



WAYSIDE HOUSE OF HAMILTON
Financial Statements
Year Ended March 31, 2015



WAYSIDE HOUSE OF HAMILTON
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Year Ended March 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Wayside House of Hamilton

We have audited the accompanying financial statements of Wayside House of Hamilton, which comprise the statement of financial position as at March 31, 2015 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 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.



Independent Auditor's Report to the Directors of Wayside House of Hamilton (continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, Wayside House of Hamilton derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Wayside House of Hamilton. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2015, current assets and net assets as at April 1, 2014 and March 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Wayside House of Hamilton as at March 31, 2015 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.

Hamilton, Ontario
June 2, 2015

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position
March 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 93,214	\$ 162,505
Restricted cash (Note 9)	7,922	7,922
Short-term investments (Note 4)	445,357	441,878
Accounts receivable	37,136	39,177
	<u>583,629</u>	<u>651,482</u>
CAPITAL ASSETS (Note 5)	<u>183,477</u>	<u>198,462</u>
	<u>\$ 767,106</u>	<u>\$ 849,944</u>
LIABILITIES		
CURRENT		
Demand loan (Note 7)	\$ 196,190	\$ 217,691
Accounts payable and accrued liabilities (Note 8)	56,443	41,473
	<u>252,633</u>	<u>259,164</u>
NET ASSETS		
Operating and community fund (Schedule 4)	88,972	153,773
Capital fund (Schedule 5)	183,477	198,462
Reserve fund (Schedule 6)	242,024	238,545
	<u>514,473</u>	<u>590,780</u>
	<u>\$ 767,106</u>	<u>\$ 849,944</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Statement of Changes in Net Assets
Year Ended March 31, 2015

	Operating and Community Fund <i>(Schedule 1)</i>	Capital Fund <i>(Schedule 2)</i>	Reserve Fund <i>(Schedule 3)</i>	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 153,773	\$ 198,462	\$ 238,545	\$ 590,780	\$ 604,877
Deficiency of revenues over expenditures	(46,697)	(14,985)	(14,625)	(76,307)	(14,097)
Interfund transfers <i>(Note 6)</i>	(18,104)	-	18,104	-	-
NET ASSETS - END OF YEAR	\$ 88,972	\$ 183,477	\$ 242,024	\$ 514,473	\$ 590,780

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Statement of Operations
Year Ended March 31, 2015

	2015	2014
REVENUES		
Ministry of Health operating grants	\$ 600,998	\$ 600,996
Local Health Integration Network Hepatitis C fund	379,128	379,132
Ministry of Health supportive housing	312,772	229,791
Personal needs, medical and dental	71,207	76,259
Other	39,760	36,251
Guests' room and board	14,861	14,114
	<u>1,418,726</u>	<u>1,336,543</u>
Expenditures		
Accreditation	17,190	16,680
Advertising and promotion	2,829	792
Amortization of capital assets	14,985	17,510
Bank charges and interest	337	473
Communications	16,070	15,034
Equipment rentals	2,543	1,908
Food and medical	100,056	83,973
Fundraising	1,808	4,745
Hepatitis C program	49,178	52,284
Insurance	13,462	11,271
Interest on demand loan (Note 7)	8,393	9,166
Office and general	22,101	26,764
Personal needs, medical and dental	78,432	76,248
Professional and consulting	25,491	20,337
Program	15,911	8,448
Repairs and maintenance	66,940	28,262
Salaries, wages and employee benefits	1,014,579	925,076
Training and development	7,952	7,161
Transportation	15,437	20,922
Travel and meals	2,465	5,295
Utilities	18,874	18,291
	<u>1,495,033</u>	<u>1,350,640</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (76,307)</u>	<u>\$ (14,097)</u>



