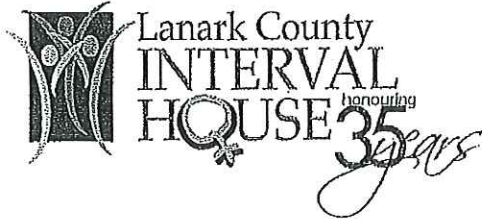


**FINANCIAL STATEMENTS
MARCH 31, 2015**

CONTENTS

Management's Responsibility for the Financial Statements	1
Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Operations and Fund Balances	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 11
Schedule 1 ▶ Schedule of Operations - Ministry of Attorney General Funding	12
Schedule 2 ▶ Schedule of Operations - Fundraising and Donations	12
Schedule 3 ▶ Schedule of Operations - As Good As New Shop	13

**Lanark County Interval House
Financial Statements
March 31, 2015**



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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 Not-For-Profit Corporation Accounting Standards. 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 & Partners LLP, independent external auditors appointed by the Corporation. The accompanying 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

Leslie Lendrum,
President

Allan & Partners LLP

Chartered Professional Accountants
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, 2015, 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 Corporations, 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, 2015, current assets as at March 31, 2015 and fund balances as at March 31, 2015.

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

Note 2 to the financial statements describes the departure from Canadian generally accepted accounting principles and the related impact on operations and net capital assets which pertain to the capital funded projects.

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, 2015, and the results of operations and cash flows for the year ended March 31, 2015 and comparative information in accordance with Canadian Accounting Standards for Not-For-Profit Corporations.



Chartered Professional Accountants
Licenced Public Accountants
Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario

Perth, Ontario,
June 25, 2015.

Lanark County Interval House Statement of Financial Position

March 31	2015	2014
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	86,047	49,303
Accounts receivable	26,740	12,869
Due from Ministry of Attorney General	---	2,437
Prepaid expense	17,201	15,199
	129,988	79,808
Restricted Cash	31,051	27,618
Capital Assets (note 3)	213,370	226,949
	374,409	334,375
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable	92,191	90,687
Deferred revenues	13,019	14,662
Current portion of long term debt	10,156	10,050
	115,366	115,399
Long Term Debt (note 4)	48,041	58,197
Fund Balances		
Unrestricted	24,778	(25,541)
Invested in capital assets	155,173	158,702
Replacement reserve fund (note 5)	31,051	27,618
	211,002	160,779
Total Liabilities and Fund Balances	374,409	334,375

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	2015	(Note 10) 2014
	\$	\$	\$
Revenues			
Provincial Funding			
Ministry of Community and Social Services	1,008,740	1,056,114	1,035,590
Ministry of Health	28,659	33,759	33,959
Miscellaneous Grants	16,250	41,079	93,383
	1,053,649	1,130,952	1,162,932
Operating Expenditures			
Amortization	---	13,579	13,579
Bank charges and interest	1,375	1,513	1,361
Comfort allowance (net)	200	230	65
Community support	4,100	4,273	13,101
Fundraising and event costs	1,000	1,285	894
Groceries	19,000	16,107	16,636
Heat, light and power	17,775	17,100	17,028
Information technology	4,266	6,090	12,317
Insurance	13,500	11,812	12,498
Labour negotiations	2,000	4,055	2,553
Memberships	3,200	3,180	3,467
Mortgage interest	5,522	476	738
Office	8,540	7,884	10,579
Professional fees	8,626	8,825	16,873
Promotions	6,266	6,689	15,438
Rent	42,311	41,138	36,835
Repairs and maintenance	29,544	48,091	58,508
Resource materials and program supplies	7,566	15,750	15,728
Security system	3,240	1,642	5,118
Supplies	4,655	3,041	3,859
Telephone	22,250	19,363	22,362
Training and staff development	9,311	22,493	24,541
Travel	22,261	19,883	22,238
Wages and benefits	1,023,665	1,040,619	1,025,807
	1,260,173	1,315,118	1,352,123
Net Operating Expenditures for the Year	(206,524)	(184,166)	(189,191)
Other Revenues (Expenditures)			
Fundraising and donations (net) (Schedule 2)	122,510	165,688	150,284
As Good As New shop income (net) (Schedule 3)	46,950	68,265	44,698
Interest income	200	436	635
	169,660	234,389	195,617
Net Revenues (Expenditures) for the Year	(36,864)	50,223	6,426
Fund Balances, Beginning of Year	160,779	160,779	154,353
Fund Balances, End of Year	123,915	211,002	160,779

