

**THE TERESA GROUP - CHILD AND FAMILY AID**

FINANCIAL STATEMENTS

MARCH 31, 2022

**HILBORN**LLP

## 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, 2022, 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, 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 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, 2022, 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, 2021.

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.

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.

## Independent Auditor's Report (continued)

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

- 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 10, 2022

Chartered Professional Accountants  
Licensed Public Accountants

# THE TERESA GROUP - CHILD AND FAMILY AID

## Balance Sheet

March 31

	2022			2021		
	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents (note 3)	-	259,465	259,465	-	176,661	176,661
Short-term investments (note 4)	157,015	-	157,015	341,926	-	341,926
Accounts receivable (note 3)	35,316	-	35,316	29,261	68,428	97,689
Prepaid expenses	9,444	12,485	21,929	7,295	-	7,295
	<b>201,775</b>	<b>271,950</b>	<b>473,725</b>	<b>378,482</b>	<b>245,089</b>	<b>623,571</b>
Property and equipment (note 5)	3,197	-	3,197	15,239	-	15,239
	<b>204,972</b>	<b>271,950</b>	<b>476,922</b>	<b>393,721</b>	<b>245,089</b>	<b>638,810</b>
<b>LIABILITIES AND NET ASSETS</b>						
Current liabilities						
Bank indebtedness (note 6)	59,767	-	59,767	47,516	-	47,516
Accounts payable and accrued liabilities (note 3)	32,519	2,000	34,519	59,391	4,742	64,133
Deferred contributions (note 7)	12,571	269,950	282,521	18,000	240,347	258,347
	<b>104,857</b>	<b>271,950</b>	<b>376,807</b>	<b>124,907</b>	<b>245,089</b>	<b>369,996</b>
Loan payable (note 8)	60,000	-	60,000	60,000	-	60,000
Deferred capital contributions (note 9)	2,261	-	2,261	7,915	-	7,915
	<b>167,118</b>	<b>271,950</b>	<b>439,068</b>	<b>192,822</b>	<b>245,089</b>	<b>437,911</b>
Net assets						
Operating fund	(248,082)	-	(248,082)	(91,426)	-	(91,426)
Invested in capital assets	936	-	936	7,325	-	7,325
Contingency reserve	285,000	-	285,000	285,000	-	285,000
	<b>37,854</b>	<b>-</b>	<b>37,854</b>	<b>200,899</b>	<b>-</b>	<b>200,899</b>
	<b>204,972</b>	<b>271,950</b>	<b>476,922</b>	<b>393,721</b>	<b>245,089</b>	<b>638,810</b>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

President

Treasurer *Daniel Chou*

# THE TERESA GROUP - CHILD AND FAMILY AID

## Statement of Revenues and Expenses

Year ended March 31

	2022			2021		
	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$
<b>Revenues</b>						
Funding from Ontario Ministry of Health						
General operations (note 10)	336,728	-	336,728	336,728	-	336,728
Infant formula (note 10)	283,226	-	283,226	283,226	-	283,226
Public Health Agency of Canada (Schedule)	147,131	-	147,131	147,795	-	147,795
City of Toronto grant	32,300	-	32,300	31,980	-	31,980
Private sector donations	113,888	-	113,888	162,992	-	162,992
Government assistance	-	-	-	9,446	-	9,446
Interest	2,592	-	2,592	2,859	-	2,859
Amortization of deferred capital contributions (note 9)	5,654	-	5,654	5,982	-	5,982
Other	65,204	-	65,204	52,638	-	52,638
CCABA International coordination projects (note 3)	-	363,109	363,109	-	323,445	323,445
	<b>986,723</b>	<b>363,109</b>	<b>1,349,832</b>	<b>1,033,646</b>	<b>323,445</b>	<b>1,357,091</b>
<b>Expenses</b>						
Program						
Family support	125,977	-	125,977	157,118	-	157,118
Counselling	288,315	-	288,315	250,421	-	250,421
Infant formula (note 10)	283,226	-	283,226	283,226	-	283,226
Volunteer Support Program	85,522	-	85,522	72,720	-	72,720
Summer and day camps	45,693	-	45,693	39,549	-	39,549
Scholarships	23,943	-	23,943	14,115	-	14,115
Tutoring	-	-	-	9,971	-	9,971
CCABA Project	21,029	-	21,029	22,728	-	22,728
		<b>873,705</b>	<b>873,705</b>	<b>849,848</b>	<b>-</b>	<b>849,848</b>
Administrative support and fundraising						
Fundraising	126,687	-	126,687	127,830	-	127,830
General and administration (note 11)	132,001	-	132,001	114,009	-	114,009
Amortization of capital assets	13,258	-	13,258	17,400	-	17,400
Donated goods	4,117	-	4,117	-	-	-
Board expenses	-	-	-	115	-	115
	<b>276,063</b>	<b>-</b>	<b>276,063</b>	<b>259,354</b>	<b>-</b>	<b>259,354</b>
CCABA International coordination projects	-	363,109	363,109	-	323,445	323,445
	<b>1,149,768</b>	<b>363,109</b>	<b>1,512,877</b>	<b>1,109,202</b>	<b>323,445</b>	<b>1,432,647</b>
Deficiency of revenues over expenses for the year	<b>(163,045)</b>	<b>-</b>	<b>(163,045)</b>	<b>(75,556)</b>	<b>-</b>	<b>(75,556)</b>

