



Financial Statements

Lutheran Community Care Centre of Thunder
Bay

March 31, 2018

Contents

| | Page |
|--|---------|
| Independent Auditor's Report | 1 - 2 |
| Statement of Financial Position | 3 - 4 |
| Statement of Changes in Fund Balances | 5 - 6 |
| Statements of Operations | |
| UNRESTRICTED PROGRAMS | |
| Core | 7 |
| Chaplaincy | 8 |
| Street Reach Ministries | 9 |
| Luther Court Support Services | 10 |
| Adult Protective Service Worker | 11 |
| Developmental Services Ontario Northern Region | 12 |
| Passport - Administration and Operation | 13 |
| Passport - Direct Funding | 14 |
| Psychological Assessments | 15 |
| Specialized Service Coordination | 16 |
| CAS/TAY Approvals | 17 |
| Transition Coordination | 18 |
| Specialized Equipment, Furniture and Training | 19 |
| Temporary Supports | 20 |
| Statements of Operations and Fund Balance | |
| INTERNALLY RESTRICTED | |
| Development Fund | 21 |
| Capital Reserve Fund | 22 |
| Statement of Cash Flows | 23 - 24 |
| Notes to the Financial Statements | 25 - 37 |
| Schedule | |
| 1 - Rental Operations - Core Fund | 38 |

Independent Auditor's Report

Grant Thornton LLP
979 Alloy Drive
Thunder Bay, ON
P7B5Z8
T (807) 345-6571
F (807) 345-0032
www.GrantThornton.ca

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, 2018 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, 2018, 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 25, 2018

Chartered Professional Accountants
Licensed Public Accountants

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

ASSETS

| | <u>Unrestricted Funds</u> | <u>Other Internally Restricted Funds</u> | <u>Development Fund</u> | <u>Capital Reserve Fund</u> | <u>Endowment Fund</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------------------|--|-----------------------------|-------------------------------------|---------------------------|---------------------|---------------------|
| CURRENT | | | | | | | |
| Cash | \$ 4,364,962 | \$ - | \$ - | \$ - | \$ - | \$ 4,364,962 | \$ 1,370,340 |
| Accounts receivable | | | | | | | |
| - core | 335,176 | - | - | - | - | 335,176 | 35,884 |
| HST receivable | 24,432 | - | - | - | - | 24,432 | 39,028 |
| Due from Ministry of Community and Social Services (Note 9) | - | - | - | - | - | - | 532,598 |
| Investments (Note 4) | 42,740 | - | - | - | - | 42,740 | 42,059 |
| Prepaid expenses | 33,986 | - | - | - | - | 33,986 | 29,165 |
| Prepaid rent (Note 12 (b)) | <u>6,429</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,429</u> | <u>6,429</u> |
| | <u>4,807,725</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,807,725</u> | <u>2,055,503</u> |
| LONG-TERM | | | | | | | |
| Prepaid rent (Note 12 (b)) | 58,394 | - | - | - | - | 58,394 | 64,822 |
| Leasehold improvements (Note 8) | <u>34,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,200</u> | <u>37,620</u> |
| | <u>92,594</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>92,594</u> | <u>102,442</u> |
| | <u>4,900,319</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,900,319</u> | <u>2,157,945</u> |
| RESTRICTED ASSETS | | | | | | | |
| Cash (Notes 3 and 5) | - | 410,000 | 11,413 | - | - | 421,413 | 381,130 |
| Investments (Notes 5, 6 & 7) | <u>-</u> | <u>-</u> | <u>33,519</u> | <u>16,020</u> | <u>108,613</u> | <u>158,152</u> | <u>166,119</u> |
| | <u>-</u> | <u>410,000</u> | <u>44,932</u> | <u>16,020</u> | <u>108,613</u> | <u>579,565</u> | <u>547,249</u> |
| | <u>\$ 4,900,319</u> | <u>\$ 410,000</u> | <u>\$ 44,932</u> | <u>\$ 16,020</u> | <u>\$ 108,613</u> | <u>\$ 5,479,884</u> | <u>\$ 2,705,194</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

LIABILITIES AND FUND BALANCES

| | Unrestricted Funds | Other Internally Restricted Funds | Development Fund | Capital Reserve Fund | Endowment Fund | 2018 | 2017 |
|---|-------------------------------|--|-----------------------------|-------------------------------------|---------------------------|---------------------|---------------------|
| CURRENT | | | | | | | |
| Accounts payable | | | | | | | |
| - Core | \$ 13,521 | \$ - | \$ - | \$ - | \$ - | \$ 13,521 | \$ 17,605 |
| - Program | 1,892,044 | - | - | - | - | 1,892,044 | 214,694 |
| - Passport | 1,821,414 | - | - | - | - | 1,821,414 | 1,281,588 |
| Due to Ministry of Community and Social Services (Note 9) | 1,133,695 | - | - | - | - | 1,133,695 | 585,431 |
| Deferred revenue | 5,923 | - | - | - | - | 5,923 | - |
| | 4,866,597 | - | - | - | - | 4,866,597 | 2,099,318 |
| FUND BALANCES | | | | | | | |
| Unrestricted | 33,722 | - | - | - | - | 33,722 | 58,627 |
| Internally restricted | - | 410,000 | 44,932 | 16,020 | - | 470,952 | 447,278 |
| Externally restricted | - | - | - | - | 108,613 | 108,613 | 99,971 |
| | 33,722 | 410,000 | 44,932 | 16,020 | 108,613 | 613,287 | 605,876 |
| | \$ 4,900,319 | \$ 410,000 | \$ 44,932 | \$ 16,020 | \$ 108,613 | \$ 5,479,884 | \$ 2,705,194 |

