



Financial Statements

**The St. Christopher House**

March 31, 2008

# Contents

	<b>Page</b>
Auditors' Report	
Statement of Financial Position	2
Statement of Operations and Changes in Fund Balances	3 - 4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 9



Grant Thornton

## Auditors' Report

Grant Thornton LLP  
Royal Bank Plaza  
19th Floor, South Tower  
200 Bay Street, Box 55  
Toronto, ON  
M5J 2P9  
T (416) 366-0100  
F (416) 360-4949  
www.GrantThornton.ca

To the Directors of  
**The St. Christopher House**

We have audited the statement of financial position of **The St. Christopher House** as at March 31, 2008, and the statements of operations and changes in general fund balances, restricted fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Toronto, Ontario  
June 16, 2008

Chartered Accountants  
Licensed Public Accountants

# The St. Christopher House

## Statement of Financial Position

Year Ended March 31

	General Fund		Restricted Funds		Endowment Funds		Total	Total
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 17,719	\$ 63,105	\$ -	\$ -	\$ -	\$ -	\$ 17,719	\$ 63,105
Investments at fair value	541,090	407,148	449,797	556,664	212,642	212,642	1,203,529	1,176,454
Receivables	307,048	299,776	330,267	349,716	-	-	637,315	649,492
Prepaid insurance	30,258	29,912	-	-	-	-	30,258	29,912
	<u>896,115</u>	<u>799,941</u>	<u>780,064</u>	<u>906,380</u>	<u>212,642</u>	<u>212,642</u>	<u>1,888,821</u>	<u>1,918,963</u>
Capital assets (Note 4)	-	-	984,338	1,104,077	-	-	984,338	1,104,077
	<u>\$ 896,115</u>	<u>\$ 799,941</u>	<u>\$ 1,764,402</u>	<u>\$ 2,010,457</u>	<u>\$ 212,642</u>	<u>\$ 212,642</u>	<u>\$ 2,873,159</u>	<u>\$ 3,023,040</u>
<b>Liabilities</b>								
Current liabilities								
Payables and accruals	\$ 368,087	\$ 286,842	\$ 24,782	\$ 70,410	\$ -	\$ -	\$ 392,869	\$ 357,252
Deferred operating grants (Note 5)	223,002	252,694	-	-	-	-	223,002	252,694
Current portion of mortgage payable	-	-	3,112	2,323	-	-	3,112	2,323
	<u>591,089</u>	<u>539,536</u>	<u>27,894</u>	<u>72,733</u>	<u>-</u>	<u>-</u>	<u>618,983</u>	<u>612,269</u>
Mortgage payable (Note 6)	-	-	69,949	73,484	-	-	69,949	73,484
Deferred revenue (Note 7)	-	-	654,218	764,643	-	-	654,218	764,643
	<u>591,089</u>	<u>539,536</u>	<u>752,061</u>	<u>910,860</u>	<u>-</u>	<u>-</u>	<u>1,343,150</u>	<u>1,450,396</u>
<b>Fund Balances</b>								
Invested in capital assets	-	-	257,059	263,627	-	-	257,059	263,627
Externally restricted	-	-	240,465	318,474	212,642	212,642	453,107	531,116
Internally restricted	-	-	514,817	517,496	-	-	514,817	517,496
Unrestricted	305,026	260,405	-	-	-	-	305,026	260,405
	<u>305,026</u>	<u>260,405</u>	<u>1,012,341</u>	<u>1,099,597</u>	<u>212,642</u>	<u>212,642</u>	<u>1,530,009</u>	<u>1,572,644</u>
	<u>\$ 891,115</u>	<u>\$ 799,941</u>	<u>\$ 1,764,402</u>	<u>\$ 2,010,457</u>	<u>\$ 212,642</u>	<u>\$ 212,642</u>	<u>\$ 2,873,159</u>	<u>\$ 3,023,040</u>

