

**FINANCIAL STATEMENTS
MARCH 31, 2019**

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**Lanark County Interval House
Financial Statements
March 31, 2019**



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:

Qualified Opinion

We have audited the financial statements of the Lanark County Interval House (the 'Entity'), which comprise:

- the statement of financial position as at March 31, 2019;
- the statement of operations and fund balances for the year then ended;
- the statement of cash flows for the year then ended;
- and the notes to the financial statements, including a summary of significant accounting policies;

(Hereinafter referred to as the 'financial statements').

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Basis of Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donation and fundraising revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Entity, and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

Note 2 to the financial statements describes the departures 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **'Auditors' Responsibilities for the Audit of the Financial Statements'** section of our auditor's report.

We are independent of the Entity 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.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 of 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.



Allan and Partners LLP
Chartered Professional Accountants
Licensed Public Accountants


Perth, Ontario
June 10, 2019.

Lanark County Interval House Statement of Financial Position

March 31	2019	2018
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	226,216	253,486
Investments	135,040	---
Accounts receivable	34,175	44,977
Prepaid expense	13,042	13,379
	408,473	311,842
Restricted Cash	---	34,193
Capital Assets (note 3)	175,212	184,174
	583,685	530,209
 Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	92,916	82,070
Deferred revenues (note 4)	62,844	45,256
Current portion of long term debt (note 5)	---	9,109
	155,760	136,435
Long Term Debt (note 5)	---	18,288
Fund Balances		
Unrestricted	177,713	134,516
Internally restricted	75,000	50,000
Invested in capital assets	175,212	156,777
Replacement reserve fund (note 6)	---	34,193
	427,925	375,486
Total Liabilities and Fund Balances	583,685	530,209

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	2019	(Note 11) 2018
	\$	\$	\$
Revenues			
Provincial Funding			
Ministry of Community and Social Services	1,102,593	1,151,150	1,116,024
Ministry of Health	28,659	34,547	33,733
Miscellaneous Grants	16,250	48,984	167,225
Miscellaneous Revenues	---	1,140	6,147
	1,147,502	1,235,821	1,323,129
Operating Expenditures			
Amortization	---	8,962	8,962
Bank charges and interest	1,450	2,237	1,755
Community support	2,600	533	2,607
Fundraising and event costs	---	---	106
Groceries	22,000	21,576	18,598
Heat, light and power	17,975	16,712	17,938
Information technology	6,800	9,614	11,294
Insurance	14,200	14,806	14,646
Labour negotiations	1,000	---	807
Mortgage interest	4,142	36	148
Office	9,500	10,968	8,699
Professional fees	7,300	8,573	26,527
Promotions	5,015	13,167	19,858
Rent	45,001	38,033	42,679
Repairs and maintenance	26,500	51,386	130,151
Resource materials and program supplies	11,314	29,058	11,434
Security system	3,340	10,823	36,380
Supplies	4,723	4,401	3,965
Telephone	16,900	21,302	17,080
Training and staff development	13,218	24,530	20,764
Travel	21,664	24,318	20,003
Wages and benefits	1,047,077	1,057,531	1,024,011
	1,281,719	1,368,566	1,438,412
Net Operating Expenditures for the Year	(134,217)	(132,745)	(115,283)
Other Revenues			
Fundraising and donations (net) (Schedule 3)	152,300	180,837	146,729
As Good As New Shop income (net) (Schedule 4)	98,520	97,658	99,857
2 nd Stage Housing (Schedule 7)	39,200	190,202	---
Interest income	700	2,886	1,795
	290,720	471,583	248,381
Other Expenses			
Fundraising and donations (Schedule 3)	36,191	43,373	44,944
As Good As New Shop expenses (Schedule 4)	25,125	14,852	17,581
Public Education (Schedule 5)	35,889	22,568	27,528
Volunteer Assistance (Schedule 6)	24,917	15,404	1,008
2 nd Stage Housing (Schedule 7)	27,250	190,202	---
	149,372	286,399	91,061
Net Revenues for the Year	7,131	52,439	42,037
Fund Balances, Beginning of Year	375,486	375,486	333,449
Fund Balances, End of Year	382,617	427,925	375,486

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	2019	2018
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net revenues for the year	52,439	42,037
Add Items Not Involving Cash		
Amortization	8,962	8,962
	61,401	50,999
Net Change in Non-Cash Working Capital Balances Related to Operations		
Investments	(135,040)	---
Accounts receivable	10,802	(32,217)
Prepaid expense	337	2,254
Accounts payable and accrued liabilities	10,846	14,259
Deferred revenues	17,588	37,494
	(95,467)	21,790
Financing Activities		
Repayment of long term debt	(27,397)	(10,377)
Decrease (increase) in restricted cash and deposits	34,193	(374)
	6,796	(10,751)
Change in Cash, During the Year	(27,270)	62,038
Cash, Beginning of Year	253,486	191,448
Cash, End of Year	226,216	253,486

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

Lanark County Interval House Notes to the Financial Statements

March 31, 2019

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, 2019

1. Significant Accounting Policies / continued

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.
 - (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).
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**Lanark County Interval House
Notes to the Financial Statements**

March 31, 2019

3. Capital Assets

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

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	10,000	---	10,000	10,000
Building ▶ Moore Street	210,863	154,895	55,968	60,969
▶ Bridge Street	212,789	103,545	109,244	113,205
Vehicle	23,087	23,087	---	---
	456,739	281,527	175,212	184,174

