CCO Our future health built with care

Financial Statements

March 31, 2019

Ontario
Cancer Care Ontario

CCO Our future health built with care

June 14, 2019

Management's Responsibility for Financial Information

Management and the Board of Directors are responsible for the financial statements and all other information presented in this financial statement. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and, where appropriate, include amounts based on management's best estimates and judgements.

Cancer Care Ontario is dedicated to the highest standards of integrity and patient care. To safeguard Cancer Care Ontario's assets, a sound and dynamic set of internal financial controls and procedures that balance benefits and costs has been established. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information. Internal audits are conducted to assess management systems and practices, and reports are issued to the Audit Finance Committee.

For the fiscal year ended March 31, 2019, Cancer Care Ontario's Board of Directors, through the Audit Finance Committee, was responsible for ensuring that management fulfilled its responsibilities for financial reporting and internal controls. The Committee meets regularly with management, the internal auditor and the Auditor General to satisfy itself that each group had properly discharged its respective responsibility, and to review the financial statements before recommending approval by the Board of Directors. The Auditor General had direct and full access to the Audit Finance Committee, with and without the presence of management, to discuss their audit and their findings as to the integrity of Cancer Care Ontario's financial reporting and the effectiveness of the system of internal controls.

The financial statements have been examined by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Auditor's Report outlines the scope of the Auditor's examination and opinion.

On behalf of Cancer Care Ontario Management,

Michael Sherar, PhD
President and CEO

Elham Roushani, BSc, CPA, CA
Vice President & Chief Financial Officer

Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

Independent Auditor's Report

To Cancer Care Ontario and to the Minister of Health and Long-Term Care

Opinion

I have audited the financial statements of the Cancer Care Ontario (CCO), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CCO as at March 31, 2019 and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of CCO in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 CCO'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 CCO either intends to cease operations, or has no realistic alternative but to do so.

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

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Auditor’s Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 CCO’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 CCO’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause CCO 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.

I 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 I identify during my audit.

Toronto, Ontario
June 14, 2019

Bonnie Lysyk, MBA, FCPA, FCA, LPA
Auditor General

Statement of Financial Position

As at March 31, 2019
(in thousands of dollars)

	2019 $	2018 $
Assets		
Current Assets		
Cash (note 3)	32,199	19,882
Investments (note 4)	83,124	71,818
Receivables and prepaid expenses (note 5)	48,870	13,851
	164,193	105,551
Capital Assets (note 6)	7,555	9,433
	171,748	114,984
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	129,927	73,051
Obligations under capital leases (note 10)	359	-
	130,286	73,051
Non-Current Liabilities		
Deferred contributions related to capital assets (note 8)	4,761	7,626
Post-employment benefits other than pension plan (note 9)	2,255	2,344
Obligations under capital leases (note 10)	780	-
	7,796	9,970
Fund Balances		
Endowment	88	88
Externally restricted	1,359	1,473
General – unrestricted	29,425	28,595
Invested in capital assets (note 11)	2,794	1,807
	33,666	31,963
	171,748	114,984

Commitments (note 16)

Contingencies (note 17)

Guarantees (note 18)

Approved by the Board of Directors:

William Hatanaka, Board Chair

Garry Foster, Director

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

Statement of Operations

For the year ended March 31, 2019
(in thousands of dollars)

	Restricted 2019 $	Restricted 2018 $	General 2019 $	General 2018 $	Total 2019 $	Total 2018 $
Revenue						
Ministry of Health and Long-Term Care	-	-	2,334,084	2,131,356	2,334,084	2,131,356
Amortization of deferred contributions related to capital assets (note 8)	-	-	4,561	1,107	4,561	1,107
Other revenue (note 12)	1,969	2,175	1,403	4,162	3,372	6,337
Investment income (note 13)	2	-	4,066	2,480	4,068	2,480
	1,971	2,175	2,344,114	2,139,105	2,346,085	2,141,280
Expenses						
Cancer and prevention related services	160	-	1,032,663	930,762	1,032,823	930,762
Chronic kidney disease services	-	-	647,838	631,356	647,838	631,356
Provincial drug reimbursement program	-	-	451,894	378,839	451,894	378,839
Screening services	-	-	41,393	39,846	41,393	39,846
Salaries and benefits (note 9)	1,848	1,867	105,589	106,926	107,437	108,793
Capital contributions to cancer related services	-	-	35,058	37,895	35,058	37,895
Other operating expenses (note 14)	135	156	17,618	20,929	17,753	21,085
Purchased services	89	314	4,715	5,158	4,804	5,472
Amortization of capital assets	-	-	1,906	1,598	1,906	1,598
Loss on disposal (note 6)	-	-	3,476	-	3,476	-
	2,232	2,337	2,342,150	2,153,309	2,344,382	2,155,646
Excess/(deficiency) of revenue over expenses	(261)	(162)	1,964	(14,204)	1,703	(14,366)

