



Financial Statements

Lutheran Community Care Centre of
Thunder Bay

March 31, 2020

Contents

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

Independent Auditor's Report

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To the Board of 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, 2020, 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, 2020, 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, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 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 Statement

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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
July 9, 2020

Chartered Professional Accountants
Licensed Public Accountants

Lutheran Community Care Centre of Thunder Bay

Statement of Financial Position

As at March 31

| | | | | | | 2020 | 2019 |
|----------------------------------------|-----------------------------|--------------------------------------------------|---------------------------|----------------------------------|-------------------------|------------------|------------------|
| | Unrestricted Funds \$ | Other Internally Restricted Funds \$ | Development Fund \$ | Capital Reserve Fund \$ | Endowment Fund \$ | Total \$ | Total \$ |
| ASSETS | | | | | | | |
| Current | | | | | | | |
| Cash | 1,082,334 | - | - | - | - | 1,082,334 | 1,710,314 |
| Accounts receivable - core | 14,723 | - | - | - | - | 14,723 | 127,357 |
| Harmonized Sales Tax receivable | 20,827 | - | - | - | - | 20,827 | 24,769 |
| Investments <i>[note 4]</i> | 44,080 | - | - | - | - | 44,080 | 43,312 |
| Prepaid expenses | 28,156 | - | - | - | - | 28,156 | 52,168 |
| Prepaid rent <i>[note 12[b]]</i> | 6,429 | - | - | - | - | 6,429 | 6,429 |
| Total current assets | 1,196,549 | - | - | - | - | 1,196,549 | 1,964,349 |
| Long-term | | | | | | | |
| Prepaid rent <i>[note 12 [b]]</i> | 45,537 | - | - | - | - | 45,537 | 51,965 |
| Leasehold improvements <i>[note 8]</i> | 27,358 | - | - | - | - | 27,358 | 30,780 |
| | 72,895 | - | - | - | - | 72,895 | 82,745 |
| Restricted assets | | | | | | | |
| Cash <i>[notes 3 and 5]</i> | - | 525,071 | 7,016 | - | - | 532,087 | 488,380 |
| Investments <i>[notes 5, 6 and 7]</i> | - | - | 39,183 | 22,606 | 111,055 | 172,844 | 169,036 |
| Total other assets | - | 525,071 | 46,199 | 22,606 | 111,055 | 704,931 | 657,416 |
| | 1,269,444 | 525,071 | 46,199 | 22,606 | 111,055 | 1,974,375 | 2,704,510 |

See accompanying notes to the financial statements.

On behalf of the Board:

Director

Director

Lutheran Community Care Centre of Thunder Bay

Statement of Financial Position

As at March 31

| | | | | | | 2020 | 2019 |
|-------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------|---------------------------|----------------------------------|-------------------------|------------------|------------------|
| | Unrestricted Funds \$ | Other Internally Restricted Funds \$ | Development Fund \$ | Capital Reserve Fund \$ | Endowment Fund \$ | Total \$ | Total \$ |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Current | | | | | | | |
| Accounts payable | | | | | | | |
| - Core | 33,522 | - | - | - | - | 33,522 | 30,676 |
| - Program | 414,035 | - | - | - | - | 414,035 | 488,885 |
| Due to Ministry of Children, Community and Social Services <i>[note 9]</i> | 687,382 | - | - | - | - | 687,382 | 1,454,272 |
| Deferred revenue | 35,598 | - | - | - | - | 35,598 | 3,113 |
| Total current liabilities | 1,170,537 | - | - | - | - | 1,170,537 | 1,976,946 |
| Fund balances | | | | | | | |
| Unrestricted | 98,907 | - | - | - | - | 98,907 | 70,148 |
| Internally restricted | - | 525,071 | 46,199 | 22,606 | - | 593,876 | 546,361 |
| Externally restricted | - | - | - | - | 111,055 | 111,055 | 111,055 |
| | 98,907 | 525,071 | 46,199 | 22,606 | 111,055 | 803,838 | 727,564 |
| | 1,269,444 | 525,071 | 46,199 | 22,606 | 111,055 | 1,974,375 | 2,704,510 |

