Consolidated Financial Statements of
(In thousands of dollars)

THE OTTAWA HOSPITAL

Year ended March 31, 2025

THE OTTAWA HOSPITAL

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Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of The Ottawa Hospital

Opinion

We have audited the consolidated financial statements of The Ottawa Hospital (the Hospital), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the consolidated financial position of the Hospital as at March 31, 2025, and its consolidated results of operations, its consolidated changes in net assets, its consolidated remeasurements gains and losses and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Hospital 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 opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report"

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and the auditor's report thereon, included in a document likely entitled “Annual Report” is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 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 the Hospital’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 Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital’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 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Hospital'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 Hospital'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 Hospital 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.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 6, 2025

THE OTTAWA HOSPITAL

Consolidated Statement of Financial Position
(In thousands of dollars)

March 31, 2025, with comparative information for 2024

		2025		2024
Assets				
Current assets:				
Cash and cash equivalents (note 2)	$	240,860	$	185,703
Restricted cash (note 3)		22,858		24,536
Portfolio investments (note 4)		3,226		2,890
Short-term investments (note 4)		–		106,941
Accounts receivable (note 5(a))		189,785		158,450
Inventories		29,414		27,749
Prepaid expenses		32,274		24,982
		518,417		531,251
Capital grants receivable (note 5(b))		814		1,594
Assets restricted for capital purchases (note 6)		246,567		318,539
Capital assets (note 7)		1,270,744		1,056,097
Funds held on behalf of others (note 9)		4,649		13,656
Derivative asset (note 11)		760		5,146
	$	2,041,951	$	1,926,283
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	$	484,157	$	505,627
Deferred revenue (note 10)		63,817		59,268
Current portion of long-term debt (note 11)		10,243		11,274
		558,217		576,169
Long-term debt (note 11)		349,047		359,280
Employee future benefits (note 12)		80,123		75,822
Deferred contributions related to capital assets (note 13)		775,692		648,545
Funds held on behalf of others (note 9)		4,649		13,656
Asset retirement obligations (note 8)		151,778		147,957
		1,919,506		1,821,429
Net assets:				
Investment in capital assets (note 14(a))		154,051		149,791
Unrestricted deficiency		(32,702)		(50,083)
		121,349		99,708
Accumulated remeasurement gains		1,096		5,146
		122,445		104,854
Commitments, contingencies and guarantees (note 18)				
	$	2,041,951	$	1,926,283

See accompanying notes to consolidated financial statements.

On behalf of the Board:

DocuSigned by:
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Chairperson

DocuSigned by:
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President and CEO

THE OTTAWA HOSPITAL

Consolidated Statement of Operations
(In thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Funding from Governments	$ 1,582,852	$ 1,484,140
Patient services	224,258	208,264
Recoveries and other operating	189,662	145,986
Preferred accommodation	15,810	13,469
Marketed services	72,575	72,995
Investment income	6,190	7,797
Amortization of deferred contributions related to major equipment (note 13)	13,889	19,410
	2,105,236	1,952,061
Expenses:		
Salaries and wages	918,472	877,561
Employee benefits	242,046	223,356
Supplies and other operating	418,327	436,508
Drugs	196,251	156,388
Medical and surgical supplies	159,528	146,211
Medical staff remuneration	106,582	93,473
Amortization of major equipment	48,356	50,982
Interest	2,961	3,351
	2,092,523	1,987,830
Excess (deficiency) of revenue over expenses before undernoted items and non-recurring items	12,713	(35,769)
Parking revenue	27,576	25,546
Parking expenses	(8,969)	(7,614)
Amortization of deferred contributions related to buildings (note 13)	26,217	25,876
Amortization of buildings and land improvements	(48,796)	(47,697)
Excess (deficiency) of revenue over expenses before non-recurring items	8,741	(39,658)
Reimbursement of prior year Bill 124 costs (note 18(j))	–	38,598
Excess (deficiency) of revenue over expenses	$ 8,741	$ (1,060)

See accompanying notes to consolidated financial statements.

THE OTTAWA HOSPITAL

Consolidated Statement of Changes in Net Assets
(In thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

	Investment in capital assets	Unrestricted	2025 Total	2024 Total
Net assets (deficiency), beginning of year	$ 149,791	$ (50,083)	$ 99,708	$ 99,618
Excess (deficiency) of revenue over expenses	–	8,741	8,741	(1,060)
Net change in investment in capital assets (note 14(b))	(8,640)	8,640	–	–
Contribution received for land (notes 7(b) and 7(c))	12,900	–	12,900	1,150
Net assets (deficiency), end of year	$ 154,051	$ (32,702)	$ 121,349	$ 99,708

See accompanying notes to consolidated financial statements.

THE OTTAWA HOSPITAL

Consolidated Statement of Remeasurement Gains and Losses
(In thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Accumulated remeasurement gains, beginning of year	$	5,146	$	3,895
Unrealized gains (losses) attributable to:				
Derivative asset (note 11(b))		(4,386)		1,251
Portfolio investments (note 4)		336		–
Accumulated remeasurement gains, end of year	$	1,096	$	5,146

See accompanying notes to consolidated financial statements.

THE OTTAWA HOSPITAL

Consolidated Statement of Cash Flows
(In thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used for):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 8,741	$ (1,060)
Items not involving cash:		
Amortization of capital assets	97,291	98,819
Amortization of deferred contributions related to capital assets (note 13)	(40,106)	(45,286)
Gain on disposal of capital assets (note 7(a))	(607)	–
Net increase in employee future benefits (note 12)	4,301	2,523
Net change in non-cash operating working capital (note 15)	(57,213)	57,709
	12,407	112,705
Financing activities:		
Proceeds on long-term debt issuance (note 11)	–	274,587
Repayment of long-term debt	(11,264)	(25,714)
	(11,264)	248,873
Investing activities:		
Net decrease (increase) in restricted cash	1,678	(3,628)
Net decrease (increase) in investments	106,941	(20,325)
	108,619	(23,953)
Capital activities:		
Purchase of capital assets (note 14 (b))	(309,012)	(188,095)
Deferred contributions related to capital assets received (note 13)	168,000	70,127
Contribution for land (notes 7(b) and 7(c))	12,900	1,150
Proceeds on disposal of equipment (note 7(a))	755	–
Net decrease in capital grants receivable (note 5(b))	780	780
Net decrease (increase) in assets restricted for capital purchases	71,972	(191,215)
	(54,605)	(307,253)
Net increase in cash during the year	55,157	30,372
Cash and cash equivalents, beginning of year	185,703	155,331
Cash and cash equivalents, end of year	$ 240,860	$ 185,703

See accompanying notes to consolidated financial statements.