On behalf of the Board:

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2018

| | <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> |
|--|---------------------------------------|----------------------|----------------------|--|---|---|------------------------------------|
| Unrestricted Funds | | | | | | | |
| Core | \$ 55,484 | \$ 285,015 | \$ 222,416 | \$ 62,599 | \$ - | \$ (71,413) | \$ 46,670 |
| Chaplaincy | - | 30,241 | 46,308 | (16,067) | - | 16,067 | - |
| Street Reach Ministries | - | 61,599 | 73,945 | (12,346) | - | 12,346 | - |
| Programs | | | | | | | |
| Luther Court Support Services | 3,143 | 78,000 | 94,091 | (16,091) | - | - | (12,948) |
| Adult Protective Service Worker | - | 1,255,581 | 1,238,319 | 17,262 | (17,262) | - | - |
| Developmental Services Ontario Northern Region | - | 1,158,360 | 1,144,919 | 13,441 | (13,441) | - | - |
| Passport Programs | | | | | | | |
| - Administration and Operation | - | 658,491 | 641,360 | 17,131 | (17,131) | - | - |
| - Direct Funding | - | 13,919,108 | 13,214,995 | 704,113 | (704,113) | - | - |
| Psychological Assessments | - | 133,720 | 82,000 | 51,720 | (51,720) | - | - |
| Specialized Service Coordination | - | 157,680 | 144,518 | 13,162 | (13,162) | - | - |
| CAS/TAY Approvals | - | 1,648,491 | 1,571,327 | 77,164 | (77,164) | - | - |
| Transition Coordination | - | 267,834 | 197,260 | 70,574 | (70,574) | - | - |
| Specialized Training and Equipment | - | 203,590 | 214,638 | (11,048) | 11,048 | - | - |
| Temporary Supports | - | 354,300 | 351,612 | 2,688 | (2,688) | - | - |
| | <u>\$ 58,627</u> | <u>\$ 20,212,010</u> | <u>\$ 19,237,708</u> | <u>\$ 974,302</u> | <u>\$ (956,207)</u> | <u>\$ (43,000)</u> | <u>\$ 33,722</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2018

| | <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> |
|------------------------------------|---------------------------------------|----------------------|----------------------|--|---|---|------------------------------------|
| Balance forward | \$ <u>58,627</u> | \$ <u>20,212,010</u> | \$ <u>19,237,708</u> | \$ <u>974,302</u> | \$ <u>(956,207)</u> | \$ <u>(43,000)</u> | \$ <u>33,722</u> |
| Internally Restricted Funds | | | | | | | |
| Other (Note 13) | | | | | | | |
| Office Relocation | 270,000 | - | - | - | - | 40,000 | 310,000 |
| Core Program Contingency | <u>100,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>100,000</u> |
| | 370,000 | - | - | - | - | 40,000 | 410,000 |
| Capital Reserve Fund (Note 13) | 32,760 | 394 | 20,134 | (19,740) | - | 3,000 | 16,020 |
| Development Fund | <u>44,518</u> | <u>414</u> | <u>-</u> | <u>414</u> | <u>-</u> | <u>-</u> | <u>44,932</u> |
| | <u>447,278</u> | <u>808</u> | <u>20,134</u> | <u>(19,326)</u> | <u>-</u> | <u>43,000</u> | <u>470,952</u> |
| Externally Restricted Fund | | | | | | | |
| Endowment (Note 7) | <u>99,971</u> | <u>8,642</u> | <u>-</u> | <u>8,642</u> | <u>-</u> | <u>-</u> | <u>108,613</u> |
| Total | \$ <u>605,876</u> | \$ <u>20,221,460</u> | \$ <u>19,257,842</u> | \$ <u>963,618</u> | \$ <u>(956,207)</u> | \$ <u>-</u> | \$ <u>613,287</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

