

# Kids' Health Links Foundation

## Financial Statements

For the year ended December 31, 2018

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To the Directors of  
Kids' Health Links Foundation

### **Independent Auditors' Report**

#### **Qualified Opinion**

We have audited the accompanying financial statements of Kids' Health Links Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2018, and the statements of contributions and expenditures and net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Links Foundation as at December 31, 2018 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 Qualified Opinion**

In common with many not-for-profit organizations, Kids' Health Links Foundation derives a portion of its revenues from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of Kids' Health Links 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, 2018.

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 Foundation 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 opinion.

#### **Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 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 Auditing Standards (CASs), 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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.
- 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.

June 5, 2019  
Burlington, Ontario



Chartered Professional Accountants  
Licensed Public Accountants

**Kids' Health Links Foundation**  
**Statement of Financial Position**  
**December 31, 2018**

<b>Assets</b>			
	<b>2018</b>		<b>2017</b>
<b>Current assets</b>			
Cash and bank	\$ 20,015	\$	18,018
Accounts receivable	8,683		11,719
Prepays and deposits	2,801		-
	<b>31,499</b>		<b>29,737</b>
<b>Capital assets (Note 3)</b>	<b>806</b>		<b>1,152</b>
<b>Goodwill (Note 4)</b>	<b>1</b>		<b>1</b>
	<b>\$ 32,306</b>	\$	<b>30,890</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities (Note 5)	\$ 34,335	\$	25,561
<b>Net Assets</b>			
<b>Unrestricted reserve</b>	<b>\$ (2,029)</b>	\$	<b>5,329</b>
	<b>\$ 32,306</b>	\$	<b>30,890</b>

Approved on Behalf of the Board

\_\_\_\_\_  
 Directors

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 Directors



## Kids' Health Links Foundation

### Statement of Contributions and Expenditures and Net Assets

Year Ended December 31, 2018

	2018	2017
<b>Contributions</b>		
Donations (Note 6)	\$ 222,630	\$ 353,037
Fundraising events, net (Note 8)	21,401	44,977
	<b>244,031</b>	<b>398,014</b>
<b>Expenditures</b>		
Upopolis program		
Advertising and promotion	10,965	3,590
Clinical Practice Advisor	-	12,274
Donations (Note 7)	7,200	18,000
Educational materials costs	444	1,134
Project clinical support (Child Life)	99,558	135,786
Super User Conference	-	10,806
Training	-	2,555
Travel	1,978	5,524
Webmaster	279	1,768
UPEDIA project		
Project clinical support (Child Life)	15,156	15,512
Website costs (including development and hosting licence)	14,128	26,166
UMind project		
Advertising and promotion	-	219
Project clinical support (Child and Youth Mental Health Professional)	31,857	32,932
Website costs	12,468	11,542
Fellowship program		
Other		
Advertising and promotion		1,210
Amortization	346	494
Bank charges and interest	3,358	2,380
General and administrative	29,968	35,150
Insurance	2,591	2,472
Legal and accounting	7,346	7,019
Office and postage	2,436	3,194
Travel	11,310	8,342
	<b>251,388</b>	<b>338,069</b>
<b>Excess (deficiency) of contributions over expenditures for the year</b>	<b>(7,357)</b>	<b>59,945</b>
<b>Net assets (deficiency), beginning of year</b>	<b>5,328</b>	<b>(54,616)</b>
<b>Net assets (deficiency), end of year</b>	<b>\$ (2,029)</b>	<b>\$ 5,329</b>



## Kids' Health Links Foundation

### Statement of Cash Flows

Year Ended December 31, 2018

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	2018	2017
<b>Cash flows from operating activities</b>		
Excess (deficiency) of contributions over expenditures for the year	\$ (7,357)	\$ 59,945
Charges not involving cash		
Amortization	346	494
	(7,011)	60,439
Net change in accounts receivable	3,036	13,859
Net change in accounts payable and accrued liabilities	8,773	967
Net change in other operating working capital balances	(2,801)	-
	1,997	75,265
<b>Cash flows from financing activities</b>		
Net change in director loans	-	(85,000)
	-	(85,000)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,997</b>	<b>(9,735)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>18,018</b>	<b>27,753</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 20,015</b>	<b>\$ 18,018</b>

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# Kids' Health Links Foundation

## Notes to Financial Statements

Year Ended December 31, 2018

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### 1. Nature of operations

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

The purpose of the Organization 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 Organization's financial instruments consist of cash and bank, accounts receivable, and 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 Organization 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.

#### Contributed services

These financial statements do not reflect the substantial value of services contributed by Board members, volunteers, and other interested parties because the fair market value of such services are not readily available.

#### 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 Links Foundation**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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**3. Capital assets**

	Cost	Accumulated Amortization	2018	2017
Computer equipment	\$ 2,766	\$ 1,960	\$ 806	\$ 1,152

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**4. Intangible assets**

	Cost	Accumulated Amortization	2018	2017
Rights to Upopolis Technology	\$ 1	\$ -	\$ 1	\$ 1

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**5. Accounts payable and accrued liabilities**

Included in accounts payable is a balance of \$1,536 owing to Alythea (2017 - \$2,562), a company run by the daughter of one of the directors.

**6. Donations**

	2018	2017
Contributions	\$ 40,909	\$ 10,426
Donations	181,724	117,610
Director loan donation	-	225,000
	<b>\$ 222,633</b>	<b>\$ 353,036</b>

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**7. Donations and gifts**

During the year, the Organization made the following donations:

	2018	2017
Upopolis program:		
Sick Kids Hospital	7,200	18,000

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**8. Fundraising events & program development**

	2018	2017
Fundraising revenue	\$ 138,105	\$ 146,965
Less: Fundraising expenses	(97,449)	(89,515)
Less: Program development costs	(19,255)	(12,473)
	<b>\$ 21,401</b>	<b>\$ 44,977</b>

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**Kids' Health Links Foundation**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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**9. Financial instruments**

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

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

