

Financial Statements of

**PERSONAL ATTENDANT  
CARE INC.**

Year ended March 31, 2010



KPMG LLP  
Chartered Accountants  
Yonge Corporate Centre  
4100 Yonge Street Suite 200  
Toronto ON M2P 2H3  
Canada

Telephone (416) 228-7000  
Fax (416) 228-7123  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT

To the Members of Personal Attendant Care Inc.

We have audited the balance sheet of Personal Attendant Care Inc. as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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 the Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

April 30, 2010

# PERSONAL ATTENDANT CARE INC.


## Balance Sheet

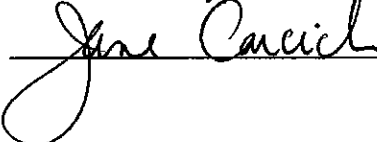
March 31, 2010, with comparative figures for 2009

	2010	2009
<b>Assets</b>		
Current assets:		
Short-term investments (note 2)	\$ 322,691	\$ 280,430
Accounts receivable	66,349	46,157
Prepaid expenses	38,785	67,712
	<u>427,825</u>	<u>394,299</u>
Long-term investments (note 2)	263,753	410,800
Capital assets (note 3)	107,464	154,275
	<u>\$ 799,042</u>	<u>\$ 959,374</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Bank indebtedness	\$ 994	\$ 16,702
Accounts payable and accrued liabilities (note 4)	288,041	344,615
	<u>289,035</u>	<u>361,317</u>
Deferred capital assets grants (note 5)	—	24,627
Net assets:		
Investment in capital assets (note 6)	107,464	129,648
Net assets internally restricted (note 7)	248,473	279,903
Unrestricted net assets	154,070	163,879
	<u>510,007</u>	<u>573,430</u>
Commitment (note 9)		
	<u>\$ 799,042</u>	<u>\$ 959,374</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# PERSONAL ATTENDANT CARE INC.

## Statement of Operations

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Ministry of Health:		
Outreach Program	\$ 4,012,136	\$ 3,963,517
PSW training funding	42,139	42,139
Workplace Safety and Insurance Board	17,550	19,459
Interest	16,701	23,805
Amortization of deferred contributions	15,765	27,624
Other	1,450	8,973
	<u>4,105,741</u>	<u>4,085,517</u>
Expenses:		
Salaries and benefits	3,557,112	3,446,135
Travel	300,326	292,401
Office	180,085	178,583
Personal Support Worker training	42,139	42,139
Purchased outside services	28,218	49,139
Amortization	15,765	27,624
Training and education	12,632	6,133
Program supplies	4,811	2,235
Specific one-time items	4,230	570
Loss on disposal of capital assets	7,604	-
	<u>4,152,922</u>	<u>4,044,959</u>
Excess (deficiency) of revenue over expenses before other expenses and unusual item	(47,181)	40,558
Other expenses:		
Amortization of unfunded capital assets (note 8)	(16,242)	(11,823)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (63,423)</b>	<b>\$ 28,735</b>

See accompanying notes to financial statements.

# PERSONAL ATTENDANT CARE INC.

## Statement of Changes in Net Assets

Year ended March 31, 2010, with comparative figures for 2009

				2010	2009
	Invested in capital assets (note 6)	Internally restricted for specific purposes (note 7)	Unrestricted	Total	Total
Balance, beginning of year	\$ 129,648	\$ 279,903	\$ 163,879	\$ 573,430	\$ 544,695
Excess (deficiency) of revenue over expenses	-	-	(63,423)	(63,423)	28,735
Net change in investment in capital assets (note 6)	(22,184)	-	22,184	-	-
Internally imposed restrictions (note 7)	-	(31,430)	31,430	-	-
<b>Balance, end of year</b>	<b>\$ 107,464</b>	<b>\$ 248,473</b>	<b>\$ 154,070</b>	<b>\$ 510,007</b>	<b>\$ 573,430</b>

See accompanying notes to financial statements.

# PERSONAL ATTENDANT CARE INC.

## Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (63,423)	\$ 28,735
Items not involving cash:		
Amortization of capital assets	32,007	39,447
Amortization of deferred contributions	(15,765)	(27,624)
Loss on disposal of capital assets	7,604	-
Change in non-cash operating working capital:		
Accounts receivable	(20,192)	(14,192)
Prepaid expenses	28,927	(22,296)
Accounts payable and accrued liabilities	(56,574)	(29,735)
	(87,416)	(25,665)
Investing activities:		
Purchase/settlement of investments	104,786	(70,514)
Purchase of capital assets	(1,662)	(43,461)
	103,124	(113,975)
Increase (decrease) in cash and cash equivalents	15,708	(139,640)
Cash and cash equivalents (bank indebtedness), beginning of year	(16,702)	122,938
Bank indebtedness, end of year	\$ (994)	\$ (16,702)

See accompanying notes to financial statements.

# PERSONAL ATTENDANT CARE INC.

Notes to Financial Statements

Year ended March 31, 2010

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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 disabled persons 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) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, bank balances and investments with maturities of three months or less.

### (c) Capital assets:

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

Asset	Basis	Rate
Building	Straight line	Over useful life
Furniture and fixtures	Diminishing balance	20%
Computer hardware	Diminishing balance	30%
Computer software	Diminishing balance	100%
Signage	Straight line	Over 10 years
Leasehold improvements	Straight line	Over 10 years

# PERSONAL ATTENDANT CARE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (d) 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.

