

Yor-Sup Net Support Services Network
Financial Statements
For the Year Ended March 31, 2017

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Independent Auditor's Report

To the Members of Yor-Sup Net Support Services Network

We have audited the accompanying financial statements of Yor-Sup Net Support Services Network, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and changes in net assets 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yor-Sup Net Support Services Network 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

May 25, 2017

Newmarket, Ontario

Yor-Sup Net Support Services Network Statement of Financial Position

March 31 2017 2016

Assets

Current

Cash	\$ 945,257	\$ 977,875
Accounts receivable (Note 2)	397,939	210,971
Prepaid expenses	7,469	42,996
	<u>1,350,665</u>	<u>1,231,842</u>

Property, plant and equipment (Note 3) 120,638 142,358

\$ 1,471,303 \$ 1,374,200

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 4)	\$ 216,951	\$ 185,549
Accrued vacation	-	19,770
Payable to the Province of Ontario (Note 5)	808,136	690,893
	<u>1,025,087</u>	<u>896,212</u>

Deferred revenue and other long-term liabilities (Note 6) 120,638 142,358

1,145,725 1,038,570

Commitments (Note 7)

Net Assets

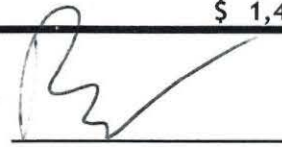
Special Reserve Fund 325,578 335,630

325,578 335,630

\$ 1,471,303 \$ 1,374,200

On behalf of the Board:

 Director

 Director

Yor-Sup Net Support Services Network Statement of Operations and Net Assets

Year ended March 31	Operating Fund	Special Reserve Fund	2017 Total	2016 Total
Revenue				
Province of Ontario - funding	\$ 27,289,102	\$ -	\$ 27,289,102	\$ 25,721,062
Provincial funding repayable	(423,989)	-	(423,989)	(481,934)
Net Provincial funding	26,865,113	-	26,865,113	25,239,128
Expenditure recovery	302,006	-	302,006	368,923
CTN and CMHA	1,565,662	-	1,565,662	1,572,082
Deferred funding - property, plant and equipment	62,385	-	62,385	61,234
Interest income	6,599	4	6,603	8,800
Client fund	-	1,698	1,698	1,740
Other income	74,976	-	74,976	18,857
Client specific donations	-	4,536	4,536	9,315
Donations, interest and membership fees	-	5,475	5,475	19,227
	28,876,741	11,713	28,888,454	27,299,306
Expenses				
Advertising and promotion	14,690	-	14,690	13,725
Amortization	62,385	-	62,385	61,234
Bank charges	7,616	5	7,621	8,233
Benefits	1,959,172	-	1,959,172	1,839,400
Client fund expenses	-	7,456	7,456	3,947
Client specific donation	-	2,512	2,512	15,989
Equipment	47,823	-	47,823	37,397
Insurance	45,283	-	45,283	35,697
Minor equipment purchases and renovations	66,736	-	66,736	82,304
Occupancy costs	737,448	-	737,448	719,345
Other expenses	-	11,792	11,792	10,120
Professional fees	466,005	-	466,005	620,127
Purchased services	14,911,800	-	14,911,800	13,210,010
Repairs and maintenance	8,297	-	8,297	35,492
Salaries	9,712,188	-	9,712,188	9,772,396
Sessional fees	43,324	-	43,324	55,228
Staff training	88,196	-	88,196	79,455
Staff travel	247,826	-	247,826	243,960
Supplies and miscellaneous	322,337	-	322,337	327,613
Telephone and data communication	135,615	-	135,615	127,970
	28,876,741	21,765	28,898,506	27,299,642
Deficiency of revenues over expenses for the year	-	(10,052)	(10,052)	(336)
Net assets, beginning of year	-	335,630	335,630	335,966
Net assets, end of year	\$ -	\$ 325,578	\$ 325,578	\$ 335,630

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

Yor-Sup Net Support Services Network Statement of Cash Flows

Year ended March 31	2017	2016
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (10,052)	\$ (336)
Items not affecting cash:		
Amortization of property, plant and equipment	62,385	61,234
Amortization of deferred funding - property, plant and equipment	(62,385)	(61,234)
	(10,052)	(336)
Changes in non-cash working capital:		
Accounts receivable	(186,968)	(62,305)
Prepaid expenses	35,527	(42,144)
Accounts payable and accrued liabilities	31,402	(744,271)
Accrued vacation	(19,770)	19,278
Payable to the Province of Ontario	117,243	428,102
Deferred funding - property, plant and equipment	40,665	28,321
	8,047	(373,355)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(40,665)	(28,321)
 Decrease in cash	 (32,618)	 (401,676)
Cash, beginning of the year	977,875	1,379,551
Cash, end of the year	\$ 945,257	\$ 977,875

