

Thunder Bay Counselling Centre
Financial Statements
For the year ended March 31, 2022

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Independent Auditor's Report

To the Members of Thunder Bay Counselling Centre

Qualified Opinion

We have audited the financial statements of Thunder Bay Counselling Centre (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of changes in net assets, operations 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 financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations for which the completeness is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to creditor contributions, other income, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 Organization 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (cont'd)

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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

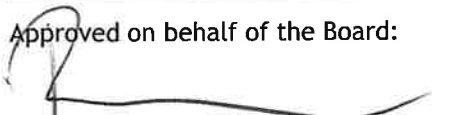
Chartered Professional Accountants, Licensed Public Accountants


Thunder Bay, Ontario
June 20, 2022

Thunder Bay Counselling Centre Statement of Financial Position

March 31	2022	2021
Assets		
Current		
Cash (Note 2)	\$ 1,809,490	\$ 1,362,387
Accounts receivable (Note 3)	190,421	289,388
Government remittances receivable	30,198	48,767
Prepays	6,874	12,202
	\$ 2,036,983	\$ 1,712,744
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 1,282,881	\$ 949,784
Deferred revenue (Note 5)	90,975	197,800
	1,373,856	1,147,584
Net Assets		
Internally restricted reserve (Note 6)	500,000	400,000
Unrestricted	163,127	165,160
	663,127	565,160
	\$ 2,036,983	\$ 1,712,744

Approved on behalf of the Board:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.

**Thunder Bay Counselling Centre
Statement of Changes in Net Assets**

For the year ended March 31			2022	2021
	Internally Restricted	Unrestricted	Total	Total
	(Note 6)			
Balance, beginning of year	\$ 400,000	\$ 165,160	\$ 565,160	\$ 467,813
Excess of revenue over expenditure for the year	-	97,967	97,967	98,351
Reserve transfer (Note 6)	100,000	(100,000)	-	-
Amortization	-	-	-	(1,004)
Balance, end of year	\$ 500,000	\$ 163,127	\$ 663,127	\$ 565,160

The accompanying notes are an integral part of these financial statements.

Thunder Bay Counselling Centre Statement of Operations

For the year ended March 31	2022	2021
Revenue		
Creditor contributions	\$ 25,975	\$ 43,775
Fee for service revenues	390,674	275,759
Ministry of the Attorney General		
- Child Victim Witness Program	165,000	165,000
- Support Services for Male Survivors	196,326	230,000
Ministry of Children, Community and Social Services		
- Alternative Dispute Resolution	648,650	568,893
- Child Witness Program	112,685	125,978
- Enhanced Youth Outreach Worker Program	160,200	160,200
- One-time funding	29,770	106,037
- Violence Against Women Program	514,541	506,532
- Youth-in-Transition / Housing Support Worker Program	225,000	225,000
Miscellaneous grants	37,723	60,443
Ontario Health North		
- Provincial Methadone Case Management	14,789	19,783
- Mental Health Programs	279,903	279,903
- One Time Funding	10,000	50,840
- Substance Abuse Programs	722,177	722,177
Other income	306,795	287,958
Prosper Canada	172,500	150,000
United Way of Thunder Bay	88,707	141,364
	\$ 4,101,415	\$ 4,119,642

The accompanying notes are an integral part of these financial statements.

Thunder Bay Counselling Centre Statement of Operations

For the year ended March 31	2022	2021
Expenses		
Salaries and employee benefits	\$ 2,812,762	\$ 2,841,683
Advertising	51,981	46,940
Bank charges	9,061	10,903
Board administration	2,981	15,594
Equipment rentals	4,323	7,330
Insurance and bonding	15,243	14,557
IT costs	48,557	73,066
Janitorial	27,412	13,800
Memberships	20,965	34,009
Mileage	8,630	4,652
Miscellaneous	8,140	5,354
Office supplies	19,356	25,877
Postage	562	1,304
Professional fees	13,829	14,492
Program expenses	519,867	399,916
Project expenses	144,008	233,495
Rent	147,156	145,771
Rent related	45,377	44,200
Repairs and maintenance	26,684	12,644
Staff training	34,346	21,007
Telephone/ video conferencing	42,105	49,786
Volunteer expenses	103	4,911
	<u>4,003,448</u>	<u>4,021,291</u>
Excess of revenue over expenses for the year	\$ 97,967	\$ 98,351

The accompanying notes are an integral part of these financial statements.

