



# **Financial Statements**

March 31, 2025



# Ontario Health

June 25, 2025

## **Management's Responsibility for Financial Information**

Management of Ontario Health is responsible for the integrity, consistency, objectivity and reliability of the financial statements. 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. Estimates and assumptions are based on historical experience, current conditions and various other assumptions believed to be reasonable in the circumstances.

Management is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the financial records are relevant, reliable and accurate, and that assets are properly accounted for and safeguarded. Internal audits are conducted to assess management systems and practices, and reports are issued to the Finance, Audit and Risk Committee.

Ontario Health's Board of Directors, through the Finance, Audit and Risk Committee is responsible for ensuring that management fulfilled its responsibilities for financial reporting and internal controls. The Committee meets regularly with management and the Office of 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 Committee is also responsible for reviewing our internal controls, and advising the directors on auditing matters and financial reporting issues.

The Office of the Auditor General, appointed by our legislation has audited the financial statements in accordance with Canadian generally accepted auditing standards, as stated in their Independent Auditor's Report. The Office of the Auditor General has full and unrestricted access to the Audit Committee to discuss their audit and related findings.

On behalf of Ontario Health Management,

A handwritten signature in black ink, appearing to read 'Matthew Anderson'.

Matthew Anderson,  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Elham Roushani'.

Elham Roushani, BSc, CPA, CA  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

### To Ontario Health

#### Opinion

I have audited the financial statements of Ontario Health, which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated surplus, changes in net debt 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 Ontario Health as at March 31, 2025, and the results of its operations, changes in its net debt and its cash flow for the year 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 Ontario Health 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 Ontario Health'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 Ontario Health either intends to cease operations, or has no realistic alternative but to do so.

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

## 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 Ontario Health'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 Ontario Health'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 Ontario Health 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 25, 2025

Shelley Spence, FCPA, FCA, LPA  
Auditor General

# Statement of Financial Position

As at March 31, 2025  
(in thousands of dollars)

	2025 \$	2024 \$
<b>Financial assets</b>		
Cash	356,672	514,106
Due from the Ministries (note 4)	1,256,783	1,296,662
Due from Health Service Providers (note 5)	668,345	719,593
Accounts receivable (notes 6 and 21)	52,979	45,763
<b>Total financial assets</b>	<b>2,334,779</b>	<b>2,576,124</b>
<b>Liabilities</b>		
Due to the Ministries (note 7)	1,197,741	1,183,701
Due to Health Service Providers	1,090,043	1,241,117
Accounts payable and accrued liabilities (notes 8 and 21)	66,527	53,896
Unearned revenue (note 9)	32,613	132,264
Obligations under capital leases (note 10)	21,296	3,652
Post-employment benefits other than pension plan (note 11)	1,307	1,542
Deferred capital contributions (note 12)	7,087	15,207
<b>Total liabilities</b>	<b>2,416,614</b>	<b>2,631,379</b>
<b>Net debt</b>	<b>(81,835)</b>	<b>(55,255)</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 13)	27,307	19,116
Prepaid expenses (note 14)	55,664	37,275
<b>Total non-financial assets</b>	<b>82,971</b>	<b>56,391</b>
<b>Accumulated surplus</b>	<b>1,136</b>	<b>1,136</b>

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

Approved by the Board of Directors



Dr. Catherine Zahn  
Chair, Board



Lynda Hawton  
Chair, Finance, Audit & Risk Committee

# Statement of Operations and Accumulated Surplus

For the year ended March 31, 2025

(in thousands of dollars)

	2025 Budget \$	2025 Actual \$	2024 Actual \$
<b>Revenues</b>			
Government transfers – Ministry of Health	36,192,076	40,644,667	35,028,475
Government transfers – Ministry of Long-Term Care	5,154,608	4,585,694	5,029,286
Amortization of deferred capital contributions	8,246	8,120	10,550
Other revenue and grant funding (note 15)	34,323	30,533	9,522
<b>Total revenues</b>	<b>41,389,253</b>	<b>45,269,014</b>	<b>40,077,833</b>
<b>Expenses (note 16)</b>			
<b>Transfer payments:</b>			
Transfer payments to Health Service Providers	35,401,345	39,900,728	34,313,560
Transfer payments to Long-Term Care	5,153,956	4,585,045	5,029,186
<b>Operations:</b>			
Direct program delivery	785,213	736,906	688,987
Corporate services	35,124	33,031	30,960
Occupancy	10,319	9,464	11,044
Patient Ombudsman (schedule 2)	3,296	3,840	4,096
<b>Total expenses</b>	<b>41,389,253</b>	<b>45,269,014</b>	<b>40,077,833</b>
<b>Operating surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated operating surplus</b>			
<b>Operating surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
Accumulated operating surplus, beginning of year	1,136	1,136	1,136
<b>Accumulated operating surplus, end of year</b>	<b>1,136</b>	<b>1,136</b>	<b>1,136</b>

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

## Statement of Changes in Net Debt

For the year ended March 31, 2025

(in thousands of dollars)