Lutheran Community Care Centre of Thunder Bay

Statement of Changes in Fund Balances

Year ended March 31

2020

| | Beginning Fund Balance \$ | Revenue \$ | Expenditures \$ | Excess (Shortfall) of Revenue over Expenditures \$ | Recovery of Surplus Funding by Ministry \$ <i>[note 9]</i> | Transfer of Surplus/ Deficit \$ | Ending Fund Balance \$ |
|--------------------------------------------------|------------------------------------|------------------|--------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------|---------------------------------|
| Unrestricted Funds | | | | | | | |
| Core | 76,121 | 176,096 | 74,391 | 101,705 | - | (65,431) | 112,395 |
| Chaplaincy | - | 30,032 | 52,127 | (22,095) | - | 22,095 | - |
| Street Reach Ministries | - | 68,566 | 68,902 | (336) | - | 336 | - |
| Programs | | | | | | | |
| Luther Court Support Services | (5,973) | 192,120 | 199,635 | (7,515) | - | - | (13,488) |
| Adult Protective Service Worker | - | 1,301,419 | 1,285,777 | 15,642 | 15,642 | - | - |
| Developmental Services Ontario Northern Region | - | 1,476,747 | 1,386,748 | 89,999 | 89,999 | - | - |
| Passport Programs - Administration and Operation | - | 639,683 | 633,176 | 6,507 | 6,507 | - | - |
| Psychological Assessments | - | 211,868 | 202,492 | 9,376 | 9,376 | - | - |
| Specialized Service Coordination | - | 157,680 | 151,334 | 6,346 | 6,346 | - | - |
| Mobile Integrated Team | - | 525,605 | 296,085 | 229,520 | 229,520 | - | - |
| Multi-Year Residential Planning | - | 398,859 | 281,684 | 117,175 | 117,175 | - | - |
| CAS/TAY Approvals | - | 2,558,609 | 2,558,609 | - | - | - | - |
| Transition Coordination | - | 274,782 | 246,426 | 28,356 | 28,356 | - | - |
| Specialized Training and Equipment | - | 239,126 | 232,158 | 6,968 | 6,968 | - | - |
| | 70,148 | 8,251,192 | 7,669,544 | 581,648 | 509,889 | (43,000) | 98,907 |
| Internally Restricted Funds | | | | | | | |
| Other <i>[note 13]</i> | | | | | | | |
| Office Relocation | 381,461 | 5,420 | 2,554 | 2,866 | - | 40,000 | 424,327 |
| Core Program Contingency | 100,241 | 1,331 | 828 | 503 | - | - | 100,744 |
| | 481,702 | 6,751 | 3,382 | 3,369 | - | 40,000 | 525,071 |
| Capital Reserve Fund <i>[note 6]</i> | 19,236 | 370 | - | 370 | - | 3,000 | 22,606 |
| Development Fund | 45,423 | 776 | - | 776 | - | - | 46,199 |
| | 546,361 | 7,897 | 3,382 | 4,515 | - | 43,000 | 593,876 |
| Externally Restrict Fund | | | | | | | |
| Endowment <i>[note 7]</i> | 111,055 | - | - | - | - | - | 111,055 |
| Total | 727,564 | 8,259,089 | 7,672,926 | 586,163 | 509,889 | - | 803,838 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Core

| Year ended March 31 | 2020 | 2020 | 2019 |
|------------------------------------------------------------------------|--------------------|----------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Administrative support | 1,800 | 2,200 | 2,000 |
| Ministry of Children, Community and Social Services (MCCSS) | 8,205 | 8,200 | 8,200 |
| Ministry of Children, Community and Social Services (Trustee services) | - | 11,954 | 11,754 |
| Donations | | | |
| Individuals | 16,000 | 42,567 | 24,618 |
| Church bodies and other organizations | - | 300 | 500 |
| Local churches | 4,000 | 2,875 | 3,600 |
| Fundraising | 3,000 | 3,168 | 3,446 |
| Interest | - | 863 | 4,625 |
| Other rentals | - | 6,060 | 7,335 |
| Miscellaneous | 700 | 45 | 9,350 |
| Rental operations <i>[schedule 1]</i> | 101,705 | 97,864 | 120,084 |
| Total revenues | 135,410 | 176,096 | 195,512 |
| EXPENDITURES | | | |
| Advertising and promotion | 3,000 | - | 52 |
| Client emergency | 600 | 287 | 517 |
| Employee benefits - operating | 7,820 | 1,986 | 1,137 |
| - MCCSS | 1,365 | 1,365 | 1,590 |
| - Trustee services | - | 1,992 | 2,120 |
| Equipment rental and maintenance | - | 1,919 | 4,098 |
| Fundraising | 400 | 800 | 568 |
| Insurance | - | 1,339 | 1,392 |
| Interest and bank charges | 1,500 | 1,974 | 1,791 |
| New furnishings | - | 208 | 2,299 |
| Purchased services | 5,010 | 3,011 | 3,585 |
| Rent <i>[schedule 1]</i> | 19,510 | 17,920 | 18,486 |
| Staff training | 3,300 | 3,780 | 1,930 |
| Supplies | 5,245 | 6,733 | 5,751 |
| Travel | 300 | 151 | 817 |
| Wages and salaries - operating | 38,250 | 14,129 | 17,146 |
| - MCCSS | 6,840 | 6,835 | 6,610 |
| - Trustee services | - | 9,962 | 9,634 |
| Total expenditures | 93,140 | 74,391 | 79,523 |
| Excess of revenue over expenditures for the year | 42,270 | 101,705 | 115,989 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Chaplaincy

