SOUTH EAST COMMUNITY CARE ACCESS CENTRE
FINANCIAL STATEMENTS
AS AT MARCH 31, 2012

WILKINSON

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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, 2012 and the statements of fund balances, operations 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 generally accepted accounting principles 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, these financial statements present fairly, in all material respects, the financial position of South East Community Care Access Centre as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wilkinson & Company LLP

BELLEVILLE, Canada
June 27, 2012

Chartered Accountants
Licensed Public Accountants

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012

	2012 $	2011 $
ASSETS		
CURRENT		
Cash	**10,069,406**	9,448,530
Accounts receivable	**681,345**	972,914
Prepaid expenses	**260,565**	248,340
	11,011,316	10,669,784
PROPERTY, PLANT AND EQUIPMENT - Note 4	**295,984**	484,086
	11,307,300	11,153,870
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**8,575,012**	8,735,453
Amount due to Ministry of Health and Long-Term Care	**1,736,766**	1,334,386
Deferred contributions	**510,652**	431,198
	10,822,430	10,501,037
FUND BALANCES		
Unrestricted	**47,675**	28,409
Internally restricted	**141,211**	140,338
Invested in property, plant and equipment - Note 6	**295,984**	484,086
	484,870	652,833
CONTINGENCIES - Note 15		
	11,307,300	11,153,870

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, 2012

	2012				
	Unrestricted $	Internally Restricted $	Invested in Capital $	Total $	2011 Total $
FUND BALANCES - BEGINNING OF YEAR	**28,409**	**140,338**	**484,086**	**652,833**	1,035,283
FUND INCREASE (DECREASE) IN YEAR	**47,675**	**873**	**(188,102)**	**(139,554)**	(330,341)
	76,084	**141,211**	**295,984**	**513,279**	704,942
RECOVERY OF PRIOR YEAR SURPLUSES BY MINISTRY OF HEALTH & LONG - TERM CARE	**(28,409)**			**(28,409)**	(52,109)
FUND BALANCES - END OF YEAR	**47,675**	**141,211**	**295,984**	**484,870**	652,833

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, 2012

	2012 $	2011 $
REVENUES		
Ministry of Health		
- Base funding	**99,080,711**	95,505,698
- One-time funding	**3,201,714**	1,964,100
Other income	**1,097,040**	1,214,425
Amortization of deferred capital contributions		7,336
	103,379,465	98,691,559
EXPENDITURES		
Purchased client services	**65,011,396**	61,057,855
Salaries and wages	**21,445,928**	20,275,459
Employee benefits	**5,556,197**	6,052,946
Office expenses	**795,703**	982,507
Building occupancy costs	**1,218,594**	1,162,676
Medical supplies and equipment	**5,568,371**	5,784,947
Training and education	**459,362**	575,630
Travel	**455,149**	453,478
Amortization of property, plant and equipment	**330,557**	402,857
Other operating expenditures	**2,677,762**	2,273,545
	103,519,019	99,021,900
EXCESS OF EXPENDITURES OVER REVENUE	**(139,554)**	(330,341)
COMPRISED OF:		
Fund decrease related to property, plant and equipment	**(188,102)**	(360,139)
Fund increase internally restricted	**873**	1,389
Unrestricted fund increase	**47,675**	28,409
	(139,554)	(330,341)

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, 2012

	2012 $	2011 $
OPERATING ACTIVITIES		
Excess of expenditures over revenue for year	**(139,554)**	(330,341)
Adjustment for items which do not affect cash -		
Amortization of property, plant and equipment	**330,557**	402,857
Amortization of deferred capital contributions		(7,336)
	191,003	65,180
Net change in non-cash working capital balances related to operations - Note 7	**521,283**	(75,690)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	**712,286**	(10,510)
FINANCING AND INVESTING ACTIVITIES		
Increase in deferred contributions	**79,454**	53,852
Purchase of property, plant and equipment	**(142,455)**	(35,382)
Prior year surplus repaid to Ministry of Health and Long-Term Care	**(28,409)**	(52,109)
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES	**(91,410)**	(33,639)
NET INCREASE (DECREASE) IN CASH FOR YEAR	**620,876**	(44,149)
CASH - BEGINNING OF YEAR	**9,448,530**	9,492,679
CASH - END OF YEAR	**10,069,406**	9,448,530
REPRESENTED BY:		
Cash	**10,069,406**	9,448,530
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, 2012

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. 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. 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, 2012

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, 2012.

