

**LINKS2CARE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**LINKS2CARE**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

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Chartered  
Professional  
Accountants

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of: Links2Care

We have audited the accompanying financial statements of Links2Care, which comprise the statement of financial position as at March 31, 2017 and the statements of changes in net assets, operations, 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.

### **Auditor's 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of Links2Care as at March 31, 2017 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.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario  
June 22, 2017

Chartered Professional Accountants  
Licensed Public Accountants

**LINKS2CARE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,303,903	\$ 2,172,941
Short term investments (note 6)	303,443	102,572
Accounts and contributions receivable	291,562	190,150
Prepaid expenses	<u>32,641</u>	<u>45,491</u>
	1,931,549	2,511,154
<b>LONG TERM INVESTMENTS</b> (note 6)	100,000	0
<b>PROPERTY AND EQUIPMENT</b> (note 5)	<u>193,638</u>	<u>116,476</u>
	<u>\$ 2,225,187</u>	<u>\$ 2,627,630</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 607,359	\$ 529,857
Government remittances payable	106,345	119,099
Deferred contributions (note 9)	86,214	108,214
Surplus funding payable (note 4)	<u>653,430</u>	<u>1,089,279</u>
	<u>1,453,348</u>	<u>1,846,449</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED GENERAL FUND</b>	308,905	318,247
<b>EXTERNALLY RESTRICTED LOTTERY FUND</b>	11,241	11,241
<b>INTERNALLY RESTRICTED DEVELOPMENT FUND</b>	<u>451,693</u>	<u>451,693</u>
	<u>771,839</u>	<u>781,181</u>
	<u>\$ 2,225,187</u>	<u>\$ 2,627,630</u>

**APPROVED ON BEHALF OF THE BOARD:**

 Maureen McCallister, Board Chair

 Don Benoit, Treasurer

**LINKS2CARE**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2017**

	Unrestricted General Fund	Externally Restricted Lottery Fund	Internally Restricted Development Fund	2017	2016
<b>NET ASSETS, beginning of year</b>	\$ 318,247	\$ 11,241	\$ 451,693	\$ 781,181	\$ 485,834
(Deficiency) excess of revenues over operating expenditures for the year	(9,342)	0	0	(9,342)	295,347
Development fund appropriation (note 10)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET ASSETS, end of year</b>	<u>\$ 308,905</u>	<u>\$ 11,241</u>	<u>\$ 451,693</u>	<u>\$ 771,839</u>	<u>\$ 781,181</u>

**LINKS2CARE**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Provincial - Local Health Integration Network	\$ 4,555,221	\$ 4,674,222
Provincial - Ministry of Health and Long-Term Care	347,462	124,360
Provincial - Ministry of Education	180,000	178,091
Regional - Children's Programs	243,829	217,251
Regional - Homelessness Programs	52,818	53,225
Regional - Community Investment Fund	60,000	50,000
United Way of Halton Hills	37,173	35,761
Municipal government	15,000	15,000
Other grants	27,494	30,493
Service fees and other	1,068,583	931,857
Donations	42,306	352,438
Fundraising	14,562	27,308
Rent	22,909	15,059
Service clubs and foundation revenue	93,116	53,806
Interest	4,720	4,036
	<u>6,765,193</u>	<u>6,762,907</u>
<b>EXPENDITURES</b>		
Employee wages and benefits	5,254,474	5,072,547
Program supplies and expenses	481,351	271,821
Building occupancy	360,785	333,820
Mileage and travel	174,464	158,773
Office	166,758	172,863
Other operating expenses	107,392	165,560
Professional fees	77,051	57,682
Contracted services	50,556	126,437
Amortization	43,559	31,840
Equipment and software	42,713	58,918
Staff training	15,432	17,299
	<u>6,774,535</u>	<u>6,467,560</u>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	(9,342)	295,347
<b>OTHER ITEMS</b>		
Development fund appropriation (drawdown) (note 10)	<u>0</u>	<u>(295,000)</u>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES for the year</b>	<u>\$ (9,342)</u>	<u>\$ 347</u>

**LINKS2CARE**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenue over expenditures for the year	\$ (9,342)	\$ 347
Items not requiring an outlay of cash		
Amortization	43,559	31,840
Development fund (appropriation) drawdown	<u>0</u>	<u>295,000</u>
	34,217	327,187
Changes in non-cash working capital		
Accounts and contributions receivable	(101,412)	50,907
Prepaid expenses	12,850	(16,868)
Accounts payable and accrued liabilities	77,502	(64,908)
Government remittances payable	(12,754)	24,341
Deferred contributions	(22,000)	54,057
Surplus funding payable	<u>(435,849)</u>	<u>571,299</u>
	<u>(447,446)</u>	<u>946,015</u>
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Additions to property and equipment	(120,721)	0
Long term investments	<u>(100,000)</u>	<u>0</u>
	<u>(220,721)</u>	<u>0</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(668,167)	946,015
<b>NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,275,513</u>	<u>1,329,498</u>
<b>NET CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,607,346</u>	<u>\$ 2,275,513</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash	\$ 1,303,903	\$ 2,172,941
Short term investments	<u>303,443</u>	<u>102,572</u>
	<u>\$ 1,607,346</u>	<u>\$ 2,275,513</u>

## LINKS2CARE

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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#### 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.

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.

