



Financial Statements

Lutheran Community Care Centre of Thunder
Bay

March 31, 2017

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Independent Auditor's Report

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To the Directors of
Lutheran Community Care Centre of Thunder Bay

We have audited the accompanying financial statements of Lutheran Community Care Centre of Thunder Bay, which comprise the statement of financial position as at March 31, 2017 and the statements of changes in fund balances, operations, 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 the basis of accounting described in note 2 to the financial statements, 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.

Auditor's 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 auditor's 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 auditor considers 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations and other fundraising activities, the completeness of which is not susceptible to conclusive audit verification. Accordingly, we were unable to determine whether any adjustments might be necessary to donation and fundraising revenues, excess (shortfall) of revenue over expenditures for the year, assets and fund balances.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Lutheran Community Care Centre of Thunder Bay as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in note 2 to the financial statements.

Basis of accounting and restriction of use

Without modifying our opinion, we draw attention to note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist Lutheran Community Care Centre of Thunder Bay to meet the requirements of the Ontario Ministry of Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Directors of Lutheran Community Care Centre of Thunder Bay and the Ontario Ministry of Community and Social Services and should not be used by parties other than the Board of Directors of Lutheran Community Care Centre of Thunder Bay and the Ontario Ministry of Community and Social Services.



Thunder Bay, Canada
June 26, 2017

Chartered Professional Accountants
Licensed Public Accountants

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

ASSETS

	Unrestricted Funds	Other Internally Restricted Funds	Development Fund	Capital Reserve Fund	Endowment Fund	2017	2016
CURRENT							
Cash	\$ 1,370,340	\$ -	\$ -	\$ -	\$ -	\$ 1,370,340	\$ 1,272,320
Accounts receivable							
- core	35,884	-	-	-	-	35,884	3,426
HST receivable	39,028	-	-	-	-	39,028	17,553
Due from Ministry of Community and Social Services (Note 9)	532,598	-	-	-	-	532,598	422,894
Investments (Note 4)	42,059	-	-	-	-	42,059	-
Prepaid expenses	29,165	-	-	-	-	29,165	10,730
Prepaid rent (Note 12 (b))	6,429	-	-	-	-	6,429	6,429
	<u>2,055,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,055,503</u>	<u>1,733,352</u>
LONG-TERM							
Investments (Note 4)	-	-	-	-	-	-	41,169
Prepaid rent (Note 12 (b))	64,822	-	-	-	-	64,822	71,251
Leasehold improvements (Note 8)	37,620	-	-	-	-	37,620	41,040
	<u>102,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,442</u>	<u>153,460</u>
	<u>2,157,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,157,945</u>	<u>1,886,812</u>
RESTRICTED ASSETS							
Cash (Notes 3 and 5)	-	370,000	11,130	-	-	381,130	280,806
Investments (Notes 5, 6 & 7)	-	-	33,388	32,760	99,971	166,119	162,971
	<u>-</u>	<u>370,000</u>	<u>44,518</u>	<u>32,760</u>	<u>99,971</u>	<u>547,249</u>	<u>443,777</u>
	<u>\$ 2,157,945</u>	<u>\$ 370,000</u>	<u>\$ 44,518</u>	<u>\$ 32,760</u>	<u>\$ 99,971</u>	<u>\$ 2,705,194</u>	<u>\$ 2,330,589</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

LIABILITIES AND FUND BALANCES

	Unrestricted Funds	Other Internally Restricted Funds	Development Fund	Capital Reserve Fund	Endowment Fund	2017	2016
CURRENT							
Accounts payable	\$ 17,605	\$ -	\$ -	\$ -	\$ -	\$ 17,605	\$ 12,010
- Core	214,694	-	-	-	-	214,694	131,133
- Program	1,281,588	-	-	-	-	1,281,588	1,220,386
- Passport							
Due to Ministry of Community and Social Services (Note 9)	585,431	-	-	-	-	585,431	438,628
Deferred revenue	-	-	-	-	-	-	1,250
	<u>2,099,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,099,318</u>	<u>1,803,407</u>
FUND BALANCES							
Unrestricted	58,627	-	-	-	-	58,627	83,413
Internally restricted	-	370,000	44,518	32,760	-	447,278	343,382
Externally restricted	-	-	-	-	99,971	99,971	100,387
	<u>58,627</u>	<u>370,000</u>	<u>44,518</u>	<u>32,760</u>	<u>99,971</u>	<u>605,876</u>	<u>527,182</u>
	<u>\$ 2,157,945</u>	<u>\$ 370,000</u>	<u>\$ 44,518</u>	<u>\$ 32,760</u>	<u>\$ 99,971</u>	<u>\$ 2,705,194</u>	<u>\$ 2,330,589</u>

On behalf of the Board:

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2017

	Beginning Fund Balance	Revenue	Expenditures	Excess (Shortfall) of Revenue over Expenditures	Recovery of Surplus Funding by Ministry (Note 9)	Transfer of Surplus/Deficit	Ending Fund Balance
Unrestricted Funds							
Core	\$ 81,005	\$ 311,245	\$ 190,944	\$ 120,301	\$ -	\$ (145,822)	\$ 55,484
Chaplaincy	-	26,611	39,914	(13,303)	-	13,303	-
Street Reach Ministries Programs	-	60,717	73,744	(13,027)	-	13,027	-
Luther Court Support Services	2,408	85,800	91,994	(6,194)	-	6,929	3,143
Adult Protective Service Worker	-	1,245,792	1,244,779	1,013	(1,013)	-	-
Developmental Services Ontario Northern Region	-	1,158,360	1,156,552	1,808	(1,808)	-	-
Passport Programs - Administration and Operation	-	622,240	631,803	(9,563)	-	9,563	-
- Direct Funding Psychological Assessments	-	10,065,800	10,598,398	(532,598)	532,598	-	-
Specialized Service Coordination	-	111,300	88,732	22,568	(22,568)	-	-
CAS/TAY Approvals	-	157,680	157,276	404	(404)	-	-
Transition Coordination	-	2,099,808	2,021,845	77,963	(77,963)	-	-
Specialized Training and Equipment	-	266,900	265,320	1,580	(1,580)	-	-
Temporary Supports	-	146,500	145,516	984	(984)	-	-
	-	700,196	624,736	75,460	(75,460)	-	-
	\$ 83,413	\$ 17,058,949	\$ 17,331,553	\$ (272,604)	\$ 350,818	\$ (103,000)	\$ 58,627

