

COLLINS BLAY & CO.

**INDEPENDENT LIVING CENTRE
KINGSTON**

**FINANCIAL STATEMENTS
WITH AUDITORS' REPORT**

MARCH 31, 2011



Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To: The Council
Independent Living Centre Kingston

We have audited the accompanying financial statements of Independent Living Centre Kingston which comprise the statement of financial position as at March 31, 2011 and the statements of revenue and expenditures, changes in net assets 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 generally accepting accounting principles 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as explained in the Basis for Qualified Opinion paragraph, 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 the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the organization'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 organization'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.

COLLINS BLAY & CO.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from memberships, fund-raising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to memberships, fund-raising and donation revenues, excess of expenditures over revenue, and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Independent Living Centre Kingston as at March 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston, Ontario
September 15, 2011



**Chartered Accountants
Licensed Public Accountants**

INDEPENDENT LIVING CENTRE KINGSTON

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011**

	<u>2011</u>	<u>2010</u>
ASSETS		
Current		
Cash	\$ 47,414	\$ 34,647
Investment - Note 2	-	42,052
Accounts receivable	40,180	59,205
HST recoverable	4,515	1,579
Prepaid expenses	<u>3,169</u>	<u>3,169</u>
	<u>95,278</u>	<u>140,652</u>
Capital assets - Note 3	<u>10,295</u>	<u>3,135</u>
	<u>\$ 105,573</u>	<u>\$ 143,787</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 22,223	\$ 19,713
Grants in trust - Note 4	10,277	10,277
Deferred grants - Note 5	<u>3,808</u>	<u>34,814</u>
	<u>36,308</u>	<u>64,804</u>
Deferred contributions related to capital assets - Note 6	<u>7,572</u>	<u>2,153</u>
NET ASSETS		
Internally restricted - Emergency operational contingency fund - Note 7	-	30,000
Investment in capital assets	2,723	982
Unrestricted	<u>58,970</u>	<u>45,848</u>
	<u>61,693</u>	<u>76,830</u>
	<u>\$ 105,573</u>	<u>\$ 143,787</u>
Approved on behalf of the Board		
_____	Director	
_____	Director	

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

INDEPENDENT LIVING CENTRE KINGSTON

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2011**

	2011			
	Internally restricted Emergency Operational Contingency Fund	Investment in Capital Assets	Unrestricted	Total
Balance - beginning of the year	\$ 30,000	\$ 982	\$ 45,848	\$ 76,830
Excess expenditures for the year	-	(1,301)	(13,836)	(15,137)
Investment in capital assets	-	3,042	(3,042)	-
Transfers	(30,000)	-	30,000	30,000
Balance - end of the year	<u>\$ -</u>	<u>\$ 2,723</u>	<u>\$ 58,970</u>	<u>\$ 61,693</u>

	2010			
	Internally restricted Emergency Operational Contingency Fund	Investment in Capital Assets	Unrestricted	Total
Balance - beginning of the year	\$ 30,000	\$ 1,178	\$ 43,537	\$ 74,715
Excess (expenditures) revenue for the year	-	(754)	2,869	2,115
Investment in capital assets	-	558	(558)	-
Balance - end of the year	<u>\$ 30,000</u>	<u>\$ 982</u>	<u>\$ 45,848</u>	<u>\$ 76,830</u>

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

COLLINS BLAY & CO.

INDEPENDENT LIVING CENTRE KINGSTON STATEMENT OF REVENUE AND EXPENDITURES FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
Revenue		
Grants - Note 8	\$ 203,467	\$ 223,057
Memberships, fund-raising and donations	11,989	15,274
Computer workshops	700	2,195
ONILC Project	959	5,334
Rent	-	400
Fee for service - Access to Employment	31,400	11,250
- Disability Management and Skills Training	82,488	74,362
Miscellaneous - Note 9	1,542	734
Amortization of deferred contributions - Note 6	<u>3,081</u>	<u>2,073</u>
	<u>335,626</u>	<u>334,679</u>
Expenditures		
Amortization of capital assets	4,382	2,827
Bad debts	4,000	5,500
Board	186	197
Consulting and honoraria	4,505	4,080
Fund-raising	662	497
Insurance	4,923	4,866
Office	10,018	6,441
Programming and accommodations	3,809	162
Professional fees	9,130	6,141
Public awareness	511	651
Rent and utilities	26,584	25,011
Repairs and maintenance	2,623	2,457
Telephone and internet	4,926	5,467
Travel and workshops	5,650	6,453
Wages and benefits	<u>268,854</u>	<u>261,814</u>
	<u>350,763</u>	<u>332,564</u>
Excess (expenditures) revenue for the year	<u>\$ (15,137)</u>	<u>\$ 2,115</u>

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

COLLINS BLAY & CO.

INDEPENDENT LIVING CENTRE KINGSTON

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Excess (expenditures) revenue for the year	\$ (15,137)	\$ 2,115
Items not requiring cash:		
Amortization of deferred contributions - Note 6	(3,081)	(2,073)
Amortization of capital assets	<u>4,382</u>	<u>2,827</u>
	<u>(13,836)</u>	<u>2,869</u>
Net changes in non-cash working capital:		
Accounts receivable	19,025	(20,874)
HST recoverable	(2,936)	(165)
Prepaid expenses	-	(57)
Accounts payable and accrued liabilities	2,510	2,631
Grants in trust	-	1,140
Deferred grants	<u>(31,006)</u>	<u>26,317</u>
	<u>(12,407)</u>	<u>8,992</u>
Cash flows from operating activities	<u>(26,243)</u>	<u>11,861</u>
Cash flows from investing activities		
Contributions received for the purchase of capital assets	8,500	1,952
Purchase of capital assets	(11,542)	(2,510)
Purchase of investment	-	(123)
Proceeds from redemption of investment	<u>42,052</u>	<u>-</u>
Cash flows from investing activities	<u>39,010</u>	<u>(681)</u>
Net increase in cash for the year	12,767	11,180
Cash at the beginning of the year	<u>34,647</u>	<u>23,467</u>
Cash at the end of the year	<u>\$ 47,414</u>	<u>\$ 34,647</u>

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

INDEPENDENT LIVING CENTRE KINGSTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

Independent Living Centre Kingston is incorporated without share capital under the Ontario Corporations Act and is a registered charity under the Income Tax Act of Canada.

