



**WAYSIDE HOUSE OF HAMILTON**  
**Financial Statements**  
**Year Ended March 31, 2023**





**WAYSIDE HOUSE OF HAMILTON**  
**Index to Financial Statements**  
**Year Ended March 31, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Wayside House of Hamilton

*Qualified Opinion*

We have audited the financial statements of Wayside House of Hamilton (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many charitable organizations, the Organization derives revenue from fundraising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues 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 contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

(continues)



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

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Vine  
and  
Partners LLP



**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Financial Position**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 819,416	\$ 616,876
Short term investments (Note 4)	267,578	422,961
Accounts receivable	36,822	42,308
Prepaid expenses	10,511	-
	<b>1,134,327</b>	<b>1,082,145</b>
PROPERTY AND EQUIPMENT (Note 5)	<b>2,327,664</b>	<b>355,822</b>
	<b>\$ 3,461,991</b>	<b>\$ 1,437,967</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 181,283	\$ 112,979
Demand loan (Note 7)	31,651	53,636
Deferred income (Note 9)	148,903	109,332
	<b>361,837</b>	<b>275,947</b>
LONG TERM DEBT (Note 8)	<b>1,850,000</b>	<b>-</b>
DEFERRED CAPITAL GRANTS (Note 10)	<b>176,648</b>	<b>199,684</b>
	<b>2,388,485</b>	<b>475,631</b>
<b>NET ASSETS</b>		
Operating and community fund	516,758	401,283
Capital fund	136,444	145,467
Reserve fund	420,304	415,586
	<b>1,073,506</b>	<b>962,336</b>
	<b>\$ 3,461,991</b>	<b>\$ 1,437,967</b>

**ON BEHALF OF THE BOARD**

Sarbjit Junsaja Director  
[Signature] Director

See notes to financial statements





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2023**

	Operating and Community Fund	Capital Fund	Reserve Fund	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 401,283	\$ 145,467	\$ 415,586	<b>\$ 962,336</b>	\$ 819,569
EXCESS OF REVENUES OVER EXPENSES	115,475	(9,023)	4,718	<b>111,170</b>	142,767
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 516,758</b>	<b>\$ 136,444</b>	<b>\$ 420,304</b>	<b>\$ 1,073,506</b>	<b>\$ 962,336</b>





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Operations**  
**Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
Ministry of Health operating funding	\$ 1,457,566	\$ 1,159,130
Ministry of Health Hepatitis C Secretariat fund	390,624	390,632
Grants and sponsorships	140,855	67,200
Donations	123,082	168,752
Recognition of deferred capital funding (Note 10)	72,105	65,880
Other	29,124	27,096
Ministry of Health medical and dental reimbursement	28,103	30,706
Guests' room and board	16,900	19,865
Ministry of Health COVID-19 support (Note 11)	-	29,083
Ministry of Health one time funding	-	43,767
	<b>2,258,359</b>	<b>2,002,111</b>
<b>EXPENSES</b>		
Salaries and benefits	1,374,769	1,145,847
Food and medical	172,342	141,080
Program	87,685	141,744
Professional and consulting	86,598	118,125
Amortization of capital assets	81,128	69,322
Communications	57,038	44,612
Fundraising expense	53,423	45,379
Repairs and maintenance	50,174	32,033
Hepatitis C program expenses	29,939	27,937
Office and general	29,157	10,381
Personal needs, medical and dental	27,553	36,193
Utilities	26,529	22,096
Interest on demand loan and long term debt	22,708	3,319
Insurance	20,450	16,603
Print and promotion	14,613	4,673
COVID-19 one time expenses	10,155	-
Property and business taxes	2,928	-
	<b>2,147,189</b>	<b>1,859,344</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 111,170</b>	<b>\$ 142,767</b>





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Cash Flows**  
**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 111,170	\$ 142,767
Items not affecting cash:		
Amortization of capital assets	81,128	69,322
Recognition of deferred capital funding	<u>(72,105)</u>	<u>(65,880)</u>
	<u>120,193</u>	<u>146,209</u>
Changes in non-cash working capital:		
Accounts receivable	5,485	98,863
Accounts payable and accrued liabilities	68,300	(103,352)
Deferred income	39,571	80,249
Prepaid expenses	<u>(10,511)</u>	<u>23,718</u>
	<u>102,845</u>	<u>99,478</u>
Cash flow from operating activities	<u>223,038</u>	<u>245,687</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(2,052,970)	-
Short term investments	155,383	(8,653)
Deferred capital grants	<u>49,386</u>	<u>(3,056)</u>
Cash flow used by investing activities	<u>(1,848,201)</u>	<u>(11,709)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	1,850,000	-
Repayment of long term debt	<u>(22,297)</u>	<u>(22,169)</u>
Cash flow from (used by) financing activities	<u>1,827,703</u>	<u>(22,169)</u>
<b>INCREASE IN CASH FLOW</b>	<b>202,540</b>	<b>211,809</b>
Cash - beginning of year	<u>616,876</u>	<u>405,067</u>
<b>CASH - END OF YEAR</b>	<b>\$ 819,416</b>	<b>\$ 616,876</b>







