

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
FINANCIAL STATEMENTS  
AS AT MARCH 31, 2013**

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
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AS AT MARCH 31, 2013**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
South East Community Care Access Centre

### Report on the Financial Statements

We have audited the accompanying financial statements of South East Community Care Access Centre, which comprise the statement of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of fund balances, operations and cash flows for the years ending 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 for government not-for-profit organizations, including the 4200 series 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

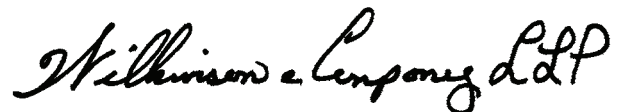
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, these financial statements present fairly, in all material respects, the financial position of South East Community Care Access Centre as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series.



BELLEVILLE, Canada  
June 26, 2013

Chartered Accountants  
Licensed Public Accountants


## WILKINSON & COMPANY LLP - CHARTERED ACCOUNTANTS

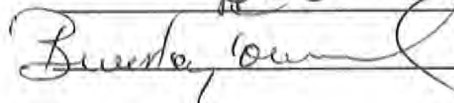
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**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2013**

	March 31, 2013 \$	March 31, 2012 \$ (Note 2)	April 1, 2011 \$ (Note 2)
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	10,309,463	10,069,406	9,448,530
Accounts receivable	1,421,636	681,345	972,914
Prepaid expenses	305,623	260,565	248,340
	<b>12,036,722</b>	<b>11,011,316</b>	<b>10,669,784</b>
<b>CAPITAL ASSETS - Note 4</b>	<b>180,639</b>	<b>295,984</b>	<b>484,086</b>
	<b>12,217,361</b>	<b>11,307,300</b>	<b>11,153,870</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	9,375,399	8,603,349	8,754,479
Amount due to Ministry of Health and Long-Term Care	1,928,053	1,717,740	1,334,386
Deferred contributions	474,257	510,652	431,198
	<b>11,777,709</b>	<b>10,831,741</b>	<b>10,520,063</b>
<b>FUND BALANCES</b>			
Unrestricted	110,413	38,364	9,383
Internally restricted	148,600	141,211	140,338
Invested in capital assets - Note 5	180,639	295,984	484,086
	<b>439,652</b>	<b>475,559</b>	<b>633,807</b>
<b>CONTINGENCIES - Note 13</b>			
	<b>12,217,361</b>	<b>11,307,300</b>	<b>11,153,870</b>

**APPROVED ON BEHALF OF THE BOARD**

  
Director

  
Director

The accompanying notes form an integral part of these financial statements

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
STATEMENT OF FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2013**

	<b>2013</b>				2012 Total \$ (Note 2)
	<b>Unrestricted \$</b>	<b>Internally Restricted \$</b>	<b>Invested in Capital \$</b>	<b>Total \$</b>	
<b>FUND BALANCES - BEGINNING OF YEAR</b>	38,364	141,211	295,984	475,559	633,807
<b>FUND INCREASE (DECREASE) IN YEAR</b>	110,413	7,389	(115,345)	2,457	(148,865)
	148,777	148,600	180,639	478,016	484,942
<b>RECOVERY OF PRIOR YEAR SURPLUSES BY MINISTRY OF HEALTH &amp; LONG - TERM CARE</b>	(38,364)			(38,364)	(9,383)
<b>FUND BALANCES - END OF YEAR</b>	110,413	148,600	180,639	439,652	475,559

The accompanying notes form an integral part of these financial statements

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2013**

	2013 \$	2012 \$ (Note 2)
<b>REVENUES</b>		
Ministry of Health		
- Base funding	103,505,484	99,080,711
- One-time funding	4,848,687	3,201,714
Other income	1,264,655	1,097,040
	<b>109,618,826</b>	<b>103,379,465</b>
<b>EXPENDITURES</b>		
Purchased client services	69,741,964	65,011,396
Salaries and wages	22,979,696	21,455,239
Employee benefits	5,728,172	5,556,197
Office expenses	809,602	795,703
Building occupancy costs	1,220,297	1,218,594
Medical supplies and equipment	6,043,324	5,568,371
Training and education	431,711	459,362
Travel	501,378	455,149
Amortization of capital assets	191,068	330,557
Other operating expenditures	1,969,157	2,677,762
	<b>109,616,369</b>	<b>103,528,330</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	<b>2,457</b>	<b>(148,865)</b>
<b>COMPRISED OF:</b>		
Unrestricted fund increase (decrease)		
Nursing initiatives	1,027,188	
General operations	(916,775)	38,364
	<b>110,413</b>	<b>38,364</b>
Fund increase internally restricted	7,389	873
Fund decrease related to capital assets	(115,345)	(188,102)
	<b>2,457</b>	<b>(148,865)</b>

