SOUTH EAST COMMUNITY CARE ACCESS CENTRE

FINANCIAL STATEMENTS

AS AT MARCH 31, 2010

SOUTH EAST COMMUNITY CARE ACCESS CENTRE

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AS AT MARCH 31, 2010

AUDITORS' REPORT

To the Shareholders of
South East Community Care Access Centre

We have audited the statement of financial position of the South East Community Care Access Centre as at March 31, 2010 and the statements of fund balances, operations and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2010 and the results of its operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wilkinson & Company LLP

BELLEVILLE, Canada
May 19, 2010

Chartered Accountants
Licensed Public Accountants

WILKINSON & COMPANY LLP
Chartered Accountants & Tax Specialists Since 1964

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SOUTH EAST COMMUNITY CARE ACCESS CENTRE
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2010

	2010 $	2009 $ (Note 14)
ASSETS		
CURRENT		
Cash	**9,492,679**	9,681,370
Accounts receivable	**1,201,463**	1,206,136
Amount due from Ministry of Health and Long-Term Care		5,600
Prepaid expenses	**219,614**	287,836
	10,913,756	11,180,942
PROPERTY, PLANT AND EQUIPMENT - Note 4	**851,561**	1,138,257
	11,765,317	12,319,199
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**8,915,642**	9,188,318
Amount due to Ministry of Health and Long-Term Care	**1,429,710**	1,409,738
Deferred contributions	**377,346**	423,917
	10,722,698	11,021,973
DEFERRED CAPITAL CONTRIBUTIONS - Note 5	**7,336**	77,147
FUND BALANCES		
Unrestricted	**52,109**	22,920
Internally restricted	**138,949**	136,049
Invested in property, plant and equipment - Note 6	**844,225**	1,061,110
	1,035,283	1,220,079
CONTINGENCIES - Note 15		
	11,765,317	12,319,199

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, 2010

	2010				
	Unrestricted $	Internally Restricted $	Invested in Capital $	Total $	2009 Total $
FUND BALANCES - BEGINNING OF YEAR	22,920	136,049	1,061,110	1,220,079	951,016
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) FOR YEAR	52,109	2,900	(216,885)	(161,876)	319,787
	75,029	138,949	844,225	1,058,203	1,270,803
RECOVERY OF PRIOR YEAR SURPLUSES BY MINISTRY OF HEALTH & LONG - TERM CARE	(22,920)			(22,920)	(50,724)
FUND BALANCES - END OF YEAR	52,109	138,949	844,225	1,035,283	1,220,079

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, 2010

	2010 $	2009 $ (Note 14)
REVENUES		
Ministry of Health		
- Base funding	**91,667,262**	86,899,905
- One-time funding	**1,789,089**	2,710,773
Other income	**1,314,182**	1,377,650
Amortization of deferred capital contributions	**69,811**	179,025
	94,840,344	91,167,353
EXPENDITURES		
Purchased client services	**57,686,009**	55,094,317
Salaries and wages	**19,378,230**	18,533,581
Employee benefits	**5,090,366**	4,679,321
Office expenses	**1,130,205**	960,049
Building occupancy costs	**1,135,985**	1,161,626
Medical supplies and equipment	**6,867,588**	6,522,917
Training and education	**705,056**	871,574
Travel	**453,649**	521,202
Amortization of property, plant and equipment	**464,971**	537,053
Other operating expenditures	**2,090,161**	1,965,926
	95,002,220	90,847,566
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	**(161,876)**	319,787
COMPRISED OF:		
Net surplus (deficit) from property, plant and equipment	**(216,885)**	290,912
Internally restricted surplus	**2,900**	5,955
Current period operating surplus	**52,109**	22,920
	(161,876)	319,787

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, 2010

	2010 $	2009 $
OPERATING ACTIVITIES		
Excess of revenue over expenditures for year (expenditures over revenue)	**(161,876)**	319,787
Adjustment for items which do not affect cash -		
Amortization of property, plant and equipment	**464,971**	537,053
Amortization of deferred capital contributions	**(69,811)**	(179,025)
	233,284	677,815
Net change in non-cash working capital balances related to operations - Note 7	**(174,209)**	427,023
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	**59,075**	1,104,838
FINANCING AND INVESTING ACTIVITIES		
Decrease in deferred contributions	**(46,571)**	(150,109)
Purchase of property, plant and equipment	**(178,275)**	(648,940)
Prior year surplus due to Ministry of Health and Long-Term Care	**(22,920)**	(50,724)
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES	**(247,766)**	(849,773)
NET INCREASE (DECREASE) IN CASH FOR YEAR	**(188,691)**	255,065
CASH - BEGINNING OF YEAR	**9,681,370**	9,426,305
CASH - END OF YEAR	**9,492,679**	9,681,370
REPRESENTED BY:		
Cash	**9,492,679**	9,681,370
SUPPLEMENTAL INFORMATION:		
Interest paid	**NIL**	NIL
Income taxes paid	**NIL**	NIL

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, 2010

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 Province of Ontario.

