

The St. Christopher House

Financial Statements
**March 31, 2013, March 31, 2012 and
April 1, 2011**



June 19, 2013

Independent Auditor's Report

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

We have audited the accompanying financial statements of The St. Christopher House, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of operations, changes in fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012, and the related notes, which comprise 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 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 audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The St. Christopher House as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

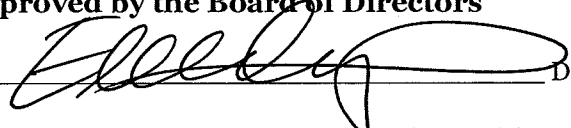
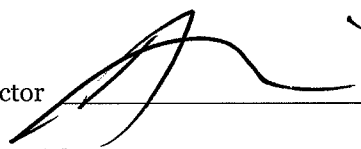
PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

The St. Christopher House
Statements of Financial Position

| | March 31, 2013 \$ | March 31, 2012 \$ | April 1, 2011 \$ |
|--|-------------------------|-------------------------|------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 869,766 | 338,110 | 451,675 |
| Short-term investments (note 9) | 505,856 | 499,687 | 480,000 |
| Amounts receivable (note 14) | 524,647 | 579,390 | 543,830 |
| Prepaid expenses | 4,743 | 6,779 | 40,773 |
| | <u>1,905,012</u> | <u>1,423,966</u> | <u>1,516,278</u> |
| Due from St. Christopher House Community Endowment (note 5) | 50,271 | - | 988,058 |
| Investments (note 9) | 1,090,830 | 1,018,793 | - |
| Capital assets (note 4) | <u>1,048,326</u> | <u>829,145</u> | <u>763,711</u> |
| | <u>4,094,439</u> | <u>3,271,904</u> | <u>3,268,047</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Amounts payable and accrued liabilities (note 14) | 1,258,839 | 814,970 | 813,663 |
| Due to St. Christopher House Community Endowment (note 5) | - | 29,715 | - |
| Deferred operating grants (note 7) | 271,780 | 208,305 | 268,952 |
| Mortgage payable (note 6) | 4,594 | 3,825 | 3,570 |
| | <u>1,535,213</u> | <u>1,056,815</u> | <u>1,086,185</u> |
| Mortgage payable (note 6) | 50,033 | 55,396 | 59,476 |
| Deferred capital contributions (note 8) | <u>765,082</u> | <u>542,280</u> | <u>536,113</u> |
| | <u>2,350,328</u> | <u>1,654,491</u> | <u>1,681,774</u> |
| Fund Balances | | | |
| General and Internally Restricted | 1,085,275 | 1,022,196 | 986,612 |
| Investment in Capital Assets | 228,924 | 233,644 | 239,132 |
| Externally Restricted | - | - | - |
| Endowed | <u>429,912</u> | <u>361,573</u> | <u>360,529</u> |
| | <u>1,744,111</u> | <u>1,617,413</u> | <u>1,586,273</u> |
| | <u>4,094,439</u> | <u>3,271,904</u> | <u>3,268,047</u> |
| Commitments (note 12) | | | |

Approved by the Board of Directors

 Director
  Director

The accompanying notes are an integral part of these financial statements.

