

LINKS2CARE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

LINKS2CARE
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Revenues and Expenditures	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14



INDEPENDENT AUDITOR'S REPORT

To the Members of: Links2Care

Opinion

We have audited the accompanying financial statements of Links2Care, which comprise the statement of financial position as at March 31, 2019 and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Links2Care as at March 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 of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Links2Care 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 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 a 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.

Auditor's 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities. This description forms part of our auditor's report.

Guelph, Ontario
June 27, 2019

Chartered Professional Accountants
Licensed Public Accountants

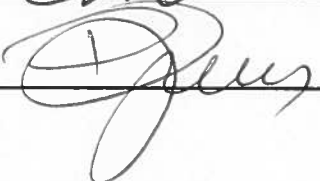
Page 3

LINKS2CARE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 588,220	\$ 450,197
Short term investments (note 6)	306,923	801,350
Accounts and contributions receivable	119,018	407,544
Prepaid expenses	<u>57,232</u>	<u>30,924</u>
	<u>1,071,393</u>	<u>1,690,015</u>
LONG TERM INVESTMENTS (note 6)	198,477	194,769
PROPERTY AND EQUIPMENT (note 5)	<u>97,130</u>	<u>149,273</u>
	<u>\$ 1,367,000</u>	<u>\$ 2,034,057</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 206,666	\$ 642,655
Government remittances payable	72,205	104,048
Deferred contributions (note 10)	45,586	74,490
Surplus funding payable (note 4)	<u>432,698</u>	<u>432,390</u>
	<u>757,155</u>	<u>1,253,583</u>
NET ASSETS		
UNRESTRICTED GENERAL FUND	317,540	317,540
EXTERNALLY RESTRICTED LOTTERY FUND	10,529	11,241
INTERNALLY RESTRICTED DEVELOPMENT FUND	<u>281,776</u>	<u>451,693</u>
	<u>609,845</u>	<u>780,474</u>
	<u>\$ 1,367,000</u>	<u>\$ 2,034,057</u>

APPROVED ON BEHALF OF THE BOARD:


 _____ Shelley Martin, Board Chair


 _____ Paulette Jervis, Treasurer

LINKS2CARE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2019

	Unrestricted General Fund	Externally Restricted Lottery Fund	Internally Restricted Development Fund	2019	2018
NET ASSETS, beginning of year	\$ 317,540	\$ 11,241	\$ 451,693	\$ 780,474	\$ 771,839
(Deficiency) excess of revenues over expenditures for the year	(170,629)	0	0	(170,629)	8,635
Interfund transfers (note 2b)	<u>170,629</u>	<u>(712)</u>	<u>(169,917)</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 317,540</u>	<u>\$ 10,529</u>	<u>\$ 281,776</u>	<u>\$ 609,845</u>	<u>\$ 780,474</u>

LINKS2CARE

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUES		
Provincial - Local Health Integration Network	\$ 4,751,094	\$ 4,653,171
Provincial - Ministry of Health and Long-Term Care	0	381,999
Provincial - Ministry of Education	0	135,000
Regional - Children's Programs (note 8)	605,732	282,335
Regional - Homelessness Programs	65,700	66,812
Regional - Community Investment Fund	0	20,000
United Way of Halton Hills	12,537	12,278
Municipal government	0	2,500
Other grants	32,661	17,222
Service fees and other	955,457	1,031,674
Donations	47,450	73,020
Fundraising	641	736
Rent	30,991	30,389
Service clubs and foundation revenue	9,393	31,996
Interest	14,236	7,816
	<u>6,525,892</u>	<u>6,746,948</u>
EXPENDITURES		
Employee wages and benefits	5,350,215	5,188,736
Program supplies and expenses	134,088	483,023
Building occupancy	378,586	359,662
Office	164,142	163,472
Mileage and travel	160,236	163,578
Contracted services	146,252	124,427
Professional fees	33,304	83,695
Other operating expenses	81,470	73,737
Amortization	52,143	57,705
Equipment and software	24,611	35,008
Staff training	15,137	5,270
	<u>6,540,184</u>	<u>6,738,313</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(14,292)	8,635
OTHER EXPENSES		
AlayaCare development costs	(156,337)	0
NET TRANSFER TO UNRESTRICTED FUND	<u>170,629</u>	<u>0</u>
INCREASE TO UNRESTRICTED NET ASSETS for the year	<u>\$ 0</u>	<u>\$ 8,635</u>

