

Financial statements

Ontario Telemedicine Network

March 31, 2017



Building a better
working world

Independent auditors' report

To the Members of
Ontario Telemedicine Network

Report on the financial statements

We have audited the accompanying financial statements of **Ontario Telemedicine Network**, which comprise the balance sheet as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended, and 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 the 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 the auditors' 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, the auditors 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 **Ontario Telemedicine Network** as at March 31, 2017 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.

Report on other legal and regulatory requirements

In accordance with the *Corporations Act* (Ontario), we report that Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 22, 2017



Ontario Telemedicine Network

Incorporated under the laws of Ontario

Balance sheet

As at March 31

	2017	2016
	\$	\$
Assets		
Current		
Cash <i>[note 3]</i>	7,691,074	7,218,292
Accounts and grants receivable <i>[note 4]</i>	1,236,814	744,986
Excess of revenue over expenses for the year	477,701	385,379
Prepaid expenses	1,269,570	1,225,611
Total current assets	10,675,159	9,574,268
Capital assets, net <i>[note 6]</i>	623,485	1,647,868
	11,298,644	11,222,136
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities <i>[note 7]</i>	3,673,812	3,539,696
Deferred revenue <i>[note 8]</i>	2,531,617	3,387,404
Current portion of deferred lease inducements <i>[note 9]</i>	132,827	132,827
Deferred grants for equipment held for members <i>[note 10]</i>	477,701	385,379
Total current liabilities	6,815,957	7,445,306
Deferred lease inducements <i>[note 9]</i>	44,369	177,196
Deferred capital contributions <i>[note 11]</i>	345,072	451,577
Total liabilities	7,205,398	8,074,079
Contingent liabilities, commitments, guarantees and indemnities <i>[notes 15, 16 and 19]</i>		
Net assets		
Internally restricted <i>[note 12]</i>	1,558,460	614,403
Unrestricted	2,534,786	2,533,654
Total net assets	4,093,246	3,148,057
	11,298,644	11,222,136

See accompanying notes

On behalf of the Board:

Director

Director

Ontario Telemedicine Network

Statement of operations

Year ended March 31

	2017	2016
	\$	\$
Revenue <i>[note 21]</i>		
Ministry of Health and Long-Term Care		
Base funding	22,208,299	22,836,038
One-time funding	11,885,948	10,719,806
Canada Health Infoway	3,507,869	3,295,367
Other grants and income	740,274	261,823
Amortization of deferred capital contributions <i>[note 11]</i>	184,551	230,595
Other revenue <i>[note 13]</i>	3,910,242	3,967,280
	42,437,183	41,310,909
Operating expenses <i>[note 21]</i>		
Salaries and benefits <i>[note 14]</i>	27,265,876	25,787,048
Consulting and contractor fees	2,533,224	1,345,863
Administration	2,821,807	2,672,910
Amortization	1,133,331	1,572,145
Communications	303,066	705,966
Facilities and maintenance <i>[notes 9 and 16]</i>	1,094,738	1,253,344
Supplies <i>[note 5]</i>	660,074	382,291
Telecommunications	3,324,984	4,874,301
Warranty, software licenses, support and maintenance	2,354,894	2,485,350
	41,491,994	41,079,218
Excess of revenue over expenses for the year	945,189	231,691

See accompanying notes

Ontario Telemedicine Network

Statement of changes in net assets

Year ended March 31

	Internally restricted	Unrestricted	Total	
	\$	\$	2017	2016
	\$	\$	\$	\$
	<i>[note 12]</i>			
Balance, beginning of year	614,403	2,533,654	3,148,057	2,916,366
Excess of revenue over expenses for the year	—	945,189	945,189	231,691
Interfund transfers <i>[note 12]</i>	944,057	(944,057)	—	—
Balance, end of year	1,558,460	2,534,786	4,093,246	3,148,057

