

**Central Community Care  
Access Centre  
Financial Statements  
For the year ended March 31, 2013**

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## Independent Auditor's Report

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### To the Members of Central Community Care Access Centre

We have audited the accompanying financial statements of Central Community Care Access Centre which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flow statement for the years ended March 31, 2013 and March 31, 2012, 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 public sector accounting standards, 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 Central Community Care Access Centre as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations, changes in net assets, and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

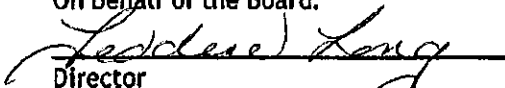
June 14, 2013  
Newmarket, Ontario

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**Central Community Care Access Centre  
Statement of Financial Position**

March 31	2013	2012	April 1, 2011
<b>Assets</b>			
<b>Current</b>			
Cash (Note 5)	\$23,255,267	\$ 19,434,510	\$ 15,562,804
Accounts receivable (Note 12)	1,196,798	1,123,682	1,740,289
Prepaid expenses	776,469	1,065,437	1,137,609
	<u>25,228,534</u>	<u>21,623,629</u>	<u>18,440,702</u>
Property, plant and equipment (Note 6)	1,789,659	1,666,507	1,652,550
	<u>\$ 27,018,193</u>	<u>\$ 23,290,136</u>	<u>\$ 20,093,252</u>
<b>Liabilities and Net Assets (Deficit)</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 25,004,913	\$ 21,318,306	\$ 18,569,560
Deferred revenue	169,140	247,891	221,355
Current portion of employee post-retirement benefits (Note 10)	6,122	5,810	5,810
	<u>25,180,175</u>	<u>21,572,007</u>	<u>18,796,725</u>
Deferred contributions related to property, plant and equipment (Note 7)	1,789,659	1,666,507	1,652,550
Employee post-retirement benefits (Note 10)	2,500	8,310	14,120
Contingencies (Note 13)			
Commitments (Note 11)			
<b>Net Assets (Deficit)</b>			
Internally restricted - donation fund	65,790	63,243	58,856
Internally restricted - employee post-retirement benefits	(8,622)	(14,120)	(19,930)
Unrestricted - employee post-retirement benefits	(11,309)	(5,811)	-
Unrestricted	-	-	(409,069)
	<u>45,859</u>	<u>43,312</u>	<u>(370,143)</u>
	<u>\$ 27,018,193</u>	<u>\$ 23,290,136</u>	<u>\$ 20,093,252</u>

On behalf of the Board:

  
Director

  
Director

## Central Community Care Access Centre Statement of Operations

Year ended March 31	2013	2012
<b>Revenues</b>		
Central LHIN (Note 8)	\$238,614,829	\$ 228,440,011
Recoveries	1,086,951	1,347,946
Interest and other income	182,069	204,714
Amortization of deferred contributions related to property, plant and equipment and pandemic medical supplies	<u>762,827</u>	<u>705,892</u>
	<u>240,646,676</u>	<u>230,698,563</u>
<b>Expenses</b>		
Purchased Services, Supplies and Equipment		
Purchased services (Note 15)	157,808,366	150,007,470
Medical lab and supplies	10,463,128	9,382,488
Medical equipment	<u>4,147,448</u>	<u>3,514,135</u>
	172,418,942	162,904,093
Salary and benefits	57,170,319	56,299,621
General Administration		
Building occupancy	2,247,904	2,055,064
Office equipment and supplies	1,375,777	1,275,658
Amortization of property, plant and equipment and intangible assets	<u>762,827</u>	<u>705,892</u>
Office administration	<u>6,668,360</u>	<u>7,044,780</u>
	<u>240,644,129</u>	<u>230,285,108</u>
<b>Excess of revenues over expenses</b>	<u>\$ 2,547</u>	<u>\$ 413,455</u>

