

# **University of Ottawa Heart Institute**

Financial Statements

**March 31, 2013, March 31, 2012 and  
April 1, 2011**

(in thousands of dollars)



June 20, 2013

## **Independent Auditor's Report**

**To the Directors of  
University of Ottawa Heart Institute**

We have audited the accompanying financial statements of University of Ottawa Heart Institute, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*PricewaterhouseCoopers LLP  
99 Bank Street, Suite 800, Ottawa, Ontario, Canada K1P 1E4  
T: +1 613 237 3702, F: +1 613 237 3963*

\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and 2012 in accordance with Canadian public sector accounting standards.

*PricewaterhouseCoopers LLP*

**Chartered Accountants, Licensed Public Accountants**

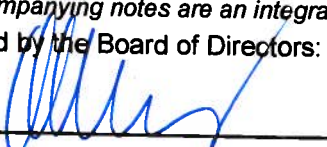
**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
**STATEMENTS OF FINANCIAL POSITION**  
(000'S)

	March 31, 2013	March 31, 2012	April 1, 2011
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 3,729	\$ 10,332	\$ 5,986
Accounts Receivable:			
Ministry of Health	616	515	696
Patients and Others	7,069	7,090	6,799
Sundry	1,443	1,373	1,653
Inventories	1,816	637	1,168
	14,673	19,947	16,302
<b>Capital Assets (note 4)</b>	46,934	50,734	52,566
<b>Total Assets</b>	<b>\$ 61,607</b>	<b>\$ 70,681</b>	<b>\$ 68,868</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,818	\$ 2,113	\$ 1,727
Accrued Liabilities	9,486	15,240	12,929
Due to The Ottawa Hospital (note 6)	1,441	9,275	8,231
Current Portion of Long-Term Debt (note 8)	1,537	1,520	1,404
Current Portion of Obligations under Capital Leases (note 9)	-	53	112
	14,282	28,201	24,403
<b>Deferred Contributions (note 5)</b>	35,071	28,875	31,297
<b>Employee Future Benefits (note 7)</b>	4,070	3,960	2,578
<b>Long-Term Debt (note 8)</b>	7,298	8,825	9,064
<b>Obligations under Capital Leases (note 9)</b>	-	-	53
	60,721	69,861	67,395
<b>Net Assets (Liabilities)</b>			
Unrestricted	(13,344)	(13,241)	(11,763)
Invested in Capital Assets	14,230	14,061	13,236
	886	820	1,473
<b>Total Liabilities and Net Assets</b>	<b>\$ 61,607</b>	<b>\$ 70,681</b>	<b>\$ 68,868</b>

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

Approved by the Board of Directors:

Director



Director



**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
**STATEMENTS OF OPERATIONS**  
For the Years Ended March 31  
(000'S)

	2013		2012
	BUDGET Unaudited	ACTUAL	ACTUAL
<b>Revenue</b>			
MOH			
- Base	118,237	120,648	117,971
- One Time : Cardiac Priority program	5,250	4,503	5,549
- One Time : Cardiac Recovery (clawback)	-	(937)	(717)
- One Time : Cardiac HOCC	625	661	619
- Other Votes	326	326	326
MOH Revenue	124,438	125,201	123,748
Patient Revenue			
- In patient	13,152	14,107	12,779
- Out patient	13,130	12,354	11,051
Differential	1,681	1,498	1,547
Other Operating	5,901	5,627	4,491
Amortization of Deferred Contributions	3,458	3,382	3,358
<b>Total Revenue</b>	<b>161,760</b>	<b>162,169</b>	<b>156,974</b>
<b>Expense</b>			
Salaries and Wages	77,112	78,516	77,258
Medical Staff Remuneration	6,759	6,329	4,979
Medical Surgical Supplies	35,379	35,784	35,598
Drugs and Medical Gases	4,793	4,592	4,798
Supplies and Other Expenses	9,901	9,586	8,701
Service Agreements	19,973	19,832	19,334
Interest Charges	825	629	797
Amortization of Capital Assets	6,455	6,205	6,156
Bad Debts (Recovery)	200	499	(227)
Rental/Lease of Equipment	315	131	233
<b>Total Expense</b>	<b>161,712</b>	<b>162,103</b>	<b>157,627</b>
<b>Net Revenue (Expense) for the Year</b>	<b>48</b>	<b>66</b>	<b>(653)</b>