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2017

	Beginning Fund Balance	Revenue	Expenditures	Excess (Shortfall) of Revenue over Expenditures	Recovery of Surplus Funding by Ministry (Note 9)	Transfer of Surplus/Deficit	Ending Fund Balance
Balance forward	\$ 83,413	\$ 17,058,949	\$ 17,331,553	\$ (272,604)	\$ 350,818	\$ (103,000)	\$ 58,627
Internally Restricted Funds							
Other (Note 13)							
Office Relocation Core Program	200,000	-	-	-	-	70,000	270,000
Contingency	70,000	-	-	-	-	30,000	100,000
Capital Reserve Fund	270,000	-	-	-	-	100,000	370,000
Development Fund	29,312	448	-	448	-	3,000	32,760
	44,070	448	-	448	-	-	44,518
	343,382	896	-	896	-	103,000	447,278
Externally Restricted Fund							
Endowment (Note 7)	100,387	-	416	(416)	-	-	99,971
Total	\$ 527,182	\$ 17,059,845	\$ 17,331,969	\$ (272,124)	\$ 350,818	\$ -	\$ 605,876

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

CORE

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Administrative support (Note 12 (a))	\$ 112,200	\$ 129,787	\$ 130,139
Ministry of Community and Social Services (MCSS) (Trustee services)	5,905 5,800	8,202 5,800	8,213 3,828
Donations			
Individuals	16,000	15,340	22,082
Local churches	4,000	7,750	5,350
Church bodies and other organizations	700	400	450
Fundraising	27,000	22,682	6,756
Interest	-	875	861
Other rentals (Note 12 (a))	7,380	7,200	16,200
Rental operations (Schedule 1)	107,765	112,959	58,607
Miscellaneous	-	250	(213)
	286,750	311,245	252,273
Expenditures			
Advertising and promotion	6,000	1,810	253
Client emergency	600	135	325
Employee benefits - operating	20,221	19,460	20,740
- MCSS	1,592	1,592	1,603
- Trustee services	967	967	638
Equipment rental and maintenance	4,170	3,031	4,093
Fundraising	12,400	9,100	617
Insurance	1,200	1,179	1,064
Interest and bank charges	1,510	1,806	1,657
Miscellaneous	3,000	-	-
Purchased services	1,320	3,501	2,538
Staff training	3,300	3,864	4,193
Supplies	8,250	3,559	4,825
Travel	240	461	215
Wages and salaries - operating	128,602	129,036	129,217
- MCSS	6,610	6,610	6,610
- Trustee services	4,833	4,833	3,190
	204,815	190,944	181,778
Total expenditures			
	204,815	190,944	181,778
Excess of revenue over expenditures for the year	\$ 81,935	\$ 120,301	\$ 70,495

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

CHAPLAINCY

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Donations			
Lutheran church bodies	\$ 2,000	\$ 1,500	\$ 2,000
Local churches	9,000	12,486	7,239
Individuals	4,000	1,922	3,217
Other organizations	1,000	275	346
Miscellaneous	500	-	50
Fundraising	4,500	4,955	5,023
Ministry of Community and Social Services (MCSS)	5,470	5,473	5,462
	26,470	26,611	23,337
Expenditures			
Advertising	210	7	6
Employee benefits - operating	7,950	7,197	7,715
- MCSS	680	672	684
Fundraising	1,500	1,589	1,654
Office and telephone	830	657	1,046
Purchased services	680	689	680
Staff training	100	7	4
Staff travel	1,080	1,351	1,129
Wages and salaries - operating	23,885	22,955	22,200
- MCSS	4,790	4,790	4,790
Total expenditures	41,705	39,914	39,908
Shortfall of revenue over expenditures for the year	\$ (15,235)	\$ (13,303)	\$ (16,571)

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

STREET REACH MINISTRIES

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Donations			
Individuals	\$ 4,000	\$ 1,692	\$ 4,035
Lutheran church bodies	38,000	38,000	38,000
Local churches	8,500	8,450	8,650
Other organizations	500	575	536
Corporate	17,000	12,000	12,000
	68,000	60,717	63,221
Expenditures			
Employee benefits	16,780	16,178	16,101
Insurance	350	338	310
Purchased services	1,280	1,412	1,334
Rent	10,200	10,200	10,200
Staff training	500	107	95
Staff travel	720	844	697
Supplies and support	1,200	942	1,181
Telephone and utilities	4,705	4,716	4,448
Wages and salaries	39,120	39,007	38,687
	74,855	73,744	73,053
Shortfall of revenue over expenditures for the year	\$ (6,855)	\$ (13,027)	\$ (9,832)

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

LUTHER COURT SUPPORT SERVICES

YEAR ENDED MARCH 31, 2017

	<u>2017</u>		<u>2016</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Revenue			
The District of Thunder Bay Social Services			
Administration Board	\$ <u>85,800</u>	\$ <u>85,800</u>	\$ <u>85,800</u>
Expenditures			
Advertising	50	8	7
Employee benefits	14,505	12,797	12,956
Insurance	850	841	754
Purchased services	1,425	225	1,305
Rent - other	1,800	1,800	1,800
- premises	2,460	2,460	2,460
Staff training	200	74	240
Staff travel	1,800	3,035	2,625
Supplies	500	335	847
Telephone and utilities	668	619	575
Wages	<u>71,214</u>	<u>69,800</u>	<u>68,134</u>
	<u>95,472</u>	<u>91,994</u>	<u>91,703</u>
Shortfall of revenue over expenditures for the year	\$ <u>(9,672)</u>	\$ <u>(6,194)</u>	\$ <u>(5,903)</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

