

**Alzheimer Society of Cochrane Temiskaming**  
**Financial Statements**  
*March 31, 2023*

# Alzheimer Society of Cochrane Temiskaming

## Contents

For the year ended March 31, 2023

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	<i>Page</i>
<b>Management's Responsibility</b>	
<b>Independent Auditor's Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position.....	1
Statement of Operations.....	2
Statement of Changes in Net Assets.....	3
Statement of Cash Flows.....	4
<b>Notes to the Financial Statements</b> .....	5
Schedule 1 - Unaudited Schedule of Fundraising Revenues and Expenses.....	10
Schedule 2 - Unaudited Schedule of Ontario Health Network Revenues and Expenses.....	11

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## Management's Responsibility

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To the Board of Directors of Alzheimer Society of Cochrane Temiskaming:

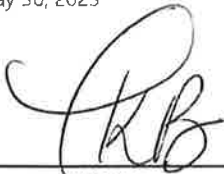
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Charity. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Charity's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 30, 2023



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Executive Director

To the Board of Directors of Alzheimer Society of Cochrane Temiskaming:

### Qualified Opinion

We have audited the financial statements of Alzheimer Society of Cochrane Temiskaming (the "Charity"), which comprise the statement of financial position 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 matters 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 Charity as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Charity derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2023 and March 31, 2022 and assets and net assets as at March 31, 2023 and March 31, 2022. The audit opinion on the financial statements for the year ended March 31, 2023 was qualified accordingly because of the possible effects of the limitation of scope.

Note 2 indicates that capital expenditures are expensed in the year of purchase. In respect, the financial statements are not in accordance with Canadian Accounting Standards for Not-for-profit organizations. We were unable to quantify the effect on assets as at March 31, 2023 and March 31, 2022, expenses, excess of revenue over expenses for the years ended March 31, 2023 and March 31, 2022 and net assets as at March 31, 2023 and 2022. The conclusion on the financial statements for the year ended March 31, 2023 was qualified accordingly because of the possible effects of not capitalizing and amortizing capital expenditures.

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 Charity 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.

### Supplementary Information

The supplementary information contained in the Schedules is presented for purposes of additional information and is not part of the basic audited financial statements. The information in the schedules was derived from the accounting records tested in forming an opinion on the financial statements as a whole.

## **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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity 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.

Timmins, Ontario  
May 30, 2023

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants


**MNP**

**Alzheimer Society of Cochrane Temiskaming**  
**Statement of Financial Position**

*As at March 31, 2023*

	<b>2023</b>	2022
<b>Assets</b>		
<b>Current</b>		
Cash	361,877	276,360
Accounts receivable (Note 3)	126,460	55,423
Prepaid expenses	9,154	2,017
	<b>497,491</b>	<b>333,800</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 4)	25,639	19,099
Due to the Ontario Health North	68,444	11,500
	<b>94,083</b>	<b>30,599</b>
<b>Net Assets</b>		
Internally restricted funds	73,000	73,000
Unrestricted net assets	330,408	230,201
	<b>403,408</b>	<b>303,201</b>
	<b>497,491</b>	<b>333,800</b>

Approved on behalf of the Board

  
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Director

  
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Director

*The accompanying notes are an integral part of these financial statements*

## Alzheimer Society of Cochrane Temiskaming Statement of Operations

*For the year ended March 31, 2023*

	2023	2022
<b>Revenue</b>		
Activation grant revenue	-	12,354
Allocation of Provincial fundraising - ongoing	16,111	18,652
Donations	35,872	20,864
Executive Director cost sharing revenue <i>(Note 6)</i>	-	15,768
Government assistance <i>(Note 7)</i>	-	2,507
Interest	103	33
Other revenue	37,741	27,956
Rental income	6,719	11,976
Trillium grant	135,000	-
Canada Summer Jobs	3,877	4,265
Northern Ontario Heritage Fund Corporation	34,598	16,319
	<b>270,021</b>	<b>130,694</b>
<b>Ontario Health North Fundraising</b>	<b>1,262,468</b>	<b>592,515</b>
	<b>74,812</b>	<b>41,013</b>
	<b>1,607,301</b>	<b>764,222</b>
<b>Expenses</b>		
Advertising	4,810	10,455
Bank charges and interest	957	585
Capital expenditures	15,963	4,001
Insurance	5,588	4,303
Meals	10,798	-
Office	97,355	22,085
One time funding	128,476	83,398
Professional fees	15,803	8,473
Rent	85,329	41,766
Salaries and benefits	956,152	455,913
Specialized programs	1,468	31,848
Supplies	53,826	7,815
Support	627	215
Telecommunications	18,090	7,818
Training	7,912	2,046
Travel	26,383	12,126
	<b>1,429,537</b>	<b>692,847</b>
<b>Fundraising</b>	<b>20,613</b>	<b>15,288</b>
	<b>1,450,150</b>	<b>708,135</b>
<b>Excess of revenue over expenses before Due to Ontario Health North</b>	<b>157,151</b>	<b>56,087</b>
<b>Due to Ontario Health North</b>	<b>(56,944)</b>	<b>-</b>
<b>Excess of revenue over expenses</b>	<b>100,207</b>	<b>56,087</b>