	2025 Budget \$	2025 Actual \$	2024 Actual \$
<b>Net debt, beginning of year</b>	(55,255)	(55,255)	(71,128)
Operating surplus	-	-	-
Changes in non-financial assets:			
Acquisition of tangible capital assets (note 13)	-	(22,201)	-
Disposal of tangible capital assets (note 13)	-	19	14
Amortization of tangible capital assets (note 13 and 16)	9,343	13,991	12,550
Acquisition of prepaid expenses (note 14)	-	(110,556)	(79,320)
Use of prepaid expenses (note 14)	-	92,167	82,629
Changes in non-financial assets	<b>9,343</b>	<b>(26,580)</b>	<b>15,873</b>
<b>Net debt, end of year</b>	<b>(45,912)</b>	<b>(81,835)</b>	<b>(55,255)</b>

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

# Statement of Cash Flows

For the year ended March 31, 2025

(in thousands of dollars)

	2025 \$	2024 \$
<b>Cash flows from operating activities:</b>		
Operating surplus	-	-
Adjustments for non-cash items:		
Amortization of tangible capital assets	13,991	12,550
Amortization of deferred capital contributions	(8,120)	(10,550)
Loss on disposal of tangible capital assets	19	14
Changes in working capital items:		
(Increase) decrease in due from the Ministries	39,879	(163,138)
(Increase) decrease in due from Health Service Providers	51,248	(201,536)
(Increase) decrease in accounts receivable	(7,216)	(9,368)
(Increase) decrease in prepaid expenses	(18,389)	3,309
Increase (decrease) in due to the Ministries	14,040	217,216
Increase (decrease) in due to Health Service Providers	(151,074)	88,734
Increase (decrease) in accounts payable and accrued liabilities	12,631	8,567
Increase (decrease) in non-pension post-retirement benefits	(235)	(158)
Increase (decrease) in unearned revenue	(99,651)	(42,009)
<b>Net cash flows from (used in) operating activities</b>	<b>(152,877)</b>	<b>(96,369)</b>
<b>Cash flows from capital activities</b>		
Acquisition of tangible capital assets	(22,201)	-
<b>Net cash flows from (used in) capital activities</b>	<b>(22,201)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Payments on obligations under capital leases	17,644	(1,574)
<b>Net cash flows from (used in) financing activities</b>	<b>17,644</b>	<b>(1,574)</b>
<b>Net decrease in cash</b>	<b>(157,434)</b>	<b>(97,943)</b>
<b>Cash, beginning of year</b>	<b>514,106</b>	<b>612,049</b>
<b>Cash, end of year</b>	<b>356,672</b>	<b>514,106</b>

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



# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

## 1. Nature of operations

Ontario Health (the Agency) is a Crown agency established on June 6, 2019 pursuant to the *Connecting Care Act, 2019* (CCA). The Agency is responsible for implementing the health system strategies developed by the Ministry of Health, the Ministry of Long-Term Care (collectively, referred to as the Ministries) and for managing health service needs across Ontario. The Agency's objectives are contained in the CCA and associated Ontario regulations.

The Agency's objects are as follows:

- measuring and reporting on health system performance,
- overseeing the delivery and quality of clinical care services, such as cancer, renal, cardiac, palliative, mental health, transplant and tissue donation,
- managing funding and accountability for the health system,
- creating a provincial digital strategy to provide access for patients and health care providers,
- setting quality standards and developing evidence-based guidelines to monitor clinical care, and
- overseeing home care delivery through Ontario Health atHome.

Ontario Health atHome was created on June 28, 2024 by the *Convenient Care at Home Act, 2023*. This Act amended the *Connecting Care Act, 2019* by amalgamating the 14 Home and Community Care Support Services organizations (Local Health Integration Networks, operating as "HCCSS") into Ontario Health atHome (OH atHome).

OH atHome is responsible for the provision of home and community care services to patients, the provision of placement management services and the provision of operational supports, including care co-ordination services, to health service providers and Ontario Health Teams.

OH atHome is controlled by the Province of Ontario and is consolidated into the Province's financial statements.

The Agency is primarily funded by the Province of Ontario through the Ministries. As a Crown agency of the Province of Ontario, the Agency is exempt from payment of federal and provincial income taxes under section 149 of the *Income Tax Act (Canada)*.

## 2. Significant accounting policies

### (a) Basis of presentation

These financial statements have been prepared by management in accordance with public sector accounting standards (PSAS) established by the Canadian Public Sector Accounting Board.

A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

The significant accounting policies used to prepare these financial statements are summarized below.

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

## **(b) Revenue recognition**

Revenue is recognized in the period in which the transactions or events that give rise to the revenue occur, as described below. All revenue is recorded on an accrual basis, except when the accrual cannot be determined within a reasonable degree of certainty or when estimation is impracticable.

### **(i) Government transfers**

Government transfers are recorded as unearned revenue when the eligibility criteria for the use of the transfer, or the stipulations together with the Agency's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Agency complies with its communicated use of the transfer.

All other government transfers, without stipulations for the use of the transfer, are recorded as revenue when the transfer is authorized and the Agency meets the eligibility criteria.