The St. Christopher House

Statements of Operations

For the years ended March 31, 2013 and March 31, 2012

| | | | | | 2013 | 2012 |
|---|--|--|--------------------------------|---------------|-------------------|-------------------|
| | General and Internally Restricted \$ | Investment in Capital Assets \$ | Externally Restricted \$ | Endowed \$ | Total \$ | Total \$ |
| Revenues | | | | | | |
| Federal government (note 11) | - | - | 489,554 | - | 489,554 | 590,608 |
| Provincial government (note 11) | - | - | 6,269,001 | - | 6,269,001 | 6,264,726 |
| City of Toronto (note 11) | - | - | 1,061,040 | - | 1,061,040 | 1,035,304 |
| United Way | - | - | 831,845 | - | 831,845 | 834,326 |
| Foundations | - | - | 216,866 | - | 216,866 | 194,888 |
| Program fees | - | - | 1,392,609 | - | 1,392,609 | 1,355,711 |
| Administration/supervision fees | - | - | - | - | - | 10,484 |
| Membership fees | - | - | 985 | - | 985 | 1,286 |
| Fundraising/donations | 161,931 | - | - | - | 161,931 | 164,767 |
| Amortization of capital contributions (note 8) | - | 81,979 | - | - | 81,979 | 78,147 |
| Investment income (note 9) | 104,886 | - | - | - | 104,886 | 10,377 |
| | <u>266,817</u> | <u>81,979</u> | <u>10,261,900</u> | <u>-</u> | <u>10,610,696</u> | <u>10,540,624</u> |
| Expenses | | | | | | |
| Salaries, wages and employee benefits | - | - | 7,405,127 | - | 7,405,127 | 7,232,475 |
| Building occupancy | - | - | 322,711 | - | 322,711 | 306,564 |
| Office | - | - | 249,082 | - | 249,082 | 209,728 |
| Recruitment/education | - | - | 31,199 | - | 31,199 | 26,995 |
| Communication and printing | - | - | 41,135 | - | 41,135 | 6,391 |
| Purchased services | - | - | 1,424,159 | - | 1,424,159 | 1,693,275 |
| Staff development | - | - | 42,164 | - | 42,164 | 33,811 |
| Staff travel | - | - | 36,890 | - | 36,890 | 34,855 |
| Transportation | - | - | 82,334 | - | 82,334 | 74,287 |
| Food services | - | - | 251,771 | - | 251,771 | 259,762 |
| Program expenses | - | - | 511,586 | - | 511,586 | 463,619 |
| Fundraising | 62,886 | - | - | - | 62,886 | 81,306 |
| Depreciation | - | 91,293 | - | - | 91,293 | 87,460 |
| | <u>62,886</u> | <u>91,293</u> | <u>10,398,158</u> | <u>-</u> | <u>10,552,337</u> | <u>10,510,528</u> |
| Excess (deficiency) of revenues over expenses for the year | <u>203,931</u> | <u>(9,314)</u> | <u>(136,258)</u> | <u>-</u> | <u>58,359</u> | <u>30,096</u> |

The accompanying notes are an integral part of these financial statements.

The St. Christopher House

Statements of Changes in Fund Balances

For the years ended March 31, 2013 and March 31, 2012

| | General and Internally Restricted \$ | Investment in Capital Assets \$ | Externally Restricted \$ | Endowed \$ | Total \$ |
|---|--|--|--------------------------------|---------------|-------------|
| Fund balances - April 1, 2011 | 986,612 | 239,132 | - | 360,529 | 1,586,273 |
| Excess (deficiency) of revenues over expenses for the year | 104,322 | (9,313) | (64,913) | - | 30,096 |
| Endowed funds received during the year | - | - | - | 1,044 | 1,044 |
| Interfund transfers (note 10) | (68,738) | 3,825 | 64,913 | - | - |
| Fund balances - March 31, 2012 | 1,022,196 | 233,644 | - | 361,573 | 1,617,413 |
| Excess (deficiency) of revenues over expenses for the year | 203,931 | (9,314) | (136,258) | - | 58,359 |
| Endowed funds received during the year | - | - | - | 68,339 | 68,339 |
| Interfund transfers (note 10) | (140,852) | 4,594 | 136,258 | - | - |
| Fund balances - March 31, 2013 | 1,085,275 | 228,924 | - | 429,912 | 1,744,111 |

The accompanying notes are an integral part of these financial statements.

