



Grant Thornton

Financial Statements

The St. Christopher House

March 31, 2010

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Grant Thornton

Auditors' Report

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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, 2010, and the statements of operations and changes in 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, 2010 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
May 28, 2010

Chartered Accountants
Licensed Public Accountants

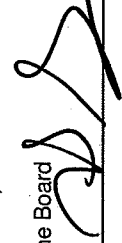
The St. Christopher House Statement of Financial Position

Year Ended March 31

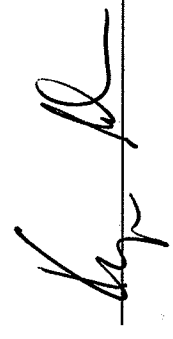
	General Fund		Restricted Funds		Endowment Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Assets								
Current assets								
Cash and cash equivalents	\$ 325,243	\$ 334,432	\$ -	\$ -	\$ 360,529	\$ 354,762	\$ 685,772	\$ 689,194
Investments at fair value	126,145	438,503	958,681	421,504	-	212,642	1,084,826	1,072,649
Receivables	385,452	350,744	390,567	276,149	-	-	776,019	626,893
Prepaid insurance	2,188	-	-	-	-	-	2,188	-
Capital assets (Note 4)	839,028	1,123,679	1,349,248	697,653	360,529	567,404	2,548,805	2,388,736
	-	-	805,155	882,947	-	-	805,155	882,947
	<u>\$ 839,028</u>	<u>\$ 1,123,679</u>	<u>\$ 2,154,403</u>	<u>\$ 1,580,600</u>	<u>\$ 360,529</u>	<u>\$ 567,404</u>	<u>\$ 3,353,960</u>	<u>\$ 3,271,683</u>
Liabilities								
Current liabilities								
Payables and accruals	\$ 541,831	\$ 548,514	\$ 42,331	\$ 37,883	\$ -	\$ -	\$ 584,162	\$ 586,397
Deferred operating grants (Note 5)	297,197	233,402	-	-	-	-	297,197	233,402
Current portion of mortgage payable	-	-	3,570	3,333	-	-	3,570	3,333
Mortgage payable (Note 6)	839,028	781,916	45,901	41,216	-	-	884,929	823,132
Deferred revenue (Note 7)	-	-	63,046	66,616	-	-	63,046	66,616
	-	-	493,663	562,141	-	-	493,663	562,141
	<u>839,028</u>	<u>781,916</u>	<u>602,610</u>	<u>669,973</u>	<u>-</u>	<u>-</u>	<u>1,441,638</u>	<u>1,451,889</u>
Fund Balances								
Invested in capital assets	-	-	244,876	250,857	-	-	244,876	250,857
Externally restricted	-	-	199,382	145,050	360,529	567,404	559,911	712,454
Internally restricted	-	-	1,107,535	514,720	-	-	1,107,535	514,720
Unrestricted	-	341,763	-	-	-	-	-	341,763
	-	341,763	1,551,793	910,627	360,529	567,404	1,912,322	1,819,794
	<u>\$ 839,028</u>	<u>\$ 1,123,679</u>	<u>\$ 2,154,403</u>	<u>\$ 1,580,600</u>	<u>\$ 360,529</u>	<u>\$ 567,404</u>	<u>\$ 3,353,960</u>	<u>\$ 3,271,683</u>

