

**Ontario Association of  
Community Care Access  
Centres**

Financial Statements  
**March 31, 2014**



June 9, 2014

## **Independent Auditor's Report**

### **To the Members of Ontario Association of Community Care Access Centres**

We have audited the accompanying financial statements of Ontario Association of Community Care Access Centres, which comprise the statement of financial position as at March 31, 2014 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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 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 Ontario Association of Community Care Access Centres as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

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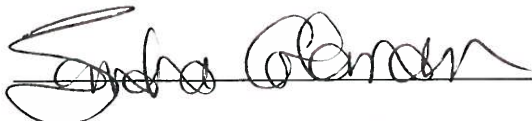
# Ontario Association of Community Care Access Centres

## Statement of Financial Position

As at March 31, 2014

	2014 \$	2013 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	13,634,567	13,793,231
Accounts receivable (note 7)	1,874,885	2,301,186
Prepaid expenses	168,831	204,875
	<u>15,678,283</u>	<u>16,299,292</u>
<b>Capital assets</b> (note 3)	<u>1,021,867</u>	<u>725,959</u>
	<u>16,700,150</u>	<u>17,025,251</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	7,708,149	6,338,665
Deferred revenue (note 4)	5,610,968	7,474,013
	<u>13,319,117</u>	<u>13,812,678</u>
<b>Net Assets</b>		
<b>Invested in capital assets</b>	1,021,867	725,959
<b>Internally restricted</b> (note 5)	1,321,752	1,305,078
<b>Unrestricted</b>	<u>1,037,414</u>	<u>1,181,536</u>
	<u>3,381,033</u>	<u>3,212,573</u>
	<u>16,700,150</u>	<u>17,025,251</u>
<b>Lease commitments</b> (note 9)		

Approved by the Board of Directors



Director



Director

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

# Ontario Association of Community Care Access Centres

## Statement of Operations

For the year ended March 31, 2014

	2014 \$	2013 \$
<b>Revenue</b>		
Member services	3,895,997	3,836,131
Technology shared services (note 6)	18,161,769	19,793,874
Business Technology Infrastructure (BTI) (note 6)	14,682,553	13,825,156
Other projects		
eHealth Ontario (note 6)	1,569,329	723,112
Ministry of Health and Long-Term Care (MOHLTC) (note 6)	984,965	1,572,351
Annual conference fees	626,672	635,765
Interest	136,220	158,301
	<u>40,057,505</u>	<u>40,544,690</u>
<b>Expenses</b>		
Salaries and benefits	1,728,027	1,863,190
Professional dues, fees and other services	304,050	531,778
Occupancy	1,437,661	1,042,991
Office supplies	158,813	124,501
Training and meetings	54,051	63,160
Education sessions	23,322	51,718
Amortization of capital assets	191,843	147,522
Travel and accommodation	9,011	12,560
Technology shared services (note 6)	18,161,769	19,793,874
Business Technology Infrastructure (BTI) (note 6)	14,682,553	13,825,156
Other projects		
eHealth Ontario (note 6)	1,569,329	723,112
Ministry of Health and Long-Term Care (MOHLTC) (note 6)	984,965	1,572,351
Annual conference	583,651	569,337
	<u>39,889,045</u>	<u>40,321,250</u>
<b>Excess of revenue over expenses for the year</b>	<u>168,460</u>	<u>223,440</u>

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

# Ontario Association of Community Care Access Centres

## Statement of Changes in Net Assets

For the year ended March 31, 2014

	<b>2014</b>			
	<b>Invested in capital assets \$</b>	<b>Internally restricted \$ (note 5)</b>	<b>Unrestricted \$</b>	<b>Total \$</b>
<b>Net assets - Beginning of year</b>	725,959	1,305,078	1,181,536	3,212,573
Excess of revenue over expenses (expenses over revenue) for the year	(191,843)	-	360,303	168,460
Capital asset additions	487,751	-	(487,751)	-
Internally restricted	-	16,674	(16,674)	-
<b>Net assets - End of year</b>	<b>1,021,867</b>	<b>1,321,752</b>	<b>1,037,414</b>	<b>3,381,033</b>
	<b>2013</b>			
	<b>Invested in capital assets \$</b>	<b>Internally restricted \$ (note 5)</b>	<b>Unrestricted \$</b>	<b>Total \$</b>
<b>Net assets - Beginning of year</b>	614,971	1,263,650	1,110,512	2,989,133
Excess of revenue over expenses (expenses over revenue) for the year	(147,522)	-	370,962	223,440
Capital asset additions	258,510	-	(258,510)	-
Internally restricted	-	41,428	(41,428)	-
<b>Net assets - End of year</b>	<b>725,959</b>	<b>1,305,078</b>	<b>1,181,536</b>	<b>3,212,573</b>