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

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2017

1. Significant Accounting Policies

Nature and Purpose of Organization	The organization was incorporated without share capital under the laws of Ontario as a non-profit corporation to provide support services for the developmentally handicapped and mental health clients. Under provisions in the Income Tax Act the organization is exempt from tax as a charitable organization.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions.</p> <p>The organization is funded primarily through contribution agreements with various departments of the Government of Ontario. The funds are contributed under certain conditions including the requirement that they be spent for the purposes set out in the related contribution agreement.</p> <p>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.</p> <p>Contributions restricted for the purchase of property, plant and equipment are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related property, plant and equipment.</p> <p>Revenue from fees and other contracts are recognized when the services are provided.</p> <p>Deferred revenue includes payments received in advance for programs commencing in the next fiscal year. The amounts will be recognized as revenue according to the revenue recognition policies adopted by the organization.</p>

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2017

1. Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in operations. All other 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 expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost and amortized over the expected life of the instrument using the straight line method.

The organization's financial instruments comprise cash which is recorded at fair value and accounts receivable which are recorded at amortized cost.

Property, Plant and Equipment

Purchased tangible property, plant and equipment are stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible property, plant and equipment are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Computer equipment	Straight-line	33%
Furniture, fixtures and equipment	Straight-line	20%
Leasehold improvements	Straight-line	20%

Contributed Materials and Services

Contributed materials and services are recorded at fair market value when fair value can be reasonably estimated and when the material and service is used in the normal course of the organization's operations and would otherwise be purchased.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported period. The principal estimates used in the preparation of these financial statements include useful life and valuation of property, plant and equipment accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2017

2. Accounts Receivable

	2017	2016
Harmonized Sales Tax receivable	\$ 90,484	\$ 100,220
CTN Grant	-	31,666
MCSS - Passport	241,298	-
Rent rebates	32,324	-
Community & Home Assistance to Seniors	5,786	-
Catulpa	-	6,265
Employer Health Tax	26,325	26,323
ABUSE program - York Region	-	3,749
Miscellaneous	1,722	42,748
	<u>\$ 397,939</u>	<u>\$ 210,971</u>

3. Property, Plant and Equipment

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 481,616	\$ 422,407	\$ 440,951	\$ 409,688
Furniture, fixtures and equipment	299,192	247,626	299,192	212,235
Leasehold improvements	71,376	61,513	71,376	47,238
	<u>852,184</u>	<u>731,546</u>	<u>811,519</u>	<u>669,161</u>
	<u>\$ 120,638</u>		<u>\$ 142,358</u>	

4. Accounts Payable and Accrued Liabilities

	2017	2016
Payroll accrual	\$ 15,249	\$ 70,704
Passport and SSAH	166,257	94,057
Audit accrual	20,000	20,000
Miscellaneous	15,445	788
	<u>\$ 216,951</u>	<u>\$ 185,549</u>

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2017

5. Payable to the Province of Ontario

As a result of past Provincial Ministry settlements and current program surpluses, the organization recognizes funding payable to the Province of Ontario. At year end, the amount owing to the Province of Ontario was \$808,136 (2016 - \$690,893). This balance consists of three funding Ministries and is made up of the following accounts:

	MOH		MCSS		MCYS		Total
Current year	\$	123,432	\$	296,504	\$	4,053	\$ 423,989
Prior year		-		374,049		10,098	384,147
Total	\$	123,432	\$	670,553	\$	14,151	\$ 808,136

6. Deferred Funding - Property, Plant and Equipment

	2017		2016	
Balance, beginning of the year	\$	142,358	\$	175,271
Add: Additions during the year		40,665		28,321
Less: Amount amortized to revenue		(62,385)		(61,234)
Balance, end of the year	\$	120,638	\$	142,358

7. Commitments

The organization has the following minimum annual payments on its long-term lease commitments for premises:

	Newmarket/Aurora		Markham		Other	
2018	\$	238,034	\$	79,839	\$	20,754
2019		238,034		-		9,954
2020		238,034		-		9,954
2021		238,034		-		3,318
2022		210,784		-		-
Balance of leases		468,017		-		-

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2017

8. Special Reserve Fund

The organization has established an internally restricted reserve fund to track donation funding received and to support various initiatives outside of the scope of the operating fund.

9. Financial Instruments

Concentration risk

The organization's financial instruments that are exposed to concentration risk relate primarily to cash as all of the organization's cash is held at one major Canadian financial institution.

The organization receives approximately 92% (2016 - 94%) of its revenue from the Province of Ontario and is dependent on this funding to deliver its programs.

10. Comparative Figures

Certain figures presented for comparative purposes have been restated to conform with the financial statement presentation adopted in 2017.
