

**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Financial Statements**

**Year Ended March 31, 2023**



MARCUS &  
ASSOCIATES  
CHARTERED PROFESSIONAL ACCOUNTANTS

HOARE •  
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LITIGATION & VALUATION SERVICES



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## INDEPENDENT AUDITORS' REPORT

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To the Board of Director's of Community Services Coordination Network (Ontario)

### *Qualified Opinion*

We have audited the financial statements of Community Services Coordination Network (Ontario) (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### **Basis for Qualified Opinion**

The Organization's capital assets have been expensed in the statement of revenues and expenditures, which constitutes a departure from ASNPO. This is the result of a decision taken by management preceding April 1, 2014. Based on the straight-line method of depreciation and annual rates of 20% for assets, the surplus for the year should be decreased by \$8,957 in 2023 and increased by \$159,702 in 2022, capital assets and net assets should be increased by \$322,962 in 2023 and increased by \$303,555 in 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

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 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 qualified audit 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 ASNPO, 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.

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## INDEPENDENT AUDITORS' REPORT (CONT'D)

### *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.

London, Ontario  
June 28, 2023

*Marcus & Associates LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

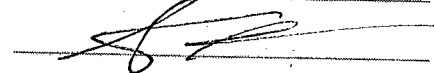
**Statement of Financial Position**

As at March 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and bank term deposits (Note 3)	\$ 5,897,775	\$ 4,397,190
Accounts receivable (Note 4)	195,433	125,717
Prepaid expenses and deposits	31,438	29,256
	<u>\$ 6,124,646</u>	<u>\$ 4,552,163</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 3,314,708	\$ 3,000,757
Due to MCCSS (Note 6)	1,940,144	348,788
Due to MOH (Note 6)	1,393	1,594
	<u>5,256,245</u>	<u>3,351,139</u>
Deferred Revenue (Note 7)	172,384	553,421
<b>Total Liabilities</b>	<b>5,428,629</b>	<b>3,904,560</b>
Fund balances	696,017	647,603
	<u>\$ 6,124,646</u>	<u>\$ 4,552,163</u>

ON BEHALF OF THE BOARD

 Director

 Director

July 18, 2023 Date

July 25, 2023 Date

**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2023**

	2023	2022
<b>Revenue:</b>		
MCCSS Service contracts <i>(Note 6)</i>	\$ 13,757,421	\$ 15,334,146
MOH Service contracts <i>(Note 6)</i>	443,024	442,823
CAS/F & CS	86,513	161,809
Wraparound services	13,612	17,149
Other revenue	109,184	35,512
Federal grants	8,918	-
	<u>14,418,672</u>	<u>15,991,439</u>
<b>Expenses:</b>		
Salaries and benefits	6,316,933	5,718,750
MCCSS and MOH other project costs	6,651,509	9,247,394
Other operating costs	1,232,004	810,827
CAS/F & CS	86,429	65,578
Wraparound services	13,790	10,950
Other program costs	60,671	9,969
Summer employment	8,922	-
	<u>14,370,258</u>	<u>15,863,468</u>
<b>Excess of Revenue Over Expenses For The Year</b>	<u>\$ 48,414</u>	<u>\$ 127,971</u>

**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Statement of Changes in Fund Balances**

**For The Year Ended March 31, 2023**

	2022 Balance	Excess of revenue over expenses	Contributions	Withdrawals	2023 Balance
Unrestricted	\$ 138,210	\$ 36,746	\$ -	\$ -	\$ 174,956
Internally Restricted	509,393	11,668	-	-	521,061
	<b>\$ 647,603</b>	<b>\$ 48,414</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 696,017</b>

	2021 Balance	Excess of revenue over expenses	Contributions	Withdrawals	2022 Balance
Unrestricted	\$ 12,267	\$ 125,943	\$ -	\$ -	\$ 138,210
Internally Restricted	507,365	2,028	-	-	509,393
	<b>\$ 519,632</b>	<b>\$ 127,971</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 647,603</b>

**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Statement of Cash Flows**  
**Year Ended March 31, 2023**

	2023	2022
<b>Operating Activities:</b>		
Excess of revenue over expenditures	\$ 48,414	\$ 127,971
<b>Changes in non-cash working capital:</b>		
Accounts receivable	(69,716)	37,439
Prepaid expenses and deposits	(2,182)	17,864
Accounts payable and accrued liabilities	313,951	248,496
Due to MCCSS	1,591,356	106,143
Due to MOH	(201)	(10,922)
Deferred revenue	(381,037)	(258,068)
	<u>1,452,171</u>	<u>140,952</u>
<b>Increase In Cash Flow</b>	<b>1,500,585</b>	<b>268,923</b>
<b>Cash and bank term deposits - Beginning Of Year</b>	<u>4,397,190</u>	<u>4,128,267</u>
<b>Cash and bank term deposits - End Of Year</b>	<u>\$ 5,897,775</u>	<u>\$ 4,397,190</u>

# COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)

## Notes to Financial Statements

Year Ended March 31, 2023

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### 1. NATURE OF OPERATIONS:

Community Services Coordination Network (Ontario) ("CSCN") was incorporated on November 23, 1994, without share capital. The Community Services Coordination Network (Ontario) is a not-for-profit organization funded primarily by the Ontario Ministry of Children, Community and Social Services ("MCCSS") and by the Ontario Ministry of Health ("MOH"). The key function of CSCN is to coordinate access to various services and supports for adults with a development disability and for children and adolescents with complex needs that may require a response from more than one service provider.

