

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

MARCH 31, 2021

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

TABLE OF CONTENTS

	PAGE
Non-Consolidated Financial Statements	
Independent Auditor's Report	1
Non-Consolidated Statement of Operations	4
Non-Consolidated Statement of Changes in Net Assets	5
Non-Consolidated Statement of Financial Position	6
Non-Consolidated Statement of Cash Flows	7
Notes to the Non-Consolidated Financial Statements	8
Non-Consolidated Additional Information	15

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, 2021, 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, 2021, 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.

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 Corporations Act of Ontario, 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
June 24, 2021

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

NON-CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2021

4

	2021	2020
REVENUE		
Grants and contributions (Schedule A)	\$ 2,034,243	\$ 2,026,871
Service agreement - Ministry of Health and Long-Term Care	427,000	442,399
Recovery of expenses	401,698	25,965
Services rendered	-	40,000
Other	8,077	22,392
	2,871,018	2,557,627
OPERATING EXPENSES		
Salaries and employee benefits	1,512,435	1,555,006
Contractuals and professional fees	1,046,516	676,811
Rent	105,853	103,497
Office expenses and supplies	71,792	63,865
Communications and community engagement	25,504	41,661
Translation	4,440	22,628
Insurance	2,643	2,508
Computer services	1,476	4,894
Travel expenses	1,470	35,874
Staff training and human resources support	616	4,025
Meeting expenses	-	4,618
Computer supplies	-	4,168
Amortization of capital assets	8,500	9,520
	2,781,245	2,529,075
EXCESS OF REVENUE OVER EXPENSES	\$ 89,773	\$ 28,552

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

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

5

	Ozi Innovative Product Development Reserve Fund	Contingency Reserve Fund	Unrestricted	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ -	\$ -	\$ 114,740	\$ 114,740	\$ 86,188
Excess of revenue over expenses	-	-	89,773	89,773	28,552
Internal restrictions	103,639	100,000	(203,639)	-	-
BALANCE, END OF YEAR	\$ 103,639	\$ 100,000	\$ 874	\$ 204,513	\$ 114,740

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

STATEMENT OF FINANCIAL POSITION


MARCH 31, 2021

6

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 410,778	\$ 342,940
Accounts receivable (Note 3)	22,215	54,707
Prepaid expenses	-	436,896
	432,993	834,543
CAPITAL ASSETS (Note 4)	5,557	14,057
	\$ 438,550	\$ 848,600
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 230,471	\$ 293,252
Deferred contributions (Note 7)	-	435,513
	230,471	728,765
DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS (Note 8)	3,566	5,095
	234,037	733,860
NET ASSETS		
Internal restrictions		
Ozi Innovative Product Development Reserve Fund	103,639	-
Contingency Reserve Fund	100,000	-
Unrestricted	874	114,740
	204,513	114,740
	\$ 438,550	\$ 848,600

ON BEHALF OF THE BOARD


Philippe Marleau, Director


Alain-Michel Sékula, 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, 2021

7

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 89,773	\$ 28,552
Adjustments for:		
Amortization of capital assets	8,500	9,520
Amortization of deferred contributions for capital assets	(1,529)	(2,183)
	96,744	35,889
Net change in non-cash working capital items:		
Accounts receivable	32,492	60,287
Prepaid expenses	436,896	(436,896)
Accounts payable and accrued liabilities	(62,781)	(122)
Deferred contributions	(435,513)	435,513
	(28,906)	58,782
INCREASE IN CASH AND CASH EQUIVALENTS	67,838	94,671
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	342,940	248,269
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 410,778	\$ 342,940

Cash and cash equivalents consist of cash.

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

8

1. STATUTE AND NATURE OF OPERATIONS

The Organization is a not-for-profit organization incorporated under the Corporations Act of Ontario. 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 Canadian accounting standards for not-for-profit organizations (ASNFPO) in accordance with Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements in compliance with the ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Controlled entity

The Organization is considered to exercise control over 10551040 Canada Institute 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 10.

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 from members 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.

Contributed services

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours and determining their fair value, contributed services are not recognized in the financial statements.

