
Financial statements of
Ontario Clinical Imaging Network
(Formerly Hospital Diagnostic Imaging Repository
Services)

March 31, 2023

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Independent Auditor's Report

To the Board of Directors of
Ontario Clinical Imaging Network

Opinion

We have audited the financial statements of Ontario Clinical Imaging Network (“OCINet”), which comprise the statement of financial position as at March 31, 2023, and the statement of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of OCINet as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of OCINet in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 OCINet's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate OCINet or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OCINet'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 OCINet's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause OCINet 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 8, 2023

Ontario Clinical Imaging Network
 (Formerly Hospital Diagnostic Imaging Repository Services)
Statement of financial position
 As at March 31, 2023

| | Notes | 2023 \$ | 2022 \$ |
|--|----------|-------------------|------------|
| Assets | | | |
| Current assets | | | |
| Cash | | 8,843,440 | 6,473,648 |
| Short-term investments | 3 | 5,000,000 | 6,000,000 |
| Prepaid expenses | | 2,588,847 | 102,987 |
| Accounts receivable | 4 | 2,074,955 | 638,433 |
| | | 18,507,242 | 13,215,068 |
| Capital assets | 5 | 17,593,050 | 11,537,515 |
| | | 36,100,292 | 24,752,583 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 4 and 12 | 6,866,761 | 1,785,778 |
| Deferred contributions | 7 | 406,864 | 2,166,724 |
| | | 7,273,625 | 3,952,502 |
| Deferred capital contributions | 8 | 18,172,398 | 11,684,981 |
| | | 25,446,023 | 15,637,483 |
| Net assets | | | |
| Internally restricted reserves | 9 | 2,500,000 | 2,718,581 |
| Operations fund | | 7,211,619 | 5,122,593 |
| Project and Capital funds | | 942,650 | 1,273,926 |
| | | 10,654,269 | 9,115,100 |
| | | 36,100,292 | 24,752,583 |

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

Approved by the Board

_____, Director

_____, Director

Ontario Clinical Imaging Network

(Formerly Hospital Diagnostic Imaging Repository Services)

Statement of operations

Year ended March 31, 2023

| | Operations Fund | | Project and Capital Funds | | Total | |
|---|-------------------|------------------|---------------------------|------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Contributions | | | | | | |
| Operating grants | 17,527,626 | 6,714,515 | — | — | 17,527,626 | 6,714,515 |
| Amortization of deferred capital contributions | 8 | — | 3,724,267 | 4,012,189 | 3,724,267 | 4,012,189 |
| Amortization of deferred contributions | 7 | — | 2,266,039 | 22,315 | 2,266,039 | 22,315 |
| Contributions from NEODIN and SWODIN members | 1 | — | — | — | 1,665,085 | — |
| Interest | 345,125 | 69,362 | — | — | 345,125 | 69,362 |
| Contributions for services | 99,950 | 27,522 | — | — | 99,950 | 27,522 |
| | 19,637,786 | 6,811,399 | 5,990,306 | 4,034,504 | 25,628,092 | 10,845,903 |
| Expenses | | | | | | |
| Data center | 8,921,018 | 3,595,459 | 1,145,315 | — | 10,066,333 | 3,595,459 |
| Compensation costs | 6,848,894 | 2,195,340 | 853,839 | 93,013 | 7,702,733 | 2,288,353 |
| Amortization of capital assets | — | — | 4,374,730 | 4,469,973 | 4,374,730 | 4,469,973 |
| Professional fees | 1,137,398 | 705,977 | 112,019 | — | 1,249,417 | 705,977 |
| Rent and occupancy | 210,992 | 100,230 | 38,214 | — | 249,206 | 100,230 |
| Travel | 114,430 | — | 8,434 | — | 122,864 | — |
| General and office | 109,036 | 45,353 | 3,076 | — | 112,112 | 45,353 |
| Insurance | 99,387 | 103,915 | — | — | 99,387 | 103,915 |
| Meetings and education | 59,495 | 26,545 | 3,455 | 23,408 | 62,950 | 49,953 |
| Other project expenses (recovery) | 28,093 | (61,966) | — | 6,500 | 28,093 | (55,466) |
| Communications | 20,017 | 13,432 | 1,081 | — | 21,098 | 13,432 |
| Interest on capital lease | — | 10,934 | — | — | — | 10,934 |
| | 17,548,760 | 6,735,219 | 6,540,163 | 4,592,894 | 24,088,923 | 11,328,113 |
| Excess (deficiency) of contributions over expenses | 2,089,026 | 76,180 | (549,857) | (558,390) | 1,539,169 | (482,210) |

