

**FINANCIAL STATEMENTS**  
**For**  
**ST. JOSEPH'S PARISH**  
**For years ended**  
**DECEMBER 31, 2012 AND 2011**

**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, 2012 and 2011, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

*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.

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

*Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenues from contributions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verifications 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 contribution revenue, excess revenue over expenses and cash flow from operations for the years ended December 31, 2012 and 2011, current assets as at December 31, 2012 and 2011 and net assets as at January 1 and December 31 for both years. Our audit opinion on the financial statements for the year ended December 31, 2011 was modified accordingly because of the possible effects of this limitation in scope.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of St. Joseph's Parish as at December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Welch LLP*

Chartered Accountants  
Licensed Public Accountants

Ottawa, Ontario  
June 3, 2013.

**ST. JOSEPH'S PARISH**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 371,305	\$ 872,423
Term deposits (note 5)	812,909	211,328
Accounts receivable	8,258	37,172
Government remittances receivable	24,567	16,301
Prepaid expense	31,687	29,021
Owing from St. Vincent de Paul	-	55,399
	1,248,726	1,221,644
<b>INVESTMENTS</b> (note 5)	17,499	16,004
<b>CAPITAL ASSETS</b> (note 6)	176,471	167,234
	<b>\$ 1,442,696</b>	<b>\$ 1,404,882</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 137,142	\$ 105,250
Deferred revenue	64,007	53,790
Deferred contributions (note 7)	44,946	60,126
	246,095	219,166
<b>NET ASSETS</b>		
Unrestricted - general	31,993	76,993
Invested in capital assets	176,471	167,234
Externally restricted - St. Joseph's Women's Centre Fund	220,117	278,589
Internally restricted - Mass Fund	5,782	5,782
- Supper Table Fund	(43,984)	57,287
- Refugee Fund	2,731	1,340
- David Wink Fund	34,575	34,575
- Bequests Fund	768,916	563,916
	1,196,601	1,185,716
	<b>\$ 1,442,696</b>	<b>\$ 1,404,882</b>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

**ST. JOSEPH'S PARISH**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

		(see Schedule)				
	Invested in Capital Assets	Externally Restricted Funds	Internally Restricted Funds	General Fund	2012 Total	2011 Total
<b>Revenue</b>						
Sunday collections	\$ -	\$ -	\$ -	\$ 360,299	\$ 360,299	\$ 288,534
Special offerings	-	-	-	26,676	26,676	32,226
Services	-	-	-	26,276	26,276	15,220
Bequests	-	-	205,000	-	205,000	260,000
Rent	-	-	-	85,759	85,759	102,385
Parking	-	-	-	189,410	189,410	165,947
Interest	-	-	-	10,984	10,984	12,617
Miscellaneous	-	-	-	19,661	19,661	55,380
Healing Centre	-	-	-	1,730	1,730	3,511
Government contributions	-	313,580	-	-	313,580	307,432
Private contributions	-	114,769	99,617	-	214,386	228,201
Fundraising	-	35,650	10,844	-	46,494	83,546
	<u>-</u>	<u>463,999</u>	<u>315,461</u>	<u>720,795</u>	<u>1,500,255</u>	<u>1,554,999</u>
<b>Expenses</b>						
Salaries and benefits	-	284,043	85,853	385,285	755,181	707,822
Repairs and maintenance	-	31,586	9,214	53,193	93,993	119,719
Utilities	-	23,653	19,257	16,504	59,414	42,774
Administration	-	52,708	25,000	55,365	133,073	131,025
Diocesan/Oblate tax	-	-	-	22,000	22,000	22,000
Taxes, insurance, legal and audit	-	16,277	15,979	33,917	66,173	56,279
Parking	-	-	-	122,485	122,485	124,561
Printing	-	-	-	16,260	16,260	15,333
Miscellaneous	-	-	6,366	-	6,366	14,139
Food	-	13,670	32,324	-	45,994	36,893
Hospitality and aid	-	3,217	-	-	3,217	6,493
Fundraising	-	14,420	11,137	-	25,557	30,927
Programs and services	-	40,750	-	-	40,750	34,512
Healing Centre	-	-	-	2,079	2,079	1,324
Amortization	42,931	-	-	-	42,931	36,495
	<u>42,931</u>	<u>480,324</u>	<u>205,130</u>	<u>707,088</u>	<u>1,435,473</u>	<u>1,380,296</u>
<b>Excess (deficiency) of revenue over expenses before item below</b>	(42,931)	(16,325)	110,331	13,707	64,782	174,703
<b>Adjustments to held for trading investments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,495</u>	<u>1,495</u>	<u>3,127</u>
<b>Excess (deficiency) of revenue over expenses</b>	(42,931)	(16,325)	110,331	15,202	66,277	177,830
<b>Fund balance, beginning of year</b>	167,234	278,589	662,900	76,993	1,185,716	1,007,886
<b>Forgiveness of related party advance</b>	-	-	-	(55,392)	(55,392)	-
<b>Acquisition of capital assets</b>	<u>52,168</u>	<u>(42,147)</u>	<u>(5,211)</u>	<u>(4,810)</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 176,471</u>	<u>\$ 220,117</u>	<u>\$ 768,020</u>	<u>\$ 31,993</u>	<u>\$ 1,196,601</u>	<u>\$ 1,185,716</u>