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

# Ontario Association of Community Care Access Centres

## Statement of Cash Flows

For the year ended March 31, 2014

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	2014 \$	2013 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	168,460	223,440
Item not involving cash		
Amortization of capital assets	191,843	147,522
Change in non-cash operating working capital		
Accounts receivable	426,301	(1,603,118)
Prepaid expenses	36,044	43,429
Accounts payable and accrued liabilities	1,369,484	(342,133)
Deferred revenue	(1,863,045)	(3,483,373)
	<u>329,087</u>	<u>(5,014,233)</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(487,751)</u>	<u>(258,510)</u>
<b>Decrease in cash during the year</b>	(158,664)	(5,272,743)
<b>Cash - Beginning of year</b>	<u>13,793,231</u>	<u>19,065,974</u>
<b>Cash - End of year</b>	<u><u>13,634,567</u></u>	<u><u>13,793,231</u></u>
<b>Supplemental information</b>		
Interest received	136,220	158,301

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

# Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2014

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## 1 Nature of operations

The Ontario Association of Community Care Access Centres (the Association) serves as the collective voice for the contributions made by Community Care Access Centres (CCACs) in Ontario toward an integrated health system. The Association is a shared services organization for the CCACs.

The Association was incorporated under the Corporations Act (Ontario) without share capital in June 1998. The Association is a not-for-profit organization under the Income Tax Act (Canada) and as such is exempt from income taxes.

## 2 Summary of significant accounting policies

### Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of The Chartered Professional Accountants of Canada Handbook. The financial statements include the following significant accounting policies.

### Fund accounting

These financial statements include the following funds:

- Internally restricted - includes funds for unanticipated business interruption and the net accumulated surplus balance from the OACCAC Conferences which are reserved for educational purposes, including conference development.
- Invested in capital assets - reflects amounts that have been designated for the purchase of capital assets and amortization expense for the year.
- Unrestricted - includes the cumulative net assets of operating revenues over expenses.

### Cash

Cash comprises cash on hand and bank balances.

### Financial instruments

Financial assets and financial liabilities are initially measured at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

# Ontario Association of Community Care Access Centres

## Notes to Financial Statements

March 31, 2014

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Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### Capital assets

Capital assets, which are initially recorded at cost, are amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and office equipment	5 years
Computer software	2 years
Computer hardware	3 years
Leasehold improvements	straight-line over term of lease

The Association reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to the Association, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of operations.

### Leases, rent expense and deferred lease inducements

Leases are accounted for as operating leases wherein rental payments are initially recorded in the statement of operations and are adjusted to a straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments, as stipulated under the lease agreement, is included in accounts payable and accrued liabilities.

### Revenue recognition

- Funding from MOHLTC, and eHealth Ontario for Technology Shared Services

The Association follows the deferral method of accounting for funding from external sources for BTI, Technology Shared Services and other programs. This funding is restricted and the contributions for these programs are deferred and recognized as revenue in the year in which the related expenses are incurred. As per the Transfer Payment Agreements for these funds, the unspent balance is returned to the funding source after year end.

- Funding from Members Contributions for Technology Shared Services

The Association follows the deferral method of accounting for funding from members contributions for Technology Shared Services. The contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unspent funds remain in deferred revenue and are used for special CCAC projects in the subsequent year.

- Member services, education fees and conference fees

Member services, education fees and conference fees, where funding is unrestricted, are recognized as revenue in the year to which the revenue relates.



# Ontario Association of Community Care Access Centres

## Notes to Financial Statements

March 31, 2014

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- Conference income

Prior to the annual OACCAC conference being held, all revenue received and expenses incurred are reported as a net receivable. Once the Conference is held, the receivable accounts are adjusted and the conference revenue and expenses are recognized on the statement of operations.

- Interest income

Interest income is recognized as revenue when earned.

### Allocation of expenditures

The Association's expenses for internal support services are allocated to the various programs and projects based on FTE headcounts in those functional areas. Salary and benefit costs in technology shared services are allocated to the various programs and projects according to the activity to which they relate or benefit.

### Use of estimates

The preparation of these financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. For all estimates, actual results could differ from those estimates.

## 3 Capital assets

			2014	2013
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and office equipment	496,847	410,220	86,627	144,321
Computer software	184,965	174,340	10,625	53,125
Computer hardware	125,622	105,139	20,483	17,499
Leasehold improvements	1,064,275	160,143	904,132	511,014
	<u>1,871,709</u>	<u>849,842</u>	<u>1,021,867</u>	<u>725,959</u>

# Ontario Association of Community Care Access Centres

## Notes to Financial Statements

March 31, 2014

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### 4 Deferred revenue

The deferred revenue balance as at March 31, 2014 is \$5,610,968 (2013 - \$7,474,013) of which \$2,602,654 (2013 - \$5,407,598) is available for CCAC special programs and \$3,008,314 (2013 - \$2,066,415) is reserved for the OACCAC Conference, Provincial HR initiatives, and other initiatives in the approved 2014/15 budget.