| Year ended March 31 | 2020 | 2020 | 2019 |
|---------------------------------------------------------------------|--------------------|-----------------|---------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 5,470 | 5,475 | 5,475 |
| Donations | | | |
| Individuals | 4,000 | 2,753 | 25,109 |
| Church bodies and other organizations | 2,000 | 2,000 | 2,000 |
| Local churches | 9,000 | 15,519 | 15,194 |
| Fundraising | 4,500 | 4,260 | 4,740 |
| Other organizations | - | 25 | 625 |
| Miscellaneous | 3,500 | - | - |
| Total revenues | 28,470 | 30,032 | 53,143 |
| EXPENDITURES | | | |
| Advertising and promotion | 210 | - | 7 |
| Employee benefits - operating | 9,105 | 9,870 | 10,112 |
| - MCCSS | 685 | 685 | 685 |
| Fundraising | 1,500 | 1,687 | 1,705 |
| New furnishings | - | 150 | - |
| Office, telephone, communication | 735 | 758 | 725 |
| Purchased services | 700 | 689 | 686 |
| Staff training | 100 | - | 26 |
| Travel | 1,000 | 1,275 | 1,385 |
| Wages and salaries - operating | 27,075 | 32,223 | 31,080 |
| - MCCSS | 4,785 | 4,790 | 4,790 |
| Total expenditures | 45,895 | 52,127 | 51,201 |
| Excess (shortfall) of revenue over expenditures for the year | (17,425) | (22,095) | 1,942 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Street Reach Ministries

| Year ended March 31 | 2020 | 2020 | 2019 |
|------------------------------------------------------------|--------------------|---------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Donations | | | |
| Individuals | 4,000 | 4,261 | 21,697 |
| Church bodies and other organizations | 38,000 | 38,000 | 34,833 |
| Local churches | 8,500 | 6,367 | 7,439 |
| Other organizations | 4,500 | 2,150 | 675 |
| Insurance settlement | - | 17,788 | - |
| Total revenues | 55,000 | 68,566 | 64,644 |
| EXPENDITURES | | | |
| Advertising and promotion | - | - | 49 |
| Employee benefits | 20,895 | 11,933 | 15,609 |
| Insurance | 350 | 408 | 406 |
| New furnishings | - | 674 | - |
| Purchased services | 1,280 | 2,863 | 3,839 |
| Rent | 10,200 | 6,000 | 11,050 |
| Staff training | 500 | 292 | 196 |
| Supplies | 1,200 | 2,046 | 1,209 |
| Telephone, communication and utilities | 4,705 | 2,690 | 5,313 |
| Travel | 4,500 | 4,436 | 2,678 |
| Wages and salaries | 30,753 | 37,560 | 29,775 |
| Total expenditures | 74,383 | 68,902 | 70,124 |
| Shortfall of revenue over expenditures for the year | (19,383) | (336) | (5,480) |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Luther Court Support Services

| Year ended March 31 | 2020 | 2020 | 2019 |
|---------------------------------------------------------------------|------------------------------|----------------|---------|
| | Budget <i>[unaudited]</i> | Actual | Actual |
| | \$ | \$ | \$ |
| REVENUES | | | |
| The District of Thunder Bay Social Services Administration Board | 192,000 | 192,120 | 191,520 |
| EXPENDITURES | | | |
| Advertising and promotion | 50 | - | 14 |
| Employee benefits | 30,670 | 30,052 | 26,063 |
| Insurance | 850 | 912 | 934 |
| New furnishings | - | 336 | 1,534 |
| Office, telephone and communication | 890 | 2,262 | 1,124 |
| Purchased services | 1,365 | 5,204 | 2,465 |
| Rent | 5,640 | 5,640 | 7,704 |
| Staff training | 350 | 921 | 723 |
| Supplies | 500 | 796 | 1,970 |
| Travel | 4,200 | 4,083 | 4,081 |
| Wages and salaries | 147,485 | 149,429 | 137,933 |
| Total expenditures | 192,000 | 199,635 | 184,545 |
| Excess (shortfall) of revenue over expenditures for the year | - | (7,515) | 6,975 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Adult Protective Service Worker