**WAYSIDE HOUSE OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets carried at amortized cost include cash, short term investments and accounts receivable. Financial liabilities carried at amortized cost include accounts payable and accrued liabilities, demand loan and long term debt.

Fund accounting

Wayside House of Hamilton 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 expenses related to Wayside House of Hamilton's capital assets.

The Reserve Fund reports resources that have been internally restricted by the Board. These resources are to be used at the Board's discretion to fund operating losses or extraordinary expenditures.

Revenue recognition

Restricted contributions 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.

*(continues)*

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**WAYSIDE HOUSE OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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

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:

Parking lot	10 years	straight-line method
Buildings	25 years	straight-line method
Computer equipment	5 years	straight-line method
Furniture and equipment	5 years	straight-line method

Amortization expense is reported in the Capital Fund.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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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 at March 31, 2023.

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 and long term debt (Note 7, Note 8), which bear interest at floating rates. The exposure to this risk also fluctuates as the debt changes from year to year.

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4. SHORT TERM INVESTMENTS

Short term investments consist of several guaranteed investment certificates at an interest rate of 2% per annum with maturity dates ranging from June 2023 to July 2023.

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**WAYSIDE HOUSE OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

5. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 489,596	\$ -	\$ 91,587	\$ -
Parking lot	19,088	-	-	-
Building	580,949	423,591	569,562	361,625
Building under construction	1,594,505	-	-	-
Computer equipment	93,125	106,294	93,125	92,498
Furniture and equipment	164,312	84,026	134,331	78,660
	<b>\$ 2,941,575</b>	<b>\$ 613,911</b>	<b>\$ 888,605</b>	<b>\$ 532,783</b>
Net book value	<b>\$ 2,327,664</b>		<b>\$ 355,822</b>	

The Organization has determined that there was no impairment of capital assets as at March 31, 2023. Building under construction not placed into use are not amortized.

6. GOVERNMENT LIABILITIES

As at March 31, 2023, the amounts payable in respect of government remittances totaled \$26,477 (2022 - \$20,788) representing a reimbursement of Ministry funding for the period.

7. DEMAND LOAN

Toronto Dominion Bank loan bearing interest at prime plus 6% per annum, repayable in monthly blended payments of \$2,034. The loan is due on demand and is secured by the property at 15 Charlton Ave West.

8. LONG TERM DEBT

Hamilton Community Foundation loan bearing interest at 6.45% per annum, repayable in monthly interest only payments. The loan matures on January 30, 2026 and is secured by the land and building of the properties which has a carrying value of \$2,101,575.

Amounts payable within one year

	2023	2022
	\$ 1,850,000	\$ -
	-	-
	<b>\$ 1,850,000</b>	<b>\$ -</b>

Principal repayment terms are approximately:

2026 \$ 1,850,000

The Organization is subject to specific restrictive covenants under its borrowing arrangement as stipulated in the facility agreement. The Organization is in compliance with these requirements as at the year end.



**WAYSIDE HOUSE OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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9. DEFERRED INCOME

During the year, funding was received from private, corporate and Ministry of Health funders to fund various projects. This funding was not fully spent during the period however approval was received to defer the residual funding to the subsequent fiscal period.

	<u>2023</u>	<u>2022</u>
<u>Externally restricted income to be deferred</u>		
Opening balance	\$ 109,332	\$ 29,083
Ministry of Health (see below)	63,903	19,177
Other additions during the year	141,300	164,655
less:	314,535	212,915
Amounts amortized to revenue	<u>(165,632)</u>	<u>(103,583)</u>
	<u>\$ 148,903</u>	<u>\$ 109,332</u>

Included in deferred income is \$63,903 (2022 - \$19,177) of one time funding from the Ministry of Health for a roof upgrade. The Ministry has approved carrying forward the amount to next fiscal year.

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10. DEFERRED CAPITAL GRANTS

During the period the Organization received additional funding from the Ministry of Health that was externally restricted for building upgrades and service equipment. These funds will be amortized over the useful lives of the capital asset additions.

