

Financial Statements of

UNION GOSPEL MISSION

Year ended June 30, 2018



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INDEPENDENT AUDITORS' REPORT

To the Members of Union Gospel Mission

Report on the Financial Statements

We have audited the accompanying financial statements of Union Gospel Mission, which comprise the statement of financial position as at June 30, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes and schedule, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Union Gospel Mission as at June 30, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
October 25, 2018

UNION GOSPEL MISSION

Statement of Financial Position

June 30, 2018, with comparative information for 2017

	General Fund	Designated Funds	Capital Asset Fund	Total 2018	Total 2017
Assets					
Current assets:					
Cash and cash equivalents	\$ 6,359,424	\$ 3,262	\$ -	\$ 6,362,686	\$ 3,745,637
Accounts receivable	46,312	-	-	46,312	66,393
Due from related parties (note 4)	1,136,868	-	-	1,136,868	1,267,462
Prepaid expenses	191,896	-	-	191,896	181,021
	7,734,500	3,262	-	7,737,762	5,260,513
Capital assets (note 3)	-	-	1,041,437	1,041,437	1,671,256
	\$ 7,734,500	\$ 3,262	\$ 1,041,437	\$ 8,779,199	\$ 6,931,769
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities (note 5)	\$ 854,697	\$ -	\$ -	\$ 854,697	\$ 839,329
Due to related parties (note 4)	1,034,836	-	-	1,034,836	325,290
	1,889,533	-	-	1,889,533	1,164,619
Net assets:					
Unrestricted	5,844,967	-	-	5,844,967	4,088,665
Externally restricted	-	3,262	-	3,262	7,229
Invested in capital assets	-	-	1,041,437	1,041,437	1,671,256
	5,844,967	3,262	1,041,437	6,889,666	5,767,150
Related party transactions (note 6)					
Contingent liability (note 8)					
Commitments (note 9)					
Subsequent events (note 12)					
	\$ 7,734,500	\$ 3,262	\$ 1,041,437	\$ 8,779,199	\$ 6,931,769

See accompanying notes to financial statements.

Approved on behalf of the Board:


DIRECTOR


DIRECTOR

UNION GOSPEL MISSION

Statement of Operations

Year ended June 30, 2018, with comparative information for 2017

	General Fund	Designated Funds	Capital Asset Fund	Total 2018	Total 2017
Revenue:					
General donations	\$ 16,938,167	\$ 52,900	\$ -	\$ 16,991,067	\$ 14,928,415
Legacy and estate gifts	1,783,559	-	-	1,783,559	1,203,440
Other donations (note 6)	2,568,968	-	-	2,568,968	1,330,359
Residential rental income	190,152	-	-	190,152	193,826
Commercial rental income	129,433	-	-	129,433	129,433
Thrift store sales	431,905	-	-	431,905	350,289
Other sales and services	81,621	-	-	81,621	80,304
Interest and investment income (note 6)	140,914	-	-	140,914	70,066
Miscellaneous revenues	16,752	-	-	16,752	32,350
	22,281,471	52,900	-	22,334,371	18,318,482
Expenses (Schedule):					
Programs:					
Outreach and community engagement	2,280,405	-	-	2,280,405	2,218,280
Addiction recovery	1,195,628	-	-	1,195,628	1,113,499
Women and children	1,996,976	-	-	1,996,976	1,984,264
Food services	1,696,738	-	-	1,696,738	1,686,017
Thrift store operations	253,703	-	-	253,703	173,422
Other program costs	1,443,188	-	-	1,443,188	823,097
Properties and infrastructure (note 3):					
Building operations	1,192,425	-	567,058	1,759,483	1,280,818
Infrastructure and other	756,511	-	181,619	938,130	917,566
Other operating costs:					
Public education and fundraising	3,984,383	-	-	3,984,383	4,005,466
General administration	1,535,197	-	-	1,535,197	1,332,367
	16,335,154	-	748,677	17,083,831	15,534,796
Excess (deficiency) of revenue over expenses before gifts to qualified donees	5,946,317	52,900	(748,677)	5,250,540	2,783,686
Gifts to qualified donees (note 6(b))	(4,128,024)	-	-	(4,128,024)	(1,007,799)
Excess (deficiency) of revenue over expenses	\$ 1,818,293	\$ 52,900	\$ (748,677)	\$ 1,122,516	\$ 1,775,887

See accompanying notes to financial statements.

