

Yor-Sup Net Support Services Network
Financial Statements
For the Year Ended March 31, 2016

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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, 2016, 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, 2016, 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

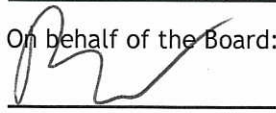
Chartered Professional Accountants, Licensed Public Accountants

May 26, 2016
Newmarket, Ontario

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

March 31	2016	2015
Assets		
Current		
Cash	\$ 977,875	\$ 1,379,551
Accounts receivable (Note 2)	210,971	148,666
Prepaid expenses	42,996	852
	1,231,842	1,529,069
Property, plant and equipment (Note 3)	142,358	175,271
	\$ 1,374,200	\$ 1,704,340
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 185,549	\$ 929,820
Accrued vacation	61,496	42,218
Payable to the Province of Ontario (Note 5)	690,893	262,791
	937,938	1,234,829
Deferred revenue and other long-term liabilities (Note 6)	142,358	175,271
	1,080,296	1,410,100
Commitments (Note 7)		
Net Assets		
Operating Fund	(41,726)	(41,726)
Special Reserve Fund	335,630	335,966
	293,904	294,240
	\$ 1,374,200	\$ 1,704,340

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	2016 Total	2015 Total
Revenue				
Province of Ontario - funding	\$ 25,721,062	\$ -	\$ 25,721,062	\$ 21,791,834
Provincial funding repayable	(481,934)	-	(481,934)	(72,632)
Net Provincial funding	25,239,128	-	25,239,128	21,719,202
Expenditure recovery	368,923	-	368,923	232,963
CTN and CMHA	1,572,082	-	1,572,082	288,928
Deferred funding - property, plant and equipment	61,234	-	61,234	38,793
Interest income	8,183	617	8,800	9,350
Client fund	-	1,740	1,740	1,476
Other income	18,857	-	18,857	71,155
Client specific donations	-	9,315	9,315	6,370
Donations, interest and membership fees	-	19,227	19,227	18,152
	<u>27,268,407</u>	<u>30,899</u>	<u>27,299,306</u>	<u>22,386,389</u>
Expenses				
Advertising and promotion	13,725	-	13,725	36,993
Amortization	61,234	-	61,234	38,793
Bank charges	7,054	1,179	8,233	7,509
Benefits	1,839,400	-	1,839,400	1,598,191
Client fund expenses	-	3,947	3,947	13,131
Client specific donation	-	15,989	15,989	1,507
Equipment	37,397	-	37,397	35,737
Insurance	35,697	-	35,697	35,838
Minor equipment purchases and renovations	82,304	-	82,304	214,588
Occupancy costs	719,345	-	719,345	660,871
Other expenses	-	10,120	10,120	6,351
Professional fees	620,127	-	620,127	465,285
Purchased services	13,210,010	-	13,210,010	10,780,877
Repairs and maintenance	35,492	-	35,492	43,462
Salaries	9,772,396	-	9,772,396	7,718,468
Sessional fees	55,228	-	55,228	35,037
Staff training	79,455	-	79,455	57,493
Staff travel	243,960	-	243,960	193,593
Supplies and miscellaneous	327,613	-	327,613	290,834
Telephone and data communication	127,970	-	127,970	146,654
	<u>27,268,407</u>	<u>31,235</u>	<u>27,299,642</u>	<u>22,381,212</u>
Excess (deficiency) of revenues over expenses for the year	-	(336)	(336)	5,177
Net assets (deficit), beginning of year	(41,726)	335,966	294,240	289,063
Net assets (deficit), end of year	\$ (41,726)	\$ 335,630	\$ 293,904	\$ 294,240

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	2016	2015
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (336)	\$ 5,177
Items not affecting cash:		
Amortization of property, plant and equipment	61,234	38,793
Amortization of deferred funding - property, plant and equipment	(61,234)	(38,793)
	(336)	5,177
Changes in non-cash working capital:		
Accounts receivable	(62,305)	(52,492)
Prepaid expenses	(42,144)	45,005
Accounts payable and accrued liabilities	(744,271)	448,525
Accrued vacation	19,278	(4,655)
Payable to the Province of Ontario	428,102	(526,676)
Deferred funding - property, plant and equipment	28,321	111,930
	(373,355)	26,814
Cash flows from investing activities		
Acquisition of property, plant and equipment	(28,321)	(111,930)
	(28,321)	(111,930)
Decrease in cash	(401,676)	(85,116)
Cash, beginning of the year	1,379,551	1,464,667
Cash, end of the year	\$ 977,875	\$ 1,379,551

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

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2016

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, 2016

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 includes 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, 2016

2. Accounts Receivable

	2016	2015
Harmonized Sales Tax receivable	\$ 100,220	\$ 94,762
CTN Grant	31,666	9,143
Catulpa	6,265	3,900
EHT	26,323	8,772
ABUSE program - York Region	3,749	-
Miscellaneous	42,748	32,089
	\$ 210,971	\$ 148,666

3. Property, Plant and Equipment

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 440,951	\$ 409,688	\$ 429,898	\$ 395,898
Furniture, fixtures and equipment	299,192	212,235	281,923	179,065
Leasehold improvements	71,376	47,238	71,376	32,963
	811,519	669,161	783,197	607,926
		\$ 142,358		\$ 175,271

4. Accounts Payable and Accrued Liabilities

	2016	2015
Payroll accrual	\$ 70,704	\$ 132,690
Passport and SSAH	94,057	775,986
Audit accrual	20,000	20,000
Miscellaneous	788	788
	\$ 185,549	\$ 929,464

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2016

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 \$698,228 (2015 - \$262,791). This balance consists of three funding Ministries and is made up of the following accounts:

	MOH		MCSS		MCYS		Total
Current year	\$ 97,787	\$	374,049	\$	10,098	\$	481,934
Prior year	25,752	\$	180,497	\$	2,710	\$	208,959
Total	\$ 123,539	\$	554,546	\$	12,808	\$	690,893

6. Deferred Funding - Property, Plant and Equipment

	2016		2015
Balance, beginning of the year	\$ 175,271	\$	102,134
Add: Additions during the year	28,321	\$	111,930
Less: Amount amortized to revenue	(61,234)	\$	(38,793)
Balance, end of the year	\$ 142,358	\$	175,271

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2016

7. Commitments

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

	Newmarket/Aurora	Markham	Other
2017	\$ 288,188	\$ 121,121	\$ 19,143
2018	231,895	70,654	9,954
2019	236,352	-	9,954
2020	240,809	-	9,954
2021	245,267	-	3,318
Balance of leases	676,613	-	-

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

2017	\$6,847
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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 94% (2015 - 97%) 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 2016.