	<u>2023</u>	<u>2022</u>
<u>Ministry of Health capital grants</u>		
Opening balance	\$ 199,684	\$ 268,620
Additions during the period	49,069	-
Amount returned back	-	(3,056)
less:	248,753	265,564
Amounts amortized to revenue	<u>(72,105)</u>	<u>(65,880)</u>
	<u>\$ 176,648</u>	<u>\$ 199,684</u>

11. MINISTRY OF HEALTH PANDEMIC SUPPORT

During the previous period the Organization recognized as income deferred pandemic related support provided in the second previous year. The amount recognized was \$29,803.

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12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Revenues over Expenses - Operating and Community Fund (Schedule 1)**  
**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Ministry of Health operating funding	\$ 1,457,566	\$ 1,159,130
Ministry of Health Hepatitis C Secretariat Fund	390,624	390,632
Donations	123,082	168,752
Ministry of Health COVID-19 support	-	29,083
Other	24,406	24,906
Ministry of Health medical and dental reimbursements	28,103	30,706
Guests' room and board	16,900	19,865
Grants and sponsorships	140,855	67,200
Ministry of Health one time funding	-	43,767
	<b>2,181,536</b>	<b>1,934,041</b>
<b>EXPENSES</b>		
Advertising and promotion	14,613	4,673
COVID-19 one time expenses	10,155	-
Communication	57,038	44,612
Food and medical	172,341	141,080
Fundraising expense	53,423	45,379
Hepatitis C program	29,939	27,937
Insurance	20,450	16,603
Interest on demand loan and long term debt (Note 8)	22,708	3,319
Office and general	29,158	10,381
Personal needs, medical and dental	27,553	36,193
Professional and consulting	86,598	118,125
Program	87,685	141,744
Property and business taxes	2,928	-
Repairs and maintenance	50,174	32,033
Salaries, wages and employee benefits	1,374,769	1,145,847
Utilities	26,529	22,096
	<b>2,066,061</b>	<b>1,790,022</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 115,475</b>	<b>\$ 144,019</b>





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Revenues over Expenses - Capital Fund**      *(Schedule 2)*  
**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
MOH Capital Grant	\$ 72,105	\$ 65,880
<b>EXPENSES</b>		
Amortization of Fixed Assets	<u>81,128</u>	<u>69,322</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (9,023)</u>	<u>\$ (3,442)</u>





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Revenues over Expenses - Reserve Fund**      *(Schedule 3)*  
**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Interest	<b>\$ 4,718</b>	<b>\$ 2,190</b>





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Financial Position - Operating and Community Fund (Schedule 4)**  
**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Unrestricted cash	\$ 616,491	\$ 474,160
Accounts receivable	36,822	42,308
Prepaid expenses	10,511	-
Interfund balances	<u>214,771</u>	<u>160,762</u>
	<b>\$ 878,595</b>	<b>\$ 677,230</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Demand loan (Note 7)	\$ 31,651	\$ 53,636
Accounts payable and accrued liabilities (Note 6)	181,283	112,979
Deferred income (Note 9)	<u>148,903</u>	<u>109,332</u>
	<b>361,837</b>	<b>275,947</b>
Net assets	<u>516,758</u>	<u>401,283</u>
	<b>\$ 878,595</b>	<b>\$ 677,230</b>







**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Financial Position - Capital Fund** **(Schedule 5)**  
**Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Capital assets (Note 5)	\$ 2,327,664	\$ 355,822
Restricted cash	<u>60,209</u>	<u>-</u>
	<b>\$ 2,387,873</b>	<b>\$ 355,822</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Deferred capital grants (Note 10)	\$ 176,648	\$ 199,684
Long Term Loan (Note 8.)	<b>1,850,000</b>	-
Interfund balance	<b>224,781</b>	10,671
Net assets	<u><b>136,444</b></u>	<u>145,467</u>
	<b>\$ 2,387,873</b>	<b>\$ 355,822</b>





**WAYSIDE HOUSE OF HAMILTON**  
**Statement of Financial Position - Reserve Fund** **(Schedule 6)**  
**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Restricted cash	\$ 142,716	\$ 142,716
Short term investments <i>(Note 4)</i>	267,578	422,961
Interfund balances	10,010	-
	<b>\$ 420,304</b>	<b>\$ 565,677</b>
<b>LIABILITIES AND FUND BALANCES</b>		
	\$ -	
Interfund balance	-	150,091
Net assets	420,304	415,586
	<b>\$ 420,304</b>	<b>\$ 565,677</b>

