

**RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS  
DE L'EST DE L'ONTARIO**

NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

**RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS  
DE L'EST DE L'ONTARIO**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Réseau des services de santé en français de l'Est de l'Ontario

### Report on the Audit of the Non-Consolidated Financial Statements

#### *Opinion*

We have audited the non-consolidated financial statements of Réseau des services de santé en français de l'Est de l'Ontario (the Organization), which comprise the non-consolidated statement of financial position as at March 31, 2024, and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2024, and the results of its non-consolidated operations and its non-consolidated 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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### *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization'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 non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the Ontario Not-for-Profit Corporations Act, 2010, we report that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
May 30, 2024

**Marcil Lavallée**

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NON-CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
<b>REVENUES</b>		
Grants and contributions (Schedule A)	\$ 1,482,988	\$ 1,520,466
Recovery of expenses	201,443	601,127
Other	5,271	6,707
	<b>1,689,702</b>	<b>2,128,300</b>
<b>OPERATING EXPENSES</b>		
Salaries and employee benefits	1,437,292	1,642,648
Contractuals and professional fees	136,747	392,530
Office expenses and supplies	42,414	52,032
Communications and community engagement	25,823	28,742
Insurance	11,307	4,107
Travel expenses	9,204	8,977
Staff training and human resources support	7,481	7,346
Meeting expenses	6,322	1,804
Rent	4,766	4,380
Computer services	3,046	1,459
Translation	1,919	1,079
Computer supplies	-	249
Amortization of capital assets	817	1,167
	<b>1,687,138</b>	<b>2,146,520</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 2,564</b>	<b>\$ (18,220)</b>

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2024

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	Ozi Innovative Product Development Reserve Fund	Contingency Reserve Fund	Unrestricted	2024 Total	2023 Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 85,419	\$ 29,000	\$ 7,003	\$ 121,422	\$ 139,642
Excess (deficiency) of revenues over expenses	-	-	2,564	2,564	(18,220)
<b>BALANCE, END OF YEAR</b>	\$ 85,419	\$ 29,000	\$ 9,567	\$ 123,986	\$ 121,422

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

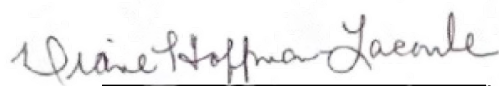
MARCH 31, 2024

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	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 109,574	\$ 208,106
Accounts receivable (Note 3)	83,065	142,783
Prepaid expenses	4,539	28,027
	197,178	378,916
<b>CAPITAL ASSETS (Note 4)</b>	1,906	2,723
	\$ 199,084	\$ 381,639
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 73,876	\$ 125,650
Deferred revenues	-	50,000
Deferred contributions (Note 7)	-	82,820
	73,876	258,470
<b>DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS (Note 8)</b>	1,222	1,747
	75,098	260,217
<b>NET ASSETS</b>		
Internal restrictions (Note 9)		
- Ozi Innovative Product Development Reserve Fund	85,419	85,419
- Contingency Reserve Fund	29,000	29,000
Unrestricted	9,567	7,003
	123,986	121,422
	\$ 199,084	\$ 381,639

ON BEHALF OF THE BOARD

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NON-CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 2,564	\$ (18,220)
<b>Adjustments for:</b>		
Amortization of capital assets	817	1,167
Amortization of deferred contributions for capital assets	(525)	(749)
	<b>2,856</b>	<b>(17,802)</b>
<b>Net change in non-cash items related to operating activities:</b>		
Accounts receivable	59,718	(113,382)
Prepaid expenses	23,488	(26,428)
Accounts payable and accrued liabilities	(51,774)	(160,875)
Deferred revenues	(50,000)	50,000
Deferred contributions	(82,820)	82,820
	<b>(101,388)</b>	<b>(167,865)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(98,532)</b>	<b>(185,667)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>208,106</b>	<b>393,773</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 109,574</b>	<b>\$ 208,106</b>

Cash and cash equivalents consist of cash.



#### 1. STATUTE AND NATURE OF OPERATIONS

The Organization is a not-for-profit organization incorporated under the Ontario Not-For-Profit Corporations Act, 2010. It serves to ensure that Francophones in Eastern Ontario have access, in French, to the full range of quality health care services. The Organization is a registered charity according to the Income Tax Act and, as such, is exempt from income tax.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations.

##### **Use of estimates**

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

##### **Controlled entity**

The Organization is considered to exercise control over 10551040 Canada Institut due to the fact that the majority of the members of the Board of Directors are also members of the Organization's Board of Directors. In addition, the two organizations share the same Management. The financial data of this entity is not consolidated in the Organization's non-consolidated financial statements, but is provided in Note 11.

##### **Contribution receivable**

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

##### **Revenue recognition**

The Organization follows the deferral method of accounting for grants and contributions. Grants and contributions restricted for future period expenses are recognized as revenue in the year in which the related expenses are incurred.

Services rendered, service agreement, recovery of expenses and other revenue are recognized when there is evidence that an arrangement exists, the services have been rendered, the price is fixed or determinable and collection is reasonably assured.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments

#### *Initial measurement*

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

#### *Subsequent measurement*

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable, except for the amount receivable from 10551040 Canada Institut.

Amount receivable from 10551040 Canada Institut is recognized at cost.

#### *Impairment*

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

#### *Transaction costs*

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

### Capital assets

Computer and office equipment are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the diminishing balance method at the rate of 30%.

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Write-down of capital assets

When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

#### Deferred capital contributions

Contributions received for capital assets are deferred and amortized over the same terms and on the same basis as the related capital assets. Deferred capital contributions represent the unamortized amount received for the purchase of capital assets.

