

ST. JOSEPH'S PARISH

Financial Statements

December 31, 2013

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Independent Auditor's Report

To the members of
St. Joseph's Parish

We have audited the accompanying financial statements of St. Joseph's Parish, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and changes in net assets and cash flows for the year ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-private 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis For Qualified Opinion

In common with many not-for-profit organizations, the parish derives revenues from cash donations and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these sources of revenues was limited to the amounts recorded in the records of the parish and we were not able to determine whether any adjustments might be necessary to revenues or net assets.

Independent Auditor's Report

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of St. Joseph's Parish as at December 31, 2013, and the results of its operations and its cash flows for the year ended December 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

The financial statements of St. Joseph's Parish for the year ended December 31, 2012 were audited by another firm of Chartered Professional Accountants who expressed a qualified opinion on those statements on June 3, 2013.

BOURIS, WILSON LLP

Chartered Professional Accountants, Licensed Public Accountants.

Ottawa, Ontario.

ST. JOSEPH'S PARISH

Statement of Operations And Changes In Net Assets

For The Year Ended December 31, 2013

	General Fund	St. Joseph's Women's Centre Fund (note 9)	Supper Table Fund	Refugee Fund
Revenues				
Bequests	\$ -	\$ -	\$ -	\$ -
Fundraising	-	75,926	18,397	-
Government contributions (note 9)	-	319,852	-	-
Hall and room rental	40,028	-	-	-
Healing centre	-	-	-	-
Investment income	5,353	-	-	-
Miscellaneous	29,442	-	-	-
Parking	167,626	-	-	-
Private contributions	19,067	132,382	109,771	5,000
Services	16,888	-	-	-
Special offerings	15,481	-	-	-
Sunday collections	376,789	-	-	-
	<u>670,674</u>	<u>528,160</u>	<u>128,168</u>	<u>5,000</u>
Expenses				
Administration (recovered)	47,169	22,123	11,421	(149)
Amortization	-	-	-	-
Bank charges and interest	5,308	1,353	1,353	-
Diocesan/Oblate tax	22,000	-	-	-
Food	-	14,361	30,469	-
Fundraising	-	23,683	2,535	-
Healing centre	-	-	-	-
Hospitality and aid	-	1,016	-	-
Insurance	24,322	11,226	11,226	-
Interest on long-term debt	1,061	707	397	-
Parking	108,663	-	-	-
Printing	6,867	2,163	1,028	-
Professional fees	2,436	4,320	4,320	-
Programs and services	-	38,425	-	-
Rent (recovered)	(56,810)	42,560	14,250	-
Repairs and maintenance	50,612	9,549	5,537	-
Salaries and benefits	356,996	281,845	81,675	-
Utilities and taxes	29,316	34,996	27,088	-
	<u>597,940</u>	<u>488,327</u>	<u>191,299</u>	<u>(149)</u>
Excess (deficiency) of revenue over expenses for the year	72,734	39,833	(63,131)	5,149
Net assets (deficit), beginning of year	37,775	220,117	(43,984)	2,731
Recovery (forgiveness) of related party advance	32,695	-	-	-
Acquisition of property, plant and equipment	(26,277)	-	(7,199)	-
Net assets (deficit), end of year	<u>\$ 116,927</u>	<u>\$ 259,950</u>	<u>\$ (114,314)</u>	<u>\$ 7,880</u>

The attached notes form an integral part of these financial statements.

