

PERSONAL ATTENDANT
CARE INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
MARCH 31, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Personal Attendant Care Inc.

We have audited the accompanying financial statements of Personal Attendant Care Inc. which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2018, and notes comprising 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 accounting standards for not for profit organizations, 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 perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

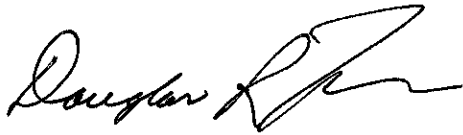
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Personal Attendant Care Inc. as at March 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

FREEMAN & LOURENCO LLP

A handwritten signature in black ink, appearing to read "Douglas R. Freeman". The signature is fluid and cursive, with a large initial "D" and "R".

Douglas R. Freeman, Chartered Professional Accountant
Licensed Public Accountant
June 20, 2018
Oshawa, Ontario

PERSONAL ATTENDANT CARE INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Revenue:		
Ministry of Health and long-Term Care Outreach Program	\$ 4,418,439	\$ 4,405,512
Personal Support Worker training funding One Time Funding	15,693	36,918
Workplace Safety and Insurance Board	69,778	67,111
Interest	21,241	21,769
	<u>3,334</u>	<u>2,244</u>
	<u>4,528,485</u>	<u>4,533,554</u>
Expenses:		
Salaries and Benefits	3,913,082	3,836,566
Travel	256,570	246,227
Office and General	282,115	259,445
Purchased Outside Services	35,213	65,309
Personal Support Worker Training	22,840	41,442
Program Supplies	9,078	8,071
Training and Education	4,184	5,414
Amortization of Capital Assets (Note 8)	28,608	36,166
	<u>4,551,690</u>	<u>4,498,640</u>
Excess (Deficit) of Revenue Over Expenses From Operations	(23,205)	34,914
Gain (Loss) on Disposal of Fixed Assets	<u>(6,204)</u>	<u>(3,477)</u>
Excess (Deficit) of Revenue Over Expenses	<u>\$ (29,409)</u>	<u>\$ 31,437</u>

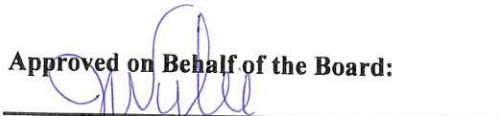
PERSONAL ATTENDANT CARE INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

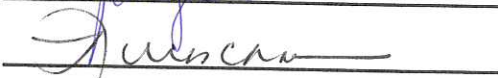
	Investment in Capital Assets (note 6)	Internally Restricted for Specific Purposes (note 7)	Unrestricted	Total
<u>2018</u>				
Balance, beginning of year	\$ 45,682	\$ 248,473	\$ 75,423	\$ 369,578
Additions of Capital Assets	1,595	-	(1,595)	-
Dispositions of Capital Assets	(1,255)	-	1,255	-
Excess (Deficit) of Revenue Over Expenses	-	-	(29,409)	(29,409)
Amortization of Capital Assets	(8,935)	-	8,935	-
Recovery of Excess Funding (Note 13)	-	-	-	-
Prior Period Adjustments (Note 11)	-	-	-	-
	<u>\$ 37,087</u>	<u>\$ 248,473</u>	<u>\$ 54,609</u>	<u>\$ 340,169</u>
<u>2017</u>				
Balance, beginning of year (Note 11)	\$ 26,385	\$ 248,473	\$ 136,237	\$ 411,095
Additions of Capital Assets	35,682	-	(35,682)	-
Dispositions of Capital Assets	-	-	-	-
Excess (Deficit) of Revenue Over Expenses	-	-	31,437	31,437
Amortization of Capital Assets	(16,385)	-	16,385	-
Recovery of Excess Funding (Note 13)	-	-	(67,603)	(67,603)
Prior Period Adjustments (Note 11)	-	-	(5,351)	(5,351)
	<u>\$ 45,682</u>	<u>\$ 248,473</u>	<u>\$ 75,423</u>	<u>\$ 369,578</u>