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

Statement of Changes in Fund Balances

For the year ended March 31, 2019
(in thousands of dollars)

2019	**Restricted Endowment** $	**Restricted Internally** $	**Restricted Externally** $	**General Unrestricted** $	**Invested in Capital Assets** $	**Total** $
Fund balances – March 31, 2018	88	-	1,473	28,595	1,807	31,963
Excess/(deficiency) of revenue over expenses	-	-	(261)	1,964	-	1,703
Net change in invested in capital assets (note 11)	-	-	-	(987)	987	-
Interfund transfers (note 15)	-	-	147	(147)	-	-
Fund balances – March 31, 2019	88	-	1,359	29,425	2,794	33,666

2018	**Restricted Endowment** $	**Restricted Internally** $	**Restricted Externally** $	**General Unrestricted** $	**Invested in Capital Assets** $	**Total** $
Fund balances – March 31, 2017	88	86	1,577	43,700	878	46,329
Excess/(deficiency) of revenue over expenses	-	(86)	(76)	(14,204)	-	(14,366)
Net change in invested in capital assets (note 11)	-	-	-	(929)	929	-
Interfund transfers (note 15)	-	-	(28)	28	-	-
Fund balances – March 31, 2018	88	-	1,473	28,595	1,807	31,963

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

Statement of Cash Flows

For the year ended March 31, 2019
(in thousands of dollars)

	2019	2018
Cash provided by (used in)	**$**	**$**
Operating activities		
Excess (deficiency) of revenue over expenses	1,703	(14,366)
Amortization of capital assets	1,906	1,598
Amortization of deferred contributions related to capital assets (note 8)	(4,561)	(1,107)
Loss on disposal (note 11)	3,476	-
Post-employment benefits expense other than pension plan (note 9)	132	138
Post-employment benefits paid other than pension plan (note 9)	(221)	(222)
Change in non-cash operating working capital		
Receivables and prepaid expenses (note 5)	(35,019)	(8,782)
Accounts payable and accrued liabilities (note 7)	56,876	(25,110)
	24,292	(47,851)
Capital activities		
Principle payments under capital leases	(152)	-
Purchase of capital assets (note 11)	(2,213)	(4,164)
	(2,365)	(4,164)
Investing activities		
Proceeds from maturity of investments	84,907	76,756
Purchase of investments	(96,213)	(72,348)
	(11,306)	4,408
Financing activities		
Amounts received related to capital assets (note 11)	1,696	2,744
Increase (decrease) in cash during the year	12,317	(44,863)
Cash – Beginning of year	19,882	64,745
Cash – End of year	32,199	19,882

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

Notes to Financial Statements

For the year ended March 31, 2019
(in thousands of dollars)

1. Nature of operations

Cancer Care Ontario (the Organization) is the provincial government agency responsible for driving health system performance improvement for Ontario's cancer and chronic kidney disease health systems. The Organization also supports achievement of Ontario's Wait Time and Emergency Room/Alternate Level of Care Strategies through the collection and provision of information that enables the government to measure, manage and improve access quality and efficiency of care. With this mandate, the Organization is responsible for the funding to continually improve health system performance to ensure that patients receive the right care, at the right time, in the right place, at every step of their journey.

The Organization's role includes working with healthcare providers in every region across the province to plan services that will meet current and future patient needs; to support providers in delivering the highest-quality care aligned to evidence-based standards and guidelines; and to work with administrators, doctors and other care providers to improve system efficiency and effectiveness.