UNION GOSPEL MISSION

Statement of Changes in Net Assets

Year ended June 30, 2018, with comparative information for 2017

	General Fund	Designated Funds	Capital Asset Fund	Total 2018	Total 2017
Balance, beginning of year	\$ 4,088,665	\$ 7,229	\$ 1,671,256	\$ 5,767,150	\$ 3,991,263
Excess (deficiency) of revenue over expenses	1,818,293	52,900	(748,677)	1,122,516	1,775,887
Fund transfers during the year	(61,991)	(56,867)	118,858	-	-
Balance, end of year	\$ 5,844,967	\$ 3,262	\$ 1,041,437	\$ 6,889,666	\$ 5,767,150

See accompanying notes to financial statements.

UNION GOSPEL MISSION

Statement of Cash Flows

Year ended June 30, 2018 with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 1,122,516	\$ 1,775,887
Item not involving cash:		
Amortization	748,677	359,290
Gain on disposition of capital assets	(396)	-
Changes in non-cash operating working capital:		
Accounts receivable	20,081	(21,746)
Prepaid expenses	(10,875)	(17,928)
Accounts payable and accrued liabilities	15,368	(25,174)
Amounts due to/from related parties	840,140	564,906
	2,735,511	2,635,235
Investments:		
Acquisition of capital assets, net of dispositions	(118,462)	(114,956)
Increase in cash and cash equivalents	2,617,049	2,520,279
Cash and cash equivalents, beginning of year	3,745,637	1,225,358
Cash and cash equivalents, end of year	\$ 6,362,686	\$ 3,745,637

See accompanying notes to financial statements.

UNION GOSPEL MISSION

Notes to Financial Statements

Year ended June 30, 2018

1. Operations:

Union Gospel Mission (the "Mission") is a not-for-profit organization incorporated under the *Society Act* (British Columbia) and is a registered charity under the Income Tax Act. The Society has until November 28, 2018 to transition to the new *Societies Act* (British Columbia), which became effective November 28, 2016.

The purpose of the Mission is to demonstrate the love of Christ by feeding hope and changing lives through a faith-based continuum of care. The Mission offers a comprehensive range of life-changing programs and services which include outreach, meals, chaplaincy, drop-ins, emergency shelter, family services, alcohol and drug recovery, aftercare, employment services, and housing.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The significant accounting policies are as follows:

(a) Non-consolidated financial statements:

Union Gospel Mission ("Mission"), Union Gospel Mission Foundation ("Foundation"), Union Gospel Housing Society ("Society") and Union Gospel (Heatley) Housing Society ("Heatley") have the same individuals on each of their respective Board of Directors. Consolidated financial statements have not been prepared. These financial statements have been prepared on a non-consolidated basis to reflect the operations of the Mission only (note 7).

(b) Fund accounting:

The resources and operations of the Mission have been segregated for accounting purposes into the following funds:

- (i) The General Fund accounts for revenue and expenses relating to the operations of the Mission including its program delivery and other operating expenses.
- (ii) The Designated Fund accounts for approved, special-purpose gifts and their related costs when incurred.
- (iii) The Capital Asset Fund accounts for the Mission's assets, liabilities, revenue and amortization related to the Mission's capital assets.

(c) Cash and cash equivalents:

Cash includes cash and cash equivalents. Cash equivalents consist of highly liquid investments with maturities of three months or less at date of purchase.

The Mission's investment activities are governed by investment policies set by the Board of Directors. These policies include guidelines as to asset categories and mix in accordance with the risk and return objectives established by the Board of Directors and management.

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

2. Significant accounting policies (continued):

(d) Capital assets:

Capital assets are stated at historical cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Asset	Basis	Rate
Automobile	Declining balance	30%
Buildings	Straight-line	20 years
Computer software	Declining balance	30%
Equipment	Declining balance	20 - 30%
Furniture and fixtures	Declining balance	30%
Leasehold improvements	Straight-line	15 - 20 years

Capital assets acquired during the year are amortized starting when they are placed into service.