PERSONAL ATTENDANT CARE INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current		
Cash	\$ 62,140	\$ 34,452
Short-Term Investments (Note 2)	580,321	617,455
Accounts Receivable	54,969	70,919
Prepaid Expense	149,899	69,895
	<u>847,329</u>	<u>792,721</u>
Capital Assets (Note 3)	<u>164,852</u>	<u>185,794</u>
	<u><u>\$ 1,012,181</u></u>	<u><u>\$ 978,515</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 444,428	\$ 374,033
Due to the Ministry of Health and Long-Term Care (Note 5)	99,819	94,791
Deferred Revenue (Note 12)	127,765	140,113
	<u>672,012</u>	<u>608,937</u>
Net Assets		
Investment in Capital Assets (Note 6)	37,087	45,682
Net Assets Internally Restricted (Note 7)	248,473	248,473
Unrestricted Net Assets	54,609	75,423
	<u>340,169</u>	<u>369,578</u>
	<u><u>\$ 1,012,181</u></u>	<u><u>\$ 978,515</u></u>

Approved on Behalf of the Board:


 _____ Treasurer


 _____ President

PERSONAL ATTENDANT CARE INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Cash Provided By (Used In)		
Operating Activities:		
Excess (Deficit) of Revenue Over Expenses	\$ (29,409)	\$ 31,437
Add: Loss on Disposition of Capital Assets	6,204	-
Amortization of Capital Assets Which Does Not Involve Cash	28,608	36,166
	<u>5,403</u>	<u>67,603</u>
Change in Non-Cash Operating Working Capital:		
Accounts Receivable	15,950	(45,254)
Prepaid Expenses	(80,004)	(7,382)
Accounts Payable and Accrued Liabilities	70,395	21,562
Due to the Ministry of Health and Long-Term Care	5,028	45,223
Deferred Revenue	(12,348)	13,133
	<u>4,424</u>	<u>94,885</u>
Investment Activities:		
Purchase/Settlement of Investments	37,134	72,927
Fixed Asset Dispositions (Purchases)	(13,870)	(68,594)
	<u>23,264</u>	<u>4,333</u>
Financing Activities:		
Recovery of Excess Funding	-	(67,603)
Prior Period Adjustments	-	(5,351)
	<u>-</u>	<u>(72,954)</u>
Increase (Decrease) in Cash	27,688	26,264
Cash, beginning of year	<u>34,452</u>	<u>8,188</u>
Cash, end of year	<u>\$ 62,140</u>	<u>\$ 34,452</u>

PERSONAL ATTENDANT CARE INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2018

Personal Attendant Care Inc. (the "Corporation" is a non-profit organization incorporated without share capital under the laws of Ontario. The Corporation provides community support services for physically challenged adults in Durham Region.

The Corporation is a registered charity, and, as such, is exempt from income taxes and may issue income tax receipts to donors.

1. Significant Accounting Policies:

(a) Revenue Recognition:

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized as revenue on the same basis as the amortization of the related asset. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Capital Assets:

Purchased capital assets are recorded at cost less accumulated amortization. Amortization based on the estimated useful lives of the assets is calculated as follows:

<u>Asset</u>	<u>Basis</u>	<u>Rate</u>
Furniture and Fixtures	Diminishing Balance	20%
Computer Hardware	Diminishing Balance	30%
Computer Software	Diminishing Balance	100%
Leasehold Improvements	Straight Line	over lease term
Medical Equipment	Straight Line	10 years
Scooters	Straight Line	8 years

(c) Pension Plans:

The Corporation maintains defined contribution pension plans for personnel. Expense for these plans is equal to the Corporation's required contribution for the year.

(d) Financial Instruments:

<u>Asset/Liability</u>	<u>Measurement</u>
Cash	Fair value
Investments	Fair value
Accounts Receivable	Amortized cost
Accounts Payable and Accrued Liabilities	Amortized cost
Due to the Ministry of Health and Long-Term Care	Amortized cost

PERSONAL ATTENDANT CARE INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2018

(e) Management Estimates:

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from such estimates. Accounts requiring estimates and assumptions include amortization expense and accrued liabilities.

