

Yor-Sup Net Support Services Network
Financial Statements
For the Year Ended March 31, 2018

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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, 2018, 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, 2018, 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 22, 2018
Newmarket, Ontario

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

March 31 2018 2017

Assets

Current

Cash	\$ 4,240,287	\$ 2,314,032
Accounts receivable (Note 2)	158,440	397,939
Prepaid expenses	4,156	7,469
	4,402,883	2,719,440

Property, plant and equipment (Note 3) 143,268 120,638

\$ 4,546,151 \$ 2,840,078

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 4)	\$ 2,111,329	\$ 1,502,802
Deferred revenue	210,419	82,924
Payable to the Province of Ontario (Note 5)	1,757,801	808,136
	4,079,549	2,393,862

Deferred revenue - property, plant and equipment (Note 6) 143,268 120,638

4,222,817 2,514,500

Commitments (Note 7)


Net Assets

Special Reserve Fund 323,334 325,578

\$ 4,546,151 \$ 2,840,078

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	2018 Total	2017 Total
Revenue				
Province of Ontario - funding	\$ 31,431,182	\$ -	\$ 31,431,182	\$ 27,289,102
Provincial funding repayable	(1,250,220)	-	(1,250,220)	(423,989)
Net Provincial funding	30,180,962	-	30,180,962	26,865,113
Expenditure recovery	318,244	-	318,244	302,006
CTN and CMHA	1,614,243	-	1,614,243	1,565,662
Deferred funding - property, plant and equipment	37,624	-	37,624	62,385
Interest income	11,108	760	11,868	6,603
Client fund	-	-	-	1,698
Other income	255,197	-	255,197	157,111
Client specific donations	-	15,121	15,121	4,536
Donations and membership fees	-	5,208	5,208	5,475
	32,417,378	21,089	32,438,467	28,970,589
Expenses				
Advertising and promotion	12,584	-	12,584	14,690
Amortization	37,624	-	37,624	62,385
Bank charges	8,581	545	9,126	7,621
Benefits	1,980,556	-	1,980,556	1,959,172
Client fund expenses	-	4,800	4,800	7,456
Client specific donation	-	3,802	3,802	2,512
Equipment	46,210	-	46,210	47,823
Insurance	42,511	-	42,511	45,283
Minor equipment purchases	100,593	-	100,593	66,736
Occupancy costs	640,348	-	640,348	737,448
Other expenses	-	14,186	14,186	11,792
Professional fees	433,307	-	433,307	466,005
Purchased services	18,147,660	-	18,147,660	14,993,935
Renovations	5,210	-	5,210	-
Repairs and maintenance	14,054	-	14,054	8,297
Salaries	10,121,829	-	10,121,829	9,712,188
Sessional fees	43,502	-	43,502	43,324
Staff training	58,850	-	58,850	88,196
Staff travel	257,847	-	257,847	247,826
Supplies and miscellaneous	334,362	-	334,362	322,337
Telephone and data communication	131,750	-	131,750	135,615
	32,417,378	23,333	32,440,711	28,980,641
Deficiency of revenues over expenses for the year	-	(2,244)	(2,244)	(10,052)
Net assets, beginning of year	-	325,578	325,578	335,630
Net assets, end of year	\$ -	\$ 323,334	\$ 323,334	\$ 325,578

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	2018	2017
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (2,244)	\$ (10,052)
Items not affecting cash:		
Amortization of property, plant and equipment	37,624	62,385
Amortization of deferred funding - property, plant and equipment	<u>(37,624)</u>	<u>(62,385)</u>
	(2,244)	(10,052)
Changes in non-cash working capital:		
Accounts receivable	239,499	(186,968)
Prepaid expenses	3,313	35,527
Accounts payable and accrued liabilities	608,527	(340,058)
Deferred revenue	127,495	75,106
Payable to the Province of Ontario	949,665	117,243
Deferred revenue - capital assets	<u>60,254</u>	<u>40,665</u>
	<u>1,986,509</u>	<u>(268,537)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	<u>(60,254)</u>	<u>(40,665)</u>
Net increase (decrease) in cash	1,926,255	(309,202)
Cash, beginning of the year	<u>2,314,032</u>	<u>2,623,234</u>
Cash, end of the year	\$ 4,240,287	\$ 2,314,032

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

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2018

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 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, 2018

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 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, 2018

2. Accounts Receivable

	2018	2017
Harmonized Sales Tax receivable	\$ 84,721	\$ 90,484
MCSS - Passport	-	241,298
Rent rebates	27,522	32,324
Community & Home Assistance to Seniors	3,822	5,786
Trillium	7,400	-
Employer Health Tax	26,325	26,325
ABUSE program - York Region	3,749	-
Miscellaneous	4,901	1,722
	\$ 158,440	\$ 397,939

3. Property, Plant and Equipment

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 500,813	\$ 451,639	\$ 481,616	\$ 422,407
Furniture, fixtures and equipment	299,192	254,470	299,192	247,626
Leasehold improvements	112,432	63,060	71,376	61,513
	912,437	769,169	852,184	731,546
		\$ 143,268		\$ 120,638

4. Accounts Payable and Accrued Liabilities

	2018	2017
Payroll accrual	\$ 65,225	\$ 15,249
Passport and SSAH	2,016,821	1,452,108
Audit accrual	20,000	20,000
Miscellaneous	9,283	15,445
	\$ 2,111,329	\$ 1,502,802

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2018

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 \$1,757,801 (2017 - \$808,136). This balance consists of three funding Ministries and is made up of the following accounts:

	MOH		MCSS		MCYS		Total
Current year	\$	114,674	\$	1,122,306	\$	13,240	\$ 1,250,220
Prior years		123,432		374,049		10,100	507,581
Total	\$	238,106	\$	1,496,355	\$	23,340	\$ 1,757,801

6. Deferred Revenue - Property, Plant and Equipment

	2018		2017	
Balance, beginning of the year	\$	120,638	\$	142,358
Add: Additions during the year		60,254		40,665
Less: Amount amortized to revenue		(37,624)		(62,385)
Balance, end of the year	\$	143,268	\$	120,638

7. Commitments

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

	Newmarket/Aurora		Markham		Other	
2019	\$	247,298	\$	68,344	\$	8,809
2020		251,782		69,421		8,809
2021		256,266		70,190		6,753
2022		220,769		71,266		-
2023		216,491		41,572		-
Balance of leases		275,311		-		-

Yor-Sup Net Support Services Network Notes to Financial Statements

March 31, 2018

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 93% (2017 - 92%) 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 2018.
