

Thunder Bay Counselling Centre
Financial Statements
For the year ended March 31, 2024

Contents

Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	8
Notes to Financial Statements	9



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Independent Auditor's Report

To the Members of Thunder Bay Counselling Centre

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, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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 Opinion

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 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.

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.

Independent Auditor's Report (cont'd)

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 18, 2024


Thunder Bay Counselling Centre Statement of Financial Position

March 31	2024	2023
Assets		
Current		
Cash (Note 2)	\$ 1,417,115	\$ 2,593,461
Investment (Note 3)	500,000	-
Accounts receivable (Note 4)	202,905	141,236
Government remittances receivable	36,491	38,954
Prepays	-	13,802
	\$ 2,156,511	\$ 2,787,453
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 1,210,009	\$ 2,031,949
Deferred revenue (Note 6)	140,375	84,355
	1,350,384	2,116,304
Net Assets		
Internally restricted reserve (Note 7)	500,000	500,000
Unrestricted	306,127	171,149
	806,127	671,149
	\$ 2,156,511	\$ 2,787,453

Approved on behalf of the Board:



Director



Director

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

For the year ended March 31			2024	2023
	Internally Restricted	Unrestricted	Total	Total
	(Note 7)			
Balance, beginning of year	\$ 500,000	\$ 171,149	\$ 671,149	\$ 663,127
Excess of revenue over expenditure for the year	-	134,978	134,978	8,022
Balance, end of year	\$ 500,000	\$ 306,127	\$ 806,127	\$ 671,149

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

Thunder Bay Counselling Centre Statement of Operations

For the year ended March 31	2024	2023
Revenue		
Fee for service revenues	451,533	498,303
Ministry of the Attorney General		
- Child Victim Witness Program	165,000	165,000
- Partner Assault Response (PAR) Program	163,580	-
Ministry of Children, Community and Social Services		
- Alternative Dispute Resolution	667,643	620,800
- Child Witness Program	112,685	112,685
- Enhanced Youth Outreach Worker Program	181,800	160,200
- One Time Funding	25,850	30,600
- Support Services for Male Survivors	241,500	230,000
- Violence Against Women Program	651,278	556,003
- Youth-in-Transition / Housing Support Worker Program	228,631	225,000
Ministry of Solicitor General		
- General Counselling	114,220	91,460
- Trauma Counselling	13,309	-
Ontario Health Centre of Excellence		
- Provincial Methadone Case Management	26,700	25,400
Miscellaneous grants	23,456	22,000
Ontario Health		
- Mental Health Programs	293,903	279,903
- Substance Abuse Programs	613,210	583,927
- Choices Program	145,167	138,250
- One Time Funding	-	26,000
Other income	355,555	280,202
Prosper Canada	220,292	218,121
United Way of Thunder Bay	77,006	95,586
	\$ 4,772,318	\$ 4,359,440

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

Thunder Bay Counselling Centre Statement of Operations

For the year ended March 31	2024	2023
Expenses		
Salaries and employee benefits	\$ 3,419,641	\$ 3,148,683
Advertising	46,974	65,588
Bank charges	6,217	10,812
Board administration	16,035	8,608
DEIA expenses	3,990	6,845
Equipment rentals	7,413	6,914
Insurance and bonding	19,618	16,701
IT costs	88,488	76,642
Janitorial	18,974	23,444
Memberships	23,042	19,627
Mileage	24,380	20,326
Miscellaneous	9,647	15,192
Office furniture	2,383	5,099
Office supplies	25,557	34,479
Professional fees	26,016	18,834
Program expenses	535,542	524,014
Project expenses	56,382	61,144
Rent	153,457	150,100
Rent related	46,271	48,005
Repairs and maintenance	24,821	24,007
Staff training	33,205	17,561
Telephone/ video conferencing	47,566	48,049
Volunteer expenses	1,721	744
	<u>4,637,340</u>	<u>4,351,418</u>
Excess of revenue over expenses for the year	\$ 134,978	\$ 8,022

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	2024	2023
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 134,978	\$ 8,022
Changes in non-cash working capital balances:		
Accounts receivable	(61,669)	49,185
Government remittances receivable	2,463	(8,756)
Prepays	13,802	(6,928)
Accounts payable and accrued liabilities	(821,940)	749,068
Deferred revenue	56,020	(6,620)
	<u>(676,346)</u>	783,971
Cash flows from investing activities		
Purchase of Investment	<u>(500,000)</u>	-
Increase (decrease) in cash during the year	(1,176,346)	783,971
Cash, beginning of year	<u>2,593,461</u>	<u>1,809,490</u>
Cash, end of year	\$ 1,417,115	\$ 2,593,461

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

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2024

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 to support people's quality of life through the provision of community-based services that contribute to mental health and well-being. 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, 2024

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, 2024

2. Cash

	2024	2023
Ministry of Health and Long Term Care Midwifery bank account	\$ 749,516	\$ 1,554,998
Unrestricted general bank accounts	667,599	379,638
Internally restricted bank accounts (Note 7)	-	658,825
	\$ 1,417,115	\$ 2,593,461

The Organization's Ministry of Health and Long Term Care Midwifery and internally restricted bank accounts earn interest at a rate of 2.40% to 3.50%.

3. Investment

The Organization has a GIC that bears interest at 4.95% per annum and matures on July 26, 2024. This GIC has been set-aside to cover the internally restricted reserve (Note 7).

4. Accounts Receivable

	2024	2023
City of Thunder Bay	\$ 23,456	\$ -
Children's Centre Thunder Bay	11,482	14,388
Noojmawing Sookatagaing Ontario Health Team	66,120	-
Northern Ontario Heritage Funds	-	14,808
Ontario Health North	-	26,000
Prosper Canada	46,167	39,267
Resolute Forest Products	-	18,275
Marjorie House	13,053	-
Other	42,627	28,498
	\$ 202,905	\$ 141,236

Thunder Bay Counselling Centre Notes to Financial Statements

March 31, 2024

5. Accounts Payable and Accrued Liabilities

	2024	2023
Children Community Network	\$ 6,964	14,995
Children's Centre Thunder Bay	103,983	104,160
City of Thunder Bay	-	10,000
Firedog Communications	10,735	13,334
Lakehead Social Planning Council	12,500	-
Ministry of Health and Long Term Care - Midwifery	749,823	1,554,569
Ministry of Children, Community and Social Services	11,351	24,153
Ministry of the Attorney General	33,674	33,674
Ontario Health North	-	10,611
Thunder Bay District Mental Health and Addiction Network	36,945	-
Wages payable	91,963	72,910
Other	152,071	193,543
	\$ 1,210,009	\$ 2,031,949

6. Deferred Revenue

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

	2024	2023
Canadian Women's Foundation	\$ -	\$ 40,185
Children's Centre Thunder Bay	29,250	25,000
Ministry of Attorney General	90,000	-
Faye Peterson House - Anti-Human Trafficking	16,650	-
Other	4,475	19,170
	\$ 140,375	\$ 84,355

7. 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. 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, 2024

8. 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.

9. Lease Commitment

The Organization has leased office facilities at the 544 Winnipeg Avenue location for \$12,458 plus HST per month with a 2% increase annually on the first day of January each year, beginning in 2025. The term of the lease is for a 5 years and ends on December 31, 2028.

10. 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. Management feels they are not exposed to significant liquidity risk and there have been no major changes from the prior year.

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. Management feels there has been no change in risk from the prior year.

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.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments. The recent increase in interest rates has impacted the Organization favourably due to higher rates of return on the cash and GIC balances.