

THE TERESA GROUP - CHILD AND FAMILY AID
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

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Independent Auditor's Report

To the Members of The Teresa Group - Child and Family Aid

Qualified Opinion

We have audited the financial statements of The Teresa Group - Child and Family Aid (the "Teresa Group"), which comprise the balance sheet as at March 31, 2020, and the statements of revenues and expenses, 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.

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 Teresa Group as at March 31, 2020, 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 similar organizations, the Teresa Group derives revenue from fund-raising events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recognized in the records of the Teresa Group. Therefore, we were not able to determine whether, as at and for the year ended March 31, 2020, any adjustments might be necessary to revenues, deficiency of revenues over expenses reported in the statement of operating fund revenues and expenses and assets and net assets reported in the balance sheets. This same matter also caused us to qualify our audit opinion on the financial statement as at and for the year ended March 31, 2019.

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 Teresa Group 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 ability of the Teresa Group 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 Teresa Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Teresa Group.

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 the financial statements.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 internal control of the Teresa Group.
- 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 ability of the Teresa Group 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 Teresa Group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario
June 8, 2020

Chartered Professional Accountants
Licensed Public Accountants

THE TERESA GROUP - CHILD AND FAMILY AID

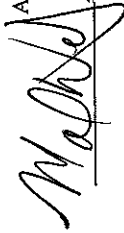
BALANCE SHEET

AS AT MARCH 31, 2020

	2020		2019		Total
	CCABA		CCABA		
	General Operations	International Coordination Projects (note 5)	General Operations	International Coordination Projects (note 5)	
ASSETS					
Current assets					
Cash and cash equivalents (note 5)	\$ 350,502	\$ 166,252	\$ 197,928	\$ 357,670	\$ 555,598
Short-term investments	-	-	353,240	-	353,240
Accounts receivable (note 5)	41,243	41,243	17,736	1,626	19,362
Prepaid expenses	26,721	-	5,816	-	5,816
	418,466	166,252	574,720	359,296	934,016
Property and equipment (note 3)	32,640	-	49,928	-	49,928
	451,106	166,252	624,648	359,296	983,944
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued liabilities (note 5)	118,757	15,777	34,919	25,711	60,630
Deferred contributions (note 4)	41,997	150,475	24,589	333,585	358,174
	160,754	166,252	59,508	359,296	418,804
Deferred capital contributions (note 6)	13,897	-	19,879	-	19,879
	174,651	166,252	79,387	359,296	438,683
Net assets					
Operating fund	(237,288)	-	20,212	-	20,212
Invested in capital assets	18,743	-	30,049	-	30,049
Contingency reserve	285,000	-	285,000	-	285,000
Program reserve	210,000	-	210,000	-	210,000
	276,455	-	545,261	-	545,261
	\$ 451,106	\$ 166,252	\$ 624,648	\$ 359,296	\$ 983,944

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:


