

**Addiction Services for York Region  
Financial Statements  
For the year ended March 31, 2016**

---

**Contents**

<b>Independent Auditor's Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes In Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11



Tel: 905 270 7700  
Fax: 905 270 7915  
www.bdo.com

BDO Canada LLP  
1 City Centre Drive  
Suite 1700  
Mississauga ON L5B 1M2 Canada

---

## Independent Auditor's Report

---

### To the Members of Addiction Services for York Region

We have audited the accompanying financial statements of Addiction Services for York Region, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, 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 Addiction Services for York Region 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  
Mississauga, Ontario  
June 23, 2016


**Addiction Services for York Region  
Statement of Financial Position**

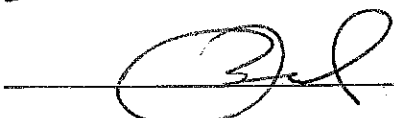
March 31	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 242,819	\$ 386,063
Short-term investments (Note 3)	413,950	825,105
Accounts receivable	52,952	61,408
HST receivable	80,805	113,725
Prepaid expenses	20,000	-
	810,526	1,386,301
<b>Capital assets (Note 4)</b>	127,181	165,648
	\$ 937,707	\$ 1,551,949

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 280,956	\$ 966,199
Deferred revenue	38,148	10,513
	319,104	976,712
<b>Deferred capital contributions (Note 6)</b>	66,734	74,470
<b>Deferred rent</b>	131,557	118,962
	517,395	1,170,144
<b>Net Assets</b>		
Unrestricted	20,312	31,805
Internally restricted (Note 5)	400,000	350,000
	420,312	381,805
	\$ 937,707	\$ 1,551,949

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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

## Addiction Services for York Region Statement of Operations

For the year ended March 31	2016	2015
<b>Revenue</b>		
Ministry of Health and Long-Term Care - Base funding	\$ 4,137,285	\$ 4,133,672
Other funded programs (Note 7)	464,455	456,706
Fee for service	135,239	141,257
Community Withdrawal Management Funding (Note 8)	128,123	128,033
Ministry of Children and Youth Services	60,564	60,564
Amortization of deferred capital contributions (Note 6)	29,736	32,706
Donations and other income	14,032	14,257
Interest income	6,054	6,187
	4,975,488	4,973,382
<b>Expenditures</b>		
Salaries and benefits	3,626,314	3,455,467
Occupancy costs	425,267	430,250
Professional fees	182,074	170,213
Office expenses	192,069	176,758
Purchased services	132,585	165,174
Information technology	78,984	110,777
Amortization	60,716	69,999
Travel	58,633	57,779
Professional development	57,286	54,888
Telephone	49,762	41,619
Medical services	26,581	181,516
Insurance	15,672	12,141
Repairs and maintenance	17,831	10,660
Bank charges and interest	13,207	5,458
	4,936,981	4,942,699
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 38,507</b>	<b>\$ 30,683</b>

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

**Addiction Services for York Region  
Statement of Changes in Net Assets**

**For the year ended March 31, 2016**

	Unrestricted	Internally Restricted (Note 5)	Total 2016	Total 2015
Balance, beginning of year	\$ 31,805	\$ 350,000	\$ 381,805	\$ 351,122
Excess of revenue over expenditures	38,507	-	38,507	30,683
Transfer from unrestricted to internally restricted	(50,000)	50,000	-	-
Balance, end of year	\$ 20,312	\$ 400,000	\$ 420,312	\$ 381,805

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

**Addiction Services for York Region**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2016</b>	<b>2015</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	\$ 38,507	\$ 30,683
Adjustments required to reconcile excess of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	60,716	69,999
Amortization of deferred capital contributions	(29,736)	(32,706)
Deferred rent	12,595	18,930
Changes in non-cash working capital balances		
Accounts receivable	8,456	(11,056)
HST receivable	32,920	(15,161)
Prepaid expenses	(20,000)	11,300
Accounts payable and accrued liabilities	(685,243)	59,039
Deferred revenue	27,635	(5,500)
	<u>(554,150)</u>	<u>125,528</u>
<b>Investing activities</b>		
Purchase of capital assets	(249)	-
Sale (purchase) of short-term investments	411,155	(3,243)
	<u>410,906</u>	<u>(3,243)</u>
<b>Increase (decrease) in cash during the year</b>	<b>(143,244)</b>	<b>122,285</b>
<b>Cash, beginning of year</b>	<b>386,063</b>	<b>263,778</b>
<b>Cash, end of year</b>	<b>\$ 242,819</b>	<b>\$ 386,063</b>

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

---

# Addiction Services for York Region

## Notes to Financial Statements

March 31, 2016

---

### 1. Nature of Operations and Significant Accounting Policies

#### Nature of the Organization

Addiction Services for York Region is a non-profit agency that supports change in the lives of individuals, their families and communities related to substance use and gambling.

