

**INTERVAL HOUSE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2023**

**CONTENTS**

Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Fund Balances	4
Schedule of Reserve Funds	5
Statement of Receipts and Expenditures	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Interval House**

### Qualified Opinion

We have audited the accompanying financial statements of **Interval House** which are comprised of the statement of Financial Position as at September 30, 2023, and the statements of Changes in Fund Balances, Reserve Funds, Receipts and Expenditures 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **Interval House** as at September 30, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Accounting Standards for Not for Profit Organizations (ASNPO).

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives a portion of its revenue from donations, 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 revenues, excess of revenues over expenditures, and cash flows from operations for the years ended September 30, 2023 and 2022, current assets as at September 30, 2023 and 2022, and net assets as at October 1 and September 30 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended September 30, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **Interval House** 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 ASPNO, 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 **Interval House'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.

## INDEPENDENT AUDITORS' REPORT (con't)

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 auditing standards, we exercise professional judgment and maintain professional skepticism through 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 these 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 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 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.

We 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.

  
  
**CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS**

**INTERVAL HOUSE**  
Statement of Financial Position  
September 30, 2023

2023                      2022

**ASSETS**

**Current**

Cash - unrestricted	\$ 169,325	\$ 192,622
Cash - restricted	8,413	3,183
Temporary investments - restricted (note 4)	5,525,139	6,047,341
Goods and services tax receivable	61,167	51,999
Prepaid expenses	36,651	49,798

5,800,695                      6,344,943

**Property and Equipment (note 5)**

3,348,751                      3,574,805

\$ 9,149,446                      \$ 9,919,748

**LIABILITIES**

**Current**

Bank indebtedness - restricted	\$ -	\$ 384,371
Accounts payable and accrued liabilities (note 6)	169,634	224,963

169,634                      609,334

**FUND BALANCES**

**Capital Asset Fund (page 4)**                      4,948,585                      5,279,187

**Reserve Funds (page 4)**                      4,031,227                      4,031,227

8,979,812                      9,310,414

\$ 9,149,446                      \$ 9,919,748

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

(See Accompanying Notes to Financial Statements)

**INTERVAL HOUSE**  
Statement of Changes in Fund Balances  
Year Ended September 30, 2023

	(Note 3(b)) Capital Asset Fund	(Note 3(b)) Reserve Funds	(Note 3(b)) General Fund	2023 Total	2022 Total
<b>Balance - beginning of year</b>	\$ 5,279,187	\$ 4,031,227	\$ -	\$ 9,310,414	\$ 9,447,997
Excess of (expenditures over receipts) receipts over expenditure (pages 5 - 6)	(330,602)	-	-	(330,602)	(137,583)
<b>Balance - end of year</b>	<b>\$ 4,948,585</b>	<b>\$ 4,031,227</b>	<b>\$ -</b>	<b>\$ 8,979,812</b>	<b>\$ 9,310,414</b>

(See Accompanying Notes to Financial Statements)

**INTERVAL HOUSE**  
Schedule of Reserve Funds  
Year Ended September 30, 2023

Internally Restricted (Note 3(b))

	<b>Annual Fund</b>	<b>Operating Fund</b>	<b>Benefits Fund</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>Balance - beginning of year</b>	\$ 294,289	\$ 2,070,142	\$ 1,666,796	\$ 4,031,227	\$ 4,031,227
Interfund transfers between General Fund and Reserve Funds	-	(130,350)	(130,349)	(260,699)	471,911
	<u>294,289</u>	<u>1,939,792</u>	<u>1,536,447</u>	<u>3,770,528</u>	<u>4,503,138</u>
<b>Receipts</b>					
Interest and dividends	41,215	46,932	46,932	135,079	165,755
Unrealized and realized (loss) gains	50,200	66,342	66,342	182,883	(489,343)
	<u>91,415</u>	<u>113,274</u>	<u>113,274</u>	<u>317,963</u>	<u>(323,588)</u>
<b>Expenditures</b>	-	19,833	37,431	57,264	148,323
<b>Excess of (expenditure over receipts) receipts over expenditures</b>	<u>91,415</u>	<u>93,441</u>	<u>75,843</u>	<u>260,699</u>	<u>(471,911)</u>
<b>Balance - end of year</b>	\$ <u>385,704</u>	\$ <u>2,033,233</u>	\$ <u>1,612,290</u>	\$ <u>4,031,227</u>	\$ <u>4,031,227</u>