See accompanying notes

Ontario Telemedicine Network

Statement of cash flows

Year ended March 31

	2017	2016
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	945,189	231,691
Add (deduct) items not involving cash		
Amortization of capital assets	1,133,331	1,572,145
Excess of revenue over expenses for the year	(184,551)	(230,595)
Amortization of lease inducements	(132,827)	(132,827)
	<u>1,761,142</u>	<u>1,440,414</u>
Changes in non-cash working capital balances related to operations		
Accounts and grants receivable	(491,828)	(284,008)
Equipment held for members	(92,322)	(9,315)
Prepaid expenses	(43,959)	598,487
Accounts payable and accrued liabilities	134,116	597,331
Deferred revenue	(855,787)	(89,477)
Deferred grants for equipment held for members	92,322	9,315
Cash provided by operating activities	<u>503,684</u>	<u>2,262,747</u>
Investing activities		
Purchase of capital assets	(108,948)	(2,542,403)
Cash used in investing activities	<u>(108,948)</u>	<u>(2,542,403)</u>
Financing activities		
Contributions used to fund capital assets	78,046	390,078
Cash provided by financing activities	<u>78,046</u>	<u>390,078</u>
Net increase in cash during the year	472,782	110,422
Cash, beginning of year	7,218,292	7,107,870
Cash, end of year	<u>7,691,074</u>	<u>7,218,292</u>

See accompanying notes

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

1. Purpose of organization

The mission of the Ontario Telemedicine Network ["OTN"] is to develop and support telemedicine solutions that enhance access and quality of health care in Ontario, and inspire adoption by health care providers, organizations and the public.

OTN brings virtual care innovation to the healthcare system so that the people of Ontario can get the care they need when and where they need it most: at home, in their community or in hospital. For more than a decade, OTN has increased access to health care and education across the province with one of the world's most extensive telemedicine networks. Working with its many partners and leveraging its unique knowledge of health care and digital technology, OTN addresses challenges by introducing and spreading new ways of delivering care that benefit patients, care providers and the healthcare system. An independent, not-for-profit organization, OTN is funded by the Government of Ontario.

OTN is incorporated without share capital by letters patent dated May 31, 2006 under the laws of Ontario. OTN is a not-for-profit organization and, under the *Income Tax Act* (Canada), is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations and includes the significant accounting policies summarized below.

Revenue recognition

OTN follows the deferral method of accounting for contributions, which include grants. Unrestricted contributions are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Contributions externally restricted for capital assets are recorded as deferred capital contributions and are amortized to operations on the same basis as the related asset is amortized.

OTN reconciles funds related to government grants annually. Any surplus realized in the year is to be refunded to the respective ministry and any deficit is expected to be absorbed by OTN.

OTN consulting revenue is accounted for on the percentage-of-completion method whereby the portion of total contract revenue is accrued and can be allocated to contract expenses incurred and work performed. Revisions in cost and income estimates during the course of work are reflected in the accounting period when the revisions become known. At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is recognized.

Membership fees are recorded in deferred revenue and recognized as revenue on a pro-rata basis based on the membership period.

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Revenue from all other sources, including site and system installation, Personal Computer Video Conferencing, premium service fees and Telehomecare device rentals, is recognized when the service is provided or as earned, and the amount to be received can be reasonably estimated and collection is reasonably assured.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

The amount of revenue recognized from the Ontario Ministry of Health and Long-Term Care [the "MOHLTC"] requires a number of estimates. OTN has entered into an accountability agreement with the MOHLTC that sets out the rights and obligations of the two parties in respect of funding provided to OTN by the MOHLTC for fiscal year 2017.

The accountability agreement also sets out certain performance measures and reporting obligations that establish acceptable results for OTN's performance in a number of areas, including targeted service levels.

If OTN does not meet its performance standards or obligations, the MOHLTC has the right to adjust funding received by OTN. The MOHLTC is not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of MOHLTC funding received during the year may be increased or decreased subsequent to year-end. The amount of revenue recognized in these financial statements represents management's best estimate of any amounts that have been earned during the year.

Financial assets and liabilities

OTN initially measures its financial assets and liabilities at fair value. OTN subsequently measures all its financial assets and liabilities at amortized cost, net of any provisions for impairment.

Financial assets and liabilities measured at amortized cost include cash, accounts and grants receivable and accounts payable and accrued liabilities.

Equipment held for members

Equipment held for members is stated at the lower of cost, determined on a first-in, first-out basis, and current replacement cost.

Prepaid expenses

Future benefits of software licenses and warranty relating to capital equipment used for core operations are included in prepaid expenses and recognized in expenses over the term the benefits are provided. Licenses and warranty expenses for projects are recorded in the period when the related revenue is recognized.

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Notes to financial statements

March 31, 2017

Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives at the following rates:

Equipment	5 years
Furniture	5 years
Computer equipment	3 years
Centralized asset management devices	3 years
Leasehold improvements	Over the terms of the leases

The above rates are reviewed annually to ensure they are still appropriate. Any changes are adjusted for on a prospective basis.

