

**Waterloo Wellington
Community Care Access Centre
Financial Statements
For the year ended March 31, 2011**

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Independent Auditor's Report

To the Board of Directors of Waterloo Wellington Community Care Access Centre

We have audited the accompanying financial statements of Waterloo Wellington Community Care Access Centre, which comprise the balance sheet as at March 31, 2011, the statements of changes in 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, the financial statements present fairly, in all material respects, the financial position of Waterloo Wellington Community Care Access Centre as at March 31, 2011 and the results of its operations 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

Waterloo, Ontario
May 24, 2011

Waterloo Wellington Community Care Access Centre Balance Sheet

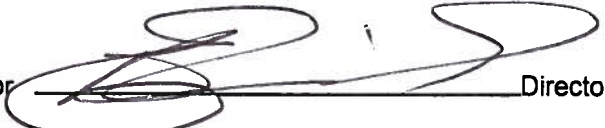
March 31 **2011** **2010**

	Capital Fund	Operating Fund	Donations Fund	Total	Total
Assets					
Current					
Cash (Note 1)	\$ -	\$ 5,322,670	\$ 191,260	\$ 5,513,930	\$ 8,558,860
Accounts receivable (Note 2)	-	3,374,699	-	3,374,699	775,917
Prepaid expenses	-	397,018	-	397,018	237,279
	-	9,094,387	191,260	9,285,647	9,572,056
Capital (Note 3)	747,373	-	-	747,373	808,570
	\$ 747,373	\$ 9,094,387	\$ 191,260	\$10,033,020	\$10,380,626

Liabilities and Fund Balances

Current					
Accounts payable and accrued liabilities (Note 4)	\$ -	\$ 6,081,165	\$ -	\$ 6,081,165	\$ 8,138,719
eHealth Connections Project (Note 5)	-	2,134,956	-	2,134,956	33,754
Operational funding repayable (Note 6)	-	938,918	-	938,918	1,444,812
Deferred revenue (Note 7)	-	22,245	-	22,245	29,689
Current portion of early retirement benefits (Note 8)	-	87,140	-	87,140	87,033
	-	9,264,424	-	9,264,424	9,734,007
Long-term					
Early retirement benefits (Note 8)	-	214,149	-	214,149	217,810
	-	9,478,573	-	9,478,573	9,951,817
Fund balances					
Internally restricted	747,373	-	191,260	938,633	816,548
Unrestricted	-	(384,186)	-	(384,186)	(387,739)
	747,373	(384,186)	191,260	554,447	428,809
	\$ 747,373	\$ 9,094,387	\$ 191,260	\$10,033,020	\$10,380,626

On behalf of the Board:

Director Director

Waterloo Wellington Community Care Access Centre Statement of Changes in Fund Balances

For the year ended March 31				2011	2010
	Capital Fund	Operating Fund	Donations Fund	Total	Total
Fund balances, beginning of year	\$ 808,570	\$ (387,739)	\$ 7,978	\$ 428,809	\$ 370,113
Excess (deficiency) of revenue over expenses for the year	(290,662)	233,018	183,282	125,638	58,696
Interfund transfers (Note 9)	229,465	(229,465)	-	-	-
Fund balances, end of year	\$ 747,373	\$ (384,186)	\$ 191,260	\$ 554,447	\$ 428,809

