

Opération Enfant Soleil
Financial Statements
August 31, 2022

Independent Auditor's Report	2 - 4
Financial Statements	
Operations	5
Changes in Fund Balances	6
Cash Flows	7
Financial Position	8
Notes to Financial Statements	9 - 16
Schedules	17 - 18

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
Suite 200
140 Grande Allée East
Québec, Quebec G1R 5P7

T 418-647-3151

To the Directors of
Opération Enfant Soleil

Qualified opinion

We have audited the financial statements of Opération Enfant Soleil (hereafter the “Organization”), which comprise the statement of financial position as at August 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, except for the possible effects of the matter described in the “Basis for qualified opinion” section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2022, 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 qualified opinion

In common with many not-for-profit organizations, the Organization derives revenues from activities and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these contributions was limited to the amounts recorded by the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to the revenues from activities and fundraising, net excess and cash flows from operating activities for the years ended August 31, 2022 and 2021, current assets as at August 31, 2022 and 2021, and net assets as at September 1, 2021 and 2020, and August 31, 2022 and 2021. Our opinion on the financial statements for the year ended August 31, 2021, was qualified accordingly because of the possible effects of this limitation in scope.

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 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 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 qualified 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 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 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 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 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 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 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 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.

*Raymond Chabot Grant Thornton LLP*¹

Québec
December 8, 2022

¹ CPA auditor, public accountancy permit no. A119912

Opération Enfant Soleil Operations

Year ended August 31, 2022

	2022	2021	2022	2021	2022	2021
	General administration fund		Sport and sustainable health fund		Total	Total
	\$	\$	\$	\$	\$	\$
Revenues						
Donations from individuals and partners	12,038,533	11,490,599	308,874	158,110	12,347,407	11,648,709
Contributions from the Ministère de la Santé et des Services sociaux (MSSS)		3,685,114				3,685,114
Contributions from the MSSS for the repatriation of newborns	224,900	224,917			224,900	224,917
Contributions from the MSSS to funds invested in tangible capital assets and intangible assets	257,480	159,522			257,480	159,522
Interest on investments	381,556	655,247			381,556	655,247
Revenues from activities and fundraising	8,939,213	9,256,893			8,939,213	9,256,893
Canada emergency subsidies (refunded)	(41,128)	382,267			(41,128)	382,267
	21,800,554	25,854,559	308,874	158,110	22,109,428	26,012,669
Distributions and net change in fair value of mutual funds	(272,482)	120,864			(272,482)	120,864
	21,528,072	25,975,423	308,874	158,110	21,836,946	26,133,533
Fundraising and support costs for the pediatric sector						
Development and partnership expenses (Schedule A)	3,687,983	3,508,701			3,687,983	3,508,701
Production costs, awareness and support for the pediatric sector (Schedule B)	1,741,467	1,622,129			1,741,467	1,622,129
	5,429,450	5,130,830			5,429,450	5,130,830
Excess before general expenses and allocations	16,098,622	20,844,593	308,874	158,110	16,407,496	21,002,703
General expenses						
Administration and management fees (Schedule C)	1,468,757	1,444,178	102,114	47,433	1,570,871	1,491,611
Communication expenses (Schedule D)	263,707	197,950			263,707	197,950
Excess before allocations	14,366,158	19,202,465	206,760	110,677	14,572,918	19,313,142
Allocations and grants	14,252,227	18,102,787	106,877		14,359,104	18,102,787
Net excess	113,931	1,099,678	99,883	110,677	213,814	1,210,355

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

Opération Enfant Soleil

Changes in Fund Balances

Year ended August 31, 2022

	General administration fund						2022	2021
	Invested in tangible capital assets and intangible assets	Unallocated	Allocated to proximity fund	Allocated to regional health establishments	Capitalized funds – planned donations	Sport and sustainable health fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Fund balances, beginning of year	213,947	600,000	96,615	2,770,143	2,270,258	110,677	6,061,640	4,851,285
Net excess	(46,529)	2,370,384		(2,268,108)	58,184	99,883	213,814	1,210,355
Internal allocations – tangible capital assets and intangible assets	144,667	(144,667)						
Internal allocations – regional health establishments		(2,223,880)		2,223,880				
Fund balances, end of year	<u>312,085</u>	<u>601,837</u>	<u>96,615</u>	<u>2,725,915</u>	<u>2,328,442</u>	<u>210,560</u>	<u>6,275,454</u>	<u>6,061,640</u>