Government transfers received for the purpose of purchasing capital assets are recorded as deferred capital contributions. The amortization of capital contributions is recorded as revenue in the Statement of Operations and is amortized on the same basis as the related capital assets.

Transfer payments include payments made for hospital operations, long-term care operations, OH atHome and other health services. These payments are based on the terms of the respective agreements with the Agency, including any amendments made throughout the year. The Agency ensures that payments made are in accordance with and cannot exceed the allocations approved within the agreements in place. These transfer amounts are disclosed in note 16.

### **(ii) Other revenue and grant funding**

The Agency has received approval from the Lieutenant Governor of Ontario to receive funding from sources other than the Ministries, to generate revenue in connection with specified activities as specified in the Order in Council 322/2020. These other revenues are recorded by the Agency when performance obligations are met through the delivery of services or research funding.

Externally restricted non-government contributions are recorded as unearned revenue if the terms for their use, or the terms along with the Agency's actions and communications as to their use create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Agency complies with its communicated use.

## **(c) Expenses**

Expenses are reported on an accrual basis. The costs of all services received during the year are expensed.

Expenses include transfer payments to recipients under funding agreements. Transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient. Any recoveries from transfer payments are recorded as a reduction to transfer payment expenses and as a reduction in government transfer revenue when the recovery is reasonably estimated and likely to occur. Due to this process, each year expenses will equal revenues on the Statement of Operations and Accumulated Surplus.

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

## (d) Financial instruments

Financial assets and financial liabilities are recognized on the Statement of Financial Position when the Agency becomes a party to the contractual provisions of the instrument. Financial assets and liabilities measured at amortized cost include cash, due from the Ministries, due from Health Service Providers, accounts receivables, due to the Ministries, due to Health Service Providers, and accounts payable and accrued liabilities.

Financial assets and liabilities measured at cost or amortized cost are initially recognized at acquisition cost, including transaction costs that are directly attributable to the acquisition or issuance. Financial assets at amortized cost are subject to impairment. At each financial statement date, the Agency assesses financial assets to determine whether there is any objective evidence of impairment. Impairment losses are reported in the Statement of Operations.

## (e) Tangible capital assets

Tangible capital assets are recorded at cost, less accumulated amortization and write-downs, if any. The historic cost of tangible capital assets includes the cost directly related to the acquisition, design, construction, development, improvement, or betterment of tangible capital assets. Third party and internal labour costs are capitalized under software in connection with the development of information technology projects.

Amortization begins when capital assets are available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). For assets acquired or brought into use during the year, amortization is calculated for the remaining months.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware	4 years
Computer software	3 years
Software – internally developed business applications	3-10 years
Office furniture and equipment	5 years
Leasehold improvements	1-4 years

Tangible capital assets are written down when conditions indicate that they no longer contribute the Agency's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. When a tangible asset no longer has any long-term service potential to the Agency, 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 and Accumulated Surplus.

## (f) Employee Future Benefits

### i) Pension plans

Pursuant to an Order in Council, the Agency is a participating employer in the Public Service Pension Plan (PSPP), to which new employees are enrolled. The Order in Council permits employees who were members of the Healthcare of Ontario Pension Plan (HOOPP) as at the date of their transfer into the Agency to remain as members of that pension plan. Bargaining-represented employees participate in either PSPP or HOOPP, as stipulated in their collective agreement.

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

The PSPP and HOOPP are both multi-employer defined benefit plans. When benefits are provided to employees through a multi-employer defined benefit plan, each entity participating in the plan, other than the sponsoring entity, is required to follow the standards for defined contribution plans. As a result, the Agency recognizes an expense equal to the required contributions provided for employees' services rendered during the period. Any outstanding contributions are recognized as a liability in the Statement of Financial Position.

## ii) Post-employment benefits other than pension plan

The Agency offers post-employment benefits other than pension plans such as health care and dental benefits to certain employees. The costs associated with these future benefits 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.

## (g) Measurement uncertainty

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 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 related to drug expenditures, accounts payable and accrued liabilities, due from the Ministries, due from Health Service Providers, due to the Ministries, due to Health Service Providers, useful life of tangible capital assets, and liability for post-employment benefits other than pension plan.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. By their nature, estimates are subject to measurement uncertainty. Therefore, actual results may differ materially from the estimates.

## 3. Cash

Cash is comprised of funds deposited in bank accounts with financial institutions that are chartered banks in Canada.

## 4. Due from the Ministries

	2025 \$	2024 \$
Due from the Ministry of Health	1,218,902	997,730
Due from the Ministry of Long-Term Care	37,881	298,932
	<u>1,256,783</u>	<u>1,296,662</u>

## 5. Due from Health Service Providers

	2025 \$	2024 \$
Due from other Health Service Providers	584,694	660,270
Due from Ontario Health atHome	83,651	-
Transfer payment advances	-	59,323
	<u>668,345</u>	<u>719,593</u>

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

At the request of the Ministry of Health, the Agency had advanced transfer payment funding to hospitals during the previous year.

