

Canopy Support Services  
Financial Statements  
For the Year Ended March 31, 2022

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## Independent Auditor's Report

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To the board of directors of Canopy Support Services

### Opinion

We have audited the financial statements of Canopy Support Services (the Organization), which comprise the statement of financial position as at March 31, 2022, the statements of operations, 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, 2022, and its financial performance and 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 the 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

Peterborough, Ontario  
July 7, 2022

Canopy Support Services  
Statement of Financial Position

March 31	MCCSS	Non-MCCSS	Capital	2022 Total	2021 Total
<b>Assets</b>					
<b>Current</b>					
Cash (Note 2)	\$ 4,267,141	\$ 460,503	\$ -	\$ 4,727,644	\$ 2,819,075
Accounts receivable	122,610	80,462	-	203,072	105,916
Prepaid expenses	44,116	-	-	44,116	41,824
Due to/from MCCSS (non-MCCSS) fund	(428,494)	428,494	-	-	-
	<u>4,005,373</u>	<u>969,459</u>	<u>-</u>	<u>4,974,832</u>	<u>2,966,815</u>
Capital Assets (Note 3)	-	-	1,068,799	1,068,799	1,023,293
	<u>\$ 4,005,373</u>	<u>\$ 969,459</u>	<u>\$ 1,068,799</u>	<u>\$ 6,043,631</u>	<u>\$ 3,990,108</u>
<b>Liabilities and Fund Balances</b>					
<b>Current</b>					
Accounts payable and accrued liabilities (Note 4)	\$ 2,528,056	\$ -	\$ -	\$ 2,528,056	\$ 996,903
Due to MCCSS (note 5)	1,477,317	-	-	1,477,317	1,136,442
Funds held in trust	-	93,254	-	93,254	69,990
Deferred revenue (Note 6)	-	295,248	-	295,248	326,675
	<u>4,005,373</u>	<u>388,502</u>	<u>-</u>	<u>4,393,875</u>	<u>2,530,010</u>
<b>Fund Balances</b>					
Invested in capital assets	-	-	1,068,799	1,068,799	1,023,293
Internally restricted	-	310,661	-	310,661	310,661
Externally restricted	-	17,632	-	17,632	-
Unrestricted	-	252,664	-	252,664	126,144
	<u>-</u>	<u>580,957</u>	<u>1,068,799</u>	<u>1,649,756</u>	<u>1,460,098</u>
	<u>\$ 4,005,373</u>	<u>\$ 969,459</u>	<u>\$ 1,068,799</u>	<u>\$ 6,043,631</u>	<u>\$ 3,990,108</u>

Canopy Support Services  
Statement of Changes in Net Assets

For the year ended March 31	MCCSS	Non-MCCSS	Capital	2022 Total	2021 Total
Balance, beginning of the year	\$ -	\$ 436,805	\$ 1,023,293	\$ 1,460,098	\$ 1,073,881
Excess of revenues over expenses	-	144,152	45,506	189,658	386,217
Balance, end of the year	\$ -	\$ 580,957	\$ 1,068,799	\$ 1,649,756	\$ 1,460,098

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## Canopy Support Services Statement of Operations

For the year ended March 31	MCCSS	Non-MCCSS	Capital	2022 Total	2021 Total
<b>Revenue</b>					
Ministry Funding	\$ 21,045,868	\$ -	\$ 212,467	\$ 21,258,335	\$ 18,702,869
Repayable to the Ministry (Note 5)	(927,011)	-	-	(927,011)	(545,836)
Third Party Revenues	-	288,280	-	288,280	292,146
Fee for Service	-	725,372	-	725,372	214,590
Donations and Fundraising	-	7,440	-	7,440	1,333
Interest Income	-	467	-	467	-
	<u>20,118,857</u>	<u>1,021,559</u>	<u>212,467</u>	<u>21,352,883</u>	<u>18,665,102</u>
<b>Expenses</b>					
Advertising & Promotion	6,492	55	-	6,547	17,978
Amortization of capital assets	-	-	166,961	166,961	185,424
Communications	59,310	3,159	-	62,469	62,434
Fees and Dues	38,231	12,124	-	50,355	22,085
Insurance	27,182	2,673	-	29,855	23,429
Office Expenses	349,424	9,362	-	358,786	80,867
Professional Fees	162,190	4,029	-	166,219	236,939
Program Supplies	14,497	10,447	-	24,944	24,853
Purchased Services - IT	137,344	2,257	-	139,601	82,774
Purchased Client Services	80,871	83,046	-	163,917	201,970
Purchased Services - OPR	13,098,517	-	-	13,098,517	11,108,838
Quadrant Resources	17,250	-	-	17,250	82,842
Rent	183,523	22,052	-	205,575	354,496
Respite Funding	85,338	-	-	85,338	25,473
Salaries and Benefits (Note 8)	5,521,725	613,008	-	6,134,733	5,477,944
Staff Training	148,424	3,738	-	152,162	115,406
Travel	77,487	11,094	-	88,581	39,253
Urgent Response	182,536	-	-	182,536	155,442
Utilities	26,961	1,918	-	28,879	2,782
Reimbursed Expenses	(98,445)	98,445	-	-	(22,344)
	<u>20,118,857</u>	<u>877,407</u>	<u>166,961</u>	<u>21,163,225</u>	<u>18,278,885</u>
Excess of revenues over expenses	\$ -	\$ 144,152	\$ 45,506	\$ 189,658	\$ 386,217