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

**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**For the Years Ended March 31**  
(000'S)

	Unrestricted	Invested in Capital Assets	Total
<b>Balance - April 1, 2011</b>	<b>\$ (11,763)</b>	<b>\$ 13,236</b>	<b>\$ 1,473</b>
Net revenue (expense) for the year ended March 31, 2012	2,145	(2,798)	(653)
Purchase of capital assets	(4,324)	4,324	-
Deferred contributions received relating to purchases of capital assets	936	(936)	-
Repayment of long-term debt and obligations under capital leases, net	(235)	235	-
<b>Balance - March 31, 2012</b>	<b>\$ (13,241)</b>	<b>\$ 14,061</b>	<b>\$ 820</b>
Net revenue (expense) for the year ended March 31, 2013	2,889	(2,823)	66
Purchase of capital assets	(2,405)	2,405	-
Deferred contributions received relating to purchases of capital assets	976	(976)	-
Repayment of long-term debt and obligations under capital leases	(1,563)	1,563	-
<b>Balance - March 31, 2013</b>	<b>\$ (13,344)</b>	<b>\$ 14,230</b>	<b>\$ 886</b>

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

**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended March 31**  
(000'S)

	<b>2013</b>	<b>2012</b>
<b>Cash flows from (used in)</b>		
<b>Operating activities</b>		
Net revenue (expense) for the year	\$ 66	\$ (653)
Items not affecting cash -		
Amortization of deferred contributions	(3,382)	(3,358)
Amortization of capital assets	6,205	6,156
Employee future benefits	110	1,382
Net change in non-cash working capital items	(7,378)	3,398
	<b>\$ (4,379)</b>	<b>\$ 6,925</b>
<b>Investing activities</b>		
Purchase of capital assets	<b>\$ (2,405)</b>	<b>\$ (4,324)</b>
<b>Financing activities</b>		
Deferred contributions received	9,578	936
Increase (decrease) in Due to The Ottawa Hospital	(7,834)	1,044
Proceeds from long-term debt	-	1,285
Repayments of long-term debt	(1,510)	(1,408)
Repayments of obligations under capital leases	(53)	(112)
	<b>\$ 181</b>	<b>\$ 1,745</b>
<b>Net change in cash for the year</b>	(6,603)	4,346
<b>Cash - Beginning of year</b>	10,332	5,986
<b>Cash - End of year</b>	<b>\$ 3,729</b>	<b>\$ 10,332</b>
<b>Supplementary cash information:</b>		
Interest paid	\$ 629	\$ 797

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

**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
Notes to Financial Statements  
March 31, 2013, March 31, 2012 and April 1, 2011  
(000's)

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## **1 Incorporation and Purpose**

The University of Ottawa Heart Institute ("the Institute") is incorporated under the laws of Ontario. It provides a full range of cardiac services including primary and secondary prevention, diagnosis and treatment, rehabilitation, research and education. It is the sole provider of interventional cardiology and cardiac surgery for eastern Ontario and western Quebec. The Institute focuses its clinical activity in three major areas: open heart surgery, interventional cardiology and arrhythmia procedures.

As a registered charity, the Institute is exempt from income taxes under subsection 149(1)(f) of the Income Tax Act.

The Institute has entered into a business relationship with The Ottawa Hospital where certain services such as lab services, facilities and administrative support are provided by The Ottawa Hospital by way of service agreements that are negotiated at fair market value.

## **2 Significant Accounting Policies**

The preparation of financial statements in conformity with Canadian public sector accounting standards (PSAS), including accounting standards that apply to government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expense during the periods. Actual results could differ from these estimates.

### **Inventories**

Inventories are valued at lower of cost, determined on a weighted average basis, and net realizable value.

### **Capital Assets**

Purchased capital assets are recorded at cost. Construction in progress is not amortized until the project is complete and the facilities come into use. Capital assets are amortized on a straight-line basis over the following periods:

Buildings and building improvements	15 to 20 years
Diagnostic equipment	5 years
Operating equipment	10 years



### **Revenue Recognition**

The Institute follows the deferral method of accounting for contributions.

Under the Health Insurance Act and regulations thereto, the Institute is funded primarily by the Province of Ontario in accordance with the budget arrangements established by the Ministry of Health and Long-Term Care. 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 received relates to a future period, it is deferred and recognized in that subsequent period.

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 in the year in which the related expenses are incurred. Contributions related to the acquisition of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

### **Contributed Services**

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

### **Employee Future Benefits**

#### **HOOPP**

Substantially all of the employees of the Institute are eligible to be members of the Hospitals of Ontario Pension Plan, which is a multi-employer, best five annual consecutive average salary, contributory pension plan. The Institute has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit pension plan accounting principles. Accordingly, the Institute's contributions to the Plan are included in salaries and wages in the statement of operations.

