

**Ontario Association of
Community Care Access
Centres**

Financial Statements
**March 31, 2013, March 31, 2012
and April 1, 2011**



June 19, 2013

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 statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
North American Centre, 5700 Yonge Street, Suite 1900, North York, Ontario, Canada M2M 4K7
T: +1 416 218 1500, F: +1 416 218 1499

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

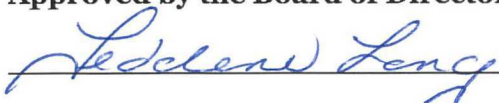
Chartered Accountants, Licensed Public Accountants

Ontario Association of Community Care Access Centres

Statements of Financial Position

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Assets			
Current assets			
Cash	13,793,231	19,065,974	16,065,183
Accounts receivable (note 9)	2,021,457	426,668	2,617,938
Prepaid expenses	204,875	248,304	136,325
Due from Ontario Hospital Association (note 4)	279,729	271,400	248,978
	<u>16,299,292</u>	<u>20,012,346</u>	<u>19,068,424</u>
Capital assets (note 5)	725,959	614,971	549,852
	<u>17,025,251</u>	<u>20,627,317</u>	<u>19,618,276</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (note 9)	6,338,665	6,680,798	4,766,324
Deferred revenue (note 6)	7,474,013	10,957,386	12,479,145
	<u>13,812,678</u>	<u>17,638,184</u>	<u>17,245,469</u>
Net Assets			
Invested in capital assets	725,959	614,971	549,852
Internally restricted (note 7)	1,305,078	1,263,650	685,418
Unrestricted	1,181,536	1,110,512	1,137,537
	<u>3,212,573</u>	<u>2,989,133</u>	<u>2,372,807</u>
	<u>17,025,251</u>	<u>20,627,317</u>	<u>19,618,276</u>
Lease commitments (note 11)			

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

Statements of Operations

For the years ended March 31, 2013 and March 31, 2012

	2013 \$	2012 \$
Revenue		
Business Technology Infrastructure (BTI) Project (note 8)	13,508,700	12,452,915
Core services	4,628,091	5,248,948
eHealth projects (note 8)	19,725,026	18,977,047
Other projects (note 8)	1,888,807	1,159,306
Amortization of deferred rent	-	50,235
Annual conference fees	635,765	686,885
Interest	158,301	169,760
	<u>40,544,690</u>	<u>38,745,096</u>
Expenses		
BTI project (note 8)	13,825,156	12,452,915
eHealth projects (note 8)	19,725,026	18,977,047
Other projects (note 8)	1,572,350	1,159,306
Salaries and benefits	2,295,499	2,460,089
Professional dues, fees and other services	566,322	828,462
Occupancy	1,042,991	818,604
Annual conference	569,337	608,253
Office supplies	323,848	359,657
Training and meetings	67,146	156,005
Education sessions	172,309	131,150
Amortization of capital assets	147,522	123,981
Travel and accommodation	13,744	13,865
Board of directors	-	39,436
	<u>40,321,250</u>	<u>38,128,770</u>
Excess of revenue over expenses for the year	<u>223,440</u>	<u>616,326</u>

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

Ontario Association of Community Care Access Centres

Statements of Changes in Net Assets

For the years ended March 31, 2013 and March 31, 2012

	2013			
	Invested in capital assets \$	Internally restricted \$ (note 7)	Unrestricted \$	Total \$
Net assets - Beginning of year	614,971	1,263,650	1,110,512	2,989,133
Excess of revenue over expenses (expenses over revenue)	(147,522)	-	370,962	223,440
Capital asset additions	258,510	-	(258,510)	-
Loss on capital asset disposal	-	-	-	-
Internally restricted	-	41,428	(41,428)	-
Net assets - End of year	725,959	1,305,078	1,181,536	3,212,573
	2012			
	Invested in capital assets \$	Internally restricted \$ (note 7)	Unrestricted \$	Total \$
Net assets - Beginning of year	549,852	685,418	1,137,537	2,372,807
Excess of revenue over expenses (expenses over revenue)	(123,981)	-	740,307	616,326
Capital asset additions	196,194	-	(196,194)	-
Capital asset disposal	(7,094)	-	7,094	-
Internally restricted	-	578,232	(578,232)	-
Net assets - End of year	614,971	1,263,650	1,110,512	2,989,133

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

Ontario Association of Community Care Access Centres

Statements of Cash Flows

For the years ended March 31, 2013 and March 31, 2012

	2013 \$	2012 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	223,440	616,326
Items not involving cash		
Amortization of capital assets	147,522	123,981
Loss on capital asset disposal	-	7,094
Change in non-cash operating working capital		
Accounts receivable	(1,594,789)	2,191,270
Due from Ontario Hospital Association	(8,329)	(22,422)
Prepaid expenses	43,429	(111,979)
Accounts payable and accrued liabilities	(342,133)	1,914,474
Deferred revenue	(3,483,373)	(1,521,759)
	(5,014,233)	3,196,985
Investing activities		
Purchase of capital assets	(258,510)	(196,194)
(Decrease) increase in cash for the year	(5,272,743)	3,000,791
Cash - Beginning of year	19,065,974	16,065,183
Cash - End of year	13,793,231	19,065,974
Supplemental information		
Interest received	158,301	169,760

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

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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 providing CCACs with leadership, coordination and support.

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 Transition to Canadian accounting standards for not-for-profit organizations

Effective April 1, 2012, the Association elected to adopt Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect. The Association has not utilized any transitional exemptions on the adoption of ASNPO. There were no adjustments to the statements of financial position or the statements of operations, changes in net assets and cash flows.