## 6. Accounts receivable

	2025	2024
	\$	\$
HST recoverable	17,137	14,923
Drug rebate receivable	35,459	30,302
Other receivables	383	538
	<u>52,979</u>	<u>45,763</u>

## 7. Due to the Ministries

	2025	2024
	\$	\$
Due to the Ministry of Health	981,735	1,143,375
Due to the Ministry of Long-Term Care	216,006	40,326
	<u>1,197,741</u>	<u>1,183,701</u>

## 8. Accounts payable and accrued liabilities

	2025	2024
	\$	\$
Trade payables and accrued liabilities	36,984	22,978
Payroll liabilities	29,170	30,562
Pension escrow	373	356
	<u>66,527</u>	<u>53,896</u>

## 9. Unearned revenue

a) The change in the unearned revenue balance is as follows:

	The Ministries	Other Fundors	2025 Total	2024 Total
	\$	\$	\$	\$
Unearned revenue – beginning of year	131,040	1,224	132,264	174,273
Funding received	45,131,389	4,710	45,136,099	40,024,009
Amounts recognized as revenue	(45,230,361)	(5,389)	(45,235,750)	(40,066,018)
	<u>(98,972)</u>	<u>(679)</u>	<u>(99,651)</u>	<u>(42,009)</u>
Unearned revenue – end of year	<u>32,068</u>	<u>545</u>	<u>32,613</u>	<u>132,264</u>

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

- b) The unearned revenue balance at the end of the period is restricted for the following purposes:

	<b>The Ministries</b>	<b>Other Funders</b>	<b>2025 Total</b>	<b>2024 Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Health service providers through regions	32,068	-	32,068	43,998
Endowment and restricted funds	-	545	545	1,211
Personal support worker investments	-	-	-	87,042
Virtual care network	-	-	-	13
	<u>32,068</u>	<u>545</u>	<u>32,613</u>	<u>132,264</u>

## 10. Obligations under capital leases

The Agency has capital leases, with interest rates ranging from 4.51% to 6.69% 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 September 2029, together with the balance of the obligations.

	<b>\$</b>
2026	6,956
2027	5,491
2028	5,207
2029	5,029
2030	1,192
Total minimum lease payments	<u>23,875</u>
Interest	<u>(2,579)</u>
Balance of the obligations	<u>21,296</u>
Less: current portion	<u>(5,876)</u>
Non-current obligations under capital leases	<u>15,420</u>

Total interest expense on capital leases for the period was \$1,028 (2024 - \$174).

## 11. Employee future benefits

### (i) Pension plan

The Agency has 1,470 employees who are members of the Healthcare of Ontario Pension Plan (HOOPP) and 1,927 employees who are members of the Public Service Pension Plan (PSPP). Both are multi-employer contributory defined benefit pension plans, and the members will receive benefits based on length of service and the average annualized earnings.

Contribution expense made to multi-employer plans during the period by the Agency on behalf of its employees amounted to \$30,573 (2024 - \$28,257) and is included in salaries and benefits expense, as detailed in note 16.

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

## (ii) Post-employment benefits other than pension plan

A closed post-employment non-pension benefit plan which provides health and dental benefits to employees who retired prior to January 1, 2006, was transferred to the Agency on December 2, 2019. Benefits paid during the period from April 1, 2024, to March 31, 2025 were \$110 (2024 - \$114). The actuarial valuation report for the post-employment benefits other than the pension plan is dated March 31, 2022 and was extrapolated to March 31, 2025.

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

	2025	2024
	\$	\$
Accrued benefit obligation	687	770
Unamortized actuarial gains/(losses)	620	772
Post-employment benefits other than pension plan	1,307	1,542

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

	2025	2024
	\$	\$
Post-employment benefits other than pension plan – opening balance	1,542	1,700
Interest cost	27	30
Funding contributions	(110)	(114)
Amortization of actuarial gains	(152)	(74)
Post-employment benefits other than pension plan – ending balance	1,307	1,542

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:

Discount rate	3.75%
Extended healthcare trend rate	4.75% in 2026 to 3.75% in 2029 and after
Dental cost trend rates	3.75%
Employee average remaining service life	9.0 years

## 12. Deferred capital contributions

The change in the deferred capital contributions is as follows:

	2025	2024
	\$	\$
Balance – beginning of period	15,207	25,757
Less: amounts recognized as revenue	(8,120)	(10,550)
Balance – end of period	7,087	15,207

# Notes to Financial Statements

For the year ended March 31, 2025  
(in thousands of dollars)

## 13. Tangible capital assets

	2025	2024
Net book value	\$	\$
Computer hardware	23,311	10,238
Computer software	2,392	6,512
Furniture and equipment	-	65
Leasehold improvements	1,604	2,301
	<u>27,307</u>	<u>19,116</u>

	Beginning of Year	Additions	Disposals	2025 End of Year
Cost	\$	\$	\$	\$
Computer hardware	96,679	22,201	(19,657)	99,223
Computer software	134,322	-	(36,738)	97,584
Furniture and equipment	5,709	-	(391)	5,318
Leasehold improvements	15,761	-	(4,192)	11,569
	<u>252,471</u>	<u>22,201</u>	<u>(60,978)</u>	<u>213,694</u>