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.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) SHORT TERM INVESTMENTS

As part of its cash management strategy the organization purchases various short term investments. These 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, and 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, except for certain non-arm's length transactions.

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, deferred contributions and surplus funding payable.

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.

**LINKS2CARE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(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

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.

(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, \$1,427,330 (2016 - \$1,267,391) of administration expenses were allocated to 29 programs (2016 - 29 programs), based on the identification, time, and effort spent on these programs.

**LINKS2CARE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(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 their financial instruments.

The extent of the organization's exposure to these risks did not change in 2017 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, \$653,430 (2016 - \$1,089,279) is required to be returned.

	<b>2017</b>	<b>2016</b>
2015 Ministry of Health and Long-Term Care - Personal Support Worker Training Fund	\$ 0	\$ 514,955
2016 Ministry of Health and Long-Term Care - Personal Support Worker Training Fund	0	500,524
2017 Ministry of Health and Long-Term Care - Personal Support Worker Training Fund	549,437	0
Local Health Integration Network - Community Support Services Programs	<u>103,993</u>	<u>73,800</u>
Total surplus funding payable	<u>\$ 653,430</u>	<u>\$ 1,089,279</u>

**5. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2017</b>	<b>Net 2016</b>
Vehicles	\$ 25,354	\$ 25,354	\$ 0	\$ 0
Computer equipment	4,007	4,007	0	0
Furniture and fixtures	275,364	187,743	87,621	83,754
Leasehold improvements	<u>192,734</u>	<u>86,717</u>	<u>106,017</u>	<u>32,722</u>
	<u>\$ 497,459</u>	<u>\$ 303,821</u>	<u>\$ 193,638</u>	<u>\$ 116,476</u>

**LINKS2CARE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

**5. PROPERTY AND EQUIPMENT (continued)**

A program funded by the Local Health Integration Network, starting in F2016, has one time capital costs totalling \$60,704 for the purchase of furniture and fixtures and leasehold improvements during the current and prior fiscal year. The contribution is recognized as revenue on the same basis as the related amortization expense for the furniture and fixtures and leasehold improvements. The revenue is included in other grants in the amount of \$10,020 (2016 - \$10,018).

**6. INVESTMENTS**

The organization has five GICs (2016 - none) and one high interest savings accounts (2016 - one) at BMO Investorline. The short term investments consist of the following:

	<b>2017</b>	<b>2016</b>
<b>Short term Guaranteed Investment Certificate (GIC)</b>		
Bank of Montreal Mortgage GIC (cashable), interest at 0.850% due October 13, 2017	\$ 50,000	\$ 0
Bank of Montreal Mortgage GIC (cashable), interest at 0.850% due October 13, 2017	50,000	0
BMO Trust GIC (cashable), interest at 0.850% due October 13, 2017	50,000	0
Bank of Montreal GIC (cashable), interest at 0.850% due October 17, 2017	<u>50,000</u>	<u>0</u>
	<u>200,000</u>	<u>0</u>
<b>Savings Accounts</b>		
BMO High Interest Savings Account, interest at 1.27%	<u>103,443</u>	<u>102,572</u>
	<u>\$ 303,443</u>	<u>\$ 102,572</u>
<b>Long term Guaranteed Investment Certificate (GIC)</b>		
Equitable Bank GIC, interest at 1.650% due October 15, 2018	<u>\$ 100,000</u>	<u>\$ 0</u>

**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:

2018	\$ 291,308
2019	229,486
2020	205,107
2021	201,032
2022	<u>157,820</u>
	<u>\$ 1,084,753</u>

**LINKS2CARE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

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**8. 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 238 volunteers (2016 - 245 volunteers) provided over 10,813 hours (2016 - 10,798 hours) of service to the organization. These volunteer hours have not been recorded as expenses in these financial statements.

**9. 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, \$86,214 (2016 - \$108,214) of the cash balance is restricted to be used for future programs.

	<b>2017</b>	<b>2016</b>
<b>Programs</b>		
Winter Warmth	0	3,504
LEAP Program	\$ 12,915	\$ 8,175
Trillium funding - Elder Talk	18,008	29,292
Halton Region - Youth	10,000	10,000
Halton Region - Child Care Resource Centre	0	13,390
Ontario Early Years Program	<u>1,909</u>	<u>1,909</u>
	42,832	66,270
<b>Property and equipment</b>		
Georgetown renovations funding	11,458	0
Advancement of Community Practice	<u>31,924</u>	<u>41,944</u>
	<u>\$ 86,214</u>	<u>\$ 108,214</u>

**10. INTERFUND TRANSFERS**

Effective March 31, 2017, the Board has approved: 1) an interfund transfer of \$0 (2016 - \$0) from the Lottery Fund to the General Fund; and 2) an appropriation from the Development Fund of \$0 (2016 - a drawdown of the General Fund \$295,000).

**11. MISSISSAUGA HALTON LOCAL HEALTH INTEGRATION NETWORK**

Links2Care has a service accountability agreement with Mississauga Halton Local Health Integration Network (the "LHIN") for the period April 1, 2014 to March 31, 2017. The service accountability agreement enables Links2Care to provide services funded by the LHIN. It supports a collaborative relationship between Links2Care and the LHIN to improve the health of Ontario residents through better access to high quality health services. The funding to be received from the LHIN represents approximately 67% (2016 - 69%) of revenue.

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, 2018.

**LINKS2CARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**12. CORRESPONDING FIGURES**

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.