Central Community Care Access Centre
Financial Statements
For the year ended March 31, 2012

Contents

Tel: 905 898 1221
Fax: 905 898 0028
Toll-free: 866 275 8836
www.bdo.ca

BDO Canada LLP
The Gates of York Plaza
17310 Yonge Street, Unit 2
Newmarket ON L3Y 7R8 Canada

Independent Auditor's Report

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 statement of financial position as at March 31, 2012, and the statement of operations, changes in net assets and cash flow statement 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, the financial statements present fairly, in all material respects, the financial position of Central Community Care Access Centre as at March 31, 2012 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

May 22, 2012
Newmarket, Ontario

Central Community Care Access Centre
Statement of Financial Position

March 31	2012	2011
Assets		
Current		
Cash (Note 1)	$ 19,434,510	$ 15,562,804
Accounts receivable	1,123,682	1,740,289
Prepaid expenses	1,065,437	1,137,609
	21,623,629	18,440,702
Property, plant and equipment (Note 2)	1,666,507	1,652,550
	$ 23,290,136	$ 20,093,252

Liabilities and Net Assets (Deficit)

Current		
Accounts payable and accrued liabilities	$ 21,318,306	$ 18,569,560
Deferred revenue	247,891	221,355
Current portion of employee post-retirement benefits (Note 6)	5,810	5,810
	21,572,007	18,796,725
Deferred contributions related to property, plant and equipment (Note 3)	1,666,507	1,652,550
Employee post-retirement benefits (Note 6)	8,310	14,120
Contingencies (Note 10)		
Commitments (Note 7)		
Net Assets (Deficit)		
Internally restricted - donation fund	63,243	58,856
Internally restricted - employee post-retirement benefits	(14,120)	(19,930)
Unrestricted - employee post-retirement benefits	(5,811)	-
Unrestricted	-	(409,069)
	43,312	(370,143)
	$ 23,290,136	$ 20,093,252

On behalf of the Board:

_______________ Director

_______________ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Central Community Care Access Centre
Statement of Operations

Year ended March 31	2012	2011
Revenues		
Central LHIN (Note 4)	$ 228,440,011	$214,074,128
Recoveries	1,347,946	628,244
Interest and other income	204,714	512,478
Amortization of deferred contributions related to property, plant and equipment and pandemic medical supplies	705,892	716,886
	230,698,563	215,931,736
Expenses		
Purchased Services, Supplies and Equipment		
Purchased services (Note 13)	150,007,470	129,861,632
Medical lab and supplies	9,382,488	11,037,329
Medical equipment	3,514,135	4,558,766
	162,904,093	145,457,727
Salary and benefits	56,299,621	56,045,677
General Administration		
Building occupancy	2,055,064	2,010,035
Office equipment and supplies	1,275,658	1,406,322
Amortization of property, plant and equipment and intangible assets	705,892	716,886
Office administration	7,044,780	8,135,834
	230,285,108	213,772,481
Excess of revenues over expenses	$ 413,455	$ 2,159,255

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Central Community Care Access Centre
Statement of Changes in Net Assets

Year ended March 31

	Internally Restricted	Unrestricted	2012 Total	2011 Total
Balance, beginning of the year	$ 38,926	$ (409,069)	$ (370,143)	$ (2,529,398)
Excess of revenues over expenses for the year	-	413,455	413,455	2,159,255
Interfund transfer	4,386	(4,386)	-	-
Balance, end of the year	$ 43,312	$ -	$ 43,312	$ (370,143)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Central Community Care Access Centre
Statement of Cash Flows

Year ended March 31	2012	2011
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenses	$ 413,455	$ 2,159,255
Charges (credits) to operations not involving cash		
Amortization of deferred contributions	(705,892)	(716,886)
Amortization of property, plant and equipment	705,892	716,886
Change in non-cash working capital balances related to operations		
Accounts receivable	616,607	(575,619)
Prepaid expenses	72,172	348,067
Accounts payable and accrued liabilities	2,748,746	5,695,949
Deferred revenue	26,536	81,427
Post retirement benefits	(5,810)	(10,070)
	3,871,706	7,699,009
Cash, beginning of the year	15,562,804	7,863,795
Cash, end of the year	$ 19,434,510	$ 15,562,804

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Central Community Care Access Centre
Summary of Significant Accounting Policies

March 31, 2012

Nature 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 Accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

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.

March 31, 2012

Financial Instruments

The Centre classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Centre's accounting policy for each category is as follow:

Assets or liabilities held-for-trading

Financial instruments classified as assets or liabilities held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in operating income in the period during which the change occurs. Transaction costs are expensed when incurred.

Cash has been classified as held-for-trading.

Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Interest income or expense is included in operating income over the expected life of the instrument. Transaction costs are expensed when incurred.

Accounts receivable and amounts due from the Central LHIN have been classified as loans and receivables.

Accounts payable and accrued liabilities have been classified as other financial liabilities.

All transactions related to financial instruments are recorded on a settlement date basis.

Use of Estimates

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

March 31, 2012

Employee Post-Retirement Benefits

Employee post-retirement benefits are actuarially determined using the projected benefit method pro-rated on service and management's best estimate of future cost trends associated with such benefits, including salary escalation (where applicable), retirement ages of employees and expected health care costs and interest rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to the statement of operations over the estimated average remaining service life of the employee groups on a straight-line basis.

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	4 to 8 years

New Accounting Pronouncements

Below are recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Centre. The Centre is currently assessing the impact of these changes.