(See accompanying notes)

**ST. JOSEPH'S PARISH**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operations</b>		
Excess of revenue over expenses	\$ 66,277	\$ 177,830
Amortization	42,931	36,495
Adjustments to held-for-trading investments	(1,495)	(3,127)
Forgiveness of related party advance	<u>(55,392)</u>	<u>-</u>
	52,321	211,198
Changes in level of:		
Accounts receivable	28,914	(17,439)
Government remittances receivable	(8,266)	(5,058)
Prepaid expense	(2,666)	(8,381)
Owing from St. Vincent de Paul	55,399	-
Accounts payable and accrued liabilities	31,892	(40,685)
Deferred contributions	(15,180)	(32,680)
Deferred revenue	<u>10,217</u>	<u>(339)</u>
	<u>152,631</u>	<u>106,616</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	<u>(52,168)</u>	<u>(54,499)</u>
<b>Increase in cash</b>	100,463	52,117
<b>Cash, beginning of year</b>	<u>1,083,751</u>	<u>1,031,634</u>
<b>Cash, end of year</b>	<u>\$ 1,184,214</u>	<u>\$ 1,083,751</u>
<b>Cash consists of:</b>		
Cash	\$ 371,305	\$ 872,423
Term deposits	<u>812,909</u>	<u>211,328</u>
	<u>\$ 1,184,214</u>	<u>\$ 1,083,751</u>

(See accompanying notes)