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

2022

	Operating Fund			Internally Restricted		
	Invested in Capital Assets	Unappropriated Balance	Total	Contingency Reserve	Program Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance - at beginning of year	7,325	(91,426)	(84,101)	285,000	-	200,899
Deficiency of revenues over expenses for the year	-	(163,045)	(163,045)	-	-	(163,045)
Inter-fund transfers represented by:						
Purchase of property and equipment	1,215	(1,215)	-	-	-	-
Amortization of property and equipment	(13,258)	13,258	-	-	-	-
Amortization of deferred capital contributions	5,654	(5,654)	-	-	-	-
Balance - at end of year	936	(248,082)	(247,146)	285,000	-	37,854

2021

	Operating Fund			Internally Restricted		
	Invested in Capital Assets	Unappropriated Balance	Total	Contingency Reserve	Program Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance - at beginning of year	18,743	(237,288)	(218,545)	285,000	210,000	276,455
Deficiency of revenues over expenses for the year	-	(75,556)	(75,556)	-	-	(75,556)
Inter-fund transfers represented by:						
Amortization of property and equipment	(17,400)	17,400	-	-	-	-
Amortization of deferred capital contributions	5,982	(5,982)	-	-	-	-
Inter-fund transfer	-	210,000	210,000	-	(210,000)	-
Balance - at end of year	7,325	(91,426)	(84,101)	285,000	-	200,899

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

	2022			2021		
	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$
Cash flows from operating activities						
Cash received from government sources	799,385	-	799,385	799,729	-	799,729
Cash received from other contributors	163,532	461,140	624,672	203,560	344,889	548,449
Interest received	5,142	-	5,142	309	-	309
Cash paid to employees and suppliers	(1,164,006)	(378,336)	(1,542,342)	(1,119,690)	(334,480)	(1,454,170)
	(195,947)	82,804	(113,143)	(116,092)	10,409	(105,683)
Cash flows from investing and financing activities						
Purchase of equipment	(1,215)	-	(1,215)	-	-	-
Redemption (purchase) of short-term investments	184,911	-	184,911	(341,926)	-	(341,926)
Proceeds from loan payable	-	-	-	60,000	-	60,000
	183,696	-	183,696	(281,926)	-	(281,926)
Change in cash during the year	(12,251)	82,804	70,553	(398,018)	10,409	(387,609)
Cash and cash equivalents - at beginning of year	(47,516)	176,661	129,145	350,502	166,252	516,754
Cash and cash equivalents (bank indebtedness) - at end of year	(59,767)	259,465	199,698	(47,516)	176,661	129,145

The accompanying notes are an integral part of these financial statements

# THE TERESA GROUP - CHILD AND FAMILY AID

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## Notes to Financial Statements

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March 31, 2022

### Nature of operations

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.

### 1. 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.

#### (a) 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.

#### (b) Financial instruments

##### (i) Measurement of financial instruments

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. 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, bank indebtedness, accounts payable and accrued liabilities and loan payable.