Future for Not-for-Profit Organizations (NPO)

In October 2009, the Accounting Standards Board (AcSB) decided that it will propose a choice between the accounting standards for Private Enterprises plus the current NPO standards appropriately modified to fit with those standards, International Financial Reporting Standards or Public Sector Accounting standards (PSAB) with NPO standards added on to PSAB. The Public Sector Accounting Board agreed that there was sufficient support to develop an NPO series to add onto the PSAB standards similar to the current NPO standards, but appropriately modified to fit with PSAB. Effective December 2010, the AcSB issued new accounting standards for Not-for-Profit Organizations. First-time adoption of this new standard is mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012. When the end of a not-for-profit organization's annual reporting period does not coincide with the end of a calendar year, the mandatory date for first-time adoption of this new standard is the beginning of the annual reporting period that commences on or after December 21, 2011. These standards may be adopted for fiscal years beginning prior to the above dates.

March 31, 2012

1. 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, 2012, the balance outstanding on this facility is $NIL. There were no draws over the course of the year.

2. Property, Plant and Equipment

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture, fixtures and general equipment	$ 2,988,852	$ 2,564,201	$ 2,765,678	$ 2,438,117
Leasehold improvements	2,150,046	1,604,531	1,819,329	1,431,246
Computers and software	4,006,386	3,310,045	3,840,428	2,903,522
	$ 9,145,284	$ 7,478,777	$ 8,425,435	$ 6,772,885
Net book value		$ 1,666,507		$ 1,652,550

3. 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.

	2012	2011
Balance, beginning of the year	$ 1,652,550	$ 902,937
Additions in the year	719,849	1,466,499
Amounts amortized to revenue	(705,892)	(716,886)
Balance, end of the year	$ 1,666,507	$ 1,652,550

4. Central LHIN Revenue

	2012	2011
Base funding	$ 225,957,009	$ 205,512,569
Base technology infrastructure	406,306	402,014
One-time funding	2,050,160	8,078,118
	228,413,475	213,992,701
Deferred BTI funding:		
Fiscal 2011	-	81,427
Fiscal 2012	26,536	-
	$ 228,440,011	$ 214,074,128

5. Pension Plan

Approximately 645 employees of the Centre are members of the Hospitals 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, 2011 indicates the Plan is 103% funded (2010 - 101% funded). The results of this valuation disclosed total actuarial liabilities of $36,782 million (2010 - $34,897 million) in respect of benefits accrued for service with actuarial assets at that date of $37,758 million (2010 - $35,073 million) indicating an actuarial surplus of $976 million (2010 - surplus of $176 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 $3,881,716 (2011 - $3,788,668) and is included in employee benefits expense.

6. Employee Post-retirement Benefits

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

The cost of retirement benefits earned by employees is actuarially determined using the projected unit method pro-rated on service and management's best estimate of salary escalation (where applicable), retirement ages of employees and expected health care costs.

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, 2012, the Centre's obligation related to accrued benefits have been recorded as follows:

Accrued benefit obligation

	2012	2011
Total estimated accrued benefit liability as at March 31, 2012	$ **14,120**	$ 19,930
Less current portion due within one year	**5,810**	5,810
	$ **8,310**	$ 14,120

7. 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 2012 to 2019.

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

2013	$ 1,794,763
2014	1,586,263
2015	813,331
2016	677,855
2017	683,579

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

8. Financial Instruments

Fair Values

The Centre's financial instruments comprise cash, accounts receivable, amounts due from the Central LHIN, accounts payable, and accrued liabilities. Unless otherwise noted, it is the Centre's opinion that they are not exposed to significant interest, currency or credit risks arising form these financial instruments.

Cash, accounts receivable, amounts due from the Central LHIN, accounts payable, and accrued liabilities approximates their fair values on the balance sheet. The fair values are the same as the carrying values due to their short term nature.

9. Comparative amounts

Amounts presented for comparative purposes have been re-classified to conform to the current year presentation.

10. 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, 2012, 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, 2012.

(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 Hospitals of Ontario Pension Plan (HOOPP). This is a potential liability to the Centre dependent upon pending litigation. At the present time it can not be determined whether this represents a potential expense of the Centre or the Ministry of Health and Long Term Care (MOHLTC). The MOHLTC funds the Centre and recommended the change from OMERS to HOOPP. Consequently, an amount has not been recorded in the books and records of the Centre.

March 31, 2012

11. Capital Disclosures

The Centre's objectives when managing its capital are to safeguard the Centre's ability to continue as a going concern and to provide delivery of its services to its clients. Management maintains its capital by ensuring that annual operating budgets are developed and approved by the Board of Directors and the Ministry of Health and Long-Term Care based on known or estimated sources of funding available each year. These budgets are shared with all management of the Centre to ensure that the capital of the Centre is maintained.

12. Economic Dependence

The Centre received 99% (2011 - 99%) of its revenue from the Central LHIN.

13. Schedule of Purchased Services

	2012	2011
Personal support	$ 81,144,187	$ 67,508,100
Nursing	47,960,269	44,099,847
Occupational therapy	6,369,202	5,014,407
Physiotherapy	4,384,551	3,555,578
Speech-language pathology	5,931,442	6,137,720
Social work	669,353	528,101
Nutrition	462,136	348,929
Community Support Services	3,086,330	2,668,950
	$ 150,007,470	$ 129,861,632