



## Financial Statements

Lutheran Community Care Centre of  
Thunder Bay

March 31, 2019

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# Independent Auditor's Report

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To the Directors of  
Lutheran Community Care Centre of Thunder Bay

## Qualified Opinion

We have audited the financial statements of Lutheran Community Care Centre of Thunder Bay ("the Centre"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements are prepared in all material respects, the financial position of Lutheran Community Care Centre of Thunder Bay as at March 31, 2019, and its results of 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 for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Emphasis of matters - Basis of Accounting and Restriction on Distribution and Use

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 comply with the reporting provisions of the Ministry of Children, Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Lutheran Community Care Centre of Thunder Bay and the Ministry of Children, Community and Social Services and should not be distributed to or used by other parties other than Lutheran Community Care Centre of Thunder Bay and the Ministry of Children, Community and Social Services. Our opinion is not modified in respect of this matter.

## **Responsibilities of Management and Those Charged with Governance 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Thunder Bay, Canada  
June 24, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2019**

**ASSETS**

	<b>Unrestricted Funds</b>	<b>Other Internally Restricted Funds</b>	<b>Development Fund</b>	<b>Capital Reserve Fund</b>	<b>Endowment Fund</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT</b>							
Cash	\$ 1,710,314	\$ -	\$ -	\$ -	\$ -	\$ 1,710,314	\$ 4,364,962
Accounts receivable							
- core	127,357	-	-	-	-	127,357	335,176
HST receivable	24,769	-	-	-	-	24,769	24,432
Investments (Note 4)	43,312	-	-	-	-	43,312	42,740
Prepaid expenses	52,168	-	-	-	-	52,168	33,986
Prepaid rent (Note 12 (b))	6,429	-	-	-	-	6,429	6,429
	<b>1,964,349</b>	-	-	-	-	<b>1,964,349</b>	<b>4,807,725</b>
<b>LONG-TERM</b>							
Prepaid rent (Note 12 (b))	51,965	-	-	-	-	51,965	58,394
Leasehold improvements (Note 8)	30,780	-	-	-	-	30,780	34,200
	<b>82,745</b>	-	-	-	-	<b>82,745</b>	<b>92,594</b>
	<b>2,047,094</b>	-	-	-	-	<b>2,047,094</b>	<b>4,900,319</b>
<b>RESTRICTED ASSETS</b>							
Cash (Notes 3 and 5)	-	481,702	6,678	-	-	488,380	421,413
Investments (Notes 5, 6 & 7)	-	-	38,745	19,236	111,055	169,036	158,152
	-	481,702	45,423	19,236	111,055	657,416	579,565
	<b>\$ 2,047,094</b>	<b>\$ 481,702</b>	<b>\$ 45,423</b>	<b>\$ 19,236</b>	<b>\$ 111,055</b>	<b>\$ 2,704,510</b>	<b>\$ 5,479,884</b>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2019**

**LIABILITIES AND FUND BALANCES**

	<u>Unrestricted Funds</u>	<u>Other Internally Restricted Funds</u>	<u>Development Fund</u>	<u>Capital Reserve Fund</u>	<u>Endowment Fund</u>	<u>2019</u>	<u>2018</u>
<b>CURRENT</b>							
Accounts payable							
- Core	\$ 30,676	\$ -	\$ -	\$ -	\$ -	\$ 30,676	\$ 13,521
- Program	488,885	-	-	-	-	488,885	1,892,044
- Passport	-	-	-	-	-	-	1,821,414
Due to Ministry of Children, Community and Social Services (Note 9)	1,454,272	-	-	-	-	1,454,272	1,133,695
Deferred revenue	<u>3,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,113</u>	<u>5,923</u>
	<u>1,976,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,976,946</u>	<u>4,866,597</u>
<b>FUND BALANCES</b>							
Unrestricted	70,148	-	-	-	-	70,148	33,722
Internally restricted	-	481,702	45,423	19,236	-	546,361	470,952
Externally restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,055</u>	<u>111,055</u>	<u>108,613</u>
	<u>70,148</u>	<u>481,702</u>	<u>45,423</u>	<u>19,236</u>	<u>111,055</u>	<u>727,564</u>	<u>613,287</u>
	<u>\$ 2,047,094</u>	<u>\$ 481,702</u>	<u>\$ 45,423</u>	<u>\$ 19,236</u>	<u>\$ 111,055</u>	<u>\$ 2,704,510</u>	<u>\$ 5,479,884</u>

On behalf of the Board:

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**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF CHANGES IN FUND BALANCES**