CORE

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|---|------------------|------------------|-------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Administrative support (Note 12 (a)) | \$ 123,600 | \$ 130,139 | \$ 129,787 |
| Ministry of Community and Social Services (MCSS) (Trustee services) | 8,205 3,500 | 8,200 11,954 | 8,202 5,800 |
| Donations | | | |
| Individuals | 16,000 | 17,162 | 15,340 |
| Local churches | 4,000 | 3,500 | 7,750 |
| Church bodies and other organizations | - | 275 | 400 |
| Fundraising | 20,000 | 2,502 | 22,682 |
| Interest | - | 698 | 875 |
| Other rentals (Note 12 (a)) | 8,280 | 8,280 | 7,200 |
| Rental operations (Schedule 1) (Note 12 (a)) | 96,460 | 101,853 | 132,385 |
| Miscellaneous | 700 | 452 | 250 |
| | 280,745 | 285,015 | 330,671 |
| Expenditures | | | |
| Advertising and promotion | 3,000 | 265 | 1,810 |
| Client emergency | 600 | 264 | 135 |
| Employee benefits - operating | 22,746 | 17,667 | 19,460 |
| - MCSS | - | 1,590 | 1,592 |
| - Trustee services | - | 2,391 | 967 |
| Equipment rental and maintenance | - | 3,619 | 3,031 |
| Fundraising | 12,400 | 349 | 9,100 |
| Insurance | 1,200 | 1,194 | 1,179 |
| Interest and bank charges | 1,450 | 1,506 | 1,806 |
| Miscellaneous | 3,000 | 1,000 | - |
| New furnishings | - | 91 | - |
| Purchased services | 9,997 | 15,548 | 3,501 |
| Rent | 19,925 | 22,522 | 19,426 |
| Staff training | 3,300 | 3,636 | 3,864 |
| Supplies | 3,433 | 8,209 | 3,559 |
| Travel | 477 | 333 | 461 |
| Wages and salaries - operating | 142,939 | 126,059 | 129,036 |
| - MCSS | - | 6,610 | 6,610 |
| - Trustee services | - | 9,563 | 4,833 |
| | 224,467 | 222,416 | 210,370 |
| Total expenditures | | | |
| Excess of revenue over expenditures for the year | \$ 56,278 | \$ 62,599 | \$ 120,301 |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

CHAPLAINCY

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|--|--------------------|--------------------|--------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Donations | | | |
| Lutheran church bodies | \$ 2,000 | \$ 2,500 | \$ 1,500 |
| Local churches | 9,000 | 13,110 | 12,486 |
| Individuals | 4,000 | 3,510 | 1,922 |
| Other organizations | 1,000 | 545 | 275 |
| Miscellaneous | 500 | - | - |
| Fundraising | 4,500 | 5,101 | 4,955 |
| Ministry of Community and Social Services (MCSS) | 5,470 | 5,475 | 5,473 |
| | 26,470 | 30,241 | 26,611 |
| Expenditures | | | |
| Advertising | 210 | 7 | 7 |
| Employee benefits - operating | 8,546 | 8,370 | 7,197 |
| - MCSS | - | 685 | 672 |
| Fundraising | 1,500 | 1,721 | 1,589 |
| Office, telephone and communications | 649 | 927 | 657 |
| Purchased services | 688 | 690 | 689 |
| Staff training | 100 | 303 | 7 |
| Staff travel | 1,363 | 1,073 | 1,351 |
| Wages and salaries - operating | 27,985 | 27,742 | 22,955 |
| - MCSS | - | 4,790 | 4,790 |
| Total expenditures | 41,041 | 46,308 | 39,914 |
| Shortfall of revenue over expenditures for the year | \$ (14,571) | \$ (16,067) | \$ (13,303) |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

STREET REACH MINISTRIES

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|--|---------------|---------------|---------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Donations | | | |
| Individuals | \$ 2,000 | \$ 3,165 | \$ 1,692 |
| Lutheran church bodies | 38,000 | 41,167 | 38,000 |
| Local churches | 8,500 | 7,647 | 8,450 |
| Other organizations | 500 | 620 | 575 |
| Corporate | 14,000 | 9,000 | 12,000 |
| | 63,000 | 61,599 | 60,717 |
| Expenditures | | | |
| Employee benefits | 17,227 | 16,655 | 16,178 |
| Insurance | 350 | 347 | 338 |
| Purchased services | 1,288 | 1,459 | 1,412 |
| Rent | 10,200 | 10,200 | 10,200 |
| Staff training | 500 | 69 | 107 |
| Staff travel | 851 | 807 | 844 |
| Supplies and support | 915 | 1,142 | 942 |
| Telephone, communications and utilities | 4,015 | 3,924 | 4,716 |
| Wages and salaries | 38,968 | 39,342 | 39,007 |
| | 74,314 | 73,945 | 73,744 |
| Shortfall of revenue over expenditures for the year | \$ (11,314) | \$ (12,346) | \$ (13,027) |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

LUTHER COURT SUPPORT SERVICES

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|--|--------------------|--------------------|-------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| The District of Thunder Bay Social Services | | | |
| Administration Board | \$ 78,000 | \$ 78,000 | \$ 85,800 |
| Expenditures | | | |
| Advertising | 50 | 8 | 8 |
| Employee benefits | 13,530 | 12,894 | 12,797 |
| Insurance | 850 | 806 | 841 |
| Purchased services | 1,365 | 1,535 | 225 |
| Rent - other | 1,800 | 1,800 | 1,800 |
| - premises | 2,460 | 2,460 | 2,460 |
| Staff training | 200 | 265 | 74 |
| Staff travel | 1,000 | 2,666 | 3,035 |
| Supplies | 500 | 267 | 335 |
| Telephone, communications and utilities | 890 | 489 | 619 |
| Wages | 67,645 | 70,901 | 69,800 |
| | 90,290 | 94,091 | 91,994 |
| Shortfall of revenue over expenditures for the year | \$ (12,290) | \$ (16,091) | \$ (6,194) |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

