Consolidated financial statements of

Ontario Medical Association

December 31, 2024

Deloitte.

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Independent Auditor's Report

To the Members of
Ontario Medical Association

Opinion

We have audited the consolidated financial statements of Ontario Medical Association (the "Association"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants
[DATE]

Ontario Medical Association

Consolidated statement of financial position

As at December 31, 2024

(In thousands of dollars)

	Notes	2024 $	2023 $
Assets			
Current assets			
Cash		—	23,223
Restricted cash	6	**4,737**	5,233
Accounts receivable	2	**3,084**	10,448
Prepaid expenses		**2,659**	2,018
		10,480	40,922
Long-term investments	3	**94,983**	69,982
Capital assets	4	**19,323**	5,636
Accrued pension asset	5	**18,891**	8,278
		143,677	124,818
Liabilities			
Current liabilities			
Bank indebtedness		**361**	—
Accounts payable and accrued liabilties		**10,086**	10,116
Deferred revenue		**750**	722
Constituency funds	6	**4,737**	5,233
		15,934	16,071
Deferred rent credits		**1,117**	877
Accrued pension liability	5	**2,430**	2,601
		19,481	19,549
Commitments	11		
Net assets			
Invested in capital assets	7	**18,206**	4,664
Internally restricted	8	**77,743**	73,069
Unrestricted		**28,247**	27,536
		124,196	105,269
		143,677	124,818

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board

________________________________, Director

________________________________, Director

Ontario Medical Association
Consolidated statement of operations
Year ended December 31, 2024
(In thousands of dollars)

	Notes	General Fund $	Insurance Fund $	2024 Total $	2023 Total $
Revenue					
Membership dues		**65,060**	**—**	**65,060**	63,126
Insurance services	9	**—**	**16,466**	**16,466**	13,894
Programs	12	**850**	**—**	**850**	964
Interest and sundry		**4,172**	**78**	**4,250**	4,626
		70,082	**16,544**	**86,626**	82,610
Expenses					
Salaries & benefits		**42,502**	**—**	**42,502**	40,291
Advocacy, Public affairs, Legal & prof services		**6,910**	**—**	**6,910**	7,346
Committee costs		**6,299**	**—**	**6,299**	5,778
Rent & depreciation		**4,608**	**—**	**4,608**	5,076
Technology maintenance & support		**4,337**	**—**	**4,337**	4,262
Bank and credit card fees		**1,109**	**—**	**1,109**	1,080
Administrative expenses		**3,364**	**—**	**3,364**	2,886
Insurance services		**—**	**13,686**	**13,686**	12,781
		69,129	**13,686**	**82,815**	79,500
Excess of revenue					
Over expenses before the undernoted		**953**	**2,858**	**3,811**	3,110
OPIP & Other Insurance Fund Revenue		**—**	**8,174**	**8,174**	12,420
OPIP & Other Insurance Fund Expenses		**—**	**(3,500)**	**(3,500)**	(3,096)
Excess of revenue over expenses		**953**	**7,532**	**8,485**	12,434

The accompanying notes are an integral part of the consolidated financial statements.

Ontario Medical Association

Consolidated statement of changes in net assets

Year ended December 31, 2024

(In thousands of dollars)

	Notes	Invested in capital assets $ (Note 7)	Internally restricted $ (Note 8)	Unrestricted General Fund $	Unrestricted Insurance Fund $ (Note 9)	2024 Total $	2023 Total $
Net assets, beginning of year		**4,664**	**73,069**	**25,794**	**1,742**	**105,269**	87,165
Excess of revenue over expenses		**(2,275)**	**—**	**3,228**	**7,532**	**8,485**	12,434
Insurance sponsorship		**—**	**—**	**215**	**(215)**	**—**	—
Internally imposed restrictions	8	**—**	**4,674**	**—**	**(4,674)**	**—**	—
Net change in investment in capital assets	7	**15,817**	**—**	**(15,283)**	**(528)**	**—**	—
Remeasurement gains including settlement gains from annuity purchase		**—**	**—**	**10,442**	**—**	**10,442**	5,670
Net assets, end of year		**18,206**	**77,743**	**24,396**	**3,857**	**124,196**	105,269

The accompanying notes are an integral part of the consolidated financial statements.