# THE TERESA GROUP - CHILD AND FAMILY AID

## Notes to Financial Statements (continued)

March 31, 2022

### 1. Significant accounting policies (continued)

#### (b) 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.

#### (c) 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.

#### (d) Investments

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

#### (e) Property, plant 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
Furniture and other equipment	10% straight line
Leasehold improvements	over the term of the lease

# THE TERESA GROUP - CHILD AND FAMILY AID

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## Notes to Financial Statements (continued)

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March 31, 2022

### 1. Significant accounting policies (continued)

#### (e) Property, plant and equipment (continued)

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 2022.

#### (f) 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.

Government assistance is recognized as income when the related expenses are incurred or when there is reasonable assurance that the Teresa Group has complied or will comply with all of the conditions of the assistance, and collection is reasonably assured.

#### (g) 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 TERESA GROUP - CHILD AND FAMILY AID

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## Notes to Financial Statements (continued)

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March 31, 2022

### 1. Significant accounting policies (continued)

#### (g) Allocation of expenses (continued)

The expenses reported in the Statement of Operating Fund Revenues and Expenses for programs include allocations of human resources of \$609,642 (\$513,582 - 2021), occupancy costs of \$93,538 (\$121,940 - 2021) and other operating costs of \$31,748 (\$29,201 - 2021).

#### (h) 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.

#### (i) 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.

#### (j) 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.

#### (k) Management 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. actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

# THE TERESA GROUP - CHILD AND FAMILY AID

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## Notes to Financial Statements (continued)

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March 31, 2022

### 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 and loan payable. 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 exposed to interest rate and currency risks. The Teresa Group is not exposed to significant other price risk.

##### i) 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.

##### ii) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates. The Teresa Group is exposed to interest rate risk on its short-term investments as described in note 4, revolving line of credit as described in note 6 and its loan payable as described in note 8.

#### Changes in risk

There has been no changes in the Teresa Group's risk profile from that of the prior year.

# THE TERESA GROUP - CHILD AND FAMILY AID

## Notes to Financial Statements (continued)

March 31, 2022

### 3. 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.

The CCABA bank account has been pledged as security in the amount of \$50,000 for the revolving line of credit disclosed in note 6.

### 4. Short-term investments

The short-term investments includes a guaranteed investment certificate with an interest rate of 0.40% and matures on August 5, 2022.

### 5. Property and equipment

Details of property and equipment are as follows:

	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
	\$	\$	\$
Computers	19,496	16,299	3,197
	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
	\$	\$	\$
Computers	92,645	86,497	6,148
Furniture and other equipment	51,920	50,321	1,599
Leasehold improvements	100,032	92,540	7,492
	<b>244,597</b>	<b>229,358</b>	<b>15,239</b>

During the 2022 fiscal year, the Teresa Group moved to a new office premise and determined that computers with an original cost and accumulated amortization of \$74,364, furniture and other equipment with an original cost and accumulated amortization of \$51,920 and leasehold improvements with an original cost and accumulated amortization of \$100,032, were no longer in use by the Teresa Group and as such have been written-off.

# THE TERESA GROUP - CHILD AND FAMILY AID

## Notes to Financial Statements (continued)

March 31, 2022

### 6. Bank indebtedness

The Teresa Group has available a revolving line of credit in the amount of \$50,000 with interest payable at bank prime plus 1.00% per annum. The line of credit is secured by all present and after acquired personal property and a CIBC deposit account in the amount of \$50,000. The balance on the line of credit at March 31, 2022 is \$49,842 (\$46,767 - 2021). Interest paid during the 2022 fiscal year was \$500 (\$425 - 2021).

The Teresa Group also has a credit card facility to a maximum amount of \$50,000.

### 7. 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:

	2022		2021	
	General Operations \$	CCABA International Coordination Project \$	General Operations \$	CCABA International Coordination Project \$
Deferred contributions - at beginning of year	18,000	240,347	41,997	150,475
Contributions received during the year:				
CCABA	-	392,712	-	413,317
City of Toronto	32,300	-	19,185	-
Private sector donations	108,459	-	151,790	-
	<b>158,759</b>	<b>633,059</b>	212,972	563,792
Transferred to revenue during the year:				
CCABA	-	(363,109)	-	(323,445)
City of Toronto	(32,300)	-	(31,980)	-
Private sector donations	(113,888)	-	(162,992)	-
Deferred contributions - at end of year	<b>12,571</b>	<b>269,950</b>	18,000	240,347

### 8. Loan payable

During the 2021 fiscal year, the Teresa Group received a loan under the Canadian Emergency Benefit Account program, totalling \$60,000, for the payment of non-deferrable expenses.