The St. Christopher House

Statements of Cash Flows

For the years ended March 31, 2013 and March 31, 2012

| | 2013 \$ | 2012 \$ |
|---|-----------------|--------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess of revenues over expenses for the year | 58,359 | 30,096 |
| Depreciation | 91,293 | 87,460 |
| Amortization of capital contributions | (81,979) | (78,147) |
| Unrealized fair value gains | (36,585) | (1,020) |
| | <u>31,088</u> | <u>38,389</u> |
| Change in non-cash operating working capital | | |
| Amounts receivable | 54,743 | (35,560) |
| Prepaid expenses | 2,036 | 33,994 |
| Due from (to) St. Christopher House Community Endowment | (79,986) | 1,017,773 |
| Amounts payable and accrued liabilities | 443,869 | 1,307 |
| Deferred operating grants | 63,475 | (60,647) |
| | <u>515,225</u> | <u>995,256</u> |
| Financing activities | | |
| Mortgage repayment | (4,594) | (3,825) |
| Endowed funds received | 68,339 | 1,044 |
| | <u>63,745</u> | <u>(2,781)</u> |
| Investing activities | | |
| Increase in deferred capital contributions | 304,781 | 84,314 |
| Purchases of investments | (65,167) | (1,017,773) |
| Sale of investments | 29,715 | - |
| Purchases of short-term investments | (505,856) | (499,687) |
| Redemption of short-term investments | 499,687 | 480,000 |
| Purchase of capital assets | (310,474) | (152,894) |
| | <u>(47,314)</u> | <u>(1,106,040)</u> |
| Increase (decrease) in cash and cash equivalents during the year | 531,656 | (113,565) |
| Cash and cash equivalents - Beginning of year | <u>338,110</u> | <u>451,675</u> |
| Cash and cash equivalents - End of year | <u>869,766</u> | <u>338,110</u> |
| Supplementary information | | |
| Interest paid | 2,786 | 4,215 |

The accompanying notes are an integral part of these financial statements.

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

1 Purpose of the organization

The St. Christopher House (the organization) provides programs and services to enable less advantaged individuals, families and groups in the community gain greater control over their lives and within their community. The organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

2 Transition to Canadian accounting standards for not-for-profit organizations

Effective April 1, 2011, the organization elected to adopt Canadian accounting standards for not-for-profit organizations (Part III of The Canadian Institute of Chartered Accountants (CICA) Handbook) (ASNPO) as issued by the Canadian Accounting Standards Board. The organization has elected under Section 1501, First-time Adoption by Not-for-Profit Organizations, the exemption to designate its investments to be measured at fair value on transition to ASNPO. Subject to certain transition elections, the accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect.

In the statements of financial position, there was a reclassification between cash and cash equivalents and amounts payable and accrued liabilities processed of \$210,646 (2012 - \$118,219 and 2011 - \$116,782).

Furthermore, previously expensed amounts are now recognized as capital assets in the statements of financial position. The deferred capital contributions are adjusted accordingly. The depreciation of these capital assets and amortization of deferred capital contributions were adjusted by \$2,024 in each year to reflect the change in capital asset balances.

There were no adjustments to the statements of changes in fund balances as a result of the transition to ASNPO.

3 Summary of significant accounting policies

Fund accounting

These financial statements are presented on a fund accounting basis using the deferral method of accounting for contributions. The following funds have been presented:

General and Internally Restricted Funds

- The General Fund reflects amounts available for immediate use for the general purpose of the organization as determined by the Board of Directors.
- The Internally Restricted Fund reflects the amounts that have been formally set aside by the organization to be used for specific purposes as approved by the Board of Directors.

Restricted Funds

- The Externally Restricted Fund reflects the organization's core and satellite program activities that are funded primarily by externally restricted contributions and funding.

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

- The Investment in Capital Assets Fund reflects the transactions relating to the organization's capital assets. Contributions given specifically to fund capital assets are deferred and recorded as income of this fund using the same rates as those used to depreciate the related capital asset. Internally financed transactions are reflected as interfund transfers from the General and Internally Restricted Funds.