	David Wink Fund	Bequests Fund	Invested in Property, Plant and Equipment (note 8)	Total 2013	Total 2012 (note 10)
Revenues					
Bequests	\$ -	\$ 108,416	\$ -	\$ 108,416	\$ 205,000
Fundraising	-	-	-	94,323	51,925
Government contributions (note 9)	-	-	-	319,852	313,580
Hall and room rental	-	-	-	40,028	25,758
Healing centre	-	-	-	-	1,730
Investment income	-	-	-	5,353	12,485
Miscellaneous	-	-	-	29,442	3,142
Parking	-	-	-	167,626	189,410
Private contributions	-	-	-	266,220	248,719
Services	-	-	-	16,888	26,276
Special offerings	-	-	-	15,481	26,676
Sunday collections	-	-	-	376,789	337,052
	-	108,416	-	1,440,418	1,441,753
Expenses					
Administration (recovered)	-	-	-	80,564	76,048
Amortization	-	-	49,462	49,462	42,931
Bank charges and interest	-	-	-	8,014	4,136
Diocesan/Oblate tax	-	-	-	22,000	22,000
Food	-	-	-	44,830	45,994
Fundraising	-	-	-	26,218	25,557
Healing centre	-	-	-	-	2,079
Hospitality and aid	-	-	-	1,016	3,217
Insurance	-	-	-	46,774	38,983
Interest on long-term debt	-	-	-	2,165	-
Parking	-	-	-	108,663	122,485
Printing	-	-	-	10,058	22,177
Professional fees	-	-	-	11,076	10,344
Programs and services	-	-	-	38,425	37,711
Rent (recovered)	-	-	-	-	-
Repairs and maintenance	-	-	-	65,698	81,291
Salaries and benefits	-	-	-	720,516	753,948
Utilities and taxes	-	-	-	91,400	86,575
	-	-	49,462	1,326,879	1,375,476
Excess (deficiency) of revenue over expenses for the year	-	108,416	(49,462)	113,539	66,277
Net assets (deficit), beginning of year	34,575	768,916	176,471	1,196,601	1,185,716
Recovery (forgiveness) of related party advance	-	-	-	32,695	(55,392)
Acquisition of property, plant and equipment	-	-	33,476	-	-
Net assets (deficit), end of year	\$ 34,575	\$ 877,332	\$ 160,485	\$ 1,342,835	\$ 1,196,601

The attached notes form an integral part of these financial statements.

ST. JOSEPH'S PARISH

Statement Of Financial Position

<u>December 31, 2013</u>	<u>2013</u>	<u>2012</u> (note 10)
Assets		
Current		
Cash	\$ 1,174,216	\$ 371,305
Term deposits	-	812,909
Accounts receivable	75,056	32,825
Prepaid expenses	24,639	31,687
	<u>1,273,911</u>	<u>1,248,726</u>
Investments (note 4)	19,426	17,499
Property, plant and equipment (notes 2, 5, 8)	183,974	176,471
	<u>\$ 1,477,311</u>	<u>\$ 1,442,696</u>
Liabilities And Net Assets		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 66,052	\$ 137,142
Deferred revenue and deposits held in trust	44,935	108,953
Current portion of capital lease payable (note 7)	6,643	-
	<u>117,630</u>	<u>246,095</u>
Capital lease payable (note 7)	16,846	-
	<u>134,476</u>	<u>246,095</u>
Net Assets		
Unrestricted - General fund	116,927	37,775
Invested in property, plant and equipment (note 8)	160,485	176,471
Externally restricted - St. Joseph's women's centre fund	259,950	220,117
Internally restricted - Supper table fund	(114,314)	(43,984)
- Refugee fund	7,880	2,731
- David Wink fund	34,575	34,575
- Bequests fund	877,332	768,916
	<u>1,342,835</u>	<u>1,196,601</u>
	<u>\$ 1,477,311</u>	<u>\$ 1,442,696</u>

The attached notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors:

ST. JOSEPH'S PARISH

Statement Of Cash Flows

For The Year Ended December 31, 2013

	2013	2012
		(note 10)
Cash flows from (for)		
Operating activities		
Excess of revenue over expenses for the year	\$ 113,539	\$ 66,277
Add (deduct) items not involving cash		
Amortization	49,462	42,931
Unrealized gain on investments	(1,927)	(1,495)
Recovery (forgiveness) of related party advance	32,695	(55,392)
	<u>193,769</u>	<u>52,321</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	(42,231)	20,648
Prepaid expenses	7,048	(2,666)
Owing from St. Vincent de Paul	-	55,399
Accounts payable and accrued liabilities	(71,090)	31,892
Deferred revenue and deposits held in trust	(64,018)	(4,963)
	<u>23,478</u>	<u>152,631</u>
Cash flows from operating activities		
Investing activities		
Purchase of property, plant and equipment	(26,965)	(52,168)
Financing activities		
Payments on capital lease	(6,511)	-
Change in cash and equivalents during the year	(9,998)	100,463
Cash and equivalents - beginning of year	1,184,214	1,083,751
- end of year	<u>\$ 1,174,216</u>	<u>\$ 1,184,214</u>
Cash and equivalents comprises the following:		
Cash	\$ 1,174,216	\$ 371,305
Term deposits	-	812,909
	<u>\$ 1,174,216</u>	<u>\$ 1,184,214</u>

The attached notes form an integral part of these financial statements.