**YEAR ENDED MARCH 31, 2019**

	<u>Beginning Fund Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Excess (Shortfall) of Revenue over Expenditures</u>	<u>Recovery of Surplus Funding by Ministry (Note 9)</u>	<u>Transfer of Surplus/ Deficit</u>	<u>Ending Fund Balance</u>
<b>Unrestricted Funds</b>							
Core	\$ 46,670	\$ 195,512	\$ 79,523	\$ 115,989	\$ -	\$ (86,538)	\$ 76,121
Chaplaincy	-	53,143	51,201	1,942	-	(1,942)	-
Street Reach Ministries	-	64,644	70,124	(5,480)	-	5,480	-
Programs							
Luther Court Support Services	(12,948)	191,520	184,545	6,975	-	-	(5,973)
Adult Protective Service Worker	-	1,247,252	1,238,533	8,719	(8,719)	-	-
Developmental Services Ontario Northern Region	-	1,417,368	1,417,190	178	(178)	-	-
Passport Programs							
- Administration and Operation	-	872,691	856,958	15,733	(15,733)	-	-
- Direct Funding	-	5,474,310	5,443,361	30,949	(30,949)	-	-
Psychological Assessments	-	95,900	88,400	7,500	(7,500)	-	-
Specialized Service Coordination	-	155,900	153,587	2,313	(2,313)	-	-
Mobile Integrated Team	-	214,400	210,257	4,143	(4,143)	-	-
Multi-Year Residential Planning	-	325,754	308,565	17,189	(17,189)	-	-
CAS/TAY Approvals	-	1,271,190	1,053,602	217,588	(217,588)	-	-
Transition Coordination	-	250,785	246,182	4,603	(4,603)	-	-
Specialized Training and Equipment	-	145,368	145,885	(517)	517	-	-
Temporary Supports	-	1,318,659	1,306,483	12,176	(12,176)	-	-
	<u>\$ 33,722</u>	<u>\$ 13,294,396</u>	<u>\$ 12,854,396</u>	<u>\$ 440,000</u>	<u>\$ (320,574)</u>	<u>\$ (83,000)</u>	<u>\$ 70,148</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF CHANGES IN FUND BALANCES**

**YEAR ENDED MARCH 31, 2019**

	<u>Beginning Fund Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Excess (Shortfall) of Revenue over Expenditures</u>	<u>Recovery of Surplus Funding by Ministry (Note 9)</u>	<u>Transfer of Surplus/ Deficit</u>	<u>Ending Fund Balance</u>
<b>Balance forward</b>	\$ <u>33,722</u>	\$ <u>13,294,396</u>	\$ <u>12,854,396</u>	\$ <u>440,000</u>	\$ <u>(320,574)</u>	\$ <u>(83,000)</u>	\$ <u>70,148</u>
<b>Internally Restricted Funds</b>							
<b>Other</b> (Note 13)							
Office Relocation	310,000	1,120	9,659	(8,539)	-	80,000	381,461
Core Program Contingency	<u>100,000</u>	<u>373</u>	<u>132</u>	<u>241</u>	<u>-</u>	<u>-</u>	<u>100,241</u>
	410,000	1,493	9,791	(8,298)	-	80,000	481,702
Capital Reserve Fund (Note 13)	16,020	216	-	216	-	3,000	19,236
Development Fund	<u>44,932</u>	<u>491</u>	<u>-</u>	<u>491</u>	<u>-</u>	<u>-</u>	<u>45,423</u>
	<u>470,952</u>	<u>2,200</u>	<u>9,791</u>	<u>(7,591)</u>	<u>-</u>	<u>83,000</u>	<u>546,361</u>
<b>Externally Restricted Fund</b>							
Endowment (Note 7)	<u>108,613</u>	<u>6,485</u>	<u>4,043</u>	<u>2,442</u>	<u>-</u>	<u>-</u>	<u>111,055</u>
<b>Total</b>	\$ <u>613,287</u>	\$ <u>13,303,081</u>	\$ <u>12,868,230</u>	\$ <u>434,851</u>	\$ <u>(320,574)</u>	\$ <u>-</u>	\$ <u>727,564</u>