ADULT PROTECTIVE SERVICE WORKER

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|---|---------------------|---------------------|---------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | \$ <u>1,251,419</u> | \$ <u>1,255,581</u> | \$ <u>1,245,792</u> |
| Expenditures | | | |
| Advertising | 1,800 | 1,049 | 2,681 |
| Benefits | 172,705 | 158,619 | 164,966 |
| Furnishings | - | 182 | 1,233 |
| Purchased services | 8,074 | 8,549 | 9,878 |
| Rent - other | 1,620 | 1,620 | 1,620 |
| - premises | 65,128 | 64,479 | 59,856 |
| Staff training | 2,500 | 2,808 | 2,104 |
| Staff travel | 23,200 | 22,426 | 23,252 |
| Supplies | 11,000 | 22,165 | 11,831 |
| Telephone, communications and utilities | 20,158 | 16,510 | 15,947 |
| Wages | <u>832,950</u> | <u>823,304</u> | <u>842,764</u> |
| | <u>1,139,135</u> | <u>1,121,711</u> | <u>1,136,132</u> |
| Expenditures - Allocated Administration | | | |
| Advertising | 200 | 116 | 298 |
| Employee benefits | 12,200 | 14,422 | 14,402 |
| Insurance | 7,000 | 6,944 | 6,759 |
| Purchased services | 11,480 | 15,470 | 5,037 |
| Rent - other | 180 | 180 | 180 |
| - premises | 2,382 | 2,382 | 4,560 |
| Staff travel | 2,000 | - | - |
| Telephone and utilities | 762 | 773 | 1,208 |
| Wages | <u>76,080</u> | <u>76,321</u> | <u>76,203</u> |
| | <u>112,284</u> | <u>116,608</u> | <u>108,647</u> |
| Total expenditures | <u>1,251,419</u> | <u>1,238,319</u> | <u>1,244,779</u> |
| Excess of revenue over expenditures for the year | \$ <u>-</u> | \$ <u>17,262</u> | \$ <u>1,013</u> |
| Due to Ministry of Community and Social Services | | \$ <u>17,262</u> | \$ <u>1,013</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY
STATEMENT OF OPERATIONS
DEVELOPMENTAL SERVICES ONTARIO NORTHERN REGION
YEAR ENDED MARCH 31, 2018

| | <u>2018</u> | | <u>2017</u> |
|--|---------------------|---------------------|---------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| Revenue | | | |
| Ministry of Community and Social Services | \$ <u>1,158,360</u> | \$ <u>1,158,360</u> | \$ <u>1,158,360</u> |
| Expenditures | | | |
| Advertising | 2,970 | 6,536 | 1,166 |
| Employee benefits | 150,585 | 137,569 | 140,077 |
| Furnishings | - | 2,175 | 3,332 |
| Purchased services | 12,340 | 4,698 | 51,000 |
| Rent - other | 2,430 | 2,991 | 1,620 |
| - premises | 56,635 | 55,946 | 63,902 |
| Service agreements | 3,150 | 2,937 | 2,949 |
| Supplies | 14,000 | 32,510 | 13,851 |
| Telephone, communications and utilities | 26,640 | 21,117 | 22,408 |
| Training | 2,190 | 4,671 | 1,609 |
| Travel | 32,000 | 33,686 | 27,295 |
| Wages | <u>747,575</u> | <u>730,522</u> | <u>716,695</u> |
| | <u>1,050,515</u> | <u>1,035,358</u> | <u>1,045,904</u> |
| Expenditures - Allocated Administration | | | |
| Advertising and promotion | 330 | - | 129 |
| Employee benefits | 12,540 | 14,735 | 14,713 |
| Insurance | 7,200 | 7,153 | 7,126 |
| Purchased services | 6,660 | 6,133 | 6,605 |
| Rent - other | 270 | 270 | 180 |
| - premises | 1,940 | 1,939 | 2,450 |
| Telephone and utilities | 1,160 | 1,331 | 1,384 |
| Travel | - | - | 186 |
| Wages | <u>77,745</u> | <u>78,000</u> | <u>77,875</u> |
| | <u>107,845</u> | <u>109,561</u> | <u>110,648</u> |
| Total expenditures | <u>1,158,360</u> | <u>1,144,919</u> | <u>1,156,552</u> |
| Excess of revenue over | | | |
| expenditures for the year | \$ <u>-</u> | \$ <u>13,441</u> | \$ <u>1,808</u> |
| Due to Ministry of Community and | | | |
| Social Services | | \$ <u>13,441</u> | \$ <u>1,808</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