The accompanying notes form an integral part of these financial statements

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2013**

	2013 \$	2012 \$ (Note 2)
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures (expenditures over revenue) for year	2,457	(148,865)
Adjustment for items which do not affect cash - Amortization of capital assets	191,068	330,557
	<b>193,525</b>	181,692
Net change in non-cash working capital balances related to operations - Note 6	197,014	511,568
<b>CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES</b>	<b>390,539</b>	693,260
<b>FINANCING AND INVESTING ACTIVITIES</b>		
Increase (decrease) in deferred contributions	(36,395)	79,454
Prior year surplus repaid to Ministry of Health and Long-Term Care	(38,364)	(9,383)
<b>CASH FLOWS (USED IN) PROVIDED FROM FINANCING AND INVESTING ACTIVITIES</b>	<b>(74,759)</b>	70,071
<b>CAPITAL ACTIVITIES</b>		
Purchase of capital assets	(75,723)	(142,455)
<b>NET INCREASE IN CASH FOR YEAR</b>	<b>240,057</b>	620,876
<b>CASH - BEGINNING OF YEAR</b>	<b>10,069,406</b>	9,448,530
<b>CASH - END OF YEAR</b>	<b>10,309,463</b>	10,069,406
<b>REPRESENTED BY:</b>		
Cash	10,309,463	10,069,406

The accompanying notes form an integral part of these financial statements

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**1. PURPOSE OF THE ORGANIZATION**

The South East Community Care Access Centre ("CCAC") was formed in 2007 as part of a realignment by the Ministry of Health and Long-Term Care to correspond to the geographical areas of the 14 Local Health Integration Networks, providing a single entry access point to long-term care and community services. Professional and homemaking services are provided within the community. Placement Co-ordination Services are provided to those who are in need of accommodation in Nursing Homes or Homes for the Aged. Information and referral services are also in the mandate of the CCAC.

The CCAC is funded by the Ministry of Health and Long-Term Care through the South East Local Health Integration Network.

The South East Community Care Access Centre is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

**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 not-for-profit organizations have a choice of:

1. Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series; or
2. Canadian public sector accounting standards

Consistent with direction from the Ministry of Health and Long-Term Care, the Organization has chosen to follow the Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series.

Effective April 1, 2012, the Organization adopted the requirements of the new accounting framework, Canadian public sector accounting standards for government not-for-profit organizations (PSAS for GNPOs). These are the Organization'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 the Summary of Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in the financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAS for GNPOs Statement of Financial Position at the date of transition of April 1, 2011.



**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**2. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS (Cont'd)**

The Organization issued audited financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook – Part V - Pre-changeover Accounting Standards. The adoption of Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series, resulted in adjustments to the previously reported accounts payable and accrued liabilities and unrestricted fund balance.

		Pre-PSAS for GNPOs \$	Transition \$	PSAS for GNPOs \$
<b><u>April 1, 2011</u></b>				
Accounts payable and accrued liabilities	(a)	8,735,453	19,026	<b>8,754,479</b>
Unrestricted fund balance	(a)	28,409	(19,026)	<b>9,383</b>
<b><u>March 31, 2012</u></b>				
Accounts payable and accrued liabilities	(a)	8,575,012	28,337	<b>8,603,349</b>
Amount due to Ministry of Health and Long-Term Care	(a)	1,736,766	(19,026)	<b>1,717,740</b>
Unrestricted fund balance	(a)	47,675	(9,311)	<b>38,364</b>
Salaries and benefits	(a)	21,445,928	9,311	<b>21,455,239</b>
Excess of expenditures over revenue	(a)	(139,554)	(9,311)	<b>(148,865)</b>

The impact on the March 31, 2012 cash flow statement of the above is an increase in excess of expenditures over revenue for the year of \$9,311, a reduction in net change in non-cash working capital of \$9,715 and a reduction in the prior year surplus repaid to the Ministry of Health and Long-Term Care of \$19,026. There is also a requirement to disclose capital activities as its own section on the statement of cash flows. Accordingly, the purchase of capital assets has been moved from financing and investing activities.