During the initial term ending December 31, 2023, the Teresa Group is not required to repay any portion of the loan and no interest shall accrue. If the Teresa Group repays \$40,000 of the loan by December 31, 2023, the remainder of the loan is eligible to be forgiven if certain terms and conditions are met.

During the extended term ending December 31, 2025, the loan will bear interest at a rate of 5% per annum payable monthly.

# THE TERESA GROUP - CHILD AND FAMILY AID

## Notes to Financial Statements (continued)

March 31, 2022

### 9. 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:

	<b>2022</b>	2021
	\$	\$
Balance - at beginning of year	<b>7,915</b>	13,897
Amortization of deferred capital contributions	<b>(5,654)</b>	(5,982)
Balance - at end of year	<b>2,261</b>	7,915

### 10. Funding from Ontario Ministry of Health

In the 2022 and 2021 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:

	<b>2022</b>		2021	
	<b>Approved Funding</b>	<b>Expenses Incurred</b>	Approved Funding	Expenses Incurred
	\$	\$	\$	\$
General operations				
Salaries	<b>254,042</b>	<b>254,042</b>	254,042	254,042
Benefits	<b>19,378</b>	<b>19,378</b>	19,378	19,378
Rent and utilities	<b>49,302</b>	<b>49,302</b>	49,302	49,302
Supplies and other expenses	<b>11,006</b>	<b>11,006</b>	11,006	11,006
Protected allocations - staff development	<b>3,000</b>	<b>3,000</b>	3,000	3,000
	<b>336,728</b>	<b>336,728</b>	336,728	336,728
Infant formula	<b>283,226</b>	<b>283,226</b>	283,226	283,226

# THE TERESA GROUP - CHILD AND FAMILY AID

## Notes to Financial Statements (continued)

March 31, 2022

### 11. General and administration expenses

Details of these expenses are as follows:

	2022	2021
	\$	\$
Salaries and benefits	35,729	37,112
Rent and hydro	10,478	13,867
Telephone and fax	3,191	3,662
Office supplies	14,120	7,066
Professional fees	2,707	17,337
Equipment maintenance	28,078	22,481
Insurance and bonding	8,928	7,528
Postage	737	231
Staff development	25,297	3,118
Miscellaneous	2,736	1,607
	<u>132,001</u>	<u>114,009</u>

### 12. Lease commitments

During the 2022 fiscal year, the Teresa Group entered into a new office premise lease, which expires on August 31, 2026. The minimum future annual lease payments are as follows:

	\$
2023	73,076
2024	73,794
2025	75,361
2026	77,097
2027	32,425
	<u>331,753</u>

In addition, the Teresa Group is liable to pay for its share of operating costs which amounted to \$29,500 in 2022 (\$57,900 - 2021).

### 13. 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.



# THE TERESA GROUP - CHILD AND FAMILY AID

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## Notes to Financial Statements (continued)

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March 31, 2022

### 14. **Impact of global pandemic**

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. However, the Teresa Group continues to provide support remotely to its members despite the restrictions imposed.

To aid with cash flows, the Teresa Group applied for the Canada Emergency Business Account Program ("CEBA") as described in note 8.

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

	2022		2021	
	Budget	Actual	Budget	Actual
	\$	\$	\$	\$
Revenue				
Public Health Agency of Canada - funding for operations	149,851	147,131	147,795	147,795
Expenditures				
Personnel	125,527	116,042	123,763	119,424
Travel	4,190	-	4,110	-
Materials and equipment costs	2,710	10,388	2,659	6,437
Rent and utilities	12,084	12,924	12,076	16,867
Evaluation	4,000	7,777	3,932	5,067
Other	1,340	-	1,255	-
	149,851	147,131	147,795	147,795
Excess of revenue over expenditures for the year	-	-	-	-

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