

# Kids' Health Links Foundation

## Financial Statements

For the year ended December 31, 2019

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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, 2019, 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, 2019 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 revenue from fundraising and 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, assets, and net assets for the year ended December 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 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.

#### **Emphasis of Matter**

We draw attention to Note 2 to these financial statements, which describes the going concern basis of accounting and circumstances which indicate the existence of a material uncertainty that may cast significant doubt about the Foundation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **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.
- 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.

June 2, 2020  
Burlington, Ontario

*SB Partners LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**Kids' Health Links Foundation**  
**Statement of Financial Position**  
**December 31, 2019**

		<b>Assets</b>			
			<b>2019</b>		<b>2018</b>
<b>Current assets</b>					
Cash and bank	A	\$	<b>44,624</b>	\$	20,015
HST Receivable	C		<b>12,400</b>		8,683
Prepays and deposits	L		-		2,801
			<b>57,024</b>		31,499
<b>Capital assets (Note 3)</b>	U		<b>1,042</b>		806
<b>Goodwill (Note 4)</b>	W.1		<b>1</b>		1
			<b>\$ 58,067</b>		\$ 32,306
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities (Note 5)	BB	\$	<b>15,011</b>	\$	34,335
<b>Net Assets</b>					
<b>Unrestricted reserve</b>	TT	\$	<b>43,056</b>	\$	(2,029)
			<b>\$ 58,067</b>		\$ 32,306

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, 2019

		2019	2018
<b>Contributions</b>			
Donations (Note 6)	200	\$ 271,977	\$ 222,630
Fundraising events, net (Note 8)	200.1	46,849	21,401
		<b>318,826</b>	<b>244,031</b>
<b>Expenditures</b>			
Upopolis program			
Consultant services(Note 9)	547	90,987	10,965
Donations (Note 7)	501	700	7,200
Educational materials costs	537	219	444
Project clinical support (Child Life)	527	69,878	99,558
Super User Conference	514.4	2,484	-
Training	518	2,801	-
Travel	530	202	1,978
Webmaster	532	1,189	279
UPEDIA project			
Project clinical support (Child Life)	527.3	9,620	15,156
Website costs (including development and hosting licence)	532.3	17,715	14,128
UMind project			
Project clinical support (Child and Youth Mental Health Professional)	527.2	19,336	31,857
Travel	530.2	3,465	-
Website costs	532.2	11,156	12,468
Fellowship program			
Other			
Amortization	502	326	346
Bank charges	506	186	417
General and administrative	537.1	21,558	29,968
Insurance	505	2,836	2,591
Interest	507	2,245	1,842
Legal and accounting	516	7,977	7,346
Office supplies	514	1,085	2,436
Service charges	508	2,111	1,099
Travel	530.1	5,665	11,310
		<b>273,741</b>	<b>251,388</b>
<b>Excess (deficiency) of contributions over expenditures for the year</b>		<b>45,085</b>	<b>(7,357)</b>
<b>Net assets (deficiency), beginning of year</b>	TT	<b>(2,029)</b>	<b>5,328</b>
<b>Net assets (deficiency), end of year</b>		<b>\$ 43,056</b>	<b>\$ (2,029)</b>



## Kids' Health Links Foundation

### Statement of Cash Flows

Year Ended December 31, 2019

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	2019	2018
<b>Cash flows from operating activities</b>		
Excess (deficiency) of contributions over expenditures for the year	\$ 45,085	\$ (7,357)
Charges not involving cash		
Amortization	502	326
	45,411	(7,011)
Net change in hst receivable	(3,717)	3,036
Net change in accounts payable and accrued liabilities	(19,323)	8,773
Net change in other operating working capital balances	2,801	(2,801)
Cash flows from operating activities	25,172	1,997
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(563)	-
Cash flows used in investing activities	(563)	-
<b>Net increase in cash and cash equivalents</b>	24,609	1,997
<b>Cash and cash equivalents, beginning of year</b>	20,015	18,018
<b>Cash and cash equivalents, end of year</b>	\$ 44,624	\$ 20,015

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# Kids' Health Links Foundation

## Notes to Financial Statements

Year Ended December 31, 2019

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### 1. Nature of operations

Kids' Health Links 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.

#### Going concern

These financial statements have been prepared on the going concern basis which assumes that the Foundation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. There is significant doubt about the appropriateness of the use of the going concern assumption because the Foundation has had to cancel major fundraising events as a result of the emergency measures enacted by the Canadian federal and provincial governments to combat the spread of the COVID-19 virus (see Note 11). As a result, the Foundation has not been able to obtain sufficient contributions to fund the ongoing expenditures necessary to operate the Foundation's charitable programs. The application of the going concern basis is dependent on the Foundation's successful application for federal and provincial emergency benefits in order to sustain future operations. Management is working diligently to obtain the necessary funding to meet the Foundation's liabilities and commitments as they become payable.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate, adjustments would be necessary to the carrying value of assets, the reported revenues and expenses, and the balance sheet classifications used.

#### 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, 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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**Kids' Health Links Foundation**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**2. Significant accounting policies (cont'd.)**

**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.

**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.

**3. Capital assets**

	Cost	Accumulated Amortization	2019	2018
Computer equipment	\$ 3,328	\$ 2,286	\$ 1,042	\$ 806

**4. Intangible assets**

	Cost	Accumulated Amortization	2019	2018
Rights to Upopolis Technology	\$ 1	\$ -	\$ 1	\$ 1

**5. Accounts payable and accrued liabilities**

Included in accounts payable is a balance of \$nil owing to Alythea (2018 - \$1,536), a company run by the daughter of one of the directors.



**Kids' Health Links Foundation**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

**6. Donations**

	<b>2019</b>	<b>2018</b>
Contributions	\$ 20,072	\$ 40,909
Donations	251,905	181,724
Director loan donation	-	-
	<b>\$ 271,977</b>	<b>\$ 222,633</b>

**7. Donations and gifts**

During the year, the Foundation made the following donations:

	<b>2019</b>	<b>2018</b>
Canadian Child Life Institute	\$ 700	\$ -
Sick Kids Hospital	-	7,200

**8. Fundraising events & program development**

	<b>2019</b>	<b>2018</b>
Fundraising revenue	\$ 146,124	\$ 138,105
Less: Fundraising expenses	(92,166)	(97,449)
Less: Program development costs	(7,109)	(19,255)
	<b>\$ 46,849</b>	<b>\$ 21,401</b>

**9. Consultant services**

During 2019, the Foundation entered into a contract with RAMP Communications (Toronto) to develop and execute a marketing and social media program for UPOPOLIS. This program was intended to increase the reach of the platform, build awareness and membership.

**10. Related party transactions**

During the year, the Foundation entered into transactions with related parties in the normal course of operations. These transactions, accounted for at their exchange amount, which is the amount of consideration established and agreed to by the related parties, are as follows:

	<b>2019</b>	<b>2018</b>
Professional fees paid to Alythea (a company run by the daughter of one of the directors)	667 \$ 24,839	\$ 35,380



## Kids' Health Links Foundation

### Notes to Financial Statements

Year Ended December 31, 2019

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#### 11. Subsequent events

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian federal and provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions, however the success of these interventions is not currently determinable. Potential impacts on the Foundation could include decreases in future fundraising efforts or the sustainability of ongoing operations. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Foundation is not known at this time. Management is carefully monitoring the situation as developments occur. No adjustments have been made to these financial statements to reflect these potential impacts.

#### 12. Financial instruments

The Foundation'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 Foundation is not exposed to significant credit, liquidity, interest, market, or currency risks.