The Organization also leads the development and implementation of innovative payment models; implements provincial programs designed to raise screening participation rates; translates research and evidence into standards and guidelines; puts information into the hands of the provincial policy makers; and ensures Ontarians have cancer and renal care systems that are accountable, efficient and of the highest quality by measuring and reporting on the performance of services.

The Organization is primarily funded by the Province of Ontario through the Ministry of Health and Long-Term Care (MOHLTC).

The Organization is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met. Members of the Board of Directors and Board Committees served without remuneration from the Organization for the year ended March 31, 2019.

The People's Health Care Act

On April 18, 2019, The *People's Health Care Act* (the "Act") received Royal Assent. This legislation is a key component of the government's plan to build a modern, sustainable and integrated health care system. The Act grants the Minister of Health and Long-Term Care (the "Minister") the power to transfer assets, liabilities, rights, obligations and employees of certain government organizations, including Cancer Care Ontario, into Ontario Health (a new Crown Agency created by the Act), a health service provider, or an integrated care delivery system. The Act also grants the Minister the power to dissolve these organizations.

On March 8, 2019, the members of the board of directors of Ontario Health were appointed to also constitute the board of Cancer Care Ontario. The board of directors of Ontario Health is tasked with overseeing the transition process of transferring multiple provincial agencies into Ontario Health. Following the transfer, Cancer Care Ontario would be dissolved.

The transition process is expected to occur over a number of years. A potential transfer and dissolution date is currently unknown. In the meantime, Cancer Care Ontario continues to operate as required under the Cancer Act and in accordance with its accountability agreement with the Minister.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Public Sector Accounting Standards for government not-for-profit organizations, as issued by the Public Sector Accounting Board.

Fund accounting

The Endowment Fund reports contributions subject to externally-imposed stipulations specifying that the resources contributed be maintained permanently, unless specifically disendowed by the donor. Restricted investment income earned on Endowment Fund resources is recognized as revenue of the Externally Restricted Fund.

Investment income is recognized on an accrual basis. Interest income is accrued based on the number of days the investment is held during the year.

The Externally Restricted Fund reports donations and grants which have restrictions placed on their use by the donor, primarily related to research. The Organization ensures, as part of its fiduciary responsibility, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The General Fund accounts for the Organization’s MOHLTC and other funded programs. This Fund reports unrestricted resources, all restricted grants from MOHLTC, and restricted grants from others for which the Organization has no corresponding restricted fund.

Contributions

The Organization follows the restricted fund method of accounting for its restricted contributions. Restricted contributions are recognized as revenue of the Restricted Fund if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. Restricted contributions for which there is no corresponding Restricted Fund (including MOHLTC and other funded programs) are recognized as revenue in the General Fund using the deferral method.

Unrestricted contributions are recognized as revenue of the General Fund when the amount is reasonably estimable and collection is probable.

Unrestricted contributions received for the purpose of capital assets are recorded as deferred capital contributions related to capital assets and are amortized on the same basis as the related capital assets.

Contributions for endowment are recognized as revenue of the Endowment Fund in the year of receipt.

Cash and cash equivalents

The Organization considers deposits in banks, certificates of deposit, and short-term investments with original maturities of three months or less as cash and cash equivalents.

Financial instruments

Financial instruments are measured at fair value when acquired or issued. In subsequent periods, financial instruments (including investments) are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when there is objective evidence of impairment. When there has been a loss in value of investments that is other than a temporary decline, the investment is written down and the loss is recorded in the statement of operations. For receivables, when a loss is considered probable, the receivable is reflected at its estimated net recoverable amount, with the loss reported on the statement of operations. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

Capital assets

Capital assets are recorded at cost, less accumulated amortization and accumulated impairment losses, if any. Third party and internal labour costs are capitalized under software in connection with the development of information technology projects.

All capital assets are amortized on a straight-line basis at rates based on the estimated useful lives of the assets.

Therapeutic and other technical equipment are amortized over periods ranging from 4 years to 9 years; office furniture and equipment are amortized over periods ranging from 3 years to 5 years; and leasehold improvements are amortized over the term of the leases. Software is amortized over periods ranging from 3 years to 4 years.

Land and buildings for four lodges donated by the Canadian Cancer Society - Ontario Division are recorded at nominal value, as the fair value was not reasonably determinable at the time of the donation.