The Ottawa Hospital (the "Hospital") is an academic health sciences centre and is principally involved in providing health care services to the greater Ottawa and Eastern Ontario region, Western Quebec and Nunavut. The Hospital is a registered charity under the Income Tax Act (Canada) and accordingly, is exempt from income taxes.

1. Significant accounting policies:

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations and reflect the following significant accounting policies.

(a) Basis of presentation:

These consolidated financial statements reflect the assets, liabilities and operations of the Hospital. The Hospital consolidates the financial activities of controlled entities that provide clinical services.

These consolidated financial statements include the assets, liabilities and operations of the University of Ottawa Heart Institute, a controlled entity. The University of Ottawa Heart Institute provides cardiac services to the patients of the Hospital. The business relationship between the Hospital and the University of Ottawa Heart Institute is governed by a service agreement pursuant to which clinical and administrative support is provided at fair market value, and premises are provided at no charge by the Hospital. The University of Ottawa Heart Institute is incorporated under the laws of Ontario and is a registered charity under the Income Tax Act and accordingly, is exempt from income taxes.

These consolidated financial statements do not include the assets, liabilities or operations of The Ottawa Hospital Residence Corporation or The Ottawa Hospital Academic Family Health Team, two controlled entities, nor the following entities where the Hospital has an economic interest including: The Ottawa Hospital Foundation, Ottawa Hospital Research Institute, Eastern Ontario Regional Laboratory Association Inc., The Ottawa Hospital Auxiliary, and Ottawa Regional Hospital Linen Services Incorporated. The summarized financial information of The Ottawa Hospital Residence Corporation and The Ottawa Hospital Academic Family Health Team is disclosed in note 17.

(b) Revenue recognition:

The Hospital follows the deferral method of accounting for contributions for not-for-profit organizations.

Under the Health Insurance Act and Regulations thereto, the Hospital is funded, primarily by the Province of Ontario, in accordance with budget arrangements established by the Ontario Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

1. **Significant accounting policies (continued):**

(b) Revenue recognition (continued):

The Hospital receives funding for operations for certain programs from the Ontario Ministry of Health. The final amount of operating revenue recorded cannot be determined until the Ontario Ministry of Health has reviewed the Hospital's financial and statistical returns for the year. Any adjustments arising from the Ontario Ministry of Health review are recorded in the period in which the adjustments are made.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue when the conditions for the restriction have been met. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Revenues related to the sale of goods or provision of services are recognized in the year in which the underlying transaction or event occurred, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. These revenues include patient services, preferred accommodation, marketed services and recoveries and other operating revenues.

Investment income recorded in the statement of operations consists of interest, dividends, and realized gains and losses, net of related fees. Unrealized gains and losses are recorded in the statement of remeasurement gains and losses.

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the consolidated financial statements.

(d) Inventories:

Inventories are valued at the lower of average cost and replacement cost, less a provision for any obsolete or unusable inventory on hand. Replacement cost is the estimated cost to replenish the inventory at current market prices.

(e) Financial instruments:

The Hospital's financial instruments consist of cash and cash equivalents, restricted cash, portfolio investments, short-term investments, accounts receivable, capital grants receivable, assets restricted for capital purchases, funds held on behalf of others, derivative asset, accounts payable and accrued liabilities, and long-term debt.

1. Significant accounting policies (continued):

(e) Financial instruments (continued):

The Hospital's financial instruments are measured as follows:

Cash	cost
Cash equivalents	amortized cost
Restricted cash	cost
Portfolio investments	fair value
Short-term investments	amortized cost
Accounts receivable	cost
Capital grants receivable	amortized cost
Assets restricted for capital purchases	amortized cost
Funds held on behalf of others	cost
Derivative asset	fair value
Accounts payable and accrued liabilities	cost
Long-term debt	amortized cost

Unrealized changes in fair value in the derivative asset are recognized in the statement of remeasurement gains and losses until they are realized. When the financial instrument is derecognized, the unrealized gains and losses previously recognized in the statement as remeasurement gains and losses are reversed and recognized in the statement of operations.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All non-derivative financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain or loss is reversed from the statement of remeasurement gains and losses.

(f) Capital assets:

Purchased capital assets, other than minor equipment, are recorded at cost. Contributed capital assets are recorded at their estimated fair value at the date of contribution. Minor equipment replacements are expensed in the year of purchase. Construction in progress comprises construction, development costs and interest capitalized during the construction period. Assets acquired under capital leases are initially recorded at the present value of future minimum lease payments and amortized over the estimated life of the assets.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When a capital asset no longer contributes to the Hospital's ability to provide services, the carrying amount is written down to its residual value.

(In thousands of dollars)

1. Significant accounting policies (continued):

(f) Capital assets (continued):

Land is not amortized due to its infinite life. Construction in progress is not amortized until the project is complete and the assets come into use. Capital assets are amortized on a straight-line basis over their expected useful lives as follows:

Land improvements	5 to 25 years
Leasehold improvements	Term of lease plus expected extension of renewal option
Buildings and improvements	20 to 50 years
Building service equipment	5 to 25 years
Health information system	15 years
Major equipment	5 to 20 years
Software and network infrastructure	5 to 10 years

(g) Funds held on behalf of others:

The Hospital holds resources and makes disbursements on behalf of various unrelated individuals or groups. The Hospital has no discretion over such transactions. Resources received in connection with such trust fund transactions are reported as liabilities not revenue and subsequent distributions are reported as decreases to the liability not expenses.

(h) Employee benefit plans:

The Hospital provides defined retirement and other future benefits for substantially all retirees and employees. These future benefits include life insurance and health care benefits.

The Hospital accrues its obligations for employee benefit plans as the employees render the services necessary to earn the benefits. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected heath care costs. The most recent actuarial valuation was performed as at March 31, 2025. The next scheduled valuation will be as at March 31, 2028.

Adjustments arising from plan amendments, including past service costs, are recognized in the year that the plan amendments occur. Actuarial gains or losses are amortized over the average remaining service period of active employees.

The average remaining service period of active employees covered by the employee benefit plan is 13.0 years (2024 - 12.0 years).

1. Significant accounting policies (continued):

(h) Employee benefit plans (continued):

The Hospital is an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer, defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

(i) Use of estimates:

The preparation of these consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Significant estimates used in preparing these consolidated financial statements include the assumptions underlying the employee future benefit liability calculation, the valuation of the derivative asset, and the accrued liability for the asset retirement obligations.