4. Deferred Revenue

	2019	2018
	\$	\$
Grants and funding	14,000	19,818
Fundraising and donations	5,636	9,113
Rent	1,750	700
Other - 2 nd Stage	41,458	15,625
	62,844	45,256

5. Long Term Debt

	2019	2018
	\$	\$
Canada Mortgage and Housing Corporation, (2.11%), with blended monthly payments of \$460.13, secured by a first mortgage the property, due December 1, 2019.	---	4,105
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
	---	27,397
Less: current portion	---	9,109
	---	18,288

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

March 31, 2019

6. Capital Reserve Fund

	2019	2018
	\$	\$
Reserve Funds set aside for specific purpose		
CMHC ▶ Replacement Reserve Fund	---	34,193

7. Commitments

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

	\$
2020	66,556
2021	66,700
2022	67,900
2023	69,100
2024	18,000

8. Risk Management

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

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

The Corporation's exposure to and management of risk has not changed materially from March 31, 2018.

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.

Lanark County Interval House Notes to the Financial Statements

March 31, 2019

8. Risk Management / continued

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 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.

10. Capital Disclosures

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

The Corporation's overall strategy with respect to capital remains unchanged from the year ended March 31, 2018. The Corporation is not subject to any externally imposed capital requirements.

11. 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 9) Budget	2019	2018
	\$	\$	\$
Revenues			
Grant ▶ Ministry of the Attorney General	16,250	16,250	16,250
Expenditures			
Wages and benefits	13,649	13,917	14,360
Training and staff development	600	542	500
Travel	500	391	390
Professional fees	500	500	300
Office	100	---	100
Resource materials and program supplies	301	300	---
Rent	600	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	(Note 9) Budget	2019	2018
	\$	\$	\$
Revenues			
Grant ▶ Federal Social Infrastructure Funding	---	13,372	89,128
Expenditures			
Repairs and maintenance	---	12,387	66,237
Health and safety	---	---	1,293
Security system	---	985	21,598
	---	13,372	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 9) Budget	2019	2018
	\$	\$	\$
Revenues			
Fundraising and donations	152,300	180,837	146,729
Expenditures			
Bank charges and interest	75	---	---
Fundraising and event costs	1,200	7,694	5,481
Office	3,000	258	40
Resource materials and program supplies	---	32	200
Telephone	---	281	---
Travel	---	9	93
Wages and benefits	31,916	35,099	39,130
	36,191	43,373	44,944
Net Program Revenues for the Year	116,109	137,464	101,785

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

For the year ended March 31	(Note 9) Budget	2019	2018
	\$	\$	\$
Revenues			
Grants and funding	---	---	3,679
As Good As New Shop income	90,000	88,978	87,558
Residential rent	8,520	8,680	8,620
	98,520	97,658	99,857
Expenditures			
Bank charges and interest	300	---	---
Fundraising and event costs	---	138	---
Heat, light and power	5,750	5,877	5,036
Insurance	1,500	1,516	1,507
Mortgage interest	7,200	712	1,115
Office	100	71	141
Promotions	175	228	39
Repairs and maintenance	8,700	3,365	8,144
Resource materials and program supplies	100	---	38
Supplies	800	2,380	1,059
Telephone	500	565	502
	25,125	14,852	17,581
Net Program Revenues for the Year	73,395	82,806	82,276

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

For the year ended March 31	(Note 9) Budget	2019	2018
	\$	\$	\$
Revenues			
Miscellaneous grants	---	---	---
Expenditures			
Fundraising and event costs	200	65	330
Office	200	38	5
Promotions	120	---	---
Repairs and maintenance	200	221	221
Resource materials and program supplies	100	25	---
Supplies	50	---	---
Telephone	500	350	412
Training and staff development	---	---	1,928
Travel	700	608	881
Wages and benefits	33,819	21,261	23,751
	35,889	22,568	27,528
Net Program Expenditures for the Year	35,889	22,568	27,528

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

For the year ended March 31	(Note 9) Budget	2019	2018
	\$	\$	\$
Revenues	---	---	---
Expenditures			
Fundraising and event costs	550	138	330
Office	400	104	201
Promotions	155	---	---
Repairs and maintenance	200	220	220
Supplies	---	---	5
Telephone	200	147	82
Travel	700	---	---
Wages and benefits	22,712	14,795	170
	24,917	15,404	1,008
Net Program Expenditures for the Year	24,917	15,404	1,008

**Lanark County Interval House
Schedule 7 ▸ Schedule of Operations
2nd Stage Housing**

For the year ended March 31	(Note 9) Budget	2019	2018
	\$	\$	\$
Revenues			
Grants and funding	---	120,150	---
Fundraising and donations	39,200	48,502	---
Residential rent	---	21,550	---
	39,200	190,202	---
Expenditures			
Heat, light and power	5,250	4,585	---
Information technology	1,000	599	---
Insurance	6,000	768	---
Office	---	28	---
Promotions	---	1,032	---
Property taxes	---	5,995	---
Rent	6,850	42,096	---
Repairs and maintenance	4,400	111,489	---
Resource materials and program supplies	---	8,311	---
Security system	750	1,124	---
Supplies	1,500	321	---
Telephone	1,500	2,747	---
Travel	---	361	---
Wages and benefits	---	10,746	---
	27,250	190,202	---
Net Program Revenues for the Year	11,950	---	---