The Mission reviews its capital assets, including land and buildings to be held and used, for impairment whenever events or changes in circumstances indicate that the asset no longer has long-term service potential to the organization. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its residual value.

(e) Revenue recognition:

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

Restricted contributions related to general operations are recognized as revenue in the General Fund in the year in which the related expenses are incurred. Restricted contributions designated for other specified purposes and related to capital assets are recorded in the Designated Fund and Capital Asset Fund, respectively, when received.

Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue in the year it is earned.

Other income is recognized as revenue when due or earned.

(f) Donated materials and services:

Donated materials are recorded at fair value when fair value can be reasonably estimated.

A substantial number of volunteers contribute a significant amount of time to the Mission each year. Because of the difficulty in determining their fair value, these contributed services are not recognized in these financial statements.

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

3. Significant accounting policies (continued):

(g) Employee future benefits:

The Mission and its employees contribute to a defined contribution group RRSP plan. Contributions made by the Mission to the plan are expensed as incurred.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Mission has not made this election.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs, incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Mission determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Mission expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(i) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the period. A significant area requiring the use of management estimates includes the determination of useful lives of capital assets for purposes of amortization. Actual results could differ from these estimates.

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

3. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 85,400	\$ -	\$ 85,400	\$ 85,400
Buildings	244,367	221,320	23,047	35,265
Equipment	2,669,907	2,373,134	296,773	323,352
Automobile	812,047	749,852	62,195	40,713
Computer software	87,485	62,477	25,008	35,726
Furniture and fixtures	1,304,187	1,166,203	137,984	197,120
Leasehold improvements	4,190,344	3,779,314	411,030	953,680
	<u>\$ 9,393,737</u>	<u>\$ 8,352,300</u>	<u>\$ 1,041,437</u>	<u>\$ 1,671,256</u>

Amortization of \$748,677 (2017 - \$359,290) is included in properties and infrastructure in the statement of operations.

4. Due from / to related parties:

	2018	2017
Due from related parties - current:		
Union Gospel (Heatley) Housing Society	\$ 207,280	\$ 236,672
Union Gospel Housing Society	929,588	1,030,790
	<u>\$ 1,136,868</u>	<u>\$ 1,267,462</u>
Due to related parties - current:		
Union Gospel Mission Foundation	\$ 1,034,836	\$ 325,290

The current amounts due to or from related parties have no set terms for repayment and are payable on demand. Amounts due to or from the Foundation are non-interest bearing. All other amounts bear interest at the Vancity prime rate plus 0.75% (2017 - Vancity prime rate plus 0.75%).

5. Accounts payable:

Included in accounts payable and accrued liabilities are government remittances payable of \$31,213 (2017 - nil), which includes amounts payable to WorkSafe BC.

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

6. Related party transactions:

(a) During the year, the Mission had the following related party transactions:

	2018	2017
	Received (paid)	Received (paid)
Union Gospel (Heatley) Housing Society:		
Administration services	\$ 60,000	\$ 60,000
Building costs	510,743	482,021
Interest on related party balances (note 4)	22,059	11,422
Tenant services	54,000	54,000
Thrift store rental	(88,316)	(87,069)
Thrift store property tax	(33,843)	(30,403)
Office and housing rent	(9,375)	-
Union Gospel Housing Society:		
Administration services	35,000	35,000
Interest on related party balances (note 4)	39,545	40,418
Rent for the use of the building located at 616 East Cordova Street	(36,945)	(62,621)
Union Gospel Mission Foundation:		
Rent for the use of the Hastings Street and New Westminster buildings	(597,186)	(599,839)

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(b) During the year, the Mission made the following donations to the Foundation:

	2018	2017
Unrestricted donations:		
Legacy and estate gifts	\$ 683,559	\$ 253,440
Other gifts	900,000	-
	1,583,559	253,440
Restricted donations:		
Women and family seed fund	-	127,518
Women and family recovery and housing project	2,544,465	626,841
	2,544,465	754,359
	\$ 4,128,024	\$ 1,007,799

In support of the Mission's operations, the Mission received \$527,564 (2017 - \$769,054) in donations from the Foundation which are included in other donations.