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|------------------|------------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 1,301,419 | 1,301,419 | 1,247,252 |
| EXPENDITURES | | | |
| Advertising and promotion | 900 | 424 | 624 |
| Employee benefits | 188,472 | 161,089 | 175,444 |
| New furnishings | - | 12,410 | 1,497 |
| Purchased services | 11,822 | 25,504 | 10,490 |
| Rent | 64,929 | 65,630 | 71,826 |
| Staff training | 2,500 | 2,001 | 3,903 |
| Supplies | 14,000 | 19,393 | 21,585 |
| Telephone, communication and utilities | 19,975 | 16,855 | 17,177 |
| Travel | 22,200 | 19,639 | 22,114 |
| Wages and salaries | 867,126 | 854,820 | 821,580 |
| Total expenditures | 1,191,924 | 1,177,765 | 1,146,240 |
| Expenditures - Allocated Administration | | | |
| Advertising | 100 | 47 | 69 |
| Employee benefits | 13,548 | 13,588 | 11,437 |
| Insurance | 7,100 | 7,765 | 8,107 |
| Purchased services | 5,371 | 4,767 | 1,478 |
| Rent | 1,812 | 1,812 | 2,562 |
| Telephone and utilities | 945 | 792 | 774 |
| Wages | 80,619 | 79,241 | 67,866 |
| Total expenditures - allocated administration | 109,495 | 108,012 | 92,293 |
| Excess of revenue over expenditures for the year | - | 15,642 | 8,719 |
| Due to Ministry of Children, Community and Social Services | | 15,642 | 8,719 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Developmental Services Ontario Northern Region

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|------------------|------------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 1,476,747 | 1,476,747 | 1,417,368 |
| EXPENDITURES | | | |
| Advertising and promotion | 3,126 | - | (52) |
| Employee benefits | 212,773 | 185,971 | 184,354 |
| New furnishings | 14,000 | 20,595 | 7,120 |
| Purchased services | 25,511 | 17,079 | 10,941 |
| Rent | 76,571 | 77,010 | 81,675 |
| Service agreements | 3,000 | 1,663 | 2,331 |
| Staff training | 4,000 | 2,617 | 4,816 |
| Supplies | 16,000 | 26,430 | 19,286 |
| Telephone, communications and utilites | 28,260 | 22,058 | 25,306 |
| Travel | 33,070 | 17,112 | 50,222 |
| Wages and salaries | 941,399 | 898,110 | 904,280 |
| Total expenditures | 1,357,710 | 1,268,645 | 1,290,279 |
| Expenditures - Allocated Administration | | | |
| Advertising | 347 | - | - |
| Employee benefits | 14,152 | 14,412 | 16,131 |
| Insurance | 8,500 | 9,213 | 7,956 |
| Purchased services | 5,654 | 4,941 | 2,758 |
| Rent | 3,759 | 3,759 | 3,840 |
| Telephone and utilities | 1,740 | 1,413 | 1,804 |
| Wages | 84,885 | 84,365 | 94,422 |
| Total expenditures - allocated administration | 119,037 | 118,103 | 126,911 |
| Excess of revenue over expenditures for the year | - | 89,999 | 178 |
| Due to Ministry of Children, Community and Social Services | | 89,999 | 178 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Passport - Administration and Operation

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|----------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 639,683 | 639,683 | 872,691 |
| EXPENDITURES | | | |
| Advertising and promotion | 450 | 644 | 61 |
| Employee benefits | 98,685 | 95,108 | 119,611 |
| Interest and bank charges | - | - | 437 |
| New furnishings | - | 2,340 | 1,089 |
| Purchased services | 4,096 | 3,695 | 12,050 |
| Rent | 31,106 | 31,140 | 35,080 |
| Service agreements | 6,000 | 1,710 | 6,371 |
| Staff training | 1,400 | 40 | 150 |
| Supplies | 16,000 | 11,227 | 24,632 |
| Travel | 14,108 | 3,811 | 9,865 |
| Utilities | 9,450 | 9,653 | 9,590 |
| Wages and salaries | 438,100 | 454,906 | 619,957 |
| Total expenditures | 619,395 | 614,274 | 838,893 |
| Expenditures - Allocated Administration | | | |
| Advertising | 50 | 71 | 7 |
| Employee benefits | 2,095 | 2,126 | 1,914 |
| Purchased services | 2,579 | 1,187 | 1,196 |
| Rent | 2,194 | 2,197 | 2,864 |
| Telephone and utilities | 850 | 875 | 884 |
| Wages | 12,520 | 12,446 | 11,200 |
| Total expenditures - allocated administration | 20,288 | 18,902 | 18,065 |
| Excess of revenue over expenditures for the year | - | 6,507 | 15,733 |
| Due to Ministry of Children, Community and Social Services | | 6,507 | 15,733 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Passport - Direct Funding

Year ended March 31

| | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|--------|-----------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | - | - | 5,474,310 |
| EXPENDITURES | | | |
| DS Self-Managed Supports - Direct | - | - | 3,451,935 |
| DS Self-Managed Supports - Indirect | - | - | 1,991,426 |
| Total expenditures | - | - | 5,443,361 |
| Excess of revenue over expenditures for the year | - | - | 30,949 |
| Due to Ministry of Children, Community and Social Services | | - | 30,949 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Psychological Assessments