Thunder Bay Counselling Centre
Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 97,967	\$ 98,351
Changes in non-cash working capital balances:		
Accounts receivable	98,967	(168,032)
Government remittances receivable	18,569	(15,607)
Prepaids	5,328	10,095
Accounts payable and accrued liabilities	333,097	(27,894)
Deferred revenue	<u>(106,825)</u>	<u>89,010</u>
Increase (decrease) in cash during the year	447,103	(14,077)
Cash, beginning of year	<u>1,362,387</u>	<u>1,376,464</u>
Cash, end of year	\$ 1,809,490	\$ 1,362,387

The accompanying notes are an integral part of these financial statements.

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2022

1. Significant Accounting Policies

Basis of Accounting	These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards use the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.
Nature and Purpose of Organization	Thunder Bay Counselling Centre is a local organization operating programs aimed at strengthening and supporting people's quality of life through the provision of responsive mental health services. Thunder Bay Counselling Centre was formed on March 6, 1967 as a non-profit organization under the Ontario Corporations Act and is a registered charity under the Income Tax Act.
Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand and bank balances with a maturity of three months or less.
Revenue Recognition	Thunder Bay Counselling Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recognized when received. Fees from clients are recognized as earned on a monthly basis or as service is provided.

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2022

1. Significant Accounting Policies (cont'd)

Deferred Revenue	Unspent program funds are deferred with permission from the funding agency. Deferred funds must be spent on specific programs as outlined in the funding agreements.
Contributed Services	Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
Use of Estimates	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2022

2. Cash

	2022	2021
Ministry of Health and Long Term Care Midwifery bank account	\$ 951,119	\$ 713,183
Unrestricted general bank accounts	206,797	198,649
Internally restricted bank accounts (Note 6)	651,574	450,555
	\$ 1,809,490	\$ 1,362,387

The Organization's Ministry of Health and Long Term Care Midwifery and internally restricted bank accounts earn interest at a rate of 0.65% to 0.70%.

3. Accounts Receivable

	2022	2021
Children's Community Network	\$ 14,388	\$ 101,307
Resolute Forest Products	-	43,349
Ontario Health North	9,553	-
Prosper Canada	51,646	42,487
Health Canada	-	15,683
St. Joseph's Care Group	94,360	-
Kenora Midwives	-	1,003
Other	20,474	85,559
	\$ 190,421	\$ 289,388

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2022

4. Accounts Payable and Accrued Liabilities

	2022	2021
Ministry of Health and Long Term Care - Midwifery	\$ 732,821	\$ 714,186
Kenora Midwives	218,013	-
Ontario Health North	15,228	4,617
Ministry of Children, Community and Social Services	24,153	11,307
Ministry of the Attorney General	33,674	-
St. Joseph's Care Group	30,638	-
Wages payable	34,469	4,939
Firedog Communications	-	19,210
Lakehead Social Planning Council	10,000	8,270
Other	183,885	187,255
	\$ 1,282,881	\$ 949,784

5. Deferred Revenue

Deferred revenue represents restricted operating funding received in the current period that is related to expenses of a subsequent period.

	2022	2021
The Paterson Foundation	\$ 50,000	\$ 100,000
Canadian Women's Foundation	22,950	28,915
Ministry of Children, Community and Social Services	-	44,600
Other	18,025	24,285
	\$ 90,975	\$ 197,800

6. Net Assets

The Board of Directors has established through Policy that, for the financial health and stability of Thunder Bay Counselling Centre, the Organization must establish and maintain a restricted reserve. The target amount is equal to three months of average operating expenses over the previous five fiscal years plus an estimate of severance liabilities in the event of a wind-down of a program or of the organization. At its meeting on May 16, 2022, the Board of Directors passed a motion to increase the restricted reserve by \$100,000 to a total of \$500,000 for the March 31, 2022 year-end. The CEO remains authorized to use unrestricted reserves for the general operation of programs and services.

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2022

7. Economic Dependence

The Organization is dependent upon provincial grants from the Ministry of Children, Community and Social Services, the Ministry of the Attorney General, Ontario Health North, and upon support from the United Way of Thunder Bay to enable the Organization to continue certain programs.

8. Lease Commitment

The Organization has leased office facilities at the 544 Winnipeg Avenue location for \$11,974 per month with a 2% increase annually until December 2022.

9. Financial Instruments

a) Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and commitments.

b) Credit Risk

Credit risk is the risk of financial loss to the Organization if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Organization's receivables. The majority of the Organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

The Organization maintains all its bank accounts at one chartered bank. The Organization is exposed to credit risk as the balances in the accounts exceed the federally insured limit.

10. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.