When a capital asset no longer has any long-term service potential to the Organization, the differential of its net carrying amount and any residual value, is recognized as a gain or loss, as appropriate, in the statement of operations.

Expenses

Expenses are recorded on an accrual basis.

Pension costs

The Organization accounts for its participation in the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan, as a defined contribution plan, as the Organization has insufficient information to apply defined benefit plan accounting. Therefore, the Organization’s contributions are accounted for as if the plan were a defined contribution plan with the Organization’s contributions being expensed in the period they come due.

(in thousands of dollars)

Post-employment benefits other than pension plan

The cost of post-employment benefits other than pension plan is actuarially determined using the projected benefit method pro-rated on services and expensed as employment services are rendered. Adjustments to these costs arising from changes in estimates and actuarial experience gains and losses are amortized over the estimated average remaining service life of the employee groups on a straight-line basis.

Use of estimates

The preparation of financial statements 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 financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include accruals and receivables related to drug expenditures. Actual results could differ from those estimates.

3. Cash

Cash includes $341 (2018 - $330), which is restricted, as it relates to a pension plan that has been dissolved and is being held in escrow in the event that former members put forth a claim. These funds are subject to externally imposed restrictions and are not available for general use.

4. Investments

Guaranteed investments certificates, as follows:	**2019** **$**	**2018** **$**
Redeemable on demand:		
Interest at 2.28%, maturing September 19, 2019	-	10,088
Interest at 1.95%, maturing November 4, 2019	-	10,079
Interest at 2.28%, maturing September 20, 2019	6,005	6,005
Interest at 2.25%, maturing February 17, 2020	20,282	-
Interest at 2.60%, maturing September 5, 2020	46,667	-
Non-Redeemable:		
Interest at 1.75%, maturing September 5, 2018	-	45,646
Interest at 2.72%, maturing February 17, 2020	10,170	-
	83,124	71,818

5. Receivables and prepaid expenses

	2019 **$**	**2018** **$**
Accounts receivable	3,419	3,147
Due from MOHLTC	42,550	780
Prepaid expenses	2,901	9,924
	48,870	13,851

Notes to Financial Statements

For the year ended March 31, 2019

(in thousands of dollars)

6. Capital assets

	2019 Cost $	2019 Accumulated amortization $	2019 Net book value $
Therapeutic and other technical equipment	2,800	2,800	-
Office furniture and equipment	7,522	5,963	1,559
Leasehold improvements	6,198	4,984	1,214
Land and building	1	-	1
Software	30,854	26,073	4,781
	47,375	39,820	7,555

	2018 Cost $	2018 Accumulated amortization $	2018 Net book value $
Therapeutic and other technical equipment	2,996	2,976	20
Office furniture and equipment	6,914	6,177	737
Leasehold improvements	6,064	5,082	982
Land and building	1	-	1
Software	37,043	29,350	7,693
	53,018	43,585	9,433

The cost of capital assets include software under development of $3,987 (2018 - $6,208), leasehold improvements not yet available for use of $323 (2018 - $765), and office furniture not yet available for use of $25 (2018 - $414). Amortization of these amounts will commence when the assets are available for use. During the year, there were disposals of fully depreciated capital assets of $5,576 (2018 - $1,251) and non-fully depreciated assets of $105 (2018 - $Nil). The loss on disposal relates to the disposal of software under development of $3,464 (2018 - $Nil) due to the closure of the Integrated Client Management System Redesign project.

7. Accounts payable and accrued liabilities

	2019 $	2018 $
Trade payables	33,675	-
Accrued liabilities	53,626	54,829
Payable to MOHLTC	42,065	17,891
Payable to other funders	220	1
Pension escrow (note 3)	341	330
	129,927	73,051

(in thousands of dollars)

8. Deferred contributions related to capital assets

The changes in the deferred contributions related to capital assets balance for the year are as follows:

	2019 $	2018 $
Balance – beginning of year	7,626	5,989
Amounts received related to capital assets	1,696	2,744
Amounts recognized as revenue	(4,561)	(1,107)
Balance – end of year	4,761	7,626

9. Pension benefits and post-employment benefits

Pension plan

Employees of the Organization are members of HOOPP, which is a multi-employer contributory defined benefit pension plan. HOOPP members receive benefits based on length of service and the average annualized earnings during the five consecutive years that provide the highest earnings prior to retirement, termination or death.

