

**FINANCIAL STATEMENTS
MARCH 31, 2016**

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**Lanark County Interval House
Financial Statements
March 31, 2016**



Lanark County
**INTERVAL
HOUSE**

WORKING TO END VIOLENCE
AGAINST WOMEN & CHILDREN

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Lanark County Interval House are the responsibility of the Corporation's management and have been prepared in compliance with legislation, and in accordance with Canadian Accounting Standards for Not-For-Profit Organization (ASNPO). A summary of significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involved the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

Management meets with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters. The Board of Directors meets with management subsequently to review these same matters prior to the Board's approval of the financial statements.

The financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Corporation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's financial statements.

Erin Lee-Todd,
Executive Director

Jennifer Greaves,
Financial Coordinator



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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Lanark County Interval House:

We have audited the accompanying financial statements of Lanark County Interval House which comprise the statement of financial position as at March 31, 2016, and the statements of operations and fund balances 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 Organization, 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 audit 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 an audit to obtain reasonable assurance whether the financial statements are free of 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 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.

In common with many charitable Corporations, the Corporation derives revenue from fundraising events 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 the Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses and cash flow from operations for the year ended, March 31, 2016, current assets as at March 31, 2016 and fund balances as at March 31, 2016.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Note 2 to the financial statements describes the departure from Canadian Accounting Standards for Not-For-Profit Organizations and the related impact on operations and net capital assets which pertain to the capital funded projects.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues, referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Lanark County Interval House as at March 31, 2016, and the results of operations and cash flows for the year ended March 31, 2016 and comparative information in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.



Allan and Partners LLP
Chartered Professional Accountants
Licenced Public Accountants


Perth, Ontario,
May 31, 2016.

**Lanark County Interval House
Statement of Financial Position**

March 31	2016	2015
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	123,868	86,047
Accounts receivable	23,611	26,740
Prepaid expense	17,146	17,201
	164,625	129,988
Restricted Cash	32,439	31,051
Capital Assets (note 3)	202,098	213,370
	399,162	374,409
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	65,339	92,191
Deferred revenues	22,006	13,019
Current portion of long term debt	10,267	10,156
	97,612	115,366
Long Term Debt (note 4)	37,774	48,041
Fund Balances		
Unrestricted	77,280	24,778
Invested in capital assets	154,057	155,173
Replacement reserve fund (note 5)	32,439	31,051
	263,776	211,002
Total Liabilities and Fund Balances	399,162	374,409

On Behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

**Lanark County Interval House
Statement of Operations and Fund Balances**

For the year ended March 31	(Note 9) Budget	2016	2015
	\$	\$	\$
Revenues			
Provincial Funding			
Ministry of Community and Social Services	1,049,241	1,105,645	1,056,114
Ministry of Health	28,659	33,859	33,759
Miscellaneous Grants	16,250	21,144	41,079
	1,094,150	1,160,648	1,130,952
Operating Expenditures			
Amortization	---	11,272	13,579
Bank charges and interest	1,450	1,595	1,513
Comfort allowance (net)	300	284	230
Community support	4,500	2,179	4,273
Fundraising and event costs	1,227	2,058	1,285
Groceries	19,000	15,290	16,107
Heat, light and power	17,975	16,666	17,100
Information technology	8,871	12,391	6,090
Insurance	13,500	12,595	11,812
Labour negotiations	2,000	---	4,055
Memberships	450	430	3,180
Mortgage interest	5,522	369	476
Office	8,110	9,180	7,884
Professional fees	5,400	9,382	8,825
Promotions	6,468	7,423	6,689
Rent	42,936	41,455	41,138
Repairs and maintenance	33,874	80,165	48,091
Resource materials and program supplies	4,297	8,212	15,750
Security system	3,340	1,797	1,642
Supplies	4,650	2,823	3,041
Telephone	23,603	19,237	19,363
Training and staff development	19,207	19,354	22,493
Travel	24,856	17,507	19,883
Wages and benefits	1,027,784	1,021,879	1,040,619
	1,279,320	1,313,543	1,315,118
Net Operating Expenditures for the Year	(185,170)	(152,895)	(184,166)
Other Revenues			
Fundraising and donations (net) (Schedule 2)	127,685	122,084	165,688
As Good As New shop income (net) (Schedule 3)	51,725	82,532	68,265
Interest income	200	1,053	436
	179,610	205,669	234,389
Net Revenues for the Year	(5,560)	52,774	50,223
Fund Balances, Beginning of Year	211,002	211,002	160,779
Fund Balances, End of Year	205,442	263,776	211,002

The accompanying notes are an integral part of these financial statements.