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

1. Purpose of the organization:

St. Joseph's Parish is an Oblate parish providing Roman Catholic services to parishioners in the Ottawa Diocese. In addition, it provides a day program for disadvantaged women of the region as well as a supper program providing hospitality as well as food to needy individuals in the city.

The parish is a division of the Oblates of Mary Immaculate St. Peter's Province.

The church land and building are owned by the Oblates of Mary Immaculate St. Peter's Province.

St. Joseph's Parish is a registered charity in accordance with the Income Tax Act (Canada) and is exempt from income taxes.

2. Summary of significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP). The parish's significant accounting policies are as follows:

a) Fund accounting:

St. Joseph's Parish follows the restricted fund method of accounting for contributions.

General fund:

The general fund accounts for the parish's church activities. The fund reports unrestricted resources.

Invested in property, plant and equipment:

Invested in property, plant and equipment accounts for the parish's net investment in property, plant and equipment.

St. Joseph's women's centre fund (externally restricted):

The St. Joseph's women's centre fund provides daytime shelter and assistance for women and children. The contributors have imposed certain restrictions on expenditures.

Supper table fund (internally restricted):

The supper table fund provides meals to the needy.

Refugee fund (internally restricted):

The refugee fund is used to assist refugees in establishing a new life in Ottawa.

Bequests fund (internally restricted):

The bequests fund is to be used as an endowment fund, with only the interest being spent, for general purposes. The board of directors may authorize the use of the bequests fund to support capital projects in extraordinary circumstances.

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

2. Significant accounting policies (cont'd):

a) Fund accounting (cont'd):

David Wink fund (internally restricted):

The David Wink fund is to be used for the future renovation of the church.

The internally restricted funds are not available for unrestricted purposes without approval of the board of directors.

b) Cash and equivalents:

Cash and equivalents is comprised of cash on hand, cash in bank, undeposited funds and term deposits, net of any cheques issued and outstanding at the statement of financial position date.

c) Property, plant and equipment:

Property, plant and equipment is recorded at cost and amortized on a straight-line basis using the following annual rates:

Computer equipment	3 years
Website	3 years
Furniture and equipment	5 years
Furniture and equipment under capital lease	5 years
Building renovations	10 years

d) Revenue recognition:

Restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable. Unrestricted contributions are recognized as revenue of the general fund in the year received or receivable.

Rental revenue is recognized when the terms of the contract have been fulfilled. Any deposits are deferred and recognized when the contract has been fulfilled.

e) Imputed interest:

Imputed interest is amortized over the term of the lease.

f) Allocated expenses:

The parish has allocated several operating expenses from the general fund to the women's centre fund and the supper table fund based on their proportionate usage.

g) Donated equipment, materials and services:

Donated equipment and materials are recorded at fair market value. The value of donated services cannot be reasonably estimated, therefore, no representation of these costs are reflected in the financial statements.

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

2. Significant accounting policies (cont'd):

h) Financial instruments:

Measurement:

The parish initially measures its financial instruments at fair values, except for certain non-arm's length transactions. Subsequently, all equity instruments that are quoted in an active market are measured at fair value, and all other financial instruments are recorded at cost or amortized cost.

Impairment:

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. Previously recognized losses may be reversed to the extent of the improvement but not in excess of the impairment loss. Any impairment of financial assets or subsequent reversal of impairments of financial assets is recorded in the period in which the impairment or subsequent reversal of impairment is determined.

Transaction costs:

Transaction costs are recognized in income in the period incurred, except for financial instruments that will be subsequently measured at amortized cost.

i) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. While management believes that the estimates used in preparing its financial statements are reasonable and prudent, actual results could differ from these estimates.

3. Risk management:

a) Capital risk management:

The parish considers its capital to be the balance maintained in its unrestricted net assets. The primary objective of the parish is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the board of directors of the parish with the objective of minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The parish is subject to externally imposed requirements of its capital in relation to the St. Joseph's women's centre fund grant received from the City of Ottawa that requires that the money received be spent only on women's centre activities.

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

3. Risk management (cont'd):

b) Financial instrument risk management:

Credit risk:

The parish is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value of accounts receivable on the balance sheet. Accounts receivable are non-interest bearing and are generally due within 30 to 60 days.

Liquidity risk:

Liquidity risk is the risk that the parish will not be able to meet its obligations on a timely basis or at a reasonable cost. The parish's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations.

Market risk:

The parish is exposed to market risk as a result of its investments. Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. The Parish's investments are primarily concentrated in Canada limiting the market risk associated with fluctuations in foreign currency.