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

2. ACCOUNTING POLICIES

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

(a) Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

(b) Property, Plant and Equipment and Amortization

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses, while betterments which extend the estimated life of an asset are capitalized. When the property, plant and equipment 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:

Asset	Rate
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, 2010

2. ACCOUNTING POLICIES (Cont'd)

(c) 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, 2010.

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 15.

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 property, plant and equipment are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related property, plant and equipment.

Unrestricted investment income is recognized as revenue when earned.

(d) Deferred Revenue Relating to Property, Plant and Equipment

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

(e) 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.

(f) Cash

Cash consists of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

2. ACCOUNTING POLICIES (Cont'd)

(g) 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.

3. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards

The Accounting Standards Board has confirmed that all publicly accountable enterprises will have to comply with International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. On March 3, 2010, the Accounting Standards Board issued an Exposure Draft which provides non-profit organizations with the option of applying either the International Financial Reporting Standards or those standards outlined in the Exposure Draft. It is expected that there will be differences between the current Canadian GAAP, IFRS and the exposure draft proposed by the Accounting Standards Board and the Organization will need to assess how each option affects the Organization.

4. PROPERTY, PLANT AND EQUIPMENT

	2010		2009	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
	$	**$**	$	$
Furniture and equipment	**1,940,700**	**1,569,838**	1,919,628	1,364,520
Computer equipment	**1,472,743**	**1,281,965**	1,443,172	1,139,160
Leaseholds improvements	**1,232,574**	**942,653**	1,104,942	825,805
	4,646,017	**3,794,456**	4,467,742	3,329,485
Cost less accumulated amortization	**$ 851,561**		$ 1,138,257	

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to property, plant and equipment represent the unamortized and unspent balances of donations and grants received for property, plant and equipment acquisitions. Details of the continuity of these funds are as follows:

	2010	2009
	$	$
Balance - Beginning of year	**77,147**	256,172
Less amounts amortized to revenue	**(69,811)**	(179,025)
Balance - End of year	**7,336**	77,147

6. INVESTED IN PROPERTY, PLANT AND EQUIPMENT

	2010	2009
	$	$
Balance, beginning of year	**1,061,110**	770,198
Purchase of property, plant and equipment	**178,275**	648,940
Amortization of deferred capital contributions	**69,811**	179,025
	1,309,196	1,598,163
Amortization of property, plant and equipment	**(464,971)**	(537,053)
	844,225	1,061,110

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

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

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

	2010 $	2009 $ (Note 14)
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	4,673	437,497
Amounts due from Ministry of Health and Long-Term Care	5,600	71,399
Prepaid expenses and deposits	68,222	49,722
	78,495	558,618
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(272,676)	(792,160)
Amounts due to Ministry of Health and Long-Term Care	19,972	660,565
	(252,704)	(131,595)
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(174,209)	427,023

8. COMMITMENTS

The Organization has entered into several lease agreements for premises and certain equipment that expire at various times between May 2010 and August 2020. The future payments under these obligations are as follows:

	Premises $	Equipment $	Total $
2011	1,063,150	207,853	1,271,003
2012	996,380	84,803	1,081,183
2013	855,206	28,202	883,408
2014	715,446	6,649	722,095
2015	34,709	3,879	38,588
Thereafter	136,746		136,746
	3,801,637	331,386	4,133,023

9. 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.

10. 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 $1,743,334 (2009 - $1,573,054). 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, 2009 is that the plan has a surplus pension asset of $536 million (December 31, 2008 - unfunded pension liability of $983 million).

11. CAPITAL DISCLOSURES

The Organization's objectives with respect to capital management are to maintain a minimum capital base that allows the Organization to continue with and execute its overall purpose as outlined in Note 1. The Board of Directors perform periodic reviews of the capital needs of the Organization to ensure that they remain consistent with the risk tolerance that is acceptable to the Organization.

In addition to the Organization's objectives with respect to capital management, the Organization must comply with the Service Accountability Agreement set forth by the South East Local Health Integration Network "LHIN". The Organization has several financial and non-financial commitments guidelines and benchmarks established by the Service Accountability Agreement. The Service Accountability Agreement was effective as of April 1, 2009 and will expire on March 31, 2011.

Management has indicated that in the current year, the Organization was in compliance with all of the requirements of the Service Accountability Agreement.

12. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to Ministry of Health and Long-Term Care. The carrying amounts approximate their fair market value due to the immediate or short-term maturity of these financial instruments. It is management's opinion that the South East Community Care Access Centre is not subject to significant market, currency or equity risk related to its financial instruments.

12. FINANCIAL INSTRUMENTS (Cont'd)

Credit Risk

Credit risk is the risk of financial loss 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.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

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.

It is management's opinion that the company is not exposed to significant interest risks from these financial instruments.

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 mitigates this risk by monitoring cash activities and expected outflows.

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.

13. 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.

14. COMPARATIVE FIGURES

In order to conform with the presentation adopted in the current year, certain of the comparative figures for March 31, 2009 have been reclassified.

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

15. 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 net assets 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, 2010, 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.

(c) The Organization is currently in the job evaluation process for non-bargaining employees. As a result, there is expected to be retroactive salary adjustments to reflect the results of this process. Management has accrued their best estimate for settlement in these financial statements.