	Beginning of Year	Amortization	Disposals	2025 End of Year
Accumulated Amortization	\$	\$	\$	\$
Computer hardware	86,441	9,128	(19,657)	75,912
Computer software	127,810	4,120	(36,738)	95,192
Furniture and equipment	5,644	65	(391)	5,318
Leasehold improvements	13,460	678	(4,173)	9,965
	<u>233,355</u>	<u>13,991</u>	<u>(60,959)</u>	<u>186,387</u>

	Beginning of Year	Additions	Disposals	2024 End of Year
Cost	\$	\$	\$	\$
Computer hardware	107,419	-	(10,740)	96,679
Computer software	168,324	-	(34,002)	134,322
Furniture and equipment	8,706	-	(2,997)	5,709
Leasehold improvements	27,439	-	(11,678)	15,761
	<u>311,888</u>	<u>-</u>	<u>(59,417)</u>	<u>252,471</u>



# Notes to Financial Statements

For the year ended March 31, 2025  
(in thousands of dollars)

				2024
	Beginning of Year	Amortization	Disposals	End of Year
Accumulated Amortization	\$	\$	\$	\$
Computer hardware	90,785	6,396	(10,740)	86,441
Computer software	156,631	5,181	(34,002)	127,810
Furniture and equipment	8,400	241	(2,997)	5,644
Leasehold improvements	24,392	732	(11,664)	13,460
	280,208	12,550	(59,403)	233,355

## 14. Prepaid expenses

	2025	2024
	\$	\$
Prepaid maintenance for hardware and software	55,250	37,006
Other prepaid expenses	414	269
	55,664	37,275

## 15. Other revenue and grant funding

Other revenue and grant funding are comprised of:

	2025	2024
	\$	\$
Interest income	20,078	3,251
Grant funding	5,976	3,354
Other	4,479	2,917
	30,533	9,522

# Notes to Financial Statements

For the year ended March 31, 2025  
(in thousands of dollars)

## 16. Expenses by object

	2025 \$	2024 \$
<b>Transfer payments to Health Service Providers:</b>		
Hospital operations	27,209,379	26,170,493
Ontario Health atHome	3,493,768	-
Clinical programs - cancer & screening	1,713,769	1,626,332
Clinical programs - drugs	1,406,643	1,112,598
Clinical programs - renal & transplant	739,254	736,452
Clinical programs - genetics, labs & diagnostics	137,697	138,101
Community mental health programs	1,107,876	1,079,100
Community support services	917,163	880,132
Community health centre	586,912	527,088
Assisted living services supportive housing	485,218	457,988
Addictions	372,531	362,200
Primary care	529,951	276,124
Provincial clinical recruitment program	266,268	191,314
Provincial digital services & technology	212,933	180,091
Mental health	136,723	145,999
Other	584,643	429,548
	<u>39,900,728</u>	<u>34,313,560</u>
<b>Transfer payments to Long-Term Care:</b>		
Long-Term Care operations	4,585,045	5,029,186
	<u>4,585,045</u>	<u>5,029,186</u>
<b>Operating expenses:</b>		
Salaries and benefits	429,085	395,497
Purchased services	164,350	161,091
Information technology support and maintenance	122,875	110,651
Screening, lab and medical supplies	23,235	26,644
Amortization	13,991	12,550
Occupancy costs	9,464	11,093
Other operating expenses	20,222	17,547
Loss on disposal	19	14
	<u>783,241</u>	<u>735,087</u>
<b>Total expenses</b>	<u><u>45,269,014</u></u>	<u><u>40,077,833</u></u>

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

## 17. Related party transactions

The Agency is a related party to other organizations that are controlled by or subject to significant influence by the Province of Ontario. Transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with these related parties were as follows:

- a) Under the CCA, the Lieutenant Governor in Council appoints the members to form the board of directors of the Agency. Board remuneration paid to members of the Board of Directors during the year amounted to \$67 (2024 - \$39).
- b) The Agency incurred expenses of \$17,868 (2024 - \$18,299) to Acronym Solutions Inc. (formerly known as Hydro One Inc.) for network and telecommunication services.
- c) The Agency incurred expenses of \$429 (2024 - \$1,306) and \$2,496 (2024 - \$2,376) for the rental of office space and other facility related expenses from Infrastructure Ontario and the Ministry of Government and Consumer Services, respectively. As at March 31, 2025, accounts payable and accrued liabilities include \$516 (2024 - \$594) payable to the Ministry of Government and Consumer Services.
- d) The Agency recorded expenses of \$499 (2024 - \$653) for the provision of administrative and other support services from the Ministry of Government and Consumer Services. As at March 31, 2025, accounts payable and accrued liabilities include \$Nil (2024 - \$30) in respect of these services.
- e) Other related party transactions are described in notes 11 and 18.

