

**Street Health Community
Nursing Foundation
o/a Street Health**

Financial Statements

March 31, 2016



Independent Auditor's Report

To the Members of
Street Health Community Nursing Foundation

Report of the financial statements

We have audited the accompanying financial statements of **Street Health Community Nursing Foundation** which comprise the statement of financial position as at **March 31, 2016** and the statements of operations, 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, 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 audit is sufficient and appropriate to provide a basis for our qualified audit opinion.



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Basis for Qualified Opinion

In common with many charitable organizations, the organization derives part of its revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the organization as at **March 31, 2016** and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Clarkson Rouble LLP

**Mississauga, Ontario
May 10, 2016**

**Clarkson Rouble LLP
Chartered Professional Accountants
Public Licensed Accountants**



**Street Health Community Nursing Foundation
o/a Street Health**

**Statement of Financial Position
As at March 31**

	2016	2015
Assets		
Current		
Cash	\$ 282,979	\$ 189,448
Accounts receivable	28,117	5,416
Sales taxes receivable	18,451	32,352
Prepaid expenses	5,892	4,957
	<u>335,439</u>	<u>232,173</u>
Investments (Note 2)	881,210	941,325
Capital assets (Note 3)	<u>353,032</u>	<u>292,399</u>
	\$ 1,569,681	\$ 1,465,897

Liabilities

Current		
Accounts payable and accrued liabilities	\$ 124,093	\$ 136,622
Deferred contributions (Note 5)	254,646	154,300
	<u>378,739</u>	<u>290,922</u>
Deferred capital contributions (Note 4)	<u>353,032</u>	<u>292,399</u>
	<u>731,771</u>	<u>583,321</u>

Commitments and Contingencies (Note 8)

Net Assets

Maintenance and Continuation Fund (Note 6)	510,000	480,000
Capital Assets Fund	100,000	400,000
Unrestricted Fund	227,910	2,576
	<u>837,910</u>	<u>882,576</u>
	\$ 1,569,681	\$ 1,465,897

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

**Street Health Community Nursing Foundation
o/a Street Health**

**Statement of Operations
Year Ended March 31**

	2016	2015
Revenue		
Ontario Ministry of Health and Long Term Care / Toronto Central Local Health Integration Network	\$ 903,581	\$ 903,581
City of Toronto funding	140,991	134,812
Other agency contributions	225,680	204,730
Donations and fundraising	608,766	518,144
Capital contributions	30,867	30,867
Investment (loss) income	(2,734)	44,619
	1,907,151	1,836,753
Expenses		
Salaries and benefits	1,484,320	1,343,003
Contract services	114,993	140,335
Client supplies and services	165,398	171,005
Occupancy costs	44,237	45,333
General and administration	65,410	64,013
Fundraising	46,592	53,503
Amortization	30,867	30,867
	1,951,817	1,848,059
Deficiency of revenue over expenses for the year	\$ (44,666)	\$ (11,306)

See accompanying notes to the financial statements

**Street Health Community Nursing Foundation
o/a Street Health**

**Statement of Changes in Net Assets
Year Ended March 31**

	Maintenance and Continuation Fund	Capital Assets Fund	Unrestricted Fund	2016 Total	2015 Total
Balance, beginning of year	\$ 480,000	\$ 400,000	\$ 2,576	\$ 882,576	\$ 893,882
Deficiency of revenue over expenses	-	-	(44,666)	(44,666)	(11,306)
Net transfers between funds	30,000	(300,000)	270,000	-	-
Balance, end of year	\$ 510,000	\$ 100,000	\$ 227,910	\$ 837,910	\$ 882,576

See accompanying notes to the financial statements

**Street Health Community Nursing Foundation
o/a Street Health**

**Statement of Cash Flows
Year Ended March 31**

	2016	2015
Operating activities		
Deficiency of revenues over expenses	\$ (44,666)	\$ (11,306)
Items not requiring an outlay of cash		
Amortization	30,867	30,867
Deferred capital contribution	(30,867)	(30,867)
Change in mortgage receivable	-	-
	(44,666)	(11,306)
Change in non-cash working capital		
Accounts receivable	(22,701)	42,087
Sales taxes receivable	13,901	1,027
Prepaid expenses	(935)	(609)
Accounts payable and accrued liabilities	(12,529)	37,713
Deferred contributions	100,346	8,055
Increase from operating activities	33,416	76,967
Investing activities		
Redemption (purchase) of investments	60,115	(137,474)
Purchase of capital assets	(91,500)	-
Funds for capital asset additions - deferred capital contributions	91,500	-
Decrease from investing activities	60,115	(137,474)
Increase (decrease) in cash	93,531	(60,507)
Cash, beginning of year	189,448	249,955
Cash, end of year	\$ 282,979	\$ 189,448

See accompanying notes to the financial statements

Street Health Community Nursing Foundation

o/a Street Health

Notes to Financial Statements

March 31, 2016

Street Health Community Nursing Foundation, "Street Health", is a registered charity devoted to improving the health and well-being of homeless and underhoused individuals in southeast Toronto, Ontario, Canada by addressing the social determinants of health through programs, services, education and advocacy. Street Health was founded in 1986 and was incorporated without share capital under the laws of the Province of Ontario on May 19, 1988. It is a registered charitable organization and is exempt from income taxes.