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|----------------|---------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | - | 211,868 | 95,900 |
| EXPENDITURES | | | |
| Payouts to service providers | - | 202,492 | 88,400 |
| Total expenditures | - | 202,492 | 88,400 |
| Excess of revenue over expenditures for the year | - | 9,376 | 7,500 |
| Due to Ministry of Children, Community and Social Services | | 9,376 | 7,500 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Specialized Service Coordination

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|----------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 157,680 | 157,680 | 155,900 |
| EXPENDITURES | | | |
| Advertising and promotion | - | 333 | 15 |
| Employee benefits | 24,995 | 25,126 | 24,684 |
| New furnishings | - | 1,425 | - |
| Office supplies | 1,400 | 2,560 | 1,151 |
| Purchased services | 500 | 4,214 | 1,234 |
| Rent | 7,435 | 7,361 | 7,341 |
| Staff training | 500 | - | 450 |
| Telephone and utilities | 1,410 | 1,337 | 1,195 |
| Travel | 1,845 | 1,707 | 853 |
| Wages and salaries | 118,545 | 106,360 | 115,829 |
| Total expenditures | 156,630 | 150,423 | 152,752 |
| Expenditures - Allocated Administration | | | |
| Advertising | - | 37 | - |
| Insurance | 460 | 478 | 519 |
| Purchased services | 440 | 243 | 181 |
| Rent | 60 | 60 | 60 |
| Telephone and utilities | 90 | 93 | 75 |
| Total expenditures - allocated administration | 1,050 | 911 | 835 |
| Excess of revenue over expenditures for the year | - | 6,346 | 2,313 |
| Due to Ministry of Children, Community and Social Services | | 6,346 | 2,313 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Mobile Integrated Team

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|----------------|---------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 475,605 | 525,605 | 214,400 |
| EXPENDITURES | | | |
| Employee benefits | 47,185 | 24,265 | 18,067 |
| Office supplies | 5,000 | 3,168 | 568 |
| Purchased services | 167,448 | 124,692 | 81,518 |
| Staff training | 25,000 | 3,939 | 11,660 |
| Telephone and utilities | 6,840 | 1,543 | 1,315 |
| Travel | 9,672 | 4,410 | 2,521 |
| Wages and salaries | 214,460 | 134,068 | 94,608 |
| Total expenditures | 475,605 | 296,085 | 210,257 |
| Excess of revenue over expenditures for the year | - | 229,520 | 4,143 |
| Due to Ministry of Children, Community and Social Services | | 229,520 | 4,143 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Multi-Year Residential Planning

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|----------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 398,859 | 398,859 | 325,754 |
| EXPENDITURES | | | |
| Employee benefits | 39,220 | 29,212 | 26,305 |
| Office supplies | 3,470 | 7,609 | 1,859 |
| Purchased services | 171,255 | 61,614 | 151,199 |
| Rent | 2,640 | - | - |
| Staff training | 3,000 | 950 | - |
| Telephone and utilities | 2,760 | 2,849 | 1,556 |
| Travel | 12,269 | 7,339 | 9,242 |
| Wages and salaries | 164,245 | 172,111 | 118,403 |
| Total expenditures | 398,859 | 281,684 | 308,564 |
| Excess of revenue over expenditures for the year | - | 117,175 | 17,190 |
| Due to Ministry of Children, Community and Social Services | | 117,175 | 17,190 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

CAS/TAY Approvals

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|------------------|-----------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | - | 2,558,609 | 1,271,190 |
| EXPENDITURES | | | |
| Payout to transfer payment agencies | - | 2,558,609 | 1,053,602 |
| Total expenditures | - | 2,558,609 | 1,053,602 |
| Excess of revenue over expenditures for the year | - | - | 217,588 |
| Due to Ministry of Children, Community and Social Services | | - | 217,588 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Transition Coordination

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|----------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 274,782 | 274,782 | 250,785 |
| EXPENDITURES | | | |
| Advertising and promotion | 940 | - | 8 |
| Employee benefits | 32,466 | 31,184 | 33,458 |
| New furnishings | - | 591 | - |
| Office supplies | 4,000 | 1,957 | 969 |
| Purchased services | 171 | 224 | 141 |
| Rent | 19,524 | 19,570 | 21,005 |
| Staff training | 2,000 | 625 | 4,074 |
| Telephone, communications and utilities | 4,540 | 3,077 | 2,746 |
| Travel | 25,882 | 6,747 | 6,303 |
| Wages and salaries | 157,797 | 156,546 | 157,122 |
| Total expenditures | 247,320 | 220,521 | 225,826 |
| Expenditures - Allocated Administration | | | |
| Advertising | 105 | - | - |
| Employee benefits | 3,519 | 3,164 | 2,598 |
| Insurance | 2,000 | 2,018 | 1,115 |
| Purchased services | 969 | 1,043 | 277 |
| Rent | 1,536 | 1,536 | 1,536 |
| Telephone and utilities | 260 | 190 | 128 |
| Wages | 19,073 | 17,954 | 14,702 |
| Total expenditures - allocated administration | 27,462 | 25,905 | 20,356 |
| Excess of revenue over expenditures for the year | - | 28,356 | 4,603 |
| Due to Ministry of Children, Community and Social Services | | 28,356 | 4,603 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Specialized Equipment, Furniture and Training

