

**Ontario Association of
Community Care Access
Centres**

Financial Statements
March 31, 2016



June 3, 2016

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, 2016 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.

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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, 2016 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

Ontario Association of Community Care Access Centres

Statement of Financial Position

As at March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	12,048,674	10,665,835
Accounts receivable	1,717,354	2,063,444
Prepaid expenses	1,160,331	922,846
	<u>14,926,359</u>	<u>13,652,125</u>
Capital assets (note 3)	<u>737,201</u>	<u>881,237</u>
	<u>15,663,560</u>	<u>14,533,362</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	4,849,437	4,554,071
Deferred revenue (note 4)	5,907,371	6,170,806
	<u>10,756,808</u>	<u>10,724,877</u>
Net Assets		
Invested in capital assets	737,201	881,237
Internally restricted (note 5)	1,873,666	1,821,752
Unrestricted	<u>2,295,885</u>	<u>1,105,496</u>
	<u>4,906,752</u>	<u>3,808,485</u>
	<u>15,663,560</u>	<u>14,533,362</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

Statement of Operations

For the year ended March 31, 2016

	2016 \$	2015 \$
Revenue		
Ministry of Health and Long-Term Care		
eHealth Infrastructure (note 7)	16,097,429	13,468,504
Other projects (note 7)	201,912	425,378
eHealth Ontario (note 7)	185,215	1,926,216
Members' fees		
Shared services for CCACs (note 8)	17,632,320	17,081,911
Core services (note 8)	3,820,566	3,820,816
Annual conference fees	599,637	599,873
Interest	97,480	128,790
	<u>38,634,559</u>	<u>37,451,488</u>
Expenses		
Salaries and benefits	19,918,904	19,272,848
Information technology	12,571,342	11,760,039
Professional dues, fees and other services	2,170,793	2,811,507
Occupancy	1,570,379	1,510,859
Annual conference	547,723	602,365
Training and meetings	337,828	327,539
Office supplies, telecommunication and other	213,689	411,647
Amortization of capital assets	144,036	190,107
Education sessions	32,073	92,552
Travel and accommodation	29,525	44,573
	<u>37,536,292</u>	<u>37,024,036</u>
Excess of revenue over expenses for the year	<u>1,098,267</u>	<u>427,452</u>
Supplementary disclosure of expenses by funding source (note 6)		

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, 2016

	2016			
	Invested in capital assets \$	Internally restricted \$ (note 5)	Unrestricted \$	Total \$
Net assets - Beginning of year	881,237	1,821,752	1,105,496	3,808,485
Excess of revenue over expenses (expenses over revenue) for the year	(144,036)	-	1,242,303	1,098,267
Internally restricted	-	51,914	(51,914)	-
Net assets - End of year	737,201	1,873,666	2,295,885	4,906,752
	2015			
	Invested in capital assets \$	Internally restricted \$ (note 5)	Unrestricted \$	Total \$
Net assets - Beginning of year	1,021,867	1,321,752	1,037,414	3,381,033
Excess of revenue over expenses (expenses over revenue) for the year	(190,107)	-	617,559	427,452
Capital asset additions	49,477	-	(49,477)	-
Internally restricted	-	500,000	(500,000)	-
Net assets - End of year	881,237	1,821,752	1,105,496	3,808,485

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, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	1,098,267	427,452
Item not involving cash		
Amortization of capital assets	144,036	190,107
Change in non-cash operating working capital		
Accounts receivable	346,090	(188,559)
Prepaid expenses	(237,485)	(754,015)
Accounts payable and accrued liabilities	295,366	(3,154,078)
Deferred revenue	(263,435)	559,838
	<u>1,382,839</u>	<u>(2,919,255)</u>
Investing activities		
Purchase of capital assets	<u>-</u>	<u>(49,477)</u>
Increase (decrease) in cash during the year	1,382,839	(2,968,732)
Cash - Beginning of year	<u>10,665,835</u>	<u>13,634,567</u>
Cash - End of year	<u>12,048,674</u>	<u>10,665,835</u>

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

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2016

1 Nature of operations

The Ontario Association of Community Care Access Centres (the Association or OACCAC) 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.

On December 17, 2015, the Ontario Minister of Health issued a discussion paper that proposed moving all CCAC functions into the LHINs to improve consistency in the provision of care and to create an integrated single point of accountability. Legislation associated with this discussion paper is pending and therefore, the impact on the OACCAC is undeterminable at this time.

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, 2016

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.

Occupancy 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 the Ministry of Health and Long-Term Care (MOHLTC) and eHealth Ontario for Technology Shared Services

The Association follows the deferral method of accounting for funding from external sources such as MOHLTC and eHealth Ontario for technology infrastructure and other information technology special projects. 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 and Member Shared Services

The Association follows the deferral method of accounting for funding from members' contributions for Technology and Member 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.

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2016

- Funding from Members' Contributions for Core Services

Member core fees for departments such as finance, procurement, human resources and communications are recognized on a straight-line basis over the year. These member contributions are not matched to expenses as they are incurred and will normally result in either a surplus or deficit. The Unrestricted reserve is an accumulation of the year-end net surpluses.

- 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 in the statement of operations.

- Interest income

Interest income is recognized as revenue when earned.

