

ST. JOSEPH'S PARISH

Financial Statements

December 31, 2015

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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 statements of financial position as at December 31, 2015 and December 31, 2014 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2015 and December 31, 2014, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 audits 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, 2015 and December 31, 2014, and the results of its operations and its cash flows for the years ended December 31, 2015 and December 31, 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

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, 2015

	General Fund	St. Joseph's Women's Centre Fund (note 9)	Supper Table Fund	Refugee Fund
Revenues				
Fundraising	\$ -	\$ 57,688	\$ 41,069	\$ -
Government contributions (note 9)	1,860	337,309	-	-
Hall and room rental	46,735	-	-	-
Healing centre	-	-	-	-
Investment income	3,125	865	-	-
Miscellaneous	662	-	-	-
Parking	174,786	-	-	-
Private contributions (note 10)	38,569	54,903	120,633	15,470
Services	12,060	-	-	-
Special offerings	25,786	-	-	-
Sunday collections	339,311	-	530	-
	<u>642,894</u>	<u>450,765</u>	<u>162,232</u>	<u>15,470</u>
Expenses				
Administration	38,292	14,919	7,830	880
Amortization	-	-	-	-
Bank charges and interest	1,673	911	294	-
Diocesan/Oblate tax	22,000	-	-	-
Food	-	15,547	19,678	-
Fundraising	136	24,902	3,399	-
Hospitality and aid	237	1,346	-	-
Insurance	23,581	10,883	10,883	-
Interest on long-term debt	670	424	274	-
Parking	115,934	-	-	-
Printing	9,866	125	381	-
Professional fees	2,901	4,256	4,256	-
Programs and services	-	22,644	-	-
Rent (recovered)	(56,810)	42,560	14,250	-
Repairs and maintenance	35,866	12,781	2,072	-
Salaries and benefits	319,664	279,617	103,872	-
Utilities and taxes	46,030	33,805	24,391	-
	<u>560,040</u>	<u>464,720</u>	<u>191,580</u>	<u>880</u>
Excess (deficiency) of revenue over expenses for the year	82,854	(13,955)	(29,348)	14,590
Net assets (deficit), beginning of year	160,182	277,181	(174,690)	7,880
Acquisition of property, plant and equipment	(7,308)	-	-	-
Net assets (deficit), end of year	<u>\$ 235,728</u>	<u>\$ 263,226</u>	<u>\$ (204,038)</u>	<u>\$ 22,470</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 2015	Total 2014
Revenues					
Fundraising	\$ -	\$ -	\$ -	\$ 98,757	\$ 84,006
Government contributions (note 9)	-	-	-	339,169	329,827
Hall and room rental	-	-	-	46,735	28,808
Healing centre	-	-	-	-	50
Investment income	-	-	-	3,990	4,221
Miscellaneous	-	-	-	662	6,418
Parking	-	-	-	174,786	167,390
Private contributions	-	-	-	229,575	213,355
Services	-	-	-	12,060	22,697
Special offerings	-	-	-	25,786	22,549
Sunday collections	-	-	-	339,841	340,535
	-	-	-	1,271,361	1,219,856
Expenses					
Administration	-	-	-	61,921	67,554
Amortization	-	-	70,712	70,712	57,926
Bank charges and interest	-	-	-	2,878	3,761
Diocesan/Oblate tax	-	-	-	22,000	22,000
Food	-	-	-	35,225	35,043
Fundraising	-	-	-	28,437	28,681
Hospitality and aid	-	-	-	1,583	669
Insurance	-	-	-	45,347	46,200
Interest on long-term debt	-	-	-	1,368	2,033
Parking	-	-	-	115,934	108,715
Printing	-	-	-	10,372	10,338
Professional fees	-	-	-	11,413	10,868
Programs and services	-	-	-	22,644	29,381
Rent (recovered)	-	-	-	-	-
Repairs and maintenance	-	-	-	50,719	55,437
Salaries and benefits	-	-	-	703,153	692,819
Utilities and taxes	-	-	-	104,226	99,086
	-	-	70,712	1,287,932	1,270,511
Excess (deficiency) of revenue over expenses for the year	-	-	(70,712)	(16,571)	(50,655)
Net assets (deficit), beginning of year	34,575	594,466	392,586	1,292,180	1,342,835
Acquisition of property, plant and equipment	-	(211,896)	219,204	-	-
Net assets (deficit), end of year	\$ 34,575	\$ 382,570	\$ 541,078	\$ 1,275,609	\$ 1,292,180

ST. JOSEPH'S PARISH

Statement Of Financial Position

December 31, 2015	2015	2014
Assets		
Current		
Cash	\$ 825,544	\$ 646,894
1.55% - 1.60% term deposits	-	275,308
Accounts receivable	34,748	80,543
Prepaid expenses	19,795	23,040
	880,087	1,025,785
Investments (notes 2, 4)	21,037	22,334
Property, plant and equipment (notes 2, 5, 7, 8)	550,616	409,433
	\$ 1,451,740	\$ 1,457,552
Liabilities And Net Assets		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 91,772	\$ 85,591
Deferred revenue and deposits held in trust	74,821	62,934
Current portion of capital lease payable (note 7)	8,038	7,308
	174,631	155,833
Capital lease payable (note 7)	1,500	9,539
	176,131	165,372
Net Assets (deficit)		
Unrestricted - General fund	235,728	160,182
Invested in property, plant and equipment (note 8)	541,078	392,586
Externally restricted - St. Joseph's women's centre fund	263,226	277,181
Internally restricted - Supper table fund	(204,038)	(174,690)
- Refugee fund	22,470	7,880
- David Wink fund	34,575	34,575
- Bequests fund	382,570	594,466
	1,275,609	1,292,180
	\$ 1,451,740	\$ 1,457,552

