

Yor-Sup Net Support Services Network
Financial Statements
For the Year Ended March 31, 2021

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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, 2021, 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, 2021, 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.

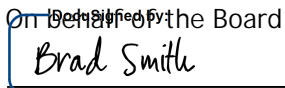
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

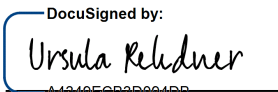
BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Newmarket, Ontario
May 25, 2021

Yor-Sup Net Support Services Network Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash	\$ 2,393,593	\$ 2,951,218
Accounts receivable (Note 2)	583,446	219,122
Prepaid expenses	86,307	95,395
	3,063,346	3,265,735
Tangible capital assets (Note 3)	90,567	126,013
	\$ 3,153,913	\$ 3,391,748
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 1,122,835	\$ 2,041,273
Deferred revenue	553,411	354,773
Payable to the Province of Ontario (Note 5)	1,070,389	553,563
	2,746,635	2,949,609
Deferred revenue - tangible capital assets (Note 6)	90,955	126,401
	2,837,590	3,076,010
Commitments (Note 7)		
Net Assets		
Special Reserve Fund	316,323	315,738
	\$ 3,153,913	\$ 3,391,748

On behalf of the Board:

 Brad Smith Director

DocuSigned by:

 Ursula Rehdner Director

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

Year ended March 31	Operating Fund	Special Reserve Fund	2021 Total	2020 Total
Revenue				
Province of Ontario - funding	\$ 23,525,915	\$ -	\$ 23,525,915	\$ 22,131,267
Provincial funding repayable (Note 5)	(516,826)	-	(516,826)	(342,137)
Net Provincial funding	23,009,089	-	23,009,089	21,789,130
Expenditure recovery	214,254	-	214,254	166,017
Deferred funding - property, plant and equipment	73,388	-	73,388	83,571
Interest income	16,848	2,301	19,149	35,362
Other income	2,674,096	-	2,674,096	2,200,290
Client specific donations	-	10,756	10,756	19,760
Donations and membership fees	-	392	392	2,771
	<u>25,987,675</u>	<u>13,449</u>	<u>26,001,124</u>	<u>24,296,901</u>
Expenses				
Advertising and promotion	895	-	895	15,744
Amortization	73,388	-	73,388	83,571
Bank charges	4,139	478	4,617	6,713
Benefits	2,290,448	-	2,290,448	2,260,016
Client fund expenses	-	2,702	2,702	4,360
Client specific donation	-	61	61	13,388
Equipment	22,174	-	22,174	28,207
Insurance	67,789	-	67,789	26,531
Minor equipment purchases	45,783	-	45,783	43,071
Occupancy costs	631,926	-	631,926	672,363
Other expenses	3,036	9,623	12,659	13,746
Professional fees	969,085	-	969,085	740,394
Purchased services	9,693,824	-	9,693,824	8,186,917
Repairs and maintenance	1,146	-	1,146	2,014
Salaries	11,454,971	-	11,454,971	11,254,952
Sessional fees	45,919	-	45,919	42,995
Staff training	109,064	-	109,064	59,969
Staff travel	10,684	-	10,684	235,907
Supplies and miscellaneous	343,469	-	343,469	425,319
Telephone and data communication	219,935	-	219,935	183,604
	<u>25,987,675</u>	<u>12,864</u>	<u>26,000,539</u>	<u>24,299,781</u>
Excess (deficiency) of revenues over expenses for the year	-	585	585	(2,881)
Net assets, beginning of year	-	315,738	315,738	318,619
Net assets, end of year	\$ -	\$ 316,323	\$ 316,323	\$ 315,738

