

Kids' Health Link Foundation
Financial Statements
For the year ended December 31, 2015

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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, 2015 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, 2015.

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, 2015 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.

June 1, 2016
Burlington, Ontario

SB Partners LLP
Chartered Professional Accountants
Licensed Public Accountants

Kids' Health Link Foundation
Statement of Financial Position
December 31, 2015

Assets			
	2015	2014	
Current assets			
Cash and bank	\$ 56,715	\$ 113,669	
Accounts receivable	51,446	40,375	
	108,161	154,044	
Capital assets (Note 3)	2,351	-	
Goodwill	1	1	
	\$ 110,513	\$ 154,045	
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	\$ 21,247	\$ 29,028	
Director loans	70,000	45,000	
	\$ 91,247	\$ 74,028	
Net Assets			
Unrestricted reserve	\$ 19,266	\$ 80,017	
	\$ 110,513	\$ 154,045	

Approved on Behalf of the Board

Directors

Directors

Kids' Health Link Foundation
Statement of Contributions and Expenditures
Year Ended December 31, 2015

	2015	2014
Contributions		
Donations	\$ 179,302	\$ 280,081
Fundraising events, net (Note 7)	54,248	100,652
	233,550	380,733
Expenditures		
Upopolis program		
Advertising and promotion	3,724	14,906
Clinical Practice Advisor	37,614	11,080
Donations (Note 6)	59,900	91,012
Educational materials costs	1,941	14,299
Project Manager	16,330	32,210
Super User Conference	9,630	14,069
Supplies	-	3,603
Travel	4,058	14,032
Webmaster	274	3,539
UPEDIA project		
Project Manager	25,559	12,693
Website costs (including development and hosting licence)	15,620	16,094
UMind project		
Advertising and promotion	446	-
Project Manager (Note 6)	42,631	36,496
Travel	9,057	5,989
Website costs	9,707	4,268
Fellowship program		
Donations (Note 6)	5,000	30,000
Other		
Advertising and promotion	941	
Amortization	415	-
Bank charges and interest	2,274	2,258
General and administrative	32,519	13,261
Insurance	1,510	-
Legal and accounting	7,634	9,210
Office and postage	3,069	2,928
Travel	4,448	1,917
	294,301	333,864
Excess (deficiency) of contributions over expenditures for the year	(60,751)	46,869
Net assets, beginning of year	80,017	33,148
Net assets, end of year	\$ 19,266	\$ 80,017

Kids' Health Link Foundation
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
Cash flows from operating activities		
Excess (deficiency) of contributions over expenditures for the year	\$ (60,751)	\$ 46,869
Charges not involving cash		
Amortization	415	-
	(60,336)	46,869
Net change in accounts receivable	(11,071)	(29,879)
Net change in accounts payable and accrued liabilities	(7,781)	22,326
Net change in other operating working capital balances	-	5,000
Cash flows from (used in) operating activities	(79,188)	44,316
Cash flows from financing activities		
Net change in director loans	25,000	-
Cash flows from financing activities	25,000	-
Cash flows from investing activities		
Purchase of capital assets	(2,766)	-
Cash flows used in investing activities	(2,766)	-
Net increase (decrease) in cash and cash equivalents	(56,954)	44,316
Cash and cash equivalents, beginning of year	113,669	69,353
Cash and cash equivalents, end of year	\$ 56,715	\$ 113,669

Kids' Health Link Foundation

Notes to Financial Statements

Year Ended December 31, 2015

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, 2015

3. Capital assets

	Cost	Accumulated Amortization	2015	2014
Computer equipment	\$ 2,766	\$ 415	\$ 2,351	\$ -

4. Intangible assets

	Cost	Accumulated Amortization	2015	2014
Rights to Upopolis Technology	\$ 1	\$ -	\$ 1	\$ 1

5. Commitments

The Foundation has made pledges through the UMind Program to Lutherwood Children's Mental Health, and through the Upopolis program to the remaining organizations, for the following amounts:

Lutherwood Children's Mental Health Ambassador	\$ 25,000
CHEO Hospital Foundation	4,500
BC Children's Hospital	5,000
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	\$ 34,500

All pledges are expected to be paid in the next fiscal year.

6. Donations and gifts

During the year, the Foundation made the following donations:

	2015	2014
Upopolis program:		
Canadian Child Life Institute	\$ 400	\$ 1,000
Central Health Newfoundland	\$ -	\$ 4,012
CHEO Foundation	\$ 4,500	\$ -
Canadian Association of Paediatric Health Centres	\$ 10,000	\$ -
BC Children's Hospital	\$ 15,000	\$ 20,000
Sainte-Justine UHC Foundation	\$ 20,000	\$ 30,000
Sick Kids Hospital	\$ 10,000	\$ 36,000
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Balance forward	\$ 59,900	\$ 91,012

Kids' Health Link Foundation
Notes to Financial Statements
Year Ended December 31, 2015

6. Donations and gifts (cont'd.)

	2015	2014
Fellowship program:		
Montreal Children's Hospital	\$ 5,000	\$ 30,000
	\$ 64,900	\$ 121,012

Included in UMind Project Manager expenditures is a \$25,000 donation to Lutherwood Children's Mental Health Services.

7. Fundraising events

	2015	2014
Fundraising revenue	\$ 131,735	\$ 186,201
Less: fundraising expenses	(77,487)	(85,549)
	\$ 54,248	\$ 100,652

8. 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.