

North Shore Health Network

Financial Statements

Year Ended March 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the North Shore Health Network ("the Health Network") are the responsibility of the Health Network's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for government not-for-profit organizations established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to these financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Health Network's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Health Network. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Health Network's financial statements.



President, Board of Directors
1st Vice Chair



Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the North Shore Health Network

Report on the Financial Statements

We have audited the accompanying financial statements of the **North Shore Health Network**, which comprise the statement of financial position as at **March 31, 2018**, and the statements of operations, remeasurement gains and losses, changes in net assets and cash flows for the year then ended, and 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 audit. We conducted our audit 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.

We believe that the audit evidence we have obtained 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 North Shore Health Network as at March 31, 2018, and the results of its operations, remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
May 22, 2018

NORTH SHORE HEALTH NETWORK
Statement of Financial Position
March 31, 2018 with comparative figures for 2017

	2018 \$	2017 \$
Assets		
Current		
Cash	2,594,037	1,618,105
Accounts receivable	827,728	528,787
Inventories	224,815	226,114
Prepaid expenses	131,004	129,767
	3,777,584	2,502,773
Portfolio investments (note 3)	2,167,496	2,134,422
Capital assets (note 4)	14,583,476	15,029,948
	20,528,556	19,667,143
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	3,285,842	2,139,719
Post-employment benefits (note 7)	997,524	1,009,374
Deferred contributions for capital assets (note 8)	8,772,466	8,798,857
	13,055,832	11,947,950
Net Assets		
Invested in capital assets (note 9)	5,811,010	6,231,091
Unrestricted	1,297,113	1,107,377
Internally restricted	303,392	303,392
	7,411,515	7,641,860
Accumulated remeasurement gains	61,209	77,333
Total net assets	7,472,724	7,719,193
	20,528,556	19,667,143

Contingent liabilities (note 11)

Approved on behalf of the Board of Directors:

Donna Latulippe
1st Vice Chair

See accompanying notes to the financial statements.

NORTH SHORE HEALTH NETWORK**Statement of Operations****Year ended March 31, 2018 with comparative figures for 2017**

	2018	2017
	\$	\$
Revenues		
Provincial Ministry of Health - patient care	13,326,782	12,954,298
Other patient revenue	558,414	515,473
Co-payments	411,158	377,719
Preferred accommodations	78,703	131,733
Recoveries and other revenue	2,726,240	2,937,063
Amortization of deferred contributions for allowable capital assets	129,969	123,567
	17,231,266	17,039,853
Expenses		
Salaries and wages	8,758,957	8,424,293
Supplies and other expenses	3,159,983	2,937,721
Employee benefits	2,547,323	2,382,236
Medical staff remuneration	1,810,175	2,027,678
Amortization of allowable capital assets	413,884	389,771
Drugs	227,889	228,653
Medical and surgical supplies	143,230	144,300
Bad debts	26,593	35,233
	17,088,034	16,569,885
Excess of revenues over expenses before undernoted items	143,232	469,968
Other Revenues		
Other votes and programs (note 10)	2,391,737	2,379,954
Other recoveries	481,734	593,578
Amortization of deferred contributions for non-allowable capital assets	424,389	431,722
Realized investment income on portfolio investments	49,828	47,371
Gain on sale of portfolio investments	-	14,431
	3,347,688	3,467,056
Other Expenses		
Other votes and programs (note 10)	2,547,128	2,621,150
Other salaries and wages	481,518	584,906
Amortization of non-allowable capital assets	643,226	650,700
Post-employment benefits expense (note 7)	49,393	107,432
	3,721,265	3,964,188
Deficiency of revenues over expenses	(230,345)	(27,164)

See accompanying notes to the financial statements.

NORTH SHORE HEALTH NETWORK
Statement of Remeasurement Gains and Losses
Year ended March 31, 2018 with comparative figures for 2017

	2018	2017
	\$	\$
Accumulated remeasurement gains, beginning of year	77,333	42,011
Unrealized gains (losses) attributable to portfolio investments	(16,124)	88,335
Amounts reclassified to the Statement of Operations attributable to portfolio investments	-	(53,013)
Net remeasurement gains (losses) for the year	(16,124)	35,322
Accumulated remeasurement gains, end of year	61,209	77,333

See accompanying notes to the financial statements.

NORTH SHORE HEALTH NETWORK**Statement of Changes in Net Assets****Year ended March 31, 2018 with comparative figures for 2017**

	Invested in capital assets	Unrestricted Health Centre	Unrestricted Long-term Care	Internally Restricted Recruitment & Retention	2018	2017
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	6,231,091	4,471,526	(3,364,149)	303,392	7,641,860	7,669,024
Excess (deficiency) of revenues over expenses	(524,669)	452,278	(157,954)	-	(230,345)	(27,164)
Changes in net assets invested in capital assets	104,588	(104,588)	-	-	-	-
Balance, end of year	5,811,010	4,819,216	(3,522,103)	303,392	7,411,515	7,641,860

See accompanying notes to the financial statements.