Ontario Medical Association
Consolidated statement of cash flows
Year ended December 31, 2024
(In thousands of dollars)

	2024	2023
	$	$
Operating activities		
Excess of revenue over expenses	**8,485**	12,434
Items not involving cash		
Amortization	**2,100**	2,689
Write off of capital asset	**29**	455
Deferred rent credits	**241**	782
Defined benefit pension plan expense	**1,375**	1,574
Change in non-cash operating working capital	**6,224**	(6,471)
Employer pension contributions	**(1,717)**	(1,700)
	16,737	9,763
Investing activities		
Additions to capital assets	**(15,816)**	(1,883)
Purchase of investments, net	**(25,001)**	5,098
	(40,817)	3,215
Financing activity		
Net change in restricted cash	**496**	(279)
Decrease in cash	**(23,584)**	12,699
cash, beginning of year	**23,223**	10,524
(Bank indebtedness) Cash, end of year	**(361)**	23,223

The accompanying notes are an integral part of the consolidated financial statements.

Ontario Medical Association (the “Association” or “OMA”) is a not-for-profit organization, incorporated under the *Corporations Act* (Ontario), established to advance the science and practice of medicine and public health and to provide services to its membership, comprising physicians and student physicians of the Province of Ontario. As a non-profit organization, it is exempt from income taxes under Section 149(1) of the *Income Tax Act* (Canada).

1. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Consolidation

The Association’s wholly owned subsidiaries are accounted for as follows:

Subsidiary	Type	Accounting
OntarioMD Inc.	Profit-oriented	Equity basis
OMA Insurance Inc. (“OMAI”)	Profit-oriented	Consolidation
Ontario Physician Services Inc. (“OPSI”)	Not-for-profit	Disclosure

For the consolidated subsidiaries, all intercompany balances and transactions have been eliminated on consolidation and the accounting policies of the wholly owned subsidiaries adjusted to conform to those of the Association for purposes of consolidation.

(b) Fund accounting

The Association uses fund accounting and utilizes the following funds:

(i) General Fund is used to record the operating revenue and expenses of OMA; and

(ii) Insurance Fund reflects the revenue and expenses of the insurance operations, including OMAI.

(c) Revenue recognition

The Association follows the deferral method of accounting. Membership dues are recognized in the year to which billings relate. Deferred revenue comprises the Association’s portion of membership dues received on account of the following year. Externally restricted grants are recognized as revenue when the expenses are incurred or when the prescribed milestones are met. Interest income and revenue from insurance programs are recognized in the year earned.

(d) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. Management has elected to carry all other financial instruments at cost or amortized cost.

With respect to financial assets measured at cost or amortized cost, the Association recognizes an impairment loss, if any, in net earnings when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

1. Significant accounting policies (continued)

(e) Capital assets

Purchased capital assets are recorded at cost. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Furniture and office equipment	10 years
Computer hardware and software	5 years
Leasehold improvements	Lease term

(f) Employee future benefits

The Association offers a pension plan with a defined benefit ("DB") provision and a defined contribution ("DC") provision, which between them covers the majority of employees of the Association. Effective January 1, 2013, the Association closed the DB provision to new entrants. The Association offered the DC provision to new employees effective July 1, 2013.

The Defined Contribution Supplemental Employee Retirement Plan ("DC SERP") has been established effective January 1, 2019, for eligible employees enrolled in the DC Pension Plan, as funded arrangements, to provide benefits in excess of the DC Pension Plan where such benefits are limited under the *Income Tax Act*.

The Association measures its defined benefit obligation using an actuarial valuation prepared for funding purposes. The most recent actuarial valuation of the DB plan for funding purposes was as at December 31, 2021, and the next required valuation will be at December 31, 2024.

The Association accrues its obligations under the DB plan as the employees render the services necessary to earn the pension benefits. The benefits are based on years of service and the highest average salary. The actuarial determination of the accrued benefit obligations for pensions uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). The measurement date of the plan assets and accrued benefit obligation coincides with the Association's fiscal year.

Actuarial gains (losses) on plan assets arising from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period are immediately recognized as pension remeasurements in the consolidated statement of changes in net assets. For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. These differences between actual results and actuarial assumptions are immediately recognized as pension remeasurements in the consolidated statement of changes in net assets.

Past service costs arising from plan amendments are immediately recognized as pension remeasurements in the consolidated statement of changes in net assets.

The cost of the DC provision is based on a percentage of the employee's pensionable earnings.