**Lanark County Interval House
Statement of Cash Flows**

For the year ended March 31	2016	2015
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net revenues for the year	52,774	50,223
Add Items Not Involving Cash		
Amortization	11,272	13,579
	64,046	63,802
Net Change in Non-Cash Working Capital		
Balances Related to Operations		
Accounts receivable	3,129	(13,871)
Due from Ministry of Attorney General	---	2,437
Prepaid expense	55	(2,002)
Accounts payable and accrued liabilities	(26,852)	1,504
Deferred revenues	8,987	(1,643)
	(14,681)	(13,575)
Financing Activities		
Repayment of long term debt	(10,156)	(10,050)
Increase in restricted cash and deposits	(1,388)	(3,433)
	(11,544)	(13,483)
Change in Cash, During the Year	37,821	36,744
Cash, Beginning of Year	86,047	49,303
Cash, End of Year	123,868	86,047

The accompanying notes are an integral part of these financial statements.

Lanark County Interval House Notes to the Financial Statements

March 31, 2016

Nature of Operations

Lanark County Interval House is a shelter for abused women and their children. Services include residential accommodation and 24 hour crisis counselling, a community support program, advocacy and public education.

1. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations. Significant aspects of the accounting policies adopted by the Corporation are as follows:

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions for not-for-profit Corporations. Under the deferral method unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted donations and grants are recognized as revenue in the year in which the related expenditure is incurred.

Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Expense Recognition

Expenditures are recognized according to the accrual basis of accounting in that the expenditures are recorded as incurred as a result of receipt of goods and services and the creation of a legal obligation to pay.

Deferred Revenue

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

Donated Services

No amounts are reflected in the statements for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Corporation and its fundraising activities.

Capital Assets

Capital assets are stated at cost. Amortization is taken on a straight line basis with the following useful lives:

Buildings	40 years
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Lanark County Interval House Notes to the Financial Statements

March 31, 2016

1. Significant Accounting Policies / continued

Capital Reserve Fund

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve Fund account is to be credited in the amount of \$1,000 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

Net Revenues (Expenditures)

The adjustment to any net revenues (expenditures) must be approved by the Ministry of Community and Social Services or the Ministry of Health and is reflected as an adjustment to the statement of changes in unrestricted fund balance in the year of approval by the Ministry.

Financial Instruments

All financial instruments are initially recognized at fair value on the balance sheet. The Corporation has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net earnings.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Corporation classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements 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 period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Departure from Canadian Accounting Standards for Not-For-Profit Organizations

Acquisition of capital assets which are funded by government transfers are not capitalized in these financial statements, rather, they were expensed in the year acquired. To the extent that these capital assets should have been included on the balance sheet together with annual amortization recorded as an expense is a departure from Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO). The capital cost of the shelter that has been expensed as opposed to being capitalized was \$2,411,917, 2007/2008.

**Lanark County Interval House
Notes to the Financial Statements**

March 31, 2016

2. Departure from Canadian Generally Accounting Standards for Not-For-Profit Corporations
/ continued

Equipment and furnishings are expensed in the year of replacement and the financial information relating to the impact of these transfers are not available and as a result have not been included in these statements.

3. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	10,000	---	10,000	10,000
Building ▶ Moore Street	210,862	139,891	70,971	75,971
▶ Bridge Street	212,789	91,662	121,127	125,089
Vehicle	23,087	23,087	---	2,310
	456,738	254,640	202,098	213,370

4. Long Term Debt

	2016	2015
	\$	\$
Canada Mortgage and Housing Corporation, (2.11%), with blended monthly payments of \$460.13, secured by a first mortgage the property, due December 1, 2018.	14,741	19,893
Bank of Nova Scotia Mortgage (prime + 1.25%), with monthly principal payments of \$417, plus interest, second by a collateral mortgage on the property, due on demand.	33,300	38,304
	48,041	58,197
Less: current portion	10,267	10,156
	37,774	48,041