2. Investments:

	<u>2018</u>	<u>2017</u>
Short-term:		
GIC, interest at 0.4000%, matures July 14, 2017	\$ -	\$ 184,793
GIC, interest at 0.4000%, matures February 21, 2018	-	155,684
GIC, interest at 0.4000%, matures March 2, 2018	-	276,978
GIC, interest at 0.6500%, matures July 16, 2018	278,455	-
GIC, interest at 0.4000%, matures February 21, 2019	116,296	-
GIC, interest at 0.6500%, matures March 4, 2019	185,570	-
	<u>\$ 580,321</u>	<u>\$ 617,455</u>

3. Capital Assets:

<u>March 31, 2018</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Furniture and Fixtures	\$ 153,128	\$ 127,191	\$ 25,937
Computer Hardware and Software	118,778	90,270	28,508
Leasehold Improvements	-	-	-
Medical Equipment	147,872	46,199	101,673
Scooters	15,067	6,333	8,734
	<u>\$ 434,845</u>	<u>\$ 269,993</u>	<u>\$ 164,852</u>
<u>March 31, 2017</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Furniture and Fixtures	\$ 140,853	\$ 123,783	\$ 17,070
Computer Hardware and Software	117,183	78,170	39,013
Leasehold Improvements	123,940	117,176	6,764
Medical Equipment	147,872	34,907	112,965
Scooters	15,067	5,085	9,982
	<u>\$ 544,915</u>	<u>\$ 359,121</u>	<u>\$ 185,794</u>

PERSONAL ATTENDANT CARE INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2018

4. Accounts Payable and Accrued Liabilities:	<u>2018</u>	<u>2017</u>
Trade Accounts	\$ 69,616	\$ 104,803
Salaries and Benefits	207,523	202,103
Government Payroll Remittances	31,427	3,446
Accrued Liabilities	<u>135,862</u>	<u>63,681</u>
	<u>\$ 444,428</u>	<u>\$ 374,033</u>

In the normal course of operations, there may be litigation pending or in process at any time. With respect to claims as at March 31, 2018, management believes the Corporation has valid defenses and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Corporation's financial position.

5. Due to the Ministry of Health and Long-Term Care:

Each year, the Corporation receives funding from the Ministry of Health and Long-Term Care ("the Ministry") for its operation. The amount represents unspent funding that is to be paid back to the Ministry. The amount payable is finalized at the time that the Ministry receives and accepts the annual reconciliation report. Any adjustments to the payables are recorded in the year settled.

6. Investment in Capital Assets:	<u>2018</u>	<u>2017</u>
Capital Assets	<u>\$ 37,087</u>	<u>\$ 45,682</u>

The change in net assets invested in capital assets is as follows:

	<u>2018</u>	<u>2017</u>
Amortization of Capital Assets	\$ (8,935)	\$ (16,385)
Net Book Value of Capital Asset Dispositions	(1,255)	-
Additions to Capital Assets	<u>1,595</u>	<u>35,682</u>
	<u>\$ (8,595)</u>	<u>\$ 19,297</u>

PERSONAL ATTENDANT CARE INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2018

7. Restrictions on Net Assets:

The Corporation's Board of Directors has internally restricted funds for future expenditures that will not be funded by future government capital grants. This internally restricted amount is not available for other purposes without the approval of the Board of Directors.

During 2007, the board designated the gain of \$362,065 on the sale of 829 Simcoe Street North as internally restricted funds, bringing the balance to \$419,429. During fiscal 2009, the board approved the use of internally restricted funds for the purchase of information technology of \$55,000 and respite services up to the amount of \$100,000, of which \$27,526 was used and an additional \$57,000 was approved for transfer from restricted funds to unrestricted funds. During fiscal 2010, respite services used was in the amount of \$31,430.

There were no changes to restricted net assets during fiscal 2011-2018.

