


WAYSIDE HOUSE OF HAMILTON
Financial Statements
Year Ended March 31, 2017





WAYSIDE HOUSE OF HAMILTON
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Year Ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2017 and the statements of operations, changes in net assets and cash flow 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 Members 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, 2017, current assets and net assets as at March 31, 2017.

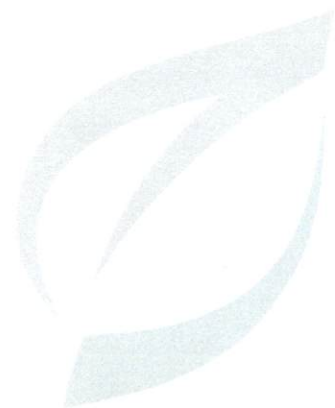
Qualified Opinion

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, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Vine and Partners LLP

Hamilton, Ontario
April 28, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

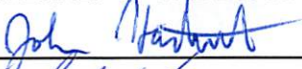





WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 125,157	\$ 83,218
Short term investments (Note 4)	400,537	447,213
Accounts receivable	28,091	37,684
Restricted cash (Note 9)	824	7,927
	<u>554,609</u>	<u>576,042</u>
CAPITAL ASSETS (Note 5)	<u>168,350</u>	<u>173,967</u>
	<u>\$ 722,959</u>	<u>\$ 750,009</u>
LIABILITIES		
CURRENT		
Demand loan (Note 7)	\$ 152,924	\$ 173,263
Accounts payable and accrued liabilities (Note 8)	56,418	56,530
Deferred income	-	6,564
	<u>209,342</u>	<u>236,357</u>
NET ASSETS		
Operating and community fund	96,417	95,805
Capital fund	168,350	173,967
Reserve fund	248,850	243,880
	<u>513,617</u>	<u>513,652</u>
	<u>\$ 722,959</u>	<u>\$ 750,009</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

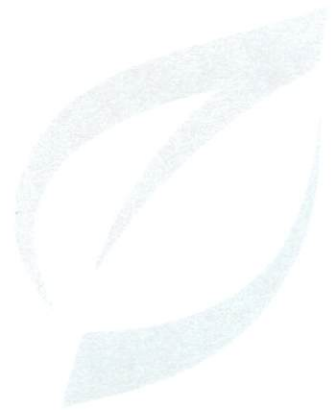




WAYSIDE HOUSE OF HAMILTON
Statement of Changes in Net Assets
Year Ended March 31, 2017

	Operating and Community Fund	Capital Fund	Reserve Fund	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 95,805	\$ 173,967	\$ 243,880	\$ 513,652	\$ 514,473
Excess (deficiency) of revenues over expenses	612	(5,617)	4,970	(35)	(821)
NET ASSETS - END OF YEAR	\$ 96,417	\$ 168,350	\$ 248,850	\$ 513,617	\$ 513,652

See notes to financial statements





WAYSIDE HOUSE OF HAMILTON
Statement of Operations
For the Year Ended March 31, 2017

	2017	2016
REVENUES		
Local Health Integration Network operating grants	\$ 601,002	\$ 601,002
Ministry of Health Hepatitis C Secretariat Fund	379,128	379,128
Local Health Integration Network supportive housing	312,768	312,768
Ministry of Health medical and dental reimbursements	55,763	72,010
Other	54,783	54,370
Ministry of Health community infrastructure renewal fund	36,555	-
Guests' room and board	24,259	18,433
	<u>1,464,258</u>	<u>1,437,711</u>
EXPENDITURES		
Accreditation expense	-	25,201
Amortization of capital assets	5,617	9,510
Bank charges	300	362
Communications	28,108	24,334
Dues and memberships	2,244	-
Food and medical	111,562	109,529
Funded capital expenditures	38,989	-
Hepatitis C program expenses	45,435	47,058
Insurance	12,270	12,000
Interest on long term debt	6,377	7,133
Office and general	19,075	23,668
Personal needs, medical and dental	55,763	73,014
Print and promotion	3,651	787
Professional and consulting	20,200	19,686
Program	15,650	18,868
Repairs and maintenance	31,262	27,693
Salaries and benefits	1,017,884	994,255
Training and development	10,843	12,270
Transportation	13,715	13,377
Travel and meals	7,635	3,774
Utilities	17,713	16,013
	<u>1,464,293</u>	<u>1,438,532</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (35)</u>	<u>\$ (821)</u>