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

# The St. Christopher House

## Statement of Operations and Changes in Fund Balances

Year Ended March 31

EXPENDITURES	General Fund			Restricted Funds			2008 Total	2008 Total	2007 Total
	Core	Art Affair	2008 Total	Externally Restricted	Specific Purposes	Capital Asset			
Salaries wages and employee benefits	\$ 4,159,209	\$ -	\$ 4,159,209	\$ 2,092,830	\$ -	\$ -	\$ 2,092,830	\$ 6,252,039	\$ 6,328,100
Building occupancy	290,935	-	290,935	187,525	-	-	187,525	478,460	537,740
Office expense	131,709	-	131,709	54,349	-	-	54,349	186,058	231,730
Recruitment/education	28,742	-	28,742	413	-	-	413	29,155	25,014
Communication and printing	11,140	10,202	21,342	4,842	-	-	4,842	26,184	32,855
Purchased services	271,073	-	271,073	232,421	-	-	232,421	503,494	436,134
Staff development	34,925	-	34,925	5,081	-	-	5,081	40,006	40,296
Staff travel	17,666	-	17,666	13,817	-	-	13,817	31,483	31,665
Transportation	54,355	-	54,355	36,986	-	-	36,986	91,341	83,857
Food services	217,991	-	217,991	2,349	-	-	2,349	220,340	213,680
Recreation and education programs	147,571	-	147,571	146,383	13,626	-	160,009	307,580	447,493
Depreciation	119,740	-	119,740	-	-	-	-	119,740	120,448
	<u>5,485,056</u>	<u>10,202</u>	<u>5,495,258</u>	<u>2,776,996</u>	<u>13,626</u>	<u>-</u>	<u>2,790,622</u>	<u>8,285,880</u>	<u>8,529,012</u>
<b>REVENUES</b>									
Federal government grant and subsidies	90,731	-	90,731	473,977	-	-	473,977	564,708	702,137
Provincial government grant - Ministry of Citizenship and Immigration	59,706	-	59,706	-	-	-	-	59,706	79,639
- Other	3,033,332	-	3,033,332	488,981	-	-	488,981	3,522,313	3,290,068
City of Toronto grants/ subsidies	330,214	-	330,214	598,392	-	-	598,392	928,606	1,106,155
United Way	744,592	-	744,592	206,675	-	-	206,675	951,267	835,661
Foundations	288,040	-	288,040	91,200	-	-	91,200	379,240	631,780
Investment income	42,446	-	42,446	-	-	-	-	42,446	58,286
Program fees	181,068	-	181,068	823,103	-	-	823,103	1,004,171	1,036,621
M.O.W. fees	148,058	-	148,058	-	-	-	-	148,058	133,950
Home help fees / respite	85,565	-	85,565	-	-	-	-	85,565	94,214
Alzheimers fees	65,622	-	65,622	-	-	-	-	65,622	72,903
Administration/supervision fees	212,685	-	212,685	-	-	-	-	212,685	298,141
Membership fees	185	-	185	1,688	-	-	1,688	1,873	384
Fundraising/donations	99,286	41,355	140,641	14,971	10,947	-	25,918	166,559	165,917
Deferred income realized	110,426	-	110,426	-	-	-	-	110,426	111,134
Adjustment to market value	-	-	-	-	-	-	-	-	11,371
	<u>5,491,956</u>	<u>41,355</u>	<u>5,533,311</u>	<u>2,698,987</u>	<u>10,947</u>	<u>-</u>	<u>2,709,934</u>	<u>8,243,245</u>	<u>8,628,361</u>

See accompanying notes to the financial statements.