PASSPORT - ADMINISTRATION AND OPERATION

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|--|-------------------|-------------------|-------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | | | |
| Administration | \$ <u>622,240</u> | \$ <u>658,491</u> | \$ <u>622,240</u> |
| Expenditures | | | |
| Advertising | 900 | 68 | 788 |
| Bank charges | 3,300 | 6,191 | 6,154 |
| Benefits | 95,240 | 87,447 | 79,731 |
| Purchased services | 1,665 | 28,328 | 5,824 |
| Rent - other | 540 | 540 | 540 |
| - premises | 38,340 | 36,217 | 32,277 |
| Service agreements | 2,815 | 9,156 | 2,612 |
| Supplies | 18,070 | 9,753 | 18,655 |
| Training | 1,400 | 5,497 | 1,095 |
| Travel | 7,400 | 2,449 | 7,217 |
| Utilities | 7,835 | 9,243 | 9,116 |
| Wages | <u>424,030</u> | <u>425,507</u> | <u>447,553</u> |
| | <u>601,535</u> | <u>620,396</u> | <u>611,562</u> |
| Expenditures - Allocated Administration | | | |
| Advertising and promotion | 100 | - | 87 |
| Employee benefits | 1,855 | 2,148 | 2,144 |
| Purchased services | 3,135 | 3,158 | 2,506 |
| Rent - other | 60 | 60 | 60 |
| - premises | 3,340 | 3,339 | 3,150 |
| Telephone and utilities | 700 | 697 | 754 |
| Wages | <u>11,515</u> | <u>11,562</u> | <u>11,540</u> |
| | <u>20,705</u> | <u>20,964</u> | <u>20,241</u> |
| Total expenditures | <u>622,240</u> | <u>641,360</u> | <u>631,803</u> |
| Excess (shortfall) of revenue over | | | |
| expenditures for the year | \$ <u>-</u> | \$ <u>17,131</u> | \$ <u>(9,563)</u> |
| Due to Ministry of Community and | | | |
| Social Services | | \$ <u>17,131</u> | \$ <u>-</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

PASSPORT - DIRECT FUNDING

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|--|-----------------------------|-----------------------------|-----------------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | | | |
| DS Self-Managed Supports | \$ <u>10,755,400</u> | \$ <u>13,919,108</u> | \$ <u>10,065,800</u> |
| Expenditures | | | |
| DS Self-Managed Supports | | | |
| - Direct | 7,015,000 | 8,105,113 | 6,911,609 |
| - Indirect | 3,740,400 | 5,027,593 | 3,686,789 |
| Housing Coordinator | | 18,472 | |
| DSO Service Navigation | | 63,817 | |
| Total expenditures | <u>10,755,400</u> | <u>13,214,995</u> | <u>10,598,398</u> |
| Excess (shortfall) of revenue over | | | |
| expenditures for the year | \$ <u>-</u> | \$ <u>704,113</u> | \$ <u>(532,598)</u> |
| Due to (from) Ministry of Community and | | | |
| Social Services | | \$ <u>704,113</u> | \$ <u>(532,598)</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

PSYCHOLOGICAL ASSESSMENTS

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|---|---------------|-------------------|------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | \$ - | \$ 133,720 | \$ 111,300 |
| Expenditures | | | |
| Payouts to service providers | - | 82,000 | 88,732 |
| Excess of revenue over expenditures for the year | \$ - | \$ 51,720 | \$ 22,568 |
| Due to Ministry of Community and Social Services | | \$ 51,720 | \$ 22,568 |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

SPECIALIZED SERVICE COORDINATION

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|---|-------------------|-------------------|----------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | \$ 157,680 | \$ 157,680 | \$ 157,680 |
| Expenditures - Program | | | |
| Advertising and promotion | - | 15 | 15 |
| Employee benefits | 19,140 | 18,538 | 21,150 |
| New furnishings | - | - | 247 |
| Office supplies | 1,000 | 2,510 | 918 |
| Purchased services | 1,000 | 4,168 | 401 |
| Rent - premises | 7,300 | 7,754 | 7,532 |
| Staff training | 500 | 128 | 491 |
| Staff travel | 2,000 | 1,483 | 1,951 |
| Telephone and utilities | 2,430 | 1,303 | 1,439 |
| Wages | <u>123,020</u> | <u>107,328</u> | <u>121,110</u> |
| | <u>156,390</u> | <u>143,227</u> | <u>155,254</u> |
| Expenditures - Allocated Administration | | | |
| Insurance | 450 | 444 | 424 |
| Purchased services | 650 | 710 | 726 |
| Rent - premises | 60 | 60 | 720 |
| Telephone and utilities | <u>130</u> | <u>77</u> | <u>152</u> |
| | <u>1,290</u> | <u>1,291</u> | <u>2,022</u> |
| Total expenditures | <u>157,680</u> | <u>144,518</u> | <u>157,276</u> |
| Excess of revenue over expenditures for the year | \$ <u>-</u> | \$ <u>13,162</u> | \$ <u>404</u> |
| Due to Ministry of Community and Social Services | | \$ <u>13,162</u> | \$ <u>404</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

CAS/TAY APPROVALS

YEAR ENDED MARCH 31, 2018

| | <u>2018</u> | | <u>2017</u> |
|---|---------------|---------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| Revenue | | | |
| Ministry of Community and Social Services | \$ - | \$ 1,648,491 | \$ 2,099,808 |
| Expenditures | | | |
| Payout to transfer payment agencies | - | 1,571,327 | 2,021,845 |
| Excess of revenue over expenditures for the year | <u>\$ -</u> | <u>\$ 77,164</u> | <u>\$ 77,963</u> |
| Due to Ministry of Community and Social Services | | <u>\$ 77,164</u> | <u>\$ 77,963</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

