

LANARK COUNTY INTERVAL HOUSE

FINANCIAL STATEMENTS

MARCH 31, 2025

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Operations, Ontario Health

Schedule 2 - Operations, Ministry of Children, Community and Social Services



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS MCNEELY

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lanark County Interval House

Qualified Opinion

We have audited the accompanying financial statements of Lanark County Interval House ("the Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets, 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 financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

Basis for Qualified Opinion

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.

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, 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. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net revenue, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at the beginning and the end of the years ended March 31, 2025 and 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was also qualified because of the possible effects of this limitation in scope.

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Emphasis of Matter - Financial Reporting Framework

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the basis of accounting described in Note 2 to the financial statements, 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.

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.
- 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.

Kelly Huibers McNeely
Professional Corporation

Stittsville, Ontario
June 23, 2025

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

LANARK COUNTY INTERVAL HOUSE

STATEMENT OF FINANCIAL POSITION

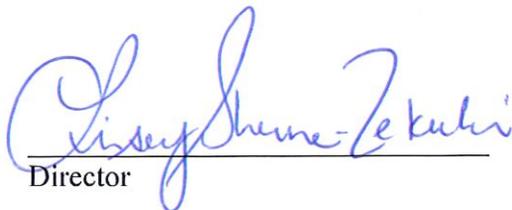
As at March 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 631,854	\$ 1,383,925
Investments (note 3)	1,328,900	465,360
Accounts receivable	25,914	57,174
Prepaid expenses	<u>18,087</u>	<u>15,980</u>
	2,004,755	1,922,439
CAPITAL ASSETS (note 4)	1,198,463	1,250,032
	\$ 3,203,218	\$ 3,172,471
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 124,052	\$ 174,096
Deferred revenue (note 5)	<u>231,638</u>	<u>241,957</u>
	355,690	416,053
DEFERRED CAPITAL CONTRIBUTIONS (note 6)	<u>1,065,937</u>	<u>1,108,246</u>
	<u>1,421,627</u>	<u>1,524,299</u>
NET ASSETS		
Unrestricted	1,367,152	1,224,473
Invested in capital assets (note 8)	132,526	141,786
Internally restricted	200,000	200,000
Second Stage Housing	<u>81,913</u>	<u>81,913</u>
	1,781,591	1,648,172
	\$ 3,203,218	\$ 3,172,471

APPROVED 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

For the year ended March 31, 2025

	2025	2024
REVENUE		
Provincial funding:		
Ministry of Children, Community and Social Services	\$ 1,313,904	\$ 1,419,582
Ontario Health	30,847	30,847
Donations and funding	461,253	393,054
Grants	217,470	431,680
As Good as New shop income	142,256	124,777
Rental income	170,871	173,629
Amortization of deferred capital contributions (note 6)	42,309	42,309
Miscellaneous	<u>63,964</u>	<u>59,752</u>
	<u>2,442,874</u>	<u>2,675,630</u>
EXPENSES		
Wages and benefits	1,575,545	1,507,485
Repairs and maintenance	114,772	254,137
Endowment contribution (note 7)	100,000	-
Rent	64,144	69,186
Amortization	51,569	51,569
Heat, light and power	49,987	46,773
Resource materials and program supplies	48,293	85,203
Insurance	46,949	39,710
Groceries	35,602	33,142
Fundraising and event costs	34,602	14,970
Telephone	34,165	30,475
Professional fees	28,867	89,512
Information technology	27,025	29,429
Promotions	23,104	19,050
Property taxes	18,327	18,803
Travel	17,544	30,383
Office	11,431	12,699
Training and staff development	9,757	38,751
Security system	8,705	35,880
Supplies	4,717	8,942
Grants	3,600	5,600
Bank charges and interest	<u>750</u>	<u>915</u>
	2,309,455	2,422,614
NET REVENUE	\$ 133,419	\$ 253,016

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

LANARK COUNTY INTERVAL HOUSE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2025

	Unrestricted	Invested in capital assets	Internally restricted	Second Stage Housing	Total 2025	Total 2024
BALANCE - BEGINNING OF YEAR	\$ 1,224,473	\$ 141,786	\$ 200,000	\$ 81,913	\$ 1,648,172	\$ 1,395,156
Net revenue (expense)	142,679	(9,260)	-	-	133,419	253,016
NET ASSETS - END OF YEAR	\$ 1,367,152	\$ 132,526	\$ 200,000	\$ 81,913	\$ 1,781,591	\$ 1,648,172