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

Ontario Clinical Imaging Network
(Formerly Hospital Diagnostic Imaging Repository Services)
Statement of changes in net assets

Year ended March 31, 2023

| | Operations Fund | | Project and Capital Funds | | Internally restricted reserves (Note 9) | | Total | |
|---|------------------|-----------|---------------------------|-----------|---|-----------|-------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2022 | |
| Notes | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Excess (deficiency) of contributions over expenses | 2,089,026 | 76,180 | (549,857) | (558,390) | — | — | 1,539,169 | (482,210) |
| Transfer from (to) internally restricted reserves | — | — | 218,581 | — | (218,581) | — | — | — |
| Change in year | 2,089,026 | 76,180 | (331,276) | (558,390) | (218,581) | — | 1,539,169 | (482,210) |
| Net assets, beginning of year | 5,122,593 | 5,046,413 | 1,273,926 | 1,832,316 | 2,718,581 | 2,718,581 | 9,115,100 | 9,597,310 |
| Net assets, end of year | 7,211,619 | 5,122,593 | 942,650 | 1,273,926 | 2,500,000 | 2,718,581 | 10,654,269 | 9,115,100 |

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

Ontario Clinical Imaging Network

(Formerly Hospital Diagnostic Imaging Repository Services)

Statement of cash flows

Year ended March 31, 2023

| | 2023 | 2022 |
|---|---------------------|-------------|
| | \$ | \$ |
| | | (Note 15) |
| Operating activities | | |
| Excess (deficiency) of contributions over expenses for the year | 1,539,169 | (482,210) |
| Items not affecting cash | | |
| Amortization of capital assets | 4,374,730 | 4,469,973 |
| Amortization of deferred contributions | (19,793,665) | (6,736,830) |
| Amortization of deferred capital contributions | (3,724,267) | (4,012,189) |
| Changes in non-cash working capital | 1,158,601 | (603,828) |
| | (16,445,432) | (7,365,084) |
| Investing activities | | |
| Disposal of investments (net) | 1,000,000 | 1,500,000 |
| Acquisition of capital assets | (10,430,265) | (3,393,390) |
| | (9,430,265) | (1,893,390) |
| Financing activities | | |
| Deferred contributions | 18,033,805 | 6,925,374 |
| Deferred capital contributions | 10,211,684 | 3,393,390 |
| Capital lease payments | — | (2,143,817) |
| | 28,245,489 | 8,174,947 |
| Net cash inflow (outflow) | 2,369,792 | (1,083,527) |
| Cash balance, beginning of year | 6,473,648 | 7,557,175 |
| Cash balance, end of year | 8,843,440 | 6,473,648 |

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

1. Purpose and organization

Ontario Clinical Imaging Network (“OCINet”), formerly Hospital Diagnostic Imaging Repository Services (“HDIRS”) was formed December 31, 2006 under Part III of the Corporations Act (Ontario) and is continuing under the Ontario Not-For-Profit Corporations Act (2010) (ONCA) as a public benefit not-for-profit corporation incorporated without share capital whose purpose is to develop, implement and operate a shared medical image and data facility and related services on behalf of health care facilities.