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

Opération Enfant Soleil

Cash Flows

Year ended August 31, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
OPERATING ACTIVITIES		
Net excess	213,814	1,210,355
Non-cash items		
Amortization of tangible capital assets	41,457	38,616
Amortization of intangible assets	5,072	21,697
Distributions and net change in fair value of mutual funds	272,482	(120,864)
Net change in working capital items (Note 4)	<u>(1,138,235)</u>	<u>1,969,858</u>
Cash flows from operating activities	<u>(605,410)</u>	<u>3,119,662</u>
INVESTING ACTIVITIES		
Net change in term deposit	(114)	1,769,603
Mutual funds	(166,553)	(1,960,662)
Tangible capital assets	(21,541)	(13,130)
Intangible assets	(123,126)	(123,746)
Security deposit	<u>127,203</u>	<u>(127,203)</u>
Cash flows from investing activities	<u>(184,131)</u>	<u>(455,138)</u>
Net increase (decrease) in cash	(789,541)	2,664,524
Cash, beginning of year	<u>14,029,215</u>	<u>11,364,691</u>
Cash, end of year	<u><u>13,239,674</u></u>	<u><u>14,029,215</u></u>

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

Opération Enfant Soleil

Financial Position

August 31, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
ASSETS		
Current		
Cash	13,239,674	14,029,215
Accounts receivable (Note 5)	2,644,491	2,271,758
Contributions from the MSSS to funds invested in tangible capital assets and intangible assets receivable	913,551	871,031
Inventories	24,488	26,879
Prepaid expenses	22,637	26,448
Security deposit	500,000	519,500
	<u>17,344,841</u>	<u>17,744,831</u>
Long-term		
Investments (Note 6)	2,008,297	2,114,112
Tangible capital assets (Note 7)	68,017	87,933
Intangible assets (Note 8)	244,068	126,014
Security deposit		127,203
	<u>19,665,223</u>	<u>20,200,093</u>
LIABILITIES		
Current		
Accounts payable and other operating liabilities (Note 10)	1,031,781	660,612
Allocations payable	11,180,752	12,408,304
Contributions from the MSSS to funds invested in tangible capital assets and intangible assets payable	913,551	871,031
Deferred contributions (Note 11)	263,685	198,506
	<u>13,389,769</u>	<u>14,138,453</u>
FUND BALANCES		
Unallocated	601,837	600,000
Internally restricted (Note 12)		
Invested in tangible capital assets and intangible assets	312,085	213,947
Allocated to proximity fund	96,615	96,615
Allocated to regional health establishments	2,725,915	2,770,143
Capitalized funds – planned donations	2,328,442	227,258
Sport and sustainable health fund	210,560	110,677
	<u>6,275,454</u>	<u>6,061,640</u>
	<u>19,665,223</u>	<u>20,200,093</u>

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

On behalf of the Board,

Director

Director

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization was incorporated under Part III of the *Companies Act* (Quebec) for the purpose of collecting donations or sponsorships to improve the quality of care provided to children. It is a registered charity under the *Income Tax Act* and is, therefore, tax exempt.

2 - SIGNIFICANT OF ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Fund accounting

Revenues and expenses relating to service delivery and administration are reported in the general administration fund.

Sport and sustainable health fund

Mission

The Organization's Sport and sustainable health fund aims to promote and support healthy lifestyles in children through sport, physical activity and healthy eating, as well as to cultivate emotional and mental well-being.

Expanding the Fund's reach

Advocating prevention more than cure, the Fund wishes to innovate by adopting the new trend, advocated by the World Health Organization, namely sustainable health. Thanks to this addition, we will have a better power of action in order to sensitize and educate young people at different levels such as:

- The adoption of healthy lifestyle habits;
- The establishment of an appropriate diet;
- The development of healthy emotional health.

Revenue recognition

Contributions

The Organization follows the restricted fund method of accounting for contributions.

Contributions restricted for operating expenses are recognized as revenue of the general administration fund in the year during which the related expenses are incurred. All other restricted contributions are recognized in the appropriate fund.

