

THE TERESA GROUP - CHILD AND FAMILY AID

FINANCIAL STATEMENTS

MARCH 31, 2023

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, 2023, and the statements of operations, 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, 2023, 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, 2023, 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, 2022.

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.

Independent Auditor's Report (continued)

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.
- 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
July 26, 2023

Chartered Professional Accountants
Licensed Public Accountants

THE TERESA GROUP - CHILD AND FAMILY AID

Balance Sheet

March 31

	2023			2022		
	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$
ASSETS						
Current assets						
Cash and cash equivalents (note 3)	44,854	-	44,854	-	259,465	259,465
Short-term investments	-	-	-	157,015	-	157,015
Accounts receivable (note 3)	6,520	-	6,520	35,316	-	35,316
Prepaid expenses	4,350	-	4,350	9,444	12,485	21,929
	55,724	-	55,724	201,775	271,950	473,725
Capital assets (note 4)	14,817	-	14,817	3,197	-	3,197
	70,541	-	70,541	204,972	271,950	476,922
LIABILITIES AND NET ASSETS						
Current liabilities						
Bank indebtedness (note 5)	-	-	-	59,767	-	59,767
Accounts payable and accrued liabilities (note 3)	62,574	-	62,574	32,519	2,000	34,519
Deferred contributions (note 6)	28,500	-	28,500	12,571	269,950	282,521
Loan payable (note 7)	60,000	-	60,000	-	-	-
	151,074	-	151,074	104,857	271,950	376,807
Loan payable (note 7)	-	-	-	60,000	-	60,000
Deferred capital contributions (note 8)	-	-	-	2,261	-	2,261
	151,074	-	151,074	167,118	271,950	439,068
Net assets						
Operating fund	(95,350)	-	(95,350)	(248,082)	-	(248,082)
Invested in capital assets	14,817	-	14,817	936	-	936
Contingency reserve	-	-	-	285,000	-	285,000
	(80,533)	-	(80,533)	37,854	-	37,854
	70,541	-	70,541	204,972	271,950	476,922

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

President

Treasurer

THE TERESA GROUP - CHILD AND FAMILY AID

Statement of Revenues and Expenses

Year ended March 31

	2023			2022		
	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$	General Operations \$	CCABA International Coordination Projects (note 3) \$	Total \$
Revenues						
Funding from Ontario Ministry of Health						
General operations (note 9)	361,694	-	361,694	336,728	-	336,728
Infant formula (note 9)	258,260	-	258,260	283,226	-	283,226
Public Health Agency of Canada (Schedule)	-	-	-	147,131	-	147,131
City of Toronto grant	40,446	-	40,446	32,300	-	32,300
Private sector donations	80,129	-	80,129	113,888	-	113,888
Interest	165	-	165	2,592	-	2,592
Amortization of deferred capital contributions (note 8)	2,263	-	2,263	5,654	-	5,654
Other	18,643	-	18,643	65,204	-	65,204
CCABA International coordination projects (note 3)	-	115,350	115,350	-	363,109	363,109
	761,600	115,350	876,950	986,723	363,109	1,349,832
Expenses						
Program						
Family support	91,220	-	91,220	125,977	-	125,977
Counselling	223,200	-	223,200	288,315	-	288,315
Infant formula (note 9)	326,450	-	326,450	283,226	-	283,226
Volunteer Support Program	-	-	-	85,522	-	85,522
Summer and day camps	37,455	-	37,455	45,693	-	45,693
Scholarships	8,981	-	8,981	23,943	-	23,943
CCABA Project	18,526	-	18,526	21,029	-	21,029
	705,832	-	705,832	873,705	-	873,705
Administrative support and fundraising						
Fundraising	74,146	-	74,146	126,687	-	126,687
General and administration (note 10)	92,877	-	92,877	132,001	-	132,001
Amortization of capital assets	7,132	-	7,132	13,258	-	13,258
Donated goods	-	-	-	4,117	-	4,117
	174,155	-	174,155	276,063	-	276,063
CCABA International coordination projects	-	115,350	115,350	-	363,109	363,109
	879,987	115,350	995,337	1,149,768	363,109	1,512,877
Deficiency of revenues over expenses for the year	(118,387)	-	(118,387)	(163,045)	-	(163,045)

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

2023

	Operating Fund		Internally Restricted		Total
	Invested in	Unappropriated	Total	Contingency	
	Capital Assets	Balance		Reserve	
	\$	\$	\$	\$	\$
Balance - at beginning of year	936	(248,082)	(247,146)	285,000	37,854
Deficiency of revenues over expenses for the year	-	(118,387)	(118,387)	-	(118,387)
Inter-fund transfers represented by:					
Purchase of capital assets	18,750	(18,750)	-	-	-
Amortization of capital assets	(7,132)	7,132	-	-	-
Amortization of deferred capital contributions	2,263	(2,263)	-	-	-
Inter-fund transfer	-	285,000	285,000	(285,000)	-
Balance - at end of year	14,817	(95,350)	(80,533)	-	(80,533)

2022

	Operating Fund		Internally Restricted		Total
	Invested in	Unappropriated	Total	Contingency	
	Capital Assets	Balance		Reserve	
	\$	\$	\$	\$	\$
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 capital assets	1,215	(1,215)	-	-	-
Amortization of capital assets	(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