ADULT PROTECTIVE SERVICE WORKER

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Ministry of Community and Social Services	\$ <u>1,251,419</u>	\$ <u>1,245,792</u>	\$ <u>1,245,419</u>
Expenditures			
Advertising	1,800	2,681	2,063
Benefits	176,179	164,966	164,576
Furnishings	-	1,233	-
Purchased services	17,000	9,878	6,396
Rent - other	1,620	1,620	10,800
- premises	48,540	59,856	37,621
Staff training	2,500	2,104	1,608
Staff travel	26,000	23,252	25,167
Supplies	15,500	11,831	15,306
Telephone and utilities	15,030	15,947	14,783
Wages	<u>838,800</u>	<u>842,764</u>	<u>834,373</u>
	<u>1,142,969</u>	<u>1,136,132</u>	<u>1,112,693</u>
Expenditures - Allocated Administration			
Advertising	200	298	229
Employee benefits	12,040	14,402	13,804
Insurance	7,000	6,759	6,208
Purchased services	4,600	5,037	5,036
Rent - other	180	180	1,080
- premises	4,560	4,560	3,420
Staff travel	2,000	-	-
Telephone and utilities	1,670	1,208	1,154
Wages	<u>76,200</u>	<u>76,203</u>	<u>73,025</u>
	<u>108,450</u>	<u>108,647</u>	<u>103,956</u>
Total expenditures	<u>1,251,419</u>	<u>1,244,779</u>	<u>1,216,649</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>1,013</u>	\$ <u>28,770</u>
Due to Ministry of Community and Social Services		\$ <u>1,013</u>	\$ <u>28,770</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY
STATEMENT OF OPERATIONS
DEVELOPMENTAL SERVICES ONTARIO NORTHERN REGION
YEAR ENDED MARCH 31, 2017

	<u>2017</u>		<u>2016</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Revenue			
Ministry of Community and Social Services - Operating (MCSS)	\$ <u>1,158,360</u>	\$ <u>1,158,360</u>	\$ <u>1,158,360</u>
Expenditures			
Advertising	1,350	1,166	583
Employee benefits - MCSS	153,655	140,077	146,111
Furnishings	-	3,332	7,024
Purchased services	5,250	51,000	10,358
Rent - other	1,620	1,620	1,800
- premises	60,600	63,902	43,121
Service agreements	3,720	2,949	3,021
Supplies	23,070	13,851	58,589
Telephone and utilities	21,745	22,408	21,179
Training	2,000	1,609	2,646
Travel	28,430	27,295	25,667
Wages - MCSS	<u>745,430</u>	<u>716,695</u>	<u>713,265</u>
	<u>1,046,870</u>	<u>1,045,904</u>	<u>1,033,364</u>
Expenditures - Allocated Administration			
Advertising and promotion	150	129	65
Employee benefits	12,345	14,713	14,773
Insurance	7,200	7,126	7,095
Purchased services	4,420	6,605	5,302
Rent - other	180	180	180
- premises	2,450	2,450	600
Telephone and utilities	875	1,384	1,249
Travel	6,000	186	-
Wages - MCSS	<u>77,870</u>	<u>77,875</u>	<u>78,250</u>
	<u>111,490</u>	<u>110,648</u>	<u>107,514</u>
Total expenditures	<u>1,158,360</u>	<u>1,156,552</u>	<u>1,140,878</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>1,808</u>	\$ <u>17,482</u>
Due to Ministry of Community and Social Services		\$ <u>1,808</u>	\$ <u>17,482</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

PASSPORT - ADMINISTRATION AND OPERATION

YEAR ENDED MARCH 31, 2017

	<u>2017</u>		<u>2016</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Revenue			
Ministry of Community and Social Services Administration	\$ <u>622,240</u>	\$ <u>622,240</u>	\$ <u>710,840</u>
Expenditures			
Advertising	900	788	1,508
Bank charges	3,300	6,154	3,231
Benefits	94,215	79,731	86,549
Furnishings	-	-	18,122
Purchased services	2,560	5,824	25,915
Rent - other	540	540	600
- premises	31,900	32,277	14,290
Service agreements	-	2,612	2,196
Supplies	17,380	18,655	32,565
Training	1,400	1,095	328
Travel	8,160	7,217	6,815
Utilities	8,895	9,116	9,179
Wages	<u>432,940</u>	<u>447,553</u>	<u>468,572</u>
	<u>602,190</u>	<u>611,562</u>	<u>669,870</u>
Expenditures - Allocated Administration			
Advertising and promotion	100	87	168
Employee benefits	1,825	2,144	2,996
Purchased services	2,860	2,506	2,851
Rent - other	60	60	60
- premises	3,150	3,150	1,200
Telephone and utilities	515	754	786
Wages	<u>11,540</u>	<u>11,540</u>	<u>16,252</u>
	<u>20,050</u>	<u>20,241</u>	<u>24,313</u>
Total expenditures	<u>622,240</u>	<u>631,803</u>	<u>694,183</u>
Excess (shortfall) of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>(9,563)</u>	\$ <u>16,657</u>
Due to Ministry of Community and Social Services		\$ <u>-</u>	\$ <u>16,657</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