Waterloo Wellington Community Care Access Centre Statement of Operations

For the year ended March 31

2011

2010

	Capital Fund	Operating Fund	Donations Fund	Total	Total
Revenue					
LHIN/Ministry of Health & LTC	\$ 259,952	\$102,305,626	\$ -	\$102,565,578	\$98,032,130
Interest income	-	72,659	884	73,543	22,905
Miscellaneous income	-	1,441,912	-	1,441,912	2,038,845
Donations	-	-	192,211	192,211	5,223
	259,952	103,820,197	193,095	104,273,244	100,099,103
Expenses					
Salaries and wages	-	21,411,708	-	21,411,708	20,750,888
Employee benefits (Note 10)	-	5,529,757	-	5,529,757	5,284,122
Training	-	195,319	-	195,319	121,550
Travel	-	265,496	-	265,496	253,483
Building occupancy	-	1,244,116	-	1,244,116	1,196,572
Office expenses	-	882,352	-	882,352	692,181
Other operating expenses	259,952	2,285,099	-	2,545,051	2,168,096
Supplies and equipment	-	6,260,132	-	6,260,132	6,766,714
Funding provided to assist clients	-	-	9,813	9,813	9,119
Purchased client services	-	64,064,637	-	64,064,637	58,787,733
Amortization	290,662	-	-	290,662	250,722
	550,614	102,138,616	9,813	102,699,043	96,281,180
Excess (deficiency) of revenue over expenses before other items	(290,662)	1,681,581	183,282	1,574,201	3,817,923
Other revenue (expenses)					
Early retirement benefits (Note 8)	-	3,554	-	3,554	39,274
Excess (deficiency) of revenue over expenses before operational funding repayable	(290,662)	1,685,135	183,282	1,577,755	3,857,197
Operational funding repaid/repayable	-	(1,452,117)	-	(1,452,117)	(3,798,501)
Excess (deficiency) of revenue over expenses for the year	\$ (290,662)	\$ 233,018	\$ 183,282	\$ 125,638	\$ 58,696

Waterloo Wellington Community Care Access Centre Statement of Cash Flows

For the year ended March 31	2011	2010
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 125,638	\$ 58,696
Items not involving cash		
Amortization	290,662	250,722
Early retirement benefits	(3,554)	(39,274)
	<u>412,746</u>	<u>270,144</u>
Changes in non-cash working capital balances		
Accounts receivable	(2,598,782)	(54,769)
Prepaid expenses	(159,739)	(75,182)
Accounts payable and accrued liabilities	(2,057,554)	(59,328)
Deferred revenue	(7,444)	506
eHealth Connections Project	2,101,202	(39,907)
	<u>(2,309,571)</u>	<u>41,464</u>
Cash flows from investing activities		
Purchase of capital assets	(229,465)	(274,004)
Cash flows from financing activities		
Increase (decrease) in operational funding repayable	(505,894)	550,506
Increase (decrease) in cash during the year	(3,044,930)	317,966
Cash, beginning of year	8,558,860	8,240,894
Cash, end of year	\$ 5,513,930	\$ 8,558,860

Waterloo Wellington Community Care Access Centre Summary of Significant Accounting Policies

March 31, 2011

Nature and Purpose of Organization

The organization is a non-profit community organization governed by a community Board. The organization is incorporated without share capital. The Waterloo Wellington Community Care Access Centre provides access to in-home health care and community support services.

Fund Accounting

The organization follows the restricted fund method of accounting for revenues and expenses.

Revenues and expenses related to program delivery and administration activities are reported in the Operating Fund.

Revenues received from donations are used to provide funding to assist clients. These amounts cannot be funded through the operating budget. These donations are reported in the Donations Fund. The related expenses are also reported in this fund.

Assets, liabilities, revenues and expenses related to the organization's capital assets are reported in the Capital Fund.

Revenue Recognition

All funding is received from the Local Health Integration Network/Ministry of Health and Long-Term Care. Annual Reconciliation Reports are submitted to the Local Health Integration Network/Ministry of Health and Long-Term Care by the organization for final approval. Assessments of prior funding may occur based on funder decisions. The effect of these adjustments, which cannot be quantified at the time of preparing the financial statements, will be recorded in the year of assessment.

Revenues related to delivery of specific programs are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	- 3	year straight line basis
Furniture and fixtures	- 3-5	year straight line basis
Leasehold improvements	-10	year straight line basis or over the term of the lease
Computer software	- 5	year straight line basis

One half of the annual rate is provided in the year of acquisition and no amortization is provided in the year of disposal.