 _____, Treasurer

THE TERESA GROUP - CHILD AND FAMILY AID

STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED MARCH 31, 2020

	2020		2019		Total	Total
	CCABA		CCABA			
	General Operations	International Coordination Projects (note 5)	General Operations	International Coordination Projects (note 5)		
Revenues						
Funding from Ontario Ministry of Health	\$ 619,954	\$ -	\$ 589,954	\$ -	\$ 589,954	\$ 589,954
General operations (note 7)	336,728	-	336,728	-	336,728	336,728
Infant formula (note 7)	283,226	-	253,226	-	253,226	253,226
Public Health Agency of Canada (Schedule)	145,879	-	137,857	-	137,857	137,857
Human Resources and Skills Development Canada	4,166	-	3,710	-	3,710	3,710
City of Toronto grant	31,330	-	30,660	-	30,660	30,660
Private sector donations	125,706	-	214,612	-	214,612	214,612
Interest	9,658	-	10,669	-	10,669	10,669
Amortization of deferred capital contributions (note 6)	5,982	-	3,719	-	3,719	3,719
Other	37,230	-	51,149	-	51,149	51,149
CCABA International coordination projects (note 5)	-	367,425	-	412,110	-	412,110
	979,905	367,425	1,042,330	412,110	1,454,440	1,454,440
Expenses						
Program						
Family support	158,460	-	159,621	-	159,621	159,621
Counselling	263,299	-	268,779	-	268,779	268,779
Infant formula (note 7)	283,226	-	253,226	-	253,226	253,226
Volunteer Support Program	67,695	-	68,032	-	68,032	68,032
Summer and day camps	103,134	-	101,729	-	101,729	101,729
Scholarships	15,920	-	7,783	-	7,783	7,783
Women's exchange	887	-	411	-	411	411
CCABA Project	30,542	-	20,739	-	20,739	20,739
	923,163	-	880,320	-	880,320	880,320
Administrative support and fundraising						
Fundraising	154,020	-	102,220	-	102,220	102,220
General and administration (note 8)	146,067	-	64,286	-	64,286	64,286
Communication and education	-	-	44,374	-	44,374	44,374
Amortization of capital assets	17,288	-	15,865	-	15,865	15,865
Donated goods	3,095	-	3,256	-	3,256	3,256
Summer student	4,244	-	3,712	-	3,712	3,712
Board expenses	834	-	371	-	371	371
	325,548	-	234,084	-	234,084	234,084
CCABA International coordination projects (note 5)	-	367,425	-	412,110	-	412,110
	1,248,711	367,425	1,114,404	412,110	1,526,514	1,526,514
Deficiency of revenues over expenses for the year	\$ (268,806)	\$ -	\$ (72,074)	\$ -	\$ (72,074)	\$ (72,074)

The accompanying notes are an integral part of these financial statements

THE TERESA GROUP - CHILD AND FAMILY AID

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2020

2020	Operating Fund			Internally Restricted		Total
	Invested in Capital Assets	Unappropriated Balance	Total	Contingency Reserve	Program Reserve	
Balance - at beginning of year	\$ 30,049	\$ 20,212	\$ 50,261	\$ 285,000	\$ 210,000	\$ 545,261
Deficiency of revenues over expenses for the year	-	(268,806)	(268,806)	-	-	(268,806)
Inter-fund transfers represented by:						
Amortization of property and equipment	(17,288)	17,288	-	-	-	-
Amortization of deferred capital contributions	5,982	(5,982)	-	-	-	-
Inter-fund transfer (note 1)	-	-	-	-	-	-
Balance - at end of year	\$ 18,743	\$ (237,288)	\$ (218,545)	\$ 285,000	\$ 210,000	\$ 276,455

2019	Operating Fund			Internally Restricted		Total
	Invested in Capital Assets	Unappropriated Balance	Total	Contingency Reserve	Program Reserve	
Balance - at beginning of year	\$ 42,014	\$ 80,321	\$ 122,335	\$ 160,000	\$ 335,000	\$ 617,335
Deficiency of revenues over expenses for the year	-	(72,074)	(72,074)	-	-	(72,074)
Inter-fund transfers represented by:						
Purchase of property and equipment	181	(181)	-	-	-	-
Amortization of property and equipment	(15,865)	15,865	-	-	-	-
Amortization of deferred capital contributions	3,719	(3,719)	-	-	-	-
Inter-fund transfer (note 1)	-	-	-	125,000	(125,000)	-
Balance - at end of year	\$ 30,049	\$ 20,212	\$ 50,261	\$ 285,000	\$ 210,000	\$ 545,261