Changes for the year in the deferred revenue balance are as follows:

	2014 \$	2013 \$
Balance - Beginning of year	7,474,013	10,957,386
Amounts received during the year	38,522,504	37,017,322
Amounts recognized in revenue during the year	(39,816,148)	(40,117,128)
Amounts transferred to accounts payable and accrued liabilities	(569,401)	(383,567)
	<hr/>	<hr/>
Balance - End of year	5,610,968	7,474,013

### 5 Internally restricted net assets

The Association's Board of Directors has internally restricted net assets in the amount of \$1,321,752 (2013 - \$1,305,078). The net addition of \$16,674 to the internally restricted fund is due to:

- \$82,021 representing net surplus funds from the 2013 OACCAC Conference was an addition to the reserve; and
- \$26,347 allocation for education purposes and \$39,000 for a feasibility study for future conference collaborations were a release from the reserve.

The total internally restricted reserve is not available for use without the Board of Directors' approval. The changes to the restricted reserve were approved by the Board of Directors.

### 6 Business Technology Infrastructure (BTI), eHealth Ontario and other

	2014 \$	2013 \$
Revenue		
Ministry of Health and Long-Term Care (MOHLTC)		
BTI, MOHLTC	13,508,700	13,508,700
BTI, Technology shared services	1,173,853	316,456
Other MOHLTC	984,965	1,572,351
eHealth Ontario	1,569,329	723,112
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Total revenue	17,236,847	16,120,619
Expenses		
BTI project	14,682,553	13,825,156
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# Ontario Association of Community Care Access Centres

## Notes to Financial Statements

March 31, 2014

	2014 \$	2013 \$
Other MOHLTC		
Alternate Dispute Resolution of Ontario	180,440	184,071
Health Care Connect	98,917	125,000
End of Life	-	27,683
Quality and Value in Home Care	571,613	840,769
UHN - Connecting GTA CDR Population	133,995	394,828
	<u>984,965</u>	<u>1,572,351</u>
eHealth Ontario		
Mail Service Repatriation	941,386	-
Network Redesign	23,908	-
Financial and Statistical Management System	604,035	723,112
	<u>1,569,329</u>	<u>723,112</u>
Total expenses	<u>17,236,847</u>	<u>16,120,619</u>
Excess of revenue over expenses for the year	<u>-</u>	<u>-</u>

The BTI project and other externally funded projects receive funding from the MOHLTC and eHealth Ontario. At year-end, any unexpended funds from these initiatives are returned to the funder.

### Members funded projects shared services

	2014 \$	2013 \$
Revenue		
Members' contributions for eHealth Strategy	18,161,769	19,793,874
Expenses		
CHRIS, eHealth Strategy, Information Technology, Special Projects, Planning & Privacy	13,393,943	14,932,189
Customer Service Management	974,295	896,133
Quality & Education	830,055	791,960
Information Management & Home Care Database	1,487,484	1,206,466
Members' Portal	337,342	345,866
Project Management Office	1,138,650	1,621,260
	<u>18,161,769</u>	<u>19,793,874</u>
Total expenses	<u>18,161,769</u>	<u>19,793,874</u>
Excess of revenue over expenses for the year	<u>-</u>	<u>-</u>

## 7 Government remittances

Government remittances consist of workplace safety and insurance board, harmonized sales tax and provincial sales taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, a receivable of \$323,139 (2013 - \$nil) is included within accounts receivable and a liability of \$10,155 (2013 - \$125,987) is included within accounts payable and accrued liabilities.

# Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2014

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## 8 Pension plan

The Association has a defined contribution pension plan. Under the terms of the plan, eligible employees contribute a range of 6.9% to 9.2% of their earnings. The Association is required to match the employees' contributions at 1.26 times the employees' contributions. Employer contributions for the year were \$1,284,880 (2013 - \$1,274,381) and employee contributions were \$1,019,745 (2013 - \$1,011,413).

## 9 Lease commitments

The future minimum annual lease payments required under various operating leases are approximately as follows:

	\$
2015	1,382,000
2016	1,382,000
2017	1,404,000
2018	1,427,000
2019	1,427,000
Thereafter	<u>4,757,000</u>
	<u>11,779,000</u>

## 10 Financial instruments risk management

The main risks the Association's financial instruments are exposed to are credit risk and liquidity risk.

### Credit risk

Credit risk is the risk that amounts due to the Association will not be recoverable. The Association is exposed to credit risk on accounts receivable amounts from various CCACs and other third party receivables. The Association's accounts receivable credit risk is considered to be low.

### Liquidity risk

Liquidity risk is the risk the Association will encounter difficulty in meeting obligations associated with financial liabilities.

The Association has low liquidity risk given the makeup of its accounts payable and accrued liabilities.

## 11 Comparative amounts

Certain of the comparative figures have been reclassified to conform to the current year's financial statement presentation.