Waterloo Wellington Community Care Access Centre Summary of Significant Accounting Policies

March 31, 2011

Financial Instruments

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from their financial instruments.

All transactions related to financial instruments are recorded on a settlement-date basis. The fair values of financial instruments are determined using published price quotations, where applicable.

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

Held-for-trading

This category is comprised of cash and cash equivalents. They are carried on the balance sheet at fair value with changes in fair value recognized in the Statement of Operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for the promise to repay on a specified date or dates, or on demand. They arise principally through normal operations (accounts receivable), but also include other types of contractual monetary assets. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

Other financial liabilities

Other financial liabilities includes all financial liabilities and are comprised of accounts payable and accrued liabilities and operational funding repayable. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred.

Income Taxes

The organization is a registered charity, and as such, is not subject to income taxes.

Harmonized Sales Tax

The organization claims a 50% rebate from the federal portion and a 82% rebate for the provincial portion for HST paid on non-medical qualified expenditures and a 83% rebate from the federal portion and a 87% rebate for the provincial portion for HST paid on medical qualified expenditures.

Waterloo Wellington Community Care Access Centre Summary of Significant Accounting Policies

March 31, 2011

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions 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 period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the organization, are as follows:

Accounting Standards for Not-for-Profit Organizations

The Accounting Standards Board has recently approved generally accepted accounting principles (GAAP) for Not-for-Profit Organizations. Not-for-Profit Organizations will have the choice of adopting either International Financial Reporting Standards (IFRS) or GAAP for Not-for-Profit Organizations for year ends beginning on or after January 1, 2012. For Organizations choosing to adopt GAAP for Not-for-Profit Organizations they would be allowed to early adopt for years ending on or after December 31, 2010. Until GAAP for Not-for-Profit Organizations is adopted, Not-for-Profit Organizations will continue to follow the current Canadian Institute of Chartered Accountants Handbook - Accounting.

Waterloo Wellington Community Care Access Centre

Notes to Financial Statements

March 31, 2011

1. Cash

The organization's bank account is held at one chartered bank and the organization has a mirrored banking agreement with the Regional Municipality of Waterloo. The balance in the mirrored account is invested with the Region of Waterloo cash balances and earns interest at approximately 0.82%.

2. Accounts Receivable

	2011	2010
Due from the Local Health Integration Network	\$ 2,200,000	\$ -
GST/HST Recoverable	802,796	331,114
Other	371,903	444,803
	<u>\$ 3,374,699</u>	<u>\$ 775,917</u>

3. Capital Assets

	2011		2010	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 1,486,175	\$ 1,216,419	\$ 1,334,370	\$ 1,106,674
Furniture and fixtures	2,168,881	1,880,686	2,130,782	1,784,289
Leasehold improvements	1,052,608	910,247	1,045,727	833,407
Computer software	93,280	46,219	60,600	38,539
	<u>\$ 4,800,944</u>	<u>\$ 4,053,571</u>	<u>\$ 4,571,479</u>	<u>\$ 3,762,909</u>
Net book value		<u>\$ 747,373</u>		<u>\$ 808,570</u>

Waterloo Wellington Community Care Access Centre

Notes to Financial Statements

March 31, 2011

4. Accounts Payable and Accrued Liabilities

	2011	2010
Trade accounts payable and accruals	\$ 4,619,049	\$ 6,625,068
Other accrued liabilities	1,462,116	1,513,651
	\$ 6,081,165	\$ 8,138,719

5. eHealth Connections Project

	2011	2010
Balance, beginning of year	\$ 33,754	\$ 73,661
Funding from Canadian Health Infoway	2,364,266	2,775,567
Funding from Local Health Integration Network	1,122,491	615,000
Expenses incurred	(1,418,810)	(3,456,057)
GST/HST receivable on expenses incurred	33,255	25,583
Balance, end of year	\$ 2,134,956	\$ 33,754

Amounts are being received by the organization from Canadian Health Infoway in order to fund an eHealth Connections project. The organization is offsetting expenditures that are being paid related to this project against revenue that has been received. This amount is interest free and will be offset against future project expenses to be incurred.