Effective December 27, 2004 CSCN became a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income tax.

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### 2. ACCOUNTING POLICIES:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting principles adopted by CSCN are summarized below:

#### Revenue Recognition:

CSCN follows the deferral method of accounting for contributions which include government grants.

CSCN is funded by the Province of Ontario in accordance with budget arrangements established by MCCSS and MOH. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the period ended March 31, 2023.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

#### Internally Restricted Fund:

In March 2014, The Board of Directors approved the establishment of a general reserve fund with the transfer of \$300,000 from deferred revenue resources.

In February 2019, The Board of Directors approved an additional transfer of \$100,000 from deferred revenue resources.

In April 2020, The Board of Directors approved an additional transfer of \$75,000.

Any withdrawals and additions to the fund must have Board approval. Any interest earned is credited to the fund.

Management and the Board of Directors review the fund annually.

#### Capital Assets:

Capital assets are expensed in the year of acquisition. The statement of revenues and expenses includes capital expenditures of \$138,450 (2022 - \$110,086).

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**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

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**2. ACCOUNTING POLICIES: (continued)**

Cash And Bank Term Deposits:

Cash and bank term deposits include cash on hand and highly liquid guaranteed investment certificates. Term deposits are recorded at cost plus accrued interest, which approximates fair value. Funds are invested in term deposits based on the conditions established by the Organization's governance policies and procedures.

Financial Instruments:

Financial instruments are initially recognized at fair value and subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs. Changes in the fair value of the investments are recorded in the statement of operations.

The fair value of the financial instrument is the estimated amount that CSCN would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

Management Estimates:

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they became known. Actual amounts could differ from those estimates. Significant estimates and assumptions include accrued liabilities and deferred revenue.

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**3. CASH:**

	<u>2023</u>	<u>2022</u>
Internally restricted	\$ 521,061	\$ 509,394
Unrestricted	<u>5,376,714</u>	<u>3,887,796</u>
	<u>\$ 5,897,775</u>	<u>\$ 4,397,190</u>

Included in the Unrestricted amounts above are bank term deposits totalling \$2,371,826 (\$2,334,960 in 2022).

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**4. ACCOUNTS RECEIVABLE:**

	<u>2023</u>	<u>2022</u>
Accounts Receivable	\$ 47,797	13,865
Government of Canada	143,513	106,111
Other	<u>4,123</u>	<u>5,741</u>
	<u>\$ 195,433</u>	<u>\$ 125,717</u>

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**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

**5. ACCOUNTS PAYABLE:**

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 889,555	\$ 975,112
Accrued liabilities	<u>2,425,153</u>	<u>2,025,645</u>
	<b>\$ 3,314,708</b>	<b>\$ 3,000,757</b>

Included in accrued liabilities during the year are amounts owing to MCCSS and MOH for:

F2018	\$ 547,278	\$ 547,278
F2019	275,418	275,418
F2020	743,167	743,167
F2021	255,161	255,161
F2022	<u>350,382</u>	<u>-</u>

Total	<u>\$ 2,171,406</u>	<u>\$ 1,821,024</u>
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**6. MCCSS & MOH SERVICE CONTRACT - SCHEDULE 1:**

CSCN has a service contract with MCCSS and MOH. A reconciliation report submitted to the Ministries, summarizes, by component code, all revenues and expenditures and identifies any resulting surplus/deficit positions as at March 31, 2023.

The following component programs have incurred a surplus:

	<u>2023</u>
<b><u>MCCSS</u></b>	
E661 - Child Welfare - Community and Prevention Supp.	49,156
E701 - Autism	11,947
E704 - Complex Special Needs	1,590,450
E705 - Coordinated Service Planning	757
F600 - DSRS - Adults' Community Accommodation	16,943
F605 - Adults' DS Community Support Services	261,003
F611 - DS Self Managed Support	1,729
F608 - Children's DS Community Support Services	<u>8,159</u>
Total MCCSS	<b><u>\$ 1,940,144</u></b>
<b><u>MOH</u></b>	
A351 - CYMH Family Capacity Building and Supp.	\$ 690
A352 - CYMH Coordinated Access and Intake	<u>703</u>
Total MOH	<b><u>\$ 1,393</u></b>

## COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)

### Notes to Financial Statements

Year Ended March 31, 2023

#### 7. DEFERRED REVENUE:

Deferred revenue for March 31, 2023 represents both Ministry and non-Ministry related funds related to expenses of future periods. Changes in the deferred balance are as follows:

	2023	2022
Balance at beginning of the year	\$ 553,421	\$ 811,489
<b>Add: amounts received during the year:</b>		
MCCSS - DSO & Passport Programs	-	4,266,497
Wraparound donations and partners	178	148
CAS & F&CS	86,574	-
Interest earned	36,628	2,663
Other non-MCCSS programs	87,192	65,512
ADR - link	-	7,186
	<u>763,993</u>	<u>5,153,495</u>
<b>Less: amounts recognized as revenue in the year:</b>		
MCCSS - DSO & passport programs	(367,677)	(4,385,775)
Wraparound donations and partners	(13,790)	(17,297)
CAS & F&CS	(86,574)	(161,703)
Interest earned	(36,628)	(7,186)
Other non-MCCSS programs	(86,940)	(28,113)
	<u>(591,609)</u>	<u>(4,600,074)</u>
<b>Less: amounts repaid during the year</b>		
Other non-MCCSS programs	-	-
	<u>\$ 172,384</u>	<u>\$ 553,421</u>

Due to the on-going COVID-19 pandemic, MCCSS has approved of a one-time carryover from the 2021/2022 Ministry funding to the 2022/2023 expenditure for the purpose of mitigating the impact of the COVID-19 pandemic on the DS Application Entity and Passport Agency programs of up to \$386,000. As of March 31, 2022, CSCN has deferred \$367,677 of Ministry funding for these two programs into the following fiscal year. As of March 31, 2023, CSCN has deferred \$NIL of Ministry funding into the following year.

#### 8. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that CSCN is not exposed to significant interest, credit or foreign exchange risk arising from these financial instruments.

#### 9. CAPITAL MANAGEMENT:

In managing capital, the organization focuses on liquid resources available for operations. The Organization's objective is to have sufficient liquid resources to continue operating and funding grant commitments despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purpose. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget.

As of March 31, 2023 the organization has met its objective of having sufficient liquid resources to meet its current obligations.

**COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

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**10. LEASE COMMITMENTS**

The Organization has commitments under operating leases for office space for various periods through February, 2027. The minimum annual payments for the next four years are:

2024	\$	394,388
2025		244,389
2026		80,814
2027		<u>53,956</u>
	\$	<u>773,547</u>

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**11. ECONOMIC DEPENDENCE**

The Organization's major sources of revenue are derived from the Ontario Ministry of Children, Community and Social Services (MCCSS); therefore, its ability to continue viable operations is dependent upon maintaining its government funding.

MCCSS represents approximately 95% (2022 - 96%) of total revenue.

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COMMUNITY SERVICES COORDINATION NETWORK (ONTARIO)  
STATEMENT OF OPERATIONS BY SERVICE CONTRACT  
March 31, 2023

Schedule 1

Component Code	MOH CYMH Family Capacity Building and Support (A351) A351	MOH CYMH Coordinated Access and Intake (A352) A352	MCCSS Child Welfare - Community and Prevention Supports E661	MCCSS  Autism E701	MCCSS  Complex Special Needs E704	MCCSS  Coordinated Service Planning E705	MCCSS  DSRS - Adults' Community Accommodation F600	MCCSS  Adults' DS Community Support Services F605	MCCSS  DS Self-Managed Support - Directed F611	MCCSS  Children's DS Community Support Services F608	Non MCCSS Operations	Total
<b>Revenues:</b>												
MCCSS service contracts			72,267	228,649	6,378,240	1,329,343	296,950	3,328,803	1,858,235	264,934	-	13,757,421
MOH Service contracts	249,721	193,303										443,024
CAS/F & CS											86,513	86,513
WrapAround Services											13,612	13,612
Other revenue											109,184	109,184
Federal grants											8,918	8,918
	249,721	193,303	72,267	228,649	6,378,240	1,329,343	296,950	3,328,803	1,858,235	264,934	218,226	14,418,672
<b>Expenses:</b>												
Salaries and benefits	211,761	169,442	72,247	10,092	281,844	1,223,060	11,230	2,661,297	1,453,590	222,370	-	6,316,933
MCCSS and MOH other fiscal costs	30,828	-	-	215,668	6,076,922	-	285,720	42,371	-	-		6,651,509
Other operating costs	7,131	23,861	19	2,890	19,475	106,283	-	625,135	404,645	42,564		1,232,004
CAS/F & CS											86,429	86,429
WrapAround Services											13,790	13,790
Other program costs											60,671	60,671
Summer employment											8,922	8,922
	249,721	193,303	72,267	228,649	6,378,241	1,329,343	296,950	3,328,803	1,858,235	264,934	169,812	14,370,258
<b>Excess of Expenses Over Revenues</b>	-	-	-	-	(1)	-	-	-	-	-	48,414	48,414