(See Accompanying Notes to Financial Statements)

**INTERVAL HOUSE**  
**Statement of Receipts and Expenditures**  
**Year Ended September 30, 2023**

	<b>Capital Asset Fund</b>	<b>Reserve Funds</b>	<b>General Fund</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>Receipts</b>					
M.C.C.S.S. - Core	\$ -	\$ -	\$ 1,018,183	\$ 1,018,183	\$ 1,018,200
M.C.C.S.S. - Additional funds	-	-	46,687	46,687	79,921
M.C.C.S.S. - B.E.S.S.	-	-	69,035	69,035	69,066
M.C.C.S.S. - Pay equity	-	-	12,764	12,764	12,714
M.C.C.S.S. - Survey	-	-	2,100	2,100	2,100
M.C.C.S.S. - Capacity building	-	-	5,799	5,799	8,700
United Way - Core	-	-	-	-	83,498
United Way - B.E.S.S.	-	-	69,070	69,070	65,058
United Way - Donor designations	-	-	3,104	3,104	2,528
Funding	-	-	2,289,181	2,289,181	2,722,912
Interest and dividends	19,774	135,079	-	154,853	189,125
Unrealized and realized gains	25,435	182,883	-	208,318	(563,119)
	<b>45,209</b>	<b>317,962</b>	<b>3,515,923</b>	<b>3,879,094</b>	<b>3,690,703</b>
<b>Expenditures</b>					
Salaries and benefits	-	17,598	2,166,364	2,183,962	2,175,253
Education and outreach	-	-	196,543	196,543	82,350
Equipment lease	-	-	42,386	42,386	41,368
Human resources	-	-	80,901	80,901	18,919
Insurance	-	-	55,097	55,097	50,824
Major donor program (note 9)	-	-	58,963	58,963	69,573
Office and general	5,767	39,665	63,986	109,418	96,278
Outsourcing	-	-	303,593	303,593	282,072
Professional fees	-	-	28,551	28,551	29,861
Programs	-	-	305,968	305,968	278,197
Repairs and maintenance	911	-	155,993	156,904	151,882
Resource development/ public awareness (note 9)	-	-	360,074	360,074	230,937
Utilities and telephone	-	-	60,802	60,802	57,461
Amortization	266,534	-	-	266,534	263,311
	<b>273,212</b>	<b>57,263</b>	<b>3,879,221</b>	<b>4,209,696</b>	<b>3,828,286</b>
<b>Interfund transfers between Reserve Fund, Capital Asset Fund and General Fund (note 8)</b>	<b>(102,599)</b>	<b>(260,699)</b>	<b>363,298</b>	<b>-</b>	<b>-</b>
<b>Excess of (expenditures over receipts) receipts over expenditures</b>	<b>\$ (330,602)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (330,602)</b>	<b>\$ (137,583)</b>

(See Accompanying Notes to Financial Statements)

**INTERVAL HOUSE**  
Statement of Cash Flows  
Year Ended September 30, 2023

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Excess of (expenditures over receipts) receipts over expenditures	\$ (330,602)	\$ (137,583)
Adjustments for:		
Amortization	<u>266,534</u>	<u>263,311</u>
	(64,068)	125,728
Changes in non-cash working capital:		
Goods and services tax receivable	(9,168)	2,178
Prepaid expenses	13,147	(18,861)
Accounts payable and accrued liabilities	<u>(55,329)</u>	<u>58,496</u>
	<u>(115,418)</u>	<u>167,541</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property and equipment	(40,480)	(155,107)
Temporary investments - restricted	<u>522,202</u>	<u>(1,017,345)</u>
	<u>481,722</u>	<u>(1,172,452)</u>
<b>Net (decrease) increase in cash</b>	<b>366,304</b>	<b>(1,004,911)</b>
<b>Cash - beginning of year</b>	<u>(188,566)</u>	<u>816,345</u>
<b>Cash - end of year</b>	<u>\$ 177,738</u>	<u>\$ (188,566)</u>
<b>Cash - end of year consists of:</b>		
Petty cash - unrestricted	\$ 1,750	\$ 1,750
Operating account - unrestricted	<u>167,575</u>	<u>190,872</u>
<b>Total cash - unrestricted</b>	<u>169,325</u>	<u>192,622</u>
Capital account - restricted	2,999	3,071
Brokers cash account - restricted	<u>5,414</u>	<u>(384,259)</u>
<b>Total cash - restricted</b>	<u>8,413</u>	<u>(381,188)</u>
<b>Total cash</b>	<u>\$ 177,738</u>	<u>\$ (188,566)</u>