TRANSITION COORDINATION

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|---|-------------------|-------------------|-------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | \$ 266,900 | \$ 267,834 | \$ 266,900 |
| Expenditures - Program | | | |
| Advertising and promotion | 450 | 14 | 14 |
| Benefits | 37,440 | 24,839 | 35,142 |
| New furnishings | - | - | 239 |
| Office supplies | 4,370 | 2,913 | 3,133 |
| Service agreements | - | 12 | 19 |
| Purchased services | 270 | 173 | 9,175 |
| Rent - other | 162 | 242 | - |
| - premises | 19,800 | 20,551 | 18,179 |
| Staff training | 1,200 | 94 | 9 |
| Staff travel | 5,000 | 1,053 | 4,144 |
| Telephone, communications and utilities | 3,420 | 3,524 | 3,219 |
| Wages | <u>178,915</u> | <u>129,323</u> | <u>177,582</u> |
| | <u>251,027</u> | <u>182,738</u> | <u>250,855</u> |
| Expenditures - Allocated Administration | | | |
| Advertising and promotion | 50 | - | - |
| Employee benefits | 1,805 | 1,909 | 1,904 |
| Insurance | 400 | 389 | 330 |
| Purchased services | 1,680 | 278 | 304 |
| Rent - other | 18 | - | - |
| - premises | 1,200 | 1,200 | 1,200 |
| Telephone and utilities | 135 | 116 | 127 |
| Wages | <u>10,585</u> | <u>10,630</u> | <u>10,600</u> |
| | <u>15,873</u> | <u>14,522</u> | <u>14,465</u> |
| Total expenditures | <u>266,900</u> | <u>197,260</u> | <u>265,320</u> |
| Excess of revenue over expenditures for the year | \$ <u>-</u> | \$ <u>70,574</u> | \$ <u>1,580</u> |
| Due to Ministry of Community and Social Services | | \$ <u>70,574</u> | \$ <u>1,580</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

SPECIALIZED EQUIPMENT, FURNITURE AND TRAINING

YEAR ENDED MARCH 31, 2018

| | <u>2018</u> | | <u>2017</u> |
|---|-------------------|--------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| Revenue | | | |
| Ministry of Community and Social Services | \$ <u>146,500</u> | \$ <u>203,590</u> | \$ <u>146,500</u> |
| Expenditures | | | |
| Temporary supports pressures | - | 87,286 | - |
| Payouts to transfer payment agencies | | | |
| Equipment | 131,850 | 113,086 | 121,520 |
| Training | <u>-</u> | <u>-</u> | <u>10,000</u> |
| | <u>131,850</u> | <u>200,372</u> | <u>131,520</u> |
| Expenditures - Allocated Administration | | | |
| Advertising and promotion | 150 | - | - |
| Employee benefits | 2,095 | 1,890 | 1,871 |
| Insurance | - | - | 14 |
| Purchased services | 15 | 14 | 13 |
| Rent - other | 360 | 360 | 360 |
| - premises | 1,440 | 1,440 | 1,417 |
| Staff training | 45 | 1 | 15 |
| Supplies | 80 | 215 | 40 |
| Telephone, communications and utilities | 165 | 77 | 51 |
| Wages | <u>10,300</u> | <u>10,269</u> | <u>10,215</u> |
| | <u>14,650</u> | <u>14,266</u> | <u>13,996</u> |
| Total expenditures | <u>146,500</u> | <u>214,638</u> | <u>145,516</u> |
| Excess (shortfall) of revenue over expenditures for the year | \$ <u>-</u> | \$ <u>(11,048)</u> | \$ <u>984</u> |
| Due to (from) Ministry of Community and Social Services | | \$ <u>(11,048)</u> | \$ <u>984</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS

TEMPORARY SUPPORTS

YEAR ENDED MARCH 31, 2018

| | 2018 | | 2017 |
|---|-------------------|-------------------|-------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Ministry of Community and Social Services | \$ <u>354,300</u> | \$ <u>354,300</u> | \$ <u>700,196</u> |
| Expenditures | | | |
| Payouts for approved supports | <u>318,870</u> | <u>318,870</u> | <u>591,973</u> |
| Expenditures - Allocated Administration | | | |
| Advertising and promotion | 350 | - | - |
| Employee benefits | 5,050 | 4,461 | 4,366 |
| Insurance | - | - | 32 |
| Purchased services | 110 | 35 | 31 |
| Rent - other | 840 | 840 | 840 |
| - premises | 3,360 | 3,360 | 3,383 |
| Staff training | 205 | 1 | 30 |
| Supplies | 200 | 46 | 150 |
| Telephone, communications and utilities | 565 | 38 | 96 |
| Wages | <u>24,750</u> | <u>23,961</u> | <u>23,835</u> |
| | <u>35,430</u> | <u>32,742</u> | <u>32,763</u> |
| Total expenditures | <u>354,300</u> | <u>351,612</u> | <u>624,736</u> |
| Excess of revenue over expenditures for the year | \$ <u>-</u> | \$ <u>2,688</u> | \$ <u>75,460</u> |
| Due to Ministry of Community and Social Services | | \$ <u>2,688</u> | \$ <u>75,460</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS AND FUND BALANCE