3 Summary of significant accounting policies

Basis of accounting

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

Fund accounting

These financial statements include the following funds:

- Internally restricted – includes funds for unanticipated business interruption and the OACCAC Conference accumulated surplus balance which is reserved for educational purposes
- Invested in capital assets - reflect amounts that have been designated for the purchase of capital assets and amortization expense for the year ended
- Unrestricted - includes the cumulative net assets of operating revenues over expenses

Cash

Cash comprises cash on hand and bank balances.

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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 the fair value are recognized in the statements of operations.

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 statements of operations.

Leases, rent expense and deferred lease inducements

Leases are accounted for as operating leases wherein rental payments are initially recorded in the statements 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

- Business Technology Infrastructure (BTI) project, eHealth projects and other projects

The Association follows the deferral method of accounting for the BTI project, eHealth projects and other projects. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

- Core services, education fees and conference fees

Core services, education fees and conference fees, where funding is unrestricted, are recognized as revenue in the year to which the revenue relates. Income from conferences is recognized as revenue when the conference is held. Amounts received, which are not recognized as revenue are recognized as deferred revenue.

Interest income is recognized as revenue when earned.

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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 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 period. For all estimates, actual results could differ from those estimates.

4 Due from Ontario Hospital Association

The Association hosts the OACCAC Conference in June each year. The Ontario Hospital Association is engaged, as a vendor, to be a conference planner and manage the conference on behalf of the OACCAC including collection of registration and other fees. The year-end receivable balance of \$279,729 (2012 - \$271,400) represents a net balance that is owed to the Association and will be collected following the conference.

5 Capital assets

	2013		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Furniture and office equipment	496,847	352,526	144,321
Computer software	184,965	131,840	53,125
Computer hardware	109,353	91,854	17,499
Leasehold improvements	592,793	81,779	511,014
	1,383,958	657,999	725,959
	2012		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Furniture and office equipment	485,693	294,056	191,637
Computer software	84,510	81,683	2,827
Computer hardware	99,965	96,597	3,368
Leasehold improvements	455,280	38,141	417,139
	1,125,448	510,477	614,971

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

6 Deferred revenue

Deferred revenue consists of the following:

	2013 \$	2012 \$
eHealth projects	4,181,546	7,245,677
Other projects	3,292,467	3,399,393
BTI project	-	312,316
	<u>7,474,013</u>	<u>10,957,386</u>

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

	2013 \$	2012 \$
Balance - Beginning of year	10,957,386	12,479,145
Amounts received during the year	37,017,322	40,369,342
Amounts recognized in revenue during the year	(40,117,128)	(38,168,091)
Amounts transferred to accounts payable and accrued liabilities	(383,567)	(3,723,010)
	<u>7,474,013</u>	<u>10,957,386</u>

7 Internally restricted net assets

The Association's Board of Directors has internally restricted net assets in the amount of \$1,305,078 (2012 - \$1,263,650). The net addition of \$41,428 to the internally restricted fund is due to:

- \$66,428 representing surplus funds from the 2012 OACCAC Conference was an addition to the reserve; and
- \$25,000 allocation for education purposes was 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.

8 BTI project, eHealth projects and other projects

BTI project and other externally funded projects

	2013 \$	2012 \$
Revenue		
Ministry of Health and Long-Term Care (MOHLTC)		
BTI, MOHLTC project	13,508,700	12,452,915
BTI, members fees	316,456	-
Other MOHLTC projects	1,177,523	-
Other projects	394,828	1,159,306
	<u>15,397,507</u>	<u>13,612,221</u>

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

	2013 \$	2012 \$
Expenses		
BTI project	13,825,156	12,452,915
Other MOHLTC projects		
Alternate Dispute Resolution of Ontario	184,071	216,136
Care Connector Project	125,000	100,000
End of Life	27,683	22,882
French Language Service Project	-	25,000
Integrated Client Care	-	795,288
Quality and Value in Home Care	840,769	-
	<u>1,177,523</u>	<u>1,159,306</u>
UHN - Connecting GTA CDR Population Project	394,828	-
	<u>1,572,351</u>	<u>1,159,306</u>
	<u>15,397,507</u>	<u>13,612,221</u>
Excess of revenue over expenses	<u>-</u>	<u>-</u>

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

eHealth and other internally funded projects

	2013 \$	2012 \$
Revenue		
CCACs contributions - eHealth projects	19,725,026	18,977,047
Expenses		
eHealth projects		
Client Health Related Information System	12,747,381	11,991,884
CTO, eHealth Strategy, Planning and Privacy	648,790	1,023,419
Customer Service Management	896,133	1,149,344
Financial and Statistical Management System	723,112	801,123
Information Management/Home Care Database	1,206,466	1,144,337
Information Technology	1,536,018	1,706,399
Members' Portal	345,866	132,321
Project Management Office	1,621,260	1,028,220
	<u>19,725,026</u>	<u>18,977,047</u>
Excess of revenue over expenses	<u>-</u>	<u>-</u>

The eHealth projects are funded by the 14 CCACs.

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

9 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, \$125,987 (2012 - \$107,471) is included within accounts payable and accrued liabilities and \$nil (2012 - \$118,407) is included within accounts receivable.

10 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 \$1,274,381 (2012 - \$1,197,580) and employee contributions were \$1,011,413 (2012 - \$950,461).

11 Lease commitments

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

	\$
2014	1,401,000
2015	1,372,000
2016	1,372,000
2017	1,409,000
2018	1,446,000
Thereafter	<u>6,265,000</u>
	<u>13,265,000</u>

12 Financial instruments risk management

The main risks that 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 CCAC's 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.

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

13 Comparative amounts

Prior year amounts that were previously included in deferred revenue have been reclassified to accounts payable and accrued liabilities in the amount of \$340,198 (2012 - \$258,458; 2011 - 283,467) in order to conform to the current year's presentation.