(j) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos in several of the buildings owned by the Hospital has been recognized based on estimated future expenses on closure of the site and post-closure care. A liability for the removal of fuel storage tanks and a ground water treatment system has also been recognized based on the estimated future expense of removal which is dependent on the size and fuel class of the tank. These assumptions and calculations are reviewed and revised annually as needed.

The capitalized portion of the asset retirement liabilities are amortized over the term of the underlying asset, and as outlined in note 1(f).

(In thousands of dollars)

2. Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, cash held with banks and term deposits that can be liquidated on demand. These items are highly liquid, subject to insignificant risk of changes in value and have a short-term maturity of three months or less. They earn an interest at a weighted average rate of prime - 1.60% (2024 - prime - 1.64%)

During the year, the Hospital earned interest income of $5,185 (2024 - $6,006) on cash and cash equivalents which was recognized as investment revenue in the consolidated statement of operations.

3. Restricted cash:

Restricted cash consists of balances restricted for the following purposes:

	2025	2024
HIROC claims defense fund (note 18(b))	$ 13,488	$ 13,041
Self-insured employee benefits	4,803	7,224
Debenture interest accrued but not due	3,794	3,820
Other	773	451
	$ 22,858	$ 24,536

4. Investments:

Investments are comprised of the following:

			Weighted average rate of interest	
	2025	2024	2025	2024
Portfolio investments:				
Canadian equity securities	$ 3,226	$ 2,890	–	–
Short-term investments:				
Fixed guaranteed investment certificates	–	106,941	–	6.09%
	$ 3,226	$ 109,831		

(In thousands of dollars)

4. Investments (continued):

Equity securities are measured at fair value and their historical cost is $Nil (2024 - $Nil), as these were received in the form of donations.

Fixed guaranteed investment certificates (GICs) are GICs with fixed interest rates, have remaining maturities of less than one year, and cannot be liquidated on demand.

During the year, the Hospital earned interest income of $3,445 (2024 - $4,644) on investments which was recognized as revenue in the statement of operations.

5. Accounts and capital grants receivable:

(a) Accounts receivable:

	2025	2024
Accounts receivable from patients	$ 59,401	$ 54,576
Ontario Ministry of Health	79,760	59,711
Sales tax rebates receivable	12,749	14,818
Ottawa Hospital Research Institute (note 17(d))	11,352	8,335
Eastern Ontario Regional Laboratory Association Inc. (note 17(e))	5,902	–
The Ottawa Hospital Academic Family Health Team Inc. (note 17(b))	240	378
The Ottawa Hospital Foundation (note 17(c))	5,932	2,369
The Ottawa Hospital Residence Corporation (note 17(a))	1,490	753
The Ottawa Health Sciences Centre Inc. (note 18(f))	–	208
The Ottawa Hospital Auxiliaries and Association (note 17(f))	41	92
The Ottawa Heart Institute Research Corporation (note 17(h)(i))	180	7,193
The University of Ottawa Heart Institute Foundation (note 17(h)(ii))	137	135
Other	37,278	30,334
	214,462	178,902
Less allowance for doubtful accounts	(24,677)	(20,452)
	$ 189,785	$ 158,450

The allowance for doubtful accounts relates to accounts receivable from patients and other receivables and is determined based on prior experience with similar accounts. The current year allowance includes amounts associated with related parties.

(In thousands of dollars)

5. Accounts and capital grants receivable (continued):

(b) Capital grants receivable:

Capital grants receivable relate to grants restricted in use for capital asset acquisitions or projects, which have been approved by the funder and are receivable by the Hospital at year-end. These receivables are classified as long-term as the associated cash receipt is not expected to occur within one year. These amounts have also been included in the unspent portion of deferred contributions related to capital assets.

		2025		2024
Eastern Ontario Regional Laboratory Association Inc. (note 17(e))	$	814	$	1,594

6. Assets restricted for capital purchases:

Assets restricted for capital purchases is comprised of $69,949 (2024 - $69,940) related to funding received and restricted for the purpose of capital purchases, $76,500 (2024 - $57,789) in net parking revenue that has been restricted for capital purchases by the Hospital, and $100,118 (2024 - $190,810) related to unutilized debenture proceeds restricted for the New Campus Development (NCD).

The funds are held in the Hospital's bank account and invested in fixed GICs having a maturity of up to 799 days from the date of acquisition. Funds are classified as long-term as the associated cash outflow is not expected to occur within one year.

At March 31, 2025, an additional amount of $613 (2024 - $316) restricted for capital purchases was receivable by the Hospital.

					Weighted average rate of interest	
Assets restricted for capital purchases		2025		2024	2025	2024
Cash and cash equivalents	$	69,949	$	42,680	Prime-1.6%	Prime-1.6%
Fixed GICs		–		27,260	–	6.02%
Total	$	69,949	$	69,940		

(In thousands of dollars)

6. Assets restricted for capital purchases (continued):

Restricted net parking revenue		2025		2024	Weighted average rate of interest 2025	Weighted average rate of interest 2024
Cash and cash equivalents	$	76,500	$	57,789	Prime-1.6%	Prime-1.6%
Total	$	76,500	$	57,789		

Assets restricted for NCD		2025		2024	Weighted average rate of interest 2025	Weighted average rate of interest 2024
Cash and cash equivalents	$	23,873	$	9,390	Prime-1.35%	Prime-1.35%
Fixed GICs		76,245		181,420	6.24%	6.36%
Total	$	100,118	$	190,810		

During the year, the Hospital generated interest income of $3,250 (2024 - $3,299) on assets externally restricted for capital purchases and net interest income of $2,301 (2024 - $3,051) on assets restricted for NCD as per the underlying debenture term sheet. This interest income is deferred until the cash resources that made up the investment are used to purchase the capital assets. At that point in time, the interest will be amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate of the related capital assets.

Moreover, $2,855 (2024 - $4,053) was earned as interest income on internally restricted net parking revenue which was recognized as parking revenue in the statement of operations.

(In thousands of dollars)

7. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 57,287	$ –	$ 57,287	$ 44,387
Land improvements	5,336	5,336	–	–
Leasehold improvements	366	310	56	16
Buildings	1,180,621	679,761	500,860	530,667
Building service equipment	246,354	182,901	63,453	58,285
Health information system	151,813	62,835	88,978	97,578
Major equipment	751,431	624,791	126,640	129,241
Software and network infrastructure	2,333	1,730	603	287
Construction-in-progress	432,867	–	432,867	195,636
	$ 2,828,408	$ 1,557,664	$ 1,270,744	$ 1,056,097

(a) Cost and accumulated amortization:

Cost and accumulated amortization of capital assets at March 31, 2024 amounted to $2,532,920 and $1,476,823, respectively.