| Year ended March 31 | 2020 | 2020 | 2019 |
|--------------------------------------------------------------------------|--------------------|----------------|----------------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | 234,800 | 239,126 | 145,368 |
| EXPENDITURES | | | |
| Payouts to transfer payment agencies equipment | 215,150 | 212,398 | 130,942 |
| Total expenditures | 215,150 | 212,398 | 130,942 |
| Expenditures - Allocated Administration | | | |
| Employee benefits | 3,245 | 3,019 | 2,043 |
| Purchased services | 80 | 485 | 520 |
| Rent | - | - | 1,800 |
| Supplies | - | 37 | 27 |
| Telephone and utilities | - | 64 | 6 |
| Wages | 16,325 | 16,155 | 10,547 |
| Total expenditures - allocated administration | 19,650 | 19,760 | 14,943 |
| Excess (shortfall) of revenue over expenditures for the year | - | 6,968 | (517) |
| Due to (from) Ministry of Children, Community and Social Services | | 6,968 | (517) |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Operations

Temporary Supports

| Year ended March 31 | 2020 | 2020 | 2019 |
|-------------------------------------------------------------------|--------------------|--------|-----------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| | <i>[unaudited]</i> | | |
| REVENUES | | | |
| Ministry of Children, Community and Social Services (MCCSS) | - | - | 1,318,659 |
| EXPENDITURES | | | |
| Employee benefits | - | - | 4,759 |
| Payouts for approved supports | - | - | 1,270,815 |
| Purchased services | - | - | 1,980 |
| Rent | - | - | 4,200 |
| Supplies | - | - | 91 |
| Telephone, communications and utilities | - | - | 28 |
| Wages and salaries | - | - | 24,610 |
| Total expenditures | - | - | 1,306,483 |
| Excess of revenue over expenditures for the year | - | - | 12,176 |
| Due to Ministry of Children, Community and Social Services | | - | 12,176 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay
Statement of Operations
Development Fund

| Year ended March 31 | 2020 | 2019 |
|-------------------------------------------------------------|------------|------------|
| | \$ | \$ |
| REVENUES | | |
| Interest | 776 | 491 |
| EXPENDITURES | - | - |
| Excess of revenue over expenditures for the year | 776 | 491 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay
Statement of Operations
Capital Reserve Fund

| Year ended March 31 | 2020 | 2019 |
|-------------------------------------------------------------|------------|------------|
| | \$ | \$ |
| REVENUES | | |
| Interest | 370 | 216 |
| EXPENDITURES | - | - |
| Excess of revenue over expenditures for the year | 370 | 216 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Statement of Cash Flows

