

**RYANDALE SHELTER FOR THE HOMELESS  
FINANCIAL STATEMENTS  
AS AT MARCH 31, 2019**

**RYANDALE SHELTER FOR THE HOMELESS**  
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**AS AT MARCH 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

### Qualified Opinion

We have audited the financial statements of Ryandale Shelter For The Homeless (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of revenue and expenditures and changes in fund balance 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, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, 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, as at and for the years ended March 31, 2019 and March 31, 2018, any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenditures, assets and fund balances.

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 the 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 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 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 these 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.

### **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.

KINGSTON, Canada  
August 26, 2019

*Wilkinson + Company LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

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### **WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS**

**RYANDALE SHELTER FOR THE HOMELESS  
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019**

	2019			2018
	Operating Fund	Capital Asset Fund	Internally Restricted Operating Fund	
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	32,997		18,000	293,596
Short-term investments - Note 3	18,673	224,968		18,673
Accounts receivable	4,254		4,254	1,293
	55,924		18,000	313,562
<b>TANGIBLE CAPITAL ASSETS - Note 4</b>	<b>165,548</b>		<b>165,548</b>	<b>170,723</b>
	55,924	224,968	18,000	464,440
	6,897			6,381
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	6,897			6,381
<b>DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - Note 5</b>		22,314		27,489
	6,897	22,314		33,870
<b>FUND BALANCES</b>				
<b>UNRESTRICTED</b>	49,027	143,234		207,447
<b>INTERNALLY RESTRICTED - Note 6</b>		224,968	18,000	242,968
	49,027	143,234	18,000	450,415
<b>APPROVED ON BEHALF OF THE BOARD</b>				
<i>Robert G. [Signature]</i> Director				
<i>Shelley Thompson</i> Director				
	55,924	165,548	18,000	484,285

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, 2019**

	2019				2018 Total
	Operating Fund	Capital Asset Fund	Internally Restricted Capital Fund (Note 7)	Internally Restricted Operating Fund (Note 7)	
REVENUE	\$	\$	\$	\$	\$
Donations	9,059			9,059	10,753
Fundraising	19,942			19,942	21,808
Interest	3,693			3,693	888
United Way	42			42	145
Grant - Home Depot	8,500			8,500	
Amortization of deferred contributions - Note 5		5,175		5,175	5,175
Rental income - Victoria Street	31,402			31,402	27,425
Other income					1,115
City of Kingston - daytime services					56,510
Gain on disposal of tangible capital assets					207,599
	72,638	5,175		77,813	331,418
<b>EXPENDITURES</b>					
Amortization of tangible capital assets		5,175		5,175	5,175
Bank charges and fees	663			663	1,285
Fundraising expense	4,710			4,710	5,512
Insurance	2,063			2,063	1,924
Miscellaneous	144			144	630
Office	799			799	1,917
Professional fees	6,538			6,538	7,089
Wages and benefits	35,784			35,784	43,771
Victoria Street - Schedule A	37,123			37,123	20,469
Elm Street - Schedule A					3,381
Interest on long term-debt					1,525
	87,824	5,175		92,999	92,678
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>					
(EXPENDITURES OVER REVENUE ) FOR YEAR	(15,186)	NIL	NIL	NIL	238,740
<b>FUND BALANCE - BEGINNING OF YEAR</b>	64,213	143,234	224,968	18,000	211,675
<b>FUND BALANCE - END OF YEAR</b>	49,027	143,234	224,968	18,000	450,415

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, 2019**

	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures (expenditures over revenues) for year	(15,186)	238,740
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	5,175	5,175
Gain on disposal of tangible capital assets		(207,599)
Amortization of deferred contributions	(5,175)	(5,175)
	(15,186)	31,141
Net change in non-cash working capital balances related to operations - Note 7	(2,445)	(82,125)
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(17,631)</b>	<b>(50,984)</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds on disposal of tangible assets		370,982
<b>CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES</b>		<b>370,982</b>
<b>FINANCING ACTIVITIES</b>		
Principal payments on long-term debt obligations		(145,555)
<b>CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>NIL</b>	<b>(145,555)</b>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR</b>	<b>(17,631)</b>	<b>174,443</b>
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<b>293,596</b>	<b>119,153</b>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b>275,965</b>	<b>293,596</b>
<b>REPRESENTED BY:</b>		
Cash	275,965	293,596

The accompanying notes form an integral part of these financial statements

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

**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 was to provide emergency temporary accommodation for persons without shelter, but has since changed to offer a supportive living environment and opportunities for social and skills development for formerly homeless adults, thereby facilitating a successful transition to independent living. 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, 2019**

**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 and related services 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 expenditures.

**(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 rental income is recognized at the time the services are provided to clients.

Revenue from grants 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, 2019**

**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) Donated Goods for Gifts in Kind and Volunteer Contributions**

Volunteers contribute a substantial number of hours each year to assist the organization in carrying out its activities and donors may contribute goods to assist the organization rather than cash donations. Due to the difficulty of determining the fair value, contributions of such goods and 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**

	2019		2018	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Land	30,000		30,000	
Buildings	207,009	71,461	207,009	66,286
	<u>237,009</u>	<u>71,461</u>	<u>237,009</u>	<u>66,286</u>
Cost less accumulated amortization	<u>\$ 165,548</u>		<u>\$ 170,723</u>	

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

**5. 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.

	2019	2018
	\$	\$
Deferred Contributions - beginning of year	27,489	112,133
Federal government grant reported as capital gain on sale of Elm Street property		(79,469)
Current year amortization reported as revenue	(5,175)	(5,175)
<b>Deferred Contributions - end of year</b>	<b>22,314</b>	<b>27,489</b>

**6. 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.

**RYANDALE SHELTER FOR THE HOMELESS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

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

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

	2019	2018
	\$	\$
<b>(INCREASE) DECREASE IN CURRENT ASSETS</b>		
Accounts receivable	(2,961)	6,971
Short-term investments		(35)
	<u>(2,961)</u>	<u>6,936</u>
<b>INCREASE (DECREASE) IN CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	516	(70,224)
Deferred revenue		(18,837)
	<u>516</u>	<u>(89,061)</u>
<b>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS</b>	<b><u>(2,445)</u></b>	<b><u>(82,125)</u></b>

**8. 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 which have not changed from the previous year, 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, 2019**

**8. 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 organization 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.

**9. 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, 2019

	2019	2018
	\$	\$
<b>VICTORIA STREET</b>		
Utilities	6,998	7,257
Programming	113	
Repairs and maintenance	17,499	3,362
Insurance	8,738	7,695
Cable, internet and telephone	2,678	2,155
Household supplies	1,097	
<b>TOTAL VICTORIA STREET EXPENDITURES</b>	<b>37,123</b>	<b>20,469</b>
<b>ELM STREET</b>		
Utilities		463
Repairs and maintenance		1,424
Insurance		1,369
Alarm		125
<b>TOTAL ELM STREET EXPENDITURES</b>	<b>NIL</b>	<b>3,381</b>