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

	2023			2022		
	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	660,400	-	660,400	799,385	-	799,385
Cash received from other contributors	142,695	187,480	330,175	163,532	461,140	624,672
Interest received	165	-	165	5,142	-	5,142
Cash paid to employees and suppliers	(836,903)	(104,865)	(941,768)	(1,164,006)	(378,336)	(1,542,342)
	(33,643)	82,615	48,972	(195,947)	82,804	(113,143)
Cash flows from investing and financing activities						
Purchase of capital assets	(18,751)	-	(18,751)	(1,215)	-	(1,215)
Redemption of short-term investments	157,015	-	157,015	184,911	-	184,911
Payment to CCABA International Coordination Projects	-	(342,080)	(342,080)	-	-	-
	138,264	(342,080)	(203,816)	183,696	-	183,696
Change in cash during the year	104,621	(259,465)	(154,844)	(12,251)	82,804	70,553
Cash and cash equivalents - at beginning of year	(59,767)	259,465	199,698	(47,516)	176,661	129,145
Cash and cash equivalents (bank indebtedness) - at end of year	44,854	-	44,854	(59,767)	259,465	199,698

The accompanying notes are an integral part of these financial statements

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements

March 31, 2023

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 Fund

Contingency Reserve Fund was established to ensure the long term financial security of The Teresa Group. This fund is financed by appropriations from the operating fund. During the 2023 fiscal year, the Board of Directors approved the transfer of these funds to 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, accounts receivable, accounts payable and accrued liabilities and loan payable.

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements (continued)

March 31, 2023

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) Capital assets

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

Capital assets are 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

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements (continued)

March 31, 2023

1. Significant accounting policies (continued)

(e) Capital assets (continued)

Capital assets are 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 capital assets subsequently increases. There were no impairment indicators in 2023.

(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.

(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

Notes to Financial Statements (continued)

March 31, 2023

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 \$382,232 (\$609,642 - 2022), occupancy costs of \$75,579 (\$93,538 - 2022) and other operating costs of \$41,641 (\$31,748 - 2022).

(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.

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.

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements (continued)

March 31, 2023

2. Financial instrument risk management (continued)

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, the continued support from government funding and receipt of funds from corporate and individual donations.

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 revolving line of credit as described in note 5 and its loan payable as described in note 7.

Changes in risk

There has been no significant 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, 2023

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.

During the 2023 fiscal year, CCABA and the Teresa Group agreed to terminate the agreement and the Teresa Group is no longer the custodian of the funds.

4. Capital assets

Details of capital assets are as follows:

	2023		
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Computers	36,689	23,379	13,310
Furniture and equipment	1,559	52	1,507
	<u>38,248</u>	<u>23,431</u>	<u>14,817</u>
	2022		
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Computers	19,496	16,299	3,197

5. 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, 2023 is \$NIL (\$49,842 - 2022). Interest paid during the 2023 fiscal year was \$271 (\$500 - 2022).

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

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements (continued)

March 31, 2023

6. 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:

	2023		2022	
	General Operations \$	CCABA International Coordination Project \$	General Operations \$	CCABA International Coordination Project \$
Deferred contributions - at beginning of year	12,571	269,950	18,000	240,347
Contributions received during the year:				
CCABA	-	-	-	392,712
City of Toronto	62,946	-	32,300	-
Private sector donations	73,558	-	108,459	-
	149,075	269,950	158,759	633,059
Transferred to revenue during the year:				
CCABA	-	(187,480)	-	(363,109)
City of Toronto	(40,446)	-	(32,300)	-
Private sector donations	(80,129)	-	(113,888)	-
Transfer to CCABA	-	(82,470)	-	-
Deferred contributions - at end of year	28,500	-	12,571	269,950

7. Loan payable

In prior fiscal years, the Teresa had applied for and received a loan in the amount of \$60,000 through the Canada Emergency Business Account (CEBA) program. The loan was provided by the Government of Canada 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.

Subsequent to year end, the Teresa Group repaid \$40,000 of the loan.

8. Deferred capital contributions

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

	2023 \$	2022 \$
Balance - at beginning of year	2,261	7,915
Amortization of deferred capital contributions	(2,261)	(5,654)
Balance - at end of year	-	2,261

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements (continued)

March 31, 2023

9. Funding from Ontario Ministry of Health

In the 2023 and 2022 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:

	2023		2022	
	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	59,302	59,302	49,302	49,302
Supplies and other expenses	34,206	24,172	11,006	11,006
Protected allocations - staff development	4,800	4,800	3,000	3,000
	371,728	361,694	336,728	336,728
Infant formula	248,226	258,260	283,226	283,226

10. General and administration expenses

Details of these expenses are as follows:

	2023	2022
	\$	\$
Salaries and benefits	25,339	35,729
Rent and hydro	7,487	10,478
Telephone and fax	15,510	3,191
Office supplies	4,675	14,120
Professional fees	13,488	2,707
Equipment maintenance	8,940	28,078
Insurance and bonding	8,637	8,928
Postage	259	737
Staff development	231	25,297
Miscellaneous	8,311	2,736
	92,877	132,001

THE TERESA GROUP - CHILD AND FAMILY AID

Notes to Financial Statements (continued)

March 31, 2023

11. Lease commitments

The Teresa Group entered into a 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>

12. 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.

13. Contingent liabilities

The Teresa Group is a defendant in three lawsuits for alleged wrongful dismissal from employment. Management is working with legal counsel to actively defend these claims. The outcome of these claims is not determinable at this time, nor are any settlement costs. Settlement costs, if any, will be recorded in the year of settlement.

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