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

2 - SIGNIFICANT OF ACCOUNTING POLICIES (Continued)

Unrestricted contributions are recognized as revenue of the general administration fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Pledges

Corporate pledges are recognized as contribution revenue when the amount receivable has been confirmed by the donor and collection is reasonably assured.

Contributions from the MSSS for the repatriation of newborns and to funds invested in tangible capital assets and intangible assets

MSSS commitments to contribute to the Organization's projects are recognized up to \$224,900 (\$224,917 in 2021) for projects with respect to equipment for the maintenance and repatriation of newborns in regions, and \$257,480 (\$159,522 in 2021) for capital asset projects for pediatric purposes. The Organization is committed to reaching an agreement with the MSSS about the projects that will be supported.

The MSSS pays contributions resulting from this agreement directly to the establishments. It is the establishments' responsibility to undertake all steps and satisfy the terms for payment of these contributions.

Contributed services and goods

Each year, volunteers dedicate numerous hours helping the Organization provide its services. Additionally, the Organization receives contributions of services and goods. These contributions are not recognized in the financial statements.

Revenues from activities and projects

Revenues from activities and projects are recognized when the activity or project takes place, provided their collection is reasonably assured.

Net investment income

Investment transactions are recognized at the transaction date and the resulting revenues are recognized in the statement of operations using the accrual basis of accounting.

Net investment income includes interest income, participation in the net income of mutual funds as well as changes in fair value.

Interest income is recognized on a time proportion basis whereas dividend income is recognized when the Organization right to receive payment is established. Revenues from investment funds are recognized upon distribution. Changes in fair value are recognized when they occur.

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

2 - SIGNIFICANT OF ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

Subsequent measurement

At each reporting date, the Organization's financial assets and liabilities are measured at amortized cost (including any impairment in the case of financial assets), except for investments in mutual funds, which are measured at fair value.

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in the statement of operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Inventory valuation

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.

Tangible capital assets and intangible assets

Tangible capital assets and intangible assets acquired are recorded at cost. When the Organization receives contributions of capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible capital assets and intangible assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Machinery, equipment, furniture and fixtures	5 years
Computer equipment, software and Website	3 years
Leasehold improvements	10 years

Write-down

When conditions indicate that a tangible capital asset or intangible asset is impaired, the net carrying amount of the tangible capital asset or intangible asset is written down to the asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

2 - SIGNIFICANT OF ACCOUNTING POLICIES (Continued)

Expenses charged to the Sport and sustainable health fund

Expenses charged to the Sport and sustainable health fund correspond to 30.06% (30% as at August 31, 2021) of total funds collected.

Allocations – hospital centres

The excess allocated to hospitals on the basis of the agreement (Note 4) is recognized as allocations in the statement of operations in the year the amounts are collected.

Expenses allocation

The Organization allocates a portion of the general operating expenses on the basis of allocations it considers appropriate for each type of expense and that it applies on a consistent basis year after year. Expenses for the “Public awareness and information” and “Hospital centres and organizations support” programs are allocated on a pro rata basis of the program activity levels. Allocated expenses include salaries and benefits, telethon expenses, communication expenses and administration fees.

3 - SHARING OF THE EXCESS BEFORE ALLOCATIONS

The excess before allocations is shared on the basis of an agreement between the CHU de Québec – Université Laval, Hôpital Sainte-Justine, Montréal Children’s Hospital and the Centre hospitalier universitaire de Sherbrooke.

According to the agreement, an amount equal to 87% of the excess before allocations of the MSSS contribution as well as all forms of related donations, net of planned donations to be capitalized according to the Organization’s policies, funds collected intended for the Sport and sustainable health fund, the MSSS’s contribution and interest on each foundation’s trust accounts that they receive directly, will be allocated to the hospital centre’s foundations in the following proportions:

	<u>%</u>
CHU de Québec – Université Laval	27.0
Hôpital Sainte-Justine	26.5
Montréal Children's Hospital	26.5
Centre hospitalier universitaire de Sherbrooke	7.0

A portion of the allocations paid is deposited and administered in a trust account opened by the foundations of each hospital. Interest earned on these accounts is recorded as interest on investments. The 13% excess will be allocated to regional health care establishment (hospitals, integrated university health and social services centres and any other organization recognized by the MSSS, with the exception of the four major centres mentioned in the previous paragraph).