PASSPORT - DIRECT FUNDING

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Ministry of Community and Social Services			
DS Self-Managed Supports			
- Direct supports	\$ <u>9,484,391</u>	\$ <u>10,065,800</u>	\$ <u>9,073,118</u>
Expenditures			
DS Self-Managed Supports			
- Direct (9134)	<u>9,484,391</u>	<u>6,911,609</u>	<u>6,030,139</u>
- Indirect (9136)		<u>3,686,789</u>	<u>2,969,515</u>
Total expenditures	<u>9,484,391</u>	<u>10,598,398</u>	<u>8,999,654</u>
Excess (shortfall) of revenue over			
expenditures for the year	\$ <u>-</u>	\$ <u>(532,598)</u>	\$ <u>73,464</u>
Due to (from) Ministry of Community and Social Services		\$ <u>(532,598)</u>	\$ <u>73,464</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY
STATEMENT OF OPERATIONS
PSYCHOLOGICAL ASSESSMENTS
YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Ministry of Community and Social Services	\$ 111,300	\$ 111,300	\$ 96,100
Expenditures			
Purchased services	<u>111,300</u>	<u>88,732</u>	<u>96,100</u>
Excess of revenue over expenditures for the year	<u>\$ -</u>	<u>\$ 22,568</u>	<u>\$ -</u>
Due to Ministry of Community and Social Services		<u>\$ 22,568</u>	<u>\$ -</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

SPECIALIZED SERVICE COORDINATION

YEAR ENDED MARCH 31, 2017

	<u>2017</u>		<u>2016</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Revenue			
Ministry of Community and Social Services - operating	\$ <u>157,680</u>	\$ <u>157,680</u>	\$ <u>157,680</u>
Expenditures - Program			
Advertising and promotion	-	15	927
Employee benefits	22,400	21,150	19,721
New furnishings	-	247	-
Office supplies	500	918	1,426
Purchased services	623	401	640
Rent - premises	5,400	7,532	4,320
Staff training	500	491	48
Staff travel	2,200	1,951	1,654
Telephone and utilities	2,052	1,439	1,876
Wages	<u>122,350</u>	<u>121,110</u>	<u>123,736</u>
	<u>156,025</u>	<u>155,254</u>	<u>154,348</u>
Expenditures - Allocated Administration			
Insurance	450	424	399
Purchased services	377	726	802
Rent - premises	600	720	480
Telephone and utilities	<u>228</u>	<u>152</u>	<u>208</u>
	<u>1,655</u>	<u>2,022</u>	<u>1,889</u>
Total expenditures	<u>157,680</u>	<u>157,276</u>	<u>156,237</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>404</u>	\$ <u>1,443</u>
Due to Ministry of Community and Social Services		\$ <u>404</u>	\$ <u>1,443</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

CAS/TAY APPROVALS

YEAR ENDED MARCH 31, 2017

	<u>2017</u>		<u>2016</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
Revenue			
Ministry of Community and Social Services	\$ 2,247,208	\$ 2,099,808	\$ 387,917
Expenditures			
Payout to transfer payment agencies	<u>2,247,208</u>	<u>2,021,845</u>	<u>387,917</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>77,963</u>	\$ <u>-</u>
Due to Ministry of Community and Social Services		\$ <u>77,963</u>	\$ <u>-</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

TRANSITION COORDINATION

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Ministry of Community and Social Services	\$ <u>266,900</u>	\$ <u>266,900</u>	\$ <u>266,900</u>
Expenditures - Program			
Advertising and promotion	445	14	11
Benefits	37,250	35,142	34,909
New furnishings	-	239	16,859
Office supplies	1,500	3,133	2,136
Service agreements	-	19	55
Purchased services	1,750	9,175	4,170
Rent - other	160	-	52
- premises	21,905	18,179	7,596
Staff training	1,200	9	13
Staff travel	3,000	4,144	2,248
Telephone and utilities	7,065	3,219	3,239
Wages	<u>178,015</u>	<u>177,582</u>	<u>162,541</u>
	<u>252,290</u>	<u>250,855</u>	<u>233,829</u>
Expenditures - Allocated Administration			
Advertising and promotion	-	-	1
Employee benefits	1,720	1,904	1,775
Insurance	300	330	266
Purchased services	700	304	234
Rent - other	20	-	-
- premises	1,200	1,200	-
Telephone and utilities	75	127	-
Wages	<u>10,595</u>	<u>10,600</u>	<u>9,832</u>
	<u>14,610</u>	<u>14,465</u>	<u>12,108</u>
Total expenditures	<u>266,900</u>	<u>265,320</u>	<u>245,937</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>1,580</u>	\$ <u>20,963</u>
Due to Ministry of Community and Social Services		\$ <u>1,580</u>	\$ <u>20,963</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

SPECIALIZED TRAINING AND EQUIPMENT

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Ministry of Community and Social Services	\$ <u>146,500</u>	\$ <u>146,500</u>	\$ <u>149,750</u>
Expenditures			
Payouts to transfer payment agencies			
Equipment	121,850	121,520	109,915
Training	<u>10,000</u>	<u>10,000</u>	<u>25,213</u>
	<u>131,850</u>	<u>131,520</u>	<u>135,128</u>
Expenditures - Allocated Administration			
Advertising and promotion	145	-	-
Employee benefits	2,045	1,871	945
Insurance	-	14	38
Purchased services	30	13	6
Rent - other	350	360	170
- premises	1,405	1,417	680
Staff training	75	15	-
Staff travel	220	-	-
Supplies	300	40	43
Telephone and utilities	120	51	35
Wages	<u>9,960</u>	<u>10,215</u>	<u>5,025</u>
	<u>14,650</u>	<u>13,996</u>	<u>6,942</u>
Total expenditures	<u>146,500</u>	<u>145,516</u>	<u>142,070</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>984</u>	\$ <u>7,680</u>
Due to Ministry of Community and Social Services		\$ <u>984</u>	\$ <u>7,680</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