During the year ended March 31, 2025, the Hospital disposed of equipment with a cost of $17,314 (2024 - $8,882) and accumulated amortization of $16,419 (2024 - $4,977) for proceeds of $755 (2024 - $Nil), resulting in a loss of $140 (2024 - $3,905). The Hospital also recognized grants for $2,241 (2024 - $8,878) and reversed accumulated amortization of $1,494 (2024 - $4,973) resulting in an offsetting gain of $747 (2024 - $3,905).

During the year ended March 31, 2025, the Hospital increased the asset retirement obligation cost estimates by $3,821 (2024 - $22,654) to reflect a 2.61% (2024 - 3.66%) escalation rate for building construction price indexes for asbestos removal in the current year. Of this amount, $3,790 (2024 - $22,383) has been recorded as an addition to buildings and will be amortized over the remaining useful lives of the respective building, and $31 (2024 - $271) was recorded as a decrease in accumulated amortization for buildings as the related assets were fully depreciated.

(b) Contribution of New Campus Development land:

Land includes a contribution from the Government of Canada in 2019 with an estimated fair value at the time of contribution of $32,600. The mechanism for this contribution of land is a 99-year lease between the Government and the Hospital with annual lease payments of one dollar contingent on the land being used for the construction and operation of the new hospital campus. Land also includes site remediation costs of $Nil incurred (2024 - $10,242) for the NCD project.

(In thousands of dollars)

7. Capital assets (continued):

(c) Riverside Campus change in use of land:

The Hospital originally acquired the Riverside Campus land from the City of Ottawa (the “City”), subject to covenants restricting the land's use. The Hospital was required to compensate the City based on the fair market value (“FMV”) of the land if it was repurposed. A portion of the Riverside Campus land is being developed for a Long-Term Care and Retirement Home, which qualifies as repurposing under the covenant. Therefore, a fair market value was independently determined at $12,900 which the Hospital owed to the City under the covenant. The City transferred its right to receive this payment to the Province of Ontario, which subsequently forgave the Hospital’s obligation. As a result of these transactions, the Hospital recorded $12,900 as a contribution received for land.

8. Asset retirement obligations:

The Hospital’s asset retirement obligations consist of:

	2025	2024
Fuel storage tanks and ground water treatment system	$ 1,571	$ 1,571
Asbestos removal	150,207	146,386
	$ 151,778	$ 147,957

Asset retirement obligations - continuity

	2025	2024
Balance, beginning of year	$ 147,957	$ 125,303
Changes in estimates	3,821	22,654
Remediation	–	–
Balance, end of year	$ 151,778	$ 147,957

(In thousands of dollars)

8. Asset retirement obligations (continued):

(a) Asbestos obligation:

The Hospital owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The Hospital has an obligation relating to the removal and post-removal care of the asbestos in these buildings. Buildings include both fully amortized, and not-fully amortized assets. The buildings had an estimated useful life of between 20 and 50 years when they were purchased between the years 1924 and 1988. As such, 6 to 7 years remain. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

During the year ended March 31, 2025, the Hospital increased the asset retirement obligation cost estimates by $3,821 (2024 - $22,654) to reflect a 2.61% (2024 - 3.66%) escalation rate for building construction price indexes for asbestos removal in the current year.

(b) Fuel storage tanks and ground water treatment system obligation:

The Hospital owns fuel storage tanks and a ground water treatment system which represents an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. The building service equipment had an estimated useful life of between 15 and 20 years when they were purchased between the years 1999 and 2021 of which 1 to 18 years remain. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

9. Funds held on behalf of others:

Funds held in trust are held with the Hospital's bank and represent the aggregate balance of funds held in trust for third parties.

10. Deferred revenue:

Deferred revenue represents unspent grants for operating purposes, and restricted funding for special projects that has been received and relates to a subsequent year. The deferred revenue balance consists of:

	2025	2024
Ontario Ministry of Health	$ 28,824	$ 38,144
Special projects	34,993	21,124
	$ 63,817	$ 59,268

(In thousands of dollars)

10. Deferred revenue (continued):

The changes in the deferred revenue balance for the year are as follows:

	2025	2024
Balance, beginning of year	$ 59,268	$ 76,315
Amounts received during the year:		
Ontario Ministry of Health	12,073	16,762
Special projects	16,279	4,231
Amount recognized as revenue during the year	(14,729)	(24,699)
Amount reclassified to accounts payable	(8,701)	(11,986)
Amount reclassified to accounts receivable	(373)	(1,355)
Balance, end of year	$ 63,817	$ 59,268

11. Long-term debt:

Long-term debt is unsecured and consists of the following:

	2025	2024
Senior Unsecured Series A Debentures (note 11(a)), bearing interest at 4.64%	$ 274,597	$ 274,587
Term loan interest rate through a SWAP contract at a fixed rate of 2.28% (2024 - 2.28%) plus a spread, maturing on October 31, 2029, payable in monthly installments of $125 principal (note 11(b))	6,875	8,375
Term loan facility, bearing interest at CORRA* rate plus 0.86%, maturing September 2034 (note 11(b))	75,054	82,954
Capital lease obligation related to imaging equipment, repayment in monthly installments of $82, expiring in April 2028	2,764	3,560
Capital lease obligation related to HIS, repayment in monthly instalments of $262 beginning October 2019, expired August 2024	–	1,078
	359,290	370,554
Less current portion of long-term debt	(10,243)	(11,274)
	$ 349,047	$ 359,280

** CORRA = Canadian Overnight Repo Rate Average*

(In thousands of dollars)

11. Long-term debt (continued):

The future anticipated annual principal payments related to the long-term debt consist of the following:

2026	$	10,243
2027		10,293
2028		10,346
2029		9,482
2030		8,775
Thereafter		310,151
	$	359,290

(a) Senior Unsecured Series A Debentures:

On June 14, 2023, the Hospital issued $275,000 Senior Unsecured Series A Debentures at par, to finance construction of the Parking Structure and Local Share Plan of the New Civic Campus. The cash proceeds of the debentures are restricted under assets restricted for capital purchases on the statement of financial position to limit the usage to the construction of the Parking Structure and Local Share Plan of the New Civic Campus in line with the debenture term sheet. The interest expense and interest income on the unutilized portion of debenture proceeds are recorded as deferred contributions related to capital assets. The interest expense on the utilized portion of the debenture proceeds is recorded in capital assets as a construction-in-progress cost.