#### **Extended Health, Dental and Life Benefits**

The expense for these benefits, which are unfunded, is actuarially determined using the projected benefit method prorated on service and the administrator's best assumptions. The cumulated excess of the amounts recorded as an expense over the amounts paid is recorded as a liability for employee future benefits in the statement of financial position.

**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
Notes to Financial Statements  
March 31, 2013, March 31, 2012 and April 1, 2011  
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**Compensated Absences**

Compensation expense is accrued for all employees as entitlement to these payments is earned, in accordance with the Institute's benefit plans for vacation and sick leave.

**3 Transition to Canadian Public Sector Accounting Standards**

Commencing with the 2012-13 fiscal year, the Institute has adopted Canadian PSAS, including accounting standards that apply only to government not-for-profit organizations.

The most significant impact of the transition to PSAS is the immediate recognition in net revenue of Extended Health, Dental and Life Benefits past service costs which were previously deferred and amortized over the remaining average service period.

During the 2011-12 fiscal year, the Ontario Nurses' Association (ONA), the Ontario Public Service Employees Union (OPSEU) and non-union non-executive members were awarded 50% cost sharing to their post-employment medical and dental benefits. The impact of this change has been reflected in the restated financial statements (note 7).

Another impact of note is that under PSAS the attribution period associated with the accrued benefit obligation is the period from the date of hire to the expected retirement date; previously it was to the date of eligibility.

PSAS provides an exemption whereby all unamortized actuarial gains/losses at the date of transition (April 1, 2011) are immediately recognized in net assets. The Institute has elected to take this exemption.

Overall the changes have had the following impact –

Net assets as at April 1, 2011, as previously presented	\$ 1,814
Remeasurement of employee future benefits	<u>(341)</u>
Net assets as at April 1, 2011, as restated	<u>\$ 1,473</u>

Net revenue for the year ended March 31, 2012, as previously presented	\$ 64
Remeasurement of employee future benefits	<u>(717)</u>
Net expense for the year ended March 31, 2012, as restated	<u>\$ (653)</u>

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**4 Capital Assets**

	March 31, 2013		
	Cost	Accumulated Amortization	Net
Buildings and building improvements	\$ 56,034	\$ 19,158	\$ 36,876
Diagnostic/Operating equipment	35,155	27,134	8,021
Construction in progress	2,037	-	2,037
	<b>\$ 93,226</b>	<b>\$ 46,292</b>	<b>\$ 46,934</b>

	March 31, 2012		
	Cost	Accumulated Amortization	Net
Buildings and building improvements	\$ 55,984	\$ 16,356	\$ 39,628
Diagnostic/Operating equipment	42,594	32,373	10,221
Construction in progress	885	-	885
	<b>\$ 99,463</b>	<b>\$ 48,729</b>	<b>\$ 50,734</b>

	April 1, 2011		
	Cost	Accumulated Amortization	Net
Buildings and building improvements	\$ 53,359	\$ 13,557	\$ 39,802
Diagnostic/Operating equipment	39,949	29,022	10,927
Construction in progress	1,837	-	1,837
	<b>\$ 95,145</b>	<b>\$ 42,579</b>	<b>\$ 52,566</b>

Construction in progress represents costs incurred to date on the planning costs for a new building and other additions to the Institute. Once construction is completed on the related asset the total costs will be transferred to capital assets and amortization will commence. As at March 31 2013, \$2,037 (March 31, 2012 – \$885; April 1, 2011 – \$1,837) in costs had been incurred.

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**5 Deferred Contributions**

Deferred contributions represent contributions received for purchases of capital assets. The changes in the deferred contributions balance for the period are as follows:

	2013	2012
Balance - Beginning of period	\$ 28,875	\$ 31,297
Contributions received	9,578	936
Amortization	(3,382)	(3,358)
Balance - End of period	<u>\$ 35,071</u>	<u>\$ 28,875</u>

**6 Due To The Ottawa Hospital**

The relationship between the Institute and The Ottawa Hospital is governed by a service agreement pursuant to which certain services are provided at fair market value. The Institute has an unsecured amount payable to The Ottawa Hospital bearing interest at prime.

**7 Employee Future Benefits**

**Pension - HOOPP**

Employer contributions to the Plan as at March 31, 2013 is \$4,597 (2012 – \$4,708) and are included in salaries and wages expense in the statement of operations.

The most recent financial results for HOOPP indicate that, as at December 31, 2012, the Plan was fully funded. Variances between actuarial funding estimates and actual experience may be material and differences are generally funded by the participating members. Insufficient information is available to determine the Institute's portion of the pension asset/liability as at March 31, 2013.