Year ended March 31

| | | | | | | 2020 | 2019 |
|--------------------------------------------------------------------------|-----------------------------|--------------------------------------------------|---------------------------|----------------------------------|-------------------------|------------------|--------------------|
| | Unrestricted Funds \$ | Other Internally Restricted Funds \$ | Development Fund \$ | Capital Reserve Fund \$ | Endowment Fund \$ | Total \$ | Total \$ |
| OPERATING ACTIVITIES | | | | | | | |
| Excess of revenue over expenditures before interest | 70,896 | 3,369 | - | - | - | 74,265 | 108,945 |
| Add interest | 863 | - | 776 | 370 | - | 2,009 | 5,332 |
| Excess of revenue over expenditures for the year | 71,759 | 3,369 | 776 | 370 | - | 76,274 | 114,277 |
| Amortization of capital assets | 3,420 | - | - | - | - | 3,420 | 3,420 |
| Net change in non-cash working capital balances related to operations | | | | | | | |
| Accounts receivable | 112,634 | - | - | - | - | 112,634 | 207,819 |
| HST receivable | 3,942 | - | - | - | - | 3,942 | (337) |
| Prepaid expenses | 24,012 | - | - | - | - | 24,012 | (18,182) |
| Accounts payable | | | | | | | |
| - Program and Core | (72,001) | - | - | - | - | (72,001) | (1,386,004) |
| - Passport | - | - | - | - | - | - | (1,821,414) |
| Due to MCCSS | (766,892) | - | - | - | - | (766,892) | 320,577 |
| Deferred revenue | 32,485 | - | - | - | - | 32,485 | (2,810) |
| Cash provided by (used in) operating activities | (590,641) | 3,369 | 776 | 370 | - | (586,126) | (2,582,654) |
| INVESTMENT ACTIVITIES | | | | | | | |
| Transfer of funds | (43,000) | 40,000 | - | 3,000 | - | - | - |
| Decrease in prepaid rent | 6,429 | - | - | - | - | 6,429 | 6,429 |
| Cash provided by (used in) investment activities | (36,571) | 40,000 | - | 3,000 | - | 6,429 | 6,429 |
| Increase (decrease) in cash and cash equivalents during year | (627,212) | 43,369 | 776 | 3,370 | - | (579,697) | (2,576,225) |
| Cash and cash equivalents, beginning of year | 1,753,626 | 481,702 | 45,423 | 19,236 | 111,055 | 2,411,042 | 4,987,267 |
| Cash and cash equivalents, end of year | 1,126,414 | 525,071 | 46,199 | 22,606 | 111,055 | 1,831,345 | 2,411,042 |
| Cash consists of: | | | | | | | |
| Cash | 1,082,334 | 525,071 | 7,016 | - | - | 1,614,421 | 2,198,694 |
| Investments | 44,080 | - | 39,183 | 22,606 | 111,055 | 216,924 | 212,348 |
| | 1,126,414 | 525,071 | 46,199 | 22,606 | 111,055 | 1,831,345 | 2,411,042 |

See accompanying notes to the financial statements.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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:

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 \$234,527 [2019 - \$256,826]. 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 \$176,923 [2019 - \$181,114]. No provision has been made in these financial statements for this liability.

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.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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.

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.

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.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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.

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.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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.

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.

Donations

Donations are recorded as revenue when received.

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.

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 \$62,833 [2019 - \$61,368] at March 31, 2020. These cash funds have not been audited and are not included in the accompanying statement of financial position.

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.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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
- 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.

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, and 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.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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.

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 Ministry of Community and Social Services | Receivable/payable balance |

Contributed materials and 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

| | 2020 | 2019 |
|-------------------------------|----------------|----------------|
| | \$ | \$ |
| Office Relocation Fund | 424,327 | 381,461 |
| Core Program Contingency Fund | 100,744 | 100,241 |
| | 525,071 | 481,702 |

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

4. UNRESTRICTED FUND INVESTMENTS

| | 2020 | 2019 |
|--------------------------------------------------------------------------|---------------|--------|
| | \$ | \$ |
| Guaranteed Investments Certificates maturing August 13, 2022 at 2.00% | 44,080 | 43,312 |

5. DEVELOPMENT FUND INVESTMENTS

| | 2020 | 2019 |
|-------------------------------------|---------------|--------|
| | \$ | \$ |
| Cash | 7,016 | 6,678 |
| Guaranteed Investment Certificates | | |
| Short-term investments | | |
| Matured June 16, 2019 at 1.25% | - | 12,118 |
| Matured October 20, 2019 at 2.00% | - | 10,088 |
| Matured November 25, 2019 at 2.00% | - | 11,522 |
| Maturing June 16, 2020 at 1.25% | 12,185 | - |
| Maturing November 25, 2020 at 2.00% | 11,628 | - |
| Maturing February 4, 2021 at 2.30% | 5,185 | 5,017 |
| | 28,998 | 38,745 |
| Long-term investments | | |
| Maturing October 20, 2021 at 2.00% | 10,185 | - |
| | 39,183 | 38,745 |

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

6. CAPITAL RESERVE FUND INVESTMENTS

| | 2020 | 2019 |
|------------------------------------|---------------|--------|
| | \$ | \$ |
| Guaranteed Investment Certificates | | |
| Short-term investments | | |
| Matured March 6, 2020 at 1.00% | - | 6,487 |
| Matured March 11, 2020 at 2.00% | - | 3,584 |
| Matured March 14, 2020 at 2.00% | - | 6,162 |
| Maturing April 23, 2020 at 1.45% | 3,587 | 3,003 |
| Maturing March 11, 2020 at 2.00% | 6,060 | - |
| | 9,647 | 19,236 |
| Long-term investments | | |
| Maturing March 6, 2022 at 2.00% | 6,607 | - |
| Maturing March 16, 2022 at 2.00% | 6,352 | - |
| | 12,959 | - |
| | 22,606 | 19,236 |

7. ENDOWMENT FUND

Contributions of \$nil [2019 - \$nil] were made during the year. The Centre's contributions and third party contributions are held and invested by the Thunder Bay Community 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 [2019 - \$4,043] was distributed by the Thunder Bay Community Foundation and transferred to the operating fund. There were bank charges in the amount of \$nil [2019 - \$nil].