WAYSIDE HOUSE OF HAMILTON
Statement of Cash Flows
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (76,307)	\$ (14,097)
Item not affecting cash:		
Amortization of capital assets	<u>14,985</u>	17,510
	<u>(61,322)</u>	3,413
Changes in non-cash working capital:		
Accounts receivable	2,041	(16,577)
Prepaid expenses	-	7,153
Accounts payable and accrued liabilities	<u>14,970</u>	<u>(9,622)</u>
	<u>17,011</u>	<u>(19,046)</u>
Cash flow used by operating activities	<u>(44,311)</u>	<u>(15,633)</u>
INVESTING ACTIVITY		
Short-term investments - net	<u>(3,479)</u>	<u>(1,474)</u>
FINANCING ACTIVITY		
Repayment of demand loan	<u>(21,501)</u>	<u>(18,040)</u>
DECREASE IN CASH FLOW	(69,291)	(35,147)
Cash - beginning of year	<u>170,427</u>	205,574
CASH - END OF YEAR	\$ 101,136	\$ 170,427
CASH CONSISTS OF:		
Cash	\$ 93,214	\$ 162,505
Restricted cash	<u>7,922</u>	<u>7,922</u>
	<u>\$ 101,136</u>	<u>\$ 170,427</u>

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2015

1. PURPOSE OF ORGANIZATION

Wayside House of Hamilton (the "Organization") is a not-for-profit community based charitable organization dedicated to empowering the alcohol/drug dependent male to accept and sustain a purposeful life of sobriety. The Organization is a registered charity under the Income Tax Act and therefore exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, short-term investments and accounts receivable. Financial liabilities measured at amortized cost include demand loan and accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. Reversals are recognized in net income.

Transaction costs

The Organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(continues)



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2015

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Fund accounting

The Organization follows the restricted fund method of accounting for contributions.

The Operating and Community Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenditures related to the Organization's capital assets.

The Reserve Fund reports resources internally restricted as follows:

Building Reserve Fund for future purchases, new construction and renovation of existing or new buildings and equipment.

Bursary Fund allocated from interest earned or external donations in support of annual disbursement of bursary awards.

Financial Development Fund to help support future operational losses, research and development costs and to provide funding for new ventures.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating and Community Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed capital asset are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Building	25 years	straight-line method
Computer equipment	5 years	straight-line method
Equipment	5 years	straight-line method

Amortization expense is reported in the Capital Fund.

Contributed services

Volunteers contribute an indeterminable amount of hours per year to assist the Organization in carrying out its service delivery activities. Given the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the period. Significant areas requiring the use of estimates include allowance for doubtful accounts receivable and the determination of useful lives for amortization of capital assets. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2015.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Organization is exposed to interest rate risk on its demand loan as described in Note 7 as this amount is subject to a floating interest rate. Specifically, the Organization is exposed to fair value risk due to change in market rates of interest. The exposure to this risk also fluctuates as the debt changes from year to year.

4. SHORT-TERM INVESTMENTS

Short-term investments consists of several guaranteed investment certificates ranging in interest rates from 0.5 - 1.35% per annum with maturity dates ranging from April 17, 2015 to June 23, 2016.

5. CAPITAL ASSETS

	2015		2014	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 91,587	\$ -	\$ 91,587	\$ -
Building	325,295	240,954	325,295	236,884
Computer equipment	69,088	67,723	69,088	62,373
Equipment	62,564	56,380	62,564	50,815
	<u>\$ 548,534</u>	<u>\$ 365,057</u>	<u>\$ 548,534</u>	<u>\$ 350,072</u>
Net book value	<u>\$ 183,477</u>		<u>\$ 198,462</u>	

The Organization has determined that there was no impairment of capital assets as at March 31, 2015.



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2015

6. INTERFUND TRANSFERS

Interfund transfers for 2015 are comprised of the following:

	Operating and Community Fund	Capital Fund	Reserve Fund
Interest income transferred	\$ 4,373	\$ -	\$ (4,373)
Cash transferred for expenses	(18,998)	-	18,998
Cash transferred to purchase GIC	(3,479)	-	3,479
	<u>\$ (18,104)</u>	<u>\$ -</u>	<u>\$ 18,104</u>

7. DEMAND LOAN

	<u>2015</u>	<u>2014</u>
Demand loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of \$2,034 and is secured by property located at 15 Charlton Ave West.	<u>\$ 196,190</u>	<u>\$ 217,691</u>

8. GOVERNMENT LIABILITIES

As at March 31, 2015, the amounts payable in respect of government remittances totaled \$3,242 (2014 - \$545) representing remittances payable for payroll taxes.

