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

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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, 2012, 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, 2012 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 23, 2012

Waterloo Wellington Community Care Access Centre
Balance Sheet

March 31				2012	2011
	Capital Fund	Operating Fund	Donations Fund	Total	Total
Assets					
Current					
Cash (Note 2)	$ -	$6,079,634	$ 191,513	$6,271,147	$ 5,513,930
Accounts receivable (Note 3)	-	1,393,518	-	1,393,518	3,374,699
Prepaid expenses	-	396,464	-	396,464	397,018
	-	7,869,616	191,513	8,061,129	9,285,647
Capital (Note 4)	572,080	-	-	572,080	747,373
	$ 572,080	$7,869,616	$ 191,513	$8,633,209	$10,033,020
Liabilities and Fund Balances					
Current					
Accounts payable and accrued liabilities (Note 5)	$ -	$5,177,909	$ -	$5,177,909	$ 6,081,165
eHealth Connections Project (Note 6)	-	1,135,660	-	1,135,660	2,134,956
Operational funding repayable (Note 7)	-	1,469,785	-	1,469,785	938,918
Deferred revenue (Note 8)	-	169,161	-	169,161	22,245
Current portion of early retirement benefits (Note 9)	-	117,632	-	117,632	87,140
	-	8,070,147	-	8,070,147	9,264,424
Long-term					
Early retirement benefits (Note 9)	-	287,426	-	287,426	214,149
	-	8,357,573	-	8,357,573	9,478,573
Fund balances					
Internally restricted	572,080	-	191,513	763,593	938,633
Unrestricted	-	(487,957)	-	(487,957)	(384,186)
	572,080	(487,957)	191,513	275,636	554,447
	$ 572,080	$7,869,616	$ 191,513	$8,633,209	$10,033,020

On behalf of the Board:

__________________ Director __________________ Director

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

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

For the year ended March 31				2012	2011
	Capital Fund	Operating Fund	Donations Fund	Total	Total
Fund balances, beginning of year	$ **747,373**	$ **(384,186)**	$ **191,260**	$ **554,447**	$ 428,809
Excess (deficiency) of revenue over expenses for the year	**(321,422)**	**42,358**	**253**	**(278,811)**	125,638
Interfund transfers (Note 10)	**146,129**	**(146,129)**	**-**	**-**	-
Fund balances, end of year	$ **572,080**	$ **(487,957)**	$ **191,513**	$ **275,636**	$ 554,447

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

Waterloo Wellington Community Care Access Centre
Statement of Operations

For the year ended March 31				2012	2011
	Capital Fund	Operating Fund	Donations Fund	Total	Total
Revenue					
LHIN/Ministry of Health & LTC	$ 258,541	$ 111,958,791	$ -	$ 112,217,332	$102,565,578
Interest income	-	73,309	2,001	75,310	73,543
Miscellaneous income	-	1,557,489	-	1,557,489	1,441,912
Donations	-	-	7,620	7,620	192,211
	258,541	113,589,589	9,621	113,857,751	104,273,244
Expenses					
Salaries and wages	-	23,088,735	-	23,088,735	21,411,708
Employee benefits (Note 11)	-	5,963,660	-	5,963,660	5,529,757
Training	-	193,258	-	193,258	195,319
Travel	-	306,762	-	306,762	265,496
Building occupancy	-	1,350,458	-	1,350,458	1,244,116
Office expenses	-	920,877	-	920,877	882,352
Other operating expenses	258,541	2,507,950	-	2,766,491	2,545,051
Supplies and equipment	-	6,457,315	-	6,457,315	6,260,132
Funding provided to assist clients	-	-	9,368	9,368	9,813
Purchased client services	-	69,992,897	-	69,992,897	64,064,637
Amortization	321,422	-	-	321,422	290,662
	579,963	110,781,912	9,368	111,371,243	102,699,043
Excess (deficiency) of revenue over expenses before other items	(321,422)	2,807,677	253	2,486,508	1,574,201
Other revenue (expense)					
Early retirement benefits (Note 9)	-	(103,769)	-	(103,769)	3,554
Excess (deficiency) of revenue over expenses before operational funding repayable	(321,422)	2,703,908	253	2,382,739	1,577,755
Operational funding repaid/repayable	-	(2,661,550)	-	(2,661,550)	(1,452,117)
Excess (deficiency) of revenue over expenses for the year	$ (321,422)	$ 42,358	$ 253	$ (278,811)	$ 125,638

Waterloo Wellington Community Care Access Centre
Statement of Cash Flows

For the year ended March 31	2012	2011
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	$ (278,811)	$ 125,638
Items not involving cash		
Amortization	321,422	290,662
Early retirement benefits	103,769	(3,554)
	146,380	412,746
Changes in non-cash working capital balances		
Accounts receivable	1,981,181	(2,598,782)
Prepaid expenses	554	(159,739)
Accounts payable and accrued liabilities	(903,256)	(2,057,554)
Deferred revenue	146,916	(7,444)
eHealth Connections Project	(999,296)	2,101,202
	372,479	(2,309,571)
Cash flows from investing activities		
Purchase of capital assets	(146,129)	(229,465)
Cash flows from financing activities		
Increase (decrease) in operational funding repayable	530,867	(505,894)
Increase (decrease) in cash during the year	757,217	(3,044,930)
Cash, beginning of year	5,513,930	8,558,860
Cash, end of year	$6,271,147	$ 5,513,930

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

1. Summary of Significant Accounting Policies

Consistent GAAP

The accounting policies of the company are in accordance with Canadian generally accepted accounting principles applied on a consistent basis with that of the preceding year. Outlined below are those policies considered particularly significant.