LINKS2CARE**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures for the year	\$ (170,629)	\$ 8,635
Items not requiring an outlay of cash		
Amortization	<u>52,143</u>	<u>57,705</u>
	(118,486)	66,340
Changes in non-cash working capital		
Accounts and contributions receivable	288,526	(115,982)
Prepaid expenses	(26,308)	1,717
Accounts payable and accrued liabilities	(435,989)	35,296
Government remittances payable	(31,843)	(2,297)
Deferred contributions	(28,904)	(11,724)
Surplus funding payable	<u>308</u>	<u>(221,040)</u>
	<u>(352,696)</u>	<u>(247,690)</u>
CASH USED IN INVESTING ACTIVITIES		
Additions to property and equipment	0	(13,340)
Long term investments	(3,708)	(94,769)
Short term investments	<u>494,427</u>	<u>(497,907)</u>
	<u>490,719</u>	<u>(606,016)</u>
NET INCREASE (DECREASE) IN CASH	138,023	(853,706)
NET CASH, BEGINNING OF YEAR	<u>450,197</u>	<u>1,303,903</u>
NET CASH, END OF YEAR	<u>\$ 588,220</u>	<u>\$ 450,197</u>

LINKS2CARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

1. NATURE OF ORGANIZATION

Links2Care is a not for profit organization incorporated under the laws of Ontario without share capital. It is a registered charity under the Income Tax Act and is exempt from income tax. Its purpose is to support people of all ages in the development of a caring and responsive community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Under this method, unrestricted contributions are recorded as revenue when received or receivable, as they do not require the performance of an activity. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. If restricted contributions relate to expenses of future periods, they would be deferred and recorded as revenue in the period the expenses are incurred.

Capital grants, where significant, are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Government grants for non-specific users are taken into revenue over the period to which they apply. Government grants pertaining to specific projects are recognized as revenue as related project expenses are incurred.

Service fees and other sources of revenue are recorded using the accrual method and recognized in the year the service is rendered and when collection is reasonably assured.

(b) NET ASSETS OF THE ORGANIZATION

The net assets of the organization represent the excess of accumulated revenues and contributions over the expenses at the Statement of Financial Position date. In total, these funds provide liquidity and also a reserve from which to draw when unforeseen expenses arise. For greater clarity, the organization has sub-divided net assets into three funds: the Lottery Fund, the Development Fund and the General Operating Fund.

The Lottery Fund consists of net proceeds from Nevada lottery ticket sales, which have always been kept in a separate bank account. The Nevada net proceeds are restricted and must be expended according to the stated goals on the lottery license application filed with the Alcohol and Gaming Commission of Ontario. The stated goals are to support or expand community services delivered by the organization. At year end, \$712 (2018 - \$nil) was transferred to the unrestricted operating fund, representing residual fund reserves in excess of the actual externally restricted bank account balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) NET ASSETS OF THE ORGANIZATION (continued)

The purpose of the Development Fund is to provide for the establishment of new programs, the acquisition of capital assets, or such other purposes as the Board decides are in the best interests of the organization. By resolution of the Board, the Development Fund may be increased or decreased in size by transfers to or from the General Operating Fund. During the year, the organization approved a transfer of \$169,917 (2018 - \$nil) to the unrestricted operating fund to cover the cost of the Alaya care software and hardware purchased within the year as well as other specialized project work.

The General Operating Fund holds the remainder of net assets, providing liquidity to the organization. These net assets represent program funding, accumulated surplus from client fees and donations, and other assets.

(c) SHORT AND LONG TERM INVESTMENTS

As part of its cash management strategy the organization purchases various short and long term investments. The short term investments consist primarily of GIC's and high interest savings accounts with original maturities at date of purchase beyond three months and less than twelve months. Long term investments comprise the same type of investment but with maturities greater than twelve months. Both are carried at fair value which approximates cost.

(d) LEASES

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. At the inception of a capital lease, an asset and obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for short term investments, which are measured at fair value.

Financial assets measured at amortized cost include cash and accounts and contributions receivable.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities and surplus funding payable.

The organization's financial assets measured at fair value include short term and long term investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(f) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or deemed cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and method:

Vehicles	- 5	years straight line basis
Computer equipment	- 3 to 5	years straight line basis
Furniture and fixtures	- 5	years straight line basis
Leasehold improvements	- 5 to 10	years straight line basis
Computer software	- 3	years straight line basis

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed capital assets are recognized as revenue on the same basis as the amortization expense on the capital assets.

(g) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include contributions receivable, allowance for doubtful accounts, amortization and accrued liabilities. Actual results could differ from those estimates.

LINKS2CARE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) **CASH AND CASH EQUIVALENTS**

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and short term investments. Short term investments that the organization cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

(i) **ALLOCATED EXPENSES**

The organization allocates certain of its administrative expenses by identifying the appropriate basis of allocating each component expense. The organization allocates its administration expenses based on the time spent by program staff, or proportionate share of its related expenses, to the various categories. During the year, \$1,559,889 (2018 - \$1,566,388) of administration expenses were allocated to 24 programs (2018 - 22 programs), based on the identification, time, and effort spent on these programs.

(j) **CONTRIBUTED MATERIALS AND SERVICES**

During the year, a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements. Contributed materials, used in the normal course of operations, are recognized in the financial statements when the fair value can be reasonably estimated and the materials would otherwise have been purchased.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2019 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

4. SURPLUS FUNDING PAYABLE

Surplus funding payable represents the amount of excess funding received over annual expenses that is repayable to various government ministries including the Ontario Ministry of Health and Long-Term Care. At year end, \$432,698 (2018 - \$432,390) is required to be returned.