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Statement of Cash Flow
Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (35)	\$ (821)
Item not affecting cash:		
Amortization of capital assets	<u>5,617</u>	9,510
	<u>5,582</u>	8,689
Changes in non-cash working capital:		
Accounts receivable	9,593	(548)
Accounts payable and accrued liabilities	(112)	87
Deferred income	<u>(6,564)</u>	6,564
	<u>2,917</u>	6,103
Cash flow from operating activities	<u>8,499</u>	<u>14,792</u>
INVESTING ACTIVITY		
Short term investments - net	<u>46,676</u>	(1,856)
FINANCING ACTIVITY		
Repayment of demand loan	<u>(20,339)</u>	(22,927)
INCREASE (DECREASE) IN CASH FLOW	34,836	(9,991)
Cash - beginning of year	<u>91,145</u>	101,136
CASH - END OF YEAR	\$ 125,981	\$ 91,145
CASH CONSISTS OF:		
Cash	\$ 125,157	\$ 83,218
Restricted cash	<u>824</u>	<u>7,927</u>
	\$ 125,981	\$ 91,145

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2017

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, 2017

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.

(continues)



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2017

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, 2017.

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 0.4 - 0.9% per annum with maturity dates ranging from May 26, 2017 to June 23, 2018.

5. CAPITAL ASSETS

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 91,587	\$ -	\$ 91,587	\$ -
Building	325,296	249,094	325,295	245,024
Computer equipment	69,088	69,088	69,088	68,662
Equipment	62,564	62,003	62,564	60,881
	<u>\$ 548,535</u>	<u>\$ 380,185</u>	<u>\$ 548,534</u>	<u>\$ 374,567</u>
Net book value	\$ 168,350		\$ 173,967	

The Organization has determined that there was no impairment of capital assets as at March 31, 2017.



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2017

6. INTERFUND TRANSFERS

Interfund transfers for 2017 are comprised of the following:

	Operating and Community Fund	Capital Fund	Reserve Fund
Interest income transferred	\$ (4,970)	\$ -	\$ 4,970
Cash transferred for expenses	51,646	-	(51,646)
	<u>\$ 46,676</u>	<u>\$ -</u>	<u>\$ (46,676)</u>

7. DEMAND LOAN

	<u>2017</u>	<u>2016</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>\$ 152,924</u>	<u>\$ 173,263</u>

8. GOVERNMENT LIABILITIES

As at March 31, 2017, the amounts payable in respect of government remittances totaled \$545 (2016 - \$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 \$824 (2016 - \$7,927) 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.

10. COMPARATIVE FIGURES

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's financial statements.



WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenditures - Operating and Community Fund
(Schedule 1)
Year Ended March 31, 2017