## Canopy Support Services Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenues over expenses	\$ 189,658	\$ 386,217
Item not affecting cash:		
Amortization of capital assets	166,961	185,424
	<u>356,619</u>	<u>571,641</u>
Changes in non-cash working capital:		
Accounts receivable	(97,156)	35,657
Prepaid expenses	(2,292)	152,831
Accounts payable and accrued liabilities	1,531,153	90,014
Due to MCCSS	340,875	(39,902)
Deferred revenue	(31,427)	171,118
Funds held in trust	23,264	(2,122)
	<u>2,121,036</u>	<u>979,237</u>
Cash flows from investing activities		
Purchase of capital assets	(212,467)	(487,911)
Net increase in cash	1,908,569	491,326
Cash, beginning of the year	<u>2,819,075</u>	<u>2,327,749</u>
Cash, end of the year	<u>\$ 4,727,644</u>	<u>\$ 2,819,075</u>

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

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# Canopy Support Services Notes to Financial Statements

March 31, 2022

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## 1. Significant Accounting Policies

Nature and Purpose of Organization	Canopy Support Services is a not-for-profit organization incorporated without share capital under the laws of Ontario. The organization provides community-based specialized clinical and support services to individuals, families, and service providers that contribute to the enhancement of the quality of life and community participation of persons with intellectual/developmental disabilities and/or Autism Spectrum Disorders.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Fund Accounting	<p>The Ministry of Children, Community and Social Services ("MCCSS") Fund accounts for the organization's primary program delivery and administrative activities. This fund reports restricted operating resources provided by the MCCSS and certain unrestricted resources.</p> <p>The non-MCCSS Fund reports all other restricted and unrestricted resources beyond those related to the organization's capital assets. Internally restricted funds are a reserve of unrestricted donations and other revenue which have been set aside by the organization for future unfunded expenditures as approved by the Board of Directors.</p> <p>The Capital Fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets.</p>
Revenue Recognition	<p>The organization follows the restricted fund method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the non-MCCSS Fund in the year in which the related expenses are incurred.</p> <p>Unrestricted contributions are recognized as revenue of the non-MCCSS Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Deferred revenue and funds held in trust includes payments received in advance for programs commencing in future years. The amounts will be recognized as revenue according to the revenue recognition policies adopted by the organization.</p>



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# Canopy Support Services Notes to Financial Statements

March 31, 2022

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## 1. Significant Accounting Policies (continued)

Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, cash and bank are reported at fair value. 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. Unless otherwise noted, management does not believe the organization is subject to significant credit, liquidity or interest rate risks.								
Capital Assets	<p>Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.</p> <p>Amortization based on the estimated useful life of the asset is calculated using the straight line method at the following rates:</p> <table><thead><tr><th></th><th>Rate</th></tr></thead><tbody><tr><td>Leasehold improvements</td><td>Over the remaining life of the lease</td></tr><tr><td>Furniture and fixtures</td><td>5 years</td></tr><tr><td>Computer equipment</td><td>3 years</td></tr></tbody></table> <p>Amortization expense is reported in the Capital Fund.</p>		Rate	Leasehold improvements	Over the remaining life of the lease	Furniture and fixtures	5 years	Computer equipment	3 years
	Rate								
Leasehold improvements	Over the remaining life of the lease								
Furniture and fixtures	5 years								
Computer equipment	3 years								
Income Taxes	The organization is a registered charity under the terms of the Income Tax Act. Therefore, it is not subject to Federal or Provincial income taxes. The organization has met the distribution requirements to maintain its status as a registered charity.								
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 amounts of revenues and expenses during the reporting period. The principal estimate used in the preparation of these financial statements is the determination of the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.								

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## 2. Cash and Bank

The organization's bank accounts are held at chartered banks and earn a nominal amount of interest.

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## Canopy Support Services Notes to Financial Statements

March 31, 2022

### 3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold				
Improvements	\$ 1,041,290	\$ (141,074)	\$ 910,855	\$ (90,584)
Furniture and Fixtures	347,564	(253,871)	347,916	(210,474)
Computer equipment	197,233	(122,343)	122,179	(56,599)
	1,586,087	(517,288)	1,380,950	(357,657)
		\$ 1,068,799		\$ 1,023,293

### 4. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$43,366 (2021 - \$52,748).

### 5. Due to MCCSS

As at March 31, 2022, the organization had \$1,477,317 (2021 - \$1,136,442) payable to the MCCSS for surpluses generated in the current year as well as prior years. The payable is repaid to the MCCSS through a reduction in future cash flow.

The MCCSS surplus is broken down into two parts. They are Client Needs Surplus and Operating Surplus. The Client needs surplus is MCCSS funds brokered through the organization for the benefit of clients with developmental disabilities. Conversely, the Operating Surplus represents funds for the purpose of providing program services.