### (e) Investments:

Investments are classified as held-for-trading which is carried at market value. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair value. All transactions related to financial instruments are recorded on a settlement date basis.

### (f) Other financial instruments:

The Corporation utilizes various financial instruments, which are classified as follows:

#### (i) Held-for-trading:

This category comprises bank indebtedness and accounts receivable, which are carried in 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.

#### (ii) Loans and receivables:

There is currently no loans receivable by the Corporation. Other receivables are recognized at fair value and remain outstanding until remittances have been received. Transaction costs related to loans and receivables are expensed as incurred.

#### (iii) Other financial liabilities:

Other financial liabilities include all financial liabilities other than those classified as held-for-trading and comprise accounts payable and accrued liabilities. These liabilities are recognized at fair value and remain a liability until they are paid. Transaction costs related to other financial liabilities are expensed as incurred.

# PERSONAL ATTENDANT CARE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2009

## 1. Significant accounting policies (continued):

(g) Adoption of new accounting pronouncements:

Effective April 1, 2009, the Corporation adopted The Canadian Institute of Chartered Accountants' amendments to Handbook Section 4400, Financial Statements Presentation by Not-for-Profit Organizations. These amendments eliminate the requirement to show net assets invested in capital assets as a separate component of net assets, clarify the requirement for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as principal and require a statement of cash flows. Adoption of these recommendations had no significant impact on the financial statements for the year ended March 31, 2010.

## 2. Investments:

	2010	2009
Short-term:		
GIC, interest at 3.75%, matures June 2010	\$ 212,963	\$ 25,173
GIC, interest at 0.70%, matures June 2010	109,728	50,457
GIC, interest at 3.00%, matures June 2009	-	204,800
	<u>322,691</u>	<u>280,430</u>
Long-term:		
GIC, interest at 3.75%, matures June 2011	212,180	206,000
GIC, interest at 1.40%, matures November 2011	51,573	204,800
	<u>263,753</u>	<u>410,800</u>
	<u>\$ 586,444</u>	<u>\$ 691,230</u>

## 3. Capital assets:

	2010		2009	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 127,070	\$ 90,040	\$ 37,030	\$ 46,287
Computer hardware and software	114,640	76,914	37,726	55,846
Signage	-	-	-	7,915
Leasehold improvements	114,950	82,242	32,708	44,227
	<u>\$ 356,660</u>	<u>\$ 249,196</u>	<u>\$ 107,464</u>	<u>\$ 154,275</u>

# PERSONAL ATTENDANT CARE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2009

## 4. Accounts payable and accrued liabilities:

	2010	2009
Trade accounts	\$ 42,346	\$ 22,237
Salaries and benefits	150,906	190,041
Accrued liabilities	45,233	80,325
Due to Ministry of Health	49,556	52,012
	\$ 288,041	\$ 344,615

## 5. Deferred capital asset grants:

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.

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

	2010	2009
Balance, beginning of year	\$ 24,627	\$ 52,251
Amounts amortized to revenue	(15,765)	(27,624)
Amounts recognized as proceeds relating to disposal of capital assets	(8,862)	-
Balance, end of year	\$ -	\$ 24,627

## 6. Investment in capital assets:

	2010	2008
Capital assets	\$ 107,464	\$ 154,275
Amounts financed by deferred grants	-	(24,627)
	\$ 107,464	\$ 129,648

# PERSONAL ATTENDANT CARE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2009

## 6. Investment in capital assets (continued):

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

	2010	2009
Amortization of deferred grants and contributions related to capital assets	\$ 15,765	\$ 27,624
Amortization of capital assets	(32,007)	(39,447)
Net book value of capital asset dispositions	(7,604)	—
Additions to capital assets	1,662	43,461
	\$ (22,184)	\$ 31,638

## 7. Restrictions on net assets:

The Corporation's Board of Directors has internally restricted funds for future expenditures that will not be funded by government capital grants. This internally restricted amount is not available for other purposes without 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. In fiscal 2008 - 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 \$27,162 was used and an additional \$57,000 was approved for transfer from restricted to unrestricted funds. In fiscal 2009 - 2010, respite services used was in the amount of \$31,430.

## 8. Amortization of unfunded capital assets:

Capital assets include the purchase of board-approved leasehold improvements not funded by the Ministry of Health (the "Ministry"). The amortization related to these capital assets is not included in the statement of operations with the expenses funded by the Ministry, but rather is recorded as other expense.

# PERSONAL ATTENDANT CARE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2009

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## 9. Commitment:

The Corporation has signed a lease agreement that commenced October 31, 2002 for a 10-year term. The Corporation negotiated with the landlord that rent for common area would be charged under the lease agreement until the elevator was installed. This occurred in July 2005 and common area lease payments commenced at that time.

The minimum annual lease payments for the remaining three years are as follows:

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2011	\$ 112,000
2012	112,000
2013	66,000
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	\$ 290,000

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## 10. Financial instruments:

All of the Corporation's short-term investments are held by one of the major financial institutions and a major investment broker.

Fair value of investments are described in note 2.

The carrying values of accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.