Contributions to HOOPP made during the year by the Organization on behalf of its employees amounted to $8,803 (2018 - $8,328) and are included in pension expense which reflects all amounts owing for the year, in the statement of operations.

Post-employment benefits plan other than pension plan

Prior to January 1, 2006, the Organization offered non-pension, post-employment health and dental benefits to its active and retired employees. Effective January 1, 2006, the Organization offers non-pension, post-employment benefits only to its retired employees, who retired prior to January 1, 2006. Benefits paid during the year under this unfunded plan were $221 (2018 - $222). The actuarial valuation report for the post-employment benefits other than pension plan is dated April 2016 and has been extrapolated to March 31, 2019.

Information about the Organization's post-employment benefits other than pension plan is as follows:

	2019 $	2018 $
Accrued benefit obligation	2,549	2,633
Unamortized actuarial losses	(294)	(289)
Post-employment benefits other than pension plan	2,255	2,344

The movement in the employee future benefits liability during the year is as follows:

	2019 $	2018 $
Post-employment benefits other than pension plan – opening balance	2,344	2,428
Expense related to post-retirement benefits	132	138
Funding contributions	(221)	(222)
Post-employment benefits other than pension plan – ending balance	2,255	2,344

(in thousands of dollars)

	2019 $	2018 $
Interest cost	78	81
Amortization of experience losses	54	57
Total expense related to post-retirement benefits	132	138

The actuarially determined present value of the accrued benefit obligation is measured using management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action as follows:

	2019	2018
Discount rate	3.1%	3.0%
Extended health care trend rate	6.00% in 2017 to 4.5% in 2023 and after	6.00% in 2017 to 4.5% in 2023 and after
Dental cost trend rates	3.0%	3.0%
Employee average remaining service life	9.5 years	9.5 years

10. Capital Lease Obligation

During the year, the Organization entered into capital leases, with interest rates ranging from 5.7% to 6.1% and bargain purchase options for $1 at the end of the lease, for computer hardware. The computer hardware is amortized on a straight-line basis over its economic life of 4 years. The following is a schedule of future minimum lease payments, which expire in January 2023 together with the balance of the obligations.

	$
2020	359
2021	359
2022	359
2023	185
Total minimum lease payments	1,262
Interest	(123)
Balance of the obligations	1,139
Less: current portion	(359)
Non-current obligations under capital leases	780

Total interest expense on capital leases for the year was $23.

(in thousands of dollars)

11. Invested in capital assets

	2019 $	2018 $
Capital assets	7,555	9,433
Amounts financed by deferred capital contributions (note 8)	(4,761)	(7,626)
	2,794	1,807

Change in net assets invested in capital assets is calculated as follows:

	2019 $	2018 $
Purchase of capital assets	2,213	4,164
Capital assets acquired through leases	1,291	-
Capital funding	(1,696)	(2,744)
Amortization of deferred contributions related to capital assets	4,561	1,107
Amortization of capital assets	(1,906)	(1,598)
Disposal of capital assets	(3,476)	-
	987	929

12. Other revenue

	2019 $	2018 $
General Fund		
Public Health Ontario	-	2,720
Other income	1,403	1,442
	1,403	4,162
Restricted Fund		
Grants	1,969	2,175

13. Investment income

Investment income earned on the Endowment Fund resources in the amount of $2 (2018 - $Nil) is included in the Restricted Fund.

(in thousands of dollars)

14. Other operating expenses

	2019 $	2018 $
Restricted Fund	135	156
General Fund		
Software & Hardware	7,167	7,589
Occupancy Costs	6,282	5,941
Education, Events and Public Awareness	1,455	2,760
General Office	1,276	1,666
Consulting Services	623	1,637
Travel	507	1,102
Other Expense	308	234
	17,618	20,929

15. Interfund transfers

	2019 $	2018 $
Transfer to the Externally Restricted Fund from the General Fund	147	-
Transfer to the General Fund from the Externally Restricted Fund	-	28

16. Commitments

	$
2020	10,640
2021	7,696
2022	5,951
2023	2,897
2024	-
	27,184

17. Contingencies

The Organization is a member of the Healthcare Insurance Reciprocal of Canada (HIROC), which was established by hospitals and other organizations to self-insure. If the aggregate premiums paid are not sufficient to cover claims, the Organization will be required to provide additional funding on a participatory basis. Since the inception, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses.