6. Operational Funding Repayable

	2011	2010
Ministry of Health and Long-Term Care - 2007	\$ -	\$ 713,872
Ministry of Health and Long-Term Care - 2009	-	28,584
Ministry of Health and Long-Term Care - 2010	19,214	19,214
Nurse Practitioner Program - 2010	-	24,140
Nurse Practitioner Program - 2011	52,600	-
Local Health Integration Network - 2008	-	48,564
Local Health Integration Network - 2009	-	97,850
Local Health Integration Network - 2010	512,588	512,588
Local Health Integration Network - 2011	354,516	-
	\$ 938,918	\$ 1,444,812

This amount is interest free and will be recovered through reduced cash flow.

Waterloo Wellington Community Care Access Centre

Notes to Financial Statements

March 31, 2011

7. Deferred Revenue

Deferred revenue reported in the Operating Fund relates to restricted funds received that are related to the subsequent period. Changes in the deferred revenues balance reported in the Operating Fund are as follows:

	2011	2010
Balance, beginning of year	\$ 29,689	\$ 29,183
Less amount recognized as revenue in the year	(11,074)	(7,714)
Add amount received related to the following year	3,630	8,220
Balance, end of year	\$ 22,245	\$ 29,689

8. Early Retirement Benefits

	2011	2010
Early retirement benefits accrual	\$ 301,289	\$ 304,843
Less current portion	87,140	87,033
	\$ 214,149	\$ 217,810

The organization has a defined early retirement benefit plan that provides benefits to employees who are 55 years of age, have retired and are withdrawing funds from the pension plan. The early retirement benefits cease when the individual reaches 65 years of age. The liability was calculated using the current average monthly benefit premium and a 5% discount rate. The calculation resulted in a \$3,554 decrease in the accrual in the current year, which has been reflected as other revenue on the statement of operations. Future payments are estimated as follows:

Year	Amount
2012	\$ 87,140
2013	69,887
2014	45,759
2015	27,732
2016	22,639
Thereafter	48,132
	\$ 301,289

Waterloo Wellington Community Care Access Centre Notes to Financial Statements

March 31, 2011

9. Interfund Transfers

In order to fund the cash outlays for capital assets acquisitions, \$229,465 was transferred from the Operating Fund to the Capital Fund during the year.

10. Pension Plan

The Waterloo Wellington Community Care Access Centre makes contributions to the Healthcare of Ontario Pension Plan (HOOPP). This plan is a final average pay, defined benefit pension, multi-employer plan. Employer contributions during the period were \$1,858,944 for current service (2010 - \$1,806,324) and are included as an expense in the Statement of Operations.

11. Commitments

The organization leases building space and computer equipment under operating leases expiring between September 2012 and September 2014. Future minimum lease payments (excluding taxes) are as follows:

Year	Amount
2012	\$ 1,121,223
2013	668,018
2014	281,331
2015	<u>105,096</u>
	<u>\$ 2,175,668</u>

Waterloo Wellington Community Care Access Centre Notes to Financial Statements

March 31, 2011

12. Capital Risk Management

The Organization's objectives when managing capital are to safeguard the Organization's ability to continue as a going concern. Capital is defined by the Organization as all general and internally restricted funds.

The Operating Fund's objective is to provide working capital for the Organization's operating expenses. Deposits and withdrawals to this fund are administered by management and are authorized by Board passage of the annual operating budget.

The Capital Fund's objective is to provide funding for all capital asset purchases for the organization. The Board determines these needs through the annual budgeting process.

The Donation Fund's objective is to provide funding to assist clients. These amounts cannot be funded through the operating budget.

The Organization does not have any externally imposed capital requirements. Its policies and processes for managing capital remain unchanged from the year ended March 31, 2010.