- (a) PSAS for GNPOs requires the recognition of a liability for the Organization's short-term disability coverage that does not vest or accumulate which was not required under pre-changeover Canadian generally accepted accounting principles. As a result, short-term disability coverage expected to be paid in the next fiscal year, has been accrued for at April 1, 2011 and March 31, 2012. Accordingly, accounts payable and accrued liabilities have been re-stated as at April 1, 2011 and March 31, 2012 and salaries and benefits figures, unrestricted fund balances and the amount due to the Ministry of Health and Long-Term Care have been restated as at March 31, 2012.

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**2. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS (Cont'd)**

The following exception was used at the date of transition to Canadian PSAS for GNPOs:

**Mandatory Exception**

***Estimates***

The estimates previously made by the Organization under pre-changeover accounting standards were not revised for the application of PSAS for GNPOs. As a result, the Organization has not used hindsight to revise estimates.

**3. ACCOUNTING POLICIES**

Outlined below are those accounting policies considered to be particularly significant:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series.

**(b) Accounting Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series 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. Significant items subject to such estimates and assumptions include valuation of accounts receivable and accounts payable and accrued liabilities. Actual results could differ from those estimates.

**(c) Capital Assets and Amortization**

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expenses, while betterments which extend the estimated life of an asset are capitalized. When the capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value. Any gains or losses on disposal are charged to operations in the year of disposition.

Amortization rates are on a straight-line basis as follows:

<b>Asset</b>	<b>Rate</b>
Furniture and equipment	5 years
Computer equipment	4 years
Leasehold improvements	5 years

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**3. ACCOUNTING POLICIES (Cont'd)**

**(d) Revenue Recognition**

The Organization follows the deferral method of accounting for contributions.

The Organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care. 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 that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2013.

Pursuant to the related agreements, if the Organization does not meet specified levels of activity, the Ministry is entitled to seek refunds which is discussed further in Note 11 and 13(a).

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. The operating subsidy is recognized on the basis of the lesser of:

- (i) actual expenditures eligible for operating subsidy.
- (ii) approved fiscal allocation by the Ministry of Health and Long-Term Care, through the South East Local Health Integration Network.

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

Unrestricted investment income is recognized as revenue when earned.

**(e) Non-vesting Short-Term Disability**

The cost and accrual of short-term disability coverage that does not vest or accumulate is determined based on knowledge of the individual circumstances.

**(f) Deferred Contributions Relating to Capital Assets**

Restricted grants donations and other revenues received relating to the purchase of capital assets are deferred and amortized over future periods. The amortization period is based on the period used to amortize the corresponding capital assets.

**(g) Deferred Contributions**

Deferred contributions relate to funding received in the current year which are specified for projects and expenditures to be incurred in the following fiscal year.

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**3. ACCOUNTING POLICIES (Cont'd)**

**(h) Cash**

Cash consists of cash on deposit.

**(i) Contributed Services**

Directors and committee members volunteer their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made, and accordingly, these contributed services are not recognized in the financial statements.

**4. CAPITAL ASSETS**

	2013		2012	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Furniture and equipment	2,014,905	1,969,671	2,014,906	1,865,434
Computer equipment	1,607,482	1,523,813	1,518,526	1,477,708
Leaseholds improvements	1,277,190	1,225,454	1,290,422	1,184,728
	<b>4,899,577</b>	<b>4,718,938</b>	4,823,854	4,527,870
Cost less accumulated amortization	<b>\$ 180,639</b>		\$ 295,984	

**5. INVESTED IN CAPITAL ASSETS**

	2013 \$	2012 \$
Balance, beginning of year	295,984	484,086
Purchase of capital assets	75,723	142,455
	<b>371,707</b>	626,541
Amortization of capital assets	<b>(191,068)</b>	(330,557)
	<b>180,639</b>	295,984

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**6. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS**