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
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.

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.

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 Framework

For year ends beginning on or after January 1, 2012, Public Sector Not-for-Profit Organizations will have the option of adopting either Public Sector Accounting Standards (PSAB) or PSAB with Not-for-Profit specific standards that are contained in Section 4200 of the CICA Handbook. The existing standards in the CICA Handbook - Accounting will continue to be available until 2012, at which time they will cease to be authoritative source of Canadian GAAP for Not-for-Profit Organizations. The organization intends to adopt PSAB with Not-for-Profit specific standards that are contained in Section 4200 of the CICA Handbook and is currently monitoring changes to the standards to determine the potential impact on its financial statements.

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.

2. Cash

The organization's bank account is held at one chartered bank. During the year the organization had 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 earned interest at approximately 1.05%. Effective June 2012, the organization has entered into a new bank agreement and interest will now be earned at the prime less 1.70%.

3. Accounts Receivable

	2012	2011
Due from the Local Health Integration Network	$ -	$ 2,200,000
GST/HST Recoverable	956,120	802,796
Other	437,398	371,903
	$ 1,393,518	$ 3,374,699

4. Capital Assets

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	$ 1,524,748	$ 1,357,895	$ 1,486,175	$ 1,216,419
Furniture and fixtures	2,168,881	1,972,216	2,168,881	1,880,686
Leasehold improvements	1,160,165	987,716	1,052,608	910,247
Computer software	93,280	57,167	93,280	46,219
	$ 4,947,074	$ 4,374,994	$ 4,800,944	$ 4,053,571
Net book value		$ 572,080		$ 747,373

5. Accounts Payable and Accrued Liabilities

	2012	2011
Trade accounts payable and accruals	$ 3,734,767	$ 4,619,049
Other accrued liabilities	1,443,142	1,462,116
	$ 5,177,909	$ 6,081,165

March 31, 2012

6. eHealth Connections Project

	2012	2011
Balance, beginning of year	$ 2,134,956	$ 33,754
Funding from Canadian Health Infoway	-	2,364,266
Funding from Local Health Integration Network	-	1,122,491
Expenses incurred	(999,296)	(1,418,810)
GST/HST receivable on expenses incurred	-	33,255
Balance, end of year	$ 1,135,660	$ 2,134,956

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.

7. Operational Funding Repayable

	2012	2011
Ministry of Health and Long-Term Care - 2010	$ -	$ 19,214
Nurse Practitioner Program - 2012	6,518	-
Nurse Practitioner Program - 2011	-	52,600
Local Health Integration Network - 2010	-	512,588
Local Health Integration Network - 2011	354,516	354,516
Local Health Integration Network - 2012	45,567	-
9000 Nurses Initiative	1,063,184	-
	$ 1,469,785	$ 938,918

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

8. 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:

	2012	2011
Balance, beginning of year	$ 22,245	$ 29,689
Less amount recognized as revenue in the year	(8,237)	(11,074)
Add amount received related to the following year	155,153	3,630
Balance, end of year	$ 169,161	$ 22,245

9. Early Retirement Benefits

	2012	2011
Early retirement benefits accrual	$ 405,058	$ 301,289
Less current portion	117,632	87,140
	$ 287,426	$ 214,149

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 $103,769 increase in the accrual in the current year, which has been reflected as other expense on the statement of operations. Future payments are estimated as follows:

Year	Amount
2013	$ 117,632
2014	85,144
2015	59,749
2016	44,711
2017	38,711
Thereafter	59,111
	$ 405,058

10. Interfund Transfers

In order to fund the cash outlays for capital assets acquisitions, $146,129 was transferred from the Operating Fund to the Capital Fund during the year.

11. 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 $1,961,599 for current service (2011 - $1,858,944) and are included as an expense in the Statement of Operations.

12. Commitments

The organization leases building space and computer equipment under operating leases expiring between September 2012 and August 2022. Future minimum lease payments (excluding taxes) are as follows:

Year	Amount
2013	$ 1,270,043
2014	1,319,547
2015	1,078,009
2016	982,855
2017	992,796
Thereafter	5,495,562
	$ 11,138,812

13. Economic Dependence

Approximately 98.6% of the organization's funding is from one source. The loss of this funding could have a material adverse affect on operations.

14. 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, 2011.