*The accompanying notes are an integral part of these financial statements*



**Alzheimer Society of Cochrane Temiskaming**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2023*

	<i>Internally restricted funds</i>	<i>Unrestricted net assets</i>	<b>2023</b>	<b>2022</b>
<b>Net assets, beginning of year</b>	<b>73,000</b>	<b>230,201</b>	<b>303,201</b>	247,114
<b>Excess of revenue over expenses</b>	-	<b>100,207</b>	<b>100,207</b>	56,087
<b>Net assets, end of year</b>	<b>73,000</b>	<b>330,408</b>	<b>403,408</b>	303,201

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*The accompanying notes are an integral part of these financial statements*

**Alzheimer Society of Cochrane Temiskaming**  
**Statement of Cash Flows**  
*For the year ended March 31, 2023*

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	100,207	56,087
Due to Ontario Health North	56,944	-
Changes in working capital accounts		
Accounts receivable	(71,037)	(24,109)
Prepaid expenses	(7,137)	(53)
Accounts payable and accruals	6,540	2,547
Deferred contributions	-	(12,754)
<b>Increase in cash resources</b>	<b>85,517</b>	<b>21,718</b>
<b>Cash resources, beginning of year</b>	<b>276,360</b>	<b>254,642</b>
<b>Cash resources, end of year</b>	<b>361,877</b>	<b>276,360</b>

*The accompanying notes are an integral part of these financial statements*

**Alzheimer Society of Cochrane Temiskaming**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

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**1. Incorporation and nature of the organization**

Alzheimer Society of Cochrane Temiskaming (the "Charity") was incorporated under the authority of the Income Tax Act on February 2, 1988 and is a registered charity. In order to maintain its status as a registered charity under the Act, the Charity must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Charity's objective is to alleviate the personal and social consequences of Alzheimer disease and to promote the search for the causes and cure of the disease.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

***Fund accounting***

The Charity follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds: Internally restricted funds and Unrestricted Net Assets.

The Unrestricted Net Assets fund reports the Charity's revenues and expenses relating to operating activities as set out by budget approved by Ontario Health North.

The Internally restricted fund reports the Charity's accreditation costs. These internally restricted amounts are not available for any other purposes without approval of the board of directors.

***Capital assets***

Capital assets are expensed on acquisition. The major categories of capital assets held by the Charity are furniture and equipment, computer equipment and leasehold improvement. During the year, the Charity expensed \$45,944 (2022 - \$28,291) in capital asset purchases and one-time funding.

***Revenue recognition***

The Charity follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Donations, memorials and fundraising revenues are recognized as received.

Rental revenue is recognized as revenue on a daily basis as earned.

Interest is accrued as earned.

***Contributed materials and services***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Charity's operations and would otherwise have been purchased.

***Allocation of expenses***

The allocation of expenses was determined by management in reference to the approved budgets submitted to various funding sources.

**Alzheimer Society of Cochrane Temiskaming**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

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**2. Significant accounting policies** *(Continued from previous page)*

**Leases**

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

**Measurement uncertainty (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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accounts payable and accrued liabilities are estimated based on historical costs for goods and services. Due to Ontario Health North is estimated based on the allowable expenses incurred in the period but subject to review by Ontario Health North.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

**Financial instruments**

The Charity recognizes financial instruments when the Charity becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Charity may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Charity has not made such an election during the year.

The Charity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Charity's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Alzheimer Society of Cochrane Temiskaming**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments** *(Continued from previous page)*

**Related party financial instruments**

The Charity initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market;
- Debt instruments quoted in an active market;
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly); and
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 6).

At initial recognition, the Charity may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Charity has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Charity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

**3. Accounts receivable**

	<b>2023</b>	<b>2022</b>
Accounts receivable	<b>100,169</b>	41,279
HST recoverable	<b>26,291</b>	14,144
	<b>126,460</b>	55,423

**4. Accounts payable and accruals**

	<b>2023</b>	<b>2022</b>
Trade accounts payable and accrued liabilities	<b>12,884</b>	15,595
Wage and employee benefits payable	<b>12,755</b>	3,504
	<b>25,639</b>	19,099

**Alzheimer Society of Cochrane Temiskaming**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

**5. Deferred contributions**

Deferred contributions consist of unspent contributions externally restricted for the activation program and rent revenue for the month of April. Recognition of these amounts into revenue is deferred to periods when the specified expenditures are made or the revenue is earned.