**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**CORE**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Administrative support (Note 12 (a))	\$ 1,800	\$ 2,000	\$ 130,139
Ministry of Children, Community and Social Services (MCCSS) (Trustee services)	8,205 -	8,200 11,754	8,200 11,954
Donations			
Individuals	16,000	24,618	17,162
Local churches	4,000	3,600	3,500
Church bodies and other organizations	-	500	275
Fundraising	3,000	3,446	2,502
Interest	-	4,625	698
Other rentals (Note 12 (a))	7,260	7,335	8,280
Rental operations (Schedule 1) (Note 12 (a))	110,715	120,084	101,853
Miscellaneous	700	9,350	452
	<b>151,680</b>	<b>195,512</b>	<b>285,015</b>
<b>Expenditures</b>			
Advertising and promotion	3,000	52	265
Client emergency	600	517	264
Employee benefits - operating	6,073	1,137	17,667
- MCCSS	-	1,590	1,590
- Trustee services	-	2,120	2,391
Equipment rental and maintenance	3,672	4,098	3,619
Fundraising	400	568	349
Insurance	1,230	1,392	1,194
Interest and bank charges	1,550	1,791	1,506
Miscellaneous	-	-	1,000
New furnishings	-	2,299	91
Purchased services	1,335	3,585	15,548
Rent (Schedule 1)	19,510	18,486	22,522
Staff training	3,300	1,930	3,636
Supplies	5,245	5,751	8,209
Travel	300	817	333
Wages and salaries - operating	33,053	17,146	126,059
- MCCSS	-	6,610	6,610
- Trustee services	-	9,634	9,563
	<b>79,268</b>	<b>79,523</b>	<b>222,416</b>
<b>Total expenditures</b>			
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 72,412</b>	<b>\$ 115,989</b>	<b>\$ 62,599</b>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**CHAPLAINCY**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Donations			
Lutheran church bodies	\$ 2,000	\$ 2,000	\$ 2,500
Local churches	13,423	15,194	13,110
Individuals	4,000	25,109	3,510
Other organizations	1,000	625	545
Miscellaneous	500	-	-
Fundraising	4,500	4,740	5,101
Ministry of Children, Community and Social Services (MCCSS)	5,470	5,475	5,475
	<b>30,893</b>	<b>53,143</b>	<b>30,241</b>
<b>Expenditures</b>			
Advertising	210	7	7
Employee benefits - operating	9,787	10,112	8,370
- MCCSS	-	685	685
Fundraising	1,500	1,705	1,721
Office, telephone and communications	735	725	927
Purchased services	700	686	690
Staff training	100	26	303
Staff travel	1,000	1,385	1,073
Wages and salaries - operating	31,860	31,080	27,742
- MCCSS	-	4,790	4,790
<b>Total expenditures</b>	<b>45,892</b>	<b>51,201</b>	<b>46,308</b>
<b>Excess (shortfall) of revenue over     expenditures for the year</b>	<b>\$ (14,999)</b>	<b>\$ 1,942</b>	<b>\$ (16,067)</b>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**STREET REACH MINISTRIES**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Donations			
Individuals	\$ 3,000	\$ 21,697	\$ 3,165
Lutheran church bodies	38,000	34,833	41,167
Local churches	8,000	7,439	7,647
Other organizations	500	675	620
Corporate	14,000	-	9,000
	<b>63,500</b>	<b>64,644</b>	<b>61,599</b>
<b>Expenditures</b>			
Advertising	-	49	-
Employee benefits	17,344	15,609	16,655
Insurance	360	406	347
Purchased services	1,300	3,839	1,459
Rent	10,500	11,050	10,200
Staff training	500	196	69
Staff travel	1,100	2,678	807
Supplies and support	1,070	1,209	1,142
Telephone, communications and utilities	4,225	5,313	3,924
Wages and salaries	39,342	29,775	39,342
	<b>75,741</b>	<b>70,124</b>	<b>73,945</b>
<b>Shortfall of revenue over expenditures for the year</b>	<b>\$ (12,241)</b>	<b>\$ (5,480)</b>	<b>\$ (12,346)</b>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**LUTHER COURT SUPPORT SERVICES**