TEMPORARY SUPPORTS

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Ministry of Community and Social Services	\$ <u>354,300</u>	\$ <u>700,196</u>	\$ <u>334,300</u>
Expenditures			
Payouts for approved supports	<u>318,870</u>	<u>591,973</u>	<u>249,703</u>
Expenditures - Allocated Administration			
Advertising and promotion	355	-	-
Employee benefits	4,935	4,366	5,579
Insurance	-	32	228
Purchased services	70	31	33
Rent - other	850	840	1,030
- premises	3,400	3,383	4,120
Staff training	175	30	-
Staff travel	530	-	-
Supplies	740	150	301
Telephone and utilities	285	96	210
Wages	<u>24,090</u>	<u>23,835</u>	<u>30,511</u>
	<u>35,430</u>	<u>32,763</u>	<u>42,012</u>
Total expenditures	<u>354,300</u>	<u>624,736</u>	<u>291,715</u>
Excess of revenue over expenditures for the year	\$ <u>-</u>	\$ <u>75,460</u>	\$ <u>42,585</u>
Due to Ministry of Community and Social Services		\$ <u>75,460</u>	\$ <u>42,585</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY
STATEMENT OF OPERATIONS AND FUND BALANCE
DEVELOPMENT FUND
YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Interest	\$ 448	\$ 532
Fund balance, beginning of year	<u>44,070</u>	<u>43,538</u>
Fund balance, end of year	<u>\$ 44,518</u>	<u>\$ 44,070</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY
STATEMENT OF OPERATIONS AND FUND BALANCE
CAPITAL RESERVE FUND
YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Interest	\$ 448	\$ 458
Fund balance, beginning of year	29,312	25,854
Transfer from Core	<u>3,000</u>	<u>3,000</u>
Fund balance, end of year	<u>\$ 32,760</u>	<u>\$ 29,312</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2017

	Unrestricted Funds	Other Internally Restricted Fund	Development Fund	Capital Reserve Fund	Endowment Fund	Total 2017	Total 2016
Cash provided by (used in):							
Operating activities							
Excess (shortfall) of revenue over expenditures before interest	\$ 77,339	\$ -	\$ -	\$ -	\$ (416)	\$ 76,923	\$ 40,729
Add interest	875	-	448	448	-	1,771	1,851
Excess (shortfall) of revenue over expenditures for the year	78,214	-	448	448	(416)	78,694	42,580
Add items not involving cash:							
Amortization of capital assets	3,420	-	-	-	-	3,420	3,420
Net change in non-cash working capital balances related to operations							
Decrease (increase) in current assets							
Accounts receivable	(32,458)	-	-	-	-	(32,458)	6,506
Due from MCSS	(109,704)	-	-	-	-	(109,704)	32,217
HST receivable	(21,475)	-	-	-	-	(21,475)	14,010
Prepaid expenses	(18,435)	-	-	-	-	(18,435)	13,806
Increase (decrease) in current liabilities							
Accounts payable							
- Program & Core	89,156	-	-	-	-	89,156	(127,204)
- Passport	61,202	-	-	-	-	61,202	516,650
Interfund balances	8	-	(8)	-	-	-	-
Due to MCSS	146,803	-	-	-	-	146,803	209,044
Deferred revenue	(1,250)	-	-	-	-	(1,250)	(250)
	195,481	-	440	448	(416)	195,953	710,779

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CASH FLOWS (continued)

YEAR ENDED MARCH 31, 2017

	Unrestricted Funds	Other Internally Restricted Fund	Development Fund	Capital Reserve Fund	Endowment Fund	Total 2017	Total 2016
Investment activities							
Transfer of funds	\$ (103,000)	\$ 100,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
Decrease in prepaid rent	<u>6,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,429</u>	<u>6,428</u>
	<u>(96,571)</u>	<u>100,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>6,429</u>	<u>6,428</u>
Increase (decrease) in cash for year	98,910	100,000	440	3,448	(416)	202,382	717,207
Cash, beginning of year	<u>1,313,489</u>	<u>270,000</u>	<u>44,078</u>	<u>29,312</u>	<u>100,387</u>	<u>1,757,266</u>	<u>1,040,059</u>
Cash, end of year	<u>\$ 1,412,399</u>	<u>\$ 370,000</u>	<u>\$ 44,518</u>	<u>\$ 32,760</u>	<u>\$ 99,971</u>	<u>\$ 1,959,648</u>	<u>\$ 1,757,266</u>
Cash consists of:							
Cash	\$ 1,370,340	\$ 370,000	\$ 11,130	\$ -	\$ -	\$ 1,751,470	\$ 1,553,126
Investments	<u>42,059</u>	<u>-</u>	<u>33,388</u>	<u>32,760</u>	<u>99,971</u>	<u>208,178</u>	<u>204,140</u>
	<u>\$ 1,412,399</u>	<u>\$ 370,000</u>	<u>\$ 44,518</u>	<u>\$ 32,760</u>	<u>\$ 99,971</u>	<u>\$ 1,959,648</u>	<u>\$ 1,757,266</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

1. PURPOSE OF THE CENTRE

Lutheran Community Care Centre of Thunder Bay (the "Centre") is a social service agency providing assessments, social services and spiritual care to a variety of people in Thunder Bay and the northern region of Ontario including seniors, individuals with developmental disabilities, families and children.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with significant accounting policies prescribed by the Ministry of Community and Social Services model for financial statements. The basis of accounting used in these financial statements differs from Canadian accounting standards for not-for-profit organizations as follows:

(a) Basis of accounting

These financial statements were prepared using modified accrual basis of accounting as specified by the Ministry of Community and Social Services model for financial statements. The modified accrual basis recognizes revenues as they become available and measurable within the 30-day period subsequent to year-end; expenditures are recognized as they become incurred and measurable as a result of receipt of goods and services and create a legal obligation to pay within a 30-day period subsequent to year-end.