9. EXTERNALLY RESTRICTED CASH

In accordance with the Alcohol and Gaming Commission of Ontario terms, cash which the Organization has derived from lottery proceeds in the amount of \$7,922 (2014 - \$7,922) are public funds held in trust and may not be used for purposes other than for direct delivery of charitable programs and for the administrative expenses identified as necessary for program delivery. Furthermore, the Organization is restricted to only those items approved on the application for licence.



WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenditures - Operating and Community Fund
(Schedule 1)
Year Ended March 31, 2015

	2015	2014
REVENUES		
Ministry of Health operating grants	\$ 600,998	\$ 600,996
Local Health Integration Network Hepatitis C fund	379,128	379,132
Ministry of Health supportive housing	312,772	229,791
Personal needs, medical and dental	71,207	76,259
Other	35,387	33,505
Guests' room and board	14,861	14,114
	<u>1,414,353</u>	<u>1,333,797</u>
EXPENDITURES		
Advertising and promotion	2,829	792
Bank charges and interest	337	473
Communication	16,070	15,034
Equipment rentals	2,543	1,908
Food and medical	100,056	83,973
Hepatitis C program	49,178	52,284
Insurance	13,462	11,271
Interest on demand loan (Note 7)	8,393	9,166
Office and general	22,101	26,766
Personal needs, medical and dental	78,432	76,248
Professional and consulting	25,491	20,337
Program	15,911	8,448
Repairs and maintenance	66,940	28,262
Salaries, wages and employee benefits	1,014,579	925,076
Training and development	7,952	7,161
Transportation	15,437	20,922
Travel and meals	2,465	5,295
Utilities	18,874	18,291
	<u>1,461,050</u>	<u>1,311,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (46,697)</u>	<u>\$ 22,090</u>



WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenditures - Capital Fund *(Schedule 2)*
Year Ended March 31, 2015

	2015	2014
EXPENDITURES		
Amortization of capital assets	<u>\$ 14,985</u>	<u>\$ 17,510</u>



WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenditures - Reserve Fund (Schedule 3)
Year Ended March 31, 2015

	2015	2014
REVENUES		
Interest	<u>\$ 4,373</u>	<u>\$ 2,746</u>
EXPENDITURES		
Accreditation	17,190	16,680
Fundraising	<u>1,808</u>	<u>4,745</u>
	<u>18,998</u>	<u>21,425</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (14,625)</u>	<u>\$ (18,679)</u>



WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Operating and Community Fund
(Schedule 4)
Year Ended March 31, 2015

	2015	2014
ASSETS		
Cash	\$ 93,214	\$ 162,505
Restricted cash	7,922	7,922
Accounts receivable	37,136	39,177
Interfund balances (Schedule 6)	<u>203,333</u>	<u>203,333</u>
	\$ 341,605	\$ 412,937
LIABILITIES AND FUND BALANCES		
Demand loan (Note 7)	\$ 196,190	\$ 217,691
Accounts payable and accrued liabilities (Note 8)	<u>56,443</u>	<u>41,473</u>
	252,633	259,164
Net assets	<u>88,972</u>	<u>153,773</u>
	\$ 341,605	\$ 412,937



WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Capital Fund **(Schedule 5)**
Year Ended March 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
Capital assets <i>(Note 5)</i>	<u>\$ 183,477</u>	<u>\$ 198,462</u>
 FUND BALANCES		
Net assets	<u>\$ 183,477</u>	<u>\$ 198,462</u>

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Reserve Fund **(Schedule 6)**
Year Ended March 31, 2015

	2015	2014
ASSETS		
Short-term investments <i>(Note 4)</i>	\$ 445,357	\$ 441,878
 LIABILITIES AND FUND BALANCES		
Interfund balances <i>(Schedule 4)</i>	\$ 203,333	\$ 203,333
 Net assets	242,024	238,545
	\$ 445,357	\$ 441,878