The debentures carry an interest rate of 4.64% payable semi-annually on June 14 and December 14, with the principal to be repaid on June 14, 2063. During the year, interest paid amounted to $12,755 (2024 - $6,377). Interest expense of $6,674 (2024 - $8,541) was recorded in Deferred contributions related to capital assets, and interest costs of $6,055 (2024 - $1,657) were capitalized in Capital assets. No interest income or interest expense related to debentures was recorded in the statement of operations.

Transaction costs of $422 (2024 - $422) were incurred on issuance of the debentures in fiscal 2025. These costs are amortized and expensed in the statement of operations over the 40-year term of the debentures. Amortization in the current year was $11 (2024 - $8). The debenture value is reflected net of unamortized transaction costs.

As at March 31, 2025, unspent debenture proceeds of $100,118 (2024 - $190,810) have been restricted for the Parking Structure and Local Share Plan, of which $76,245 is invested in GICs with various banks and $23,873 is held in high interest earning savings account.

(In thousands of dollars)

11. Long-term debt (continued):

(b) Interest rate swap derivatives:

The Hospital entered into a 15-year forward interest rate swap agreement with a $115,000 notional value, effective September 1, 2019. The notional value amortizes on a monthly basis at a preset schedule until maturity, September 1, 2034. The current notional value is $72,833 (2024 - $80,500). The Hospital is obligated to pay a fixed interest of 3.14% while receiving variable rate interest which offsets the variable rate interest paid on its term loan. At March 31, 2025, the interest rate swap contract had a positive fair value of $746 (2024 - positive fair value of $4,815). The current year impact of the change in fair value of the interest rate swap of $4,069 (2024 - $1,215) is recorded in the statement of remeasurement gains and losses.

The Hospital also entered into a 10-year forward interest rate swap agreement with a $15,000 notional value, effective October 31, 2019 and maturing October 31, 2029. The Hospital is obligated to pay fixed interest of 3.28% (2024 - 3.28%) while receiving variable rate interest which offsets the variable rate interest paid on its term loan. At March 31, 2025, the interest rate swap contract had a positive fair value of $14 (2024 - $331).

12. Employee future benefits:

(a) Health and dental plans:

The Hospital offers a defined benefit plan which provides extended health care and dental insurance benefits to certain of its employees and extends this coverage to the post-retirement period. The most recent actuarial valuation of employee future benefits was completed as at March 31, 2025.

At March 31, 2025 the Hospital's liability associated with the benefit plan is as follows:

	2025	2024
Accrued benefit obligation	$ 62,902	$ 72,678
Unamortized experience gains	17,221	3,144
Employee future benefit liability	$ 80,123	$ 75,822

The Hospital's defined benefit plan is not funded, resulting in a plan deficit equal to the accrued benefit obligation.

(In thousands of dollars)

12. Employee future benefits (continued):

(a) Health and dental plans (continued)

The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligations are as follows:

	2025	2024
Discount rate to determine accrued benefit obligation	3.90%	3.89%
Dental cost increases	4.00%	3.75%
Extended healthcare cost escalations	5.67%	5.42%
Expected average remaining service life of employees	13.0 years	12.0 years

The employee future benefit liability change is comprised of:

	2025	2024
Current service cost	$ 4,301	$ 4,028
Prior period cost of plan amendment incurred during the year	95	–
Interest on accrued benefit obligation during the year	2,846	2,717
Amortization of net experience losses (gains)	951	(746)
Benefit payments made by the Hospital during the year	(3,892)	(3,476)
	$ 4,301	$ 2,523

(b) Hospital of Ontario Pension Plan:

Substantially all of the employees of the Hospital are members of the Healthcare of Ontario Pension Plan (the “Plan”), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Contributions to the Plan made during the year by the Hospital on behalf of its employees amounted to $78,859 (2024 - $71,387) and are included in the consolidated statement of operations.

Pension expense is based on Plan management's best estimates, as determined in consultation with its actuaries, of the amount required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

(In thousands of dollars)

12. Employee future benefits (continued):

(b) Hospital of Ontario Pension Plan (continued):

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the Plan as at December 31, 2024 indicates the plan is fully funded.

13. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent the unamortized and unspent amounts of donations and grants received, plus interest earned, for the purchase of capital assets. It also includes net interest income earned on unspent debenture proceeds, which are restricted for NCD as per the underlying debenture term sheet. The amortization of capital contributions is recorded as revenue in the consolidated statement of operations.

The changes in the deferred balance for the year are as follows:

	2025	2024
Balance, beginning of year	$ 648,545	$ 623,704
Add cash contributions received or receivable during the year	162,449	63,777
Add interest earned on amounts received and deferred	5,551	6,350
Less amortized contributions recognized as gain on disposal (note 7(a))	(747)	–
Less amounts amortized for major equipment	(13,889)	(19,410)
Less amounts amortized for buildings	(26,217)	(25,876)
Balance, end of year	$ 775,692	$ 648,545

The balance of unamortized and unspent capital contributions consists of the following:

	2025	2024
Unamortized capital contributions (note 14)	$ 705,743	$ 578,605
Unspent capital contributions (note 6)	69,949	69,940
	$ 775,692	$ 648,545

(In thousands of dollars)

14. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2025	2024
Capital assets	$ 1,270,744	$ 1,056,097
Amounts financed by:		
Long-term debt (note 11)	(359,290)	(370,554)
Unused debenture proceeds (note 6)	100,118	190,810
Net long-term debt funding	(259,172)	(179,744)
Deferred contributions related to capital assets (note 13)	(705,743)	(578,605)
Asset retirement obligation liability (note 8)	(151,778)	(147,957)
	$ 154,051	$ 149,791

(b) Net change in investment in capital assets is calculated as follows:

	2025	2024
Purchase of capital assets	$ 309,012	$ 188,099
Amounts funded by deferred contributions	(167,244)	(65,709)
Amounts funded by long-term debt	11,264	(248,873)
Unused debenture proceeds (note 6)	(90,692)	190,810
Gain on disposal of capital assets	(140)	–
Proceeds on disposal of capital assets	(755)	–
Amortization of deferred contributions related to capital assets	40,106	45,286
Amortization of capital assets	(97,291)	(98,823)
	4,260	10,790
Amounts funded by contributions for land (notes 7(b) and 7(c))	(12,900)	(1,150)
	$ (8,640)	$ 9,640

(In thousands of dollars)

15. Net change in non-cash working capital:

	2025	2024
Accounts receivable	$ (31,335)	$ 13,101
Inventories	(1,665)	(589)
Prepaid expenses	(7,292)	(3,018)
Accounts payable and accrued liabilities	(21,470)	65,262
Deferred revenue	4,549	(17,047)
Net change in non-cash working capital	$ (57,213)	$ 57,709

16. Financial instruments:

(a) Establishing fair value:

The following classification system is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – Observable or corroborated inputs, other than Level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of these assets and liabilities.