Employee sick leave benefits

Accrued sick days amounted to approximately \$256,825 [2016 - \$251,765]. The value of an employee's total accumulated unused sick leave days is not payable upon retirement or termination of employment. No provision has been made in these financial statements for this liability.

Vacation pay

Accrued vacation pay is not recorded in the financial statements. Earned, but unpaid vacation pay at year-end is approximately \$158,350 [2016 - \$178,596]. No provision has been made in these financial statements for this liability.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital asset acquisitions financed by general revenues are expensed in the financial statements in the year of acquisition.

Capital asset acquisitions financed by long-term debt are carried at a value equal to the principal outstanding on the related unpaid debt. Amortization of these assets are recorded in annual amounts equal to the principal reduction of the debt.

Leasehold improvements are capitalized and amortized over the life of the related building lease.

Capital leases financed by general revenues are expensed in the financial statements over the life of the related leases.

The Centre capitalizes leasehold improvements and amortizes them over the life of the lease.

(b) Basis of presentation

The programs receive grants from the Ministry of Community and Social Services based on annual budget submissions. Lutheran Community Care Centre of Thunder Bay administers the programs on behalf of the Ministry. At year-end, total expenditures as calculated in accordance with Ministry guidelines are compared to the approved budget and at the discretion of the Ministry any excess funding may be refunded to the Ministry or affect the funding available to the program in the succeeding year.

(c) Basis of allocation

It is the Centre's policy to allocate administrative and supervision expenses, premises and other rental expenses to the various programs based on budgeted amounts which have been approved by the Ministry of Community and Social Services.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fund accounting

In order to ensure observance of limitations and restrictions placed on funds administered by the Centre, the accounts of the Centre are maintained in accordance with the principles of "fund accounting". Under these principles, resources for various purposes are classified for accounting purposes into funds that are in accordance with particular activities or objectives.

Unrestricted Funds comprise the following programs:

The Core program accounts for the Centre's program delivery and administrative activities.

The Chaplaincy program reports the revenue and expenditures related to the program delivery of pastoral care.

The Street Reach Ministries program reports the revenue and expenditures related to the program delivery of street reach services.

The Luther Court Support Services program reports the revenue and expenditures related to the program delivery of services to individuals at risk of homelessness and seniors living in the community.

The Adult Protective Service Worker program reports the revenue and expenditures related to the program delivery of case management and coordination, community resource information and liaison, and advocacy for adults who have a developmental disability and are living in the community.

The Developmental Services Ontario Northern Region program reports the revenue and expenditures related to the single point of access to services for adults with a developmental disability, confirming eligibility for services and assisting with identifying and connecting to appropriate services.

The Passport program reports the revenue and expenditures related to the program delivery of funding available to adults with a developmental disability to purchase their own services either from independent service providers or from transfer payment agencies.

The Psychological Assessments program reports the revenue and expenditures related to the purchase of psychological assessments for confirming eligibility for adult developmental services.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Specialized Service Coordination program reports the revenue and expenditures related to the program delivery of services to adults with a developmental disability, advocacy services and opportunities for community and recreational activity.

The CAS/TAY Approvals program reports the revenue and expenditures related to payouts to Children's Aid Societies for supports for transition aged youth in care.

The Transition Coordination program reports the revenue and expenditures related to the program delivery of transition coordination for youth with a developmental disability receiving children's residential services as they move to adult life.

The Specialized Training and Equipment program reports the revenue and expenditures related to providing funds to adult developmental service agencies in the training of their staff that support individuals with complex or changing needs and for the acquisition of specialized equipment or furnishings needed to support adults with a developmental disability.

The Temporary Supports program reports the revenue and expenditures related to providing temporary, time-limited support to adults with a developmental disability in urgent need where natural, social or community supports are not available.

The Other Internally Restricted Funds comprise the following programs:

The Internally Restricted Capital Reserve Fund purpose is to provide funds for future capital renovations or projects.

The Internally Restricted Development Fund was established for the primary purpose of providing finances to assist in the pursuit of the objectives of the Lutheran Community Care Centre of Thunder Bay in the future. By-laws state that only investment income can be spent and requires a Board action to do so.

The Endowment Fund with Thunder Bay Community Foundation is for the purpose of providing funds for future use by the Centre. Payments to the Endowment Fund become the property of Thunder Bay Community Foundation. The net income of the Endowment Fund is paid annually to the Centre.

(e) Revenue recognition

Grant revenue is based on amounts approved by the Ministry of Community and Social Services or The District of Thunder Bay Social Services Administration Board. Funding received which pertains to prior periods and is different from management calculations is adjusted to surplus in the year received. Any repayment of excess funding in excess of management's calculation is adjusted through surplus in the year paid.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Donations

Donations are recorded as revenue when received.

(g) Pledges

Pledges to donate funds to the Centre are not recorded until such time as the funds are received, as they do not represent legally enforceable claims against donors.

(h) Trust funds

The Centre acts as trustee for certain clients as directed by the Ministry of Community and Social Services. The Centre pays clients' bills on behalf of these clients. The cash funds held by the Centre amounted to \$85,213 [2016 - \$83,992] at March 31, 2017. These cash funds have not been audited and are not included in the accompanying statement of financial position.

(i) Deferred revenue

Deferred revenue results from funding received during the year from agreements, which cover more than one fiscal year, and represents the unexpended portion of the funding.

(j) Financial instruments

The Centre considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Centre accounts for the following as financial instruments:

- Cash - unrestricted and restricted
- Accounts receivable
- Due from Ministry of Community and Social Services
- Investments - unrestricted and restricted
- Accounts payable
- Due to Ministry of Community and Social Services

A financial asset or liability is recognized when the Centre becomes party to contractual provisions of the instrument.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement

Financial assets or liabilities obtained in arm's-length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Initial measurement of related party

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Centre is in the capacity of management in which case they are accounted for in accordance with financial instruments.