**Central Community Care Access Centre  
Statement of Changes in Net Assets**

Year ended March 31

	Internally Restricted	Unrestricted	2013 Total	2012 Total
Balance, beginning of the year	\$ 49,123	\$ (5,811)	\$ 43,312	\$ (370,143)
Excess of revenues over expenses for the year	2,547	-	2,547	413,455
Interfund transfer	5,498	(5,498)	-	-
<b>Balance, end of the year</b>	<b>\$ 57,168</b>	<b>\$ (11,309)</b>	<b>\$ 45,859</b>	<b>\$ 43,312</b>

## Central Community Care Access Centre Statement of Cash Flows

Year ended March 31	2013	2012
<b>Cash provided by (used in)</b>		
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 2,547	\$ 413,455
Charges (credits) to operations not involving cash		
Amortization of deferred contributions	(762,827)	(705,892)
Amortization of property, plant and equipment	762,827	705,892
Change in non-cash working capital balances related to operations		
Accounts receivable	(73,116)	616,607
Prepaid expenses	288,968	72,172
Accounts payable and accrued liabilities	3,686,607	2,748,746
Deferred revenue	(78,751)	26,536
Post retirement benefits	(5,498)	(5,810)
	<u>3,820,757</u>	<u>3,871,706</u>
<b>Cash flows from capital activities</b>		
Purchase of property, plant and equipment	885,979	719,849
<b>Cash flows from financing activities</b>		
Deferred contributions from property, plant and equipment	<u>(885,979)</u>	<u>(719,849)</u>
Cash, beginning of the year	<u>19,434,510</u>	<u>15,562,804</u>
<b>Cash, end of the year</b>	<u>\$23,255,267</u>	<u>\$ 19,434,510</u>

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

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# Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

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## 1. Summary of Significant Accounting Policies

### Nature and Purpose of Organization

The Central Community Care Access Centre (the "Centre") is incorporated as a statutory not-for-profit organization under the Community Care Access Centre Corporations Act, 2001 and regulation 336/06. The Centre is a registered Charitable Organization under the Income Tax Act.

The Centre supports residents of all ages, and their caregivers, at home and in their community by providing information about and access to individualized community based health support services, coordination, and monitoring the services and determining eligibility for admission of persons requiring residence in long-term care facilities.

The Centre provides services in a defined catchment area which includes most of York Region and North York and parts of Simcoe County and Etobicoke. The catchment area of the Centre aligns with the catchment area of the Central Local Health Integration Network (Central LHIN).

### Basis of Presentation

The financial statements of the Centre have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

### Revenue Recognition

The Centre follows the deferral method of accounting for contributions which include donations and government grants. Under the Health Insurance Act and Regulations thereto, the Centre is funded primarily by the Central LHIN in accordance with budget arrangements established by the Ministry of Health and Long-Term Care. Operating grants are recorded as revenue in the year to which they relate. Grants approved but not received at the end of an accounting year are accrued. When a portion of a grant relates to a future year, it is deferred and recognized in that subsequent year.

Unrestricted contributions are recognized as revenue when received or receivable if the amount 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.

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.

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# Central Community Care Access Centre

## Notes to the Financial Statements

March 31, 2013

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### 1. Summary of Significant Accounting Policies (continued)

#### Financial Instruments

The Centre classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

##### Fair value

This category includes cash and cash equivalents.

They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

##### Amortized cost

This category includes accounts receivable, accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.



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# Central Community Care Access Centre

## Notes to the Financial Statements

March 31, 2013

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### Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates 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 year. The principal estimates used in the preparation of these financial statements include useful life and valuation of property, plant and equipment and significant accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

### Pension Plan

The Centre's contribution to a multi-employer defined benefit pension plan are expensed when contributions are payable.

### Property, Plant and Equipment

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed assets are recorded at a nominal amount.

Amortization is provided on property, plant and equipment on the straight-line basis over their estimated useful lives as follows:

Computers	3 years
Software	2 years
Furniture, fixtures and equipment	5 years
Leasehold improvements	Term of lease

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# Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

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## 2. First Time Adoption of Public Sector Accounting Standards

The Public Sector Accounting Board (PSAB) issued new standards for government (public sector) not-for-profit organizations. For years beginning on or after January 1, 2012, government NPOs have a choice of:

1. Public sector accounting standards including PS 4200 - 4270 government not-for-profit organizations; or
2. Public sector accounting standards

The Centre has chosen to follow Public sector accounting standards including PS 4200 - 4270 for government not-for-profit organizations.