The accompanying notes are an integral part of these financial statements

THE TERESA GROUP - CHILD AND FAMILY AID

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2020

	2020			2019		
	General Operations	CCABA International Coordination Projects (note 5)	Total	General Operations	CCABA International Coordination Projects (note 5)	Total
Cash flows from operating activities						
Cash received from government sources	\$ 801,329	\$ -	\$ 801,329	\$ 762,181	\$ -	\$ 762,181
Cash received from other contributors	157,357	185,888	343,245	222,117	148,307	370,424
Interest received	9,658	-	9,658	10,669	-	10,669
Cash paid to employees and suppliers	(1,169,010)	(377,306)	(1,546,316)	(1,078,251)	(386,290)	(1,464,541)
	(200,666)	(191,418)	(392,084)	(83,284)	(237,983)	(321,267)
Cash flows from investing and financing activities						
Purchase of property and equipment	-	-	-	(181)	-	(181)
Purchase of short-term investments	-	-	-	(5,776)	-	(5,776)
Proceeds from redemption of short-term investments	353,240	-	353,240	-	-	-
	353,240	-	353,240	(5,957)	-	(5,957)
Change in cash during the year	152,574	(191,418)	(38,844)	(89,241)	(237,983)	(327,224)
Cash and cash equivalents - at beginning of year	197,928	357,670	555,598	287,169	595,653	882,822
Cash and cash equivalents - at end of year	\$ 350,502	\$ 166,252	\$ 516,754	\$ 197,928	\$ 357,670	\$ 555,598

The accompanying notes are an integral part of these financial statements

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

The Teresa Group - Child and Family Aid (the "Teresa Group") is a registered charitable organization incorporated without share capital under the laws of Ontario. The Teresa Group advances the dignity and well-being of children and their families affected by HIV and AIDS.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below.

Basis of Accounting

General

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the accrual method of accounting. Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Operating Fund

The operating fund accounts for the day-to-day program delivery and administrative activities funded by various government and private sector organizations and includes the CCABA International co-ordination projects. All interest income earned is recognized in the operating fund.

Internally Restricted Funds

The Program Reserve Fund was established to maintain existing client service programs in the event of unanticipated funding shortfalls.

Contingency Reserve Fund was established to ensure the long term financial security of The Teresa Group.

These two internally restricted funds are financed by appropriations from the operating fund.

During the current fiscal year, the Board of Directors approved a transfer of \$NIL (\$125,000 - 2019) from the Program Reserve Fund to the Contingency Reserve Fund.

Financial Instruments

(i) Measurement

The Teresa Group initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties. The Teresa Group subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash and cash equivalents, short-term investments, accounts receivable and accounts payable and accrued liabilities.

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment. The amount of the reversal is recognized in income in the period that the reversal occurs.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand with the Teresa Group and CCABA, as well as money market mutual funds.

Investments

Short-term investments include guaranteed investment certificates recorded at amortized cost.

Property and Equipment

The costs of property and equipment are capitalized upon meeting the criteria for recognition as property and equipment, otherwise, costs are expensed as incurred. The cost of property and equipment comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Property and equipment is measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided for, upon the commencement of the utilization of the assets, using methods and rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Computers	- 25% straight line basis
Furniture and other equipment	- 10% straight line basis
Leasehold improvements	- over the term of the lease

Property and equipment is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the property and equipment to its fair value. Any impairment of property and equipment is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the property and equipment subsequently increases. There were no impairment indicators in 2020.

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Teresa Group follows the deferral method of accounting for contributions. Contributions include funding from governments and other funding agencies. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Externally restricted contributions for depreciable property and equipment are deferred and amortized over the life of the related capital assets. Externally restricted contributions for depreciable property and equipment that have not been expended are recorded as deferred capital contributions on the balance sheet.

Income from the CCABA International coordination projects is recognized as revenue when the event takes place or the service is provided.

Interest income is recognized as revenue when earned.

All other revenues are recognized when the service is provided.

Pledges receivable are not recorded in the accounts.

Funding from Ontario Ministry of Health

The Teresa Group receives its core funding from the Ontario Ministry of Health. Funds are advanced on the basis of an approved budget; actual expenses are reviewed by the Ministry after the end of the fiscal year and any unexpended funds are to be refunded. These financial statements reflect the expected settlement with the Ministry at the end of the fiscal year.

Donated Goods and Services

Donated goods are recorded in the financial statements provided that a reasonable estimate of fair value can be made.

Volunteers contribute significant amounts of time to assist the Teresa Group in carrying out its service delivery activities. Because of the difficulty in determining fair value, contributed services are not recorded in the financial statements.

