SOUTH EAST COMMUNITY CARE ACCESS CENTRE
FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

WILKINSON

SOUTH EAST COMMUNITY CARE ACCESS CENTRE

TABLE OF CONTENTS

AS AT MARCH 31, 2017

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INDEPENDENT AUDITOR'S 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, 2017 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 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 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, 2017, and the results of its operations and its cash flows for the years then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series.

Wilkinson & Company LLP

BELLEVILLE, Canada
June 22, 2017

Chartered Professional Accountants
Licensed Public Accountants

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	2017 $	2016 $
ASSETS		
CURRENT		
Cash	**16,274,591**	14,346,130
Accounts receivable	**1,062,898**	1,164,528
Prepaid expenses	**344,272**	406,478
	17,681,761	15,917,136
TANGIBLE CAPITAL ASSETS - Note 4	**179,391**	199,524
	17,861,152	16,116,660
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**15,983,011**	14,074,218
Amount due to Ministry of Health and Long-Term Care	**1,227,882**	1,356,705
Deferred contributions	**338,959**	330,669
	17,549,852	15,761,592
FUND BALANCES		
Unrestricted	**27,295**	36,245
Internally restricted	**104,614**	119,299
Invested in tangible capital assets - Note 5	**179,391**	199,524
	311,300	355,068
COMMITMENTS - Note 7		
CONTINGENCIES - Note 13		
	17,861,152	16,116,660

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, 2017

	2017				
	Unrestricted $	Internally Restricted $	Invested in Capital $	Total $	2016 Total $
FUND BALANCES - BEGINNING OF YEAR	**36,245**	**119,299**	**199,524**	**355,068**	303,956
FUND INCREASE (DECREASE) IN YEAR	**27,295**	**(14,685)**	**(20,133)**	**(7,523)**	84,393
	63,540	**104,614**	**179,391**	**347,545**	388,349
RECOVERY OF PRIOR YEAR SURPLUS BY MINISTRY OF HEALTH & LONG - TERM CARE	**(36,245)**			**(36,245)**	(33,281)
FUND BALANCES - END OF YEAR	**27,295**	**104,614**	**179,391**	**311,300**	355,068

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, 2017

	2017 $	2016 $
REVENUES		
Ministry of Health		
- Base funding	**126,575,356**	120,678,188
- One-time funding	**1,103,909**	1,683,100
Other income	**1,432,780**	1,077,378
	129,112,045	123,438,666
EXPENDITURES		
Purchased client services	**83,969,089**	77,528,408
Salaries and wages	**25,939,406**	26,938,523
Employee benefits	**6,770,697**	6,935,285
Office expenses	**705,786**	666,259
Building occupancy costs	**1,216,808**	1,208,135
Medical supplies and equipment	**7,492,474**	7,290,928
Training and education	**403,763**	172,770
Travel	**536,453**	501,076
Amortization of tangible capital assets	**120,585**	127,818
Other operating expenditures	**1,964,507**	1,985,071
	129,119,568	123,354,273
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	**(7,523)**	84,393
COMPRISED OF:		
Unrestricted fund increase	**27,295**	36,245
Fund decrease internally restricted	**(14,685)**	(9,257)
Fund increase (decrease) related to tangible capital assets	**(20,133)**	57,405
	(7,523)	84,393

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, 2017

	2017 $	2016 $
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue) for year	**(7,523)**	84,393
Adjustment for items which do not affect cash - Amortization of tangible capital assets	**120,585**	127,818
	113,062	212,211
Net change in non-cash working capital balances related to operations - Note 6	**1,943,806**	3,109,340
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	**2,056,868**	3,321,551
FINANCING AND INVESTING ACTIVITIES		
Increase in deferred contributions	**8,290**	8,261
Prior year surplus repaid to Ministry of Health and Long-Term Care	**(36,245)**	(33,281)
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES	**(27,955)**	(25,020)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(100,452)**	(185,223)
NET INCREASE IN CASH FOR YEAR	**1,928,461**	3,111,308
CASH - BEGINNING OF YEAR	**14,346,130**	11,234,822
CASH - END OF YEAR	**16,274,591**	14,346,130
REPRESENTED BY:		
Cash	**16,274,591**	14,346,130

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, 2017

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 ("LHIN"), 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. PATIENTS FIRST

On December 8, 2016, Ontario Bill 41, the Patients First Act, 2016, received Royal Ascent which repealed the Community Care Access Corporations Act, 2001 and made significant amendments to the Local Health System Integration Act, 2006 as well as various other statutes. As a result of these changes in legislation, all of the employees, assets, liabilities, rights and obligations of Ontario Community Care Access Centres will be transferred to Local Health Integration Networks within the same geographic boundaries. This transfer for the CCAC occurred on May 17, 2017. Subsequent to this date, the operations of the CCAC will be included in the South East Local Health Integration Network ("LHIN").