DEVELOPMENT FUND

YEAR ENDED MARCH 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| Revenue | | |
| Interest | \$ 414 | \$ 448 |
| Fund balance, beginning of year | <u>44,518</u> | <u>44,070</u> |
| Fund balance, end of year | <u>\$ 44,932</u> | <u>\$ 44,518</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF OPERATIONS AND FUND BALANCE

CAPITAL RESERVE FUND

YEAR ENDED MARCH 31, 2018

| | 2018 | 2017 |
|--|-------------------------|-------------------------|
| Revenue | | |
| Interest | \$ <u>394</u> | \$ <u>448</u> |
| Expenditures | | |
| HVAC replacement | <u>20,134</u> | <u>-</u> |
| | (19,740) | 448 |
| Fund balance, beginning of year | 32,760 | 29,312 |
| Transfer from Core | <u>3,000</u> | <u>3,000</u> |
| Fund balance, end of year | <u>\$ 16,020</u> | <u>\$ 32,760</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2018

| | <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 2018</u> | <u>Total 2017</u> |
|---|-------------------------------|---|-----------------------------|-------------------------------------|---------------------------|-------------------------|-----------------------|
| Cash provided by (used in): | | | | | | | |
| Operating activities | | | | | | | |
| Excess of revenue over expenditures before interest | \$ 17,397 | \$ - | \$ - | \$ - | \$ 8,642 | \$ 26,039 | \$ 76,923 |
| Add interest | <u>698</u> | <u>-</u> | <u>414</u> | <u>(19,740)</u> | <u>-</u> | <u>(18,628)</u> | <u>1,771</u> |
| Excess (shortfall) of revenue over expenditures for the year | 18,095 | - | 414 | (19,740) | 8,642 | 7,411 | 78,694 |
| 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 | (299,292) | - | - | - | - | (299,292) | (32,458) |
| Due from MCSS | 532,598 | - | - | - | - | 532,598 | (109,704) |
| HST receivable | 14,596 | - | - | - | - | 14,596 | (21,475) |
| Prepaid expenses | (4,821) | - | - | - | - | (4,821) | (18,435) |
| Increase (decrease) in current liabilities | | | | | | | |
| Accounts payable | | | | | | | |
| - Program & Core | 1,673,266 | - | - | - | - | 1,673,266 | 89,156 |
| - Passport | 539,826 | - | - | - | - | 539,826 | 61,202 |
| Due to MCSS | 548,264 | - | - | - | - | 548,264 | 146,803 |
| Deferred revenue | <u>5,923</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,923</u> | <u>(1,250)</u> |
| | <u>3,031,875</u> | <u>-</u> | <u>414</u> | <u>(19,740)</u> | <u>8,642</u> | <u>3,021,191</u> | <u>195,953</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

STATEMENT OF CASH FLOWS (continued)

YEAR ENDED MARCH 31, 2018

| | <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 2018</u> | <u>Total 2017</u> |
|---|-------------------------------|---|-----------------------------|-------------------------------------|---------------------------|-----------------------|-----------------------|
| Investment activities | | | | | | | |
| Transfer of funds | \$ (43,000) | \$ 40,000 | \$ - | \$ 3,000 | \$ - | \$ - | \$ - |
| Decrease in prepaid rent | <u>6,428</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,428</u> | <u>6,429</u> |
| | <u>(36,572)</u> | <u>40,000</u> | <u>-</u> | <u>3,000</u> | <u>-</u> | <u>6,428</u> | <u>6,429</u> |
| Increase (decrease) in cash for year | 2,995,303 | 40,000 | 414 | (16,740) | 8,642 | 3,027,619 | 202,382 |
| Cash, beginning 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, end of year | <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> |
| Cash consists of: | | | | | | | |
| Cash | \$ 4,364,962 | \$ 410,000 | \$ 11,413 | \$ - | \$ - | \$ 4,786,375 | \$ 1,751,470 |
| Investments | <u>42,740</u> | <u>-</u> | <u>33,519</u> | <u>16,020</u> | <u>108,613</u> | <u>200,892</u> | <u>208,178</u> |
| | <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> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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 \$228,923 [2017 - \$256,825]. 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 \$161,124 [2017 - \$158,350]. 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, 2018

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, 2018

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, 2018

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, 2018

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 \$65,098 [2017 - \$85,213] at March 31, 2018. 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, 2018

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 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, 2018

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>2018</u> | <u>2017</u> |
|-------------------------------|-------------------|-------------------|
| Office Relocation Fund | \$ 310,000 | \$ 270,000 |
| Core Program Contingency Fund | <u>100,000</u> | <u>100,000</u> |
| | <u>\$ 410,000</u> | <u>\$ 370,000</u> |

4. UNRESTRICTED FUND INVESTMENTS

| | <u>2018</u> | <u>2017</u> |
|------------------------------------|------------------|------------------|
| Guaranteed Investment Certificates | | |
| Maturing August 13, 2019 at 1.35% | <u>\$ 42,740</u> | <u>\$ 42,059</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