Allocation of Expenses

The Teresa Group provides programs to assist children and families affected by HIV/AIDS. The cost of these services includes direct salaries and benefits and other expenses that are directly related to providing the programs and services. The Teresa Group also incurs general and administrative support services that are common to the administration and programs.

The Teresa Group allocates certain general support expenses to the programs as follows:

- | | |
|--------------------------|--|
| Human resources | • Proportionately based on the direct salaries and benefits of the program |
| Occupancy | • Based on space occupied by the personnel and/or program |
| Other operating expenses | • Based on usage of the program |

The expenses reported in the Statement of Operating Fund Revenues and Expenses for programs include allocations of human resources of \$577,545 (\$533,547 - 2019), occupancy costs of \$120,035 (\$118,164 - 2019) and other operating costs of \$25,848 (\$26,045 - 2019).

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the year end. Revenues and expenses are translated from foreign currencies at the rate of exchange prevailing on the transaction date. Any resulting gains or losses are included in income for the year.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made difficult, complex or subjective judgments include useful lives of property and equipment and accrued liabilities. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

2. FINANCIAL INSTRUMENT RISK MANAGEMENT

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Teresa Group's financial instruments.

Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Teresa Group's main credit risk relates to accounts receivable. The Teresa Group is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Teresa Group cannot repay its obligations when they become due to its creditors. The Teresa Group is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Teresa Group expects to meet these obligations as they come due by generating sufficient cash flow from operations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Teresa Group is not exposed to significant interest rate and other price risks. The Teresa Group is exposed to currency risks.

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

2. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

Market Risk (continued)

Currency Risk

Currency risk is the risk that changes in foreign exchange rates will cause fluctuations to the fair values and cash flows of the Teresa Group's financial instrument holdings. The Teresa Group receives a portion of its funding for the CCABA projects in US dollars and pays some of its direct expenses in US dollars. Currency risk is minimized by monitoring foreign currency cash flows.

Changes in Risks

The Teresa Group's interest rate risk exposure decreased from that of the prior year.

3. PROPERTY AND EQUIPMENT

Details of property and equipment are as follows:

2020	Cost	Accumulated Amortization	Net Book Value
Computers	\$ 92,645	\$ 81,219	\$ 11,425
Furniture and other equipment	51,920	48,206	3,715
Leasehold improvements	100,032	82,532	17,500
	<u>\$ 244,597</u>	<u>\$ 211,957</u>	<u>\$ 32,640</u>

2019	Cost	Accumulated Amortization	Net Book Value
Computers	\$ 92,645	\$ 75,747	\$ 16,897
Furniture and other equipment	51,920	46,394	5,527
Leasehold improvements	100,032	72,528	27,504
	<u>\$ 244,597</u>	<u>\$ 194,669</u>	<u>\$ 49,928</u>

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent the amount of funding received in the current fiscal year that is related to a subsequent fiscal year. Details of the deferred contributions balance are as follows:

	2020	2019
City of Toronto	\$ 12,795	\$ -
Foundations	13,702	14,589
Other	15,500	10,000
	<u>\$ 41,997</u>	<u>\$ 24,589</u>

5. CCABA INTERNATIONAL CO-ORDINATION PROJECTS

The Teresa Group is a founding member and fiscal agent for The Coalition for Children Affected by Aids ("CCABA"). CCABA is an international project that is a voice and strong advocate for children affected by AIDS. The Teresa Group and CCABA co-organize an international symposium affiliated with each International AIDS Conference. CCABA pays the Teresa Group an administrative fee equal to 10% of the revenues it earns. The Teresa Group does not have rights to the funds earned by CCABA beyond the earned administrative fee.