The excess before allocations that is not shared will be allocated as determined by the Board of Directors.

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

4 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The net change in working capital items is detailed as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Accounts receivable	(372,733)	(942,086)
Contributions from the MSSS to funds invested in tangible capital assets and intangible assets receivable	(42,520)	(90,478)
Inventories	2,391	148,848
Prepaid expenses	3,811	(1,972)
Security deposit	19,500	(519,500)
Accounts payable and other operating liabilities	371,169	89,474
Allocations payable	(1,227,552)	4,369,696
Contributions from the MSSS to funds invested in tangible capital assets and intangible assets payable	42,520	90,478
Deferred contributions	65,179	(1,174,602)
	<u>(1,138,235)</u>	<u>1,969,858</u>

5 - ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
	\$	\$
Pledges receivable	2,328,755	1,860,190
Indirect taxes receivable	243,884	82,951
Government assistance receivable		110,248
Accrued interest receivable	71,852	218,369
	<u>2,644,491</u>	<u>2,271,758</u>

6 - INVESTMENTS

	<u>2022</u>	<u>2021</u>
	\$	\$
Term deposit, 1.45% (0.15% as at August 31, 2021)	32,700	32,586
Mutual funds, at fair value	1,975,597	2,081,526
	<u>2,008,297</u>	<u>2,114,112</u>

7 - TANGIBLE CAPITAL ASSETS

	<u>2022</u>			<u>2021</u>
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Machinery and equipment	89,978	89,978		5,148
Furniture and fixtures	28,338	28,338		4,882
Computer equipment	179,761	161,453	18,308	18,630
Leasehold improvements	103,515	53,806	49,709	59,273
	<u>401,592</u>	<u>333,575</u>	<u>68,017</u>	<u>87,933</u>

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

8 - INTANGIBLE ASSETS

	<u>2022</u>		<u>2021</u>
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Software and Website	<u>774,935</u>	<u>530,867</u>	<u>244,068</u>
			<u>126,014</u>

9 - BANK LOAN

The bank loan, for an authorized amount of \$150,000, bears interest at prime rate plus 1.00% (5.70%; 3.45% as at August 31, 2021) and is renegotiable on February 28, 2023. As at August 31, 2022, this loan is not used.

10 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	<u>2022</u>	<u>2021</u>
	\$	\$
Accounts payable and accrued liabilities	<u>575,720</u>	231,960
Salaries and source deductions payable	<u>456,061</u>	428,652
	<u>1,031,781</u>	<u>660,612</u>

Government remittances total \$19,257 as at August 31, 2022 (\$16,582 as at August 31, 2021).

11 - DEFERRED CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance, beginning of year	<u>198,506</u>	1,373,108
Amount recognized in operations	<u>(198,506)</u>	(1,373,108)
Amount received for the next year	<u>263,685</u>	198,506
Balance, end of year	<u>263,685</u>	<u>198,506</u>

Deferred contributions as at August 31, 2022, are primarily contributions from partners to be used in 2023.

12 - INTERNAL RESTRICTIONS

Under the excess sharing agreement (Note 3), the Organization allocates 13% of the excess before allocations to regional hospitals in accordance with certain conditions and the excess that is not shared as determined by the Board of Directors. The allocated excess for which the Organization has not received payment requests is recognized as internal restrictions as well as the excess that is not shared that will be allocated as determined by the Board of Directors.

13 - MINIMUM CHARITABLE EXPENDITURES

To maintain its charitable organization status, the Organization must meet annual spending requirements, known as minimum charitable expenditures, under the *Income Tax Act*. Minimum charitable expenditures are a calculated minimum amount that a registered charity must spend each year on its own charitable programs or by making gifts to qualified donees. Failure to comply with the requirements may result in the revocation of the Organization's registration. As of August 31, 2022, the Organization is in compliance with the Canada Revenue Agency requirements.

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

14 - COMMITMENTS

The Organization has entered into long-term lease agreements maturing until 2027, which call for lease payments of \$2,056,433, excluding property tax and other indexing clauses, for the rental of premises and the use of services. Minimum lease payments for the next five years are \$600,431 in 2023, \$577,870 in 2024, \$588,223 in 2025, \$158,273 in 2026 and \$131,636 in 2027.

