

**RYANDALE SHELTER FOR THE HOMELESS  
FINANCIAL STATEMENTS  
AS AT MARCH 31, 2018**

**RYANDALE SHELTER FOR THE HOMELESS  
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AS AT MARCH 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Ryandale Shelter For The Homeless

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Ryandale Shelter For The Homeless, which comprise the statement of financial position as at March 31, 2018, and the statements of changes in net assets, revenue and expenditures, 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.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, Ryandale Shelter For The Homeless derives revenue from donations and fundraising activities, 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, as at and for the years ended March 31, 2018 and March 31, 2017, any adjustments might be necessary to contributions, excess of revenue over expenditures, current assets and fund balances.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Ryandale Shelter For The Homeless as at March 31, 2018, and its operations and its cash flows for the year ended March 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

KINGSTON, Canada  
September 13, 2018

*Wilkinson Company LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

RYANDALE SHELTER FOR THE HOMELESS  
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	Operating Fund	2018 Capital Asset Fund	Internally Restricted Capital Fund	Internally Restricted Operating Fund	2018 Total	2017 Total
	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	50,628		224,968	18,000	293,596	119,153
Short-term investments - Note 3	18,622				18,622	18,622
Accounts receivable	1,293				1,293	8,264
Accrued interest	51				51	16
	70,594		224,968	18,000	313,562	146,055
<b>TANGIBLE CAPITAL ASSETS - Note 4</b>	170,723				170,723	418,750
	70,594	170,723	224,968	18,000	484,285	564,805
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	6,381				6,381	76,605
Deferred revenue - City of Kingston						18,837
Current portion of long-term debt - Note 5						145,555
	6,381				6,381	240,997
<b>DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - Note 6</b>	27,489				27,489	112,133
	6,381	27,489			33,870	353,130
<b>FUND BALANCES</b>						
<b>UNRESTRICTED</b>	64,213	143,234			207,447	211,675
<b>INTERNALLY RESTRICTED</b>	64,213	143,234	224,968	18,000	450,415	211,675
	70,594	170,723	224,968	18,000	484,285	564,805

APPROVED ON BEHALF OF THE BOARD  
*Shelley Thompson* Director  
*Robert Campbell* Director



The accompanying notes form an integral part of these financial statements

RYANDALE SHELTER FOR THE HOMELESS  
STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2018

	2018				2017 Total
	Operating Fund	Capital Asset Fund	Internally Restricted Capital Fund (Note 7)	Internally Restricted Operating Fund (Note 7)	
	\$	\$	\$	\$	\$
<b>REVENUE</b>					
Donations	10,753				26,867
Fundraising	21,808				17,561
Interest	888				246
City of Kingston - Per diems	56,510				226,032
United Way	145				17,825
Amortization of deferred contributions - Note 6		5,175			13,092
Rental Income - Victoria Street	27,425				21,183
Other income	1,115				671
Gain on disposal of tangible capital assets		207,599			
	118,644	212,774			323,477
<b>EXPENDITURES</b>					
Amortization of tangible capital assets		5,175			13,092
Bank charges and fees	1,285				1,674
Fundraising expense	5,512				4,249
Insurance	1,924				1,977
Miscellaneous	630				624
Office	1,917				1,860
Professional fees	7,089				7,255
Wages and benefits	43,771				271,320
Elm Street - Schedule A	3,381				28,800
Victoria Street - Schedule A	20,469				27,890
Interest on long term-debt	1,525				7,876
	87,503	5,175			366,617
<b>EXCESS OF REVENUE OVER EXPENDITURES ( EXPENDITURES OVER REVENUE ) FOR YEAR</b>	31,141	207,599			(43,140)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	50,613	161,062			254,815
<b>TRANSFER BETWEEN FUNDS - Note 8</b>	(17,541)	(225,427)	224,968	18,000	
<b>FUND BALANCE - END OF YEAR</b>	64,213	143,234	224,968	18,000	211,675