**Extended Health, Dental and Life Benefits**

Actuarial valuations prepared for accounting purposes indicated the following:

	March 31, 2013	March 31, 2012	April 1, 2011
Accrued benefit obligation	\$ 4,617	\$ 4,135	\$ 2,578
Unamortized actuarial losses	(547)	(175)	-
Liability for employee future benefits	<u>\$ 4,070</u>	<u>\$ 3,960</u>	<u>\$ 2,578</u>

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The related expense recorded for the period is \$110 (2012 – \$1,382) and is included in salaries and wage expense in the statement of operations.

The significant actuarial assumptions adopted in measuring the Institute's accrued benefit obligation for these benefits are as follows:

	March 31, <u>2013</u>	March 31, <u>2012</u>	April 1, <u>2011</u>
Discount rate - accrued benefit obligation	3.94%	4.69%	5.63%
Dental cost increases	3.50%	3.50%	3.50%
Extended health care cost increases*	7.50%	7.50%	7.50%

\*decreasing by 0.5% per annum to an ultimate rate of 4.5%.

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

	<u>2013</u>	<u>2012</u>
Beginning balance	\$ 3,960	\$ 2,578
Current service cost	236	175
Plan amendments	(104)	1,212
Interest cost	189	191
Benefits paid	(223)	(196)
Amortization of actuarial losses	12	-
Ending balance	<u>\$ 4,070</u>	<u>\$ 3,960</u>

**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
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**8 Long-Term Debt**

Long-term loans are secured under a general security agreement.

	March 31, 2013	March 31, 2012	April 1, 2011
3.121% fixed rate term note with principal payments of \$11 monthly Maturity date: March 17, 2015	\$ 251	\$ 371	\$ 487
5.45% fixed rate term note with principal payments of \$44 monthly Maturity date: April 5, 2015	3,822	4,356	4,889
6.15% fixed rate term note with principal payments of \$27 monthly Maturity date: April 23, 2015	675	1,000	1,325
6.15% fixed rate term note with principal payments of \$36 monthly Maturity date: December 14, 2015	2,900	3,333	3,767
3.70% fixed rate term note with principal payments of \$9 monthly Maturity date: February 14, 2015	1,187	1,285	-
<b>Total</b>	<b>\$ 8,835</b>	<b>\$ 10,345</b>	<b>\$ 10,468</b>
Less: current portion	1,537	1,520	1,404
	<b>\$ 7,298</b>	<b>\$ 8,825</b>	<b>\$ 9,064</b>
Future principal repayments are required as follows:			
2013-14	1,537		
2014-15	2,484		
2015-16	4,814		
	<b>\$ 8,835</b>		

In addition to the outstanding loans noted above, the following other credit facility exists:

An overdraft lending agreement with the Bank of Nova Scotia for the amount of \$500,000 for the purpose of financing operating requirements. The revolving facility is repayable on demand and bears interest at prime, payable monthly. The Institute has provided the following collateral for the facility: a General Security Agreement, representing a first charge over all accounts receivable, inventory and equipment other than leased assets. No amounts have been drawn on this facility for the periods ended March 31, 2013 and March 31, 2012.

**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
Notes to Financial Statements  
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**9 Obligations under Capital Leases**

The Institute is committed under capital leases for diagnostic equipment.

	March 31, 2013	March 31, 2012	April 1, 2011
6.10% fixed rate term note with principal payments of \$5 monthly Maturity date: February 1, 2013	\$ -	\$ 53	\$ 108
5.95% fixed rate term note with principal payments of \$17 monthly Maturity date: June 11, 2011	-	-	57
Total obligations under capital leases	-	53	165
Less: current portion of obligations under capital leases	-	53	112
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>

**10 Contingent Liabilities**

The Institute is in discussions with the Ministry of Health and Long-Term Care over amounts potentially owing from unmet volume commitments funded under a Post Construction Operating Plan in 2005-6. The amounts at year end are not determined with any certainty but could be as much as \$2 million that would be required to be repaid to the Ministry.

**11 Financial Instruments**

**Classification of Financial Instruments**

	March 31, 2013		
	Fair Value	Amortized Cost	Total
Cash	\$ 3,729	-	\$ 3,729
Accounts Receivable	-	9,128	9,128
Accounts Payable	-	1,818	1,818
Accrued Liabilities	-	9,486	9,486
Due to the Ottawa Hospital	-	1,441	1,441
Long-Term Debt	-	8,835	8,835

The following classification system is used to describe the basis of the measurement of fair value subsequent to initial recognition, grouped into different levels based on the degree to which the fair value is observable:

# UNIVERSITY OF OTTAWA HEART INSTITUTE

## Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

(000's)

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- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
  - Level 2 fair value measurements are those derived from market based inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
  - Level 3 fair value measurements are those derived from valuation techniques for the asset of liability that are not based on observable market data.