The Association also sponsors supplementary non-registered plans ("Supplementary plans") for certain executives providing benefits above the maximums prescribed under the *Income Tax Act* (Canada). The cost of the Supplementary plans is actuarially determined using an accounting valuation which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors. The Supplementary plans are not funded.

(In thousands of dollars)

1. Significant accounting policies (continued)

(g) Deferred rent credits

Deferred rent credits are amortized on a straight-line basis over the 10-year term of the lease as a reduction of rent expense.

(h) Allocation of facility and general administration expenses

The Association classifies expenses on the consolidated statement of operations by function. Building and facility expenses have been allocated to functions based on the area used and certain administrative support expenses are allocated to member services based on either task-based service, estimated effort expended or headcount of the program.

(i) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include assets and obligations related to employee future benefits, allocation of expenses, amortization of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

2. Accounts receivable

	2024	2023
	$	$
Trade receivables	**152**	316
OntarioMD Inc., net of investment	**845**	579
Receivable from Securian	**—**	8,000
Receivable from Ontario Medical Foundation	**34**	26
Other receivables	**2,053**	1,527
	3,084	10,448

On September 1, 2023, the insurance administration of the group plan was transferred from Securian to Manulife. OMA received a transition allowance of $8 million to support the overall transition of the administrative services to Manulife. This includes the legal services, IT support, Actuarial reviews, and communication to members. The Financial Agreement between OMA and Manulife requires Claim Fluctuation Reserves (CFR) to be funded to its target level estimated at $21 million by December 31, 2023. The CFR fund was established to cover adverse claim fluctuations or plan deficits. Although Securian held approximately $20.4 million under the CFR as at December 31, 2023, it cannot release these funds pending the completion of terminal accounting of the insurance program. Due to timing differences, OMA decided to use the transition allowance to fund the CFR.

In March 2024, Securian completed the terminal accounting and released the funds to OMA.

(In thousands of dollars)

3. Long-term investments

	2024 Amortized cost $	**2024 Average effective yield %**	2023 Amortized cost $	2023 Average effective yield %
Due within 1 year	**20,250**	**1.49**	1,301	1.29
Due in 1 - 5 years	**74,733**	**3.91**	68,681	3.11
	94,983		69,982	

The investments consist primarily of guaranteed investment certificates and corporate bonds with a fair value of $96,019 ($69,723 in 2023). The Association intends to reinvest the investments due within one year as they mature.

4. Capital assets

	Cost $	**Accumulated amortization $**	**2024 Net book value $**	2023 Net book value $
Furniture and office equipment	**2,808**	**179**	**2,629**	216
Computer hardware and software	**18,168**	**14,144**	**4,024**	4,306
Leasehold improvements	**13,214**	**544**	**12,670**	1,114
	34,190	**14,867**	**19,323**	5,636

Included above in computer hardware and software is $668 ($418 in 2023) associated with assets under development.

5. Pension plans

(a) The Association has four defined benefit retirement plans. Information about the Association's defined benefit plans is as follows:

	Pension plan $	**Supplementary plans $**	**2024 Total $**
Fair value of plan assets	**57,488**	**—**	**57,488**
Accrued pension obligation	**38,597**	**2,430**	**41,027**
Accrued pension asset (liability)	**18,891**	**(2,430)**	**16,461**

	Pension plan $	Supplementary plans $	2023 Total $
Fair value of plan assets	86,517	—	86,517
Accrued pension obligation	78,239	2,601	80,840
Accrued pension asset (liability)	8,278	(2,601)	5,677

(In thousands of dollars)

5. Pension plans (continued)

(a) (continued)

Continuity of the net accrued asset (liability) is as follows:

	Pension plan $	Supplementary plans $	2024 Total $	2023 Total $
Balance, beginning of year	**8,278**	**(2,601)**	**5,677**	(119)
Contributions	**1,440**	**277**	**1,717**	1,700
Expense	**(1,255)**	**(120)**	**(1,375)**	(1,574)
Pension remeasurement and other items	**9,236**	**14**	**9,250**	5,670
Settlement gain on annuity purchase	**1,192**	**—**	**1,192**	—
Balance, end of year	**18,891**	**(2,430)**	**16,461**	5,677

The OMA defined benefit plan was in a strong funded position, which led to the adoption of a de-risking strategy by purchasing an annuity for the retired and deferred members. After thorough due diligence, OMA secured an annuity buyout agreement with Industrial Alliance for $41,250 on September 17, 2024. As a result, OMA transferred a portion of its obligations and no longer retains any financial or actuarial risk associated with the annuity. The annuity buyout generated a settlement gain of $1,190, further improving the funded position of the plan.

