

**FINANCIAL STATEMENTS
MARCH 31, 2018**

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**Lanark County Interval House
Financial Statements
March 31, 2018**



Lanark County
**INTERVAL
HOUSE**

WORKING TO END VIOLENCE
AGAINST WOMEN & CHILDREN

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Management's Responsibility for the Financial Statements

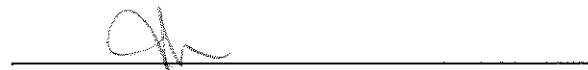
The accompanying financial statements of the Lanark County Interval House are the responsibility of the Corporation's management and have been prepared in compliance with legislation, and in accordance with Canadian Accounting Standards for Not-For-Profit Organization (ASNPO). A summary of significant 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,
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, 2018, 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 opinion on the 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 about whether the financial statements are free from 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.

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

Basis for Qualified Opinion

In common with many charitable Corporations, the Corporation derives revenue from donation and fundraising revenues, 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 donation and fundraising revenues, excess of revenues over expenses and cash flow from operations for the year ended, March 31, 2018, current assets as at March 31, 2018 and fund balances as at March 31, 2018.

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 possible effects of matters described in the Basis of Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Lanark County Interval House as at March 31, 2018, and the results of operations and cash flows for the year ended March 31, 2018 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,
June 18, 2018.

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

March 31	2018	2017
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	253,486	191,448
Accounts receivable	44,977	12,760
Prepaid expense	13,379	15,633
	311,842	219,841
Restricted Cash	34,193	33,819
Capital Assets (note 3)	184,174	193,136
	530,209	446,796
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	82,070	67,811
Deferred revenues	45,256	7,762
Current portion of long term debt (note 4)	9,109	10,377
	136,435	85,950
Long Term Debt (note 4)	18,288	27,397
Fund Balances		
Unrestricted	134,516	119,268
Internally restricted	50,000	25,000
Invested in capital assets	156,777	155,362
Replacement reserve fund (note 5)	34,193	33,819
	375,486	333,449
Total Liabilities and Fund Balances	530,209	446,796

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 8) Budget	2018	(Note 10) 2017
	\$	\$	\$
Revenues			
Provincial Funding			
Ministry of Community and Social Services	1,049,241	1,116,024	1,076,641
Ministry of Health	28,659	33,733	33,759
Miscellaneous Grants	16,250	167,225	22,940
Miscellaneous Revenues	---	6,147	---
	1,094,150	1,323,129	1,133,340
Operating Expenditures			
Amortization	---	8,962	8,962
Bank charges and interest	1,450	1,755	1,579
Community support	2,600	2,607	3,860
Fundraising and event costs	106	106	153
Groceries	19,000	18,598	17,883
Heat, light and power	17,975	17,938	16,766
Information technology	11,327	11,294	16,192
Insurance	15,000	14,646	14,661
Labour negotiations	8,000	807	698
Mortgage interest	5,522	148	259
Office	9,335	8,699	12,218
Professional fees	17,400	26,527	20,490
Promotions	4,545	19,858	13,758
Rent	43,536	42,679	41,767
Repairs and maintenance	33,219	130,151	23,538
Resource materials and program supplies	5,921	11,434	15,806
Security system	3,340	36,380	2,912
Supplies	4,600	3,965	3,466
Telephone	22,400	17,080	17,238
Training and staff development	24,309	20,764	28,806
Travel	23,361	20,003	20,735
Wages and benefits	1,015,054	1,024,011	980,859
	1,288,000	1,438,412	1,262,606
Net Operating Expenditures for the Year	(193,850)	(115,283)	(154,197)
Other Revenues			
Fundraising and donations (net) (Schedule 3)	154,594	101,785	144,535
As Good As New shop income (net) (Schedule 4)	70,845	82,276	78,079
Public Education (net) (Schedule 5)	(35,484)	(27,528)	(22,613)
Volunteer (net) (Schedule 6)	(24,909)	(1,008)	(2,318)
Interest income	700	1,795	1,256
	165,746	157,320	198,939
Net Revenues (Expenditures) for the Year	(28,104)	42,037	69,673
Fund Balances, Beginning of Year	333,449	333,449	263,776
Fund Balances, End of Year	305,345	375,486	333,449

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	2018	2017
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net revenues for the year	42,037	69,673
Add Items Not Involving Cash		
Amortization	8,962	8,962
	50,999	78,635
Net Change in Non-Cash Working Capital		
Balances Related to Operations		
Accounts receivable	(32,217)	10,851
Prepaid expense	2,254	1,513
Accounts payable and accrued liabilities	14,259	2,472
Deferred revenues	37,494	(14,244)
	21,790	592
Financing Activities		
Repayment of long term debt	(10,377)	(10,267)
Increase in restricted cash and deposits	(374)	(1,380)
	(10,751)	(11,647)
Change in Cash, During the Year	62,038	67,580
Cash, Beginning of Year	191,448	123,868
Cash, End of Year	253,486	191,448

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

Lanark County Interval House

Notes to the Financial Statements

March 31, 2018

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, 2018

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. Departures from Canadian Accounting Standards for Not-For-Profit Organizations

Lanark County Interval House departs from Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) with the application of the following accounting procedures and financial statement presentation:

- (a) Amortization is being recorded on buildings and other assets funded by the Organization.

Lanark County Interval House Notes to the Financial Statements

March 31, 2018

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

- (b) Capital assets purchased and funded by MCSS, other than the buildings and other assets identified in part (a) above, 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. To the extent that these capital assets should have been included in the financial statements together with annual amortization is a departure from Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO).

