Mississauga Halton Community Care Access Centre

Financial Statements
March 31, 2013, March 31, 2012 and April 1, 2011

June 10, 2013

Independent Auditor's Report

To the Directors of
Mississauga Halton Community Care Access Centre

We have audited the accompanying financial statements of Mississauga Halton Community Care Access Centre, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations and deficit and cash flows for the years ended March 31, 2013 and March 31, 2012, and the related notes, which comprise 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, 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Mississauga Halton 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.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Mississauga Halton Community Care Access Centre
Statements of Financial Position

	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $
Assets			
Current assets			
Cash	-	2,199,284	3,668,759
Restricted cash (note 11)	-	93,406	168,391
Accounts receivable	3,882,307	2,949,002	2,114,889
Due from Mississauga Halton Local Health Integration Network	520,000	1,500	1,500,000
Prepaid expenses and other assets	591,402	448,531	409,369
	4,993,709	5,691,723	7,861,408
Capital assets (note 4)	1,945,994	1,884,833	2,300,386
	6,939,703	7,576,556	10,161,794
Liabilities			
Current liabilities			
Bank indebtedness (note 12)	1,980,782	-	-
Accounts payable and accrued liabilities (note 11)	7,831,393	7,001,613	8,719,009
Due to Ministry of Health and Long-Term Care/Mississauga Halton Local Health Integration Network	-	1	472,341
Deferred operating contributions (note 5)	49,357	143,123	123,072
	9,861,532	7,144,737	9,314,422
Deferred capital contributions (note 6)	1,509,406	1,884,833	2,300,386
Net Deficit	(4,431,235)	(1,453,014)	(1,453,014)
	6,939,703	7,576,556	10,161,794

Commitments and contingencies (note 9)

Approved on Behalf of the Board of Directors

_______________________ Chair _______________________ Treasurer

The accompanying notes are an integral part of these financial statements.

Mississauga Halton Community Care Access Centre

Statements of Operations and Deficit

For the years ended March 31, 2013 and March 31, 2012

	2013 $	2012 $
Revenue		
Ministry of Health and Long-Term Care/Mississauga Halton Local Health Integration Network (note 7)	139,039,806	130,370,018
Recoveries from external sources	407,812	327,954
Other funding sources	32,052	824,346
Amortization of deferred capital contributions	375,427	415,553
	139,855,097	131,937,871
Expenses		
Contracted out home health services and other	103,379,282	94,642,023
Salaries and benefits	33,319,676	31,286,201
Supplies and sundry	3,601,701	3,618,070
Equipment	480,289	416,922
Buildings and grounds	1,676,943	1,559,102
Amortization of capital assets	375,427	415,553
	142,833,318	131,937,871
Excess of expenses over revenue for the year	(2,978,221)	-
Deficit - Beginning of year	(1,453,014)	(1,453,014)
Deficit - End of year	(4,431,235)	(1,453,014)

The accompanying notes are an integral part of these financial statements.

Mississauga Halton Community Care Access Centre

Statements of Cash Flows

For the years ended March 31, 2013 and March 31, 2012

	2013 $	2012 $
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue for the year	(2,978,221)	-
Items not involving cash		
Amortization of capital assets	375,427	415,553
Amortization of deferred capital contributions	(375,427)	(415,553)
Net change in non-cash working capital balances (note 10)	(765,257)	(1,469,475)
	(3,743,478)	(1,469,475)
Financing activities		
Draw on line of credit and bank overdraft	1,980,782	-
Capital activities		
Purchase of capital assets	(436,588)	-
Decrease in cash during the year	(2,199,284)	(1,469,475)
Cash - Beginning of year	2,199,284	3,668,759
Cash - End of year	-	2,199,284

The accompanying notes are an integral part of these financial statements.

1 The Organization

Mississauga Halton Community Care Access Centre (the CCAC) provides a single point of access to information, coordinated health care and support services, long-term care placement and monitoring of the provision of these services, through case management, to the residents of Halton, Peel and Etobicoke. The various coordinated services include nursing, occupational therapy, social work, speech-language pathology, physiotherapy, nutrition counselling and personal support and homemaking services. The CCAC is a registered charity within the meaning of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2 Transition to Canadian public sector accounting standards (PSAS)

Commencing with the 2013 fiscal year, the CCAC has adopted PSAS. These financial statements are the first financial statements for which the CCAC has applied PSAS. The CCAC has elected to apply PSAS standards that apply only to government not-for-profit organizations.

These accounting changes have been applied retroactively with restatement of prior years, except for the accounting standards contained in PS3450, Financial Instruments, as this standard specifically prohibits retroactive application. There are no transitional adjustments as a result of the conversion to PSAS.

3 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with PSAS, including standards that apply to government not-for-profit organizations. A summary of the significant accounting policies is as follows.

Revenue recognition

The CCAC's primary source of funding is the Ministry of Health and Long-Term Care/Mississauga Halton Local Health Integration Network (the MOHLTC/LHIN) in accordance with specific budget arrangements. The CCAC follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable. Externally restricted contributions are recognized as revenue in the year in which the related expenses are made.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis to amortize the assets over their estimated useful lives as follows:

Furniture, fixtures and medical equipment	5 to 10 years
Computer equipment and software	3 years
Leasehold improvements	over remaining lease term

Deferred capital contributions

Externally restricted contributions for amortizable capital assets are deferred and amortized over the life of the related asset. The annual budget provided to and approved by the MOHLTC/LHIN includes amounts required to make capital asset acquisitions. These amounts are deemed externally restricted contributions for capital asset purchases.