(See Accompanying Notes to Financial Statements)



**INTERVAL HOUSE**  
Notes to Financial Statements  
September 30, 2023

**1. Purpose of the Organization**

The purpose of Interval House (the Organization) is to provide abused women and their children with safe shelter and responsive services that enable them to establish lives free from violence. Their integrated and specialized services include counselling, advocacy, outreach, legal and housing support and programs to help build economic self-sufficiency. Their educational activities raise public awareness with the aim of eliminating violence against women and children in society.

The Organization is incorporated under the Laws of the Province of Ontario as a not-for-profit organization without share capital and is a registered charity under the Income Tax Act.

**2. Income Taxes**

The organization is exempt from income taxes under Income Tax Act paragraph 149.

**3. Summary of Significant Accounting Policies**

These financial statements have been prepared for filing with the individual donors, corporate donors, and other founders. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations except for note 3(c). The following are the significant accounting policies:

a) Basis of Accounting and Funds

Basis of Accounting

The Organization follows the restricted fund method of accounting for contributions. Restricted contributions are recorded as receipts of the appropriate fund in the current year. Unrestricted contributions are recorded as receipts in the General Fund. Contributions are recognized as receipts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Description of Funds

Capital Asset Fund

The Capital Asset Fund, also known as the Montcrest Fund, reports the assets, liabilities, receipts and expenditures related to the Organization's capital assets.

**INTERVAL HOUSE**  
Notes to Financial Statements  
September 30, 2023

**3. Summary of Significant Accounting Policies (cont'd)**

b) Description of Funds (cont'd)

Reserve Funds

Internally Restricted:

- i) Annual – This fund is designed to fund operating deficits in any financial year and for any other contingencies.
- ii) Operating – This fund is designed to maintain funds to cover operating expenses for six months, to provide for emergency requirements of funding cutbacks in the future and to fund the enhancement of existing programs or development of new programs.
- iii) Benefits – This fund is designed to cover severance, termination costs and benefits such as weekly indemnity leave, compassionate leave, maternity leave and banked sick leave.

General Fund

The General Fund reports the revenues and expenses related to the operations of the Organization.

c) Contributed Services and Donations

Volunteers contribute many hours per year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

d) Receipts

Donations are recorded when received or acknowledged to be in transit as at year-end. Donations-in-kind are recorded at fair value.

Investment income is recognized on an accrual basis. The unrealized gain or loss on investments, being the difference between book value and fair value, is included in the statement of receipts and expenditures.

**INTERVAL HOUSE**  
Notes to Financial Statements  
September 30, 2023

**3. Summary of Significant Accounting Policies (cont'd)**

e) Property and Equipment - Amortization

Property and equipment are stated at cost. Contributed equipment are recorded at fair value at the date of contribution. Amortization is based on the estimated useful lives of the assets and is provided using the undernoted annual rates and methods:

Building	25 years	Straight line
Redevelopment costs	25 years	Straight line
Computer	3 years	Straight line
Security system	25 years	Straight line
Telephone system	25 years	Straight line
Furniture and equipment	5 years	Straight line

In the year of acquisition, one-half of the annual rate is used to calculate amortization.

f) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenditures during the reporting period. Such estimates include providing for amortization of property and equipment as explained in note 3(e). Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of receipts and expenditures in the period in which they become known.

g) Impairment of Long-lived Assets

Property and equipment and other long-lived assets are reviewed for impairment whenever changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset with its expected future net undiscounted cash flows from use together with its residual value (net recoverable value). If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds its net recoverable value. Any impairment results in a write-down of the asset and a charge to the statement of receipts and expenditures during the year.