	2019	2018
2017 Ministry of Health and Long-Term Care - Personal Support Worker Training Fund	\$ 342,949	\$ 341,353
Local Health Integration Network - Community Support Services Programs	<u>89,749</u>	<u>91,037</u>
Total surplus funding payable	<u>\$ 432,698</u>	<u>\$ 432,390</u>

LINKS2CARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2019	Net 2018
Furniture and fixtures	\$ 275,364	\$ 260,110	\$ 15,254	\$ 50,791
Leasehold improvements	192,734	115,275	77,459	89,647
Computer software	<u>13,252</u>	<u>8,835</u>	<u>4,417</u>	<u>8,835</u>
	<u>\$ 510,711</u>	<u>\$ 413,581</u>	<u>\$ 97,130</u>	<u>\$ 149,273</u>

6. INVESTMENTS

The organization has five GICs (2018 - four) and zero high interest savings accounts (2018 - one) at BMO Investorline. The short term investments consist of the following:

	2019	2018
Short term Guaranteed Investment Certificate (GIC)		
Canadian Western Bank GIC, interest at 2.25%, due January 9, 2020	\$ 99,553	\$ 0
Bank of Montreal Mortgage GIC (30 day cashable), interest at 1.65%, due December 5, 2019	105,513	0
BMO Trust GIC, interest at 2.61%, due January 22, 2020	101,857	0
Equitable Bank GIC, interest at 1.65%, matured October 15, 2018	0	100,000
BMO Trust company GIC, interest at 1.85%, matured January 9, 2019	<u>0</u>	<u>96,882</u>
	306,923	196,882
Savings Accounts		
Cash	0	500,228
BMO High Interest Savings Account, interest at 1.27%	<u>0</u>	<u>104,240</u>
	<u>\$ 306,923</u>	<u>\$ 801,350</u>
Long term Guaranteed Investment Certificate (GIC)		
Concentra Bank GIC, interest at 3.00%, due January 11, 2021	\$ 98,675	\$ 0
Canadian Western Bank GIC, interest at 2.25%, due January 9, 2020	0	97,363
Equitable Bank GIC, interest at 2.46%, due January 1, 2021	<u>99,802</u>	<u>97,406</u>
	<u>\$ 198,477</u>	<u>\$ 194,769</u>

LINKS2CARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

7. LEASE COMMITMENTS

The organization has multiple long term leases with respect to its premises, as well as long term leases with respect to office equipment. The premises leases contain renewal options and provides for payment of property taxes. Future minimum lease payments as at year end are as follows:

2020	\$ 205,107
2021	201,032
2022	157,820
2023	153,650
2024	<u>153,650</u>
	<u>\$ 871,259</u>

8. CHILDREN'S PROGRAMS

The organization runs child programs in partnership with the Region of Halton. At year end, the breakdown of child program revenue was as follows:

	2019	2018
Region of Halton - Child Resource Centre	\$ 304,904	\$ 205,843
Region of Halton - Ontario Early Years	184,048	0
Region of Halton - One time funding	56,965	0
Region of Halton - Child Resource Centre wage grants	<u>59,815</u>	<u>76,492</u>
	<u>\$ 605,732</u>	<u>\$ 282,335</u>

9. CONTRIBUTED MATERIALS AND SERVICES

The organization relies on donated goods and services, including the services of the Board of Directors, to carry out its objectives. Where the amount can be estimated and would be purchased from a third party, if not donated, it is recorded in the financial statements at fair value. If the value of the donated good or service cannot be estimated, or would not be purchased from a third party in other circumstances, then it is not recorded in the financial statements. Management estimates that 165 volunteers (2018 - 232 volunteers) provided over 8,914 hours (2018 - 10,148 hours) of service to the organization. These volunteer hours have not been recorded as expenses in these financial statements.

LINKS2CARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

10. DEFERRED CONTRIBUTIONS

Deferred contributions represent the amount of restricted contributions that are related to expenses of future periods. When the expenses are incurred, the matching contributions will be recognized as revenue. At year end, \$45,586 (2018 - \$74,490) of the cash balance is restricted to be used for future programs.

	2019	2018
Programs		
LEAP Program	\$ 23,722	\$ 12,374
Halton Region	500	0
Halton Region - Child Care Resource Centre	0	29,436
Ontario Early Years Program	<u>1,909</u>	<u>1,909</u>
	26,131	43,719
Property and equipment		
Georgetown renovations funding	7,571	8,867
Advancement of Community Practice	<u>11,884</u>	<u>21,904</u>
	<u>\$ 45,586</u>	<u>\$ 74,490</u>

11. ACCREDITATION

The service accountability agreement requires the health service provider to be accredited by a recognized accreditation body. This accreditation ensures that the organization has met the required standards of quality set out by the agreement. Links2Care received a three year accreditation from CARF International which expires on June 30, 2021.