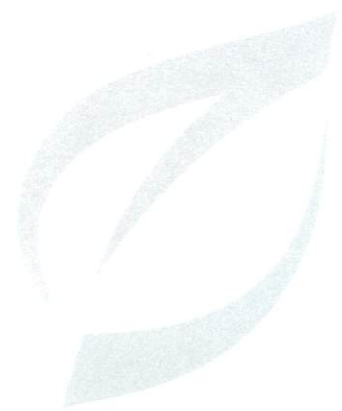
	2017	2016
REVENUES		
Local Health Integration Network operating grants	\$ 601,002	\$ 601,002
Ministry of Health Hepatitis C Secretariat Fund	379,128	379,128
Local Health Integration Network supportive housing grant	312,768	312,768
Ministry of Health medical and dental reimbursements	55,763	72,010
Other	49,813	51,175
Guests' room and board	24,259	18,433
Local Health Integration Network capital replacement grant	36,555	-
	<u>1,459,288</u>	<u>1,434,516</u>
EXPENDITURES		
Advertising and promotion	3,651	787
Bank charges and interest	300	362
Communication	28,108	24,334
Dues and memberships	2,244	-
Food and medical	111,562	109,529
Funded capital expenditures	38,989	-
Hepatitis C program	45,435	47,058
Insurance	12,270	12,000
Interest on demand loan (Note 7)	6,377	7,133
Office and general	19,075	23,668
Personal needs, medical and dental	55,763	73,014
Professional and consulting	20,200	19,686
Program	15,650	18,868
Repairs and maintenance	31,262	27,693
Salaries, wages and employee benefits	1,017,884	994,255
Training and development	10,843	12,270
Transportation	13,715	13,377
Travel and meals	7,635	3,774
Utilities	17,713	16,013
	<u>1,458,676</u>	<u>1,403,821</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 612</u>	<u>\$ 30,695</u>

See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenditures - Capital Fund (Schedule 2)
Year Ended March 31, 2017

	2017	2016
EXPENDITURES		
Amortization of capital assets	\$ 5,617	\$ 9,510

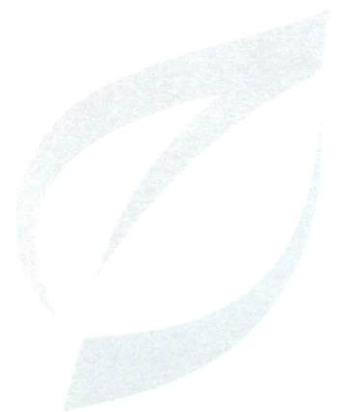




WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenditures - Reserve Fund (Schedule 3)
Year Ended March 31, 2017

	2017	2016
REVENUES		
Interest	\$ 4,970	\$ 3,195
EXPENDITURES		
Accreditation	-	25,201
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 4,970	\$ (22,006)

See notes to financial statements

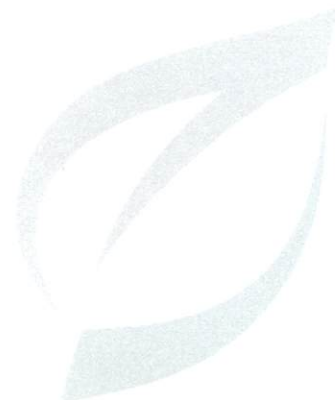




WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Operating and Community Fund
(Schedule 4)
Year Ended March 31, 2017

	2017	2016
ASSETS		
Cash	\$ 125,157	\$ 83,218
Restricted cash	824	7,927
Accounts receivable	28,091	37,684
Interfund balances (Schedule 6)	151,687	203,333
	<u>\$ 305,759</u>	<u>\$ 332,162</u>
LIABILITIES AND FUND BALANCES		
Demand loan (Note 7)	\$ 152,924	\$ 173,263
Accounts payable and accrued liabilities (Note 8)	56,418	56,530
Deferred income	-	6,564
	<u>209,342</u>	<u>236,357</u>
Net assets	<u>96,417</u>	<u>95,805</u>
	<u>\$ 305,759</u>	<u>\$ 332,162</u>

See notes to financial statements





WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Capital Fund **(Schedule 5)**
Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Capital assets <i>(Note 5)</i>	<u>\$ 168,350</u>	<u>\$ 173,967</u>
 FUND BALANCES		
Net assets	<u>\$ 168,350</u>	<u>\$ 173,967</u>



See notes to financial statements



WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Reserve Fund **(Schedule 6)**
Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Short term investments <i>(Note 4)</i>	<u>\$ 400,537</u>	<u>\$ 447,213</u>
LIABILITIES AND FUND BALANCES		
Interfund balance <i>(Schedule 4)</i>	\$ -	203,333
Net assets	<u>151,687</u>	<u>243,880</u>
	<u>\$ 400,537</u>	<u>\$ 447,213</u>



See notes to financial statements