Endowed Fund

The Endowed Fund reflects internally and externally restricted resources that include an internal or external requirement that the principal be maintained.

Interest earned on those funds is recognized in operations and is used to subsidize programs in accordance with the wishes of the Endowed Fund.

The Endowed Fund is distinct from St. Christopher House Community Endowment (the Community Endowment), which is a separate entity independent of the organization and appoints its own Board of Directors. The Community Endowment is a registered charity under the Income Tax Act and supports the charitable activities of the organization.

Revenue recognition

General contributions and unrestricted revenues are recognized when received or receivable. Amounts received relating to fundraising events to be held after the fiscal year-end are deferred and recognized on completion of the specific fundraising event. Contributions and funding for specific programs are recognized as revenue in the year in which the related program expenses are incurred. Contributions not yet spent are generally reflected as deferred operating grants.

Investment income is accrued as it is earned. Investment income includes dividends, interest income and realized and unrealized gains and losses.

Capital assets

Capital assets purchased are recorded at cost. Depreciation of capital assets is calculated over their estimated useful lives on a straight-line basis at the following annual rates:

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

The organization reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to the organization, the excess of the net carrying amount over any residual value is recognized as an expense in the statements of operations.

Donated services and materials

Volunteers make a substantial contribution of time each year to assist the organization in carrying out its activities. Due to the difficulty in determining the fair value of such contributed services, they are not recognized in these financial statements. Donated materials received by way of gifts-in-kind are not recorded in the financial statements.

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

Cash and cash equivalents

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

Short-term investments

Short-term investments are guaranteed investment certificates and are carried at fair value in the financial statements.

Financial assets and financial liabilities

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in the statements of operations.

Financial assets measured at amortized cost include amounts receivable, cash and cash equivalents, short-term investments and due from the Community Endowment.

Financial liabilities measured at amortized cost include amounts payable and accrued liabilities, due to the Community Endowment and mortgage payable.

Use of estimates

In preparing the organization'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 the reported amounts of revenues and expenses. Actual amounts could differ from those estimates.

4 Capital assets

| | March 31, 2013 | | |
|------------------------------------|-------------------|-----------------------------------|------------------|
| | Cost \$ | Accumulated depreciation \$ | Net \$ |
| Land | 197,200 | - | 197,200 |
| Buildings | 1,903,624 | 1,203,210 | 700,414 |
| Furniture, equipment and computers | 354,862 | 204,150 | 150,712 |
| Automotive equipment | 151,185 | 151,185 | - |
| | <u>2,606,871</u> | <u>1,558,545</u> | <u>1,048,326</u> |

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

| | March 31, 2012 | | |
|------------------------------------|-------------------|-----------------------------------|-----------|
| | Cost \$ | Accumulated depreciation \$ | Net \$ |
| Land | 197,200 | - | 197,200 |
| Buildings | 1,747,069 | 1,115,124 | 631,945 |
| Furniture, equipment and computers | 200,943 | 200,943 | - |
| Automotive equipment | 151,185 | 151,185 | - |
| | 2,296,397 | 1,467,252 | 829,145 |

| | April 1, 2011 | | |
|------------------------------------|------------------|-----------------------------------|-----------|
| | Cost \$ | Accumulated depreciation \$ | Net \$ |
| Land | 197,200 | - | 197,200 |
| Buildings | 1,594,175 | 1,027,664 | 566,511 |
| Furniture, equipment and computers | 200,943 | 200,943 | - |
| Automotive equipment | 151,185 | 151,185 | - |
| | 2,143,503 | 1,379,792 | 763,711 |

5 Due from (to) St. Christopher House Community Endowment

In the current year, the organization has a receivable of \$50,271 from the Community Endowment.

The organization had a balance payable to the Community Endowment of \$29,715 as at March 31, 2012 and a balance receivable of \$988,058 as at April 1, 2011.