The accompanying notes form an integral part of these financial statements

RYANDALE SHELTER FOR THE HOMELESS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures (expenditures over revenues) for year	238,740	(43,140)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	5,175	13,092
Gain on disposal of tangible capital assets	(207,599)	
Amortization of deferred contributions	(5,175)	(13,092)
	<u>31,141</u>	<u>(43,140)</u>
Net change in non-cash working capital balances related to operations - Note 9	(82,125)	18,377
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<u>(50,984)</u>	<u>(24,763)</u>
<b>INVESTING ACTIVITIES</b>		
Net proceeds on disposal of tangible assets	370,982	
<b>CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES</b>	<u>370,982</u>	<u>NIL</u>
<b>FINANCING ACTIVITIES</b>		
Principal payments on long-term debt obligations	(145,555)	(13,964)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<u>(145,555)</u>	<u>(13,964)</u>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR</b>	174,443	(38,727)
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	119,153	157,880
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<u>293,596</u>	<u>119,153</u>
<b>REPRESENTED BY:</b>		
Cash	293,596	119,153

The accompanying notes form an integral part of these financial statements

WILKINSON 

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**1. PURPOSE OF THE ORGANIZATION AND INCORPORATION**

Ryandale Shelter For The Homeless was incorporated in Ontario in 1999 as a corporation without share capital. On April 1, 1999 the assets and liabilities of Ryandale House For The Homeless, House Operations were transferred to Ryandale Shelter For The Homeless. On that date, the shelter began operations. Its primary purpose is to provide emergency temporary accommodation for persons without shelter. The corporation is registered as a charitable organization and consequently is exempt from income taxes under the *Income Tax Act*.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Outlined below are those accounting policies adopted by the organization considered to be particularly significant:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**(b) Accounting Estimates**

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable, deferred revenue and accounts payable. Actual results could differ from those estimates.



**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(c) Fund Accounting**

The accompanying financial statements include the activities of the organization for which the Board of Directors is legally accountable. In order to properly reflect its activities, the organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. For financial reporting purposes, the organization has combined funds with similar characteristics into two fund groups: Operating Fund and Capital Asset Fund.

The Operating Fund accounts for the cost of operations of providing non-profit housing financed by grants, fundraising and other general income.

The Capital Asset Fund accounts for the organization's land and building and the direct financing of these tangible capital assets.

The Internally Restricted Capital Fund accounts for funds set aside by the Board of Directors to be used for the expansion of Transitional Housing services of Kingston.

The Internally Restricted Operation Fund accounts for funds set aside by the Board of Directors for three months of operating costs.

The balance sheet represents the combined position of all funds of the organization.

**(d) Short-Term Investments**

Investments are initially recorded at their acquisition cost. At the balance sheet date, the investments are adjusted to amortized cost, and the corresponding income is recorded in the statement of revenue and expenditure.

**(e) Tangible Capital Assets**

Tangible capital assets are stated at the original capital cost. Amortization of the buildings, which is based on its estimated useful life, is calculated on the straight line basis over 40 years.

**(f) Revenue Recognition**

Revenue from per diems is recognized at the time the services are provided to clients.

Revenue from government subsidies and United Way is recognized as revenue in the year in which the related expenditures are incurred.

Donations and fundraising revenue are recorded as revenue when received.

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(g) Deferred Contributions Related To Tangible Capital Assets**

Deferred contributions related to tangible capital assets are recorded as a liability at the time of receipt of funds. The amounts of deferred contributions are taken into income at the same rate as the related asset is amortized.

**(h) Cash And Equivalents**

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

**(i) Volunteer Contributions**

Volunteers contribute a substantial number of hours each year to assist the organization in carrying out its activities. Because of the difficulty of determining the fair value, contributions of such services are not recognized in the financial statements.

**3. SHORT-TERM INVESTMENTS**

The short-term investments are comprised of a guaranteed investment certificate earning interest at 1.5%, maturing in January 2020.

**4. TANGIBLE CAPITAL ASSETS**

	2018		2017	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Land	30,000		60,000	
Buildings	207,009	66,286	523,654	164,904
	<b>237,009</b>	<b>66,286</b>	<b>583,654</b>	<b>164,904</b>
Cost less accumulated amortization	<b>\$ 170,723</b>		<b>\$ 418,750</b>	

The Elm Street property was sold during the year for \$395,000. From the proceeds received, \$144,320 was applied towards the mortgage held for the properties on Elm Street and on Victoria Street. The sale of the property resulted in a capital gain of \$207,599.

