

**Waterloo Wellington  
Community Care Access Centre  
Financial Statements  
For the year ended March 31, 2010**

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## Auditors' Report

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To the Board of Directors  
Waterloo Wellington Community Care Access Centre

We have audited the balance sheet of Waterloo Wellington Community Care Access Centre as at March 31, 2010 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Waterloo Wellington Community Care Access Centre as at March 31, 2010 and the results of its operations and its cash flows for year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Kitchener, Ontario  
May 6, 2010

## Waterloo Wellington Community Care Access Centre Balance Sheet

March 31				2010	2009
	Capital Fund	Operating Fund	Donations Fund	Total	Total
<b>Assets</b>					
<b>Current</b>					
Cash (Note 1)	\$ -	\$ 8,550,882	\$ 7,978	\$ 8,558,860	\$ 8,240,894
Accounts receivable	-	775,917	-	775,917	721,148
Prepaid expenses	-	237,279	-	237,279	162,097
	-	9,564,078	7,978	9,572,056	9,124,139
<b>Capital (Note 2)</b>	<b>808,570</b>	<b>-</b>	<b>-</b>	<b>808,570</b>	<b>785,288</b>
	<b>\$ 808,570</b>	<b>\$ 9,564,078</b>	<b>\$ 7,978</b>	<b>\$10,380,626</b>	<b>\$ 9,909,427</b>
<b>Liabilities and Fund Balances</b>					
<b>Current</b>					
Accounts payable and accrued liabilities (Note 3)	-	\$ 8,138,719	-	\$ 8,138,719	\$ 8,198,047
eHealth Connections Project (Note 4)	-	33,754	-	33,754	73,661
Operational funding repayable (Note 5)	-	1,444,812	-	1,444,812	894,306
Deferred revenue (Note 6)	-	29,689	-	29,689	29,183
Current portion of early retirement benefits (Note 7)	-	87,033	-	87,033	93,858
	-	9,734,007	-	9,734,007	9,289,055
<b>Long-term</b>					
Early retirement benefits (Note 7)	-	217,810	-	217,810	250,259
	-	9,951,817	-	9,951,817	9,539,314
<b>Contingency (Note 11)</b>					
<b>Fund balances</b>					
Internally restricted	808,570	-	7,978	816,548	797,122
Unrestricted	-	(387,739)	-	(387,739)	(427,009)
	808,570	(387,739)	7,978	428,809	370,113
	<b>\$ 808,570</b>	<b>\$ 9,564,078</b>	<b>\$ 7,978</b>	<b>\$10,380,626</b>	<b>\$ 9,909,427</b>

On behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

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

<b>For the year ended March 31</b>				<b>2010</b>	<b>2009</b>
	<b>Capital Fund</b>	<b>Operating Fund</b>	<b>Donations Fund</b>	<b>Total</b>	<b>Total</b>
<b>Fund balances, beginning of year</b>	<b>\$ 785,288</b>	<b>\$ (427,009)</b>	<b>\$ 11,834</b>	<b>\$ 370,113</b>	<b>\$ 262,816</b>
Excess (deficiency) of revenue over expenses for the year	<b>(250,722)</b>	<b>313,274</b>	<b>(3,856)</b>	<b>58,696</b>	<b>107,297</b>
Interfund transfers (Note 8)	<b>274,004</b>	<b>(274,004)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 808,570</b>	<b>\$ (387,739)</b>	<b>\$ 7,978</b>	<b>\$ 428,809</b>	<b>\$ 370,113</b>