NORTH SHORE HEALTH NETWORK**Statement of Cash Flows****Year ended March 31, 2018 with comparative figures for 2017**

	2018	2017
	\$	\$
Operating transactions		
Cash provided by (used for):		
Deficiency of revenues over expenses	(230,345)	(27,164)
Items not requiring cash:		
Amortization of capital assets	1,074,392	1,063,550
Loss on disposal of capital assets	14,982	9,209
Amortization of deferred capital contributions related to capital assets	(564,705)	(569,855)
	294,324	475,740
Net change in operational working capital		
Accounts receivable	(298,941)	(42,478)
Inventories	1,299	31,615
Prepaid expenses	(1,237)	(7,904)
Accounts payable and accrued liabilities	1,146,123	223,645
Post-employment benefits obligation	(11,850)	55,958
	1,129,718	736,576
Capital transactions		
Purchase of capital assets	(642,902)	(220,011)
Financing transactions		
Deferred capital contributions received	538,314	178,343
Investing transactions		
Change in portfolio investments	(49,198)	188,921
Net increase in cash	975,932	883,829
Cash, beginning of year	1,618,105	734,276
Cash, end of year	2,594,037	1,618,105

See accompanying notes to the financial statements.

NORTH SHORE HEALTH NETWORK

Notes to the Financial Statements

March 31, 2018

1. Nature of Organization

North Shore Health Network (the "Health Network") is a general hospital under the provisions of the Public Hospitals Act of Ontario.

The Health Network is principally involved in providing health care services from its three sites located in the communities of Blind River, Thessalon and Richard's Landing. The Health Network is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada) and accordingly is exempt from income tax.

2. Significant Accounting Policies

The financial statements of the Health Network are prepared in accordance with Canadian public sector accounting standards including the PS 4200 series of standards applicable to government not-for-profit organizations, as issued by the Public Sector Accounting Board. The significant policies are detailed as follows:

a) Revenue Recognition

The Health Network follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Health Network is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care and the North East Local Health Integration Network. 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. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2018.

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 recognized. 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.

Revenue from the provincial insurance plan, preferred accommodation, and marketed services is recognized in the period in which the goods are sold or the service is provided.

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

2. Significant Accounting Policies (continued)**b) 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.

c) Inventories

Inventories are valued at the lower of cost and current replacement cost.

d) Capital Assets and Amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. When a capital asset no longer contributes to the Health Network's ability to provide services, its carrying amount is written down to its estimated realizable value.

Amortization is provided on assets placed into use on the straight-line basis over their estimated useful lives as follows:

Land improvements	10 – 15 years
Buildings	20 – 50 years
Building service equipment	5 – 20 years
Equipment	3 – 20 years

e) Compensated Absences

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

f) Use of Estimates

The preparation of financial statements in accordance with public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Amounts affected by significant estimates include allowance for uncollectible accounts receivable, estimated useful lives of capital assets and post-employment benefits liability.

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

2. Significant Accounting Policies (continued)**g) Retirement and Post-Employment Benefits**

The Health Network provides retirement and post-employment benefits to certain employee groups. These benefits include pension, health and dental benefits. The Health Network has adopted the following policies with respect to accounting for these employee benefits:

- i) The costs of post-employment benefits are determined using management's best estimate of health care costs, employee turnover rates and discount rates. Adjustments to these costs arising from plan amendments and changes in estimates are accounted for in the period of the amendment or change.
- ii) The expense related to the multi-employer defined benefit pension plan are the employer's contributions to the plan in the year.
- iii) The discount rate used in the determination of post-employment benefits is equal to the Health Network's internal rate of borrowing.

h) Financial Instruments

The Health Network initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Health Network subsequently measures its financial assets and financial liabilities at amortized cost using the effective interest rate method, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, at which point they are transferred to the statement of operations.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

Financial assets measured at fair value include portfolio investments. The Health Network has designated its bond portfolio that would otherwise be classified into the amortized cost category, at fair value as the Health Network manages and reports performance on the portfolio on a fair value basis.

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

3. Portfolio Investments

The Health Network's portfolio investments consist of GICs, bonds and mutual fund investments, detailed as follows:

	2018	2017
	\$	\$
Cost:		
Guaranteed Investment Certificates	1,095,290	1,080,457
Bonds	172,700	174,320
Mutual funds	838,297	802,312
	<u>2,106,287</u>	<u>2,057,089</u>
Market value:		
Guaranteed Investment Certificates	1,095,290	1,080,457
Bonds	172,188	179,052
Mutual funds	900,018	874,913
	<u>2,167,496</u>	<u>2,134,422</u>
Unrealized gains	<u>61,209</u>	<u>77,333</u>

The Health Network's GICs and bonds bear interest at varying rates between 1.91% and 2.91% per annum with maturity dates between October 2018 and December 2022.