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**5. LONG-TERM DEBT**

	2018	2017
	\$	\$
Mortgage, repaid in the 2017 - 2018 year		145,555
Less principal payments due within one year that are included in current liabilities.		(145,555)
	<b>NIL</b>	<b>NIL</b>

**6. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS**

Deferred contributions related to tangible capital assets represent contributions received in the form of grants to be used for building addition construction. The deferred contributions are reported as income at the same rate as the related amortization of the buildings.

	2018	2017
	\$	\$
Deferred Contributions - beginning of year	112,133	125,225
Federal government grant reported as capital gain on sale of		
Elm Street property	(79,469)	
Current year amortization reported as revenue	(5,175)	(13,092)
Deferred Contributions - end of year	27,489	112,133

**7. INTERNALLY RESTRICTED FUNDS**

Internally restricted amounts of \$224,968 have been set aside in the capital fund for the use of the expansion of Transitional Housing services in Kingston. Internally restricted amounts of \$18,000 have been set aside in the Operating fund for three months of operating costs. These internally restricted amounts are not available for any other purpose without the approval of the Board of Directors.

**8. TRANSFER BETWEEN FUNDS**

During the year the organization reported a net transfer of \$225,427 between the operating fund balance and the capital asset fund relating to the mortgage payments, commissions and legal fees paid less the proceed received for the sale of the Elm St property. Also, the Board of Directors authorized that \$224,968 be transferred from the Operating Fund to the Internally Restricted Capital fund and that \$18,000 be transferred to the Internally Restricted Operating Fund.

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**9. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS**

Cash provided from (used in) non-cash working capital is compiled as follows:

	2018	2017
	\$	\$
<b>(INCREASE) DECREASE IN CURRENT ASSETS</b>		
Accounts receivable	6,971	(4,031)
Accrued interest	(35)	27
	6,936	(4,004)
<b>INCREASE (DECREASE) IN CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	(70,224)	60,053
Deferred revenue	(18,837)	(37,672)
	(89,061)	22,381
<b>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>	<b>(82,125)</b>	<b>18,377</b>

**10. FINANCIAL INSTRUMENTS**

In the normal course of business, the organization is exposed to a number of risks that can affect its operational performance. These risks are as follows:

**Interest Rate Risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The organization is exposed to interest rate risk through its short-term investments.

**Credit Risk**

Credit risk is the risk of financial loss to the organization if a counterparty fails to discharge an obligation. The organization is exposed to credit risk in the event of non-performance by tenants in connection with its accounts receivable.

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**10. FINANCIAL INSTRUMENTS (Cont'd)**

**Liquidity Risk**

Liquidity risk is the risk that the organization will not be able to meet all cash outflow obligations as they come due. The corporation mitigates this risk by monitoring cash activities and expected outflows. This risk is also mitigated by the fact that a major source of funding is from government agencies.

**11. CAPITAL DISCLOSURE**

The organization's objectives with respect to capital management are to maintain a minimum capital base that allows the organization to continue with and execute its overall purpose as outlined in the fund balances accounting policy in Note 2. The organization's Board of Directors performs periodic reviews of the organization's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the organization.

SCHEDULE A

RYANDALE SHELTER FOR THE HOMELESS  
 SCHEDULE OF PROPERTY EXPENDITURES  
 FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
	\$	\$
<b>ELM STREET</b>		
Utilities	463	7,706
Repairs and maintenance	1,424	5,428
Insurance	1,369	5,912
Cable, internet and telephone		3,909
Alarm	125	1,255
Food and health costs		4,590
<b>TOTAL ELM STREET EXPENDITURES</b>	<b>3,381</b>	<b>28,800</b>
<b>VICTORIA STREET</b>		
Utilities	7,257	7,589
Repairs and maintenance	3,362	12,158
Insurance	7,695	5,912
Cable, internet and telephone	2,155	2,231
<b>TOTAL VICTORIA STREET EXPENDITURES</b>	<b>20,469</b>	<b>27,890</b>