Principal payments fall due as follows:

	\$
2017	10,267
2018	10,377
2019	9,109
2020	5,004
2021 and thereafter	13,284
	48,041

**Lanark County Interval House
Notes to the Financial Statements**

March 31, 2016

5. Capital Reserve Fund

	2016	2015
	\$	\$
Reserve Funds set aside for specific purpose CMHC ▶ Replacement Reserve Fund	32,439	31,051

6. Commitments

Lanark County Interval House has entered into several commercial rent agreements. The Commitment payments fall due as follows:

	\$
2017	35,400
2018	24,000
2019	18,000

7. Public Education and Volunteer Assistance

Lanark County Interval House has incurred the following expenditures which are included in the operating expenditures on the Statement of Operations and Fund Balances:

	2016	2015
	\$	\$
Public Education	25,541	32,132
Volunteer Assistance	2,760	47,311

8. Risk Management

In the normal course of operations, the Corporation is exposed to a variety of financial risks which are actively managed by the Corporation.

The Corporation's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. The fair values of cash, investments, and accounts payable approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

Lanark County Interval House Notes to the Financial Statements

March 31, 2016

8. Risk Management / continued

In the normal course of operations, the Corporation is exposed to a variety of financial risks which are actively managed by the Corporation.

The Corporation's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair values of cash, investments, accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Corporation's exposure to and management of risk has not changed materially from March 31, 2015.

Credit Risk

Credit risk arises from the possibility that the entities to which the Corporation provides services to may experience difficulty and be unable to fulfill their obligations. The Corporation is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Corporation does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Corporation's operating results.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation requires working capital to meet day-to-day operating activities. Management expects that the Corporation's cash flows from operating activities will be sufficient to meet these requirements.

9. Budget Figures

The budget figures are unaudited.

10. Capital Disclosures

The Corporation defines capital as unrestricted fund balances, investment in capital assets and its replacement reserve fund. The Corporation's objective with respect to capital is to fund ongoing operations, capital assets and future projects.

The Corporation's overall strategy with respect to capital remains unchanged from the year ended March 31, 2016. The Corporation is not subject to any externally imposed capital requirements.

**Lanark County Interval House
Schedule 1 ▶ Schedule of Operations
Ministry of the Attorney General**

For the year ended March 31	(Note 9) Budget	2016	2015
	\$	\$	\$
Revenues			
Grant ▶ Ministry of the Attorney General	16,250	16,250	16,250
Expenditures			
Wages and benefits	13,998	14,295	13,802
Training and staff development	1,000	904	1,000
Travel	305	305	400
Professional fees	400	400	450
Promotions	72	72	98
Office	475	274	500
	16,250	16,250	16,250
Net Program Revenues for the Year	---	---	---

**Lanark County Interval House
Schedule 2 ▶ Schedule of Operations
Fundraising and Donations**

For the year ended March 31	(Note 9) Budget	2016	2015
	\$	\$	\$
Revenues			
Fundraising and donations	138,300	167,105	186,405
Expenditures			
Bank charges and interest	75	---	---
Fundraising and event costs	2,300	14,182	14,264
Office	3,000	1,921	1,949
Telephone	---	199	---
Travel	---	135	---
Wages and benefits	5,240	28,584	4,504
	10,615	45,021	20,717
Net Program Revenues for the Year	127,685	122,084	165,688

**Lanark County Interval House
Schedule 3 ▶ Schedule of Operations
As Good As New Shop**

For the year ended March 31	(Note 9) Budget	2016	2015
	\$	\$	\$
Revenues			
As Good As New Shop income	70,000	85,867	74,500
Residential Rent	8,400	8,450	7,300
	78,400	94,317	81,800
Expenditures			
Bank charges and interest	300	35	193
Heat, light and power	5,750	4,968	5,355
Insurance	1,500	1,385	1,318
Mortgage interest	7,200	1,444	1,735
Office	100	---	96
Promotions	175	---	107
Repairs and maintenance	9,950	2,224	3,228
Supplies	800	1,088	841
Telephone	800	499	482
Travel	---	95	---
Wages and benefits	100	47	180
	26,675	11,785	13,535
Net Program Revenues for the Year	51,725	82,532	68,265