**The St. Christopher House**  
**Statement of Operations and Changes in Fund Balances (Continued)**

Year Ended March 31

	General Fund			Restricted Funds			2008 <u>Total</u>	2008 <u>Total</u>	2007 <u>Total</u>
	<u>Core</u>	<u>Art Affair</u>	<u>2008 Total</u>	<u>Externally Restricted</u>	<u>Specific Purposes</u>	<u>Capital Asset</u>			
Excess (deficiency) of revenues over expenditures	\$ 6,900	\$ 31,153	\$ <b>38,053</b>	\$ (78,009)	\$ (2,679)	\$ -	\$ <b>(80,688)</b>	\$ <b>(42,635)</b>	\$ 99,349
Fund balances, beginning of year	-	260,405	<b>260,405</b>	318,474	517,496	263,627	<b>1,099,597</b>	<b>1,360,002</b>	1,252,629
Adjustment to market value	-	-	-	-	-	-	-	-	8,024
Interfund transfers	<u>6,568</u>	<u>-</u>	<u><b>6,568</b></u>	<u>-</u>	<u>-</u>	<u>(6,568)</u>	<u><b>(6,568)</b></u>	<u>-</u>	<u>-</u>
Fund balances, end of Year	\$ <u>13,468</u>	\$ <u>291,558</u>	\$ <u><b>305,026</b></u>	\$ <u>240,465</u>	\$ <u>514,817</u>	\$ <u>257,059</u>	\$ <u><b>1,012,341</b></u>	\$ <u><b>1,317,367</b></u>	\$ <u>1,360,002</u>

See accompanying notes to the financial statements.

# The St. Christopher House

## Statement of Cash Flows

Year Ended March 31

2008

2007

Increase (decrease) in cash and cash equivalents

<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ (42,635)	\$ 99,349
Depreciation	119,740	120,448
Deferred revenue	(110,425)	(111,134)
Adjustment to market value	<u>-</u>	<u>8,024</u>
	(33,320)	116,687
Change in non-cash operating working capital		
Receivables	12,177	49,050
Prepaid insurance	(346)	(29,912)
Payables and accruals	35,616	(9,665)
Deferred operating grants	<u>(29,692)</u>	<u>(67,201)</u>
	<u>(15,565)</u>	<u>58,959</u>
<b>Financing activity</b>		
Mortgage repayment	<u>(2,746)</u>	<u>(3,179)</u>
<b>Investing activity</b>		
Purchases of investments	<u>(27,075)</u>	<u>(54,557)</u>
Net (decrease) increase in cash and cash equivalents	(45,386)	1,223
Cash and cash equivalents, beginning of year	<u>63,105</u>	<u>61,882</u>
Cash and cash equivalents, end of year	\$ <u>17,719</u>	\$ <u>63,105</u>

Other information:

Cash and cash equivalents consist of:

Cash on hand and balances with banks	\$ <u>17,719</u>	\$ <u>63,105</u>
Interest paid	\$ <u>7,828</u>	\$ <u>4,026</u>

See accompanying notes to the financial statements.

---

# The St. Christopher House

## Notes to the Financial Statements

March 31, 2008

---

### 1. Purpose of the organization

The St. Christopher House is a multi-service neighbourhood centre operating programs and providing social and economic support services for individuals in the City of Toronto's west end. The St. Christopher House is a registered charity under the Income Tax Act.

---

### 2. Future accounting changes

Commencing April 1, 2008, the organization will be required to adopt the following new standards issued by the CICA:

Section 3862 – “Financial Instruments – disclosures” and Section 3863 – “Financial Instruments – Presentation”, which will replace Section 3861 “Financial Instruments Disclosure and Presentation”. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carried forward the former presentation requirements.

Section 1400 – “General Standards of Financial Statement Presentation”, which provides general guidance on financial statement presentation and further clarifies what constitutes fair presentation in accordance with GAAP.

Section 1535 – “Presentation of Financial Statements”, which will require additional disclosure of information about an entity's objectives, policies and processes for managing capital, as well as quantitative data about capital and whether the entity has complied with any capital requirements.

The new standards will have no impact on the organization's financial statements beyond the additional disclosures.

---

### 3. Significant accounting policies

#### Fund accounting

The St. Christopher House follows the restricted fund method of accounting for contributions.