The attached notes form an integral part of these financial statements

Approved on behalf of the Members:

ST. JOSEPH'S PARISH

Statement Of Cash Flows

For The Year Ended December 31, 2015

2015

2014

Cash flows from (for)

Operating activities

Deficiency of revenue over expenses for the year	\$ (16,571)	\$ (50,655)
Add (deduct) items not involving cash		
Amortization	70,712	57,926
Unrealized loss (gain) on investments	1,297	(2,908)
	<u>55,438</u>	<u>4,363</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	45,795	(5,487)
Prepaid expenses	3,246	1,599
Accounts payable and accrued liabilities	6,181	19,539
Deferred revenue and deposits held in trust	11,887	17,999

Cash flows from operating activities

122,547 38,013

Investing activities

Purchase of property, plant and equipment	(211,896)	(283,385)
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Financing activities

Payments on capital lease	(7,309)	(6,642)
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Change in cash and equivalents during the year

(96,658) (252,014)

Cash and equivalents - beginning of year

922,202 1,174,216

- end of year

\$ 825,544 \$ 922,202

Cash and equivalents comprises the following:

Cash	\$ 825,544	\$ 646,894
Term deposits	-	275,308

\$ 825,544 \$ 922,202

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, 2015

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. 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 parish council 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, 2015

2. Summary of 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 parish council.

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 - 20 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, 2015

2. Summary of 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 parish council 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, 2015

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.

Interest rate risk:

The parish's interest bearing liabilities include a capital lease. The parish has a fixed interest rate on the capital lease payable, consequently, the exposure to fluctuations in the future cash flows with respect to these instruments, as a result of changes in market interest rates, is limited.

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 currency risk or other price risk.

Management is of the opinion that there have been no changes in the above risk exposures from 2014.

4. Investments comprise the following:

	2015		2014	
	Market Value	Cost	Market Value	Cost
Canadian equities	\$ 21,037	\$ 15,998	\$ 22,334	\$ 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, 2015

5. Property, plant and equipment comprises the following:

	2015			2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 46,337	\$ 45,486	\$ 851	\$ 305
Furniture and equipment	172,727	153,563	19,164	17,199
Furniture and equipment under capital lease	30,000	18,000	12,000	18,000
Furniture and equipment healing centre	2,414	2,414	-	437
Furniture and equipment supper table	27,090	25,610	1,480	2,220
Building renovations - Parish	34,434	10,281	24,153	23,215
Building renovations - supper table	154,791	106,694	48,097	63,576
Building renovations - women's centre	23,765	9,950	13,815	16,194
Building renovations - HVAC	338,275	30,621	307,654	260,457
Building renovations - roof	131,270	7,868	123,402	7,830
	\$ 961,103	\$ 410,487	\$ 550,616.	\$ 409,433

During the year, \$6,000 (2014 - \$6,000) 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 (2014 - \$Nil).

7. Capital lease payable comprises the following:

	2015	2014
9.66% capital lease payable in quarterly blended instalments of \$2,169, due February 2017, secured by equipment, with a net book value of \$12,000 (2014- \$18,000)	\$ 10,176	\$ 18,852
Less imputed interest	638	2,005
	9,538	16,847
Less current portion	8,038	7,308
	\$ 1,500	\$ 9,539

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2015

7. Capital lease payable (cont'd):

The parish has future repayments as follows:

2016	\$	8,676
2017		1,500
		<u>10,176</u>
Less imputed interest		<u>638</u>
	\$	<u>9,538</u>

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

	2015	2014
Property, plant and equipment (note 5)	\$ 550,616	\$ 409,433
Capital lease payable (note 7)	<u>(9,538)</u>	<u>(16,847)</u>
	<u>\$ 541,078</u>	<u>\$ 392,586</u>

9. Government assistance:

Included as part of Government contributions, the parish received government assistance of \$337,309 (2014 - \$324,749) during the year, 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:

	2015 Budget	2015 Actual	2014 Actual
Revenues			
Fundraising	\$ 60,000	\$ 57,688	\$ 50,564
Government contributions	331,000	337,309	329,827
Investment income	1,000	865	267
Private contributions	94,000	54,903	92,568
	<u>486,000</u>	<u>450,765</u>	<u>473,226</u>
Expenses			
Administration	11,100	14,919	19,620
Bank charges and interest	1,000	911	930
Food	24,000	15,547	15,671
Fundraising	15,000	24,902	25,584
Hospitality and aid	1,500	1,346	589
Insurance	12,040	10,883	11,088
Interest on long-term debt	-	424	407
Printing	1,300	125	848
Professional fees	4,140	4,256	4,095
Programs and services	38,000	22,644	29,381
Rent	42,560	42,560	42,560
Repairs and maintenance	6,500	12,781	4,745
Salaries and benefits	278,700	279,617	271,910
Utilities and taxes	29,600	33,805	28,567
	<u>465,440</u>	<u>464,720</u>	<u>455,995</u>
Excess of revenue over expenses (expenses over revenue), for the year	\$ 20,560	\$ (13,955)	\$ 17,231

ST. JOSEPH'S PARISH

Notes To The Financial Statements

For The Year Ended December 31, 2015

9. Government assistance (cont'd):

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

10. Private contributions:

Included in general fund private contributions is \$18,271 (2014 - \$Nil) for the raise the roof campaign.

11. Comparative figures:

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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