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, 2025

	2025	2024
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 133,419	\$ 253,016
Items not affecting cash:		
Amortization	51,569	51,569
Amortization of deferred capital contributions	(42,309)	(42,309)
Net change in non-cash working capital items:		
Accounts receivable	31,260	27,992
Prepaid expenses	(2,107)	(137)
Accounts payable and accrued liabilities	(50,044)	47,059
Deferred revenue	<u>(10,319)</u>	<u>(165,335)</u>
	111,469	171,855
INVESTING ACTIVITIES		
Purchase of investments, net	<u>(863,540)</u>	<u>(246,377)</u>
NET CHANGE IN CASH	(752,071)	(74,522)
CASH - BEGINNING OF YEAR	1,383,925	1,458,447
CASH - END OF YEAR	<u>\$ 631,854</u>	<u>\$ 1,383,925</u>

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

LANARK COUNTY INTERVAL HOUSE
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

1. NATURE OF THE ORGANIZATION

Lanark County Interval House ("the Organization") 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.

The Organization is incorporated under the laws of Ontario as a not-for-profit corporation. As a registered charity under the Income Tax Act, the Organization is exempt from corporate income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Organization are summarized as follows:

Basis of Presentation

These financial statements have been prepared in accordance with the basis of accounting required by the Ministry of Children, Community and Social Services ("MCCSS"). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations as described below:

(i) Capital assets purchased and funded by MCCSS including the shelter building are recorded as expenses in the period in which they are purchased, rather than being capitalized on the statement of financial position and amortized over their estimated useful lives.

(ii) Forgivable loans are recorded as contributions in the year the forgiveness occurs.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. 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 reasonable assured.

Restricted contributions and grants are recognized as revenue in the year in which the related expense is incurred.

Unrestricted donations are recognized as revenue in the year they are received. Donations with designated purposes are deferred and recognized as revenue in the year in which the related costs occur. Pledges are not recorded as revenue.

LANARK COUNTY INTERVAL HOUSE
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Fundraising revenue and expenses are recognized in the year in which the related event occurs.

Interest income is recognized as revenue when earned.

Contributed Services

Contributed services are not reflected in the financial statements since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of time to the Organization.

Expense Recognition

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

Capital Assets

Capital assets purchased by the Organization are recorded at cost. Amortization is provided on a straight line basis using the following estimated useful lives:

Buildings	-	40 years
Vehicles	-	5 years

The carrying value of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair value.

Investments

Investments are recorded at fair value. Realized investment income and unrealized gains or losses from the change in fair value are recorded in revenue in the year. Fair value is determined at quoted market prices.

LANARK COUNTY INTERVAL HOUSE
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of the 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 expenses during the year. Actual results could differ from those estimates.

3. INVESTMENTS

	<u>2025</u>	<u>2024</u>
Cash equivalents	\$ 11,775	\$ 8,371
Guaranteed investment certificates	1,193,726	351,416
Fixed income securities	83,586	72,120
Common equities	39,813	33,453
	\$ 1,328,900	\$ 465,360

The Organization's guaranteed investment certificates bear interest at a combination of market-linked rates and fixed rates between 4.0% to 5.1% per annum, and mature between June 2025 and September 2026.

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value</u>
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Buildings:				
Emergency shelter	210,862	184,901	25,961	30,963
As Good as New shop	212,789	127,311	85,478	89,439
Beyond Second Stage				
Housing	1,178,162	114,294	1,063,868	1,093,322
Vehicles	65,768	52,612	13,156	26,308
	\$ 1,677,581	\$ 479,118	\$ 1,198,463	\$ 1,250,032

LANARK COUNTY INTERVAL HOUSE
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

5. DEFERRED REVENUE

	Opening 2024	Amounts received	Investment income	Revenue recognized	Closing 2025
Pat Jeeve's Trust Fund	\$ 72,053	\$ -	\$ 12,423	\$ (3,600)	\$ 80,876
Kinder-Ly Fund	-	13,790	18	-	13,808
Grants and funding	159,155	69,240	-	(95,578)	132,817
Fundraising and donations	9,249	-	-	(6,784)	2,465
Other - rent	1,500	1,672	-	(1,500)	1,672
	\$ 241,957	\$ 84,702	\$ 12,441	\$ (107,462)	\$ 231,638

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unspent and unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

	2025	2024
Balance, beginning of year	\$ 1,108,246	\$ 1,150,555
Less amounts amortized to revenue	(42,309)	(42,309)
	\$ 1,065,937	\$ 1,108,246

7. ENDOWMENT FUND CONTRIBUTION

During the year, \$100,000 was contributed to the Perth and District Community Foundation to create the Lanark County Interval House & Community Support Fund. The purpose of the Fund is to support the charitable activities of the Organization, with the original contribution to be held by the Fund indefinitely to earn investment income, which is then to be distributed to the Organization. Any distributions from the Fund will be recognized as revenue in the year it is received. At March 31, 2025, the value of the Fund is \$100,000.