	2022	2021
Operating Surplus	\$ 727,149	\$ 135,763
Client Needs Surplus	199,862	410,073
Total Surplus	\$ 927,011	\$ 545,836

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## Canopy Support Services Notes to Financial Statements

March 31, 2022

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### 6. Deferred Revenue

Deferred revenue reported in the non-MCCSS Fund represent restricted operating funding received in the current period that is related to expenses of a subsequent period. Changes in the deferred revenue balance reported in the non-MCCSS are as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 326,675	\$ 155,557
Less: amounts recognized as revenue in the year	(4,377,891)	(337,622)
Add: amounts received	<u>4,346,464</u>	<u>508,740</u>
Ending balance	<u>\$ 295,248</u>	<u>\$ 326,675</u>

The deferred revenue balance is broken down as follows:

	<u>2022</u>	<u>2021</u>
Autism Fee for Service	\$ 249,308	\$ 282,121
Flex Funding	<u>45,940</u>	<u>44,554</u>
Total Deferred Revenue	<u>\$ 295,248</u>	<u>\$ 326,675</u>

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### 7. Economic Dependence

The organization derives a significant portion of its revenues from the Ministry of Children, Community and Social Services. The nature and extent of this revenue is of such significance as to affect the viability of the organization and, accordingly, the organization is economically dependent on the Government of Ontario as a source of funding. During the year ended March 31, 2022, 95% (2021 - 97%) of the organization's revenues were from the Government of Ontario.

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## Canopy Support Services Notes to Financial Statements

March 31, 2022

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### 8. Multi-Employer Plan

The organization makes contributions to the OPTrust Select Pension Plan, which is a multi-employer plan that was started in 2019, on behalf of members of its staff. The plan specifies the amount of the retirement benefit plan to be received by the employees based on length of service and pensionable pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The organization is only one of a number of employers that participates in the plan and the financial information provided to the organization on the basis of the contractual agreements is usually insufficient to reliably measure the organization's proportionate share in the plan assets and liabilities on defined benefit accounting requirements.

The amount contributed to the plan for 2022 was \$148,888 (2021 - \$139,122). The contributions were made for current service and these have been recognized in net income.

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### 9. Commitments

The organization leases office space at five locations across Peterborough, Lindsay, Campbellford, Haliburton and Cobourg. Terms of these leases span from November 2022 through August 2030 with monthly lease costs ranging from \$629 for the Cobourg office to \$20,818 for the Peterborough office.

The minimum annual lease payments for office space over the next five years are as follows:

2023	\$	273,341
2024		256,958
2025		260,566
2026		264,909
2027		269,361

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## Canopy Support Services Notes to Financial Statements

March 31, 2022

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### 10. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the organization's receivables are from government sources and the organization works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

There have not been any changes in the risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable.

The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

There have not been any changes in the risk from the prior year.

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Canopy Support Services  
Unaudited Financial Statement Supplementary Information  
Ministry Programs

For the year ended March 31	Components								GRAND TOTAL
	Adult Community Support Services	Autism	Children Community Support Services	Self Managed Support	Adult Community Accommodation	Total MCCSS Service Contract	Other Provincial Funding	Non-MCCSS	
<b>Revenue</b>									
Ministry Funding	\$ 3,805,764	\$ 2,973,450	\$ 496,903	\$ 837,868	\$ 12,147,420	\$ 20,261,405	\$ 996,930	\$ -	\$ 21,258,335
Repayable to the Ministry	(466,061)	(391,193)	-	-	(60,384)	(917,638)	(9,373)	-	(927,011)
Third party revenue	-	-	-	-	-	-	-	288,280	288,280
Fee for service	-	-	-	-	-	-	-	725,372	725,372
Donations and fundraising	-	-	-	-	-	-	-	7,440	7,440
Other revenue	-	-	-	-	-	-	-	467	467
	<b>3,339,703</b>	<b>2,582,257</b>	<b>496,903</b>	<b>837,868</b>	<b>12,087,036</b>	<b>19,343,767</b>	<b>987,557</b>	<b>1,021,559</b>	<b>21,352,883</b>
<b>Expenses</b>									
Salaries	2,152,072	1,759,242	421,339	677,982	-	5,010,635	13,412	642,743	5,666,790
Staff training	51,716	41,919	17,264	6,304	-	117,203	-	3,738	120,941
Building occupancy	203,394	128,083	35,740	39,522	-	406,739	23,000	30,350	460,089
Travel & communications	45,300	52,127	10,733	18,477	-	126,637	-	14,252	140,889
Allocated central administration	298,777	237,857	-	66,216	-	602,850	-	68,711	671,561
Supplies & equipment	233,317	363,029	11,827	29,367	-	637,540	9,127	117,613	764,280
Other program/service expenditures	355,127	-	-	-	12,087,036	12,442,163	942,018	-	13,384,181
	<b>3,339,703</b>	<b>2,582,257</b>	<b>496,903</b>	<b>837,868</b>	<b>12,087,036</b>	<b>19,343,767</b>	<b>987,557</b>	<b>877,407</b>	<b>21,208,731</b>
Excess of revenues over expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,152	\$ 144,152