**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>		<u>2018</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
	<i>[unaudited]</i>		
<b>Revenue</b>			
The District of Thunder Bay Social Services			
Administration Board	\$ <u>163,150</u>	\$ <u>191,520</u>	\$ <u>78,000</u>
<b>Expenditures</b>			
Advertising	50	14	8
Employee benefits	28,669	26,063	12,894
Insurance	820	934	806
New furnishings	-	1,534	-
Purchased services	1,555	2,465	1,535
Rent - other	900	975	1,800
- premises	2,460	6,729	2,460
Staff training	200	723	265
Staff travel	2,600	4,081	2,666
Supplies	280	1,970	267
Telephone, communications and utilities	690	1,124	489
Wages	<u>142,833</u>	<u>137,933</u>	<u>70,901</u>
	<u>181,057</u>	<u>184,545</u>	<u>94,091</u>
<b>Excess (shortfall) of revenue over expenditures for the year</b>	\$ <u>(17,907)</u>	\$ <u>6,975</u>	\$ <u>(16,091)</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**ADULT PROTECTIVE SERVICE WORKER**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		<b>2018</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	\$ <u>1,251,419</u>	\$ <u>1,247,252</u>	\$ <u>1,255,581</u>
<b>Expenditures</b>			
Advertising	900	624	1,049
Benefits	178,286	175,444	158,619
Furnishings	-	1,497	182
Purchased services	3,820	10,490	8,549
Rent - other	1,620	1,620	1,620
- premises	73,818	70,206	64,479
Staff training	2,400	3,903	2,808
Staff travel	22,698	22,114	22,426
Supplies	18,000	21,585	22,165
Telephone, communications and utilities	18,263	17,177	16,510
Wages	<u>837,377</u>	<u>821,580</u>	<u>823,304</u>
	<u>1,157,182</u>	<u>1,146,240</u>	<u>1,121,711</u>
<b>Expenditures - Allocated Administration</b>			
Advertising	100	69	116
Employee benefits	12,729	11,437	14,422
Insurance	7,180	8,107	6,944
Purchased services	4,525	1,478	15,470
Rent - other	180	180	180
- premises	2,382	2,382	2,382
Telephone and utilities	1,062	774	773
Wages	<u>66,079</u>	<u>67,866</u>	<u>76,321</u>
	<u>94,237</u>	<u>92,293</u>	<u>116,608</u>
<b>Total expenditures</b>	<u>1,251,419</u>	<u>1,238,533</u>	<u>1,238,319</u>
<b>Excess of revenue over expenditures for the year</b>	\$ <u>-</u>	\$ <u>8,719</u>	\$ <u>17,262</u>
<b>Due to Ministry of Children, Community and Social Services</b>		\$ <u>8,719</u>	\$ <u>17,262</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**  
**STATEMENT OF OPERATIONS**  
**DEVELOPMENTAL SERVICES ONTARIO NORTHERN REGION**  
**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>		<u>2018</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	\$ <u>1,710,628</u>	\$ <u>1,417,368</u>	\$ <u>1,158,360</u>
<b>Expenditures</b>			
Advertising	3,300	51	6,536
Employee benefits	240,312	184,354	137,569
Furnishings	15,930	7,120	2,175
Purchased services	11,026	10,941	4,698
Rent - other	2,142	2,160	2,991
- premises	81,174	79,515	55,946
Service agreements	3,150	2,331	2,937
Supplies	20,740	19,286	32,510
Telephone, communications and utilities	31,168	25,203	21,117
Training	3,590	4,816	4,671
Travel	56,848	50,222	33,686
Wages	<u>1,102,246</u>	<u>904,280</u>	<u>730,522</u>
	<u>1,571,626</u>	<u>1,290,279</u>	<u>1,035,358</u>
<b>Expenditures - Allocated Administration</b>			
Employee benefits	17,629	16,131	14,735
Insurance	11,980	7,956	7,153
Purchased services	6,514	2,758	6,133
Rent - other	258	240	270
- premises	4,800	3,600	1,939
Telephone and utilities	1,127	1,804	1,331
Wages	<u>96,694</u>	<u>94,422</u>	<u>78,000</u>
	<u>139,002</u>	<u>126,911</u>	<u>109,561</u>
<b>Total expenditures</b>	<u>1,710,628</u>	<u>1,417,190</u>	<u>1,144,919</u>
<b>Excess of revenue over expenditures</b>			
for the year	\$ <u>-</u>	\$ <u>178</u>	\$ <u>13,441</u>
<b>Due to Ministry of Children, Community and Social Services</b>		\$ <u>178</u>	\$ <u>13,441</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**PASSPORT - ADMINISTRATION AND OPERATION**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		<b>2018</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services Administration	<b>\$ 622,240</b>	<b>\$ 872,691</b>	<b>\$ 658,491</b>
<b>Expenditures</b>			
Advertising	900	61	68
Bank charges	2,850	437	6,191
Benefits	94,721	119,611	87,447
Furnishings	-	1,089	-
Purchased services	1,550	12,050	28,328
Rent - other	540	1,400	540
- premises	29,173	33,680	36,217
Service agreements	2,815	6,371	9,156
Supplies	15,000	24,632	9,753
Training	1,400	150	5,497
Travel	9,360	9,865	2,449
Utilities	9,901	9,590	9,243
Wages	432,853	619,957	425,507
	<b>601,063</b>	<b>838,893</b>	<b>620,396</b>
<b>Expenditures - Allocated Administration</b>			
Advertising and promotion	100	7	-
Employee benefits	2,284	1,914	2,148
Purchased services	2,825	1,196	3,158
Rent - other	60	60	60
- premises	2,804	2,804	3,339
Telephone and utilities	774	884	697
Wages	12,330	11,200	11,562
	<b>21,177</b>	<b>18,065</b>	<b>20,964</b>
<b>Total expenditures</b>	<b>622,240</b>	<b>856,958</b>	<b>641,360</b>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ -</b>	<b>\$ 15,733</b>	<b>\$ 17,131</b>
<b>Due to Ministry of Children, Community and Social Services</b>		<b>\$ 15,733</b>	<b>\$ 17,131</b>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**PASSPORT - DIRECT FUNDING**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		<b>2018</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services			
DS Self-Managed Supports	<u>\$ 13,441,300</u>	<u>\$ 5,474,310</u>	<u>\$ 13,919,108</u>
<b>Expenditures</b>			
DS Self-Managed Supports			
- Direct	8,281,307	3,451,935	8,105,113
- Indirect	5,159,993	1,991,426	5,027,593
Housing Coordinator			18,472
DSO Service Navigation	_____	_____	<u>63,817</u>
<b>Total expenditures</b>	<u>13,441,300</u>	<u>5,443,361</u>	<u>13,214,995</u>
<b>Excess of revenue over expenditures</b>			
<b>for the year</b>	<u>\$ -</u>	<u>\$ 30,949</u>	<u>\$ 704,113</u>
<b>Due to Ministry of Children, Community and     Social Services</b>		<u>\$ 30,949</u>	<u>\$ 704,113</u>