Deferred lease inducements

Deferred lease inducements represent amounts received for leasehold improvements and the value of rent-free periods. Lease inducements are deferred and amortized on a straight-line basis over the term of the lease and the amortization is recorded as a reduction of rent expense for the year.

Employee benefit plan

Substantially all of the employees of OTN are members of the Hospitals of Ontario Pension Plan ["HOOPP"], which is a multi-employer, defined benefit contributory pension plan. Contributions are expensed on an accrual basis, as OTN has insufficient information to apply defined benefit plan accounting.

Allocation of expenses

Expenses are charged directly to the individual projects wherever possible. Facilities and maintenance expenses are allocated based on the funders' approved budgets. All other general and overhead expenses are not allocated.

3. Bank credit facility

OTN has available an unsecured demand line of credit for \$6,500,000 bearing interest at the bank's prime rate. There were no advances against this credit facility as at March 31, 2017 or 2016.

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

4. Accounts and grants receivable

Accounts and grants receivable include the following receivables:

	2017 \$	2016 \$
Canada Health Infoway – New Patient Groups	447,420	156,355
Membership fees	74,486	33,385
Installation, site, system and other revenue from members and users [net of allowance for doubtful accounts of nil [2016 – nil]]	714,908	555,246
	1,236,814	744,986

5. Equipment held for members

Equipment held for members consists primarily of room-based video equipment for Telemedicine Network Conversion routers and Telehomecare equipment, peripherals and consumables. This equipment is primarily distributed free of charge to members. Equipment distributed free of charge and expensed during the year [note 10] amounted to \$467,268 [2016 – \$94,658] and is included in supplies expense on the statement of operations.

6. Capital assets

Details of capital assets are as follows:

	2017		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Equipment	91,965	91,424	541
Furniture	601,890	547,544	54,346
Computer equipment	9,723,784	9,433,598	290,186
Centralized asset management devices	2,140,307	2,022,506	117,801
Leasehold improvements	1,591,088	1,430,477	160,611
	14,149,034	13,525,549	623,485

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March 31, 2017

	2016		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Equipment	91,965	82,376	9,589
Furniture	601,890	522,541	79,349
Computer equipment	9,645,736	9,283,097	362,639
Centralized asset management devices	2,138,227	1,204,337	933,890
Leasehold improvements	1,562,268	1,299,867	262,401
	<u>14,040,086</u>	<u>12,392,218</u>	<u>1,647,868</u>

During the year, a number of fully depreciated assets with an original cost of nil [2016 – \$1,293,136] were written off.

7. Accounts payable and accrued liabilities

As at March 31, 2017, accounts payable and accrued liabilities include \$25,564 [2016 – \$68,433] refundable to the MOHLTC. As at March 31, 2017 and 2016, there were no amounts payable for government remittances.

8. Deferred revenue

Deferred revenue consists of the following:

	2017	2016
	\$	\$
Membership fees	122,987	99,799
Installation fees	9,250	61,000
Telemedicine Core Program	1,365,092	1,677,571
Telehomecare	735,759	1,547,432
Other	298,529	1,602
	<u>2,531,617</u>	<u>3,387,404</u>

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Notes to financial statements

March 31, 2017

9. Deferred lease inducements

Deferred lease inducements are created when a landlord provides for leasehold improvement allowances and collects lower monthly rental amounts in the early period of a lease term as part of the lease agreement. OTN records these allowances as an obligation and amortizes the amount to facilities and maintenance expense on the statement of operations over the term of the leases.

Details of lease inducements are as follows:

	2017	2016
	\$	\$
Balance, beginning of year	310,023	442,850
Amortization to rent expense	(132,827)	(132,827)
Balance, end of year	177,196	310,023
Less current portion of lease inducements	132,827	132,827
Long-term portion of lease inducements	44,369	177,196

10. Deferred grants for equipment held for members

Deferred grants for equipment held for members represent grants received to fund equipment held for members. An amount equal to the expense recognized in connection with equipment distributed during the year is recorded as revenue in the statement of operations. Details of deferred grants are as follows:

	2017	2016
	\$	\$
Balance, beginning of year	385,379	376,064
Grants for equipment purchased for distribution in the year	565,783	108,723
Grants related to equipment distributed during the year <i>[note 5]</i>	(467,286)	(94,658)
Grants related to equipment sold during the year	(6,175)	(4,750)
Balance, end of year	477,701	385,379

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

11. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants received for the purchase of capital assets. The amortization of grants related to capital assets during the year is recognized as revenue in the statement of operations. Details of deferred capital contributions are as follows:

	2017 \$	2016 \$
Balance, beginning of year	451,577	292,094
Capital contributions received in the year	78,046	390,078
Amortization for the year	(184,551)	(230,595)
Balance, end of year	345,072	451,577

12. Internally restricted net assets

Internally restricted net assets consist of the following:

	2017 \$	2016 \$
Invested in capital assets	160,611	262,401
Centralized asset management pool	1,397,849	352,002
	1,558,460	614,403

Invested in capital assets represents the net book value of the leasehold improvements and the net book value of the centralized asset management pool devices in capital assets [note 6] less amounts financed by deferred rental credits in deferred revenue that are internally funded.

During fiscal 2016, OTN entered into agreements with Telehomecare programs to acquire their existing Telehomecare devices to form a centralized asset management pool [note 6] for programs across the province. Income related to the rental revenue of Telehomecare devices [note 13], net of amortization expense of \$818,169 [2016 – \$1,204,337] and other expenses of \$47,930 [2016 – nil] is internally restricted to fund future Telehomecare program costs.

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

13. Other revenue

Details of other revenue are as follows:

	2017	2016
	\$	\$
Membership fees	1,270,337	1,289,617
Installation, site, system and other revenue from members and users	687,500	1,082,742
Telehomecare device rentals <i>[note 12]</i>	1,911,946	1,556,340
Interest income	40,459	38,581
	<u>3,910,242</u>	<u>3,967,280</u>

14. Pension plan

Substantially all of the employees of OTN are members of the HOOPP, which is a multi-employer, defined benefit, highest consecutive average earnings, contributory pension plan. Contributions made to the plan during the year amounted to \$2,087,006 [2016 – \$2,001,331], and are included in salaries and benefits expense in the statement of operations. The most recent valuation for financial reporting purposes completed by HOOPP as of December 31, 2016 disclosed net assets available for benefits of \$70,359 million with pension obligations of \$54,461 million, resulting in a surplus of \$15,898 million.

15. Contingent liabilities

- [a] OTN is subject to various claims and potential claims related to operations. Where the potential liability is likely and able to be estimated, management has recorded its best estimate of the potential liability. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to the amount recorded are determined to be required.
- [b] OTN participates in the Healthcare Insurance Reciprocal of Canada ["HIROC"]. The HIROC is a pooling of the public liability insurance risks of its members. All members of the HIROC pool pay annual premiums, which are actuarially determined. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they were members. No assessments have been made for the year ended March 31, 2017.

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

16. Lease commitments

OTN leases office space under long-term leases. The minimum rental payments under these leases are as follows:

	\$
2018	548,080
2019	611,299
2020	773,151
2021	723,758
2022	722,052
Thereafter	4,902,110
	<u>8,280,450</u>

In addition, OTN is obligated to pay its proportionate share of realty taxes and operating expenses, which amounts to approximately \$500,400 [2016 – \$627,700] annually and is recorded in facilities and maintenance expense in the statement of operations.

17. Financial instruments and risk management

OTN is exposed to various risks through transactions in financial instruments. The following analysis provides a measure of OTN's risk exposure at the balance sheet date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. OTN's main credit risk relates to accounts receivable. OTN mitigates credit risk by assessing the financial position of its customers and regular monitoring of the accounts.

Liquidity risk

Liquidity risk is the risk that OTN will encounter difficulty in meeting obligations associated with financial liabilities. OTN derives a significant portion of its operating revenue from the Ontario government and other funders with no firm commitment of funding in future years. To manage liquidity risk, OTN keeps sufficient resources readily available to meet its obligations. In addition, OTN has a line of credit that is available when sufficient cash flow is not available from operations.

18. Economic dependence

The viable future operations of OTN primarily depend on the continued funding from the MOHLTC.

Notes to financial statements

March 31, 2017

19. Guarantees and indemnities

In the normal course of business, OTN enters into agreements that include indemnities in favour of third parties, either expressed or implied, such as in-service contracts, leasing agreements, sales and purchase contracts. In these agreements, OTN agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of OTN. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated. OTN has purchased liability insurance to mitigate the cost of any potential future claims and losses.

20. Comparative financial statements

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2017 financial statements.