Portfolio investments are Level 1 fair value and derivative asset are Level 2 fair value.

(b) Risk management:

The Hospital is exposed to various financial risks through its transactions and holdings in financial instruments.

(i) Credit risk:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The Hospital is exposed to credit risk on its accounts receivable as disclosed in note 5. Management believes its allowance for doubtful accounts is sufficient on its receivables from patients and other receivables and has implemented collection recovery procedures to mitigate its credit risk.

16. Financial instruments (continued):

(b) Risk management (continued):

(ii) Liquidity risk:

Liquidity risk is the risk the Hospital will not be able to meet its financial obligations when they come due. The Hospital manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The Hospital's liquidity risk has increased in the year due to the effect of on-going operating losses on its overall liquidity. The Hospital will require sufficient and timely funding from the Ontario Ministry of Health to fulfil its obligations on a timely basis and at a reasonable cost.

(iii) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and other price risk.

(iv) Interest rate risk:

Interest rate risk is the risk of an increase in interest expense or reduction in interest income as a consequence of adverse movements in interest rates. The interest rate exposure of the Hospital arises from its long-term debt (note 11) and its investments in fixed income securities (note 4).

The Hospital is exposed to interest rate risk with respect to its long-term debt as the interest rate is linked to CORRA. The Hospital entered into a forward fixed interest rate swap contract to mitigate the interest rate risk on the long-term debt (note 11). However, as at March 31, 2025, the Hospital had $1,987 (2024 - $2,221) of long-term debt and $234 (2024 - $234) of current portion of long-term debt unhedged and exposed to interest rate risk.

(v) Currency and other pricing risks:

The Hospital believes it is not subject to significant foreign currency or other pricing risks arising from its financial instruments.

The Hospital's financial risks, other than liquidity risk, have decreased during the year due to falling interest rates, inflation and market fluctuations. Management believes that these financial risks are appropriately mitigated and do not pose significant risk to the Hospital's on-going operations. There have been no significant changes in the policies, procedures, and methods used to manage these risks in the year.

(In thousands of dollars)

17. Related entities:

(a) The Ottawa Hospital Residence Corporation:

The Hospital exercises control over The Ottawa Hospital Residence Corporation (the “Corporation”), a tax-exempt entity without share capital incorporated under the laws of Ontario. The Corporation provides accommodation to the interns and family of patients of the Hospital, parking facilities to patients and staff of the Hospital and manages other business activities.

During the year, the Hospital received $1,000 (2024 - $500) from the Corporation. As at March 31, 2025, the Hospital had a receivable from the Corporation amounting to $1,490 (2024 - $753).

The summarized assets, liabilities and results of operations for the Corporation for the year ended December 31 is as follows:

	2025	2024
Financial position:		
Total assets	$ 5,135	$ 3,687
Total liabilities	$ 1,515	$ 655
Net assets	3,620	3,032
	$ 5,135	$ 3,687
Results of operations:		
Total revenue	$ 3,155	$ 2,554
Total expenses	2,567	1,784
Excess of revenue over expenses	$ 588	$ 770
Cash flows:		
Operating activities	$ 1,735	$ (141)
Investing activities	(202)	(387)
Net cash flows	$ 1,533	$ (528)

(b) The Ottawa Hospital Academic Family Health Team Inc.:

The Hospital exercises control over The Ottawa Hospital Academic Family Health Team Inc., a tax-exempt entity without share capital incorporated under the Canada Corporations Act. The Ottawa Hospital Academic Family Health Team Inc. operates a primary healthcare center that provides medical, health, and support services for the general public as well as conducts or participates in research relating to family medicine and primary healthcare.

(In thousands of dollars)

17. Related entities (continued):

(b) The Ottawa Hospital Academic Family Health Team Inc. (continued):

During the year, the Hospital provided supplementary funding of $518 (2024 - $447) to the Ottawa Hospital Academic Family Health Team Inc.. As at March 31, 2025, the Hospital had a receivable from the Ottawa Hospital Academic Family Health Team Inc., amounting to $240 (2024 - $378).

The summarized assets, liabilities and results of operations for the Ottawa Hospital Academic Family Health Team Inc. for the year ended March 31 are as follows:

	2025	2024
Financial position:		
Total assets	$ 699	$ 918
Total liabilities	$ 699	$ 918
Results of operations:		
Total revenue	$ 5,441	$ 5,279
Total expenses	5,441	5,279
Excess of revenue over expenses	$ –	$ –
Cash flows:		
Operating activities	$ (224)	$ 55
Net cash flows	$ (224)	$ 55

(c) The Ottawa Hospital Foundation:

The Hospital has an economic interest in The Ottawa Hospital Foundation (the “Foundation”), a tax-exempt entity without share capital incorporated under the laws of Ontario. The Foundation was established to raise, receive, maintain, and manage funds to be distributed towards various programs and capital projects of the Hospital.

During the year, donations granted to the Hospital were $8,748 (2024 - $3,613) from the Foundation. As at March 31, 2025, the Hospital had a receivable from the Foundation amounting to $5,932 (2024 - $2,369).

In addition, the Foundation donated gifts-in-kind to the Hospital, which were recorded by the Hospital at no value. The Hospital leased space to the Foundation at a cost of $64 (2024 - $70).

17. Related entities (continued):

(d) Ottawa Hospital Research Institute:

The Hospital has an economic interest in the Ottawa Hospital Research Institute (the "Institute"). The Institute carries on and exclusively promotes scientific research and experimental development for the benefit of the general public. The Institute is a tax-exempt entity incorporated under the laws of Ontario.

During the year, the Hospital provided funding in support of resources of $5,982 (2024 - $6,980) to the Institute. The Hospital also provided support of $150 (2024 - $150) for specific operating expenditures to the Institute. These amounts are recorded in supplies and other expenses on the consolidated statement of operations.

As at March 31, 2025, the Hospital had a receivable from the Institute amounting to $11,352 (2024 - $8,335).

Additionally, the Hospital leased space to the Institute at a cost of $81 (2024 - $78) during the year.

(e) Eastern Ontario Regional Laboratory Association Inc.:

The Hospital is a founding member of Eastern Ontario Regional Laboratory Association Inc. ("EORLA"). EORLA was established to provide specialized laboratory services to the sixteen member hospitals on a cost of service basis.

As at March 31, 2025, the Hospital had an economic interest of $14,673 (2024 - $14,885) of total net assets of $24,920 (2024 - $25,381).

