

Peel Senior Link
Financial Statements
For the year ended March 31, 2019

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Independent Auditor's Report

To the Board of Directors of Peel Senior Link

Opinion

We have audited the financial statements of Peel Senior Link (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 Organization 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 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 Organization'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 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.

Independent Auditor's Report (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Mississauga, Ontario
June 26, 2019

Peel Senior Link
Statement of Financial Position

March 31 **2019** **2018**

Assets

Current

Cash	\$ 1,557,000	\$ 1,497,078
Accounts receivable	79,068	77,257
Prepaid expenses and deposits	12,877	25,244
	1,648,945	1,599,579

Capital assets (Note 2)	26,078	33,452
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	\$ 1,675,023	\$ 1,633,031
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 3)	\$ 638,141	\$ 683,095
Deferred revenue	68,863	61,185
Due to Ministry	760,823	594,876
	1,467,827	1,339,156

Deferred capital contributions (Note 4)	18,102	26,380
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	1,485,929	1,365,536
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Net Assets

Funds Invested in Capital Assets	7,976	7,072
Contingency Fund	181,118	211,863
General Fund	-	48,560
	189,094	267,495

	\$ 1,675,023	\$ 1,633,031
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On behalf of the Board:

 _____ Director

 _____ Director

The accompanying notes are an integral part of these financial statements.

Peel Senior Link
Statement of Changes in Net Assets

For the year ended March 31

	Funds Invested in Capital Assets	Contingency Fund	General Fund	2019 Total	2018 Total
Balance, beginning of year	\$ 7,072	\$ 211,863	\$ 48,560	\$ 267,495	\$ 247,513
Excess (deficiency) of revenue over expenditures for the year	-	-	(78,401)	(78,401)	19,982
Interest income	-	2,631	(2,631)	-	-
Transfer of funds	-	(33,376)	33,376	-	-
Purchase of capital assets	3,575	-	(3,575)	-	-
Amortization of capital assets	(10,949)	-	10,949	-	-
Amortization of deferred capital contributions	8,278	-	(8,278)	-	-
Balance, end of year	\$ 7,976	\$ 181,118	\$ -	\$ 189,094	\$ 267,495

The accompanying notes are an integral part of these financial statements.

**Peel Senior Link
Statement of Operations**

For the year ended March 31				2019		2018	
		General	MSA	MH LHIN	CW LHIN	Total	Total
Revenue							
Funding							
MH LHIN	\$ -	\$ -	\$ 6,722,353	\$ 682,674	\$ 7,405,027	\$ 7,257,770	
MH LHIN one time	-	-	129,600	-	129,600	29,984	
CW LHIN one time	-	-	-	20,910	20,910	19,420	
Less: Due to Ministry	-	-	(181,129)	(2,822)	(183,951)	(203,676)	
MSA	-	48,502	-	-	48,502	-	
Donations	10,906	-	-	-	10,906	11,395	
Other (Note 7)	337,101	-	-	-	337,101	331,285	
Interest	2,631	-	11,197	-	13,828	5,189	
	350,638	48,502	6,682,021	700,762	7,781,923	7,451,367	
Expenditures							
Advertising	54	-	4,507	184	4,745	5,659	
Communications	1,724	100	55,255	6,854	63,933	59,769	
Insurance	-	-	11,616	741	12,357	11,789	
Office and supplies	19,336	4,356	192,054	22,841	238,587	223,327	
Professional fees	990	-	57,241	445	58,676	61,922	
Purchased services	8,527	30,248	43,541	6,976	89,292	98,738	
Rent and occupancy costs	5,301	-	94,750	5,898	105,949	111,728	
Salaries and benefits	328,931	13,614	6,115,240	664,176	7,121,961	6,670,950	
Training	43,817	-	20,059	1,426	65,302	94,032	
Travel	7,235	184	87,758	1,674	96,851	91,377	
	415,915	48,502	6,682,021	711,215	7,857,653	7,429,291	
Excess (deficiency) of revenue over expenditures before undernoted items							
	(65,277)	-	-	(10,453)	(75,730)	22,076	
Other income (expenditures)							
Amortization	(10,949)	-	-	-	(10,949)	(11,068)	
Deferred capital contributions	8,278	-	-	-	8,278	8,974	
Excess (deficiency) of revenue over expenditures							
	\$ (67,948)	\$ -	\$ -	\$ (10,453)	\$ (78,401)	\$ 19,982	

The accompanying notes are an integral part of these financial statements.