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

6. Related party transactions (continued):

- (c) Certain expenses incurred by the Mission are shared services costs and are allocated and charged to each of the related entities on a pro-rata share basis. The amounts recovered from affiliated entities totaled \$1,099,971 (2017 - \$1,008,537) and are recorded as recovery against the relevant expenses incurred.

7. Non-consolidated entities:

Union Gospel Mission ("Mission"), Union Gospel Housing Society ("Society"), Union Gospel (Heatley) Housing Society ("Heatley"), and Union Gospel Mission Foundation ("Foundation") all have the same individuals on each of their respective Board of Directors. The Society operates two social housing projects, Cordova and Orchard. Heatley also operates two social housing projects, Maurice McElrea Place and Hastings. The Foundation, a registered charity under the Income Tax Act, was established in October 2001 to raise, distribute and administer funding and support for the programs and activities of the Mission.

The Society and Heatley are incorporated under the *Society Act* (British Columbia) and are not-for-profit organizations under the Income Tax Act.

All three related entities have until November 28, 2018 to transition to the new *Societies Act* (British Columbia).

The Society, Heatley, and the Foundation have not been consolidated in the Mission's financial statements. Financial summaries of these non-consolidated entities are as follows as at June 30:

	2018	2017
Assets:		
Total assets	\$ 41,166,617	\$ 36,705,843
Liabilities and net assets:		
Total liabilities	\$ 17,915,243	\$ 18,266,796
Total net assets	23,251,374	18,439,047
	\$ 41,166,617	\$ 36,705,843
Results of operations:		
Total revenue	\$ 8,832,702	\$ 4,669,867
Total expenses	(3,459,013)	(3,254,720)
	\$ 5,373,689	\$ 1,415,147
Cash balance:		
Total cash provided by operating activities	\$ 4,896,144	\$ 1,225,992
Total cash used in investing activities	(369,195)	(91,498)
Total cash used in financing activities	(425,318)	(806,925)
Increase in cash	4,101,631	327,569
Cash, beginning of year	6,753,395	6,425,826
Cash, end of year	\$ 10,855,026	\$ 6,753,395

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

8. Bank credit facility and contingent liability:

The Mission is included as a co-borrower, together with Union Gospel Mission Foundation in respect of a \$1.5 million operating credit facility arranged with Vancouver City Savings Credit Union ("Vancity"). The credit facility is with interest rates at Vancity prime plus 0.75% per annum. As at June 30, 2018 (2017 - nil) there was no outstanding balance under this facility.

The Mission and the Foundation together arranged credit facilities with the BC Housing Management Commission ("BCHMC"), the Royal Bank of Canada and Vancity for construction of the Hastings building, which is owned by the Foundation. The building was completed in 2011 and the Vancity line of credit was repaid. However, the Mission remains contingently liable for the BCHMC and the Royal Bank loans, which together totaled \$11,371,228 (2017 - \$11,486,070) as at year-end.

9. Commitments:

The Mission has a five-year lease agreement for its office equipment expiring August 31, 2023.

The minimum payments under the lease agreement over the next five years are as follows:

2019	\$ 22,380
2020	26,856
2021	26,856
2022	26,856
2023	26,856
	<hr/>
	\$ 129,804

The Mission has entered into various third party service agreements with committed service payments related to the Women and Family Recovery and Housing Centre development as follows. During fiscal 2018, all costs related to the development of the Centre is being funded and recorded in the Foundation.

- (a) Project management services agreement dated November 30, 2017 to pay \$583,000 in total fees over the duration of the contract to its termination date of Oct 31, 2021. The payments are based on a schedule of project stages reached as specified in the agreement. Total fees to June 30, 2018 of \$76,000 have been paid with the remaining committed amounts to be paid over the next four fiscal years approximately as follows:

2019	\$ 334,750
2020	95,400
2021	47,700
2022	29,150

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

9. Commitments (continued):

- (b) Architectural services agreement dated January 19, 2017 to pay \$731,250 in total fees related to the next phase in the design work of the Centre. Total fees to June 30, 2018 of \$347,515 have been paid with the remaining contracted amounts to be paid over the next three fiscal years approximately as follows:

2019	\$	250,887
2020		132,065
2021		803

The above agreement can be terminated upon certain conditions including if the project is abandoned.