## INTERVAL HOUSE

Notes to Financial Statements

September 30, 2023

### 3. Summary of Significant Accounting Policies (cont'd)

#### h) Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures some of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of receipts and expenditures.

Financial assets measured at amortized cost include cash and goods and services tax receivable.

Financial assets measured at fair value include temporary investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has no financial liabilities measured at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of receipts and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no longer greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of reversal is recognized in the statement of receipts and expenditures.

### 4. Temporary Investments - restricted

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	\$ 1,408,657	\$ 2,406,853	\$ 2,928,933	\$ 2,630,804
Equities	2,418,230	2,935,895	2,427,772	2,785,033
Money market mutual funds	181,548	182,390	630,416	631,504
	<u>\$ 4,008,435</u>	<u>\$ 5,525,138</u>	<u>\$ 5,987,121</u>	<u>\$ 6,047,341</u>

Temporary investments consist of equities and investments in a managed portfolio of pooled funds. These investments are recorded at fair value based on year-end quoted market prices.

**INTERVAL HOUSE**  
Notes to Financial Statements  
September 30, 2023

**5. Property and Equipment**

	<b>2023</b>		<b>2022</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	<b>Accumulated Amortization</b>
Land	\$ 1,035,975	\$ -	\$ 1,035,975	\$ -
Building	1,500,141	1,140,108	1,500,141	1,080,103
Redevelopment costs	4,013,166	2,203,903	4,013,166	2,043,377
Computer	215,267	192,488	194,316	181,268
Security system	114,607	63,606	114,607	59,022
Telephone system	26,037	12,406	26,037	11,364
Furniture and equipment	557,172	501,103	537,643	471,946
	<u>\$ 7,462,365</u>	<u>\$ 4,113,614</u>	<u>\$ 7,421,885</u>	<u>\$ 3,847,080</u>
Net book value		<u>\$ 3,348,751</u>		<u>\$ 3,574,805</u>

**6. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are source deductions payable of \$9,566 (2022 - \$8,791), employer health tax of NIL (2022 - \$425) and worker's safety insurance payable of \$1,676 (2022 - \$2,074).

**7. Credit Facility**

The Organization has an operating line of credit with a financial institution of up to \$300,000. This line of credit bears interest at bank's prime plus 0.75% per annum and is secured by the Organization's investment portfolio. The balance at year-end was \$nil.

**8. Interfund Transfers**

In the current year, the Executive Team approved the transfer between the Capital Asset Fund, General Fund and Reserve Fund as shown on Page 6 in the Statement of Revenues and Expenditures.

**INTERVAL HOUSE**  
Notes to Financial Statements  
September 30, 2023

**9. Allocated Expenses**

Fundraising expenditures of \$360,443 (2022 - \$254,504) have been allocated as follows:

	2023	2022
Major donor program	\$ 55,429	\$ 39,066
Resource development/public awareness	265,900	215,438
Education and Outreach	39,114	-
	<u>\$ 360,443</u>	<u>\$ 254,504</u>

**10. Financial Instruments**

The Organization's financial instruments recorded on the Statement of Financial Position consist of cash, temporary investments, goods and services tax receivable and accounts payable and accrued liabilities.

**Liquidity Risk**

Liquidity risk is the risk that the Organization may not be able to meet its obligations. The Organization spends on programs only after it receives funds for its programs and there are sufficient temporary investments that can be converted to cash therefore the Organization has sufficient funds to meet its obligations when it is due.

**Investment Risk Management**

Risk management relates to the understanding and active management of risks associated with all areas of the Organization's activities and the associated operating environment. Investments are primarily exposed to interest rate and market risks. The Organization has formal policies and procedures that establish target asset mix. The Organization's policies also require diversification of investments within categories, and set limits on exposure to individual investments.

**Interest Rate Risk**

The value of fixed income securities will generally rise if interest rates fall and decrease if interest rates rise. Changes in interest rates may also affect the value of equity securities.

**Market Risk**

The risks associated with the pooled funds are the risks associated with the securities in which the pooled funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The Organization manages this risk through controls to monitor and limit concentration levels.