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 13 and 15(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 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 Contributions 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, 2012

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

Effective for years beginning on or after January 1, 2012, Government Not-for-Profit Organizations will be required to transition to the Public Sector Accounting ("PSA") handbook. This will impact South East Community Care Access Centre's March 31, 2013 fiscal year end. The Public Sector Accounting Board ("PSAB") will incorporate the current Handbook's 4400 series of not-for-profit accounting standards into the PSA handbook, which will be known as the 4200 series. The result of the new 4200 series incorporating the existing 4400 series is that there should be minimal impact on South East Community Care Access Centre. Those standards which do not fall within the existing 4200 series will be subject to the equivalent PSA standards.

4. PROPERTY, PLANT AND EQUIPMENT

	2012		2011	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
	$	**$**	$	$
Furniture and equipment	**2,014,906**	**1,865,434**	1,958,216	1,720,677
Computer equipment	**1,518,526**	**1,477,708**	1,476,391	1,417,118
Leaseholds improvements	**1,290,422**	**1,184,728**	1,246,792	1,059,518
	4,823,854	**4,527,870**	4,681,399	4,197,313
Cost less accumulated amortization	**$ 295,984**		$ 484,086	

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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:

	2012	2011
	$	$
Balance - Beginning of year		7,336
Less amounts amortized to revenue		(7,336)
Balance - End of year	**NIL**	NIL

6. INVESTED IN PROPERTY, PLANT AND EQUIPMENT

	2012	2011
	$	$
Balance, beginning of year	**484,086**	844,225
Purchase of property, plant and equipment	**142,455**	35,382
Amortization of deferred capital contributions		7,336
	626,541	886,943
Amortization of property, plant and equipment	**(330,557)**	(402,857)
	295,984	484,086

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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:

	2012 $	2011 $
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	**291,569**	228,549
Prepaid expenses and deposits	**(12,225)**	(28,726)
	279,344	199,823
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**(160,441)**	(180,189)
Amounts due to Ministry of Health and Long-Term Care	**402,380**	(95,324)
	241,939	(275,513)
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	**521,283**	(75,690)

8. COMMITMENTS

The Organization has entered into several lease agreements for premises and certain equipment that expire at various times between October 2012 and August 2019. The future payments under these obligations are as follows:

	Premises $	Equipment $	Total $
2013	**1,098,409**	**232,690**	**1,331,099**
2014	**871,011**	**80,192**	**951,203**
2015	**61,006**	**25,946**	**86,952**
2016	**51,743**	**19,318**	**71,061**
2017	**51,743**	**12,801**	**64,544**
Thereafter	**77,057**		**77,057**
	2,210,969	**370,947**	**2,581,916**

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

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 $1,980,996 (2011 - $1,824,462). 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, 2011 is that the plan has a surplus pension asset of $3.539 billion (December 31, 2010 - $820 million). In previous years, the surplus reported was the same as that used for regulatory purposes (December 31, 2010 - $176 million). A difference has resulted due to the implementation of the new CICA Handbook Section 4600 and a change in the definition of surplus.

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, 2011 and expires on March 31, 2014.

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.

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.

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

12. FINANCIAL INSTRUMENTS (Cont'd)

(a) 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. Market factors include the following three types of risk: interest rate risk, currency risk and equity risk.

It is management's opinion that the Organization is not exposed to market risk, interest rate risk, currency risk or equity risk from these financial instruments.

(b) 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.

(c) 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.

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.

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

14. CREDIT FACILITY

During the prior year, the Organization acquired 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, 2012, the balance drawn on the facility was $Nil.

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 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, 2012, 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.