8. LEASEHOLD IMPROVEMENTS

| | 2020 | | 2019 |
|------------------------|---------|-----------------------------|-------------------|
| | Cost | Accumulated amortization | Net book value |
| | \$ | \$ | \$ |
| Leasehold improvements | 119,698 | 92,340 | 27,358 |
| | | | 30,780 |

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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

| | 2020 | 2019 |
|------------------------------------------------|----------------|------------------|
| | \$ | \$ |
| Adult Protective Service Worker | | |
| Current | 15,642 | 8,719 |
| Prior | 23,622 | 40,884 |
| Developmental Services Ontario Northern Region | | |
| Current | 89,999 | 178 |
| Prior | (33,168) | (19,727) |
| Passport - Administration and Operation | | |
| Current | 6,507 | 15,733 |
| Prior | - | 17,130 |
| Passport - Direct Funding | | |
| Current | - | 30,949 |
| Prior | (6,378) | 697,735 |
| Specialized Service Coordination | | |
| Current | 6,346 | 2,313 |
| Prior | 405 | 13,567 |
| Psychological Assessments | | |
| Current | 9,376 | 7,500 |
| Prior | 22,568 | 74,288 |
| CAS/TAY Approvals | | |
| Current | - | 217,588 |
| Prior | 77,962 | 155,127 |
| Mobile Integrated Team | | |
| Current | 229,520 | 4,143 |
| Multi-Year Residential Planning | | |
| Current | 117,175 | 17,189 |
| Prior | 517 | - |
| Transition Coordination | | |
| Current | 28,356 | 4,603 |
| Prior | 1,580 | 72,154 |
| Specialized Equipment, Furniture and Training | | |
| Current | 6,968 | (517) |
| Prior | 1,973 | (8,558) |
| Temporary Supports | | |
| Current | - | 12,176 |
| Prior | 88,412 | 91,098 |
| | 687,382 | 1,454,272 |

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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 August 30, 2020.

The Centre has entered into a five-year operating lease agreement with De Lage Landen Financial Services Canada Inc. for the lease of three Xerox Phaser 3635 MFP's for a period of 66 months from May 1, 2019 to October 31, 2024. The lease payments are \$133 per quarter plus HST.

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 \$672 per month plus HST for a period of 3 years ending June 30, 2022.

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 \$2,399 plus HST per month from May 1, 2018 to April 30, 2021.

Keewatin-Patricia District School Board for the lease of office space in Dryden, Ontario commencing September 1, 2015 for a period of five years, ending August 31, 2020, with a option to negotiate a new lease at the end of the five-year term. The lease payments are \$1,264 per month plus HST 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 commencing April 1, 2019 for a period of five years, ending March 31, 2024. The lease payments are \$750 per month plus HST.

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.

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.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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 \$nil [2019 - \$2,000] for administrative support, \$93,189 [2019 - \$120,084] for premises rent and \$6,060 [2019 - \$7,335] 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 [2019 - \$80,000] to be used for the future office relocation and \$nil [2019 - \$nil] 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.

16. BUDGETED FIGURES

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

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

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 5.50% at March 31, 2019.

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, investments and accounts payable.

The carrying value of cash, accounts receivable, due to Ministry of Children, Community and Social Services, 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.

20. IMPACTS OF COVID-19

Since early 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Lutheran Community Care Centre of Thunder Bay

Notes to the Financial Statements

March 31, 2020

The Centre's cash inflows have not been impacted as a result of the COVID-19 pandemic. In regards to cash outflows, there have been increases to new furnishings as the Centre purchased personal computers for employees working remotely. In-person pastoral care activity has been greatly reduced due to visiting restrictions in health care facilities. The drop-in operation of Street Reach Ministries has been suspended due to limits on the size of social gatherings.

The financial position and results of operations as of and for the year ended March 31, 2020 have not been materially impacted. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Centre for future periods.

Lutheran Community Care Centre of Thunder Bay
Schedule 1

Rental Operations- Core Fund

Year ended March 31

| | 2020 | 2020 | 2019 |
|---------------------------------------------------------|----------------|---------------|---------|
| | Budget | Actual | Actual |
| | \$ | \$ | \$ |
| REVENUES | | | |
| Rental | 101,705 | 97,864 | 120,084 |
| EXPENDITURES | | | |
| Amortization | 3,420 | 3,420 | 3,420 |
| Municipal taxes | 6,060 | 4,035 | 3,548 |
| Rent | 6,430 | 6,428 | 6,429 |
| Repairs and maintenance | 1,275 | 1,379 | 3,315 |
| Utilities | 2,325 | 2,658 | 1,774 |
| Total expenditures | 19,510 | 17,920 | 18,486 |
| Excess of revenue over expenditures for the year | 82,195 | 79,944 | 101,598 |