Maturity profile of GICs and bonds held is as follows:

	Within 1 Year	2 to 5 Years	6 to 10 Years	Over 10 Years	Total
Carrying value	288,198	979,280	-	-	1,267,478
Percent of Total	23%	77%	0%	0%	100%

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 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 that include inputs for these asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Health Network's portfolio investments have been determined using Level 1 measures in the fair value hierarchy.

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018****4. Capital Assets**

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	65,599	-	65,599	-
Land improvements	420,812	420,812	420,812	420,739
Buildings	27,175,342	14,048,459	27,160,977	11,900,421
Equipment	7,941,134	6,550,140	7,542,956	7,839,236
	<u>35,602,887</u>	<u>21,019,411</u>	<u>35,190,344</u>	<u>20,160,396</u>
Net book value		<u>14,583,476</u>		<u>15,029,948</u>

5. Bank Financing

The Royal Bank of Canada has authorized a revolving demand credit facility to a maximum of \$200,000 which is unsecured and bears interest at the bank's prime rate of interest plus 0.3% per annum. At March 31, 2018, no amount has been drawn on this credit facility.

6. Accounts Payable and Accrued Liabilities

	2018	2017
	\$	\$
Ministry of Health and Long-Term Care	237,858	-
Other accounts payable	1,194,319	660,167
Wages and employee benefits	1,483,170	1,243,866
Other accrued liabilities	370,495	235,686
	<u>3,285,842</u>	<u>2,139,719</u>

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

7. Post-Employment Benefits

North Shore Health Network pays certain benefits on behalf of its retired employees. The Health Network recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued employee future liability of \$997,524 (2017 - \$1,009,374) and the expense (recovery) for the period ended March 31, 2018 in the amount of \$49,393 (2017 - \$107,432) were determined using a discount rate of 3.37% (2017 - 3.56%).

Information about North Shore Health Network's defined benefit plan is as follows:

	2018	2017
	\$	\$
Accrued benefit obligation, beginning of year	1,009,374	953,416
Expense for the year	49,393	107,432
Benefits paid for the year	(61,243)	(51,474)
Accrued benefit obligation, end of year	997,524	1,009,374

The main assumptions employed for the valuation are as follows:

a) Interest (discount) rate

The obligation as at March 31, 2018, for the present value of future liabilities and the expense for the period then ended, were determined using an annual discount rate of 3.56%.

b) Benefit costs

Future general benefit costs were assumed to increase at a rate of 4% per annum.

c) Demographic factors

Turnover due to resignation, termination or mortality has been estimated at 4% per annum.

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

8. Deferred Contributions for Capital Assets

Deferred contributions for capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred contributions for capital assets is recorded as revenue in the statement of operations using the straight-line method at rates consistent with the assets to which they relate.

	2018	2017
	\$	\$
Balance, beginning of year	8,798,857	9,190,369
Additional contributions received	538,314	178,343
Less: amounts amortized to revenue	(564,705)	(569,855)
Balance, end of year	8,772,466	8,798,857

9. Net Assets Invested in Capital Assets

	2018	2017
	\$	\$
a) Net assets invested in capital assets are calculated as follows:		
Capital assets	14,583,476	15,029,948
Amounts financed by deferred capital contributions	(8,772,466)	(8,798,857)
	5,811,010	6,231,091
b) Change in net assets invested in capital assets is calculated as follows:		
Amortization of deferred contributions for capital assets	564,705	569,855
Loss on disposal of capital assets	(14,982)	(9,209)
Amortization of capital assets	(1,074,392)	(1,063,550)
	(524,669)	(502,904)
Change in investment in capital assets:		
Purchase of capital assets	642,902	220,011
Deferred contributions on capital assets received	(538,314)	(178,343)
	104,588	41,668
Change in net assets invested in capital assets	(420,081)	(461,236)

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

10. Other Votes and Programs

	Revenues	Expenses	Surplus (Deficit)
	\$	\$	\$
Long-Term Care (Schedule 1)	1,691,954	1,856,843	(164,889)
Seniors Home Support	695,958	686,010	9,948
Municipal Taxes	3,825	4,275	(450)
	2,391,737	2,547,128	(155,391)

11. Contingent Liabilities

The nature of the Health Network's activities is such that there is often litigation pending or in prospect at any time. With respect to claims at March 31, 2018, management believes the Health Network 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 Health Network's financial position.

12. Pension Plan

Substantially all of the employees of the Health Network 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. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy.

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

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 indicates the plan is fully funded. Contributions to the plan made during the year by the Health Network on behalf of its employees amounted to \$714,785 (2017 -\$670,072) and are included in the statement of operations.