Effective April 1, 2012, the Centre adopted the requirements of the new accounting framework, Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations (PSAB for Government NPOs). These are the Centre's first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125 - First-time Adoption by Government Organizations have been applied. Section 2125 requires retroactive application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 1 - Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for Government NPOs statements of financial position at the date of transition of April 1, 2011 with the exception of PS 2601 - Foreign Currency Translation and PS 3450 - Financial Instruments, which have been applied with an effective date of April 1, 2012 (see Note 3 - Change in Accounting Policy).

The Centre issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook - Accounting Part V - Pre - changeover Accounting Standards. The adoption of PSAB for Government NPOs resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the Centre.

The following exception was used at the date of transition to Canadian public sector accounting standards for government not-for-profit organizations:

### Mandatory exceptions

#### Estimates

The estimates previously made by the Centre under pre-changeover Canadian GAAP were not revised for the application of PSAB for Government NPOs except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Centre has not used hindsight to revise estimates.

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## Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

### 3. Change in Accounting Policy

On April 1, 2012, the Centre adopted Public Accounting Standards PS 1201 - Financial Statement Presentation, PS 2601 - Foreign Currency Translation and PS 3450 - Financial Instruments. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statements of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Centre's accounting policy choices (see Note 1 - Significant Accounting Policies).

In accordance with the provisions of this new standard, no adjustments were required by the Centre.

### 4. Financial Instrument Classification

Cash and cash equivalents are classified as fair value and accounts receivable, accounts payable and accrued liabilities as amortized cost.

### 5. Cash

The Centre's bank accounts are held at one chartered bank. These bank accounts earn interest at a variable rate dependent on the monthly minimum balances. The Centre has available an unsecured \$15,000,000 operating line of credit which bears interest at prime. As at March 31, 2013, the balance outstanding on this facility is \$0. There were no draws over the course of the year.

### 6. Property, Plant and Equipment

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture, fixtures and general equipment	\$ 3,426,804	\$ 2,682,706	\$ 2,988,852	\$ 2,564,201
Leasehold improvements	2,295,937	1,813,926	2,150,046	1,604,531
Computers and software	4,308,522	3,744,972	4,006,386	3,310,045
	<u>\$ 10,031,263</u>	<u>\$ 8,241,604</u>	<u>\$ 9,145,284</u>	<u>\$ 7,478,777</u>
Net book value		<u>\$ 1,789,659</u>		<u>\$ 1,666,507</u>

## Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

### 7. Deferred Contributions Related to Property, Plant and Equipment

Deferred contributions represent the unamortized amount of grants received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2013	2012
Balance, beginning of the year	\$ 1,666,507	\$ 1,652,550
Additions in the year	885,979	719,849
Amounts amortized to revenue	(762,827)	(705,892)
Balance, end of the year	\$ 1,789,659	\$ 1,666,507

### 8. Central LHIN Revenue

	2013	2012
Base funding	\$ 235,315,879	\$ 225,957,009
Base technology infrastructure	506,435	406,306
One-time funding	2,871,266	2,050,160
	238,693,580	228,413,475
Deferred BTI funding:		
Fiscal 2012	-	26,536
Fiscal 2013	(78,751)	-
	\$238,614,829	\$ 228,440,011

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## Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

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### 9. Pension Plan

Approximately 652 employees of the Centre are members of the Healthcare of Ontario Pension Plan which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Hospitals of Ontario Pension Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the percentage of salary contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the Plan as at December 31, 2012 indicates the Plan is 104% funded (2011 - 103% funded). The results of this valuation disclosed total actuarial liabilities of \$39,919 million (2011 - \$36,782 million) in respect of benefits accrued for service with actuarial assets at that date of \$41,592 million (2011 - \$37,758 million) indicating an actuarial surplus of \$1,673 million (2011 - surplus of \$976 million). Because the Hospitals of Ontario Pension Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of all organizations within the Plan and their employees. As a result, the Centre does not recognize any share of the Hospitals of Ontario Pension Plan surplus or deficit.

