019 - \$24,294). These fees are allocated to the Restricted and Unrestricted Funds based on the fair value in the Restricted and Unrestricted Funds at the beginning of the year. The investments are managed as a long-term asset and as a result, are presented as such.

6. Restricted net assets

The Board of Directors recognizes restrictions on net assets of \$7,409,722 (2019 - \$7,340,805) to use to provide financial assistance by way of non-interest bearing loans to undergraduate medical students, bursaries, scholarships and elective travel grants.

7. Income tax status

The organization is a not-for-profit organization and is therefore exempt from income taxes under Section 149(1)(t) of the Income Tax Act.

8. Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Association in future periods.