- (c) Campaign counselling services agreement dated February 15, 2018 with commitment under the agreement to pay \$185,000 in total fees over the duration of the contract to its termination date of December 31, 2018. The payments are based on a schedule of project stages reached as specified in the agreement. Total fees to June 30, 2018 of \$74,000 have been paid with the remaining committed amount to be paid in the next fiscal year.

10. Financial risks:

- (a) Liquidity risk:

Liquidity risk is the risk that the Mission will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Mission manages its liquidity risk by monitoring its operating requirements. The Mission prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2017.

- (b) Credit risk:

Credit risk is the risk of economic loss arising from a party's failure to repay or service debt according to contractual terms. Financial instruments that potentially subject the Mission to concentrations of credit risk consist of cash and cash equivalents and receivables. The Mission has deposited cash and cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote. Management does not believe the Mission is subject to any significant credit risks related to its accounts receivables or amounts due from related parties.

- (c) Interest rate risk:

The Mission is exposed to interest rate risks on its due to / from related party balances (note 4) which has a floating rate of interest which is subject to cash flow risk.

UNION GOSPEL MISSION

Notes to Financial Statements (continued)

Year ended June 30, 2018

11. Disclosure of remuneration:

The *Societies Act* (British Columbia) has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors. For the fiscal year ending June 30, 2018, the Mission paid total remuneration of \$1,272,762 (2017 - \$1,263,389 to the top ten employees) to the top ten employees for services, each of whom received total annual remuneration of \$75,000 or greater. No remuneration was paid to any members of the Board of Directors.

12. Subsequent events:

(a) Ministry of Children and Family Development funding:

Subsequent to year end, the Mission received capital grant funding of \$500,000 from the Ministry of Children and Family Development towards the building of child care facility and equipment as part of the Women and Family Recovery and Housing Centre development in the Foundation. \$325,000 of the total funding was received on July 4, 2018 as an advance towards the project with the remaining amounts payable as the project completes as specified in the agreement. Under the agreement, any unspent funds is subject to return to the government.

(b) BC Housing promissory notes:

Subsequent to the year end, the Mission entered into loan agreements with BC Housing Management Commission ("BCHMC") with respect to the building of the Women and Family Recovery and Housing Centre ("Centre") development in the Foundation. The Proposal Development Funding ("PDF") loan advances up to \$947,455 in capital funding towards the Centre and the Goods and Services Tax loan advances up to \$47,373 in funding towards applicable GST levied on building costs of the Centre. Totals of \$403,844 under the PDF loan and \$7,753 under the GST loan were received on September 7, 2018 and October 5, 2018.

The promissory notes for advances under both loans are non-interest bearing and repayable on demand. The PDF loan may be repaid with future mortgage arrangements with BCHMC or may be forgiven under certain conditions stipulated under the agreement. The GST loan is to be repaid as GST credits are claimed with and reimbursed by Canada Revenue Agency.

13. Comparative figures:

Certain comparative information has been reclassified to conform with the presentation adopted in the current year.

UNION GOSPEL MISSION

Schedule of Expenses

Year ended June 30, 2018, with comparative information for 2017

	2018	2017
Salaries and benefits	\$ 10,137,844	\$ 9,691,708
Newsletters and campaign appeals	1,425,912	1,338,938
Food and kitchen supplies and services	943,064	944,769
Amortization	748,677	359,290
Rental of facilities	735,422	752,879
Gifts-in-kind used	719,472	160,791
Office supplies and services	665,192	532,531
Property taxes, utilities, and insurance	598,353	539,412
Programs and events	493,066	488,550
Building maintenance and repairs supplies and services	475,244	436,308
Staff training and development	384,777	353,926
Fundraising and marketing	299,006	324,815
Bank charges and interest	188,338	181,475
Professional and consulting services	178,825	260,029
Miscellaneous	95,773	100,950
Non-recovered GST	94,657	99,249
Other expenses (recoveries)	-	(22,287)
Total expenses	18,183,622	16,543,333
Less recoveries from affiliated entities (note 5(c))	1,099,791	1,008,537
	\$ 17,083,831	\$ 15,534,796