**ST. JOSEPH'S PARISH**  
**SCHEDULE OF CONTINUITY OF RESTRICTED FUNDS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Externally Restricted		Internally Restricted						
	St. Joseph's Women's Centre Fund		Mass Fund	Supper Table Fund	Refugee Fund	David Wink Fund	Bequests Fund	2012 Total	2011 Total
	2012	2011							
<b>Revenue</b>									
Government contributions	\$ 313,580	\$ 307,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Private contributions	114,769	82,193	-	98,060	1,557	-	304,617	406,008	
Fundraising	35,650	57,801	-	10,844	-	-	10,844	25,745	
Interest	-	2,023	-	-	-	-	-	-	
	<u>463,999</u>	<u>449,449</u>	<u>-</u>	<u>108,904</u>	<u>1,557</u>	<u>-</u>	<u>315,461</u>	<u>431,753</u>	
<b>Expenses</b>									
Salaries and benefits	284,043	239,273	-	85,853	-	-	85,853	83,465	
Repairs and maintenance	31,586	26,791	-	9,214	-	-	9,214	3,280	
Utilities	23,653	19,161	-	19,257	-	-	19,257	19,160	
Administration	52,708	46,001	-	25,000	-	-	25,000	25,000	
Taxes, insurance, legal and audit	16,277	13,686	-	15,979	-	-	15,979	13,686	
Miscellaneous	40,750	34,512	-	6,200	166	-	6,366	14,139	
Food	13,670	12,692	-	32,324	-	-	32,324	24,201	
Hospitality and aid	3,217	1,817	-	-	-	-	-	-	
Fundraising	14,420	20,420	-	11,137	-	-	11,137	10,507	
	<u>480,324</u>	<u>414,353</u>	<u>-</u>	<u>204,964</u>	<u>166</u>	<u>-</u>	<u>205,130</u>	<u>193,438</u>	
<b>Excess (deficiency) of revenue over expenses</b>	(16,325)	35,096	-	(96,060)	1,391	-	205,000	238,315	
<b>Restricted fund balance, beginning of year</b>	278,589	254,228	5,782	57,287	1,340	34,575	563,916	425,887	
<b>Fund transfer</b>	-	-	-	-	-	-	-	(1,302)	
<b>Acquisition of capital assets</b>	(42,147)	(10,735)	-	(5,211)	-	-	(5,211)	-	
<b>Restricted fund balance, end of year</b>	<u>\$ 220,117</u>	<u>\$ 278,589</u>	<u>\$ 5,782</u>	<u>\$ (43,984)</u>	<u>\$ 2,731</u>	<u>\$ 34,575</u>	<u>\$ 768,916</u>	<u>\$ 662,900</u>	

(See accompanying notes)

**ST. JOSEPH'S PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**1. PURPOSE OF THE ORGANIZATION**

St. Joseph's Church is an Oblate Parish providing Roman Catholic services to parishioners in the Ottawa Diocese. It provides, in addition, 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.

This 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 within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

**2. ADOPTION OF CANADIAN STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

These are the parish's first set of financial statements prepared in accordance with ASNFPO. The parish presented financial statements under its previous Canadian generally accepted accounting principals ("CGAAP") annually to December 31st of each fiscal year up to, and including December 31, 2011.

As these financial statements are the first financial statements for which the parish has applied ASNFPO, the financial statements have prepared in accordance with the provisions set out in Section 1501 of ASNFPO, First-time Adoption by Not-for-Profit Organizations. Accordingly, the parish has applied ASNFPO retrospectively to all comparative financial statements presented.

Section 1501 provides organizations with certain elective exemptions with respect to the retrospective application of ASNFPO. However, the adoption of ASNFPO had no impact on the previously reported assets, liabilities, revenues, expenses and net assets of the parish, and accordingly, no adjustments have been recorded in the comparative statement of financial position and statements of operations, changes in net assets and cash flows. Since no retrospective adjustments were required to the parish's assets, liabilities and net assets as at January 1, 2011, the parish's date of transition to ASNFPO, a statement of financial position as at that date has not been provided. The account balances under ASNFPO at January 1, 2011 are consistent with the account balances that were reflected in the parish's previously issued statement of financial position as at December 31, 2010.

Certain disclosures have been added to these financial statements to comply with new ASNFPO requirements.



**ST. JOSEPH'S PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**3. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of accounting*

These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

*Fund accounting*

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

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

The invested in capital assets fund accounts for the parish's capital assets.

The externally restricted St. Joseph's Women's Centre fund accounts for the Women's Centre revenue and expenses. The contributors have imposed restrictions on expenditures.

The internally restricted funds account for revenue and expenses of the following funds: Mass, Supper Table, Refugee, Church Building, Bequests, and David Wink Project. These internally restricted funds are not available for unrestricted purposes without approval of the board.

*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.