Commitments (Note 9)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

The St. Christopher House Statement of Operation and Changes in Fund Balances

Year Ended March 31

	General Fund			Restricted Funds			Endowment	
	Core	Art Affair	2010 Total	Externally Restricted	Specific Purposes	Capital Asset	Fund 2010	
							Total	Total
REVENUES								
Federal government grant and subsidies	95,618	-	95,618	437,966	-	-	533,584	364,936
Provincial government grant								
Ministry of Citizenship and Immigration	61,497	-	61,497	-	-	-	61,497	59,706
Other	3,303,079	-	3,303,079	2,227,599	-	-	5,530,678	4,884,712
City of Toronto grants/subsidies	340,127	-	340,127	816,985	-	-	1,157,112	965,836
United Way	717,397	-	717,397	104,640	-	-	822,037	830,682
Foundations	276,464	-	276,464	166,667	-	-	443,131	407,007
Investment income	16,566	-	16,566	-	-	-	16,566	45,227
Program fees	182,818	-	182,818	726,110	-	-	908,928	931,305
M.O.W. fees	138,064	-	138,064	-	-	-	138,064	123,834
Home help fees / respite	91,791	-	91,791	-	-	-	91,791	85,104
Alzheimers fees	100,391	-	100,391	-	-	-	100,391	83,476
Administration/supervision fees	253,778	-	253,778	-	-	-	253,778	360,126
Membership fees	310	-	310	-	-	-	310	404
Fundraising/donations	113,887	37,884	151,771	27,773	7,930	-	193,241	174,580
Deferred income realized	68,478	-	68,478	-	-	-	68,478	92,076
	<u>5,760,265</u>	<u>37,884</u>	<u>5,798,149</u>	<u>4,507,740</u>	<u>7,930</u>	<u>-</u>	<u>10,319,586</u>	<u>9,409,011</u>
EXPENDITURES								
Salaries wages and employee benefits	\$ 4,338,274	\$ -	\$ 4,338,274	\$ 2,452,719	\$ -	\$ -	\$ 6,790,993	\$ 6,465,261
Building occupancy	246,834	-	246,834	262,371	-	-	509,205	443,256
Office expense	160,462	-	160,462	87,520	-	-	247,982	200,132
Recruitment/education	28,912	-	28,912	-	-	-	28,912	20,285
Communication and printing	23,145	11,416	34,561	7,407	-	-	41,968	23,556
Purchased services	252,631	-	252,631	1,437,412	-	-	1,690,043	1,455,396
Staff development	22,005	-	22,005	5,394	-	-	27,399	38,987
Staff travel	21,687	-	21,687	11,400	-	-	33,087	34,308
Transportation	38,992	-	38,992	11,925	-	-	50,917	68,592
Food services	215,531	-	215,531	4,769	-	-	220,300	209,552
Recreation, education and other program expenses	281,075	-	281,075	172,491	6,249	-	459,815	362,790
Fundraising Expenses	48,645	-	48,645	-	-	-	48,645	50,482
Depreciation	77,792	-	77,792	-	-	-	77,792	101,391
	<u>5,755,985</u>	<u>11,416</u>	<u>5,767,401</u>	<u>4,453,408</u>	<u>6,249</u>	<u>-</u>	<u>10,227,058</u>	<u>9,473,988</u>

See accompanying notes to the financial statements.

The St. Christopher House
Statement of Operation and Changes in Fund Balances (Continued)
 Year Ended March 31

	General Fund		2010 Total	Externally Restricted	Restricted Funds		2010 Total	Endowment Fund		
	Code	Art Affair			Specific Purposes	Capital Asset		2010 Total	2010 Total	2009 Total
Excess (deficiency) of revenues over expenditures	\$ 4,280	\$ 26,468	\$ 30,748	\$ 54,332	\$ 1,681	\$ -	\$ 56,013	\$ 5,767	\$ 92,528	\$ (64,977)
Fund balances, beginning of year	-	341,763	341,763	145,050	514,720	250,857	910,627	567,404	1,819,794	1,884,771
Transfer of funds (Note 8)	-	(341,763)	(341,763)	-	554,405	-	554,405	(212,642)	-	-
Interfund transfers	(4,280)	(26,468)	(30,748)	-	36,729	(5,981)	30,748	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 199,382	\$ 1,107,535	\$ 244,876	\$ 1,551,793	\$ 360,529	\$ 1,912,322	\$ 1,819,794

See accompanying notes to the financial statements.

