

**RYANDALE SHELTER FOR THE HOMELESS
FINANCIAL STATEMENTS
AS AT MARCH 31, 2021**

DRAFT

**RYANDALE SHELTER FOR THE HOMELESS
TABLE OF CONTENTS
AS AT MARCH 31, 2021**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenue and Expenditures and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6-12

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, 2021, 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, 2021, 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, 2021 and March 31, 2020, 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 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.

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
XXX

Chartered Professional Accountants
Licensed Public Accountants

RYANDALE SHELTER FOR THE HOMELESS
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	Operating Fund \$	Capital Asset Fund \$	2021 Internally Restricted Capital Fund \$	Internally Restricted Operating Fund \$	Total \$	2020 Total \$
ASSETS						
CURRENT						
Cash - Note 7	49,893		224,968	18,000	292,861	281,936
Short-term investments - Note 4	18,684				18,684	18,673
Accounts receivable	6,243				6,243	7,068
	74,820		224,968	18,000	317,788	307,677
TANGIBLE CAPITAL ASSETS - Note 5		155,198			155,198	160,373
	74,820	155,198	224,968	18,000	472,986	468,050
LIABILITIES						
CURRENT						
Accounts payable and accrued liabilities	5,763				5,763	7,542
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - Note 6		11,964			11,964	17,139
	5,763	11,964			17,727	24,681
FUND BALANCES						
UNRESTRICTED	69,057	143,234			212,291	200,401
INTERNALLY RESTRICTED - Note 7			224,968	18,000	242,968	242,968
	69,057	143,234	224,968	18,000	455,259	443,369
APPROVED ON BEHALF OF THE BOARD						
_____ Director						
_____ Director						
	74,820	155,198	224,968	18,000	472,986	468,050

The accompanying notes form an integral part of these financial statements

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RYANDALE SHELTER FOR THE HOMELESS
STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2021

	Operating Fund	Capital Asset Fund	2021 Internally Restricted Capital Fund (Note 7)	Internally Restricted Operating Fund (Note 7)	Total	2020 Total
	\$	\$	\$	\$	\$	\$
REVENUE						
Donations	4,104				4,104	6,963
Fundraising	14,874				14,874	25,073
Interest	3,569				3,569	292
Grant - United Way of Kingston	20,000				20,000	20,000
Grant - Home Depot						10,000
Amortization of deferred contributions - Note 6		5,175			5,175	5,175
Rental income - Victoria Street	36,455				36,455	29,065
Government assistance - Note 8	7,752				7,752	
Community Foundations of Canada grant	6,426				6,426	
	93,180	5,175			98,355	96,568
EXPENDITURES						
Amortization of tangible capital assets		5,175			5,175	5,175
Bank charges and fees	710				710	679
Fundraising expense	1,064				1,064	3,967
Insurance	2,435				2,435	2,192
Miscellaneous						533
Office	1,642				1,642	1,433
Professional fees	9,203				9,203	6,617
Wages and benefits	44,446				44,446	37,596
Victoria Street						
Utilities	5,367				5,367	5,847
Programming	746				746	300
Repairs and maintenance	5,682				5,682	11,337
Insurance	7,944				7,944	9,168
Cable, internet and telephone	1,151				1,151	2,549
Household supplies	900				900	1,035
	81,290	5,175			86,465	88,428
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	11,890	NIL	NIL	NIL	11,890	8,140
FUND BALANCE - BEGINNING OF YEAR	57,167	143,234	224,968	18,000	443,369	435,229
FUND BALANCE - END OF YEAR	69,057	143,234	224,968	18,000	455,259	443,369

The accompanying notes form an integral part of these financial statements

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**RYANDALE SHELTER FOR THE HOMELESS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021 \$	2020 \$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	11,890	8,140
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	5,175	5,175
Amortization of deferred contributions	(5,175)	(5,175)
	11,890	8,140
Net change in non-cash working capital balances related to operations - Note 9	(954)	(2,169)
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	10,936	5,971
INVESTING ACTIVITIES		
Increase in short-term investments	(11)	
CASH FLOWS USED IN INVESTING ACTIVITIES	(11)	NIL
INCREASE IN CASH AND EQUIVALENTS FOR YEAR	10,925	5,971
CASH AND EQUIVALENTS - BEGINNING OF YEAR	281,936	275,965
CASH AND EQUIVALENTS - END OF YEAR	292,861	281,936
REPRESENTED BY:		
Cash	292,861	281,936

The accompanying notes form an integral part of these financial statements
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**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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. IMPACT OF COVID-19

Since the beginning of the year, the coronavirus disease COVID-19 has had considerable impact, both globally and locally, which has the potential to create financial stress on the Organization in the following areas:

- (a) The global investment markets have experienced substantial volatility and downward valuation due to the economic concerns at this time, which could have some impact on the Organization's investment portfolio, and
- (b) Due to the economic uncertainty that affects potential donors, the receipt of donations may be reduced.
- (c) Due to the limitation of access to the bingo hall, the revenue from fundraising from bingos and Nevada Ticket sales has been reduced.
- (d) Due to the health protocols, there has been an increased cost of personal protective equipment.

At the time that these financial statements were finalized, the amount of the financial impact of these two areas could not be determined.

3. 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.

**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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, accounts payable and accrued liabilities, and deferred capital contributions. Actual results could differ from those estimates.

(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 the following funds:

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 statement of financial position represents the combined position of all funds of the organization.

(d) Short-Term Investments

Investments are initially recorded at their acquisition cost. At the year end 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.

**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Financial Instruments

(i) Measurement of Financial Instruments

Ryandale Shelter for the Homeless initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Ryandale subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable, and short-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is reflected in excess (deficiency) of revenues over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess (deficiency) of revenue over expenditures, up to the amount of previously recognized as impaired.

(g) Revenue Recognition

Revenue from rental income is recognized at the time the services are provided to clients.

Revenue from grants is recognized as revenue in the year in which the related expenditures are incurred.

Donations and fundraising revenue are recorded as revenue when received.

Interest is recognized as earned.

(h) 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.

**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) 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.

(j) 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.

(k) Government Assistance

Government assistance in the form of tax credits and subsidies is recorded as revenue. Government assistance is recognized in the period where all conditions of the tax credits or subsidies are met.

4. SHORT-TERM INVESTMENTS

The short-term investments are comprised of a guaranteed investment certificate earning interest at 1.85%, maturing in January 2022.

5. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Land	30,000		30,000	
Buildings	207,009	81,811	207,009	76,636
	237,009	81,811	237,009	76,636
Cost less accumulated amortization	\$ 155,198		\$ 160,373	

**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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.

	2021	2020
	\$	\$
Deferred Contributions - beginning of year	17,139	22,314
Current year amortization reported as revenue	(5,175)	(5,175)
<hr/>		
Deferred Contributions - end of year	11,964	17,139
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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. GOVERNMENT ASSISTANCE

The corporation is eligible for the Canada Emergency Wage Subsidy (CEWS). The corporation is entitled to received CEWS of \$7,752 which has been recorded as revenue.

**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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:

	2021	2020
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	825	(2,814)
	825	(2,814)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(1,779)	645
	(1,779)	645
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(954)	(2,169)

**RYANDALE SHELTER FOR THE HOMELESS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

10. FINANCIAL RISKS AND CONCENTRATION OF RISKS

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 as detailed in Note 4 to these financial statements.

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.

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.

There have been no changes in risk from the previous year.

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 3. 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.