On November 8, 2021 Ontario Health issued a letter to HDIRS and the two other diagnostic imaging repositories that serve the Province of Ontario (SWODIN and NEODIN) outlining its Digital Health Medical Imaging Strategy and Transition Plan that included a direction to these entities to move toward consolidation in the 2022/2023 fiscal year. In alignment with this direction on March 18, 2022 the Board and members of HDIRS approved the admission of the members of SWODIN and a funding administration arrangement with NEODIN effective April 1, 2022. Coinciding with these changes the Board and members also approved the filing of Articles of Amendment to change the name of HDIRS to Ontario Clinical Imaging Network (OCINet). A new By-Law was also approved to bring the corporation’s governance in line with the ONCA.

During the fiscal year ended March 31, 2023 administrative activities related to the consolidation of the legacy entities have continued including assignment of the role of Service Provider to OCINet from Health Sciences North under the NEODIN Alliance Agreement on March 21, 2023, preparation of members’ Agreements for the NEODIN members and the assignment of major operational agreements to OCINet.

A new Transfer Payment Agreement between OCINet and Ontario Health was signed on May 9, 2022 providing maximum funding of \$23.8 million consolidating the funding for the three former entities effective for the year April 1, 2022 to March 31, 2023. Subsequent amendments to the Transfer Payment Agreement dated February 15, 2023 and March 28, 2023 increased the total funding for the year to \$26.8 million.

2. Significant accounting policies

Management has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

The Operations Fund accounts for OCINet’s operating and administrative activities.

This fund reports unrestricted resources in excess of the operating requirements of the shared medical image data facilities and the management office. This fund also reports the use of restricted resources provided by Ontario Health to support operational activities.

The Project and Capital Funds report the use of resources as follows:

- The Capital Fund reports the capital assets, liabilities, revenues and expenses related to the shared medical image data facilities and the OCINet management office.
- The Project Fund accounts for OCINet’s Project implementation and delivery activities and reflects contributions from Ontario Health and members for Project expenditures incurred by member hospitals and OCINet. This fund also reflects the PACS as a Service and Speech as a Service programs formerly conducted SWODIN which are funded by participating members.
- The technology refresh reserve accounts for OCINet’s resources which have been internally restricted to support the future replacement of existing capital assets of the shared medical image data facility and to provide for the purchase of additional storage capacity in the future as approved by the Board of Directors.

2. Significant accounting policies (continued)

Revenue recognition

OCINet follows the deferral method of accounting for contributions.

Contributions from Ontario Health for expenses related to the operations and administration of the data facilities are deferred and recognized in revenue in the Operations Fund as the related expenses are incurred.

Contributions from Ontario Health and others for capital purchases are deferred and amortized to revenue on the same basis as the related capital items are amortized to expense in the Capital Fund.

Contributions from Ontario Health and others for Project expenses are deferred and recognized in revenue in the Project Fund as the related expenses are incurred.

Contributions from members for their proportionate share of optional project costs are recognized in the Project Fund as the related expenses are incurred.

Contributions for service fees are recognized in the Operations Fund on an accrual basis as invoiced.

Investment income

Investment income is accrued as it is earned. Income earned on externally restricted resources is recognized in the appropriate fund in accordance with the funding agreements. Income earned on resources relating to the operating funds and internally restricted reserves is recognized in the Operations Fund.

Financial instruments

OCINet initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

| Asset/liability | Measurement |
|--|----------------|
| Cash | Fair value |
| Investments (GICs) | Amortized cost |
| Accounts receivable | Amortized cost |
| Due to/from member hospitals | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset shall be written down and the resulting impairment loss will be recognized in the statement of operations for the period.

Capital assets

Capital assets are recorded at acquisition cost. Amortization is provided as follows:

| | | |
|-------------------------------------|-------------------------|---------------|
| Data facility hardware and software | 2-5 years | Straight line |
| Office furniture and equipment | 5 years | Straight line |
| Storage equipment | Based on terabytes used | |

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Notes to the financial statements
March 31, 2023

2. Significant accounting policies (continued)

Use of estimates

In preparing the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and net assets and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses and changes in net assets for the year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include accounts receivable with respect to collectability; accounts payable and accrued liabilities with respect to completeness at the period end, and capital assets with respect to useful life.