The St. Christopher House

Statement of Cash Flows

Year Ended March 31

2010

2009

Increase (decrease) in cash and cash equivalents

Operating activities		
Excess (deficiency) of revenues over expenses	\$ 92,528	\$ (64,977)
Depreciation	77,792	101,391
Deferred revenue	<u>(68,478)</u>	<u>(92,076)</u>
	101,842	(55,662)
Change in non-cash operating working capital		
Receivables	(149,126)	10,422
Prepaid insurance	(2,188)	30,258
Payables and accruals	(2,235)	193,528
Deferred operating grants	<u>63,795</u>	<u>10,400</u>
	<u>12,088</u>	<u>188,946</u>
Financing activity		
Mortgage repayment	<u>(3,333)</u>	<u>(3,112)</u>
Investing activity		
Endowment Fund receipts	-	354,762
Proceeds (purchases) of investments	<u>(12,177)</u>	<u>130,879</u>
	<u>(12,177)</u>	<u>485,641</u>
Net (decrease) increase in cash and cash equivalents	(3,422)	671,475
Cash and cash equivalents, beginning of year	<u>689,194</u>	<u>17,719</u>
Cash and cash equivalents, end of year	\$ <u>685,772</u>	\$ <u>689,194</u>

Other information:

Cash and cash equivalents consist of:

Cash on hand and balances with banks	\$ <u>685,772</u>	\$ <u>689,194</u>
Interest paid	\$ <u>4,702</u>	\$ <u>4,924</u>

See accompanying notes to the financial statements.

The St. Christopher House

Notes to the Financial Statements

March 31, 2010

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. Changes in accounting policies

The CICA amended Section 1000 to delete paragraph 1000.25 and amend paragraph 1000.46 to remove the reference to recognition of items as assets and liabilities solely on the basis of matching of net income elements. These changes are effective for the entity's year ended March 31, 2010.

Section 1535, "*Capital Disclosures*", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance.

CICA 4400 – "*Financial Statement Presentation by Not-for-Profit Organizations*", eliminates the requirement to present net assets invested in capital assets as a separate category of net assets.

CICA 4430 – "*Capital Assets Held by Not-for-Profit Organizations*", has been amended to reflect the changes in CICA 4400.

CICA 4460 – "*Disclosure of Related Party Transactions by Not-for-Profit Organizations*", has been amended to align the definition of related parties to CICA 3840, Related Party Transactions.

CICA 4470 – "*Disclosure of Allocated Expenses by Not-for-Profit Organizations*", establishes disclosure standards for a Not-for-Profit Organization that classified its expenses by function and allocated its expenses to a number of functions to which the expenses relate.

The adoption of these Handbook Sections has not had a material effect on the House's financial statements.

3. Significant accounting policies

Fund accounting

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

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 St. Christopher House

Notes to the Financial Statements

March 31, 2010

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.

These funds represent the amount of capital with externally imposed capital requirements. The St. Christopher House has complied with the restrictions.

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 expense allocation to restricted programs

Under the specific programs, the funders allow the allocation of certain general expenses to the programs which include finance and accounting charges and payroll and human resources administration. These expenses are allocated based on the funding requirements and guidelines for each funder. A total of \$126,993 (2009 - \$135,762) has been allocated from the general fund to the externally restricted funds.

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%

The St. Christopher House

Notes to the Financial Statements

March 31, 2010

3. Significant accounting policies (continued)

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.

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. 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. All restricted contributions are recognized as revenue of the appropriate restricted fund, except that contributions for endowment are recognized as a direct increase in the Endowment Fund net assets.

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.

The St. Christopher House Notes to the Financial Statements

March 31, 2010

4. Capital assets			<u>2010</u>	<u>2009</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	947,848	607,955	685,747
Furniture, equipment and computers	200,943	200,943	-	-
Automotive equipment	<u>151,185</u>	<u>151,185</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,105,131</u>	<u>\$ 1,299,976</u>	<u>\$ 805,155</u>	<u>\$ 882,947</u>

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 \$154,450 is pledged as collateral. The mortgage matures June 17, 2012 and is expected to be renewed. Principal repayments due in each of the next three years are as follows:

2011	\$ 3,570
2012	3,825
2013	<u>59,221</u>
	<u>\$ 66,616</u>

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. Transfer between Funds

During the year, the Board created and approved a transfer of the balance of the unrestricted funds to the internally restricted funds in the amount of \$341,763. In addition, the Board approved the transfer of endowment funds for which the external restriction requirements have been satisfied to the internally restricted fund in the amount of \$212,642.

The St. Christopher House

Notes to the Financial Statements

March 31, 2010

9. Commitments

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

2010	\$ 40,873
2011	42,409
2012	22,904

10. 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.