3. Capital Assets

In accordance with Note 2 (a) the following are capital assets acquired by the Organization that are being amortized:

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	10,000	---	10,000	10,000
Building ▶ Moore Street	210,863	149,894	60,969	65,970
▶ Bridge Street	212,789	99,584	113,205	117,166
Vehicle	23,087	23,087	---	---
	456,739	272,565	184,174	193,136

4. Long Term Debt

	2018	2017
	\$	\$
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.	4,105	9,478
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.	23,292	28,296
	27,397	37,774
Less: current portion	9,109	10,377
	18,288	27,397

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

March 31, 2018

4. Long Term Debt / continued

Principal payments fall due as follows:

	\$
2019	9,109
2020	5,004
2021	5,004
2022	5,004
2023 and thereafter	3,276
	27,397

5. Capital Reserve Fund

	2018	2017
	\$	\$
Reserve Funds set aside for specific purpose CMHC ▶ Replacement Reserve Fund	34,193	33,819

6. Commitments

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

	\$
2019	24,936

Lanark County Interval House Notes to the Financial Statements

March 31, 2018

7. 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.

The Corporation's exposure to and management of risk has not changed materially from March 31, 2017.

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.

8. Budget Figures

The budget established for the Operating Funds is set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years. The budget reflected in the Schedule of Operating Funds is an annual budget only which has been adopted by the Corporation's Board. The budget figures are unaudited.

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

March 31, 2018

9. 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, 2017. The Corporation is not subject to any externally imposed capital requirements.

10. Comparative Figures

Some reclassification of prior year's figures was necessary in order to conform to this year's presentation.

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

For the year ended March 31	(Note 8) Budget	2018	2017
	\$	\$	\$
Revenues			
Grant ▶ Ministry of the Attorney General	16,250	16,250	16,250
Expenditures			
Wages and benefits	13,998	14,360	13,366
Training and staff development	1,305	500	1,090
Travel	400	390	692
Professional fees	300	300	400
Promotions	72	---	---
Office	100	100	---
Resource materials and program supplies	75	---	102
Rent	---	600	600
	16,250	16,250	16,250
Net Program Revenues for the Year	---	---	---

**Lanark County Interval House
Schedule 2 ▶ Schedule of Operations
Social Infrastructure Fund**

For the year ended March 31	2018	2017
	\$	\$
Revenues		
Grant ▶ Federal Social Infrastructure Funding	89,128	---
Expenditures		
Repairs and maintenance	66,237	---
Health and safety	1,293	---
Security system	21,598	---
	89,128	---
Net Program Revenues for the Year	---	---

**Lanark County Interval House
Schedule 3 ▶ Schedule of Operations
Fundraising and Donations**

For the year ended March 31	(Note 8) Budget	2018	2017
	\$	\$	\$
Revenues			
Fundraising and donations	259,675	146,729	196,133
Expenditures			
Bank charges and interest	75	---	5
Fundraising and event costs	7,300	5,481	13,584
Heat, light and power	7,000	---	---
Information technology	2,000	---	---
Office	3,000	40	1,816
Professional fees	10,000	---	---
Promotions	---	---	863
Resource materials and program supplies	---	200	---
Security system	10,000	---	---
Telephone	500	---	---
Travel	---	93	26
Wages and benefits	65,206	39,130	35,304
	105,081	44,944	51,598
Net Program Revenues for the Year	154,594	101,785	144,535

**Lanark County Interval House
Schedule 4 ▶ Schedule of Operations
As Good As New Shop**

For the year ended March 31	(Note 8) Budget	2018	2017
	\$	\$	\$
Revenues			
Grants and funding	---	3,679	---
As Good As New Shop income	90,000	87,558	88,338
Residential Rent	8,520	8,620	8,520
	98,520	99,857	96,858
Expenditures			
Bank charges and interest	300	---	---
Heat, light and power	5,750	5,036	5,315
Insurance	1,500	1,507	1,471
Mortgage interest	7,200	1,115	1,225
Office	100	141	109
Promotions	175	39	464
Repairs and maintenance	10,950	8,144	7,981
Resource materials and program supplies	100	38	508
Supplies	800	1,059	1,195
Telephone	800	502	511
	27,675	17,581	18,779
Net Program Revenues for the Year	70,845	82,276	78,079

**Lanark County Interval House
Schedule 5 ▶ Schedule of Operations
Public Education**

For the year ended March 31	(Note 8) Budget	2018	(Note 10) 2017
	\$	\$	\$
Revenues			
Miscellaneous grants	---	---	13,125
Expenditures			
Fundraising and event costs	200	330	258
Information technology	---	---	13
Office	200	5	5
Promotions	120	---	108
Repairs and maintenance	275	221	294
Resource materials and program supplies	100	---	---
Supplies	50	---	---
Telephone	500	412	456
Training and staff development	75	1,928	2,415
Travel	700	881	86
Wages and benefits	33,264	23,751	32,103
	35,484	27,528	35,738
Net Program Expenditures for the Year	35,484	27,528	22,613

**Lanark County Interval House
Schedule 6 ▶ Schedule of Operations
Volunteer Assistance**

For the year ended March 31	(Note 8) Budget	2018	(Note 10) 2017
	\$	\$	\$
Revenues	---	---	---
Expenditures			
Fundraising and event costs	550	330	445
Information technology	---	---	13
Office	400	201	51
Promotions	155	---	---
Repairs and maintenance	275	220	294
Supplies	---	5	---
Telephone	350	82	82
Training and staff development	150	---	---
Travel	700	---	---
Wages and benefits	22,329	170	1,433
	24,909	1,008	2,318
Net Program Expenditures for the Year	24,909	1,008	2,318