In addition, the Parish has no material exposure to interest rate risk, currency risk or other price risk.

Management is of the opinion that there has been no change in the above risk exposures from 2012.

4. Investments comprise the following:

	2013		2012	
	Market Value	Cost	Market Value	Cost
Canadian equities	\$ 19,426	\$ 15,998	\$ 17,499	\$ 15,998

Investments are managed by investment managers who are under the direction of the Parish Council.

Equity securities consist of common shares of publicly traded corporations.

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

5. Property, plant and equipment comprises the following:

	2013			2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 45,059	\$ 44,081	\$ 978	\$ 739
Website	2,404	2,404	-	-
Furniture and equipment	153,169	121,379	31,790	53,078
Furniture and equipment under capital lease	30,000	6,000	24,000	-
Furniture and equipment healing centre	2,414	1,494	920	1,403
Furniture and equipment supper table	27,090	24,130	2,960	4,677
Building renovations - parish hall	30,052	3,832	26,220	5,163
Building renovations - supper table	154,271	75,736	78,535	90,463
Building renovations - women's centre	23,766	5,195	18,571	20,948
	<u>\$ 468,225</u>	<u>\$ 284,251</u>	<u>\$ 183,974</u>	<u>\$ 176,471</u>

During the year, property, plant and equipment was acquired at an aggregate cost of \$56,965 (2012 - \$52,168) of which \$30,000 (2012 - \$Nil) was acquired by means of a capital lease. Cash payments of \$26,965 (2012 - \$52,168) were made to purchase the assets.

During the year, \$6,000 (2012 - \$Nil) of amortization was expensed on property, plant and equipment under capital lease.

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2012 - \$4,364) for payroll remittances payable.

7. Capital lease payable comprises the following:

	2013	2012
9.66% capital lease payable in quarterly blended instalments of \$2,169, due February 2017, secured by equipment, with a net book value of \$24,000	\$ 27,528	\$ -
Less imputed interest	4,039	-
	<u>23,489</u>	-
Less current portion	6,643	-
	<u>\$ 16,846</u>	<u>\$ -</u>

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

7. Capital lease payable (cont'd):

The parish has future repayments as follows:

2014	\$	8,676
2015		8,676
2016		8,676
2017		1,500
		<u>27,528</u>
Less imputed interest		<u>4,039</u>
	\$	<u>23,489</u>

8. Invested in property, plant and equipment comprises the following:

	2013	2012
Property, plant and equipment (note 5)	\$ 183,974	\$ 176,471
Capital lease payable (note 7)	<u>(23,489)</u>	<u>-</u>
	<u>\$ 160,485</u>	<u>\$ 176,471</u>

9. Government assistance:

During the year, the parish received government assistance of \$319,852 (2012 - \$313,580), through the Oblates of Mary Immaculate - St. Peter's Province, from the City of Ottawa to assist in the operations of the women's centre. Details of the women's centre financial activities are as follows:

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Fundraising	\$ 31,000	\$ 75,926	\$ 35,650
Government contributions	319,300	319,852	313,580
Investment income	4,000	-	-
Private contributions	80,700	132,382	114,769
	<u>435,000</u>	<u>528,160</u>	<u>463,999</u>
Expenses			
Administration	9,300	22,123	26,274
Bank charges and interest	700	1,353	1,292
Food	26,000	14,361	13,670
Fundraising	2,000	23,683	14,420
Hospitality and aid	3,000	1,016	3,217
Insurance	11,040	11,226	11,272
Interest on long-term debt	-	707	-
Printing	4,000	2,163	1,221
Professional fees	3,340	4,320	-
Programs and services	47,300	38,425	37,711
Rent	38,500	42,560	35,000
Repairs and maintenance	6,500	9,549	9,549
Salaries and benefits	252,966	281,845	282,848
Utilities and taxes	24,900	34,996	31,213
	<u>429,546</u>	<u>488,327</u>	<u>467,687</u>
Excess (deficiency) revenue over expenses for the year	<u>\$ 5,454</u>	<u>\$ 39,833</u>	<u>\$ (3,688)</u>

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2013

9. Government assistance (cont'd):

Budgeted information is presented for information purposes only and has not been audited.

10. Comparative figures:

- a) The comparative figures were audited by another firm of Chartered Professional Accountants who expressed a qualified opinion on June 3, 2013.
- b) Certain of the comparative figures have been reclassified in order to conform to the method of financial statement presentation adopted in the current year.

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