

**LANARK COUNTY INTERVAL HOUSE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

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



CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

# KELLY HUIBERS MCNEELY

P R O F E S S I O N A L C O R P O R A T I O N

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lanark County Interval House

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### 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, 2024, 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, 2024, 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.

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### 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, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at the beginning and the end of the years ended March 31, 2024 and 2023. The predecessor's audit opinion on the financial statements for the year ended March 31, 2023 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.

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### **Other Matter**

The financial statements of the Organization for the year ended March 31, 2023, were audited by another auditor who expressed a modified opinion on those statements on June 12, 2023.

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### **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.

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### **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  
July 24, 2024


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

**LANARK COUNTY INTERVAL HOUSE**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,383,925	\$ 1,458,447
Investments	465,360	218,983
Accounts receivable	57,174	85,166
Prepaid expenses	<u>15,980</u>	<u>15,843</u>
	1,922,439	1,778,439
<b>CAPITAL ASSETS (note 3)</b>	1,250,032	1,301,601
	<u><b>\$ 3,172,471</b></u>	<u><b>\$ 3,080,040</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 174,096	\$ 127,037
Deferred revenue (note 4)	<u>241,957</u>	<u>407,292</u>
	416,053	534,329
<b>DEFERRED CAPITAL CONTRIBUTIONS (note 5)</b>	<u>1,108,246</u>	<u>1,150,555</u>
	<u>1,524,299</u>	<u>1,684,884</u>
<b>NET ASSETS</b>		
Unrestricted	1,224,473	1,012,197
Invested in capital assets	141,786	151,046
Internally restricted	200,000	150,000
Second Stage Housing	<u>81,913</u>	<u>81,913</u>
	1,648,172	1,395,156
	<u><b>\$ 3,172,471</b></u>	<u><b>\$ 3,080,040</b></u>

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, 2024**

	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Provincial funding:		
Ministry of Children, Community and Social Services	\$ 1,419,582	\$ 1,269,593
Ontario Health	30,847	29,347
Donations and funding	393,054	466,806
Grants	431,680	539,703
As Good as New shop income	124,777	115,344
Rental income	173,629	156,765
Amortization of deferred capital contributions (note 5)	42,309	42,309
Miscellaneous	<u>59,752</u>	<u>35,373</u>
	<b><u>2,675,630</u></b>	<b><u>2,655,240</u></b>
<b>EXPENSES</b>		
Wages and benefits	1,507,485	1,493,903
Repairs and maintenance	254,137	132,012
Professional fees	89,512	61,844
Resource materials and program supplies	85,203	71,391
Rent	69,186	87,126
Amortization	51,569	51,569
Heat, light and power	46,773	46,299
Insurance	39,710	24,953
Training and staff development	38,751	18,870
Security system	35,880	3,333
Groceries	33,142	33,831
Telephone	30,475	30,018
Travel	30,383	29,382
Information technology	29,429	23,684
Promotions	19,050	29,908
Property taxes	18,803	13,921
Fundraising and event costs	14,970	17,832
Office	12,699	17,780
Supplies	8,942	6,043
Grants	5,600	12,800
Bank charges and interest	915	1,070
COVID-19	<u>-</u>	<u>5,516</u>
	<b>2,422,614</b>	<b>2,213,085</b>
<b>NET REVENUE</b>	<b><u>\$ 253,016</u></b>	<b><u>\$ 442,155</u></b>

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, 2024**

	Unrestricted	Invested in capital assets	Internally restricted	Second Stage Housing	Total 2024	Total 2024
BALANCE - BEGINNING OF YEAR	\$ 1,012,197	\$ 151,046	\$ 150,000	\$ 81,913	\$ 1,395,156	\$ 95
Net revenue (expense)	262,276	(9,260)	-	-	253,016	44
Transfers (from) to	(50,000)	-	50,000	-	-	
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,224,473</b>	<b>\$ 141,786</b>	<b>\$ 200,000</b>	<b>\$ 81,913</b>	<b>\$ 1,648,172</b>	<b>\$ 1,39</b>

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, 2024**

	<b>2024</b>	<b>2023</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue	\$ 253,016	\$ 442,155
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	27,992	39,597
Prepaid expenses	(137)	2,358
Accounts payable and accrued liabilities	47,059	(130,738)
Deferred revenue	<u>(165,335)</u>	<u>179,737</u>
	<u>171,855</u>	<u>542,369</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(114,794)
Increase (decrease) in investments	<u>(246,377)</u>	<u>7,665</u>
	<u>(246,377)</u>	<u>(107,129)</u>
<b>NET CHANGE IN CASH</b>	<b>(74,522)</b>	<b>435,240</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>1,458,447</b>	<b>1,023,207</b>
<b>CASH - END OF YEAR</b>	<b>\$ 1,383,925</b>	<b>\$ 1,458,447</b>

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



**LANARK COUNTY INTERVAL HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2024**

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**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.