In anticipation of the transfer to the LHIN, management has used the best available information in order to adjust the carrying value of assets and liabilities to net realizable value.

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.

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. ACCOUNTING POLICIES (Cont'd)

(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, accounts payable and accrued liabilities, amount due to Ministry of Health and Long-Term Care and the estimated useful life of tangible capital assets. Actual results could differ from those estimates.

(c) Tangible Capital Assets and Amortization

Purchased tangible 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 tangible 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:

Asset	Rate
Furniture and equipment	5 years
Computer equipment	4 years
Leasehold improvements	5 years

(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, 2017.

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).

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. ACCOUNTING POLICIES (Cont'd)

(d) Revenue Recognition (Cont'd)

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 tangible capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related tangible 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

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.

(g) Cash

Cash consists of cash on deposit.

(h) 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.

(i) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments (Cont'd)

(i) Measurement of Financial Instruments (Cont'd)

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities and amount due to Ministry of Health and Long-Term Care.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is reflected in excess of revenue over expenditures (expenditures over revenue). When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess of revenue over expenditures (expenditures over revenue) up to the amount previously recognized as impaired.

4. TANGIBLE CAPITAL ASSETS

	2017		2016	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
	$	**$**	$	$
Furniture and equipment	**1,978,453**	**1,975,959**	1,978,453	1,975,128
Computer equipment	**889,361**	**718,939**	788,909	604,706
Leaseholds improvements	**1,277,097**	**1,270,622**	1,277,097	1,265,101
	4,144,911	**3,965,520**	4,044,459	3,844,935
Cost less accumulated amortization	**$ 179,391**		$ 199,524	

5. INVESTED IN TANGIBLE CAPITAL ASSETS

	2017	2016
	$	$
Balance, beginning of year	**199,524**	142,119
Purchase of tangible capital assets	**100,452**	185,223
	299,976	327,342
Amortization of tangible capital assets	**(120,585)**	(127,818)
	179,391	199,524

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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:

	2017 $	2016 $
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	**101,630**	10,381
Prepaid expenses	**62,206**	(6,174)
	163,836	4,207
INCREASE IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**1,908,793**	3,013,343
Amounts due to Ministry of Health and Long-Term Care	**(128,823)**	91,790
	1,779,970	3,105,133
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	**1,943,806**	3,109,340

7. COMMITMENTS

The Organization has entered into several lease agreements for premises and certain equipment that expire at various times between August, 2017 and February, 2022. The future payments under these obligations are as follows:

Year ended March 31, $	Premises $	Equipment $	Total
2018	**1,174,583**	**199,871**	**1,374,454**
2019	**1,047,724**	**110,054**	**1,157,778**
2020	**96,056**	**35,439**	**131,495**
2021		**4,962**	**4,962**
2022		**4,548**	**4,548**
	2,318,363	**354,874**	**2,673,237**

SOUTH EAST COMMUNITY CARE ACCESS CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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 $2,397,083 (2016 - $2,374,261). 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, 2016 is that the plan has a pension surplus of $15.898 billion (December 31, 2015 - $14.773 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 liquidity risk, credit risk, interest rate risk, and market (other price) risk. Market (other price) risk arises from changes in interest rates, foreign currency exchange rates and market prices. It is management's opinion that the Organization is not exposed to significant interest rate risk or market (other price) risk from these financial statements.

(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 this 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, 2017

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 this risk or policies used to measure the 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 previously held a credit facility with a maximum credit limit of $5,000,000. The credit facility was due on demand and bore interest at a rate of bank prime minus 0.50%. During the current year, the Organization did not draw on the credit facility and at March 31, 2017, the balance drawn on the facility was $Nil. Subsequent to year end, the credit facility was closed.

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, 2017, 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.