8. Amortization of Capital Assets:

Capital assets include the purchase of board-approved leasehold improvements not funded by the Ministry. The amortization related to these capital assets is included in the statements of operations with the expenses but is not funded by the Ministry.

9. Commitment:

The Corporation has signed a lease agreement that commenced on December 31, 2017 for a 10-year term. The total minimum rental payments are as follows:

2019	34,430
2020	34,430
2021	34,430
2022	34,430
2023	37,560
2024	46,950
2025	46,950
2026	46,950
2027	46,950
2028	35,513
	<hr/>
	\$ 398,593

PERSONAL ATTENDANT CARE INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2018

10. Financial Management and Risk Management:

The investments held by the corporation are exposed to a variety of financial risks. The Corporation seeks to minimize the potential adverse effects of these risks by regularly monitoring the investment position, market events and the diversification of the investment portfolio within the constraints of the Corporation's investment policies.

11. March 31, 2017 - Prior Period Adjustment:

The corporation had previously setup an accrual for the expected amount repayable for 2014/2015 Wage Enhancement Funding received, but not used. Upon review by LHIN, the amount due from Personal Attendant Care Inc. was adjusted upwards, to remove the extra 0.5 hours paid on overtime paid at 1.5 hours.

The 2015 repayment to LHIN was determined to be underreported by \$5,351. Therefore net assets for 2015 were also overstated by this amount.

12. Deferred Capital Asset Grants:

The corporation received \$65,000 of one time funding during 2018. The purpose of this funding was for renovations and improvements in the transition to their new office space. The corporation purchased capital assets of \$12,275 to the expiry date of March 31, 2018 as well as \$45,783 of non capital items. The unexpended balance of \$6,942 was repayable to the Ministry of Health and Long Term Care.

The corporation was granted the ability to reallocate on a one time basis up to \$50,000 of funding in 2017. The purpose of the funding was to provide the ability to deliver care to adults with complex health conditions. The corporation purchased capital assets of \$35,765 to the expiry date of March 31, 2017. The balance is to be allocated from the 2017 surplus repayable to the Ministry of Health and Long-Term Care.

The corporation received \$110,000 of one-time funding during 2015. The purpose of the funding was to provide the ability to deliver care to adults with complex health conditions. The corporation purchased capital assets of \$60,146 to the expiry date of March 31, 2015, as well as \$49,129 of non-capital items. The unexpended balance of \$725 was repayable to the Ministry of Health and Long-Term Care.

The corporation received \$293,703 of one-time funding during 2014. The purpose of the funding was to provide the ability to deliver care to adults with complex health conditions. The corporation purchased capital assets of \$111,494 to the expiry date of March 31, 2014. The unexpended balance of \$182,209 was repayable to the Ministry of Health and Long-Term Care.

Deferred capital grants represent restricted capital funding received from the government for the purchase of depreciable capital assets. Grants are amortized on the same basis as the capital asset to which they relate.

PERSONAL ATTENDANT CARE INC.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2018

Changes in the deferred capital grant balances during the year are as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 140,113	\$ 126,980
Funding allocated for capital assets purchased	12,275	35,765
Amounts amortized to revenue	<u>(24,623)</u>	<u>(22,632)</u>
Balance, end of year	<u>\$ 127,765</u>	<u>\$ 140,113</u>

13. Recovery of Excess Funding

Any excess funds received, and not spent in operations are repayable to the Ministry of Health and Long-Term Care ("The Ministry). This amounts represents the amounts repayable based on current year operations, calculated as Excess (Deficit) of Revenue Over Expenses plus amortization.

Portions of this balance have been recovered in advance, as well as The Ministry approving reallocation of expected Excess Funding in advance of year end.

14. Risk Management

The Board has reviewed all policies regarding risk management and updated the policies they considered necessary within the current fiscal period.

The Board and the management team take part in a rigorous set of activities designed to identify and evaluate risk factors, assess risk tolerance, choose response strategy and ensure continuous monitoring. The risk matrix is reviewed at least annually.

15. Economic Dependence

The continuation of the entity is substantially dependent upon the on-going support of The Ministry of Health and Long Term Care.