

Yor-Sup Net Support Services Network
Financial Statements
For the Year Ended March 31, 2023

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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, 2023, 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, 2023, 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

Barrie, Ontario

May 24, 2023

Yor-Sup Net Support Services Network Statement of Financial Position

March 31	2023	2022
Assets		
Current		
Cash	\$ 6,076,219	\$ 4,534,789
Accounts receivable (Note 2)	264,793	680,470
Prepaid expenses	107,775	86,251
	<u>6,448,787</u>	<u>5,301,510</u>
Tangible capital assets (Note 3)	<u>51,246</u>	<u>80,993</u>
	<u>\$ 6,500,033</u>	<u>\$ 5,382,503</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 1,966,581	\$ 1,973,532
Deferred revenue	1,730,204	1,542,227
Payable to the Province of Ontario (Note 5)	2,413,655	1,451,733
	<u>6,110,440</u>	<u>4,967,492</u>
Deferred revenue - tangible capital assets (Note 6)	<u>51,634</u>	<u>81,381</u>
	<u>6,162,074</u>	<u>5,048,873</u>
Commitments (Note 7)		
Net Assets		
Special Reserve Fund	<u>337,959</u>	<u>333,630</u>
	<u>\$ 6,500,033</u>	<u>\$ 5,382,503</u>

On behalf of the Board:

Lois Alderson-Wigelin Director
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DocuSigned by:

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

Year ended March 31	Operating Fund	Special Reserve Fund	2023 Total	2022 Total
Revenue				
Province of Ontario - funding	\$ 30,311,069	\$ -	\$ 30,311,069	\$ 24,258,548
Provincial funding repayable (Note 5)	(1,303,084)	-	(1,303,084)	(1,202,701)
Net Provincial funding	29,007,985	-	29,007,985	23,055,847
Expenditure recovery	84,299	-	84,299	234,961
Deferred funding - property, plant and equipment	67,706	-	67,706	60,209
Interest income	65,858	8,162	74,020	10,879
Other income	4,034,358	-	4,034,358	3,852,235
Client specific donations	-	15,250	15,250	19,700
Donations and membership fees	-	432	432	18,740
	33,260,206	23,844	33,284,050	27,252,571
Expenses				
Advertising and promotion	2,540	-	2,540	3,983
Amortization	67,706	-	67,706	60,209
Bank charges	5,780	565	6,345	4,999
Benefits	2,626,074	-	2,626,074	2,417,816
Client fund expenses	-	4,211	4,211	5,366
Client specific donation	-	800	800	9,699
Equipment	17,268	-	17,268	13,935
Insurance	52,280	-	52,280	54,089
Minor equipment purchases	39,363	-	39,363	50,635
Occupancy costs	720,753	-	720,753	680,636
Other expenses	-	13,939	13,939	11,696
Professional fees	1,086,204	-	1,086,204	974,571
Telephone and data communication	255,256	-	255,256	205,515
Repairs and maintenance	21,252	-	21,252	2,740
Salaries	12,674,097	-	12,674,097	11,734,230
Sessional fees	43,484	-	43,484	45,320
Staff training	79,637	-	79,637	58,674
Staff travel	55,758	-	55,758	19,749
Supplies and miscellaneous	457,588	-	457,588	455,845
Purchased services	15,055,166	-	15,055,166	10,425,557
	33,260,206	19,515	33,279,721	27,235,264
Excess (deficiency) of revenue over expenses for the year	-	4,329	4,329	17,307
Net assets, beginning of year	-	333,630	333,630	316,323
Net assets, end of year	\$ -	\$ 337,959	\$ 337,959	\$ 333,630

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	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses	\$ 4,329	\$ 17,307
Items not affecting cash:		
Amortization of tangible capital assets	67,706	60,209
Amortization of deferred funding - tangible capital assets	(67,706)	(60,209)
	4,329	17,307
Changes in non-cash working capital:		
Accounts receivable	415,677	(97,024)
Prepaid expenses	(21,524)	56
Accounts payable and accrued liabilities	(6,951)	850,697
Deferred revenue	187,977	988,816
Payable to the Province of Ontario	961,922	381,344
Deferred revenue - tangible capital assets	37,959	50,635
	1,579,389	2,191,831
Cash flows from investing activities		
Acquisition of tangible capital assets	(37,959)	(50,635)
Net increase in cash	1,541,430	2,141,196
Cash, beginning of the year	4,534,789	2,393,593
Cash, end of the year	\$ 6,076,219	\$ 4,534,789

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

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2023

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, 2023

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><tr><td></td><td>Method</td><td>Rate</td></tr><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></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, 2023

2. Accounts Receivable

	2023	2022
Harmonized Sales Tax	\$ 115,427	\$ 103,922
CTN Grant	-	17,153
Rent rebates	19,112	20,035
Catulpa	13,077	-
OPP	60,463	-
Employer Health Tax	55,497	58,499
Kinark	-	441,808
Miscellaneous	1,217	39,053
	<u>\$ 264,793</u>	<u>\$ 680,470</u>

3. Tangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 714,645	\$ 669,606	\$ 676,686	\$ 616,319
Furniture, fixtures and equipment	312,393	309,753	312,393	307,113
Leasehold improvements	130,268	126,701	130,268	114,922
	<u>1,157,306</u>	<u>1,106,060</u>	<u>1,119,347</u>	<u>1,038,354</u>
		<u>\$ 51,246</u>		<u>\$ 80,993</u>

4. Accounts Payable and Accrued Liabilities

	2023	2022
Payroll accrual	\$ 49,494	\$ 43,337
Program expense accrual	1,907,095	1,899,048
Audit accrual	9,992	17,319
Miscellaneous	-	13,828
	<u>\$ 1,966,581</u>	<u>\$ 1,973,532</u>

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2023

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 \$2,413,655 (2022 - \$1,451,733). This balance consists of two funding Ministries and is made up of the following accounts:

	MH	MCCSS	Total
Current year	\$ 292,805	\$ 1,010,279	\$ 1,303,084
Prior years	334,182	776,389	1,110,571
Total	\$ 626,987	\$ 1,786,668	\$ 2,413,655

6. Deferred Revenue - Tangible Capital Assets

	2023	2022
Balance, beginning of the year	\$ 81,381	\$ 90,955
Add: Additions during the year	37,959	50,635
Less: Amount amortized to revenue	(67,706)	(60,209)
Balance, end of the year	\$ 51,634	\$ 81,381

7. Commitments

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

	Newmarket/Aurora	Barrie	Thornhill
2024	\$ 230,740	\$ 2,936	\$ 59,016
2025	234,570	-	59,016
2026	238,400	-	4,918
2027	242,230	-	-
Balance of leases	685,519	-	-

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2023

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 87% (2022 - 85%) of its revenue from the Province of Ontario and is dependent on this funding to deliver its programs.