Contributed services

A number of volunteers contribute their time each reporting period. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Pension plan

Substantially all of the employees of the CCAC are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to HOOPP, whereby contributions are expensed when due, as the CCAC has insufficient information to apply defined benefit accounting.

Financial instruments

All financial instruments are initially recorded on the statements of financial position at fair value. They are subsequently valued at amortized cost, except for bank overdraft, depending on the classification selected for the financial instrument. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statements of operations and deficit.

For financial instruments measured using amortized cost, the effective interest method is used to determine the interest income or expense.

Use of estimates

The preparation of financial statements in accordance with PSAS requires the use of estimates and assumptions by management that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary they are reported in the statement of operations and deficit in the year in which they become known.

4 Capital assets

			2013
	Cost $	Accumulated amortization $	Net $
Furniture, fixtures and medical equipment	946,662	941,676	4,986
Computer equipment and software	1,319,059	1,293,841	25,218
Leasehold improvements	5,231,979	3,316,189	1,915,790
	7,497,700	5,551,706	1,945,994

			2012
	Cost $	Accumulated amortization $	Net $
Furniture, fixtures and medical equipment	946,662	936,050	10,612
Computer equipment and software	1,319,059	1,293,841	25,218
Leasehold improvements	4,795,391	2,946,388	1,849,003
	7,061,112	5,176,279	1,884,833

5 Deferred operating contributions

Deferred operating contributions represent the unamortized amount of grants and other contributions received to fund expenditures of future years. The Base Technology Infrastructure (BTI) equipment lease amount represents the unamortized amount of grants received for the payment of computer leases under the BTI project.

	2013 $	2012 $
MOHLTC/LHIN BTI equipment leases	49,357	143,123

6 Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statements of operations and deficit.

The changes in the deferred capital contributions balance are as follows:

	2013 $	2012 $
Balance - Beginning of year	1,884,833	2,300,386
Amortization	(375,427)	(415,553)
Balance - End of year	1,509,406	1,884,833

7 Ministry of Health and Long-Term Care/Mississauga Halton Local Health Integration Network

	2013 $	2012 $
Base budget	133,724,799	127,556,605
One-time funding	4,472,873	2,564,497
One-time funding receivable from MOHLTC	520,000	1,500
Deferred operating contributions - projects, beginning of year	143,123	123,072
BTI project funding	228,368	267,467
	139,089,163	130,513,141
Deduct		
Due to MOHLTC for the year ended March 31	-	(1)
Due to MOHLTC from prior year	-	1
	-	-
Deferred operating contributions - projects, end of year	(49,357)	(143,123)
	139,039,806	130,370,018

8 Pension expense

The most recent actuarial valuation of HOOPP, performed as at December 31, 2012, indicated that the pension plan was fully funded with assets exceeding liabilities by 4.2%. The CCAC's contribution to HOOPP for the year ended March 31, 2013 was $2,307,906 (2012 - $2,148,839), which has been included in salaries and benefits in the statements of operations and deficit.

9 Commitments and contingencies

The CCAC is committed to the following operating lease payments for the operating locations and office and computer equipment:

	$
2014	1,871,493
2015	1,023,440
2016	853,426
2017	763,361
2018	478,671
Thereafter	9,306
	4,999,697

10 Net change in non-cash working capital balances

	2013 $	2012 $
Accounts receivable	(933,305)	(834,113)
Due from LHIN	(518,500)	1,498,500
Prepaid expenses and other assets	(142,871)	(39,162)
Accounts payable and accrued liabilities	923,186	(1,642,411)
Due to MOHLTC/LHIN	(1)	(472,340)
Deferred operating contributions	(93,766)	20,051
	(765,257)	(1,469,475)

11 Mississauga Halton Palliative Care Network (MHPCN)

The CCAC was a member of MHPCN along with the LHIN, many hospitals, hospices, long-term care homes and other health-care agencies. The funding to MHPCN was provided by the CCAC and the three hospitals in the LHIN geographic area. The CCAC also provided bookkeeping services to MHPCN and held the funds to pay for expenses on its behalf. In the prior year, cash in the amount of $93,406 was held on behalf of MHPCN as restricted cash with a corresponding payable to MHPCN included in accounts payable and accrued liabilities. During the year, the MHPCN was dissolved and the related balances were settled resulting in other revenue in the amount of $93,406.

12 Bank indebtedness

The CCAC has access to a line of credit in the amount of $10.5 million; any outstanding balances greater than $10 million bear interest at the Royal Bank of Canada's prime rate less 0.5%. As at March 31, 2013, the outstanding balance on the line of credit amounted to $1,660,000 (2012 - $nil) and the CCAC had utilized its cash overdraft in the amount of $320,782 (2012 - $nil).

13 Financial risk management

The CCAC is exposed to a variety of financial risks, including market risk and liquidity risk. The CCAC has adopted an integrated risk management framework. The framework provides a consistent methodology to manage risks across the CCAC's.

Market risk

The CCAC is exposed to market risk through the fluctuation of financial instrument fair values due to changes in market prices. The CCAC is exposed to market risk through the interest rate risk.

- Interest rate risk

  Interest rate risk arises from fluctuations in interest rates and the degree of volatility of these rates. The CCAC is exposed to interest rate risk on its line of credit.

  As at March 31, 2013, the CCAC's estimate of the exposure to interest rate risk and the effect on net assets is not material.

Liquidity risk

Liquidity risk is the possible risk the CCAC will not be able to meet its financial obligations when they come due. The CCAC manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.