Peel Senior Link
Statement of Cash Flows

For the year ended March 31	2019	2018
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (78,401)	\$ 19,982
Adjustments required to reconcile excess (deficiency) of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	10,949	11,068
Amortization of deferred capital contributions	(8,278)	(8,974)
Changes in non-cash working capital balances		
Accounts receivable	(1,811)	6,253
Prepaid expenses and deposits	12,367	(993)
Accounts payable and accrued liabilities	(44,954)	118,588
Deferred revenue	7,678	5,450
Due to Ministry	165,947	193,250
	63,497	344,624
Investing activities		
Purchase of capital assets	(3,575)	-
	59,922	344,624
Increase in cash during the year	59,922	344,624
Cash, beginning of year	1,497,078	1,152,454
Cash, end of year	\$ 1,557,000	\$ 1,497,078

The accompanying notes are an integral part of these financial statements.

Peel Senior Link
Notes to Financial Statements

March 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Peel Senior Link (the "Organization") is a non-profit organization incorporated without share capital. The Organization was incorporated under the provisions of the Canada Not-for-profit Corporations Act, and during the year, the Organization became incorporated under the Corporations Act (Ontario), effective March 28, 2019.

The purpose of Peel Senior Link is to provide quality and valued community support services and programs with older adults that incorporate an integrated model, maximize independence, foster stability, and thereby prevent/delay unnecessary hospital utilization or Long Term Care Home placement.

The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Revenue Recognition

The Organization follows the deferral method of accounting for revenue, whereby restricted sources of revenue are recognized as revenue in the year in which the related expenses are incurred. Unrestricted sources of revenue, such as donations, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants and subsidies are recognized as revenue in the period in which the related expenses are incurred.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a diminishing balance basis based on the useful lives of assets as follows:

Computer equipment	-	30%
Office equipment	-	20%
Furniture and fixtures	-	20%
Leasehold improvements	-	over term of lease

Deferred Revenue

Deferred revenue relates to restricted funds received in advance for expenses to be incurred in the following fiscal year.

Peel Senior Link
Notes to Financial Statements

March 31, 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Funds Invested in Capital Assets Funds invested in capital assets represents funds provided for the acquisition and financing of capital assets. The financing of funds invested in capital assets is transferred from operations on an annual basis. All amortization of capital assets is charged to this fund.

Contingency Fund The Board of Directors has established a contingency fund to allow for extraordinary and unanticipated general contingencies incidental to the operations of Peel Senior Link.

Contributed Materials and Services Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. There were no contributed materials and services in the current or prior year.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenditures for the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

Peel Senior Link
Notes to Financial Statements

March 31, 2019

2. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 125,475	\$ 118,656	\$ 121,900	\$ 115,734
Office equipment	20,585	16,666	20,585	15,686
Furniture and fixtures	32,676	30,180	32,676	29,556
Leasehold improvements	64,221	51,377	64,221	44,954
	\$ 242,957	\$ 216,879	\$ 239,382	\$ 205,930
Net book value		\$ 26,078		\$ 33,452

3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is \$64,524 (2018 - \$67,797) in government withholding taxes.

4. Deferred Capital Contributions

	2019		2018	
Balance, beginning of year	\$ 26,380		\$ 35,354	
Amortization of deferred capital contributions		(8,278)		(8,974)
Balance, end of year	\$ 18,102		\$ 26,380	

5. Funding

The Organization is dependent upon the Mississauga Halton Local Health Integration Network (MH LHIN) as well as the Central West Local Health Integration Network (CW LHIN) for the majority of its funding. In recognition of this risk, the Organization identified the diversification of funding sources through strategic and annual business plans as a risk mitigation strategy.

6. Line of Credit

The Organization has a line of credit of \$50,000 available for its use, that bears interest at prime plus 2.3% (2018 - prime plus 2.3%), and is secured by book debts. No amounts have been drawn on the line of credit.

Peel Senior Link
Notes to Financial Statements

March 31, 2019

7. Other Revenue and Grants

	2019	2018
Other Revenue		
General	\$ 15,220	\$ 12,356
Other Grants		
Bathing Program	33,170	33,102
Integrated Seniors Team Program	190,054	186,009
Region of Peel	49,232	72,668
Training Development for Support Workers	42,075	27,150
Seniors Active Living Centres Program	7,350	-
	\$ 337,101	\$ 331,285

8. Commitments

The Organization has operating lease commitments for equipment, software maintenance, and rent. Future minimum annual payments over the next four years are as follows:

2020	\$ 241,815
2021	238,244
2022	129,150
2023	37,698
	\$ 646,907

9. Financial Instrument Risk

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk arising from its accounts receivable. This risk has not changed from the prior year.

10. Comparative Figures

Certain figures in the prior year financial statements have been reclassified to conform to the current year's method of presentation.