

# 2025 OMA AGM

## **Finance and Audit Committee Report to the OMA AGM**

David Collie, Chair, May 01, 2025



## Members of the OMA:

The Finance and Audit Committee, a Committee of the Board, comprises the following members:

*David Collie, Chair*

*Hiroataka Yamashiro, Vice-Chair*

*Cathy Faulds, OMA Board Chair*

*Sharon Bal, OMA Board Vice-Chair*

*Susan Armstrong, OMAI Board*

*Andrew Park, Immediate Past President (non-voting observer)*

Since the last Finance and Audit Committee Report, the Committee met five times on June 5, August 28, October 9, November 4, 2024, and March 19, 2025.

As per the Finance and Audit Committee Charter and Terms of Reference, the Committee will assist the Board in monitoring and oversight of the financial affairs of the Association, its subsidiaries, and the OMA Employees' Pension Plans, and ensure compliance with all applicable laws and regulatory requirements relating to financial reporting and disclosures.

- **Financial Planning, Reporting and Internal Control**
  - Review the appropriateness of the OMA's accounting policies when preparing the financial statements. Review the financial statements of OMA and its subsidiaries to gain reasonable assurance that the statements present fairly the financial position in accordance with the generally accepted accounting principles.
- **Operating Plan**
  - Review and recommend approval of the annual budget, operating plan, and capital budgets.
- **External Audit**
  - Recommend for approval the appointment or discharge of the external auditor. Review the terms of engagement of the external auditor, including the scope and timing of the annual audit, independence of the auditor, and disclosure of non-audit services.
- **Compliance and Risk Management**
  - Review the risk management framework annually and assess and monitor crisis management and business continuity plans.
- **Internal Audit**

Evaluate the scope, risk assessment, and nature of the internal audit plan, ensuring it is sufficiently linked to the OMA's overall business objectives. Review and assess the internal audit report, including the adequacy of management's corrective actions.

## **FINANCIAL POSITION OF THE ASSOCIATION**

**(In \$000's unless specified otherwise)**

The OMA consolidated results of operations for the year ended December 31, 2024, showed a surplus of \$8.5 million, which is 32% lower compared to 2023. The Insurance Fund surplus of \$7.5 million was attributable to insurance activities, interest income, and a \$3 million transition allowance from Manulife. The transition allowance was partially offset by subsidizing the health renewal premiums by \$2.6 million. The revenue for 2024 was \$86.6 million, including \$65.1 million in dues, while total expenses were \$82.8 million, compared to \$79.5 million in 2023.

OMA's net asset position remains strong at \$143 million, an increase of \$18 million from 2023, due to higher net revenue and gains from pension assets.

The cost of negotiating and implementing an agreement can vary from year to year. To minimize significant fluctuations in membership dues and/or special levies, the OMA maintains a negotiations reserve to support negotiations-related costs and the ratification of the cyclical master agreements. As of the end of 2024, the negotiations reserve amounted to \$3.5 million.

### **OMA INSURANCE INC. (OMAI)**

OMA Insurance Inc. (OMAI) 's (OMAI) results of operation in 2024 generated a surplus of \$2.7 million, which is \$1.7 million higher than in 2023. Revenue for OMAI surpassed 2023 by \$2.6 million (19%), mainly due to the growth in individual plans.

OMAI's total assets were \$3.6 million, while total liabilities were \$4.1 million. Total liabilities were decreased by \$2 million from 2023 as the OMAI paid \$1.9 million of its obligation to the OMA, leaving a balance of \$3.6 million as of year-end 2024.

### **ONTARIO MD INC. (OMD)**

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 Funding Agreement between OntarioMD Inc. and Ontario Health. This investment in the wholly-owned subsidiary is accounted for using the equity method. The financial results are not consolidated in the OMA financial statements but are reported in Note 13(a), page 15, and page 16 of the audited financial statements.

### **ONTARIO PHYSICIAN SERVICES INC. (OPSI)**

OPSI was incorporated provincially on February 2, 2012, and is a wholly-owned subsidiary of the Association with a primary function of administering government-funded programs. Currently, OPSI administers the Physician Health Benefit Program (PHBP), financed primarily from funding negotiated with the MOH. Any funding gap will be covered by insurance reserves. This program offers members a choice among critical illness insurance, extended health coverage, and a health spending account. The

financial results are not included in the OMA financial statements but are reported in Note 13(c), page 16 of the audited financial statements.

## **MEMBERSHIP**

Membership in 2024 totaled 49,644 and a further 183 non-members paid dues. The full-fee membership category increased by 1,012 members. Membership dues revenue in 2024 is summarized in Appendix C.

## **AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

On March 19, 2025, the Committee received the draft report of the Association's external auditors concerning the annual audit (Appendix B) and the 2024 financial statements of the Association (Appendix A). The attached draft auditor's report and financial statements form part of this ***Report to the AGM.***

## **RECOMMENDATIONS**

The Board, at its meeting on March 26, 2025, approved the draft audited financial statements for the OMA for the year ended December 31, 2024, and the re-appointment of Deloitte LLP as OMA's auditors for 2025.

*Respectfully Submitted,*

*David Collie, Chair  
Finance and Audit Committee*

## **Attachments:**

Appendix A – Audited Financial Statements of the OMA – December 31, 2024  
Appendix B - Auditor's Report  
Appendix C - Membership Revenue