The Organization is a registered charity under the Income Tax Act and as such is exempt from income tax.

#### General

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized below.

#### Short-term Investments

Short-term investments consist Guaranteed Investment Certificates and are recorded at fair value, which is cost plus accrued interest.

#### Deferred Rent

Deferred rent represents the straight lining of premises rental payments over the term of the lease.

#### Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	-	33 % declining balance
Office furniture and equipment	-	20 % declining balance
Leasehold improvements	-	20 % straight line

---

## Addiction Services for York Region Notes to Financial Statements

March 31, 2016

---

### 1. Nature of Organization and Significant Accounting Policies (continued)

#### Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which includes donations and government grants.

The Organization is funded in part by the Government of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care and the Ministry of Community and Social Services. Operating grants are recorded as revenue in the period to which they relate.

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.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Fee for service and other contract revenue is recognized when the services are provided and collectibility is reasonably assured.

#### Contributed Services

Volunteers contribute time to assist the Organization in carrying out its services. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, except for short-term investments, which are subsequently measured at fair value. 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 remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.



**Addiction Services for York Region**  
**Notes to Financial Statements**

**March 31, 2016**

**2. Cash**

The Organization has an unused line of credit of \$50,000 that bears interest at prime + 1.25%.

**3. Short-term Investments**

The GICs mature between August and December 2016 (2015 - maturing between August and November 2015) and bear interest rates ranging from 0.59% to 0.66% (2015 - 0.89% to 1.75%).

**4. Capital Assets**

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 279,585	\$ 212,965	\$ 257,336	\$ 179,705
Office furniture and equipment	152,178	91,617	152,178	76,476
Leasehold improvements	61,577	61,577	61,577	49,262
	<b>\$ 493,340</b>	<b>\$ 366,159</b>	<b>\$ 471,091</b>	<b>\$ 305,443</b>
 Net book value		<b>\$ 127,181</b>		<b>\$ 165,648</b>

**5. Internally Restricted Funds**

The Board of Directors have internally restricted funds in the amount of \$400,000 (2015 - \$350,000) to be spent only upon approval of the Board and only for unforeseen expenses, major capital asset additions or operating needs that are not otherwise budgeted. They are not to be used to fund current operating activities.

## Addiction Services for York Region Notes to Financial Statements

**March 31, 2016**

### 6. Deferred Capital Contributions

Deferred capital contributions consists of the following:

	2016	2015
Balance, beginning of year	\$ 74,470	\$ 107,176
Contributions received from:		
Ministry of Health and Long Term Care	22,000	-
	96,470	-
Amortization of deferred capital contributions	(29,736)	(32,706)
	\$ 66,734	\$ 74,470

The contribution of \$22,000 that was received was fully spent on capital assets during the year.

### 7. Other Funded Programs

Other program revenue consists of the following amounts:

	2016	2015
<b>Canadian Mental Health</b>		
Housing First Program	\$ 364,705	\$ 323,706
Homes Plus Care Program	-	66,000
<b>Black Creek Community Health Centre</b>		
Bridges to Moms and Moms and Kids Too Program	67,000	67,000
<b>Women's College Hospital</b>		
Adopting Research to Improve Care Program	32,750	-
	\$ 464,455	\$ 456,706

### 8. Community Withdrawal Management Funding

Community Withdrawal Management Funding is received from Royal Victoria Hospital.

---

## Addiction Services for York Region Notes to Financial Statements

**March 31, 2016**

---

### 9. Commitments

The Organization has the following minimum annual payments for their premises and telecommunications:

2017	\$	264,898
2018		264,218
2019		249,759
2020		252,667
2021 and thereafter		2,903,250

---

### 10. Financial Instrument Risks

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments. This risk is mitigated through the use of a formal investment policy, using the services of a professional investment advisor, and on-going monitoring and reporting. This risk has not changed from the prior year.

---

### 11. Contingent Liabilities

The Organization receives funding from the Central Local Health Integration Network (the "Central LHIN") to assist with the expenditures of the Organization based on a pre-approved budget. The amount of funding provided to the Organization is subject to final review and approval by the Central LHIN.

As at the date of these financial statements, funding for the period of April 1, 2015 to March 31, 2016 has not been subject to the Central LHIN's review process. As at March 31, 2016 the Organization has recorded a payable to the Central LHIN of \$nil (2015 - \$555,000) on account of unspent funding. Any adjustments required as a result of this review, will be accounted for in the year of settlement.

---

### 12. Comparative Figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.