



WAYSIDE HOUSE OF HAMILTON
Financial Statements
Year Ended March 31, 2025





WAYSIDE HOUSE OF HAMILTON
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Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

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, 2025, 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, 2025, 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 to 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, 2025 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.



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, 2025

	2025	2024
ASSETS		
CURRENT		
Cash (Note 4)	\$ 1,097,942	\$ 1,034,805
Short term investments (Note 5)	281,117	272,930
Accounts receivable	23,379	38,544
Prepaid expenses	2,759	1,204
	<u>1,405,197</u>	<u>1,347,483</u>
PROPERTY AND EQUIPMENT (Note 6)	<u>2,653,188</u>	<u>2,556,490</u>
	<u>\$ 4,058,385</u>	<u>\$ 3,903,973</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 108,624	\$ 168,796
Demand loan (Note 8)	-	8,167
Current portion of long term debt (Note 9)	1,850,000	-
Deferred income (Note 10)	292,885	249,549
	<u>2,251,509</u>	<u>426,512</u>
LONG TERM DEBT (Note 9)	-	1,850,000
DEFERRED CAPITAL GRANTS (Note 11)	<u>95,649</u>	<u>164,598</u>
	<u>2,347,158</u>	<u>2,441,110</u>
NET ASSETS		
Operating and community fund	725,915	679,383
Property and equipment fund	122,517	128,783
Reserve fund	437,295	429,197
Building fund	425,500	225,500
	<u>1,711,227</u>	<u>1,462,863</u>
	<u>\$ 4,058,385</u>	<u>\$ 3,903,973</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, 2025

2025/2024	Operating and Community Fund	Capital Fund	Reserve Fund	Building Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$679,383	\$128,783	\$429,197	\$225,500	\$1,462,863	\$1,098,063
Excess (deficiency) of revenues over expenses	46,532	(6,266)	8,098	200,000	248,364	364,800
NET ASSETS - END OF YEAR	\$725,915	\$122,517	\$437,295	\$425,500	\$ 1,711,227	\$1,462,863

2024/2023	Operating and Community Fund	Capital Fund	Reserve Fund	Building Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$516,758	\$136,444	\$420,304	\$-	\$1,073,506	\$962,336
Prior year adjustment	24,557				\$24,557	24,557
As restated	541,315	136,444	420,304	-	1,098,063	986,893
Excess (deficiency) of revenues over expenses	138,068	(7,661)	8,893	225,500	364,800	111,170
NET ASSETS - END OF YEAR	\$679,383	\$128,783	\$429,197	\$225,500	\$ 1,462,863	\$1,098,063

See notes to financial statements





WAYSIDE HOUSE OF HAMILTON
Statement of Operations
Year Ended March 31, 2025

	2025	2024
REVENUES		
Ministry of Health operating funding	\$ 1,632,211	\$ 1,632,047
Ministry of Health Hepatitis C Secretariat fund	485,132	487,632
Building donations	200,000	225,500
Donations	123,398	120,187
Recognition of deferred capital funding (<i>Note 11</i>)	68,949	75,952
Other	38,134	37,946
Grants and sponsorships	90,586	35,050
Ministry of Health medical and dental reimbursement	25,208	36,726
Guests' room and board	21,500	32,130
	2,685,118	2,683,170
EXPENSES		
Salaries and benefits	1,615,713	1,521,415
Food and medical	210,624	212,322
Repairs and maintenance	86,605	49,906
Program	100,728	91,587
Professional and consulting	162,132	85,772
Amortization of property and equipment	75,215	83,613
Communications	38,854	57,414
Office and general	36,501	40,242
Hepatitis C program expenses	31,772	72,223
Utilities	25,668	25,816
Insurance	25,279	26,795
Personal needs, medical and dental	24,390	39,613
Print and promotion	1,138	500
Fundraising expense	1,068	8,915
Interest on demand loan	1,067	2,237
	2,436,754	2,318,370
EXCESS OF REVENUES OVER EXPENSES	\$ 248,364	\$ 364,800





WAYSIDE HOUSE OF HAMILTON
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 248,364	\$ 364,800
Items not affecting cash:		
Amortization of property and equipment	75,215	83,613
Recognition of deferred capital funding	<u>(68,949)</u>	<u>(75,952)</u>
	<u>254,630</u>	<u>372,461</u>
Changes in non-cash working capital:		
Accounts receivable	15,164	(1,723)
Prepaid expenses	(1,555)	9,307
Accounts payable and accrued liabilities	(60,172)	(12,485)
Deferred income	<u>43,336</u>	<u>100,646</u>
	<u>(3,227)</u>	<u>95,745</u>
Cash flow from operating activities	<u>251,403</u>	<u>468,206</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(171,912)	(287,884)
Short term investments	(8,187)	(5,352)
Deferred capital grants	<u>-</u>	<u>63,161</u>
Cash flow used by investing activities	<u>(180,099)</u>	<u>(230,075)</u>
FINANCING ACTIVITY		
Repayment of demand loan	<u>(8,167)</u>	<u>(22,742)</u>
INCREASE IN CASH FLOW	63,137	215,389
Cash - beginning of year	<u>1,034,805</u>	<u>819,416</u>
CASH - END OF YEAR	\$ 1,097,942	\$ 1,034,805





WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2025

1. PURPOSE OF ORGANIZATION

Wayside House of Hamilton (the "Organization") is a not-for-profit community based charitable organization incorporated without share capital 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

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.

The Building Fund reports the assets, liabilities, revenues, and expenses related to Wayside House of Hamilton's building under construction.

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)



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2025

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

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Contributed Property and equipment are recorded at fair value at the date of contribution. Expenses directly related to the building under construction are capitalized (interest on long term debt, property taxes, property management, utilities, professional fees, insurance). Building under construction is not amortized. Property and equipment 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. The significant items for which estimates were made include allowance for doubtful accounts, the useful lives of property and equipment and the amount of accrued liabilities. 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 at March 31, 2025. There have been no significant changes to the Organization's risk profile since March 31, 2024.

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 8, Note 9), which bear interest at fixed rates. The exposure to this risk also fluctuates as the debt changes from year to year.

4. RESTRICTED CASH

Included in the cash balance \$63,449 (2024 - \$61,825) for the building fund.



WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2025

5. SHORT TERM INVESTMENTS

Short term investments consist of several guaranteed investment certificates at an interest rate of 3% per annum with maturity dates ranging from June 2025 to July 2025. The short term investments are restricted in the reserve fund. Included in short-term investments is \$142,716 (2024 – \$142,716) held within the restricted fund, representing funds received from an estate.

6. PROPERTY AND EQUIPMENT

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 489,596	\$ -	\$ 489,596	\$ -
Parking lot	19,088	5,726	19,088	3,818
Building	674,830	548,543	674,830	484,225
Building under construction	2,014,955	-	1,843,043	-
Computer equipment	138,065	129,077	138,065	120,089
Furniture and equipment	89,392	89,392	89,392	89,392
	\$ 3,425,926	\$ 772,738	\$ 3,254,014	\$ 697,524
Net book value	\$ 2,653,188		\$ 2,556,490	

The Organization has determined that there was no impairment of property and equipment as at March 31, 2025. Building under construction not placed into use are not amortized. Interest capitalized under building under construction is \$117,890 (2024 - \$118,185).

7. GOVERNMENT LIABILITIES

As at March 31, 2025, the amounts payable in respect of government remittances totaled \$5,600 (2024 - \$26,477) representing a reimbursement of Ministry funding for the period.

8. DEMAND LOAN

Toronto Dominion Bank loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of \$2,034. The loan was repaid during the year.





WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2025

9. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
Hamilton Community Foundation loan bearing interest at the lower of 6.45% or RBC prime plus 0.5% per annum, repayable in monthly interest only payments. The loan matures on January 30, 2026 and is secured by the land and buildings of the properties which has a carrying value of \$2,630,839.	\$ 1,850,000	\$ 1,850,000
Amounts payable within one year	(1,850,000)	-
	\$ -	\$ 1,850,000

Principal repayment terms are approximately:

2026	<u>\$ 1,850,000</u>
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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.

10. 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>2025</u>	<u>2024</u>
<u>Externally restricted income to be deferred</u>		
Opening balance	\$ 249,549	\$ 148,903
Other additions during the year	107,400	528,150
less:	356,949	677,053
Amounts amortized to revenue	(64,064)	(427,504)
	\$ 292,885	\$ 249,549





WAYSIDE HOUSE OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2025

11. 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 property and equipment additions.

	<u>2025</u>	<u>2024</u>
<u>Ministry of Health capital grants</u>		
Opening balance	\$ 164,598	\$ 176,648
Additions during the period	-	63,902
less:	164,598	240,550
Amounts amortized to revenue	(68,949)	(75,952)
	\$ 95,649	\$ 164,598

12. INTERFUND BALANCES

The interfund balances are non-interest bearing and are due on demand.

The Reserve Fund, Property and Equipment and Building Funds are used by the Organization for specific purposes and are not available for general operations, unless approved by the Board. The Property and Equipment and Buildings Funds are used only for property and equipment improvements as needed. Distributions from the Reserve Fund are at the discretion of the Organization's Board.

13. ECONOMIC DEPENDENCE

The Organization is primarily funded by the Ministry and its ongoing existence is dependant upon continued funding by the Ministry.