Financial assets and financial liabilities are subsequently measured according to the following methods:

Financial assets measured at amortized cost include cash - unrestricted and restricted, accounts receivables and due from Ministry of Community and Social Services.

Financial assets measured at fair value include investments - unrestricted and restricted.

Financial liabilities measured at amortized cost include accounts payable and due to Ministry of Community and Social Services.

Derecognition

The Centre removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of operations.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revisions. Many items in the preparation of these financial statements require management's best estimate based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

Significant items subject to management estimates include:

<u>Financial statement element</u>	<u>Management estimate</u>
Accounts receivable	Allowance for doubtful accounts
Due to/from Ministry of Community and Social Services	Receivable/payable balance

(k) Contributed services

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

3. RESTRICTED CASH

	<u>2017</u>	<u>2016</u>
Office Relocation Fund	\$ 270,000	\$ 200,000
Core Program Contingency Fund	<u>100,000</u>	<u>70,000</u>
	<u>\$ 370,000</u>	<u>\$ 270,000</u>

4. UNRESTRICTED FUND INVESTMENTS

	<u>2017</u>	<u>2016</u>
Guaranteed Investment Certificates		
Maturing August 13, 2017 at 2.10%	<u>\$ 42,059</u>	<u>\$ 41,169</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

5. DEVELOPMENT FUND INVESTMENTS

Development fund assets invested consist of the following:

	<u>2017</u>	<u>2016</u>
Cash	\$ <u>11,130</u>	\$ <u>10,806</u>
<u>Guaranteed Investment Certificates</u>		
<u>Short-term investments</u>		
Maturing June 16, 2017 at 1.25%	12,119	-
Maturing October 20, 2017 at 1.25%	10,057	-
Maturing November 25, 2017 at 1.25%	11,212	-
Maturing June 16, 2016 at 1.5%	-	12,144
Maturing October 20, 2016 at 1.4%	-	10,064
Maturing November 25, 2016 at 1.4%	<u>-</u>	<u>11,064</u>
	<u>33,388</u>	<u>33,272</u>
	\$ <u>44,518</u>	\$ <u>44,078</u>

6. CAPITAL RESERVE FUND INVESTMENTS

	<u>2017</u>	<u>2016</u>
<u>Guaranteed Investment Certificates</u>		
<u>Short-term investments</u>		
Maturing April 23, 2017 at 1.85%	\$ 3,482	\$ -
Maturing November 28, 2017 at 1.25%	7,062	-
Maturing March 6, 2018 at 1.0%	6,325	-
Maturing March 7, 2018 at 1.0%	6,263	-
Maturing March 10, 2018 at 1.5%	6,582	-
Maturing March 14, 2018 at 1.25%	3,046	-
Maturing November 28, 2016 at 1.4%	-	3,487
Maturing November 28, 2016 at 1.6%	-	3,487
Maturing March 6, 2017 at 1.6%	-	6,226
Maturing March 7, 2017 at 1.6%	-	3,209
Maturing March 10, 2017 at 1.4%	<u>-</u>	<u>3,002</u>
	<u>32,760</u>	<u>19,411</u>
<u>Long-term investments</u>		
Maturing April 23, 2017 at 1.85%	-	3,418
Maturing March 10, 2018 at 1.50%	<u>-</u>	<u>6,483</u>
	<u>-</u>	<u>9,901</u>
	\$ <u>32,760</u>	\$ <u>29,312</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

7. ENDOWMENT FUND

Contributions of \$nil [2016 - \$nil] were made during the year. The Centre's contributions and third party contributions are held and invested by the Foundation in perpetuity. The Centre will be paid investment income earned on invested funds at least annually to be used at its own discretion. In the current year, \$nil [2016 - \$3,499] was distributed by the Foundation and transferred to the operating fund. There were bank charges in the amount of \$416 [2016 - \$98].

8. LEASEHOLD IMPROVEMENTS

	<u>2017</u>		<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Leasehold improvements	\$ <u>119,698</u>	\$ <u>82,078</u>	\$ <u>37,620</u>
			\$ <u>41,040</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

9. DUE TO (FROM) MINISTRY OF COMMUNITY AND SOCIAL SERVICES

	<u>2017</u>	<u>2016</u>
Adult Protective Service Worker		
- current	1,013	-
- prior	51,379	51,379
Developmental Services Ontario Northern Region		
- current	1,808	-
- prior	(17,495)	(17,495)
Passport - Administration and Operation		
- current	-	-
- prior	81,563	81,563
Passport - Direct Funding		
- current	(532,598)	-
- prior	73,464	73,464
Specialized Service Coordination		
- current	404	-
- prior	1,443	1,443
Psychological Assessments		
- current	22,568	-
CAS/TAY Approvals		
- current	77,963	-
Consulting Fees		
- prior	36	36
Transition Coordination		
- current	1,580	-
- prior	97,624	97,624
Specialized Training and Equipment		
- payment in transit	-	(387,917)
- current	984	-
- prior	9,184	9,184
Temporary Supports		
- current	75,460	-
- prior	<u>106,453</u>	<u>106,453</u>
	<u>\$ 52,833</u>	<u>\$ 15,734</u>
Due from Ministry of Community and Social Services	<u>\$ (532,598)</u>	<u>\$ (422,894)</u>
Due to Ministry of Community and Social Services	<u>585,431</u>	<u>438,628</u>
	<u>\$ 52,833</u>	<u>\$ 15,734</u>

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

10. CONTRACT COMMITMENTS

The Centre has entered into an operating lease agreement with Compugen Inc. for the lease of a Xerox A3-WC5955 MFP w Office Finisher, 1 line fax, 3 Hole punch for a period of 66 months at \$184 per month plus HST expiring April 30, 2020.