*Capital assets*

Capital assets are recorded at acquisition cost for purchases over \$1,000. Amortization for computer equipment and website are provided on a straight-line basis over three years and for furniture and equipment on a straight-line basis over five years. Amortization for building renovations within the Supper Table, Women's Centre and Parish Hall are provided on a straight-line basis over ten years.

*Investments*

The parish initially measures its financial assets and financial liabilities at fair value and subsequently measures all of these financial instruments, except for investments, at cost or amortized cost. Investments are subsequently measured at fair value.

Transactions costs associated with the acquisition and disposal of investments are expensed as incurred.

*Donated equipment, materials and services*

Donated equipment, materials and investments are recorded at fair market value. The value of donated services, due to their voluntary nature, is not recorded in the accounts.

*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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of the parish's capital assets. Actual results could differ from those estimates.

**ST. JOSEPH'S PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**4. FINANCIAL INSTRUMENTS**

*Interest rate risk*

Investments in equity securities and term deposits are not exposed to significant interest rate risk.

*Currency risk*

The parish is not exposed to significant currency risk as most transactions occur in Canadian dollars.

*Credit risk*

The parish carries out, on a continuing basis a review of outstanding amounts and provides for uncollectible accounts if necessary.

*Liquidity risk*

Liquidity risk is the risk that the parish cannot meet its debts when they become due. The parish's management manages this risk by reviewing its expected future cash flow requirements.

*Changes in risk*

There have been no changes in the parish's risk exposures from the prior year.

**5. INVESTMENTS AND TERM DEPOSITS**

	2012		2011	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Canadian equities	\$ 17,499	\$ 15,998	\$ 16,004	\$ 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 and term deposits. The term deposits have an effective interest rate of 1.25% that mature in one month.

**ST. JOSEPH'S PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**6. CAPITAL ASSETS**

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Furniture and equipment	\$ 158,378	\$ 105,300	\$ 130,370	\$ 86,030
Computer equipment	44,147	43,408	43,042	42,960
Website	2,404	2,404	2,404	2,404
Building renovations - Supper Table	150,772	60,309	150,772	45,232
Furniture and equipment - Supper Table	23,389	18,712	23,389	14,034
Building renovations - Parish Hall	5,990	827	2,284	228
Building renovations - Women's Centre	23,766	2,818	4,417	442
Furniture and equipment - Healing Centre	<u>2,414</u>	<u>1,011</u>	<u>2,414</u>	<u>528</u>
	<u>411,260</u>	<u>\$ 234,789</u>	<u>359,092</u>	<u>\$ 191,858</u>
Accumulated amortization	<u>234,789</u>		<u>191,858</u>	
	<u>\$ 176,471</u>		<u>\$ 167,234</u>	

**7. DEFERRED CONTRIBUTIONS**

Deferred contributions are comprised of private donations which will be expended primarily for repairs and renovations as follows:

	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Recognized as Revenue</u>	<u>Ending Balance</u>
Women's Centre	\$ 44,456	\$ 43,200	\$ 52,385	\$ 35,271
General	<u>15,670</u>	<u>1,410</u>	<u>7,405</u>	<u>9,675</u>
	<u>\$ 60,126</u>	<u>\$ 44,610</u>	<u>\$ 59,790</u>	<u>\$ 44,946</u>

**ST. JOSEPH'S PARISH**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**8. RESTRICTED NET ASSETS FUNDS**

*Externally restricted*

- a) St. Joseph's Women's Centre Fund

The St. Joseph's Women's Centre fund provides daytime shelter and assistance for women and children.

*Internally restricted*

- a) Mass Fund

The Mass fund is used for special masses held in St. Joseph's Parish or disbursements to the English Oblates for masses elsewhere.

- b) Supper Table Fund

The Supper Table fund provides meals to the needy.

- c) Refugee Fund

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

- d) Bequests Fund

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

- e) David Wink Fund

The David Wink fund is to be used for future scholarships at Carleton University in the name of David Wink.

**9. COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary to conform to the presentation adopted for the current year.