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of property and equipment. The changes in deferred capital contributions are as follows:

	2020	2019
Balance - at beginning of year	\$ 19,879	\$ 23,598
Amortization of deferred capital contributions	(5,982)	(3,719)
Balance - at end of year	<u>\$ 13,897</u>	<u>\$ 19,879</u>

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

7. FUNDING FROM ONTARIO MINISTRY OF HEALTH

In the 2020 and 2019 fiscal years, actual expenses were equal to or exceeded the approved funding from the Ontario Ministry of Health, and it is not anticipated that any portion will be refundable to the Ministry. Details of the approved funding and amounts spent are as follows:

	2020		2019	
	Approved Funding	Expenses Incurred	Approved Funding	Expenses Incurred
General operations				
Salaries	\$ 254,042	\$ 254,042	\$ 254,042	\$ 254,042
Benefits	19,378	19,378	19,378	19,378
Rent and utilities	49,302	49,302	51,302	51,302
Supplies and other expenses	11,006	11,006	11,006	11,006
Protected allocations - staff development	3,000	3,000	1,000	1,000
	<u>336,728</u>	<u>336,728</u>	<u>336,728</u>	<u>336,728</u>
Infant formula	\$ 283,226	\$ 283,226	\$ 253,226	\$ 253,226

8. GENERAL AND ADMINISTRATION EXPENSE

Details of these expenses are as follows:

	2020	2019
Salaries and benefits	\$ 47,358	\$ 23,976
Rent and hydro	13,727	9,120
Telephone and fax	2,545	1,972
Office supplies	6,046	4,977
Professional fees	40,160	6,946
Strategic planning	11,712	-
Equipment maintenance	15,388	8,478
Insurance and bonding	6,897	6,445
Postage	216	218
Staff development	1,189	1,178
Miscellaneous	829	976
	<u>\$ 146,067</u>	<u>\$ 64,286</u>

THE TERESA GROUP - CHILD AND FAMILY AID

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

9. LEASE COMMITMENT

The Teresa Group has entered into a lease for office premises, expiring December 31, 2021, with an option to renew for a further five years. The minimum annual rental payments in the next two years are as follows:

2021	\$	64,005
2022		48,004

In addition, the Teresa Group is liable to pay for its share of operating costs which amounted to \$56,000 in 2020 (\$54,200 - 2019).

10. GUARANTEES AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Teresa Group has indemnified its past, present and future directors, officers and employees and volunteers against expenses (including legal expenses), judgments, suits or proceedings in which they are sued as a result of their involvement with the Teresa Group, if they acted honestly and in good faith with a view to the best interest of the Teresa Group. The Teresa Group has purchased directors' and officers' liability insurance with respect to this indemnification. The maximum amount of any potential future payment cannot be reasonably estimated; however, there have been no claims against the Teresa Group's liability insurance in the past.

In the normal course of business, the Teresa Group has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Teresa Group agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Teresa Group. The maximum amount of any potential liability cannot be reasonably estimated.

11. IMPACT OF COVID-19 PANDEMIC

In March 2020, the global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and the closure of non-essential businesses. These measures have temporarily reduced certain operations of The Teresa Group. All services provided by The Teresa Group have temporarily been moved online, with the exception of ingroup sessions, which is in the process of being shifted to virtual sessions. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the financial effect on The Teresa Group. No adjustments have been made in the financial statements as a result of these events.

THE TERESA GROUP - CHILD AND FAMILY AID

**SCHEDULE OF REVENUE AND EXPENDITURES
HIV AND HEPATITIS C COMMUNITY ACTION FUND
PROJECT NUMBER 1718-HQ-000680
FUNDED BY THE PUBLIC HEALTH AGENCY OF CANADA**

YEAR ENDED MARCH 31, 2020

	2020		2019	
	Budget	Actual	Budget	Actual
Revenue				
Public Health Agency of Canada - funding for operations	\$ 145,879	\$ 145,879	\$ 137,857	\$ 137,857
Expenditures				
Personnel	122,168	119,667	119,130	112,271
Travel	4,000	-	-	-
Materials and equipment costs	2,609	6,820	2,560	3,867
Rent and utilities	12,067	16,642	11,283	17,750
Evaluation	3,865	2,750	3,799	3,199
Other	1,170	-	1,085	770
	145,879	145,879	137,857	137,857
Excess of revenue over expenditures for the year	\$ -	\$ -	\$ -	\$ -

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