As at March 31, 2025, the Hospital had a capital grant receivable from EORLA amounting to $814 (2024 - $1,594) relating to construction of a regional laboratory and investments in capital equipment. As at March 31, 2025, the Hospital had an operational receivable from EORLA amounting to $5,902 (2024 - $Nil). As at March 31, 2025, the Hospital also had a payable to EORLA amounting to $727 (2024 - $1,006).

(f) The Ottawa Hospital Auxiliary:

The Hospital holds an economic interest in The Ottawa Hospital Auxiliary. The object of the Auxiliary is to raise and receive funds to be distributed towards various programs and capital projects of the Hospital and its related Foundations. The Auxiliary is a tax-exempt entity. The Auxiliary was created under the laws of Ontario. As at March 31, 2025, the Hospital had a receivable from the Auxiliary amounting to $41 (2024 - $92).

(g) Ottawa Regional Hospital Linen Services Incorporated:

The Hospital is a founding member of the Ottawa Regional Hospital Linen Services Incorporated ("ORHLS"). ORHLS was established to provide laundry services to member hospitals on a cost of service basis.

17. Related entities (continued):

(g) Ottawa Regional Hospital Linen Services Incorporated (continued):

At March 31, 2025, the Hospital had an economic interest of $14,307 (2024 - $12,732) of total net assets of $26,225 (2024 - $23,325).

For the year ended March 31, 2025, the Hospital provided $9,062 (2024 - $8,869) to ORHLS for linen services. These amounts have been included in supplies and other operating expenses on the consolidated statement of operations.

(h) University of Ottawa Heart Institute related parties:

By virtue of its interest in the University of Ottawa Heart Institute, The Ottawa Hospital is related to the following entities as described below.

(i) Ottawa Heart Institute Research Corporation:

The Ottawa Heart Institute Research Corporation ("OHIRC") is incorporated without share capital under the Canada Not-for-Profit Corporations Act. The purpose of the OHIRC is to conduct, acquire, solicit or receive research money to operate and maintain laboratories and a research facility. The OHIRC is a registered charity and, as such, is exempt from income taxes under subsection 149(1)(l) of the Income Tax Act (Canada). In addition, the OHIRC is classified as a non-profit corporation for scientific research and experimental development as defined in subsection 149(1)(l) of the Income Tax Act (Canada).

The University of Ottawa Heart Institute has an economic interest in the OHIRC. Included in accounts receivable is $180 (2024 - $7,193) relating to construction projects and other costs incurred on behalf of the OHIRC. Included in accounts payable is $3,205 (2024 - $2,267) relating to payroll and other support costs incurred by the OHIRC. These amounts are non-interest bearing and have no specified terms of repayment.

During the year, the University of Ottawa Heart Institute provided $6,929 (2024 - $8,318) of base funding in support of research to the OHIRC. These amounts are included under supplies and other expenses in the statement of operations.

The OHIRC provides payroll management services to the Institute for a limited group of employees at no cost. All salaries and benefits costs are reimbursed on a monthly basis by the University of Ottawa Heart Institute. During the year, a total of $12,756 (2024 - $9,952) in salaries and benefits were reimbursed to the OHIRC by the Institute.

These transactions are considered to be in the normal course of operations and are measured at the exchange amount.

17. Related entities (continued):

(h) University of Ottawa Heart Institute related parties (continued):

(ii) University of Ottawa Heart Institute Foundation:

The University of Ottawa Heart Institute Foundation ("UOHIF") is incorporated without share capital under the Canada Not-for-Profit Corporations Act. UOHIF coordinates and promotes fundraising and endowment activities to support and fund research, patient care, education and other activities concerning cardiovascular health at the University of Ottawa Heart Institute and the OHIRC. UOHIF is a registered charity and, as such, is exempt from income taxes under subsection 149(1)(l) of the Income Tax Act (Canada).

The University of Ottawa Heart Institute has an economic interest in the UOHIF as the UOHIF holds resources that are used to benefit the University of Ottawa Heart Institute.

Included in accounts receivable is $137 (2024 - $135) owing from UOHIF. Included in accounts payable and accrued liabilities is $Nil (2024 - $32,700) owing to UOHIF.

During the year ended March 31, 2025, the University of Ottawa Heart Institute approved transfers of $Nil (2024 - $32,700) to the UOHIF, under a terms of reference agreement restricting the use of funds.

During the year, the University of Ottawa Heart Institute received funding of $2,148 (2024 - $1,015) from the UOHIF to support clinical programs, equipment purchases, and capital programs.

The Hospital has guaranteed, in the form of a second ranking security in all of its personal property, a credit facility the University of Ottawa Heart Institute Foundation has entered into with the Royal Bank of Canada composed of a fixed rate facility ($10,000). The fixed rate facility balance at March 31, 2025 was $3,257 (2024 - $4,291), maturing January 31, 2028, bearing an interest rate of 2.10% plus a spread, through a forward SWAP contract.

(iii) Alumni and Auxiliary:

The University of Ottawa Heart Institute is also related to the Ottawa Heart Institute Alumni Association (the "Alumni") and the Heart Institute Auxiliary. The object of the Heart Institute Auxiliary and the Alumni is to raise and receive funds to be distributed towards various programs and capital projects of the University of Ottawa Heart Institute, OHIRC and the UOHIF. The Heart Institute Auxiliary and Alumni are tax-exempt entities created under the laws of Ontario.

These related party transactions are considered to be in the normal course of operations and are measured at the exchange amount.

18. Commitments, contingencies and guarantees:

(a) The nature of the Hospital's activities is such that there is usually litigation pending or in process at any time. With respect to claims at March 31, 2025, management believes the Hospital has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Hospital's financial position.

(b) A group of hospitals, including the Hospital, have formed the Healthcare Insurance Reciprocal of Canada (“HIROC”). HIROC is registered as a Reciprocal pursuant to provincial Insurance Acts which permit persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the provinces and territories where it is licensed. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the year in which they were a subscriber. No such assessments were required during the year ended March 31, 2025.

(c) To the extent permitted by law the Hospital indemnifies present and former directors and officers against certain claims that may be made against them as a result of their service as directors or officers. The Hospital purchases directors' and officers' liability insurance that may be available in certain instances. The nature and likelihood of these arrangements preclude the Hospital from making a reasonable estimate of the maximum potential amount the Hospital could be required to pay to counterparties. The Hospital believes the likelihood that it will incur significant liability under these arrangements is remote and accordingly, no amount has been recorded in the consolidated financial statements for these guarantees.