#### Cash and cash equivalents

The Organization's policy is to present bank balances, including bank indebtedness with balances that can fluctuate from being positive to overdrawn, under cash and cash equivalents.

### 3. ACCOUNTS RECEIVABLE

	2024		2023	
Trade accounts	\$	54,857	\$	57,101
Amount receivable from 10551040 Canada Institut		28,208		85,682
	\$	83,065	\$	142,783

### 4. CAPITAL ASSETS

	2024			2023				
	Cost	Accumulated amortization	Net book value	Net book value				
Computer and office equipment	\$	97,759	\$	95,853	\$	1,906	\$	2,723

### 5. BANK LOAN

The Organization has an authorized line of credit of \$250,000, renewable annually, at prime lending rate plus 2%. This line of credit is secured by a general security agreement and accounts receivable of the Organization. The line of credit is unused at year-end.

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade accounts and accrued liabilities	\$ 71,547	\$ 125,630
Government remittances	2,329	20
	<b>\$ 73,876</b>	<b>\$ 125,650</b>

### 7. DEFERRED CONTRIBUTIONS

Deferred contributions represent amounts received by the Organization that are restricted for projects and activities that will take place in subsequent years.

	2024	2023
Balance, beginning of year	\$ 82,820	\$ -
Plus: Amount received or receivable during the year	1,400,168	1,603,286
Less: Amount recognized as revenue in the year	(1,482,988)	(1,520,466)
Balance, end of year	\$ -	\$ 82,820

### 8. DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS

	Balance as at March 31, 2023	Received	Amortization	Balance as at March 31, 2024
Ontario Health	\$ 1,339	\$ -	\$ 403	\$ 936
Société Santé en français - "Appui au Réseautage"	408	-	122	286
	<b>\$ 1,747</b>	<b>\$ -</b>	<b>\$ 525</b>	<b>\$ 1,222</b>

### 9. INTERNAL RESTRICTIONS

#### Ozi Innovative Product Development Reserve Fund

The Ozi Innovative Product Development Reserve Fund was established to fund the development of Ozi innovative products that supports the Organization's mission.

#### Contingency Reserve Fund

The Contingency Reserve Fund was created in order to deal with unforeseen events that could occur and have a significant financial impact.

**10. FINANCIAL INSTRUMENTS**

**Credit risk**

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to its accounts receivable.

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Organization does not normally require a guarantee. Approximately 100% of the accounts receivable are to be received from two entities. The Organization considers that no risk arises from that situation.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Organization is exposed to interest rate risk on its floating-interest rate financial instruments. Floating interest rate instruments subject the Organization to related cash flow risk.

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

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### 11. CONTROLLED ENTITY

10551040 Canada Institut ("the Institute") is a not-for-profit organization incorporated under the Canada Not-for-Profit Corporations Act.

Réseau des services de santé en français de l'Est de l'Ontario and the Institute share several of the same board members. The Organization is therefore considered to exercise control over the activities of the Institute.

The main objective of the Institute is to maintain, support and promote the operation of the OZI navigation platform which allows data collection, analysis and reporting regarding the capacity and implementation of services in French. This platform aims to improve the information available on health services offered in French.

The unaudited financial statements of 10551040 Canada Institut are prepared using the historical cost basis taking into account cash transactions as well as accounts receivable, accounts payable and accrued liabilities and deferred revenues measured as per the cost related to the revenue. The Institute's financial statements summary as at March 31, 2024 and March 31, 2023 is as follows:

	2024	2023
<b>Statement of financial position</b>		
Assets	\$ 47,265	\$ 134,434
Liabilities	32,208	119,742
Net assets - Unrestricted	\$ 15,057	\$ 14,692
<b>Statement of operations</b>		
Revenues	\$ 39,116	\$ 553,079
Expenses	38,751	552,573
Excess of revenues over expenses	\$ 365	\$ 506
<b>Statement of cash flow</b>		
Operating activities	\$ (524)	\$ (68,094)
Investing activities	\$ -	\$ -
Financing activities	\$ -	\$ -

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

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### 12. RELATED PARTY TRANSACTIONS

The following table summarizes the Organization's related party transactions with 10551040 Canada Institut for the year:

	2024	2023
<b>Revenues</b>		
Recovery of expenses	\$ 38,750	\$ 614,513
<b>Expenses</b>		
Contractuals and professional fees	\$ 38,750	\$ 163,850

These transactions are considered to have taken place outside of the normal course of operations and are measured at carrying amount.

As of March 31, 2024, an account receivable of \$28,208 is recorded in the books for transactions with the Institute. At of March 31, 2023, an account receivable of \$85,682 was recorded in the books for transactions with the Institute.

### 13. CONTINGENCIES

#### Other indemnification agreements

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments would be recognized in the year they are identified.

### 14. COMPARATIVE FIGURES

Certain figures for 2023 have been reclassified to conform to the presentation adopted in 2024.

# RÉSEAU DES SERVICES DE SANTÉ EN FRANÇAIS DE L'EST DE L'ONTARIO

## NON-CONSOLIDATED ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
<b>SCHEDULE A - GRANTS AND CONTRIBUTIONS</b>		
Ontario Health	\$ 944,145	\$ 993,837
Société Santé en français		
"Appui au Réseautage"	406,318	369,380
"Stratégie des données"	132,000	156,500
Amortization of deferred contributions for capital assets (Note 8)	525	749
	<b>\$ 1,482,988</b>	<b>\$ 1,520,466</b>