## Waterloo Wellington Community Care Access Centre Statement of Operations

For the year ended March 31

2010

2009

	Capital Fund	Operating Fund	Donations Fund	Total	Total
<b>Revenue</b>					
LHIN/Ministry of Health & LTC	\$ 278,019	\$ 97,754,111	\$ -	\$ 98,032,130	\$88,858,592
Interest income	-	22,865	40	22,905	153,847
Miscellaneous income	-	2,038,845	-	2,038,845	1,591,248
Donations	-	-	5,223	5,223	4,817
	<b>278,019</b>	<b>99,815,821</b>	<b>5,263</b>	<b>100,099,103</b>	<b>90,608,504</b>
<b>Expenses</b>					
Salaries and wages	-	20,750,888	-	20,750,888	19,449,107
Employee benefits (Note 9)	-	5,284,122	-	5,284,122	4,996,290
Training	-	121,550	-	121,550	101,469
Travel	-	253,483	-	253,483	330,977
Building occupancy	-	1,196,572	-	1,196,572	1,223,344
Office expenses	-	692,181	-	692,181	993,509
Other operating expenses	278,019	1,890,077	-	2,168,096	2,293,959
Supplies and equipment	-	6,766,714	-	6,766,714	6,460,322
Public awareness and education	-	-	9,119	9,119	1,657
Purchased client services	-	58,787,733	-	58,787,733	53,287,330
Amortization	250,722	-	-	250,722	235,658
	<b>528,741</b>	<b>95,743,320</b>	<b>9,119</b>	<b>96,281,180</b>	<b>89,373,622</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(250,722)</b>	<b>4,072,501</b>	<b>(3,856)</b>	<b>3,817,923</b>	<b>1,234,882</b>
<b>Other revenue (expenses)</b>					
Early retirement benefits (Note 7)	-	39,274	-	39,274	(95,715)
<b>Excess (deficiency) of revenue over expenses before operational funding repayable</b>	<b>(250,722)</b>	<b>4,111,775</b>	<b>(3,856)</b>	<b>3,857,197</b>	<b>1,139,167</b>
<b>Operational funding repaid/repayable</b>	<b>-</b>	<b>(3,798,501)</b>	<b>-</b>	<b>(3,798,501)</b>	<b>(1,031,870)</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (250,722)</b>	<b>\$ 313,274</b>	<b>\$ (3,856)</b>	<b>\$ 58,696</b>	<b>\$ 107,297</b>

## Waterloo Wellington Community Care Access Centre Statement of Cash Flows

<b>For the year ended March 31</b>	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 58,696	\$ 107,297
Items not involving cash		
Amortization	250,722	235,658
Early retirement benefits	(39,274)	95,715
	<u>270,144</u>	<u>438,670</u>
Changes in non-cash working capital balances		
Accounts receivable	(54,769)	(194,179)
Prepaid expenses	(75,182)	206,747
Accounts payable and accrued liabilities	(59,328)	377,066
Deferred revenue	506	(20,277)
eHealth Connections Project	(39,907)	73,661
	<u>41,464</u>	<u>881,688</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(274,004)	(435,290)
<b>Cash flows from financing activities</b>		
Increase (decrease) in operational funding repayable	550,506	(1,181,328)
<b>Increase (decrease) in cash during the year</b>	<b>317,966</b>	<b>(734,930)</b>
<b>Cash, beginning of year</b>	<b>8,240,894</b>	<b>8,975,824</b>
<b>Cash, end of year</b>	<b>\$ 8,558,860</b>	<b>\$ 8,240,894</b>

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## Waterloo Wellington Community Care Access Centre Summary of Significant Accounting Policies

**March 31, 2010**

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**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 fund equipment or program enhancements which 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.

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## Waterloo Wellington Community Care Access Centre Summary of Significant Accounting Policies

**March 31, 2010**

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### **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.

### **Goods and Services Tax**

The organization claims a 50% rebate for GST paid on non-medical qualified expenditures and a 83% rebate for GST paid on medical qualified expenditures.

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## **Waterloo Wellington Community Care Access Centre Summary of Significant Accounting Policies**

**March 31, 2010**

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### **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.

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## Waterloo Wellington Community Care Access Centre Notes to Financial Statements

**March 31, 2010**

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### 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 0.31%.

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### 2. Capital Assets

	2010		2009	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 1,334,370	\$ 1,106,674	\$ 1,093,304	\$ 1,081,038
Furniture and fixtures	2,130,782	1,784,289	2,119,906	1,674,173
Leasehold improvements	1,045,727	833,407	1,045,727	726,146
Computer software	60,600	38,539	38,539	30,831
	<b>\$ 4,571,479</b>	<b>\$ 3,762,909</b>	<b>\$ 4,297,476</b>	<b>\$ 3,512,188</b>
Net book value		<b>\$ 808,570</b>		<b>\$ 785,288</b>

Capital assets totaling \$144,718 were purchased prior to the year end but no amortization has been recorded since the assets were not in use at the year end.

