

**Ontario Association of
Community Care Access
Centres**

Financial Statements
March 31, 2015



May 27, 2015

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, 2015 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, 2015 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

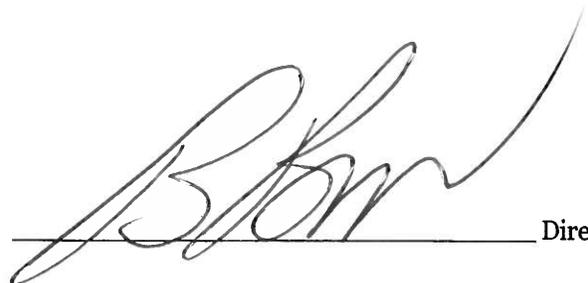
As at March 31, 2015

	2015 \$	2014 \$
Assets		
Current assets		
Cash	10,665,835	13,634,567
Accounts receivable	2,063,444	1,874,885
Prepaid expenses	922,846	168,831
	<u>13,652,125</u>	<u>15,678,283</u>
Capital assets (note 3)	<u>881,237</u>	<u>1,021,867</u>
	<u>14,533,362</u>	<u>16,700,150</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	4,554,071	7,708,149
Deferred revenue (note 4)	6,170,806	5,610,968
	<u>10,724,877</u>	<u>13,319,117</u>
Net Assets		
Invested in capital assets	881,237	1,021,867
Internally restricted (note 5)	1,821,752	1,321,752
Unrestricted	1,105,496	1,037,414
	<u>3,808,485</u>	<u>3,381,033</u>
	<u>14,533,362</u>	<u>16,700,150</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, 2015

	2015 \$	2014 \$
Revenue		
Member services (note 8)	3,820,816	3,895,997
Technology shared services (note 8)	17,081,911	18,161,769
Business Technology Infrastructure (BTI) (note 7)	13,468,504	14,682,553
Other projects		
eHealth Ontario (note 7)	1,926,216	1,569,329
Ministry of Health and Long-Term Care (MOHLTC) (note 7)	425,378	984,965
Annual conference fees	599,873	626,672
Interest	128,790	136,220
Total Revenue	<u>37,451,488</u>	<u>40,057,505</u>
Expenses		
Salaries and benefits	19,272,848	20,163,629
Information technology	11,760,039	12,309,428
Professional dues, fees and other services	2,811,507	4,076,232
Occupancy	1,510,859	1,437,661
Annual conference	602,365	583,651
Office supplies, telecommunication and other	411,647	495,542
Training and meetings	327,539	292,837
Amortization of capital assets	190,107	191,843
Education sessions	92,552	284,601
Travel and accommodation	44,573	53,621
Total Expenses	<u>37,024,036</u>	<u>39,889,045</u>
Excess of revenue over expenses for the year	<u>427,452</u>	<u>168,460</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, 2015

	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
	2014			
	Invested in capital assets \$	Internally restricted \$ (note 5)	Unrestricted \$	Total \$
Net assets - Beginning of year	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)	-
Net assets - End of year	1,021,867	1,321,752	1,037,414	3,381,033

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, 2015

	2015 \$	2014 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	427,452	168,460
Item not involving cash		
Amortization of capital assets	190,107	191,843
Change in non-cash operating working capital		
Accounts receivable	(188,559)	426,301
Prepaid expenses	(754,015)	36,044
Accounts payable and accrued liabilities	(3,154,078)	1,369,484
Deferred revenue	559,838	(1,863,045)
	<u>(2,919,255)</u>	<u>329,087</u>
Investing activities		
Purchase of capital assets	<u>(49,477)</u>	<u>(487,751)</u>
Decrease in cash during the year	(2,968,732)	(158,664)
Cash - Beginning of year	<u>13,634,567</u>	<u>13,793,231</u>
Cash - End of year	<u>10,665,835</u>	<u>13,634,567</u>
Supplemental information		
Interest received	128,790	136,220

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

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

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.

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

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

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

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 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 for Business Technology Infrastructure (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 and Member 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.

- Funding from Members' Contributions for Core 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, 2015

- 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

			2015	2014
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and office equipment	502,287	467,852	34,435	86,627
Computer software	184,965	184,965	-	10,625
Computer hardware	128,054	119,587	8,467	20,483
Leasehold improvements	1,105,880	267,545	838,335	904,132
	1,921,186	1,039,949	881,237	1,021,867

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

4 Deferred revenue

The deferred revenue balance as at March 31, 2015 is \$6,170,806 (2014 - \$5,610,968):

- ongoing operations: \$4,792,970 (2014 - \$2,605,471); and
- special initiatives: \$1,377,836 (2014 - \$3,005,497).

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

	2015 \$	2014 \$
Balance - Beginning of year	5,610,968	7,474,013
Amounts received during the year	37,570,371	38,522,504
Amounts recognized in revenue during the year	(37,358,157)	(39,816,148)
Amounts transferred to accounts receivable/accounts payable and accrued liabilities	347,624	(569,401)
	<hr/>	<hr/>
Balance - End of year	6,170,806	5,610,968

5 Internally restricted net assets

The Association's Board of Directors has internally restricted net assets in the amount of \$1,821,752 (2014 - \$1,321,752). The net addition of \$500,000 to the internally restricted fund is due to a board approved reallocation from the unrestricted fund for general operating expense reserve purposes.