1. Summary of significant accounting policies

The accounting policies of Street Health are established and maintained in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant.

a) Revenue recognition

Street Health follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Investments

Portfolio investments are initially recognized at fair value on the date of acquisition and subsequently re-measured at fair value at each reporting date. Unrealized gains and losses arising from the change in fair value of these investments are included in the statement of operations.

c) Capital assets

Capital assets are recorded at cost or at estimated fair market value, if donated, less accumulated amortization. Amortization on the buildings that have been put into use is provided on a straight line basis over 20 years. Amortization on furniture and equipment is provided on a straight line basis over 5 years.

d) Contributed materials and services

Street Health makes extensive use of volunteers and donated materials in conducting its activities, similar to many non-profit organizations. No attempt has been made to quantify the value of volunteer services in these financial statements.

Street Health Community Nursing Foundation o/a Street Health

Notes to Financial Statements
March 31, 2016

1. Summary of significant accounting policies (continued)

e) Measurement uncertainty

The preparation of Street Health's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements relate to certain accrued liabilities and the estimated useful lives of capital assets.

f) Financial instruments

Street Health initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The organization subsequently measures all its financial assets and liabilities at amortized cost, with the exception investments which are measured at fair value without adjustment for transaction costs that would be incurred on the disposal and changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and sales tax receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and deferred contributions.

2. Investments

	2016	2015
Cash	\$ 172,495	\$ 21,003
Government and corporate bonds	417,057	599,302
Common and preferred shares	291,658	321,020
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	\$ 881,210	\$ 941,325

**Street Health Community Nursing Foundation
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**Notes to Financial Statements
March 31, 2016**

3. Capital assets

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 129,375	\$ -	\$ 129,375	\$ 129,375
Building	598,167	466,010	132,157	163,024
Leasehold improvements	91,500	-	91,500	-
	\$ 819,042	\$ 466,010	\$ 353,032	\$ 292,399

Amortization of leasehold improvements, representing coachhouse renovations, has not been taken in the current year as renovations are not yet complete, and the coachhouse is not yet available for use.

4. Deferred capital contribution

Deferred capital contributions represent the unamortized amount of grants received from government sources for the purchase of land and a building and for major renovations of the building. The amortization of deferred capital contributions is recorded as capital contributions in the statement of operations and changes in unrestricted net assets. During the year the organization received an additional \$91,500 for coachhouse renovations. Amortization of the current year capital contributions has not been taken as the renovations are not yet complete and the coachhouse is not yet available for use.

	2016	2015
Balance, beginning of year	\$ 292,399	\$ 323,266
Add contributions used for capital purposes	91,500	-
Less amortization of deferred capital contributions	(30,867)	(30,867)
Balance, end of year	\$ 353,032	\$ 292,399

5. Deferred Contributions

Deferred contributions represent unspent externally restricted grants or donations received by Street Health relating to activities of the subsequent period or specific projects which extend beyond the current fiscal period.

Street Health Community Nursing Foundation o/a Street Health

**Notes to Financial Statements
March 31, 2016**

6. Maintenance and continuation fund

The organization has designated this fund to ensure that the agency could operate in case of unforeseen financial difficulties or emergencies. The amount reflects the estimated cost of operations for a three-month period.

7. Financial assets and liabilities

Credit risk

Street Health is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Most of the organization's receivables relate to government agencies and as such the organization does not anticipate significant loss for non-performance. The organization's exposure to credit risk is limited to accounts receivable amounts disclosed in the balance sheet.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by Street Health.

Market risk

The organization's portfolio investments exposes the organization to price risks as equity investments are subject to price changes in an open market. The organization does not use derivative financial instruments to alter the effects of this risk.

8. Commitment to Toronto Central Local Health Integration Network

Street Health has an agreement with the Local Health Integration Network (LHIN) to provide mental health case management services until March 31, 2017. Under this service agreement, Street Health is required to provide mental health and nursing services to individuals in the South East quadrant, to report financial and statistical data to the LHIN and to follow all the accountability requirements of the LHIN in exchange for funding as set out in the Agreement.