**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**PSYCHOLOGICAL ASSESSMENTS**

**YEAR ENDED MARCH 31, 2019**

	<u>2019</u>	<u>2018</u>
	<u>BUDGET</u>	<u>ACTUAL</u>
	<i>[unaudited]</i>	<u>ACTUAL</u>
<b>Revenue</b>		
Ministry of Children, Community and Social Services	\$ <u>      -      </u>	\$ <u>  95,900  </u>
<b>Expenditures</b>		
Payouts to service providers	<u>      -      </u>	<u>  82,000  </u>
<b>Excess of revenue over expenditures for the year</b>	<u>\$ <u>      -      </u></u>	<u>\$ <u>  51,720  </u></u>
<b>Due to Ministry of Children, Community and Social Services</b>		<u>\$ <u>      7,500  </u></u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**SPECIALIZED SERVICE COORDINATION**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		<b>2018</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	\$ <u>157,680</u>	\$ <u>155,900</u>	\$ <u>157,680</u>
<b>Expenditures - Program</b>			
Advertising and promotion	-	15	15
Employee benefits	25,455	24,684	18,538
Office supplies	2,000	1,151	2,510
Purchased services	500	1,234	4,168
Rent - premises	7,435	7,341	7,754
Staff training	500	450	128
Staff travel	3,200	853	1,483
Telephone and utilities	1,705	1,195	1,303
Wages	<u>115,845</u>	<u>115,829</u>	<u>107,328</u>
	<u>156,640</u>	<u>152,752</u>	<u>143,227</u>
<b>Expenditures - Allocated Administration</b>			
Insurance	460	519	444
Purchased services	440	181	710
Rent - premises	60	60	60
Telephone and utilities	<u>80</u>	<u>75</u>	<u>77</u>
	<u>1,040</u>	<u>835</u>	<u>1,291</u>
<b>Total expenditures</b>	<u>157,680</u>	<u>153,587</u>	<u>144,518</u>
<b>Excess of revenue over expenditures for the year</b>	\$ <u>-</u>	\$ <u>2,313</u>	\$ <u>13,162</u>
<b>Due to Ministry of Children, Community and Social Services</b>		\$ <u>2,313</u>	\$ <u>13,162</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**MOBILE INTEGRATED TEAM**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	306,991	214,400	-
<b>Expenditures</b>			
Benefits	20,211	18,067	-
Office supplies	-	568	-
Purchased services	149,608	81,518	-
Training	30,000	11,660	-
Travel	7,872	2,521	-
Telephone and utilities	3,420	1,315	-
Wages	95,880	94,608	-
	306,991	210,257	-
<b>Excess (shortfall) of revenue over expenditures for the year</b>	\$ -	\$ 4,143	\$ -
<b>Due to Ministry of Children, Community and Social Services</b>		\$ 4,143	\$ -

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**MULTI-YEAR RESIDENTIAL PLANNING**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	<b>337,505</b>	<b>325,754</b>	-
<b>Expenditures</b>			
Benefits	25,561	26,305	-
Office supplies	4,400	1,859	-
Purchased services	176,580	148,538	-
- premise	2,640	2,662	-
Training	500	-	-
Travel	6,350	9,242	-
Telephone and utilities	1,560	1,556	-
Wages	<b>119,914</b>	<b>118,403</b>	-
	<b>337,505</b>	<b>308,565</b>	-
<b>Excess of revenue over expenditures for the year</b>	<b>-</b>	<b>17,189</b>	-
<b>Due to Ministry of Children, Community and Social Services</b>		<b>17,189</b>	-

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**CAS/TAY APPROVALS**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	\$ <u>          -</u>	\$ <u>1,271,190</u>	\$ <u>1,648,491</u>
<b>Expenditures</b>			
Payout to transfer payment agencies	<u>          -</u>	<u>1,053,602</u>	<u>1,571,327</u>
<b>Excess of revenue over expenditures for the year</b>	<u>\$          -</u>	<u>\$      217,588</u>	<u>\$          77,164</u>
<b>Due to Ministry of Children, Community and Social Services</b>		<u>\$      217,588</u>	<u>\$          77,164</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**TRANSITION COORDINATION**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	\$ <b>316,900</b>	\$ <b>250,785</b>	\$ <b>267,834</b>
<b>Expenditures - Program</b>			
Advertising and promotion	1,000	8	14
Benefits	42,160	33,458	24,839
Office supplies	5,000	969	2,913
Service agreements	-	-	12
Purchased services	-	141	173
Rent - other	324	360	242
- premises	22,500	20,645	20,551
Staff training	2,000	4,074	94
Staff travel	16,000	6,303	1,053
Telephone, communications and utilities	4,564	2,746	3,524
Wages	<u>197,580</u>	<u>157,122</u>	<u>129,323</u>
	<u>291,128</u>	<u>225,826</u>	<u>182,738</u>
<b>Expenditures - Allocated Administration</b>			
Employee benefits	3,140	2,598	1,909
Insurance	5,000	1,115	389
Purchased services	1,140	277	278
Rent - other	36	36	-
- premises	1,500	1,500	1,200
Telephone and utilities	236	128	116
Wages	<u>14,720</u>	<u>14,702</u>	<u>10,630</u>
	<u>25,772</u>	<u>20,356</u>	<u>14,522</u>
<b>Total expenditures</b>	<u>316,900</u>	<u>246,182</u>	<u>197,260</u>
<b>Excess of revenue over expenditures for the year</b>	\$ <u>-</u>	\$ <u>4,603</u>	\$ <u>70,574</u>
<b>Due to Ministry of Children, Community and Social Services</b>		\$ <u>4,603</u>	\$ <u>70,574</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**SPECIALIZED EQUIPMENT, FURNITURE AND TRAINING**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		<b>2018</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Community and Social Services	\$ <b>146,500</b>	\$ <b>145,368</b>	\$ 203,590
<b>Expenditures</b>			
Temporary supports pressures	-	-	87,286
Payouts to transfer payment agencies			
Equipment	<u>131,850</u>	<u>130,942</u>	<u>113,086</u>
	<u>131,850</u>	<u>130,942</u>	<u>200,372</u>
<b>Expenditures - Allocated Administration</b>			
Advertising and promotion	150	-	-
Employee benefits	2,045	2,043	1,890
Purchased services	15	520	14
Rent - other	360	360	360
- premises	1,440	1,440	1,440
Staff training	45	-	1
Supplies	100	27	215
Telephone, communications and utilities	-	6	77
Wages	<u>10,495</u>	<u>10,547</u>	<u>10,269</u>
	<u>14,650</u>	<u>14,943</u>	<u>14,266</u>
<b>Total expenditures</b>	<u>146,500</u>	<u>145,885</u>	<u>214,638</u>
<b>Shortfall of revenue over expenditures</b>			
<b>for the year</b>	\$ <u>-</u>	\$ <u>(517)</u>	\$ <u>(11,048)</u>
<b>Due from Ministry of Children, Community and Social Services</b>		\$ <u>(517)</u>	\$ <u>-</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS**