Employer contributions made to the Plan during the year by the Centre amount to \$3,990,313 (2012 - \$3,902,979) and is included in employee benefits expense.

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## Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

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### 10. Employee Post-retirement Benefits

The Centre provides 100% of the premiums for extended healthcare, dental and a lump sum life insurance for certain retirees.

During December 2008, a collective bargaining agreement was settled with the union. In this agreement, these employee post-retirement benefits were removed. Only individuals that are already receiving these benefits will continue to receive them. An estimate was made of the remaining liability and the remainder of \$227,309 was credited against benefit expenses.

For the year ended March 31, 2013, the Centre's obligation related to accrued benefits have been recorded as follows:

Accrued benefit obligation	2013	2012
Total estimated accrued benefit liability as at March 31, 2013 \$	8,622	\$ 14,120
Less current portion due within one year	6,122	5,810
	<u>\$ 2,500</u>	<u>\$ 8,310</u>

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### 11. Lease Commitments

The Centre is committed to minimum annual operating lease payments on its premises and office equipment. These leases have expiry dates ranging from 2013 to 2019.

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

2014	\$ 1,809,860
2015	1,182,452
2016	1,006,858
2017	982,608
2018	978,996

In addition to the above commitments, the Centre has entered into various commitments with its service providers.

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# Central Community Care Access Centre

## Notes to the Financial Statements

March 31, 2013

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### 12. Financial Instruments

#### Credit risk

Credit risk is the risk of financial loss to the Centre if a debtor fails to make payments of interest and principal when due. The Centre is exposed to this risk relating to its cash and cash equivalents and accounts receivable.

Accounts receivable are primarily due from the Central LHIN. Credit risk is mitigated by the financial solvency of the provincial government.

The Centre measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Centre's historical experience regarding collections. The amounts outstanding at year end were as follows:

	2013	2012
Due from Central LHIN	\$ 11,404	\$ 17,700
Recoveries receivable	342,824	305,345
HST/GST rebates	842,570	800,637
	<u>\$ 1,196,798</u>	<u>\$ 1,123,682</u>

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. The Centre is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet all cash outflow obligations as they come due. The Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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# Central Community Care Access Centre Notes to the Financial Statements

March 31, 2013

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### 13. Contingencies

(a) The nature of the Centre's activities is such that there may be litigation pending or in prospect at any time. With respect to claims at March 31, 2013, management believes the Centre has appropriate insurance coverage in place. In the event any potential claims are successful, management believes that such claims are not expected to have a material effect on the Centre's financial position.

(b) The Centre participates in the Healthcare Insurance Reciprocal of Canada, a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they were members and these losses could be material. No assessments have been made to March 31, 2013.

(c) Effective April 1, 1997, employees of the former York Region Centre previously covered under the Ontario Municipal Employees Retirement System (OMERS) were transferred to the Healthcare of Ontario Pension Plan (HOOPP). A settlement was reached on November 30, 2012. In the Settlement, the Ministry of Health and Long Term Care is to pay settlement benefits to Class Members. The claims process is ongoing and the exact amount each Class Member will receive is not precisely known until the claims process is complete. No liability has been recorded in the books and records of the Centre.

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### 14. Economic Dependence

The Centre received 99% (2012 - 99%) of its revenue from the Central LHIN.

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### 15. Schedule of Purchased Services

	2013	2012
Personal support	\$ 87,586,123	\$ 81,144,187
Nursing	50,362,510	47,361,776
Pharmacy	684,900	598,493
Occupational therapy	5,654,795	6,369,202
Physiotherapy	4,399,117	4,384,551
Speech-language pathology	5,255,122	5,931,442
Social work	401,630	669,353
Nutrition	412,486	462,136
Community Support Services	3,051,683	3,086,330
	<u>\$ 157,808,366</u>	<u>\$ 150,007,470</u>

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