## 18. Commitments

The Agency has various multi-year contractual commitments for the rental of office space and a network service contract, where the following are the minimum annual payments:

	<b>Base Rent</b>	<b>Network Services Contract</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
2026	3,702	13,129	16,831
2027	3,715	12,735	16,450
2028	1,933	9,334	11,267
2029	385	-	385
	<u>9,735</u>	<u>35,198</u>	<u>44,933</u>

The Agency is required to pay associated realty taxes and operating expenses for the office space, which amounted to \$3,314 (2024 - \$3,908).

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

## 19. Contingencies

The Agency 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 Agency 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.

In the normal course of operations, the Agency is subject to various claims and potential claims. Management has recorded its best estimate of the potential liability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the claims cannot be determined at this time.

Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to any amount recorded are determined to be required.

## 20. Guarantees

### Director/officer indemnification

The Agency'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, willful neglect or default.

The nature of the indemnification prevents the Agency 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 Agency has purchased from HIROC directors' and officers' liability insurance to the maximum available coverage. The Agency 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 Agency executes agreements that provide for indemnification to third parties. These include, without limitation: indemnification of the landlords under the Agency's leases of premises; indemnification of the Ministry of Health from claims, actions, suits or other proceedings based upon the actions or omissions of the representative groups of medical, radiation and gynecology/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 Agency of its obligations under the Cancer Program Integration Agreement and the related documentation.

# Notes to Financial Statements

For the year ended March 31, 2025

(in thousands of dollars)

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 Agency from making a reasonable estimate of its maximum potential exposure. The Agency 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.

## 21. Financial risk management

The Agency is exposed to certain financial risks, including credit risk, and liquidity risk.

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is 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 risk related to receivables is minimal as most of the receivables are from provincial governments and organizations controlled by them. Credit risk associated with other receivables is mitigated through collection practices and regular monitoring of the accounts.

The Agency's maximum exposure to credit risk related to accounts receivable was as follows:

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	91+ days \$	2025 Total \$	2024 Total \$
HST recoverable	17,137	-	-	-	17,137	14,923
Other receivables	35,765	53	2	22	35,842	30,840
Total receivable	52,902	53	2	22	52,979	45,763

No impairment allowance has been recognized in the above amounts (2024 - \$Nil).

### Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. The Agency's exposure to liquidity risk is minimal as the majority of funding is sourced primarily by the Province of Ontario. The Agency mitigates liquidity risk by monitoring and controlling cash activities and expected outflows.

The following table sets out the accounts payable and accrued liabilities:

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	91+ days \$	2025 Total \$	2024 Total \$
Trade payables and accrued liabilities	36,834	27	123	-	36,984	22,978
Payroll liabilities	29,170	-	-	-	29,170	30,562
Pension escrow	-	-	-	373	373	356
Total payable	66,004	27	123	373	66,527	53,896

# Schedule 1: The Ministry of Health and the Ministry of Long-Term Care Funding Reconciliation

As at March 31, 2025  
(in thousands of dollars)

	Unearned Revenue, Beginning of Period	Due from the Ministries, Beginning of Period	Due to the Ministries, Beginning of Period	Funding Received (Recovered)	Amounts recognized as revenue	Unearned Revenue, End of Period	Due from the Ministries, End of Period	Due to the Ministries, End of Period
<b>Prior Years</b>								
Hospitals and Capital	-	(34,841)	146,745	(83,142)	10,787	-	(30,318)	59,197
Mental Health and Addictions	-	(638)	17,534	-	4,077	-	(638)	21,611
Strategic Partnerships	-	-	5,401	(2,001)	4,113	-	-	64,317
Health Programs and Delivery	-	(369,400)	256,706	300,303	10,158	-	(71,624)	269,391
Office of Chief Medical Officer of Health, Public Health	-	-	189	-	-	-	-	189
Digital and Analytics Strategy	-	(3,576)	30,739	3,576	8,629	-	(23)	39,391
Strategic Policy, Planning, French Language Services	-	(1,024)	3,339	1,187	2,922	-	-	6,424
Region Health Service Providers	43,998	(700,859)	656,286	593,504	86,786	-	-	268,434
Nursing and Professional Practice	-	(101,456)	8,131	68,978	35,343	-	(168)	11,164
Physician and Provider Services	-	-	786	-	405	-	-	1,191
Long-Term Care Policy Division	87,042	(85,191)	-	23,947	(16,929)	-	-	8,869
<b>Current Year</b>								
<b>Hospitals and Capital</b>	-	-	-	<b>2,673,039</b>	<b>(2,663,100)</b>	-	<b>(12,939)</b>	<b>22,878</b>
Access to Care Operations	-	-	-	16,968	(16,305)	-	-	663
Cancer Care Program	-	-	-	1,621,899	(1,629,227)	-	(11,999)	4,671
Cancer Screening Program	-	-	-	121,538	(113,023)	-	-	8,515
Diagnostic Medical Equipment Program (Capital Funding)	-	-	-	49,800	(49,800)	-	-	-
Ontario Renal Network	-	-	-	749,452	(745,478)	-	-	3,974
Surrey Place (Fetal Alcohol Syndrome Disorder)	-	-	-	326	(326)	-	-	-
Criticall Ontario	-	-	-	13,114	(12,896)	-	-	218
Critical Care Services Ontario	-	-	-	4,471	(4,471)	-	-	-
Rehabilitative Care Alliance	-	-	-	490	(490)	-	-	-