**TEMPORARY SUPPORTS**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>		<b>2018</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Ministry of Children, Community and Social Services	\$ <u>354,300</u>	\$ <u>1,318,659</u>	\$ <u>354,300</u>
<b>Expenditures</b>			
Payouts for approved supports	<u>318,870</u>	<u>1,270,815</u>	<u>318,870</u>
<b>Expenditures - Allocated Administration</b>			
Advertising and promotion	350	-	-
Employee benefits	4,769	4,759	4,461
Purchased services	315	1,980	35
Rent - other	840	840	840
- premises	3,360	3,360	3,360
Staff training	205	-	1
Supplies	1,071	91	46
Telephone, communications and utilities	30	28	38
Wages	<u>24,490</u>	<u>24,610</u>	<u>23,961</u>
	<u>35,430</u>	<u>35,668</u>	<u>32,742</u>
<b>Total expenditures</b>	<u>354,300</u>	<u>1,306,483</u>	<u>351,612</u>
<b>Excess of revenue over expenditures for the year</b>	\$ <u>-</u>	\$ <u>12,176</u>	\$ <u>2,688</u>
<b>Due to Ministry of Children, Community and Social Services</b>		\$ <u>12,176</u>	\$ <u>2,688</u>



**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS AND FUND BALANCE**

**DEVELOPMENT FUND**

**YEAR ENDED MARCH 31, 2019**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Revenue</b>		
Interest	\$       491	\$       414
<b>Fund balance, beginning of year</b>	<u>      44,932</u>	<u>      44,518</u>
<b>Fund balance, end of year</b>	<u><u>      45,423</u></u>	<u><u>      44,932</u></u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF OPERATIONS AND FUND BALANCE**

**CAPITAL RESERVE FUND**

**YEAR ENDED MARCH 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Interest	\$ <u>216</u>	\$ <u>394</u>
<b>Expenditures</b>		
HVAC replacement	<u>-</u>	<u>20,134</u>
	<b>216</b>	(19,740)
<b>Fund balance, beginning of year</b>	<b>16,020</b>	32,760
Transfer from Core	<u>3,000</u>	<u>3,000</u>
<b>Fund balance, end of year</b>	<b>\$ <u>19,236</u></b>	<b>\$ <u>16,020</u></b>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2019**

	<u>Unrestricted Funds</u>	<u>Other Internally Restricted Fund</u>	<u>Development Fund</u>	<u>Capital Reserve Fund</u>	<u>Endowment Fund</u>	<u>Total 2019</u>	<u>Total 2018</u>
<b>Cash provided by (used in):</b>							
<b>Operating activities</b>							
Excess of revenue over							
expenditures before interest	\$ 114,801	\$ (8,298)	\$ -	\$ -	\$ 2,442	\$ 108,945	\$ 26,039
Add interest	<u>4,625</u>	<u>-</u>	<u>491</u>	<u>216</u>	<u>-</u>	<u>5,332</u>	<u>(18,628)</u>
Excess (shortfall) of revenue over							
expenditures for the year	119,426	(8,298)	491	216	2,442	114,277	7,411
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	207,819	-	-	-	-	207,819	(299,292)
Due from MCCSS	-	-	-	-	-	-	532,598
HST receivable	(337)	-	-	-	-	(337)	14,596
Prepaid expenses	(18,182)	-	-	-	-	(18,182)	(4,821)
Increase (decrease) in current liabilities							
Accounts payable							
- Program & Core	(1,386,004)	-	-	-	-	(1,386,004)	1,673,266
- Passport	(1,821,414)	-	-	-	-	(1,821,414)	539,826
Due to MCCSS	320,577	-	-	-	-	320,577	548,264
Deferred revenue	<u>(2,810)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,810)</u>	<u>5,923</u>
	<u>(2,577,505)</u>	<u>(8,298)</u>	<u>491</u>	<u>216</u>	<u>2,442</u>	<u>(2,582,654)</u>	<u>3,021,191</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**STATEMENT OF CASH FLOWS (continued)**