The organization receives annual amounts from the Community Endowment, after Board of Director approval of the Endowed Fund. The organization receives donations that actually belong to the Community Endowment. The due from (to) the Community Endowment reflects the net receivable or payable.

There is no interest applicable on the due from (to) the Community Endowment in the current and prior year (2011 - 5%).

6 Mortgage payable

The mortgage payable is amortized over a 25-year term renewable every five years. Currently, the mortgage payable bears interest at 5% and matures June 2017 (2012 and 2011 - 7% maturing in June 2012). The building at 248 Ossington Avenue, with a carrying value of \$244,574 (2012 and 2011 - \$244,574), is pledged as collateral. The mortgage matures on June 18, 2017 and is expected to be renewed.

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

The scheduled repayments, including principal and interest payments, for the next five years and thereafter are included in the table below. As the interest rate is renegotiated every five years, the payments for 2018 and thereafter do not include interest.

| | \$ |
|---------------------|---------------|
| 2014 | 7,051 |
| 2015 | 7,051 |
| 2016 | 7,051 |
| 2017 | 7,051 |
| 2018 and thereafter | <u>33,305</u> |
| | <u>61,509</u> |

7 Deferred operating grants

Deferred operating grants relate to externally restricted funding received in the current period that is related to a subsequent period. Changes in the deferred operating grant balance are as follows:

| | March 31, 2013 \$ | March 31, 2012 \$ | April 1, 2011 \$ |
|---|-------------------------|-------------------------|------------------------|
| Beginning balance | 208,305 | 268,952 | 496,579 |
| Add: Amounts received related to the following year | 183,791 | 204,903 | 424,028 |
| Less: Amounts recognized as revenue in the year | (120,316) | (250,221) | (651,655) |
| Less: Amounts repaid to funder in the year | - | (15,329) | - |
| Ending balance | <u>271,780</u> | <u>208,305</u> | <u>268,952</u> |

8 Deferred capital contributions

Deferred capital contributions reported in the Investment in Capital Assets Fund include the unamortized portions of contributed capital assets and restricted contributions with which the organization's buildings were originally purchased and renovations for buildings were made.

The changes for the year in the deferred capital contributions balance reported in the Investment in Capital Assets Fund are as follows:

| | March 31, 2013 \$ | March 31, 2012 \$ | April 1, 2011 \$ |
|---|-------------------------|-------------------------|------------------------|
| Beginning balance | 542,280 | 536,113 | 493,663 |
| Funding received for renovations to buildings | 304,781 | 84,314 | 108,904 |
| Amounts amortized to revenue | (81,979) | (78,147) | (66,454) |
| Ending balance | <u>765,082</u> | <u>542,280</u> | <u>536,113</u> |

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

9 Short-term investments and investments

Short-term investments consist of guaranteed investment certificates held with CIBC.

| Interest % | Maturity | March 31, 2013 \$ | March 31, 2012 \$ | April 1, 2011 \$ |
|------------|-----------------|----------------------|----------------------|---------------------|
| 0.80 | October 1, 2013 | 13,695 | - | - |
| 0.80 | April 1, 2014 | 1,125 | - | - |
| 1.40 | May 7, 2013 | 389,005 | - | - |
| 1.00 | May 6, 2013 | 102,031 | - | - |
| 0.70 | October 1, 2012 | - | 13,600 | - |
| 1.00 | April 1, 2013 | - | 1,114 | - |
| 1.10 | May 7, 2012 | - | 384,750 | - |
| 0.75 | May 6, 2012 | - | 100,223 | - |
| 1.25 | May 5, 2011 | - | - | 380,000 |
| 0.40 | May 5, 2011 | - | - | 100,000 |
| | | <u>505,856</u> | <u>499,687</u> | <u>480,000</u> |