The purpose of the organization is to support independent living in the community for people with any type of disability.

1. Accounting policies

a) Amortization

Capital assets are recorded at cost and amortization is provided using the straight-line method as follows:

Computer software	2 years
Computer hardware	3 years
Furniture and equipment	5 years
Leasehold improvements	5 years

b) Donated materials and services

The work of the organization is dependent on the voluntary services of many members. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair market value, the value of these donated services is not recognized in these financial statements.

c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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.

Rent revenue is recognized in the month earned.

Membership revenue is recognized when received.

Fund-raising and workshop revenue is recognized when the event occurs.

Fee for service revenue is recognized when the service is performed.

d) Investments

The term deposit investment is classified as held to maturity and is carried at amortized cost. The net amortized gain on investment, being the difference between book value and fair value, is included in the statement of revenue and expenditures.

INDEPENDENT LIVING CENTRE KINGSTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

1. Accounting policies (continued)

e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates include allowance for doubtful accounts and estimated useful lives of capital assets.

2. Investment

The investment consisted of a term deposit which earned interest at 1.25% and matured on November 26, 2010.

3. Capital assets

	<u>2011</u>			<u>2010</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer software	\$ 5,373	\$ 5,373	\$ -	\$ 165
Computer hardware	45,501	44,775	726	2,236
Furniture and equipment	47,374	47,039	335	734
Leasehold improvements	<u>19,427</u>	<u>10,193</u>	<u>9,234</u>	<u>-</u>
	<u>\$ 117,675</u>	<u>\$ 107,380</u>	<u>\$ 10,295</u>	<u>\$ 3,135</u>

4. Grants in trust

The organization receives grants in trust from Centre for Independent Living in Toronto for specific individuals. The funds are not included in revenue and expenditures.

	<u>2011</u>	<u>2010</u>
Balance - beginning of the year	\$ 10,277	\$ 9,137
Grants received	103,761	94,134
Grants paid	<u>(103,761)</u>	<u>(92,994)</u>
Balance - end of the year	<u>\$ 10,277</u>	<u>\$ 10,277</u>

INDEPENDENT LIVING CENTRE KINGSTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

5. Deferred grants

Deferred grants consist of funding received in the current year that is related to expenditures of the subsequent year.

	<u>2011</u>	<u>2010</u>
Ontario Ministry of Health Promotion	\$ -	\$ 30,048
Ontario Independent Living Centres Network project	<u>3,808</u>	<u>4,766</u>
	<u>\$ 3,808</u>	<u>\$ 34,814</u>

6. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions with which the organization purchased capital assets. The changes in the deferred contribution balance for the year are as follows:

	<u>2011</u>	<u>2010</u>
Balance - beginning of the year	\$ 2,153	\$ 2,274
Add: Contributed capital assets	8,500	1,952
Less: Amounts amortized to revenue	<u>(3,081)</u>	<u>(2,073)</u>
Balance - end of the year	<u>\$ 7,572</u>	<u>\$ 2,153</u>

7. Internally restricted funds

The Board of Directors had restricted \$30,000 for an emergency operational contingency fund. During the year, the Board of Directors approved the transfer of this fund to general operations.

8. Grant revenue

	<u>2011</u>	<u>2010</u>
Community Access Program	\$ 15,612	\$ 6,192
Centre for Independent Living in Toronto		
- Direct funding	31,668	31,047
- Direct funding administration	44,359	43,501
Ontario Ministry of Citizenship and Immigration		
- Summer experience	-	5,215
Ontario Ministry of Health Promotion	30,048	16,424
Ontario Trillium Foundation	-	37,697
Independent Living Canada		
- Core funding	53,478	53,478
- RDSP	11,292	6,222
- RESP	4,000	8,000
- Food for Thought	350	2,500
United Way	2,000	-
Rick Hansen Foundation	-	2,061
Central Frontenac Community Services Corporation	<u>10,660</u>	<u>10,720</u>
	<u>\$ 203,467</u>	<u>\$ 223,057</u>

INDEPENDENT LIVING CENTRE KINGSTON

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

9. Miscellaneous revenue

	<u>2011</u>	<u>2010</u>
Interest	\$ 1,086	\$ 684
Other	356	-
Publications	<u>100</u>	<u>50</u>
	<u>\$ 1,542</u>	<u>\$ 734</u>

10. Lease commitment

The organization is committed to a lease for premises requiring monthly payments of \$1,887, expiring December 31, 2011.

11. Financial instruments

a) Credit risk

Included in accounts receivable is \$15,238 (2010 - \$39,750) from the City of Kingston. This is not considered a credit risk. Otherwise, the organization does not have a significant exposure to any individual customer or counter party.

In addition, 100% (2010 - 100%) of fee for service revenue is received from the City of Kingston.

b) Fair value

The fair values of cash, accounts receivable and accounts payable and accrued liabilities are approximately equal to their carrying values due to their short-term maturity dates.

12. Capital disclosures

The organization considers its capital to be the amounts included in the balance of net assets. The organization's objective when managing capital is to safeguard the ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the members and stakeholders.

Capital is invested under the direction of the organization's Board of Directors with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed capital requirements.