**YEAR ENDED MARCH 31, 2019**

	<u>Unrestricted Funds</u>	<u>Other Internally Restricted Fund</u>	<u>Development Fund</u>	<u>Capital Reserve Fund</u>	<u>Endowment Fund</u>	<u>Total 2019</u>	<u>Total 2018</u>
<b>Investment activities</b>							
Transfer of funds	\$ (83,000)	\$ 80,000	\$ -	\$ 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>(76,571)</u>	<u>80,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>6,429</u>	<u>6,428</u>
<b>Increase (decrease) in cash for year</b>	<b>(2,654,076)</b>	<b>71,702</b>	<b>491</b>	<b>3,216</b>	<b>2,442</b>	<b>(2,576,225)</b>	<b>3,027,619</b>
<b>Cash, beginning of year</b>	<u>4,407,702</u>	<u>410,000</u>	<u>44,932</u>	<u>16,020</u>	<u>108,613</u>	<u>4,987,267</u>	<u>1,959,648</u>
<b>Cash, end of year</b>	<u>\$ 1,753,626</u>	<u>\$ 481,702</u>	<u>\$ 45,423</u>	<u>\$ 19,236</u>	<u>\$ 111,055</u>	<u>\$ 2,411,042</u>	<u>\$ 4,987,267</u>
<b>Cash consists of:</b>							
Cash	\$ 1,710,314	\$ 481,702	\$ 6,678	\$ -	\$ -	\$ 2,198,694	\$ 4,786,375
Investments	<u>43,312</u>	<u>-</u>	<u>38,745</u>	<u>19,236</u>	<u>111,055</u>	<u>212,348</u>	<u>200,892</u>
	<u>\$ 1,753,626</u>	<u>\$ 481,702</u>	<u>\$ 45,423</u>	<u>\$ 19,236</u>	<u>\$ 111,055</u>	<u>\$ 2,411,042</u>	<u>\$ 4,987,267</u>

# LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 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 Children, 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 Children, 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 \$256,826 [2018 - \$228,923]. 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 \$181,114 [2018 - \$161,124]. 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, 2019**

**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.

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

(b) Basis of presentation

The programs receive grants from the Ministry of Children, 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 Children, Community and Social Services.

(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.

# LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Mobile Integrated Team (MIT) program reports the revenue and expenditures related to the delivery of flexible support to adults with a developmental disability in multiple locations throughout the community who often will not engage in formal or traditional support.

The Multi-Year Residential Planning (MYRP) program reports the revenue and expenditures related to the delivery of residential and ancillary supports to certain individuals with a developmental disability that have transitioned from the children's service system.

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.

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.

# LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Children, 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, 2019**

**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 Children, Community and Social Services. The Centre pays clients' bills on behalf of these clients. The cash funds held by the Centre amounted to \$61,368 [2018 - \$65,098] at March 31, 2019. 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 Children, Community and Social Services
- Investments - unrestricted and restricted
- Accounts payable
- Due to Ministry of Children, 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, 2019**

**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.

*Subsequent measurement*

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.

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 Children, 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, 2019**

**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>2019</u>	<u>2018</u>
Office Relocation Fund	\$ 381,461	\$ 310,000
Core Program Contingency Fund	<u>100,241</u>	<u>100,000</u>
	<u>\$ 481,702</u>	<u>\$ 410,000</u>

**4. UNRESTRICTED FUND INVESTMENTS**

	<u>2019</u>	<u>2018</u>
Guaranteed Investment Certificates		
Maturing August 13, 2019 at 1.35%	<u>\$ 43,312</u>	<u>\$ 42,740</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**5. DEVELOPMENT FUND INVESTMENTS**

Development fund assets invested consist of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 6,678	\$ 24,411
Due to operating fund account	<u>-</u>	<u>(12,998)</u>
	<u>6,678</u>	<u>11,413</u>
 <u>Guaranteed Investment Certificates</u>		
<u>Short-term investments</u>		
Maturing June 16, 2018 at 1.25%	-	12,120
Maturing October 20, 2018 at 1.25%	-	10,057
Maturing November 25, 2018 at 1.00%	-	11,342
Maturing June 16, 2019 at 1.25%	<b>12,118</b>	-
Maturing October 20, 2019 at 2.00%	<b>10,088</b>	-
Maturing November 25, 2019 at 2.00%	<u>11,522</u>	<u>-</u>
	<u>33,728</u>	<u>33,519</u>
 <u>Long-term investments</u>		
Maturing February 4, 2021 at 2.30%	<u>5,017</u>	-
	<u>\$ 38,745</u>	<u>\$ 33,519</u>