The significant actuarial assumptions adopted in measuring the Association's accrued pension obligations are as follows (weighted average assumption as at December 31):

	2024 $	2023 $
Accrued benefit obligation		
Discount rate	**4.88%**	4.89%
Rate of compensation increase	**3.50%**	3.50%
Benefit costs		
Discount rate	**4.89%**	4.91%
Rate of compensation increase	**3.50%**	3.50%
Pension assets		
Equity securities	**59.00%**	63.00%
Debt securities	**41.00%**	37.00%
	100.00%	100.00%

(In thousands of dollars)

5. Pension plans (continued)

(a) (continued)

Pension remeasurements and other items arising from differences between actual results and actuarial assumptions reported items in the consolidated statement of changes in net assets consist of:

	2024 $	2023 $
Excess of actual return on assets less return calculated using discount rate	**8,978**	5,564
Actuarial gain on obligation	**1,464**	106
	10,442	5,670

(b) Total employer matching contributions paid and expensed by the Association under the DC plan provision for the year amounted to $1,496 ($1,346 in 2023).

6. Constituency funds

The Association collects and holds funds on behalf of certain districts, branch societies and sections which raise funds to support their work on behalf of their members. Funds are disbursed as instructed by the constituency group for whom the funds were received. The related activities have not been consolidated or disclosed in these consolidated financial statements as the constituencies are not controlled by the Association. Funds held at December 31, 2024 were $4,737 ($5,233 in 2023).

7. Invested in capital assets

Investment in capital assets is calculated as follows:

	2024 $	2023 $
Capital assets	**19,323**	5,636
Amounts funded by deferred rent credits		
Current portion, as recorded in accounts payable and accrued liabilities	**(25)**	(95)
Long-term portion	**(1,092)**	(877)
	18,206	4,664

(In thousands of dollars)

7. Invested in capital assets (continued)

The change in this balance is calculated as follows:

	2024	2023
	$	$
Deficiency of revenue over expenses		
Amortization	**(2,100)**	(2,689)
Amortization of deferred rent credits	**95**	572
Write off of capital asset	**(29)**	(455)
Increase in deferred rent credit	**(241)**	(877)
	(2,275)	(3,449)
Net change in investment in capital assets		
Additions to capital assets	**15,817**	1,883

8. Internally restricted net assets

	2024	2023
	$	$
Negotiations (a)	**3,500**	3,500
Stabilization (b)	**30,200**	30,200
Insurance (c)	**44,043**	39,368
	77,743	73,068

(a) The cost of negotiating and implementing agreements varies significantly from year to year and negotiations reserves are maintained to minimize fluctuations in membership dues. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

(b) The Board of Directors also established an internally restricted fund to support its operations in the event of unanticipated changes. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

(c) Insurance reserves and related investment earnings are held for the sole purpose of enhancing the insurance benefits available to OMA members and to stabilize insurance premiums for OMA insurance program participants. OMA insurance reserves include a surplus of $4,674 ($9,324 surplus in 2023).

9. Insurance services

The Association, through its subsidiary, OMAI, offers Group Insurance plans and individual insurance products for the benefit of members and their families. Group Insurance plans include Group life, Disability, Accidental Death and Dismemberment, Extended Health Care/Dental, Critical Illness, Travel and Professional Overhead Expense Insurance coverage.

Group life, disability income and professional office expense programs operate on a retained basis; that is, premiums not required to pay claims, reserve contributions and expenses are returned to the plan members annually. In December 2024, a total of $9,790 ($10,555 in 2023) was returned to the plan members.

(In thousands of dollars)

9. Insurance services (continued)

The insurance operations are summarized as follows:

	Actual 2024 $	Actual 2023 $
Revenue	**22,377**	24,809
Interest	**2,341**	1,564
Operating expenses	**(17,377)**	(16,067)
(Deficiency) excess of revenue over expenses from insurance services	**7,341**	10,306

10. Allocation of expenses

Certain expenses are reported in the consolidated statement of operations after allocation of $3,731 ($4,226 in 2023) to insurance services.