	Unearned Revenue, Beginning of Period	Due from the Ministries, Beginning of Period	Due to the Ministries, Beginning of Period	Funding Received (Recovered)	Amounts recognized as revenue	Unearned Revenue, End of Period	Due from the Ministries, End of Period	Due to the Ministries, End of Period
Provincial Vision Task Force	-	-	-	50	(39)	-	-	11
Emergency Department Peer-to-Peer	-	-	-	7,822	(7,821)	-	-	1
Organ and Tissue Donation and Transportation	-	-	-	79,520	(75,678)	-	(940)	4,782
Cardiac and Stroke Program	-	-	-	7,214	(7,171)	-	-	43
Critical Care Clinical Leads	-	-	-	375	(375)	-	-	-
<b>Mental Health and Addictions</b>	-	-	-	<b>155,857</b>	<b>(147,264)</b>	-	<b>(2,712)</b>	<b>11,305</b>
Mental Health and Addiction Data Digital Infrastructure	-	-	-	12,886	(11,575)	-	-	1,311
Mental Health and Addiction Healthcare Workers Support	-	-	-	-	(1,963)	-	(1,963)	-
Mental Health and Addiction Transfer Payments Agreements	-	-	-	7,396	(7,267)	-	-	129
Mobile Mental Health Clinics	-	-	-	4,587	(387)	-	-	4,200
Ontario Structure Psychotherapy Expansion	-	-	-	65,845	(65,463)	-	-	382
Provincial Coordinated Access Mental Health	-	-	-	7,926	(7,703)	-	-	223
Community Mental Health	-	-	-	12,500	(11,972)	-	-	528
Mental Health Systems Enabler	-	-	-	1,605	(1,605)	-	-	-
CAMH	-	-	-	38,016	(38,765)	-	(749)	-
Early Psychosis Intervention	-	-	-	450	(126)	-	-	324
Substance Use Disorder	-	-	-	4,646	(438)	-	-	4,208
<b>Strategic Partnerships</b>	-	-	-	<b>3,787,425</b>	<b>(3,770,090)</b>	-	<b>(250)</b>	<b>28,254</b>
Health Quality Programs	-	-	-	27,833	(27,832)	-	-	1
Office of the Patient Ombudsman	-	-	-	4,096	(3,840)	-	-	256
Ontario Health Operations	-	-	-	2,321	(2,321)	-	-	-
Ontario Palliative Care Network	-	-	-	17,203	(16,482)	-	-	721
Patient Reported Outcomes: Orthopedic Surgery	-	-	-	1,554	(1,554)	-	-	-
Regional Coordination Initiatives	-	-	-	10,537	(10,787)	-	(250)	-
Regional Coordination Operations Support	-	-	-	53,237	(63,903)	-	-	3
Regional Coordination Operations Support - Shared Services	-	-	-	39,988	(39,629)	-	-	359
Ontario Health Teams Transfer Payments	-	-	-	93,781	(93,479)	-	-	302
Ontario Health atHome	-	-	-	3,520,380	(3,493,768)	-	-	26,612

	Unearned Revenue, Beginning of Period	Due from the Ministries, Beginning of Period	Due to the Ministries, Beginning of Period	Funding Received (Recovered)	Amounts recognized as revenue	Unearned Revenue, End of Period	Due from the Ministries, End of Period	Due to the Ministries, End of Period
Chronic Disease	-	-	-	1,725	(1,725)	-	-	-
Delivery of Home Care by Ontario Health Team (OHT) Leading Projects	-	-	-	14,770	(14,770)	-	-	-
<b>Health Programs and Delivery</b>	-	-	-	<b>1,009,215</b>	<b>(1,566,796)</b>	-	<b>(558,063)</b>	<b>482</b>
New Drug Funding Program	-	-	-	882,094	(1,410,141)	-	(528,047)	-
Integrated Community Health Services Centres (ICHSC)	-	-	-	-	(531)	-	(531)	-
Provincial Testing and Capacity and the Ontario Laboratory Medicine Program	-	-	-	-	(29,485)	-	(29,485)	-
Provincial Genetics Program	-	-	-	127,121	(126,639)	-	-	482
<b>Office of Chief Medical Officer of Health, Public Health</b>	-	-	-	<b>13,864</b>	<b>(18,594)</b>	-	<b>(5,114)</b>	<b>384</b>
Health Promotion Programs: Indigenous Tobacco Program	-	-	-	1,058	(674)	-	-	384
Public Health Programs	-	-	-	12,806	(17,920)	-	(5,114)	-
<b>Digital and Analytics Strategy</b>	-	-	-	<b>622,956</b>	<b>(624,317)</b>	-	<b>(10,935)</b>	<b>9,573</b>
eHealth Ministry Recoverable Projects	-	-	-	6,252	(8,319)	-	(2,068)	-
Ontario Case Costing	-	-	-	7,832	(7,773)	-	-	59
One Mail Transition	-	-	-	323	(323)	-	-	-
Evidence 2 Practice	-	-	-	5,246	(5,246)	-	-	-
Telemedicine Nursing, eCHN and OMD	-	-	-	29,984	(29,984)	-	-	-
2A Provide population health management enablers to OHTs	-	-	-	3,000	(2,999)	-	-	1
Immunization Repository	-	-	-	680	(680)	-	-	-
Public Health EMR Standardization Framework	-	-	-	1,063	(1,063)	-	-	-
Digital Operations	-	-	-	285,681	(283,756)	-	-	1,925
3D Protect and promote access to data	-	-	-	28,122	(29,613)	-	(2,087)	596
3A Complete the provincial Electronic Health Record	-	-	-	79,293	(84,963)	-	(6,177)	507
2C Expand centralized waitlist management	-	-	-	27,300	(26,441)	-	-	859
1C Enhance Health811	-	-	-	53,158	(48,422)	-	-	4,736
3B Expand Ontario's health data and digital governance body	-	-	-	4,000	(4,000)	-	-	-
1D Scale up remote care management	-	-	-	26,396	(25,736)	-	-	660
2B Put patients before paperwork	-	-	-	54,271	(54,731)	-	(603)	143
1A Provide a secure logon mechanism for digital tools	-	-	-	10,355	(10,268)	-	-	87