Investments are held in a pooled fund managed by external investment managers. The investments consist of the following:

| | March 31, 2013 \$ | March 31, 2012 \$ | April 1, 2011 \$ |
|-----------------------|----------------------|----------------------|---------------------|
| Cash and fixed income | 414,516 | 379,297 | - |
| Canadian equities | 316,340 | 303,091 | - |
| Global equities | 359,974 | 336,405 | - |
| | <u>1,090,830</u> | <u>1,018,793</u> | <u>-</u> |

Investment income consists of:

| | 2013 \$ | 2012 \$ |
|------------------|----------------|---------------|
| Interest income | 3,129 | - |
| Dividend income | 65,172 | 9,357 |
| Unrealized gains | 36,585 | 1,020 |
| | <u>104,886</u> | <u>10,377</u> |

10 Interfund transfers

Annually, the Board of Directors approves a transfer of the balance of the General and Internally Restricted Funds to the Externally Restricted Fund to fund deficiencies and to the Investment in Capital Assets Fund for internally financed transactions for capital assets.

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

11 Revenue from government sources

| | 2013 \$ | 2012 \$ |
|--|------------------|------------------|
| Federal government | | |
| Citizenship and Immigration Canada | 265,588 | 264,573 |
| Human Resources and Skills Development Canada | 149,573 | 230,959 |
| Public Health Agency of Canada | 58,522 | 60,291 |
| Heritage Canada | 12,380 | - |
| Industry Canada | 3,491 | 34,785 |
| | <u>489,554</u> | <u>590,608</u> |
| Provincial government | | |
| Ministry of Health and Long-Term Care | 4,376,661 | 3,878,489 |
| Ministry of Health and Long-Term Care - for St. Clair West Supportive Housing | 610,976 | 1,047,374 |
| Ministry of Training, Colleges and Universities | 773,593 | 825,004 |
| Ministry of Community and Social Services | 253,483 | 256,411 |
| Ministry of Citizenship | 135,205 | 115,205 |
| Ministry of Culture, Tourism and Sport | 69,452 | 84,005 |
| Ministry of Children and Youth | 49,631 | 58,238 |
| | <u>6,269,001</u> | <u>6,264,726</u> |
| City of Toronto | | |
| Social Development, Finance and Administration | 689,340 | 666,990 |
| Shelter, Support and Housing | 231,694 | 230,661 |
| Social Services | 59,019 | 64,425 |
| Public Health | 36,712 | 28,966 |
| Toronto Arts Council | 24,000 | 24,000 |
| Children's Services | 20,275 | 20,262 |
| | <u>1,061,040</u> | <u>1,035,304</u> |

12 Commitments

The organization has entered into various agreements to lease office equipment. The future minimum payments are as follows:

| | \$ |
|------|---------------|
| 2014 | 32,592 |
| 2015 | 25,785 |
| | <u>58,377</u> |

13 Risks arising from financial instruments

The main risks to which the organization's financial instruments are exposed are credit risk, interest rate risk, market risk and liquidity risk.

The St. Christopher House

Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

Credit risk

The organization bears credit risk associated with its holdings of amounts receivable from third parties. The credit risk with respect to amounts receivable is limited because the majority of revenues comes from government sources.

Interest rate risk

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

Market risk

The organization's short-term investments and investment are subject to market risk, which includes price risk arising from market volatility and the risk of loss of capital associated with these investments.

The organization invests in a pooled fund, which contains a diverse portfolio of global and Canadian equities, bonds and deposits. There is no concentration risk included in the portfolio.

Liquidity risk

Liquidity risk is the risk the organization will not be able to meet its financial obligations primarily related to program disbursements as they come due. The organization manages liquidity risk through regular monitoring of forecast and actual cash flows.

14 Government remittances

Government remittances consist of amounts (such as property taxes, sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$46,000 (2012 - \$42,000; 2011 - \$35,000) is included within amounts payable and accrued liabilities. Within amounts receivable, the organization included a receivable for HST of \$179,628 (2012 - \$126,076; 2011 - \$77,508).