

**Yor-Sup Net Support Services Network
Financial Statements
For the Year Ended March 31, 2019**

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Independent Auditor's Report

To the Members of Yor-Sup Net Support Services Network

Opinion

We have audited the financial statements of *Yor-Sup Net Support Services Network* (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in net assets 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.

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

May 28, 2019


Newmarket, Ontario

**Yor-Sup Net Support Services Network
Statement of Financial Position**

March 31	2019	2018
Assets		
Current		
Cash	\$ 3,562,768	\$ 4,240,287
Accounts receivable (Note 2)	215,706	158,440
Prepaid expenses	76,489	4,156
	3,854,963	4,402,883
Tangible capital assets (Note 3)	176,645	143,268
	\$ 4,031,608	\$ 4,546,151
 Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 1,608,994	\$ 2,111,329
Deferred revenue	151,478	210,419
Payable to the Province of Ontario (Note 5)	1,775,872	1,757,801
	3,536,344	4,079,549
Deferred revenue - tangible capital assets (Note 6)	176,645	143,268
	3,712,989	4,222,817
 Commitments (Note 7)		
Net Assets		
Special Reserve Fund	318,619	323,334
	\$ 4,031,608	\$ 4,546,151

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	2019 Total	2018 Total
Revenue				
Province of Ontario - funding	\$ 29,025,242	\$ -	\$ 29,025,242	\$ 31,431,182
Provincial funding repayable (Note 5)	(525,652)	-	(525,652)	(1,250,220)
Net Provincial funding	28,499,590	-	28,499,590	30,180,962
Expenditure recovery	313,479	-	313,479	318,244
CTN and CMHA	1,631,525	-	1,631,525	1,614,243
Deferred funding - property, plant and equipment	63,417	-	63,417	37,624
Interest income	28,843	2,533	31,376	11,868
Other income	595,648	196	595,844	255,197
Client specific donations	-	25,970	25,970	15,121
Donations and membership fees	-	482	482	5,208
	31,132,502	29,181	31,161,683	32,438,467
Expenses				
Advertising and promotion	24,901	-	24,901	12,584
Amortization	63,417	-	63,417	37,624
Bank charges	7,746	580	8,326	9,126
Benefits	2,146,735	-	2,146,735	1,980,556
Client fund expenses	-	4,269	4,269	4,800
Client specific donation	-	7,805	7,805	3,802
Equipment	70,584	-	70,584	46,210
Insurance	41,841	-	41,841	42,511
Minor equipment purchases	102,220	-	102,220	100,593
Occupancy costs	651,315	-	651,315	640,348
Other expenses	-	21,242	21,242	14,186
Professional fees	772,738	-	772,738	433,307
Purchased services	15,216,338	-	15,216,338	18,147,660
Renovations	-	-	-	5,210
Repairs and maintenance	7,872	-	7,872	14,054
Salaries	11,031,986	-	11,031,986	10,121,829
Sessional fees	42,462	-	42,462	43,502
Staff training	60,461	-	60,461	58,850
Staff travel	237,270	-	237,270	257,847
Supplies and miscellaneous	474,064	-	474,064	334,362
Telephone and data communication	180,552	-	180,552	131,750
	31,132,502	33,896	31,166,398	32,440,711
Deficiency of revenues over expenses for the year	-	(4,715)	(4,715)	(2,244)
Net assets, beginning of year	-	323,334	323,334	325,578
Net assets, end of year	\$ -	\$ 318,619	\$ 318,619	\$ 323,334

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	2019	2018
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (4,715)	\$ (2,244)
Items not affecting cash:		
Amortization of tangible capital assets	63,417	37,624
Amortization of deferred funding - tangible capital assets	(63,417)	(37,624)
	(4,715)	(2,244)
Changes in non-cash working capital:		
Accounts receivable	(57,266)	239,499
Prepaid expenses	(72,333)	3,313
Accounts payable and accrued liabilities	(502,335)	608,527
Deferred revenue	(58,941)	127,495
Payable to the Province of Ontario	18,071	949,665
Deferred revenue - tangible capital assets	96,794	60,254
	(580,725)	1,986,509
Cash flows from investing activities		
Acquisition of tangible capital assets	(96,794)	(60,254)
Net (decrease) increase in cash	(677,519)	1,926,255
Cash, beginning of the year	4,240,287	2,314,032
Cash, end of the year	\$ 3,562,768	\$ 4,240,287

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

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies

Nature and Purpose of Organization	Yor-Sup Net Support Service Network (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 tangible capital assets.</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, 2019

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 assets comprise cash which is recorded at fair value and accounts receivable and accounts payable and accrued liabilities which are recorded at amortized cost.

Tangible Capital Assets 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, 2019

2. Accounts Receivable

	2019	2018
Harmonized Sales Tax receivable	\$ 115,285	\$ 84,721
Rent rebates	22,730	27,522
Community & Home Assistance to Seniors	6,300	3,822
Trillium	-	7,400
Employer Health Tax	26,269	26,325
Cedar Centre	-	3,749
Miscellaneous	45,122	4,901
	\$ 215,706	\$ 158,440

3. Tangible Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 566,571	\$ 474,992	\$ 500,813	\$ 451,639
Furniture, fixtures and equipment	312,393	278,008	299,192	254,470
Leasehold improvements	130,268	79,587	112,432	63,060
	1,009,232	832,587	912,437	769,169
		\$ 176,645		\$ 143,268

4. Accounts Payable and Accrued Liabilities

	2019	2018
Payroll accrual	\$ 499,030	\$ 65,225
Passport and SSAH	808,489	2,016,821
Kinark	267,466	-
Audit accrual	20,000	20,000
Miscellaneous	14,009	9,283
	\$ 1,608,994	\$ 2,111,329

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2019

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 \$1,775,872 (2018 - \$1,757,801). This balance consists of three funding Ministries and is made up of the following accounts:

	MOH	MCSS	MCYS	Total
Current year	\$ 96,751	\$ 425,037	\$ 3,864	\$ 525,652
Prior years	114,674	1,122,306	13,240	1,250,220
Total	\$ 211,425	\$ 1,547,343	\$ 17,104	\$ 1,775,872

6. Deferred Revenue - Tangible Capital Assets

	2019	2018
Balance, beginning of the year	\$ 143,268	\$ 120,638
Add: Additions during the year	(96,794)	60,254
Less: Amount amortized to revenue	(63,417)	(37,624)
Balance, end of the year	\$ (16,943)	\$ 143,268

7. Commitments

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

	Newmarket/Aurora	Markham	Other
2020	\$ 251,782	\$ 69,421	\$ 8,809
2021	256,266	70,190	6,753
2022	220,769	71,266	-
2023	216,491	41,572	-
2024	220,069	-	-
Balance of leases	55,241	-	-

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2019

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% (2018 - 93%) of its revenue from the Province of Ontario and is dependent on this funding to deliver its programs.