	Unearned Revenue, Beginning of Period	Due from the Ministries, Beginning of Period	Due to the Ministries, Beginning of Period	Funding Received (Recovered)	Amounts recognized as revenue	Unearned Revenue, End of Period	Due from the Ministries, End of Period	Due to the Ministries, End of Period
<b>Strategic Policy, Planning, French Language Services</b>	-	-	-	<b>70,120</b>	<b>(59,547)</b>	-	-	<b>10,573</b>
Black Health Initiatives	-	-	-	14,800	(12,799)	-	-	2,001
Indigenous Health	-	-	-	2,500	(2,377)	-	-	123
French Language, Multilingual, and Accessibility Supports	-	-	-	2,200	-	-	-	2,200
Population Health Programs	-	-	-	50,620	(44,371)	-	-	6,249
<b>Region Health Service Providers</b>	-	-	-	<b>35,574,006</b>	<b>(35,615,343)</b>	<b>32,068</b>	<b>(369,794)</b>	<b>296,389</b>
Region Health Service Providers	-	-	-	35,574,006	(35,615,343)	32,068	(369,794)	296,389
<b>Nursing and Professional Practice</b>	-	-	-	<b>140,862</b>	<b>(310,029)</b>	-	<b>(169,498)</b>	<b>331</b>
Community Commitment Program for Nurses	-	-	-	53,071	(54,330)	-	(1,259)	-
Health Force Ontario	-	-	-	16,406	(16,395)	-	-	11
Supervised Practice Experience Program	-	-	-	3,764	(10,000)	-	(6,236)	-
Temporary Reimbursement of Fees for Internationally Educated and Inactive Nurses	-	-	-	4,000	(7,515)	-	(3,515)	-
Emergency Department (ED) Nursing Education, Retention, and Workforce Strategy	-	-	-	10,000	(10,000)	-	-	-
Enhanced Extern Program	-	-	-	41,560	(100,000)	-	(58,440)	-
Clinical Scholar	-	-	-	10,960	(28,294)	-	(17,334)	-
Obstetrical Nursing Upskilling Program	-	-	-	101	(1,787)	-	(1,686)	-
Nursing Graduate Guarantee	-	-	-	-	(76,746)	-	(76,746)	-
Setup and Operation of Two Regional Health Human Resource Planning Network in the Ontario Health North Region	-	-	-	-	(189)	-	(189)	-
Northern Ontario Resident Streamlined Training and Reimbursement Program	-	-	-	1,000	(680)	-	-	320
Models of Care Innovation Fund	-	-	-	-	(4,093)	-	(4,093)	-
<b>Physician and Provider Services</b>	-	-	-	<b>531,157</b>	<b>(530,356)</b>	-	-	<b>801</b>
Primary Care Teams	-	-	-	531,157	(530,356)	-	-	801
<b>Long-Term Care Policy Division</b>	-	-	-	<b>46,544</b>	<b>(71,216)</b>	-	<b>(24,672)</b>	-
LTC Personal Support Workers (PSW) Investments	-	-	-	46,544	(71,216)	-	(24,672)	-
<b>Grand Total</b>	<b>131,040</b>	<b>(1,296,985)</b>	<b>1,125,856</b>	<b>45,531,397</b>	<b>(45,230,361)</b>	<b>32,068</b>	<b>(1,256,748)</b>	<b>1,131,147</b>

## Schedule 2: Patient Ombudsman

For the year-ended March 31, 2025

(in thousands of dollars)

Operating expenses by object	Budget 2025	Actual 2025	Actual 2024
Salaries and benefits	2,729	3,449	3,487
Occupancy costs	157	157	159
Purchased services	40	0	76
Information technology support and maintenance	201	146	136
Other operating expenses	169	88	238
<b>Total</b>	<b>3,296</b>	<b>3,840</b>	<b>4,096</b>