## Waterloo Wellington Community Care Access Centre Notes to Financial Statements

**March 31, 2010**

### 3. Accounts Payable and Accrued Liabilities

	2010	2009
Trade accounts payable and accruals	\$ 6,625,068	\$ 6,667,207
Other accrued liabilities	1,513,651	1,530,840
	\$ 8,138,719	\$ 8,198,047

### 4. eHealth Connections Project

	2010	2009
Opening balance	\$ 73,661	\$ -
Funding from Canadian Health Infoway	2,775,567	690,837
Funding from Local Health Integration Network	615,000	100,000
Expenses incurred	(3,456,057)	(734,397)
GST receivable on expenses incurred	25,583	17,221
	\$ 33,754	\$ 73,661

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.

### 5. Operational Funding Repayable

	2010	2009
Ministry of Health and Long-Term Care - 2007	\$ 713,872	\$ 713,872
Ministry of Health and Long-Term Care - 2009	28,584	28,584
Ministry of Health and Long-Term Care - 2010	19,214	-
Nurse Practitioner Program - 2010	24,140	-
Nurse Practitioner Program - 2009	-	5,436
Local Health Integration Network - 2008	48,564	48,564
Local Health Integration Network - 2009	97,850	97,850
Local Health Integration Network - 2010	512,588	-
	\$ 1,444,812	\$ 894,306

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

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## Waterloo Wellington Community Care Access Centre Notes to Financial Statements

**March 31, 2010**

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### 6. 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:

	2010	2009
Beginning balance	\$ 29,183	\$ 49,460
Less amount recognized as revenue in the year	(7,714)	(26,795)
Add amount received related to the following year	8,220	6,518
Ending balance	\$ 29,689	\$ 29,183

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### 7. Early Retirement Benefits

	2010	2009
Early retirement benefits accrual	\$ 304,843	\$ 344,117
Less current portion	87,033	93,858
	\$ 217,810	\$ 250,259

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 \$39,274 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
2011	\$ 87,033
2012	66,311
2013	51,312
2014	33,832
2015	17,900
Thereafter	48,455
	\$ 304,843

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## Waterloo Wellington Community Care Access Centre Notes to Financial Statements

**March 31, 2010**

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### 8. Interfund Transfers

In order to fund the cash outlays for capital assets acquisitions, \$274,004 was transferred from the Operating Fund to the Capital Fund during the year.

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### 9. 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 \$1,806,324 for current service (2009 - \$1,648,973) and are included as an expense in the Statement of Operations.

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### 10. Commitments

The organization leases building space and computer equipment under operating leases expiring between February 2011 and September 2014. Future minimum lease payments (excluding Taxes) are as follows:

Year	Amount
2011	\$ 1,169,726
2012	969,032
2013	527,782
2014	242,425
2015	<u>86,059</u>
	<u>\$ 2,995,024</u>

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### 11. Contingency

In April 2004, there was a claim of \$5,760,000 made against one of the organization's service providers and its employee. Community Care Access Centre of Waterloo Region (a predecessor to this organization) was named as a defendant in this claim. In the opinion of legal counsel, the CCAC liability is minimal given the contract with the service provider. This is despite the plaintiff serving an expert report against all defendants including the CCAC.

In June 2009, there was a claim of \$15,500,000 made against two of the organization's contracted providers, a hospital and the Wellington Dufferin Community Care Access Centre (a predecessor to this organization). As the case is in its early stages, it is too early to assess the merits of the claim and estimated liability, if any. The CCAC insurance coverage with HIROC exceeds the amount of the claim.

Any liability resulting from these claims will be accounted for in the period when the amount can be reasonably determined.

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## Waterloo Wellington Community Care Access Centre Notes to Financial Statements

**March 31, 2010**

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### **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 working capital to fund the Organization's equipment or program enhancements which cannot be funded through the operating budget.