

Peel Senior Link
Financial Statements
For the year ended March 31, 2020

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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, 2020, 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, 2020, 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 25, 2020

Peel Senior Link
Statement of Financial Position

March 31 **2020** **2019**

Assets

Current

Cash	\$ 1,063,182	\$ 1,557,000
Accounts receivable	103,132	79,068
Prepaid expenses and deposits	19,700	12,877
	1,186,014	1,648,945

Capital assets (Note 2) 35,829 26,078

\$ 1,221,843 **\$ 1,675,023**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 3)	\$ 612,715	\$ 638,141
Deferred revenue (Note 4)	94,076	68,863
Due to Ministry	316,083	760,823
	1,022,874	1,467,827

Deferred capital contributions (Note 5) 29,827 18,102

1,052,701 **1,485,929**

Net Assets

Funds Invested in Capital Assets	6,002	7,976
Contingency Fund	163,140	181,118
	169,142	189,094

\$ 1,221,843 **\$ 1,675,023**

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	2020 Total	2019 Total
Balance, beginning of year	\$ 7,976	\$ 181,118	\$ -	\$ 189,094	\$ 267,495
Deficiency of revenue over expenditures for the year	-	-	(19,952)	(19,952)	(78,401)
Interest income	-	3,803	(3,803)	-	-
Transfer of funds	-	(21,781)	21,781	-	-
Purchase of capital assets	20,528	-	(20,528)	-	-
Capital contributions received	(20,528)	-	20,528	-	-
Amortization of capital assets	(10,777)	-	10,777	-	-
Amortization of deferred capital contributions	8,803	-	(8,803)	-	-
Balance, end of year	\$ 6,002	\$ 163,140	\$ -	\$ 169,142	\$ 189,094

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

**Peel Senior Link
Statement of Operations**

For the year ended March 31				2020		2019						
		General	MSA	MH LHIN	CW LHIN	Total	Total					
Revenue												
Funding												
LHIN	\$	-	\$	-	\$	6,722,353	\$	7,410,865	\$	7,405,027		
MH LHIN												
one time		-	-	513,259	-	513,259		513,259		129,600		
CW LHIN												
one time		-	-	-	70,038	70,038		70,038		20,910		
MSA		-	42,574	-	-	42,574		42,574		48,502		
Less: Due to												
Ministry		-	-	(242,606)	-	(242,606)		(242,606)		(183,951)		
Donations		20,928	-	-	-	20,928		20,928		10,906		
Other (Note 8)		390,005	-	-	-	390,005		390,005		337,101		
Interest		3,803	-	10,436	-	14,239		14,239		13,828		
		414,736	42,574	7,003,442	758,550	8,219,302		8,219,302		7,781,923		
Expenditures												
Advertising		-	-	2,890	-	2,890		2,890		4,745		
Communications		3,118	260	117,646	10,102	131,126		131,126		63,933		
Insurance		-	-	18,978	791	19,769		19,769		12,357		
Office and												
supplies		2,714	1,999	188,295	11,812	204,820		204,820		238,587		
Professional fees		57,288	-	36,804	-	94,092		94,092		58,676		
Purchased												
services		10,096	2,994	101,848	8,755	123,693		123,693		89,292		
Rent and												
occupancy costs		5,301	-	102,619	5,600	113,520		113,520		105,949		
Salaries and												
benefits		298,399	36,686	6,316,085	765,301	7,416,471		7,416,471		7,121,961		
Training		1,949	41	22,197	-	24,187		24,187		65,302		
Travel		6,100	594	96,080	3,938	106,712		106,712		96,851		
		384,965	42,574	7,003,442	806,299	8,237,280		8,237,280		7,857,653		
Excess (deficiency) of revenue over expenditures before undernoted items												
		29,771	-	-	(47,749)	(17,978)		(17,978)		(75,730)		
Other income (expenditures)												
Amortization		(10,777)	-	-	-	(10,777)		(10,777)		(10,949)		
Deferred capital contributions		8,803	-	-	-	8,803		8,803		8,278		
Excess (deficiency) of revenue over expenditures												
	\$	27,797	\$	-	\$	-	\$	(47,749)	\$	(19,952)	\$	(78,401)

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

**Peel Senior Link
Statement of Cash Flows**

For the year ended March 31	2020	2019
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenditures	\$ (19,952)	\$ (78,401)
Adjustments required to reconcile deficiency of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	10,777	10,949
Amortization of deferred capital contributions	(8,803)	(8,278)
Changes in non-cash working capital balances		
Accounts receivable	(24,064)	(1,811)
Prepaid expenses and deposits	(6,823)	12,367
Accounts payable and accrued liabilities	(25,426)	(44,954)
Deferred revenue	25,213	7,678
Due to Ministry	(444,740)	165,947
	(493,818)	63,497
Investing activity		
Purchase of capital assets	(20,528)	(3,575)
Financing activity		
Deferred capital contributions received	20,528	-
Increase (decrease) in cash during the year	(493,818)	59,922
Cash, beginning of year	1,557,000	1,497,078
Cash, end of year	\$ 1,063,182	\$ 1,557,000

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

Peel Senior Link

Notes to Financial Statements

March 31, 2020

1. 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 help seniors live at home independently with integrated support and services, and advancing care excellence in the community to help seniors age at home with dignity.

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.

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 and of deferred capital contributions is charged to this fund.

Peel Senior Link

Notes to Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

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.

2. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 146,003	\$ 121,728	\$ 125,475	\$ 118,656
Office equipment	20,585	17,450	20,585	16,666
Furniture and fixtures	32,676	30,679	32,676	30,180
Leasehold improvements	64,221	57,799	64,221	51,377
	\$ 263,485	\$ 227,656	\$ 242,957	\$ 216,879
Net book value		\$ 35,829		\$ 26,078

Peel Senior Link
Notes to Financial Statements

March 31, 2020

3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is \$63,458 (2019 - \$64,524) in government withholding taxes.

4. Deferred Revenue

Deferred revenue consists of the following:

	<u>2020</u>	<u>2019</u>
Deferred revenue - LHIN	\$ -	\$ 11,569
Deferred revenue - Region of Peel	83,923	57,294
Deferred revenue - MSA	10,153	-
	\$ 94,076	\$ 68,863

5. Deferred Capital Contributions

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 18,102	\$ 26,380
Capital contributions received	20,528	-
Amortization of deferred capital contributions	(8,803)	(8,278)
Balance, end of year	\$ 29,827	\$ 18,102

6. 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.

7. 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% (2019 - 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, 2020

8. Other Revenue and Grants

	<u>2020</u>	<u>2019</u>
Other Revenue		
General	\$ 18,283	\$ 15,220
Other Grants		
Bathing Program	32,270	33,170
Integrated Seniors Team Program	192,288	190,054
Region of Peel	147,164	49,232
Training Development for Support Workers	-	42,075
Seniors Active Living Centres Program	-	7,350
	<u>\$ 390,005</u>	<u>\$ 337,101</u>

9. Commitments

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

2021	\$ 240,796
2022	129,150
2023	<u>37,698</u>
	<u>\$ 407,644</u>

10. 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.

11. Subsequent Event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Organization, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, sector, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.