14. COMPARATIVE FIGURES

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





WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenses - Operating and Community Fund (Schedule 1)
Year Ended March 31, 2025

	2025	2024
REVENUES		
Ministry of Health operating funding	\$ 1,632,211	\$ 1,632,047
Ministry of Health Hepatitis C Secretariat Fund	485,132	487,632
Donations	123,398	120,187
Other	30,036	29,053
Ministry of Health medical and dental reimbursements	25,208	36,726
Guests' room and board	21,500	32,130
Grants and sponsorships	90,586	35,050
	2,408,071	2,372,825
EXPENSES		
Advertising and promotion	1,138	500
Communication	38,854	57,414
Food and medical	210,623	212,322
Fundraising expense	1,068	8,915
Hepatitis C program	31,772	72,223
Insurance	25,279	26,795
Interest on demand loan (Note 9)	1,067	2,237
Office and general	36,502	40,241
Personal needs, medical and dental	24,390	39,613
Professional and consulting	162,132	85,772
Program	100,728	91,587
Repairs and maintenance	86,605	49,906
Salaries, wages and employee benefits	1,615,713	1,521,415
Utilities	25,668	25,817
	2,361,539	2,234,757
EXCESS OF REVENUES OVER EXPENSES	\$ 46,532	\$ 138,068





WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenses - Property and Equipment Fund
(Schedule 2)
Year Ended March 31, 2025

	<u>2025</u>	<u>2024</u>
REVENUE		
MOH capital grant	\$ 68,949	\$ 75,952
EXPENSES		
Amortization of property and equipment	<u>75,215</u>	<u>83,613</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (6,266)</u>	<u>\$ (7,661)</u>





WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenses - Reserve Fund *(Schedule 3)*
Year Ended March 31, 2025

	2025	2024
REVENUES		
Interest	\$ 8,098	\$ 8,893





WAYSIDE HOUSE OF HAMILTON
Statement of Revenues over Expenses - Building Fund *(Schedule 4)*
Year Ended March 31, 2025

	2025	2024
REVENUES		
Building donations	\$ 200,000	\$ 225,500





WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Operating and Community Fund (Schedule 5)
Year Ended March 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Unrestricted cash	\$ 891,777	\$ 830,264
Accounts receivable	23,379	38,544
Prepaid expenses	2,759	1,204
Interfund balances (Note 12)	<u>209,509</u>	<u>235,883</u>
	\$ 1,127,424	\$ 1,105,895
LIABILITIES AND FUND BALANCES		
Demand loan (Note 8)	\$ -	\$ 8,167
Accounts payable and accrued liabilities (Note 7)	108,624	168,796
Deferred income (Note 10)	<u>292,885</u>	<u>249,549</u>
	401,509	426,512
Net assets	<u>725,915</u>	<u>679,383</u>
	\$ 1,127,424	\$ 1,105,895





WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Property and Equipment Fund (Schedule 6)
Year Ended March 31, 2025

	2025	2024
ASSETS		
Property and equipment (Note 6)	\$ 240,224	\$ 315,438
LIABILITIES AND FUND BALANCES		
Deferred capital grants (Note 11)	\$ 95,649	\$ 164,598
Interfund balance (Note 12)	22,058	22,057
	117,707	186,655
Net assets	122,517	128,783
	\$ 240,224	\$ 315,438





WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Reserve Fund **(Schedule 7)**
Year Ended March 31, 2025

	2025	2024
ASSETS		
Restricted cash <i>(Note 4)</i>	\$ 142,716	\$ 142,716
Short term investments <i>(Note 5)</i>	281,117	272,930
Interfund balances <i>(Note 12)</i>	<u>13,462</u>	<u>13,551</u>
	<u>\$ 437,295</u>	<u>\$ 429,197</u>
 LIABILITIES AND FUND BALANCES		
Net assets	<u>\$ 437,295</u>	<u>\$ 429,197</u>





WAYSIDE HOUSE OF HAMILTON
Statement of Financial Position - Building Fund **(Schedule 8)**
Year Ended March 31, 2025

	2025	2024
ASSETS		
Restricted cash (Note 4)	\$ 63,449	\$ 61,825
Construction in progress (Note 6)	<u>2,412,964</u>	<u>2,241,052</u>
	<u>2,476,413</u>	<u>2,302,877</u>
LIABILITIES AND FUND BALANCES		
Current portion of long term debt	1,850,000	-
Long Term Loan (Note 9)	-	1,850,000
Interfund balance	<u>200,913</u>	<u>227,377</u>
	<u>2,050,913</u>	<u>2,077,377</u>
Net assets	<u>425,500</u>	<u>225,500</u>
	<u>\$ 2,476,413</u>	<u>\$ 2,302,877</u>