Additionally, the Organization has provided letters of guarantee to the Régie des alcools, des courses et des jeux du Québec to obtain licenses for draws for a value of \$500,000 maturing in August 2023 (\$500,000 in 2021), \$78,000 maturing in August 2023 (\$97,619 in 2021), \$23,000 maturing in August 2023 (\$11,500 in 2021), \$104,000 maturing in September 2024 (\$0 in 2021) and \$16 000 maturing in September 2024 (\$0 in 2021).

15 - FINANCIAL RISKS

The Organization's main financial risk exposure is detailed as follows.

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are accounts receivable and allocations receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Interest rate risk

The Organization is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

The term deposit and investments in obligations bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Mutual funds investments indirectly expose the Organization to the risk of changes in fair value resulting from stock and financing markets fluctuations.

The bank loan bears interest at a variable rate and the Organization is, therefore, exposed to the cash flow risks resulting from interest rate fluctuations.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

Opération Enfant Soleil

Notes to Financial Statements

August 31, 2022

16 - GOODS AND SERVICES AT NO COST

Goods and services

As a result of its solicitation efforts, the Organization receives a significant quantity of goods and services at no cost. It estimates that it received \$3,396,471 (\$2,733,693 in 2021) in goods and services during the year from various partners and providers.

Volunteers

The Organization uses the services of numerous volunteers in its ongoing operations. These services totalled 3,743 hours for the year (3,334 hours in 2021).

These amounts and those for goods and services are not recognized in the financial statements.

Opération Enfant Soleil

Schedules

Year ended August 31, 2022

	SCHEDULE A	
	<u>2022</u>	<u>2021</u>
	\$	\$
<i>DEVELOPMENT AND PARTNERSHIP EXPENSES</i>		
Salaries and benefits	1,640,071	1,383,339
Activity expenses	1,377,247	1,407,077
Direct expenses – partnerships and house	156,566	321,781
Travel expenses	22,060	7,623
Broadcast time	254,900	187,958
Professional services	237,139	200,923
	<u>3,687,983</u>	<u>3,508,701</u>
	SCHEDULE B	
	<u>2022</u>	<u>2021</u>
	\$	\$
<i>PRODUCTION COSTS, AWARENESS AND SUPPORT FOR THE PEDIATRIC SECTOR</i>		
Production	646,126	620,442
Salaries and benefits	574,514	550,298
Broadcast time	135,852	100,986
Grant tours	31,233	37,103
Fees and benefits	64,018	65,138
Physical installations	7,506	4,943
Advertising and printing	35,612	37,815
Travel expenses	21,693	19,822
Miscellaneous	79,216	47,051
Amortization of tangible capital assets and intangible assets	12,437	18,094
Communications	43,630	25,021
Rent	50,051	48,436
Postage and messenger service	3,892	16,016
Professional services	7,513	8,359
Telecommunications	6,688	6,167
Printing and supplies	6,927	5,276
Insurance	13,430	8,325
Equipment rental	1,129	2,837
	<u>1,741,467</u>	<u>1,622,129</u>

Opération Enfant Soleil

Schedules

Year ended August 31, 2022

	SCHEDULE C	
	<u>2022</u>	<u>2021</u>
	\$	\$
ADMINISTRATION AND MANAGEMENT EXPENSES		
Salaries and benefits	831,671	830,191
Meeting expenses	15,113	6,533
Insurance	31,444	21,923
Donations compilation	43,081	46,759
Volunteer management expenses	2,381	388
Credit card costs	220,285	224,706
Travel and accommodation expenses	8,348	
Miscellaneous	150,962	105,927
Printing and supplies	18,431	12,536
Interest and bank charges	10,205	5,922
Equipment rental	2,636	5,370
Rent	157,875	164,315
Postage and messenger service	22,898	6,433
Telecommunications	21,448	18,389
Amortization of tangible capital assets and intangible assets	34,093	42,219
	<u>1,570,871</u>	<u>1,491,611</u>
		SCHEDULE D
	<u>2022</u>	<u>2021</u>
	\$	\$
COMMUNICATION EXPENSES		
Salaries and benefits	203,556	151,967
Travel expenses		485
Advertising and printing	18,898	24,029
Public and press relations	41,253	21,469
	<u>263,707</u>	<u>197,950</u>