3. Investments

Short-term investments consist of term deposits and guaranteed investment certificates providing yield to maturity ranging from 2.50% to 4.45% (0.60% to 0.85% in 2022) per annum issued by Canadian Chartered Banks having terms not exceeding one year.

4. Related party transactions and balances

Certain members of OCINet participate in optional projects and services provided by OCINet and make contributions to cover the costs of these items.

Certain members of OCINet provide services and pay certain expenses on behalf of OCINet. The services include data centre facilities and services, payroll processing and human resources services, and administrative services.

At March 31 the following amounts were owing from and to members with respect to these transactions:

| | 2023 | 2022 |
|--|------------------|--------|
| | \$ | \$ |
| Due from member hospitals included in accounts receivable | 1,617,854 | — |
| Due to member hospitals included in accounts payable and accrued liabilities | 550,957 | 30,574 |

These transactions are in the normal course of business, at standard payment terms, and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the parties.

5. Capital assets

| | Cost | Accumulated amortization | 2023 Net book value | 2022 Net book value |
|-------------------------------------|-------------------|---------------------------------|----------------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Data facility hardware and software | 29,229,157 | 13,325,320 | 15,903,837 | 9,932,817 |
| Storage equipment | 5,859,741 | 4,170,528 | 1,689,213 | 1,604,698 |
| Total capital assets | 35,088,898 | 17,495,848 | 17,593,050 | 11,537,515 |

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(Formerly Hospital Diagnostic Imaging Repository Services)
Notes to the financial statements
March 31, 2023

6. Credit facility

During the year OCINet has secured a revolving demand operating credit facility secured against an investment to a maximum of \$3,000,000 bearing interest at prime plus 1.88% of which nil was outstanding at year end. The purpose of this facility is to supplement short-term operating cashflows pending receipt of other sources of funding.

7. Deferred contributions

Deferred contributions represent unspent funds received which have been externally restricted for specific purposes related to future operations or a project. The changes in the deferred contributions balance are as follows:

| | 2023 | 2022 |
|-------------------------------------|---------------------|-------------|
| | \$ | \$ |
| Balance, beginning of year | 2,166,724 | 1,978,180 |
| Add: advances from Ontario Health | 15,360,902 | 6,925,374 |
| advances from project participants | 2,672,903 | — |
| Less: amounts recognized in revenue | | |
| in the Operations Fund | (17,527,626) | (6,714,515) |
| in the Project Fund | (2,266,039) | (22,315) |
| Balance, end of year | 406,864 | 2,166,724 |

8. Deferred capital contributions

Deferred capital contributions represent the unspent and unamortized amount of contributions received for the purchase of capital assets. The deferred capital contributions are recognized as revenue in the statement of operations at rates corresponding to those applied to record amortization expense for the related capital assets. Amounts held for future capital purchases represent restricted contributions from Infoway and Ontario Health designated for the purchase of storage capacity and other project enhancements. The changes in the deferred capital contributions balance are as follows:

| | 2023 | 2022 |
|-------------------------------------|--------------------|-------------|
| | \$ | \$ |
| Balance, beginning of year | 11,684,981 | 12,303,780 |
| Add: advances from Ontario Health | 9,592,212 | 3,133,790 |
| Add: contributions from others | 619,472 | 259,600 |
| Less: amounts recognized in revenue | | |
| in the Project Fund | (11,918) | (100,607) |
| in the Capital Fund | (3,712,349) | (3,911,582) |
| | 18,172,398 | 11,684,981 |
| | 2023 | 2022 |
| | \$ | \$ |
| Consists of | | |
| Unspent contributions | 1,521,982 | 1,421,376 |
| Unamortized contributions | 16,650,416 | 10,263,605 |
| | 18,172,398 | 11,684,981 |

9. Internally restricted reserves

A component of contributions from OCINet’s members made prior to 2017 has been internally restricted to support the future replacement of existing capital assets and to fund service enhancements. In 2023, nil (nil in 2022) of member contributions from OCINet’s members were internally restricted for this purpose, based on their proportionate share. During the year, \$218,581 (nil in 2022) was used to cover the cost of capital replacement items purchased in the year.