11. Commitments

The Association leases office premises at 150 Bloor Street West, Toronto, which expires in 2034. The minimum aggregate rent for these premises, including termination charges (excluding escalation and operating charges), as well as office equipment, is as follows:

	$
2025	1,602
2026	1,651
2027	1,661
2028	1,700
Thereafter	9,027
	15,641

12. Program revenue

The following programs generate program-specific revenue. Related expenses are reported in the appropriate cost centers.

	Actual 2024 $	Actual 2023 $
Seminar sponsorships and registrations	**105**	279
Ontario Medical Review	**68**	146
Physician Health Program	**307**	204
OMA Incorporation Service	**116**	78
Physician Benefits & Discount Program	**218**	153
Income from Investment in OMO	**36**	104
	850	964

(In thousands of dollars)

13. Investments in wholly owned subsidiaries

(a) OntarioMD Inc.

OntarioMD Inc. was incorporated under the Ontario Business Corporations Act as a for-profit entity. The mandate of OntarioMD Inc. is to achieve the goals set out in the delivery collaborative between OntarioMD Inc. and Ontario Health. In December 2023, a twelve-month agreement was made with Ontario Health for 2023-2024 fiscal year for $28.96 million. In August 2024, an extension for the 2024-2025 fiscal year was made for $27.88 million, inclusive of HST. Ontario Health has provided OntarioMD Inc. with monthly funding to support the enhanced use and functional improvement of Electronic Medical Records (EMRs) across the province. OntarioMD Inc.'s primary goal is to support the automation of physician family practices.

As at and for the year ended December 31, 2024, the balances of OntarioMD Inc. were as follows:

	2024	2023
	$	$
Assets	**5,090**	4,774
Liabilities	**4,773**	4,493
Equity	**317**	281
Revenue	**26,958**	27,390
Expenses	**26,922**	27,286
	36	104
Cash flows (used in) from		
Operating activities	**470**	(5,280)
Financing activities	**(131)**	388
Investing activities	**7**	22

The Association provides administrative, support services and facilities to OntarioMD Inc. in return for a fee. Amounts charged to OntarioMD Inc. by the Association during the year amounted to $1,663 ($1,735 in 2023). The investment in OntarioMD Inc. is included in the Association's accounts receivable.

(b) OMAI

OMAI was incorporated under the Canada Business Corporations Act as a for-profit entity and was subsequently licensed as an insurance agency offering members (and their families) additional life, disability, critical illness, home and auto and legal expense insurance.

(c) OPSI

OPSI was incorporated provincially under the Corporations Act (Ontario) as a not-for-profit corporation with a primary function of administering government-funded programs. OPSI administers the physician health benefit program primarily financed with funding negotiated with MOH. This program offers members a choice among critical illness insurance, extended health coverage and a health spending account.

(In thousands of dollars)

13. Investments in wholly owned subsidiaries (continued)

(c) OPSI (continued)

As at and for the year ended December 31, 2024, the balances of OPSI were as follows:

	2024	2023
	$	$
Assets	5,611	6,324
Liabilities	4,341	3,619
Net assets	1,270	2,705
Revenue	31,229	30,572
Expenses	32,664	27,106
	(1,435)	3,466
Cash flows from operating activities	(714)	5,657

Any program funding shortfalls are supported by OMA.

14. Financial risks

(a) Interest rate risk

The Association is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about fixed rate investments are included in Note 3.

(b) Market risk

Market risk arises as a result of trading in fixed income securities. Fluctuations in interest rates and market prices expose the Association to a risk of loss. The Association mitigates this risk through controls to monitor and limit concentration levels.

The Association believes that it is not exposed to significant currency risk or credit risk arising from its financial instruments. There has been no change to the risk profile since 2023.

15. Advantages Retirement Plan

The Advantages Retirement Plan (“ARP”) is a group retirement plan established exclusively for OMA members and their spouses/common-law partners. ARP is designed to help physicians build a foundational level of retirement income which will enable them to be financially prepared for retirement. It offers low investment management fees, flexible contribution options, and a guaranteed lifetime income option that are all available through an easy-to-use online platform.

During the year, OMA incurred $882 ($880 in 2023) to run the ARP program.

16. New Insurance Administrator for the Group Insurance Plan

On September 1, 2023, the insurance administration of the group plan was transferred from Securian to Manulife. OMA received a transition allowance of $7 million and an interest offset payment of $1 million from Manulife subject to the completion of the five-year term of the Program Administration Agreement.

In 2024, an additional $3 million transition allowance was received, bringing the total to $11 million.