(d) At March 31, 2025, the Hospital has an environmentally contaminated site and has not recorded a liability for remediation costs as the probability and the measurement of such costs are indeterminable at this time.

(e) At March 31, 2025, the Hospital has construction-in-progress recorded in capital assets of $432,277 (2024 - $195,607) with $179,726 (2024 - $86,400) of this amount related to the NCD parking garage. The cost to complete this construction-in-progress is estimated at $258,172 (2024 - $291,568) with $123,073 (2024 - $195,833) of this amount related to the NCD parking garage.

(f) The Hospital is a member of the Ottawa Health Sciences Centre Inc. (“OHSC”). The OHSC was established to provide oversight and direction for the maintenance of the lands where The Ottawa Hospital, Children’s Hospital of Eastern Ontario, University of Ottawa and The Ottawa Children’s Treatment Centre are located.

18. Commitments, contingencies and guarantees (continued):

(f) (continued):

As a member of the OHSC, the Hospital is party to a Thermal Energy Agreement (“TEA”) with Trans/Alta Corporation for the purchase of thermal energy for heating and humidifying the Hospital. In 2022, the TEA was amended and resulted in an extension of its term from January 1, 2024 to December 31, 2033.

(g) The Hospital, in conjunction with the Ontario Ministry of Health, has undertaken a major capital redevelopment project to build a new campus for The Ottawa Hospital. The new campus will enable the Hospital to offer a state-of-the-art medical, academic and research facility to meet the growing healthcare needs of the people of Ottawa and the surrounding communities. In February 2024, the Hospital and Infrastructure Ontario (“IO”) signed a Development Phase Agreement where the Hospital, IO, The Ottawa Hospital Build Partners, which is a joint venture between PCL and Ellis Don (“PCL/ED”), and the Ontario Ministry of Health will work collaboratively to finalize the design, pricing and schedule of what will become one of Canada’s most modern, accessible and sustainable academic and acute care hospitals.

(h) The Ottawa Hospital and Hydro Ottawa entered a partnership, marked by the signing of a memorandum of understanding, to construct an energy-efficient central utility plant that will not only support the cutting-edge new hospital but also contribute to the advancement of sustainable energy generation within Ottawa. The agreement signifies a commitment to move forward with the planning and construction phases of the new facility.

(i) During the normal course of operations, the Hospital is involved in certain employment related negotiations and other matters and has recorded accruals based on management’s estimate of potential settlement amounts where these amounts are reasonably determinable and deemed likely to occur.

(j) On November 29, 2022, the Ontario Superior Court rendered a decision to declare the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*, known as Bill 124, to be void and of no effect. On December 29, 2022, The Province of Ontario appealed the Superior Court’s decision, but the Government has not sought a stay of decision. This ruling has triggered reopener provisions that required renewed negotiations with certain labour groups on compensation for the years that were previously capped by the legislation. The Hospital has made payments as required for settled contracts, and does not have any remaining liabilities related to Bill 124 contract reopeners.

In 2024, the Ontario Ministry of Health provided funding to the Hospital to partially offset the cost of both the retroactive adjustments and the current year impact on salaries and wages. The funding received with respect to the retroactive adjustments was presented separately in the non-consolidated statement of operations. In 2025, the Ontario Ministry of Health provided base stabilization funding to the Hospital that fully funded the impacts of Bill 124.

(In thousands of dollars)

18. Commitments, contingencies and guarantees (continued):

(k) The Ottawa Hospital has contracts with Epic Systems Corp. and Epic Hosting LLC ("Epic") for the provision of services, software and hosting related to the Health Information System ("HIS") which expires on September 6, 2032 (2024 - August 31, 2024). The contracts are a perpetual license agreement that automatically renews on an annual basis in September unless terminated by the Hospital.

As of March 31, 2025, the Hospital supports 10 partner hospitals in using the same instance of Epic. Six additional partner hospitals have signed a letter of intent to join the Epic instance. Their onboarding process will commence in April 2025 and is expected to be completed over an 18-month period. Each partner hospital reimburses the Hospital for their portion of the implementation and ongoing operating costs. The maximum committed value of the contracts is $246,043 (2024 - $7,504), including partner hospital costs.

(l) The Hospital has operating lease agreements with future minimum annual payments as follows:

2026	$ 11,405
2027	5,690
2028	2,243
2029	629
2030	448
	$ 20,415

19. Line of credit:

The Hospital has an operating revolving facility of $24,000 (2024 - $24,000) with one of its corporate bankers, of which no amount was drawn against as at March 31, 2025 and 2024. This facility is unsecured and bears interest at prime less 0.75%.

The Hospital has a limit of $25,000 (2024 - $10,000) for issuing letter of credit, of which $21,930 was utilized as at March 31, 2025 (2024 - $8,648).

The Hospital also has an overdraft lending agreement with one of its corporate bankers for $400 (2024 - $400) for the purpose of financing a Letter of Credit for the City of Ottawa. The operating loan is repayable on demand, bears interest at prime less 0.75% and is secured by a general security agreement. No amount has been drawn on this facility as at March 31, 2025 and 2024.

20. Public-Private Partnership:

The Hospital is building a new state-of-the-art hospital (“New Civic Hospital” or the “Project”). The New Civic Hospital is being designed and built through a progressive public-private partnership (“P3”) approach (and specifically, through Design-Build-Finance-Maintain or DBFM model) designed to foster collaborative development with all partners. The Hospital continues to work collaboratively with Infrastructure Ontario, Ontario Ministry of Health and PCL/ED to finalize the design, pricing, schedule, risk parameters and project requirements for the Project. Once these requirements have been met, the Hospital expects to enter into a fixed price Project Agreement with PCL/ED.

On February 20, 2024, the Hospital and IO signed a Development Phase Agreement (“DPA”) with PCL/ED, and the Hospital signed a Canadian Construction Documents Committee 5B contract (“CCDC 5B”) with PCL/ED to start site preparation for the New Civic Hospital.

As at March 31, 2025, the Hospital has recorded $120,571 (2024 - $18,318) in capital assets for design costs per the DPA which includes a holdback of $1,154 (2024 - $1,832).

The Ontario Ministry of Health provided funding of $104,085 (2024 - $16,486) which has been recorded as deferred capital contributions as at March 31, 2025.

As at March 31, 2025, the Hospital has recorded $22,917 (2024 - $1,544) in capital assets for design costs which includes a holdback of $1,932 (2024 - $99).

As at March 31, 2025, The Ontario Ministry of Health provided funding of $21,527 (2024 - $1,390) which has been recorded as deferred capital contributions.

21. Comparative information:

Certain 2024 comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for 2025.