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	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 585	\$ (2,881)
Items not affecting cash:		
Amortization of tangible capital assets	73,388	83,571
Amortization of deferred funding - tangible capital assets	(73,388)	(83,571)
Loss on disposal of assets	-	388
	<u>585</u>	<u>(2,493)</u>
Changes in non-cash working capital:		
Accounts receivable	(364,324)	(3,416)
Prepaid expenses	9,088	(18,906)
Accounts payable and accrued liabilities	(918,438)	432,279
Deferred revenue	198,638	203,295
Payable to the Province of Ontario	516,826	(1,222,309)
Deferred revenue - tangible capital assets	37,942	33,327
	<u>(519,683)</u>	<u>(578,223)</u>
Cash flows from investing activities		
Acquisition of tangible capital assets	<u>(37,942)</u>	<u>(33,327)</u>
Decrease in cash	(557,625)	(611,550)
Cash, beginning of the year	<u>2,951,218</u>	<u>3,562,768</u>
Cash, end of the year	<u>\$ 2,393,593</u>	<u>\$ 2,951,218</u>

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

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2021

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 The Organization follows the deferral method of accounting for contributions.

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.

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.

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.

Revenue from fees and other contracts are recognized when the services are provided.

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.

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Financial Instruments	<p>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.</p> <p>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.</p>												
Tangible Capital Assets	<p>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.</p> <p>Amortization based on the estimated useful life of the asset is calculated as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: left;">Method</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td>Computer equipment</td> <td>Straight-line</td> <td>33%</td> </tr> <tr> <td>Furniture, fixtures and equipment</td> <td>Straight-line</td> <td>20%</td> </tr> <tr> <td>Leasehold improvements</td> <td>Straight-line</td> <td>20%</td> </tr> </tbody> </table>		Method	Rate	Computer equipment	Straight-line	33%	Furniture, fixtures and equipment	Straight-line	20%	Leasehold improvements	Straight-line	20%
	Method	Rate											
Computer equipment	Straight-line	33%											
Furniture, fixtures and equipment	Straight-line	20%											
Leasehold improvements	Straight-line	20%											
Contributed Materials and Services	<p>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.</p>												
Use of Estimates	<p>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.</p>												

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2021

2. Accounts Receivable

	2021	2020
Harmonized Sales Tax receivable	\$ 112,826	\$ 108,235
CTN Grant	32,912	-
CMHA Grant	126,251	-
LHIN Grant	181,000	-
Rent rebates	20,152	19,981
Community & Home Assistance to Seniors	-	5,347
Employer Health Tax	58,500	28,708
Miscellaneous	51,805	56,851
	\$ 583,446	\$ 219,122

3. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 626,051	\$ 553,898	\$ 592,717	\$ 510,073
Furniture, fixtures and equipment	312,393	304,473	312,393	299,611
Leasehold improvements	130,268	119,774	130,268	99,681
	1,068,712	978,145	1,035,378	909,365
		\$ 90,567		\$ 126,013

4. Accounts Payable and Accrued Liabilities

	2021	2020
Payroll accrual	\$ 65,820	\$ 52,228
Passport and SSAH	999,780	1,936,595
Audit accrual	33,568	24,955
Miscellaneous	23,667	27,495
	\$ 1,122,835	\$ 2,041,273

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2021

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 \$1,070,389 (2020 - \$553,567). This balance consists of three funding Ministries and is made up of the following accounts:

	MH	MCCSS	Total
Current year	\$ 138,460	\$ 378,366	\$ 516,826
Prior years	378,791	174,772	553,563
Total	<u>\$ 517,251</u>	<u>\$ 553,138</u>	<u>\$ 1,070,389</u>

6. Deferred Revenue - Tangible Capital Assets

	2021	2020
Balance, beginning of the year	\$ 126,401	\$ 176,645
Add: Additions during the year	37,942	33,327
Less: Amount amortized to revenue	(73,388)	(83,571)
Balance, end of the year	<u>\$ 90,955</u>	<u>\$ 126,401</u>

7. Commitments

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

	Newmarket/Aurora	Markham	Other
2022	230,931	71,266	-
2023	226,911	41,572	-
2024	230,740	-	-
2025	234,570	-	-
2026	238,400	-	-
Balance of leases	927,749	-	-

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2021

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 88% (2020 - 87%) of its revenue from the Province of Ontario and is dependent on this funding to deliver its programs.

10. Uncertainty Due to COVID-19

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations.

Due to government restrictions, the Organization transitioned to offering their services remotely. MCCSS provided funding of \$602,776 to cover expenses totalling \$464,113 and MH provided funding of \$166,430 to cover expenses of \$144,048. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, 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 estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.