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

	2015 \$	2014 \$
Ministry of Health and Long-Term Care, Business Technology Infrastructure (note 7)	13,468,504	14,682,553
Ministry of Health and Long-Term Care, Special Projects (note 7)	425,378	984,965
Members' fees		
Shared services for CCACs (note 8)	17,081,911	18,161,769
Core services (note 8)	3,519,662	3,906,778
Other projects (note 7)	1,926,216	1,569,329
Annual conference	602,365	583,651
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	37,024,036	39,889,045

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

7 Business Technology Infrastructure (BTI), eHealth Ontario and other

	2015 \$	2014 \$
Revenue		
Ministry of Health and Long-Term Care (MOHLTC)		
BTI, MOHLTC	13,468,504	13,508,700
BTI, Technology shared services	-	1,173,853
Other MOHLTC	425,378	984,965
eHealth Ontario	1,926,216	1,569,329
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Total revenue	15,820,098	17,236,847
Expenses		
Business Technology Infrastructure (BTI)		
Salaries and benefits	4,681,088	4,960,494
Information technology	8,392,402	9,396,341
Professional dues, fees and other services	269,530	145,768
Training and meetings	42,884	23,388
Education sessions	5,160	34,588
Office supplies, telecommunication and other	70,920	111,135
Travel and accommodation	6,506	10,839
Occupancy	14	-
	<hr/>	<hr/>
	13,468,504	14,682,553
eHealth Ontario		
Salaries and benefits	315,507	138,133
Information technology	935,932	1,051,948
Professional dues, fees and other services	442,610	216,440
Training and meetings	81,408	3,174
Education sessions	-	62,644
Office supplies, telecommunication and other	150,759	96,990
	<hr/>	<hr/>
	1,926,216	1,569,329
MOHLTC other projects		
Salaries and benefits	-	89,003
Information technology	-	10,561
Professional dues, fees and other services	425,378	752,037
Training and meetings	-	115,000
Education sessions	-	3,118
Office supplies, telecommunication and other	-	15,246
	<hr/>	<hr/>
	425,378	984,965
Total expenses	<hr/>	<hr/>
	15,820,098	17,236,847
Excess of revenue over expenses for the year	<hr/>	<hr/>
	-	-

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

Supplementary disclosure of expenses by projects

	2015 \$	2014 \$
Other MOHLTC		
Alternate Dispute Resolution of Ontario	207,650	180,440
Health care Connect	-	98,917
Quality and Value in Home Care	-	571,613
UHN - Connecting GTA CDR Population	217,728	133,995
	<u>425,378</u>	<u>984,965</u>
eHealth Ontario		
Mail Service Repatriation of Ontario	819,465	941,386
Ontario Client Registry	340,599	-
Network Redesign	10,181	23,908
Financial and Statistical Management System	755,971	604,035
	<u>1,926,216</u>	<u>1,569,329</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.

8 Members' fees

	2015 \$	2014 \$
Revenue		
Members' fees for shared services for CCAC's	<u>17,081,911</u>	<u>18,161,769</u>
Expenses		
Salaries and benefits	12,911,025	13,247,972
Information technology	2,303,689	1,719,599
Professional dues, fees and other services	1,438,668	2,657,937
Training and meetings	174,976	97,224
Education sessions	73,456	160,929
Office supplies, telecommunication and other	148,401	244,337
Travel and accommodation	31,696	33,771
	<u>17,081,911</u>	<u>18,161,769</u>
Total expenses		
	<u>17,081,911</u>	<u>18,161,769</u>
Excess of revenue over expenses for the year	<u>-</u>	<u>-</u>

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

Supplementary disclosure of expenses by Technology Shared Services

	2015 \$	2014 \$
Expenses		
CHRIS, eHealth Strategy, Information Technology, Special Projects, Planning and Privacy	13,347,774	13,393,943
Customer Service Management	761,210	974,295
Quality and education	858,018	830,055
Information Management and Home Care Database	1,032,182	1,487,484
Members' Portal	124,664	337,342
Project Management Office	958,063	1,138,650
	<hr/>	<hr/>
Total expenses	17,081,911	18,161,769
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	2015 \$	2014 \$
Revenue		
Members' fees for core services at the OACCAC	3,820,816	3,895,997
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Expenses		
Salaries and benefits	1,365,228	1,728,027
Education sessions	13,936	23,322
Professional dues, fees and other services	235,321	304,050
Training and meetings	28,271	54,051
Occupancy	1,510,845	1,437,661
Information Technology	128,016	130,979
Office supplies, telecommunication and other	41,567	27,834
Travel and accommodation	6,371	9,011
Amortization of capital assets	190,107	191,843
	<hr/>	<hr/>
Total expenses	3,519,662	3,906,778
	<hr/>	<hr/>
Excess (deficiency) of revenue over expenses for the year	301,154	(10,781)

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 \$295,202 (2014 - \$323,139) is included within accounts receivable and a liability of \$9,394 (2014 - \$10,155) is included within accounts payable and accrued liabilities.

Ontario Association of Community Care Access Centres

Notes to Financial Statements

March 31, 2015

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 \$1,260,229 (2014 - \$1,284,880) and employee contributions were \$1,000,182 (2014 - \$1,019,745).

11 Lease commitments

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

	\$
2016	1,382,000
2017	1,404,000
2018	1,427,000
2019	1,427,000
2020	1,427,000
Thereafter	<u>3,329,663</u>
	<u>10,396,663</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 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.

13 Comparative amounts

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