5. DEVELOPMENT FUND INVESTMENTS

Development fund assets invested consist of the following:

| | 2018 | 2017 |
|---|------------------|------------------|
| Cash | \$ 24,411 | \$ 11,130 |
| Due to operating fund account | <u>(12,998)</u> | <u>-</u> |
| | <u>11,413</u> | <u>11,130</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, 2018 at 1.25% | 12,120 | - |
| Maturing October 20, 2018 at 1.25% | 10,057 | - |
| Maturing November 25, 2018 at 1.0% | <u>11,342</u> | <u>-</u> |
| | <u>33,519</u> | <u>33,388</u> |
| | <u>\$ 44,932</u> | <u>\$ 44,518</u> |

6. CAPITAL RESERVE FUND INVESTMENTS

| | 2018 | 2017 |
|---|------------------|------------------|
| <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 March 6, 2019 at 1.0% | 6,403 | - |
| Maturing March 14, 2019 at 1.25% | <u>6,084</u> | <u>-</u> |
| | <u>12,487</u> | <u>32,760</u> |
| <u>Long-term investments</u> | | |
| Maturing April 23, 2020 at 1.45% | <u>3,533</u> | <u>-</u> |
| | <u>3,533</u> | <u>-</u> |
| | <u>\$ 16,020</u> | <u>\$ 32,760</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

7. ENDOWMENT FUND

Contributions of \$nil [2017 - \$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 [2017 - \$nil] was distributed by the Foundation and transferred to the operating fund. There were bank charges in the amount of \$nil [2017 - \$416].

8. LEASEHOLD IMPROVEMENTS

| | <u>2018</u> | | <u>2017</u> |
|------------------------|-------------------|-------------------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> |
| Leasehold improvements | \$ <u>119,698</u> | \$ <u>85,498</u> | \$ <u>34,200</u> |
| | | | \$ <u>37,620</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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

| | 2018 | 2017 |
|--|----------------------------|-------------------------|
| Adult Protective Service Worker | | |
| - current | 17,262 | - |
| - prior | 23,622 | 52,392 |
| Developmental Services Ontario Northern Region | | |
| - current | 13,441 | - |
| - prior | (33,169) | (15,687) |
| Passport - Administration and Operation | | |
| - current | 17,131 | - |
| - prior | - | 81,563 |
| Passport - Direct Funding | | |
| - current | 704,113 | - |
| - prior | (6,378) | (459,134) |
| Specialized Service Coordination | | |
| - current | 13,162 | - |
| - prior | 404 | 1,847 |
| Psychological Assessments | | |
| - current | 51,720 | - |
| - prior | 22,568 | 22,568 |
| CAS/TAY Approvals | | |
| - current | 77,164 | - |
| - prior | 77,963 | 77,963 |
| Consulting Fees | | |
| - prior | - | 36 |
| Transition Coordination | | |
| - current | 70,574 | - |
| - prior | 1,580 | 99,204 |
| Specialized Training and Equipment | | |
| - current | (11,048) | - |
| - prior | 2,488 | 10,168 |
| Temporary Supports | | |
| - current | 2,688 | - |
| - prior | <u>88,410</u> | <u>181,913</u> |
| | <u>\$ 1,133,695</u> | <u>\$ 52,833</u> |
| Due from Ministry of Community and Social Services | \$ - | \$ (532,598) |
| Due to Ministry of Community and Social Services | <u>1,133,695</u> | <u>585,431</u> |
| | <u>\$ 1,133,695</u> | <u>\$ 52,833</u> |

LUTHERAN COMMUNITY CARE CENTRE OF THUNDER BAY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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. Starting February 1, 2018, a new lease agreement with Kenneth Aylott "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, 2017. The lease has been renewed which commenced on July 1, 2017 for \$595 plus HST per month expiring on 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 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, 2018

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 \$130,139 [2017 - \$129,787] for administrative support, \$101,853 [2017 - \$132,385] for premises rent and \$8,280 [2017 - \$7,200] 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 \$40,000 [2017 - \$70,000] to be used for the future office relocation and \$nil [2017 - \$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, 2018

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 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, 2018

| | 2018 | | 2017 |
|---|------------------|-------------------|-------------------|
| | BUDGET | ACTUAL | ACTUAL |
| Revenue | | | |
| Rental (Note 12 (a)) | \$ <u>96,460</u> | \$ <u>101,853</u> | \$ <u>132,385</u> |
| Expenditures | | | |
| Amortization | 3,420 | 3,420 | 3,420 |
| Municipal taxes | - | 5,648 | 5,403 |
| Rent | 6,430 | 6,429 | 6,429 |
| Repairs and maintenance | 1,275 | 4,343 | 1,418 |
| Utilities | <u>8,800</u> | <u>2,682</u> | <u>2,756</u> |
| Total expenditures | <u>19,925</u> | <u>22,522</u> | <u>19,426</u> |
| Excess of revenue over expenditures for the year | <u>\$ 76,535</u> | <u>\$ 79,331</u> | <u>\$ 112,959</u> |