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	2015	2014
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net revenues for the year	50,223	6,426
Add Items Not Involving Cash		
Amortization	13,579	13,579
	63,802	20,005
Net Change in Non-Cash Working Capital		
Balances Related to Operations		
Accounts receivable	(13,871)	(81)
Due from Ministry of Attorney General	2,437	1,219
Prepaid expense	(2,002)	(18)
Accounts payable	1,504	715
Deferred revenues	(1,643)	(64,331)
	(13,575)	(62,496)
Financing Activities		
Repayment of long term debt	(10,050)	(9,865)
Increase in restricted cash and deposits	(3,433)	(441)
	(13,483)	(10,306)
Change in Cash, During the Year	36,744	(52,797)
Cash, Beginning of Year	49,303	102,100
Cash, End of Year	86,047	49,303

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

Lanark County Interval House Notes to the Financial Statements

March 31, 2015

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 Corporations. 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, 2015

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 as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements in conformity 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 due.

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

As mandated by the Ministry of Community and Social Services Lanark County Interval House departs from Canadian generally accepted accounting principles with the application of the following accounting procedures and presentation. 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 generally accepted accounting principles. 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, 2015

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

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	10,000	---	10,000	10,000
Building ▶ Moore Street	210,862	134,891	75,971	80,973
▶ Bridge Street	212,789	87,700	125,089	129,049
Vehicle	23,087	20,777	2,310	6,927
	456,738	243,368	213,370	226,949

4. Long Term Debt

	2015	2014
	\$	\$
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.	19,893	24,939
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.	38,304	43,308
	58,197	68,247
Less: current portion	10,156	10,050
	48,041	58,197

Principal payments fall due as follows:

	\$
2016	10,156
2017	10,267
2018	10,377
2019	9,109
2020 and thereafter	18,288
	58,197

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

March 31, 2015

5. Capital Reserve Fund

	2015	2014
	\$	\$
Reserve Funds set aside for specific purpose CMHC ▶ Replacement Reserve Fund	31,051	27,618

6. Commitments

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

	\$
2016	35,100
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:

	2015	2014
	\$	\$
Public Education	32,132	24,230
Volunteer Assistance	47,311	42,122

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. 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, 2015

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, 2014.

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. Comparative Figures

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

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

March 31, 2015

11. 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, 2015. 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	2015	2014
	\$	\$
Revenues		
Miscellaneous grant ▶ Ministry of Attorney General	16,250	16,250
Expenditures		
Wages and benefits	13,802	12,831
Training and staff development	1,000	1,757
Travel	400	487
Professional fees	450	400
Promotions	98	175
Telephone	---	200
Office	500	400
	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	2015	(Note 10) 2014
	\$	\$	\$
Revenues			
Fundraising and donations	131,300	186,405	168,064
Expenditures			
Bank charges and interest	75	---	17
Fundraising and event costs	1,500	14,264	11,869
Information technology	---	---	50
Office	2,000	1,949	1,514
Resource materials and program supplies	---	---	212
Travel	---	---	150
Wages and benefits	5,215	4,504	3,968
	8,790	20,717	17,780
Net Program Revenues for the Year	122,510	165,688	150,284

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

For the year ended March 31	(Note 9) Budget	2015	(Note 10) 2014
	\$	\$	\$
Revenues			
As Good As New Shop income	65,000	74,500	64,707
Residential rent	7,800	7,300	4,250
	72,800	81,800	68,957
Expenditures			
Bank charges and interest	300	193	314
Heat, light and power	5,050	5,355	4,557
Insurance	1,500	1,318	1,389
Mortgage interest	7,200	1,735	1,956
Office	75	96	23
Promotions	75	107	133
Repairs and maintenance	9,950	3,228	14,079
Supplies	800	841	866
Telephone	900	482	747
Wages and benefits	---	180	195
	25,850	13,535	24,259
Net Program Revenues for the Year	46,950	68,265	44,698