**6. CAPITAL RESERVE FUND INVESTMENTS**

	<u>2019</u>	<u>2018</u>
<u>Guaranteed Investment Certificates</u>		
<u>Short-term investments</u>		
Maturing March 6, 2019 at 1.00%	-	6,403
Maturing March 14, 2019 at 1.25%	-	6,084
Maturing March 6, 2020 at 2.00%	<b>6,487</b>	-
Maturing March 11, 2020 at 2.00%	<b>3,584</b>	-
Maturing March 14, 2020 at 2.00%	<u>6,162</u>	<u>-</u>
	<u>16,233</u>	<u>12,487</u>
 <u>Long-term investments</u>		
Maturing April 23, 2020 at 1.45%	<u>3,003</u>	<u>3,533</u>
	<u>\$ 19,236</u>	<u>\$ 16,020</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**7. ENDOWMENT FUND**

Contributions of \$nil [2018 - \$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, \$4,043 [2018 - \$nil] was distributed by the Foundation and transferred to the operating fund. There were bank charges in the amount of \$nil [2018 - \$nil].

**8. LEASEHOLD IMPROVEMENTS**

	<u>2019</u>		<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Leasehold improvements	\$ <u>119,698</u>	\$ <u>88,918</u>	\$ <u>30,780</u>
			\$ <u>34,200</u>

**LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2019**

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

	<b>2019</b>	<b>2018</b>
Adult Protective Service Worker		
- current	<b>8,719</b>	-
- prior	<b>40,884</b>	40,884
Developmental Services Ontario Northern Region		
- current	<b>178</b>	-
- prior	<b>(19,727)</b>	(19,727)
Passport - Administration and Operation		
- current	<b>15,733</b>	-
- prior	<b>17,130</b>	17,130
Passport - Direct Funding		
- current	<b>30,949</b>	-
- prior	<b>697,735</b>	697,735
Specialized Service Coordination		
- current	<b>2,313</b>	-
- prior	<b>13,567</b>	13,567
Psychological Assessments		
- current	<b>7,500</b>	-
- prior	<b>74,288</b>	74,288
CAS/TAY Approvals		
- current	<b>217,588</b>	-
- prior	<b>155,127</b>	155,127
Mobile Integrated Team		
- current	<b>4,143</b>	-
Multi-Year Residential Planning		
- current	<b>17,189</b>	-
Consulting Fees		
Transition Coordination		
- current	<b>4,603</b>	-
- prior	<b>72,154</b>	72,154
Specialized Training and Equipment		
- current	<b>(517)</b>	-
- prior	<b>(8,558)</b>	(8,558)
Temporary Supports		
- current	<b>12,176</b>	-
- prior	<b>91,098</b>	91,098
	<b><u>\$ 1,454,272</u></b>	<b><u>\$ 1,133,695</u></b>

# LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

### 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 lease has been renewed for a period of 66 months commencing May 1, 2019 at \$133 plus HST per month plus HST expiring October 31, 2024.

The Centre has renewed a lease agreement with Kenneth Aylott starting February 1, 2018, "in trust" for the lease of the ground floor at 633 Simpson Street expiring February 29, 2020. 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, 2019.

Dalron Leasing Limited for the lease of office space in Sudbury, Ontario for a period of five years ending April 30, 2021. 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 an 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 an 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 has been renewed which commenced on April 1, 2019 for \$750 plus HST per month expiring on March 31, 2020.

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, 2019

### 11. ECONOMIC DEPENDENCE

The Centre is dependent on annual contributions from the Ministry of Children, 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 \$2,000 [2018 - \$130,139] for administrative support, \$120,084 [2018 - \$101,853] for premises rent and \$7,335 [2018 - \$8,280] 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 \$80,000 [2018 - \$40,000] to be used for the future office relocation and \$nil [2018 - \$30,000] 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, 2019**

**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 5.00% at March 31, 2018.

**19. FINANCIAL INSTRUMENTS**

(a) Fair value

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

The carrying value of cash, accounts receivable, due to Ministry of Children, 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, 2019**

	<b>2019</b>		2018
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<i>[unaudited]</i>		
<b>Revenue</b>			
Rental (Note 12 (a))	\$ <u>100,715</u>	\$ <u>120,084</u>	\$ <u>101,853</u>
<b>Expenditures</b>			
Amortization	3,420	3,420	3,420
Municipal taxes	-	3,548	5,648
Rent	6,430	6,429	6,429
Repairs and maintenance	1,275	3,315	4,343
Utilities	<u>8,385</u>	<u>1,774</u>	<u>2,682</u>
<b>Total expenditures</b>	<u>19,510</u>	<u>18,486</u>	<u>22,522</u>
<b>Excess of revenue over expenditures for the year</b>	<u>\$ 81,205</u>	<u>\$ 101,598</u>	<u>\$ 79,331</u>