Cash is measured as a Level 1 financial instrument. There were no transfers from Level 1 for the years ended March 31, 2013 and March 31, 2012.

### **Risk Management**

The Institute is exposed to a variety of financial risks including credit, interest rate and liquidity risks. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Institute's financial performance.

#### Credit Risk

The Institute is exposed to credit risk in the event of non-payment by patients for non-insured services and services provided to non-resident patients. This risk is common to hospitals as they are required to provide care for patients regardless of their ability to pay for services.

At March 31, 2013, the following patient accounts receivable were outstanding:

	30 days	60 days	90 days	Over 90 days
Patient Accounts				
Receivable balances	\$2,253	\$2,372	\$934	\$2,241
Less: allowance	<u>( 25)</u>	<u>( 22)</u>	<u>( 20)</u>	<u>( 664)</u>
Net	<b><u>\$2,228</u></b>	<b><u>\$2,350</u></b>	<b><u>\$914</u></b>	<b><u>\$1,577</u></b>

#### Interest Rate Risk

Interest rate risk arises from fluctuations in interest rates and the degree of volatility of these rates. Amounts owing to The Ottawa Hospital bear a floating rate of interest based on prime rates. These are short-term borrowings and balances fluctuate over time. Long-term debt is typically for a fixed term at a fixed rate (note 8).

#### Liquidity risk

Liquidity risk is the risk the Hospital will not be able to meet its financial obligations when they come due. The Institute 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.



**UNIVERSITY OF OTTAWA HEART INSTITUTE**  
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The table below is a maturity analysis of the Institute's financial liabilities:

	March 31, 2013				Total
	Up to 6 months	More than 6 months up to 1 year	More than 1 year up to 5 years	More than 5 years	
Accounts Payable and Accrued Liabilities	\$ 2,713	\$ 276	\$ 6,101	\$ 2,214	\$ 11,304
Long-Term Debt	769	768	7,298	-	8,835
	<b>\$ 3,482</b>	<b>\$ 1,044</b>	<b>\$ 13,399</b>	<b>\$ 2,214</b>	<b>\$ 20,139</b>

## 12 Gift Plus Annuity

The Institute has received eight charitable donations in the form of gift plus annuities, whereby individuals have deposited funds into insurance policies payable to the Institute in exchange for guaranteed annuities for five years and subsequent fixed lifetime annuities to the donors' designated beneficiaries. At the time when the money is deposited, the Institute receives a pre-determined percentage of the total contribution as a cash donation. In the event that the insurance company defaults on these payments, the Institute must honor the original obligation and continue to fund the annuities. The value of these obligations has been actuarially determined as \$55 as at March 31, 2005. There have been no additions to these agreements in the current year.

## 13 Related Party Balances and Transactions

### a) University of Ottawa Heart Institute Foundation

The Institute has an economic interest in The University of Ottawa Heart Institute Foundation (the "Foundation"). The Foundation was established to raise, receive, maintain and manage funds to benefit or be distributed towards various programs and capital projects of the Institute and the Ottawa Heart Institute Research Corporation (the "Corporation"). The Foundation is a tax-exempt registered charity and is a non-share corporation constituted under Federal legislation. Included in accounts receivable is \$55 (March 31, 2012 – \$18; April 1, 2011 – \$110) owing from the Foundation. During the period, the Institute recorded revenue of \$1,510 (2012 – \$1,337) from the Foundation.

### b) Alumni and Auxiliary

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

## **UNIVERSITY OF OTTAWA HEART INSTITUTE**

### **Notes to Financial Statements**

**March 31, 2013, March 31, 2012 and April 1, 2011**

**(000's)**

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#### **c) Ottawa Heart Institute Research Corporation**

The Institute has an economic interest in the Corporation which carries on and exclusively promotes scientific research and experimental development for the benefit of the general public. The Corporation is a tax-exempt registered charity incorporated under the laws of Canada.

Included in accounts receivable is \$383 (March 31, 2012 – \$285; April 1, 2011 – \$406) relating to construction projects and other costs incurred on behalf of the Corporation. This amount is non-interest bearing and has no specified terms of repayment. During the period, the Institute provided \$4,219 (2012 – \$3,940) of base funding in support of research to the Corporation. These amounts are recorded in supplies and other expenses on the statement of operations.

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