**LANARK COUNTY INTERVAL HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition (continued)

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.

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.

**LANARK COUNTY INTERVAL HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2024**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Instruments

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. Investments currently consist of various cash equivalents, fixed income securities, and mutual funds.

Other financial instruments are recorded at cost or amortized cost.

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. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Buildings:				
Emergency shelter	210,863	179,900	30,963	35,964
As Good as New shop Beyond Second Stage Housing	212,789	123,350	89,439	93,400
Vehicles	1,178,162	84,840	1,093,322	1,122,776
	65,767	39,459	26,308	39,461
	<b>\$ 1,677,581</b>	<b>\$ 427,549</b>	<b>\$ 1,250,032</b>	<b>\$ 1,301,601</b>

**LANARK COUNTY INTERVAL HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2024**

**4. DEFERRED REVENUE**

	Opening 2023	Contributions received	Revenue recognized	Closing 2024
Pat Jeeve's Trust Fund	\$ 75,121	\$ 2,532	\$ (5,600)	\$ 72,053
Grants and funding	284,382	166,966	(292,193)	159,155
Fundraising and donations	46,671	3,000	(40,422)	9,249
Other - rent	1,118			1,500
	<b>\$ 407,292</b>	<b>\$ 172,498</b>	<b>\$ (338,215)</b>	<b>\$ 241,957</b>

**5. 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.

	2024	2023
Balance, beginning of year	\$ 1,150,555	\$ 581,364
Contributions received	-	611,500
Less amounts amortized to revenue	(42,309)	(42,309)
	<b>\$ 1,108,246</b>	<b>\$ 1,150,555</b>

**LANARK COUNTY INTERVAL HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2024**

**6. INVESTED IN CAPITAL ASSETS**

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

	<b>2024</b>	<b>2023</b>
Capital assets	\$ 1,250,032	\$ 1,301,601
Amounts funded by:		
Deferred contributions on capital assets	(1,108,246)	(1,150,555)
	<b>\$ 141,786</b>	<b>\$ 151,046</b>

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

	<b>2024</b>	<b>2023</b>
Net expenses:		
Amortization of deferred capital contributions	\$ 42,309	\$ 42,309
Amortization of capital assets	(51,569)	(51,569)
	<b>\$ (9,260)</b>	<b>\$ (9,260)</b>
Net change in invested in capital assets:		
Purchase of capital assets	\$ -	\$ 114,794
Amounts funded by deferred capital contributions	-	(102,814)
	<b>\$ -</b>	<b>\$ 11,980</b>

**7. 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.

**LANARK COUNTY INTERVAL HOUSE**  
**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2024**

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**8. 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.

**9. 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, 2024

	2024	2023
REVENUE		
Provincial funding - Ministry of Health	\$ 30,847	\$ 29,347
EXPENSES		
Wages and benefits	41,798	30,396
Rent	7,367	-
Insurance	4,032	590
Heat, light and power	2,765	2,516
Repairs and maintenance	2,305	4,521
Property taxes	1,845	-
Telephone	1,253	1,078
Security system	977	154
Supplies	629	461
Travel	625	1,067
Resource materials and program materials	615	347
Office	527	446
Professional fees	505	435
Information technology	134	89
Training and staff development	40	-
	65,417	42,100
NET EXPENSES	\$ (34,570)	\$ (12,753)

**LANARK COUNTY INTERVAL HOUSE**

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

**For the year ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Provincial funding - Ministry of Children, Community and Social Services	\$ 1,419,582	\$ 1,269,593
Miscellaneous grants	<u>54,752</u>	<u>32,373</u>
	<u>1,474,334</u>	<u>1,301,966</u>
<b>EXPENSES</b>		
Wages and benefits	1,154,835	1,002,659
Repairs and maintenance	187,120	74,189
Resource materials and program materials	50,584	33,309
Security system	32,676	2,539
Rent	27,205	13,100
Insurance	26,679	18,638
Groceries	26,170	28,517
Heat, light and power	22,296	21,438
Telephone	20,789	20,232
Information technology	20,522	14,202
Travel	19,969	23,669
Training and staff development	15,044	13,035
Professional fees	12,398	10,954
Promotions	10,270	25,595
Office	9,003	9,029
Supplies	5,465	3,754
Property taxes	3,690	-
Bank charges and interest	915	1,070
Fundraising and event costs	<u>350</u>	<u>367</u>
	1,645,980	1,316,296
<b>NET EXPENSES</b>	<b>\$ (171,646)</b>	<b>\$ (14,330)</b>