Changes in the deferred contribution balance are as follows:

	<b>2023</b>	<b>2022</b>
<b>Activation Funding:</b>		
Balance, beginning of year	-	12,354
Deferred contributions used during the year	-	(12,354)
<hr/>		
Balance end of year	-	-
<hr/>		
<b>Rent</b>		
Balance, beginning of year	-	400
Deferred contributions used during the year	-	(400)
<hr/>		
Balance end of year	-	-
<hr/>		

**6. Related party transactions**

The Charity is related to the Alzheimer Society of Thunder Bay by virtue of common management. Included in revenue for the current year are \$Nil (2022 - \$15,768) in executive director costs sharing revenue received from the Alzheimer Society of Thunder Bay.

**7. Government assistance**

**Canada Emergency Rent Subsidy (CERS)**

In response to the negative economic impact of COVID-19, the Government of Canada announced the CERS program in October 2020. CERS provides a rent and mortgage subsidy of up to 65% of eligible expenses, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. Qualifying organizations that have been significantly restricted by a mandatory public health order issued by a qualifying public health authority can receive an additional lockdown support of 25%. This subsidy is retroactive to September 27, 2020. The qualification and application the CERS is being assessed over multiple four-week application period segments.

The Charity has determined that it qualifies for this subsidy and has applied for \$Nil (2022 - \$2,507) in assistance related to the April to October periods (2022 - April to March), of which \$Nil (2022 - \$Nil) was receivable at year-end. This grant has been recorded as government assistance in other income.

Any subsidies received that are subsequently determined to not meet the eligibility criteria are subject to repayment with interest and possibly penalties in certain cases. Management believes the Company has met the eligibility criteria for these subsidies and that they have been calculated correctly. As such, no contingent liability for repayment has been recorded in relation to these subsidies.

**Alzheimer Society of Cochrane Temiskaming**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2023*

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**8. Commitments**

The Charity has entered into various lease agreement for its premises. Future minimum lease payments as at March 31, 2023 are as follows:

2024	102,625
2025	99,135
2026	99,135
2027	99,135
2028	86,400
Thereafter	1,118
	<hr/>
	487,548

**9. Economic dependence**

The Charity's primary source of revenue is from Ontario Health North. The grant funding can be cancelled if the Charity does not observe certain established guidelines. The Charity's ability to continue viable operations is dependent upon maintaining its compliance with the criteria within the provincial government guidelines. As at the date of these financial statements the Charity believes that it is in compliance with the guidelines.

**10. Financial instruments**

The Charity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Charity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments.

**Alzheimer Society of Cochrane Temiskaming**  
**Schedule 1 - Unaudited Schedule of Fundraising Revenues and Expenses**  
*For the year ended March 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Bingo	<b>28,115</b>	12,678
Others	<b>20,620</b>	9,589
Raffle	<b>13,221</b>	4,382
Walk for Memories	<b>12,856</b>	14,364
	<b>74,812</b>	41,013
<b>Expenses</b>		
Catch the Ace	-	(98)
Duck Race	<b>6,623</b>	1,960
Raffle	<b>11,428</b>	10,451
Ride for Memories	<b>2,562</b>	2,975
	<b>20,613</b>	15,288
<b>Excess of revenue over expenses</b>	<b>54,199</b>	25,725



**Alzheimer Society of Cochrane Temiskaming**  
**Schedule 2 - Unaudited Schedule of Ontario Health Network Revenues and Expenses**  
*For the year ended March 31, 2023*

	2023	2022
<b>Revenue</b>		
<b>Ontario Health North</b>	<b>1,262,468</b>	<b>592,515</b>
<b>Expenses</b>		
Advertising	4,454	9,870
Capital expenditures	15,963	3,995
Insurance	5,315	3,561
Meals	10,798	-
Office	91,737	21,718
One time funding	-	83,398
Professional fees	15,803	8,473
Rent	85,329	41,766
Salaries and benefits	876,608	367,565
Specialized programs	-	31,848
Supplies	49,202	461
Support	627	215
Telecommunications	17,633	7,459
Training	7,881	1,513
Travel	24,174	10,673
	<b>1,205,524</b>	<b>592,515</b>
<b>Due to Ontario Health Network</b>	<b>(56,944)</b>	<b>-</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>-</b>