10. Lease commitments

On January 22, 2022 OCINet renegotiated its lease for office premises effective July 1, 2022 for a five year term ending June 30, 2027. Under this agreement OCINet has relocated its offices to a smaller suite in the same building on the effective date. Commitments for base rent and estimated additional rent under the lease are as follows:

| | \$ |
|-------------|---------|
| Fiscal year | |
| 2024 | 49,929 |
| 2025 | 49,929 |
| 2026 | 49,929 |
| 2027 | 49,929 |
| 2028 | 12,482 |
| | 212,198 |

11. Pension plan

All employees of OCINet are members of the Healthcare of Ontario Pension Plan which is a multi-employer final average pay contributory pension plan. Employer contributions made to the Plan during the year by OCINet amounted to \$311,288 (\$154,890 in 2022).

The most recent Annual Report indicates that the Plan remains fully funded at December 31, 2022.

12. Financial instruments

Risks and concentrations

OCINet is exposed to various risks through its financial instruments. The following analysis provides a measure of OCINet’s risk exposure and concentrations at March 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

OCINet is exposed to credit risk on its accounts receivable and amounts due from members. These risks are mitigated by the existence of formal agreements with funders, members, and non-members.

12. Financial instruments (continued)

Liquidity risk and interest rate risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

OCINet is exposed to these risks with respect to its investments; however, the risks are managed through OCINet’s investment policy which permits investments only in high quality securities and by the short terms to maturity of the investments.

OCINet is exposed to interest rate risk with respect to its line of credit as the rate charged is based on the bank’s prime rate. However the line of credit is fully secured by a cashable GIC with the same bank.

Financial liabilities

At March 31, 2023, it is management’s opinion that OCINet is not in default of any terms of its financial liabilities. The balance outstanding with respect to government remittances for payroll deductions as at March 31, 2023 is \$109,880 (\$24,833 in 2022).

13. Statutory information

As a public sector employer receiving a significant portion of its funding from the Province of Ontario, OCINet is obligated under the Public Sector Salary Disclosure Act to disclose the following information regarding employees who were paid \$100,000 or more in base salary for the previous calendar year (2022).

| Last Name | First Name | Job description | Salary \$ | Benefits \$ |
|-----------|------------|--------------------------------------|--------------|----------------|
| MACDONALD | DAVID C | Strategic Advisor (Ptt) (former CEO) | 354,563 | 616 |
| VEENEMAN | DAVID | Vice President Of Operations | 199,543 | 714 |
| PERERA | KEERTHI | Team Lead | 156,364 | 431 |
| MADHOLALL | ANGIE | Manager Business Delivery | 141,934 | 518 |
| NAGELS | JASON | Manager Informatics And Operations | 141,934 | 518 |
| SMIALEK | DANIEL | Senior Project Manager | 109,240 | 362 |
| AMAEDI | AFSHIN | Clinical Analyst Level 2 | 102,127 | 358 |
| WU | SIDA | Database Programmer | 101,097 | 351 |
| PRABATH | NISHA | Systems Administrator Level 2 | 100,982 | 350 |

14. Contingent liabilities and guarantees

In the normal course of business, OCINet enters into agreements that meet the definition of a guarantee. OCINet’s primary guarantees are as follows:

- (a) Indemnity has been provided to all directors and or officers of OCINet for various items including, but not limited to, all costs to settle suits or actions due to association with OCINet, subject to certain restrictions. OCINet has purchased directors’ and officers’ liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnified party served as a director or officer of OCINet. The maximum amount of any potential future payment cannot be reasonably estimated.

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Notes to the financial statements

March 31, 2023

14. Contingent liabilities and guarantees (continued)

- (b) In the normal course of business, OCINet has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require OCINet to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined, and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents OCINet from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, OCINet has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

15. Comparable figures

Certain figures have been restated to conform with the presentation in the current year.