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

9

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

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

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no 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 related to financial instruments subsequently measured at amortized cost adjust the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the following methods, annual rates and periods:

	Methods	Rates and period
Computer and office equipment	Diminishing balance	30%
Leasehold improvements	Straight-line method	Term of the lease

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

10

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 disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that can fluctuate from being positive to overdrawn.

3. ACCOUNTS RECEIVABLE

		2021		2020
Ministry of Health and Long-Term Care	\$	11,965	\$	51,996
Harmonized Sales Tax receivable		10,250		2,711
	\$	22,215	\$	54,707

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021	2020
Computer and office equipment	\$ 97,759	\$ 92,202	\$ 5,557	\$ 7,938
Leasehold improvements	18,355	18,355	-	6,119
	\$ 116,114	\$ 110,557	\$ 5,557	\$ 14,057

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, 2021

11

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade accounts and accrued liabilities	\$ 122,859	\$ 79,627
Amount payable to a related party	107,612	213,625
	\$ 230,471	\$ 293,252

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.

	2021	2020
Balance, beginning of year	\$ 435,513	\$ -
Plus: Amount received during the year	-	2,460,201
Less: Amount recognized as revenue in th year	(435,513)	(2,024,688)
Balance, end of year	\$ -	\$ 435,513

8. DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS

	Balance as at March 31, 2019	Received	Amortization	Balance as at March 31, 2020
Champlain and South East Local Health Integration Network (LHIN)	\$ 3,908	\$ -	\$ 1,173	\$ 2,735
Société Santé en français "Appui au Réseautage"	1,187	-	356	831
	\$ 5,095	\$ -	\$ 1,529	\$ 3,566

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

12

9. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization provides credit to its partners in the normal course of its operations.

The Organization establishes allowances for doubtful accounts while keeping in mind the specific credit risk of clients, their historic tendencies and economic situation. There is no existing account receivable that represents a substantial risk for the Organization.

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 market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Organization does not use derivative financial instruments to alter the effects of this risk.

The Organization uses a line of credit bearing a variable interest rate. Consequently, the Organization's interest risk exposure is function of the changes of the prime rate. However, a variation of 1% of the prime rate will not have a significant effect on the net earnings and financial position of the Organization.

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

13

10. 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 ("the Network") and the Institute share several of the same board members. The Network is therefore considered to exercise control over the activities of the Institute.

The main objective of the Institute is to develop and promote 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 financial statements of 10551040 Canada Institute are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Institute's financial statements summary as at March 31, 2021 and March 31, 2020 is as follows :

	2021	2020
Statement of financial position		
Assets	\$ 364,100	\$ 570,114
Liabilities	353,677	570,114
Net assets - Unrestricted	\$ 10,423	\$ -
Statement of operations		
Revenues	\$ 823,969	\$ 475,487
Expenses	813,546	475,487
Excess of revenue over expenses	\$ 10,423	\$ -
Statement of cash flows		
Operating activities	\$ (164,625)	\$ 231,838
Investing activities	\$ -	\$ -
Financing activities	\$ -	\$ -

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

14

11. RELATED PARTY TRANSACTIONS

The related party transactions with 10551040 Canada Institut presented in the financial statements are as follows:

	2021	2020
Revenue		
Recovery of expenses	\$ 392,657	\$ -
Expenses		
Subcontractor charges and professional fees	\$ 632,663	\$ 475,487

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, 2021, an account payable of \$107,612 (2020: \$213,625) is recorded in the books for transactions with the Institute. At March 31, 2020, a prepaid expense of \$435,513 was recorded in the books for transactions with the Institute.:

12. 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.

13. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The impact on the operation of the Organization is dependent on the future course of events, including the duration of interruptions and restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Company cannot determine the ultimate financial impacts at this time.

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

NON-CONSOLIDATED ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2021

15

	2021	2020
SCHEDULE A - GRANTS AND CONTRIBUTIONS		
Champlain and South East Local Health Integration Network (LHIN)	\$ 993,837	\$ 993,837
"Société Santé en français"		
"Appui au Réseautage"	442,864	360,364
"Mise en oeuvre d'OZI partout au Canada"	435,513	475,487
"Stratégie des données"	160,500	175,000
"Salon Santé"	-	20,000
Amortization of deferred contributions for capital assets (Note 8)	1,529	2,183
	\$ 2,034,243	\$ 2,026,871