18. Guarantees

Director/officer indemnification

The Organization's general by-laws contain an indemnification of its directors/officers, former directors/officers and other persons who have served on board committees against all costs incurred by them in connection with any action, suit or other proceeding in which they are sued as a result of their service, as well as all other costs sustained in or incurred by them in relation to their service. This indemnity excludes costs that are occasioned by the indemnified party's own dishonesty, wilful neglect or default.

The nature of the indemnification prevents the Organization from making a reasonable estimate of the maximum amount that it could be required to pay to counterparties. To offset any potential future payments, the Organization has purchased from HIROC directors' and officers' liability insurance to the maximum available coverage. The Organization has not made any payments under such indemnifications, and no amount has been accrued in the accompanying financial statements with respect to the contingent aspect of these indemnities.

Other indemnification agreements

In the normal course of its operations, the Organization executes agreements that provide for indemnification to third parties. These include, without limitation: indemnification of the landlords under the Organization's leases of premises; indemnification of the MOHLTC from claims, actions, suits or other proceedings based upon the actions or omissions of the representative groups of medical, radiation and gynaecology/oncology physicians under certain Alternate Funding Agreements; and indemnification of the Integrated Cancer Program host hospitals from claims, actions, costs, damages and expenses brought about as a result of any breach by the Organization of its obligations under the Cancer Program Integration Agreement and the related documentation.

While the terms of these indemnities vary based upon the underlying contract, they normally extend for the term of the contract. In most cases, the contract does not provide a limit on the maximum potential amount of indemnification, which prevents the Organization from making a reasonable estimate of its maximum potential exposure. The Organization has not made any payments under such indemnifications, and no amount has been accrued in the accompanying financial statements with respect to the contingent aspect of these indemnities.

19. Financial instruments

The Organization's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, and liquidity risk. There have been no significant changes from the previous year in the exposure to these risks or in methods used to measure these risks.

Credit risk

Credit risk arises from cash and cash equivalents and investments held with financial institutions and credit exposures on outstanding receivables. Cash and cash equivalents and investments are held at major financial institutions that have high credit ratings assigned to them by credit-rating agencies minimizing any potential exposure to credit risk. The Organization assesses the credit quality of the counterparties, taking into account their financial position and other factors. It is management's opinion that the risk related to receivables is minimal as most of the receivables are from federal and provincial governments and organizations controlled by them.

(in thousands of dollars)

The Organization’s maximum exposure to credit risk related to accounts receivable at year-end was as follows:

	0 to 30 days $	31 to 60 days $	61 to 90 days $	91+ days $	Total $
Accounts receivable	3,354	23	-	42	3,419
Due from MOHLTC	42,550	-	-	-	42,550
Amount receivable	45,904	23	-	42	45,969

As there is no indication that the Organization will not be able to recover these receivables, an impairment allowance has not been recognized.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Organization currently is only exposed to interest rate risk from its investments. The Organization does not expect fluctuations in market interest rates to have a material impact on its financial performance and does not use derivative instruments. The Organization mitigates interest rate risk on its investments by purchasing guaranteed investment certificates with short-term maturities and demand features.

Liquidity risk

Liquidity risk is the risk the Organization will not be able to meet its cash flow obligations as they fall due. The Organization mitigates this risk by not incurring debt and monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	0 to 30 days $	31 to 60 days $	61 to 90 days $	91+ days $	Total $
Accounts payable	8,564	20,040	5,016	55	33,675
Accrued liabilities	52,897	452	77	200	53,626
Payable to MOHLTC	42,065	-	-	-	42,065
Payable to other funders	220	-	-	-	220
Pension escrow	-	-	-	341	341
Amount payable	103,746	20,492	5,093	596	129,927

20. Comparative figures

Comparative figures have been reclassified to conform to the expense groupings adopted in the current year.