#### Deferral method

The deferral method is used to account for contributions recorded in a fund that includes other than externally restricted contributions, which are restricted as to their use.

#### General fund

The General Fund accounts for the organization's core program delivery and administrative activities as well as the fundraising activities of the Annual Art Affair. The fund reports unrestricted resources.



---

# The St. Christopher House

## Notes to the Financial Statements

March 31, 2008

---

### 3. Significant accounting policies (continued)

#### Restricted funds

Satellite operations are reported as externally restricted funds that are to be used for specific programs.

Specific Purposes Funds have been formally set aside by the St. Christopher House to be used for specific purposes.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses of the St. Christopher House's capital assets.

The Endowment Fund reports resources contributed as endowments. Interest earned on those funds is recognized in core operations and is used to subsidize programs in accordance with the wishes of the donors. For clarity The Endowment Fund is distinct from St. Christopher Endowment, which is a separate organization.

#### Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of property and equipment over their estimated useful lives on a straight line basis are as follows:

Buildings	- 5%
Furniture, equipment and computers	- 25%
Automotive equipment	- 30%

#### Donated services and materials

Donated services of the volunteers are not recorded in the financial statements as the fair value of these services cannot reasonably be estimated. Donated materials received by way of gifts-in-kind are not recorded in the financial statements.

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and short term investments with original maturities of three months or less.

---

# The St. Christopher House

## Notes to the Financial Statements

March 31, 2008

---

### 3. Significant accounting policies (continued)

#### Revenue recognition

Contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All restricted contributions are recognized as revenue of the appropriate restricted fund.

Contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

#### Use of estimates

In preparing The St. Christopher House's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

#### Financial instruments

St. Christopher House classifies investments included on the balance sheet as held for trading and therefore are recorded at fair value. The accounts receivable was classified as loans and receivables and the payables and accruals and the mortgage payable were classified as other financial liabilities. The loans and receivables and other financial liabilities are reflected at amortized cost.

---

4. Capital assets			<u>2008</u>	<u>2007</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 197,200	\$ -	\$ 197,200	\$ 197,200
Buildings	1,555,803	792,264	763,539	841,330
Furniture, equipment and computers	200,943	193,638	7,305	21,912
Automotive equipment	<u>151,185</u>	<u>134,891</u>	<u>16,294</u>	<u>43,635</u>
	<u>\$ 2,105,131</u>	<u>\$ 1,120,793</u>	<u>\$ 984,338</u>	<u>\$ 1,104,077</u>

---

# The St. Christopher House

## Notes to the Financial Statements

March 31, 2008

---

### 5. Deferred operating grants

Deferred operating grants reported in the General Fund represent funding for programs received in the current period that relates to the subsequent period programs.

---

### 6. Mortgage payable

The mortgage payable is amortized over a 25 year term renewable every 5 years. Currently, the mortgage payable bears interest at 7.0% and matures June 2012. The building at 248 Ossington Ave. having a carrying value of \$185,904 is pledged as collateral.

---

### 7. Deferred revenue

Deferred revenue represents restricted grants and donations received to purchase capital assets. This amount will be amortized on the same basis as the cost of the related assets.

---

### 8. Commitments

The St. Christopher House has entered into various agreements to lease office equipment. The future minimum payments over the next five years and beyond are as follows:

2009	\$ 37,005
2010	37,005
2011	37,005
2012	37,005
2013	27,484
Thereafter	51,897

---

### 9. Financial instruments

#### Fair value of financial instruments

The estimated fair values of cash and short term investments, receivables and payables and accruals approximate carrying value due to the relatively short term nature of the instruments. The estimated fair value of the mortgage payable approximates the amortized cost due to the effective interest rate that is not significantly different from market rate.

#### Credit risk

The credit risk with respect to receivables is limited due to the majority of revenue coming from government sources.

#### Interest risk

The St. Christopher House is exposed to interest rate risk because the interest on its short term investments and mortgage payable may vary from time to time.