LANARK COUNTY INTERVAL HOUSE
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

8. INVESTED IN CAPITAL ASSETS

(a) Invested in capital assets is calculated as follows:

	2025	2024
Capital assets	\$ 1,198,463	\$ 1,250,032
Amounts funded by:		
Deferred contributions on capital assets	(1,065,937)	(1,108,246)
	\$ 132,526	\$ 141,786

(b) Changes in invested in capital assets is calculated as follows:

	2025	2024
Net expenses:		
Amortization of deferred capital contributions	\$ 42,309	\$ 42,309
Amortization of capital assets	(51,569)	(51,569)
	\$ (9,260)	\$ (9,260)

9. CONTINGENT LIABILITY

The Beyond Second Stage Housing property project has received a forgivable loan under the Safe Restart Agreement as part of the COVID-19 Action Plan to Protect Vulnerable Ontarians. The approved loan, from the County of Lanark, is in the amount of \$611,500 for the purchase and development of a residential building. The loan will be forgiven after ten years providing the project complies with the funding guidelines. For accounting purposes, the amount received has been included as part of the total deferred capital contributions and is being recognized as revenue at the same rate as the Beyond Second Stage Housing building is amortized (note 6).

LANARK COUNTY INTERVAL HOUSE
NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The Organization's exposure to and management of risk has not changed materially from the prior year.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the ongoing funding and accounts receivable. The Organization assesses on a continuous basis, funding and accounts receivable and provides for any amounts that are not considered collectible.

Liquidity Risk

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

11. ECONOMIC DEPENDENCE

The Organization receives a significant portion of its funding from the Province of Ontario through Ontario Health, and the Ministry of Children, Community and Social Services, and, in this respect, is economically dependent upon the Province of Ontario for continued support. The ability of the Organization to continue operations at its current size and scale is dependent upon funding agreements remaining in effect.

LANARK COUNTY INTERVAL HOUSE

SCHEDULE 1 - OPERATIONS, ONTARIO HEALTH

For the year ended March 31, 2025

	2025	2024
REVENUE		
Provincial funding - Ministry of Health	\$ 30,847	\$ 30,847
EXPENSES		
Wages and benefits	44,274	41,798
Rent	12,550	7,367
Insurance	5,422	4,032
Heat, light and power	3,081	2,765
Property taxes	2,768	1,845
Repairs and maintenance	2,121	2,305
Telephone	1,730	1,253
Information technology	1,331	134
Travel	1,241	625
Professional fees	603	505
Office	519	527
Resource materials and program materials	240	615
Supplies	228	629
Training and staff development	201	40
Security system	154	977
Community support	20	-
	76,483	65,417
NET EXPENSES	\$ (45,636)	\$ (34,570)

LANARK COUNTY INTERVAL HOUSE

**SCHEDULE 2 - OPERATIONS, MINISTRY OF CHILDREN, COMMUNITY AND
SOCIAL SERVICES**

For the year ended March 31, 2025

	2025	2024
REVENUE		
Provincial funding - Ministry of Children, Community and Social Services	\$ 1,313,904	\$ 1,419,582
Miscellaneous grants	<u>8,620</u>	<u>54,752</u>
	<u>1,322,524</u>	<u>1,474,334</u>
EXPENSES		
Wages and benefits	1,172,163	1,154,835
Repairs and maintenance	57,641	187,120
Rent	39,045	27,205
Resource materials and program materials	31,827	50,584
Insurance	30,744	26,679
Groceries	26,362	26,170
Telephone	24,156	20,789
Heat, light and power	22,387	22,296
Information technology	18,973	20,522
Promotions	17,317	10,270
Professional fees	11,977	12,398
Travel	10,923	19,969
Office	9,741	9,003
Training and staff development	9,137	15,044
Security system	7,375	32,676
Property taxes	5,536	3,690
Supplies	2,586	5,465
Fundraising and event costs	1,201	350
Bank charges and interest	754	915
Labour negotiations	379	-
Community support	<u>188</u>	<u>-</u>
	1,500,412	1,645,980
NET EXPENSES	\$ (177,888)	\$ (171,646)