Cash provided from (used in) non-cash working capital is compiled as follows:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
		(Note 2)
<b>(INCREASE) DECREASE IN CURRENT ASSETS</b>		
Accounts receivable	<b>(740,291)</b>	291,569
Prepaid expenses and deposits	<b>(45,058)</b>	(12,225)
	<b>(785,349)</b>	279,344
<b>INCREASE (DECREASE) IN CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<b>772,050</b>	(151,130)
Amounts due to Ministry of Health and Long-Term Care	<b>210,313</b>	383,354
	<b>982,363</b>	232,224
<b>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>	<b>197,014</b>	<b>511,568</b>

**7. COMMITMENTS**

The Organization has entered into several lease agreements for premises and certain equipment that expire at various times between June 2013 and August 2019. The future payments under these obligations are as follows:

	<b>Premises</b>	<b>Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
2014	<b>1,099,961</b>	<b>223,973</b>	<b>1,323,934</b>
2015	<b>207,252</b>	<b>135,289</b>	<b>342,541</b>
2016	<b>210,302</b>	<b>84,508</b>	<b>294,810</b>
2017	<b>203,252</b>	<b>24,009</b>	<b>227,261</b>
2018	<b>117,868</b>	<b>10,274</b>	<b>128,142</b>
Thereafter	<b>45,171</b>	<b>45,171</b>	<b>45,171</b>
	<b>1,883,806</b>	<b>478,053</b>	<b>2,361,859</b>

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**8. ECONOMIC DEPENDENCY**

The Organization is dependent upon the Ministry of Health and Long-Term Care, through the South East Local Health Integration Network, for substantially all of its revenues.

**9. PENSION PLAN**

Substantially all of the employees of the Organization are eligible to be members of the Hospitals of Ontario Pension Plan, which is a multi-employer final average pay contributory pension plan. Employer contributions made to the Plan during the year by the South East Community Care Access Centre amounted to \$2,111,033 (2012 - \$1,980,996). These amounts are included in the statement of operations. The most recent actuarial evaluation of the Hospitals of Ontario Pension Plan as of December 31, 2012 is that the plan has a pension surplus of \$7.495 billion (December 31, 2011 - \$3.539 billion).

**10. FINANCIAL RISKS AND CONCENTRATION OF RISK**

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

**(a) Liquidity Risk:**

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due.

The Organization's exposure to liquidity risk is dependent on the receipt of funds from its operations and the availability of its banking facility. The Organization mitigates this risk by monitoring cash activities and expected outflows.

Management is of the opinion that the Organization will be able to meet all of its cash flow obligations as they come due and are not subject to significant liquidity risk.

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

**SOUTH EAST COMMUNITY CARE ACCESS CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**10. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)**

**(b) Credit Risk:**

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payments of interest and principal when due.

Accounts receivable are short term in nature and the Organization's collection policy and procedures mitigate any material risk.

There have been no significant changes from the previous period in the exposure to risk or policies used to measure risk. It is management's opinion that the Organization is not exposed to significant credit risk from these financial statements.

**11. AGREEMENT WITH MINISTRY OF HEALTH & LONG-TERM CARE**

The South East Community Care Access Centre has a funding agreement with the Ministry of Health and Long-Term Care through the South East Local Health Integration Network. One requirement of the funding agreement is the production of a yearly Annual Revenue Reconciliation (ARR) Report which shows a summary of all revenues and expenditures and any resulting net difference related to the agreement. Upon review of the ARR, any portion of the net difference that is to be recovered by the Ministry of Health and Long-Term Care is reflected in the statement of fund balances.

**12. CREDIT FACILITY**

The Organization holds a credit facility with a maximum credit limit of \$5,000,000. The credit facility is due on demand and bears interest at a rate of bank prime minus 0.50%. During the current year, the Organization did not draw on the credit facility. At March 31, 2013, the balance drawn on the facility was \$Nil.

**13. CONTINGENCIES**

- (a) The Organization has received grants from the Ministry of Health and Long-Term Care for specific services that may have specified levels of activity. Should any amounts become refundable, the refunds would be charged to the statement of fund balances in the period in which the refund is determined to be payable.
- (b) The nature of the Organization'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 that the Organization has valid defences. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Organization's financial position.