

Kids' Health Link Foundation

Financial Statements

For the year ended December 31, 2016

Contents	Page
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Independent Auditors' Report

Financial Statements

Statement of Financial Position	1
Statement of Contributions and Expenditures	2
Statement of Cash Flows	3
Notes to Financial Statements	4 - 6



To the Directors of
Kids' Health Link Foundation

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Kids' Health Link Foundation, which comprise the statement of financial position as at December 31, 2016 and the statements of contributions and expenditures, changes in net assets and 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 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.

Auditors' 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 audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Kids' Health Link Foundation derives a portion of its revenues from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Kids' Health Link Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to those contributions, excess of contributions over expenditures, and cash flows from operations for the year ended December 31, 2016.



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 Kids' Health Link Foundation as at December 31, 2016 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.

May 18, 2017
Burlington, Ontario

SB Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

Kids' Health Link Foundation
Statement of Financial Position
December 31, 2016

Assets			
	2016		2015
Current assets			
Cash and bank	\$ 27,753	\$	56,715
Accounts receivable	25,578		51,446
	53,331		108,161
Capital assets (Note 3)	1,646		2,351
Goodwill	1		1
	\$ 54,978	\$	110,513

Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 5)	\$ 24,595	\$	21,247
Director loans (Note 6)	85,000		70,000
	\$ 109,595	\$	91,247

Net Assets			
Unrestricted reserve	\$ (54,617)	\$	19,266
	\$ 54,978	\$	110,513

Approved on Behalf of the Board

Directors

Directors



Kids' Health Link Foundation

Statement of Contributions and Expenditures

Year Ended December 31, 2016

	2016	2015
Contributions		
Donations	\$ 197,214	\$ 179,302
Fundraising events, net (Note 9)	44,629	54,248
	241,843	233,550
Expenditures		
Upopolis program		
Advertising and promotion	1,459	3,724
Clinical Practice Advisor	12,202	37,614
Donations (Note 6)	51,600	59,900
Educational materials costs	606	1,941
Project clinical support (Child Life)	67,008	16,330
Super User Conference	9,604	9,630
Training	1,125	-
Travel	5,026	4,058
Webmaster	2,695	274
UPEDIA project		
Project clinical support (Child Life)	18,248	25,559
Website costs (including development and hosting licence)	21,024	15,620
UMind project		
Advertising and promotion	94	446
Project clinical support (Child and Youth Mental Health Professional)	43,587	42,631
Travel	2,340	9,057
Website costs	11,912	9,707
Fellowship program		
Donations (Note 6)	5,000	5,000
Other		
Advertising and promotion	3,841	941
Amortization	705	415
Bank charges and interest	2,311	2,274
General and administrative	34,645	32,519
Insurance	3,021	1,510
Legal and accounting	7,200	7,634
Office and postage	6,474	3,069
Travel	3,999	4,448
	315,726	294,301
Loss of contributions over expenditures for the year	(73,883)	(60,751)
Net assets, beginning of year	19,266	80,017
Net assets (deficit), end of year	\$ (54,617)	\$ 19,266



Kids' Health Link Foundation

Statement of Cash Flows

Year Ended December 31, 2016

	2016	2015
Cash flows from operating activities		
Loss of contributions over expenditures for the year	\$ (73,883)	\$ (60,751)
Charges not involving cash		
Amortization	705	415
	(73,178)	(60,336)
Net change in accounts receivable	25,868	(11,071)
Net change in accounts payable and accrued liabilities	3,348	(7,781)
	(43,962)	(79,188)
Cash flows from financing activities		
Net change in director loans	15,000	25,000
	15,000	25,000
Cash flows from investing activities		
Purchase of capital assets	-	(2,766)
	-	(2,766)
Net decrease in cash and cash equivalents	(28,962)	(56,954)
Cash and cash equivalents, beginning of year	56,715	113,669
Cash and cash equivalents, end of year	\$ 27,753	\$ 56,715



Kids' Health Link Foundation

Notes to Financial Statements

Year Ended December 31, 2016

1. Nature of operations

Kids' Health Link Foundation (the "Foundation") achieved charitable status effective June 25, 2007.

The purpose of the Foundation is to develop partnerships and technology to help children in medical care stay connected to their family, friends and school.

2. Significant accounting policies

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

Financial instruments

The Foundation's financial instruments consist of cash and bank, accounts receivable, accounts payable and accrued liabilities. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

Capital assets

Capital assets are recorded at cost. Amortization is provided as follows:

Computer equipment	30% declining balance
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Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Use of estimates

The preparation of financial statements 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 expense during the period. Actual results could differ from those estimates.



Kids' Health Link Foundation
Notes to Financial Statements
Year Ended December 31, 2016

3. Capital assets

	Cost	Accumulated Amortization	2016	2015
Computer equipment	\$ 2,766	\$ 1,120	\$ 1,646	\$ 2,351

4. Intangible assets

	Cost	Accumulated Amortization	2016	2015
Rights to Upopolis Technology	\$ 1	\$ -	\$ 1	\$ 1

5. Accounts payable and accrued liabilities

Included in accounts payable is a balance of \$2,314 owing to Alythea, a company run by the daughter of one of the directors.

6. Director loans

	2016	2015
Director loan	\$ 85,000	\$ 70,000

Director loan(s) are by Basile Papevangelou and are unsecured, non-interest bearing, and have no set terms of repayment. The loan(s) will only be repaid if unanimously supported by independent directors only and subject to their sole discretion and determination that the Foundation is able to pay the loan(s) in whole or in part.

7. Commitments

The Foundation has made a pledge through the UMind Program to Lutherwood Children's Mental Health for \$25,000. This pledge is expected to be paid in the next fiscal year.



Kids' Health Link Foundation
Notes to Financial Statements
Year Ended December 31, 2016

8. Donations and gifts

During the year, the Foundation made the following donations:

	2016	2015
Upopolis program:		
CHEO Foundation	\$ -	\$ 4,500
Canadian Association of Paediatric Health Centres	\$ -	\$ 10,000
BC Children's Hospital	\$ -	\$ 15,000
Canadian Child Life Institute	\$ 600	\$ 400
Sainte-Justine UHC Foundation	\$ 20,000	\$ 20,000
Sick Kids Hospital	\$ 15,000	\$ 10,000
Canadian Association Suicide Prevention	\$ 5,000	\$ -
Hospital for Sick Children	\$ 10,000	\$ -
Heart House Hospice	\$ 1,000	\$ -
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Balance forward	\$ 51,600	\$ 59,900
Fellowship program:		
Montreal Children's Hospital	\$ 5,000	\$ 5,000
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	\$ 56,600	\$ 64,900

9. Fundraising events

	2016	2015
Fundraising revenue	\$ 146,573	\$ 131,735
Less: fundraising expenses	(101,944)	(77,487)
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	\$ 44,629	\$ 54,248

10. Financial instruments

The Foundation's financial instruments consist of cash and bank, accounts receivable, accounts payable and accrued liabilities.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit, liquidity, interest, market, or currency risks.