At December 31, 2017, the HOOPP had total assets of \$178.7 billion (2016 - \$164.2 billion) and an accumulated surplus of \$18.2 billion (2016 - \$15.9 billion).

NORTH SHORE HEALTH NETWORK

Notes to the Financial Statements

March 31, 2018

13. Financial Instruments

The Health Network's financial instruments consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities. The nature of the risks to which the Health Network may be subject to are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial transaction will fail to discharge a financial obligation and cause the other party to incur a financial loss. The Health Network is exposed to this risk relating to its cash, portfolio investments and accounts receivable.

The Health Network holds its cash accounts and portfolio investments with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote.

The Health Network is exposed to credit risk in accounts receivable which includes patient, insurance, government and other receivables. The Health Network measures its exposure to credit risk with respect to accounts receivable based on how long the amounts have been outstanding and management's analysis of accounts including management's on-going monitoring of outstanding accounts and collections. In the opinion of management, the credit risk exposure in accounts receivable is considered to be low.

b) Liquidity risk

Liquidity risk is the risk that the company cannot repay its obligations when they become due to its creditors. The Health Network is exposed to this risk relating to its accounts payable and accrued liabilities.

The Health Network reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash and investments to repay trade creditors as payables become due. In the opinion of management, the liquidity risk exposure to the Health Network is low.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Health Network does not have material transactions or financial instruments denominated in foreign currencies.

NORTH SHORE HEALTH NETWORK**Notes to the Financial Statements****March 31, 2018**

13. Financial Instruments (continued)**ii) Interest rate risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Health Network is exposed to this risk through its interest bearing investments.

The Health Network's GIC and bond portfolio have interest rates and maturities as detailed in note 3 to the financial statements. The Health Network does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk exposure to the Health Network is low.

iii) Other price risk

Other price risk is the uncertainty associated with the valuation of financial assets arising from changes in equity markets. The Health Network is exposed to this risk through its mutual fund holdings in its investment portfolio.

The maximum exposure to other price risk through the Health Network's mutual fund holdings is detailed in note 3 to the financial statements. Management reduces its exposure to other price risk by monitoring the value of its mutual fund holdings on a regular basis. In the opinion of management, the other price risk exposure to the Health Network is low.

There have not been significant changes from the previous year in the exposure to all of the above risks or policies, procedures and methods used to measure these risks.

NORTH SHORE HEALTH NETWORK

Notes to the Financial Statements

March 31, 2018

14. North Shore Health Network Auxiliary Inc.

a) North Shore Health Network Auxiliary Inc.

The North Shore Health Network Auxiliary Inc. is an incorporated entity, whose primary function is to raise funds for the improvement of the Health Network.

The net assets of the Auxiliary total \$266,786 at March 31, 2018, (2017 - \$255,747) and are available for use at the discretion of the Auxiliary's Board. The net assets and results from operations of the Auxiliary are not included in the statements of the Health Network. Separate financial statements for the Auxiliary are available upon request.

b) North Shore Health Network Foundation

The Foundation is incorporated without share capital under the Corporations Act (Ontario) and is a registered charity under the Income Tax Act (Canada). The North Shore Health Network Foundation raises funds from the community for the benefit of the Health Network.

The net assets of the Foundation total \$760,657 (2017 - \$745,442) and are available for use at the discretion of the Board and, in the case of the portion that is restricted, for use of the Board as restricted by the donor's requests. The net assets and results from operations of the Foundation are not included in the statements of the Health Network. Separate financial statements for the Foundation are available upon request. Related party transactions not separately disclosed are donations from the Foundation to the Health Network in the amount of \$124,948 (2017 - \$84,795).

15. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year. These changes do not affect net earnings (deficit).

SCHEDULE 1**NORTH SHORE HEALTH NETWORK****Schedule of Long-Term Care Operations****Year ended March 31, 2018 with comparative figures for 2017**

	2018	2017
	\$	\$
Revenues		
Ontario Ministry of Health and Long-Term Care	1,208,973	1,228,592
Co-payments	412,454	401,403
Preferred accommodations	42,901	39,480
Recoveries and other revenue	17,279	36,676
Amortization of deferred capital contributions	10,347	14,566
	1,691,954	1,720,717
Nursing Expenses		
Salaries and benefits	1,004,667	1,051,002
Supplies and other	51,913	58,266
Program and Support Expenses		
Salaries and benefits	92,028	97,698
Supplies and other	354	358
Accommodation Expenses		
Salaries and benefits	162,290	168,470
Supplies and other	81,894	93,301
Plant operations	77,080	88,802
Purchased services	284,022	296,014
Food costs	85,313	82,475
Amortization of capital assets	17,282	23,079
	1,856,843	1,959,465
Deficiency of revenues over expenses	(164,889)	(238,748)