Allocation of expenditures

The Association's overhead for internal support services is allocated to the various programs and projects based on full-time equivalent headcount 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

			2016	2015
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and office equipment	502,287	495,020	7,267	34,435
Computer software	184,965	184,965	-	-
Computer hardware	128,054	125,820	2,234	8,467
Leasehold improvements	1,105,880	378,180	727,700	838,335
	1,921,186	1,183,985	737,201	881,237

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2016

4 Deferred revenue

The deferred revenue balance as at March 31, 2016 of \$5,907,371 (2015 - \$6,170,806) consists of funding for:

- ongoing operations: \$5,542,297 (2015 - \$4,792,970); and
- special initiatives: \$365,074 (2015 - \$1,377,836).

5 Internally restricted net assets

The Association's Board of Directors has internally restricted net assets in the amount of \$1,873,666 (2015 - \$1,821,752). The net transfer of \$51,914 to the internally restricted fund is due to a board approved reallocation from the revenue surplus from the annual conference.

The internally restricted reserve fund is not available for use without the Board of Directors' approval. The change to the restricted reserve was approved by the Board of Directors.

6 Supplementary disclosure of expenses by funding source

	2016 \$	2015 \$
MOHLTC		
eHealth Infrastructure funding MOHLTC (note 7)	16,097,429	13,468,504
MOHLTC other projects (note 7)	201,912	425,378
eHealth Ontario (note 7)	185,215	1,926,216
Members' fees		
Shared services for CCACs (note 8)	17,632,320	17,081,911
Core services (note 8)	2,871,693	3,519,662
Annual conference	547,723	602,365
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	37,536,292	37,024,036

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2016

7 eHealth Infrastructure agreement, eHealth Ontario and other

The eHealth Infrastructure agreement and other projects are funded by the MOHLTC and eHealth Ontario projects are funded by eHealth Ontario. As at year-end, any unexpended funds from these initiatives are returned to the funder.

	2016 \$	2015 \$
Revenue		
MOHLTC		
eHealth Infrastructure funding MOHLTC	16,097,429	13,468,504
MOHLTC other projects	201,912	425,378
eHealth Ontario	185,215	1,926,216
	<u>16,484,556</u>	<u>15,820,098</u>
Expenses		
eHealth funding MOHLTC		
Salaries and benefits	5,260,874	4,681,088
Information technology	10,309,778	8,392,402
Professional dues, fees and other services	284,623	269,530
Training and meetings	150,795	42,884
Education sessions	6,078	5,160
Office supplies, telecommunication and other	55,401	70,920
Travel and accommodation	6,780	6,506
Occupancy	23,100	14
	<u>16,097,429</u>	<u>13,468,504</u>
MOHLTC other projects		
Professional dues, fees and other services	201,912	425,378
	<u>185,215</u>	<u>1,926,216</u>
	<u>16,484,556</u>	<u>15,820,098</u>
Excess of revenue over expenses for the year	<u>-</u>	<u>-</u>

Ontario Association of Community Care Access Centres

Notes to Financial Statements

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8 Members shared and core services

a) Members' shared services

	2016 \$	2015 \$
Revenue		
Members' fees for shared services for CCACs	17,632,320	17,081,911
Expenses (i)		
Salaries and benefits	13,974,906	12,911,025
Information technology	1,887,024	2,303,689
Professional dues, fees and other services	1,416,628	1,438,668
Training and meetings	173,286	174,976
Education sessions	18,338	73,456
Office supplies, telecommunication and other	138,309	148,401
Travel and accommodation (including occupancy of \$3,372, 2014 - \$nil)	23,829	31,696
Total expenses by functions	17,632,320	17,081,911
Excess of revenue over expenses for the year	-	-

i) Supplementary disclosure of shared services expenses by program

	2016 \$	2015 \$
Expenses		
CHRIS, eHealth strategy, information technology, special projects, planning and privacy	13,657,459	13,347,774
Customer service management	663,774	761,210
Quality and education	796,430	858,018
Information management and home care database	1,229,110	1,032,182
Members' portal	129,580	124,664
Project management office	1,155,967	958,063
Total expenses by programmes	17,632,320	17,081,911

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2016

b) Members' core services

	2016 \$	2015 \$
Revenue		
Members' fees for core services at the OACCAC	3,820,566	3,820,816
Expenses		
Salaries and benefits	674,530	1,365,228
Education sessions	7,658	13,936
Professional dues, fees and other services	91,009	235,321
Training and meetings	13,747	28,271
Occupancy	1,543,906	1,510,845
Information technology	374,540	128,016
Office supplies, telecommunication and other	19,979	41,567
Travel and accommodation	2,288	6,371
Amortization of capital assets	144,036	190,107
	<u>2,871,693</u>	<u>3,519,662</u>
Excess of revenue over expenses for the year	<u>948,873</u>	<u>301,154</u>

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, a receivable of \$674,898 (2015 - \$295,202) is included in accounts receivable and a liability of \$nil (2015 - \$9,394) is included in accounts payable and accrued liabilities.

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 \$1,450,709 (2015 - \$1,260,229) and employee contributions were \$1,150,786 (2015 - \$1,000,182).

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2016

11 Lease commitments

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

	\$
2017	1,389,403
2018	1,412,479
2019	1,412,479
2020	1,412,479
2021	1,412,479
Thereafter	<u>1,883,305</u>
	<u>8,922,624</u>

12 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 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.