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

21. Details of operations

Revenue and expenses relating to major projects, including base operations, funded during the year are as follows:

Year ended March 31, 2017

	Total \$	Operating \$	Telemedicine Network Circuits \$	Telemedicine Transformation \$	Telehomecare Solutions \$	Other Projects \$
Revenue						
Ministry of Health and Long-Term Care						
Base funding	22,208,299	22,208,299	—	—	—	—
One-time funding	11,885,948	541,700	3,731,861	5,188,750	1,766,218	657,419
Canada Health Infoway	3,507,869	—	—	—	3,507,869	—
Other grants and income	740,274	719,852	—	—	9,500	10,922
Amortization of deferred capital contributions	184,551	184,551	—	—	—	—
Other revenue	3,910,242	3,910,242	—	—	—	—
	42,437,183	27,564,644	3,731,861	5,188,750	5,283,587	668,341
Operating expenses						
Salaries and benefits	27,265,876	20,266,498	746,998	3,734,276	2,414,776	103,328
Consulting and contractor fees	2,533,224	612,544	—	1,297,209	613,471	10,000
Total compensation	29,799,100	20,879,042	746,998	5,031,485	3,028,247	113,328
Administration						
Business support	1,853,022	537,114	274	56,231	861,192	398,211
Insurance	91,561	77,497	—	—	14,064	—
Office supplies	159,658	154,111	290	—	4,928	329
Travel and development	717,566	631,726	24,924	201	58,601	2,114
Amortization	1,133,331	1,133,331	—	—	—	—
Communications	303,066	163,894	—	—	139,172	—
Facilities and maintenance	1,094,738	903,938	—	100,800	90,000	—
Supplies	660,074	193,649	20,611	—	427,636	18,178
Telecommunications	3,324,984	384,552	2,938,764	—	746	922
Warranty software licenses, support and maintenance	2,354,894	1,560,601	—	33	659,001	135,259
	11,692,894	5,740,413	2,984,863	157,265	2,255,340	555,013
Total operating expenses	41,491,994	26,619,455	3,731,861	5,188,750	5,283,587	668,341
Excess of revenue over expenses for the year	945,189	945,189	—	—	—	—

Ontario Telemedicine Network

Notes to financial statements

March 31, 2017

Year ended March 31, 2016

	Total \$	Operating \$	Telemedicine Network Circuits \$	Telemedicine Transformation \$	Telehomecare Solutions \$	Other Projects \$
Revenue						
Ministry of Health and Long-Term Care						
Base funding	22,836,038	22,836,038	—	—	—	—
One-time funding	10,719,806	253,200	5,302,316	3,598,803	947,000	618,487
Canada Health Infoway	3,295,367	—	—	—	3,295,367	—
Other grants and income	261,823	157,403	—	—	93,511	10,909
Amortization of deferred capital contributions	230,595	230,595	—	—	—	—
Other revenue	3,967,280	3,967,280	—	—	—	—
	<u>41,310,909</u>	<u>27,444,516</u>	<u>5,302,316</u>	<u>3,598,803</u>	<u>4,335,878</u>	<u>629,396</u>
Operating expenses						
Salaries and benefits	25,787,048	20,136,100	762,527	2,519,582	2,254,081	114,758
Consulting and contractor fees	1,345,863	165,644	—	620,800	549,419	10,000
Total compensation	<u>27,132,911</u>	<u>20,301,744</u>	<u>762,527</u>	<u>3,140,382</u>	<u>2,803,500</u>	<u>124,758</u>
Administration						
Business support	1,647,183	319,644	76,400	48,325	831,215	371,599
Insurance	93,093	93,093	—	—	—	—
Office supplies	142,717	142,717	—	—	—	—
Travel and development	789,917	706,439	17,112	—	66,270	96
Amortization	1,572,145	1,572,145	—	—	—	—
Communications	705,966	513,982	—	—	191,984	—
Facilities and maintenance	1,253,344	1,066,894	—	100,800	85,650	—
Supplies	382,291	263,706	1,119	—	18,209	99,257
Telecommunications	4,874,301	370,061	4,445,158	—	58,149	933
Warranty software licenses, support and maintenance	2,485,350	1,862,400	—	309,296	280,901	32,753
	<u>13,946,307</u>	<u>6,911,081</u>	<u>4,539,789</u>	<u>458,421</u>	<u>1,532,378</u>	<u>504,638</u>
Total operating expenses	<u>41,079,218</u>	<u>27,212,825</u>	<u>5,302,316</u>	<u>3,598,803</u>	<u>4,335,878</u>	<u>629,396</u>
Excess of revenue over expenses for the year	<u>231,691</u>	<u>231,691</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