The Centre has entered into a five-year operating lease agreement with Compugen Inc. for the lease of three Xerox Phaser 3635 MFP's with second paper tray for a period of 60 months at \$127 per month plus HST expiring February 24, 2019.

The Centre has renewed a lease agreement with Carol Wieckowski "in trust" for the lease of the ground floor at 633 Simpson Street expiring January 31, 2018. The aggregate minimum lease payments due are \$10,200 per year.

The Centre has entered into various leases for satellite offices throughout Northern Ontario for various programs run through the Centre. The leases are as follows:

539213 Ontario Ltd. for lease of office space in Marathon, Ontario for \$595 plus HST per month expiring June 30, 2017.

Dalron Leasing Limited for the lease of office space in Sudbury, Ontario for a period of five years ending April 30, 2016. The lease payments are \$1,190 plus HST per month from May 1, 2013 to April 30, 2016. A new five-year lease was signed and the lease payments are \$2,273 plus HST per month from May 1, 2016 to April 30, 2018 and then \$2,399 plus HST per month from May 1, 2018 to April 30, 2021.

Keewatin-Patricia District School Board for the lease of office space in Dryden, Ontario commencing September 1, 2015 for a period of five years, ending August 31, 2020 with a option to negotiate a new lease at the end of the five-year term. The lease payments are \$1,264 plus HST per month with a increase in years two to five based on the Consumer Price Index (CPI National).

Pro/Ex Office Complex for the lease of office space in Sault Ste. Marie, Ontario for a period of four years ending April 15, 2019. The lease payments are \$570 plus HST per month.

Hillport Motors Limited for the lease of office space in Thunder Bay for a period of five years ending November 30, 2021. There is a deposit of \$7,345 to be held in trust as security. The lease payments are \$3,250 per month plus HST.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

11. ECONOMIC DEPENDENCE

The Centre is dependent on annual contributions from the Ministry of Community and Social Services in order to finance its operations. Should these contributions cease, the Centre would be unable to continue its current delivery of Ministry funded programs.

12. INTERFUND TRANSACTIONS

(a) The Core Fund charges monthly fees for administrative support, facilities and equipment usage to government funded programs which it administers (as outlined in Note 2).

During the year, the government funded programs were charged \$129,787 [2016 - \$130,139] for administrative support, \$132,385 [2016 - \$74,080] for premises rent and \$7,200 [2016 - \$16,200] for other rents.

(b) In 1994, the Core Fund paid \$225,000 to a related organization, Lutheran Community Housing Corporation, for 35 years rent of commercial space located at 245B Bay Street. This prepaid rent expense is being amortized to income in equal monthly amounts of \$536 over the term of the lease, which ends April 30, 2028.

13. RESTRICTIONS ON FUND BALANCES AND INTERFUND TRANSFERS

The Board of Directors internally restricts \$3,000 per year to be held for long-term future capital replacement. These internally restricted amounts including interest earned thereon are not available for other purposes without the approval of the Board of Directors.

In the current year, reported as Other Internally Restricted Funds, the Board internally restricted \$70,000 [2016 - \$100,000] to be used for the future office relocation and \$30,000 [2016 - \$70,000] for the Core program contingency fund.

14. INCORPORATION

The Lutheran Community Care Centre of Thunder Bay is incorporated without share capital under the Corporations Act (Ontario) and is registered as a charitable organization under the Income Tax Act.

15. PUBLIC SECTOR SALARY DISCLOSURE ACT

The Lutheran Community Care Centre of Thunder Bay is in compliance with the Public Sector Salary Disclosure Act.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

16. BUDGETED FIGURES

The budgeted figures presented for comparative purposes are unaudited and are those as approved by the Board of Directors.

17. COMPARATIVE FIGURES

Comparative figures have been changed to conform to the current year's presentation.

18. OVERDRAFT

The Centre has an overdraft limit to a maximum of \$40,000 with Bay Credit Union, none of which was drawn at year-end. The overdraft interest rate is 4.25% at March 31, 2017.

19. FINANCIAL INSTRUMENTS

(a) Fair value

Financial instruments of the Centre consist of cash, accounts receivable, due from (to) Ministry of Community and Social Services, short-term investments and accounts payable.

The carrying value of cash, accounts receivable, due from (to) Ministry of Community and Social Services, short-term investments and accounts payable approximate their fair values due to the relatively short periods to maturity of the instruments.

(b) Credit risk

The credit risk is the risk that a third party will fail to discharge its obligation to the Centre reducing the expected cash inflow from the Centre assets recorded on the statement of financial position date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. The Centre provides for an allowance for doubtful accounts to absorb credit losses.

(c) Interest rate risk

The Centre is exposed to interest rate risk for certain financial assets and liabilities. The Centre has short-term assets which would expose the Centre to fluctuations in interest rates.

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

RENTAL OPERATIONS - CORE FUND (Schedule 1)

YEAR ENDED MARCH 31, 2017

	2017		2016
	BUDGET	ACTUAL	ACTUAL
Revenue			
Rental (Note 12 (a))	\$ <u>126,860</u>	\$ <u>132,385</u>	\$ <u>74,080</u>
Expenditures			
Amortization	3,420	3,420	3,420
Municipal taxes	5,300	5,403	2,681
Rent	6,430	6,429	6,429
Repairs and maintenance	1,225	1,418	1,009
Utilities	<u>2,720</u>	<u>2,756</u>	<u>1,934</u>
Total expenditures	<u>19,095</u>	<u>19,426</u>	<u>15,473</u>
Excess of revenue over expenditures for the year	<u>\$ 107,765</u>	<u>\$ 112,959</u>	<u>\$ 58,607</u>