

**Independent Living Centre
Kingston**

**Financial Statements
For the year ended March 31, 2016**

**Independent Living Centre Kingston
Financial Statements
For the year ended March 31, 2016**

Contents

Independent Auditors' Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenue and Expenditures	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7-8
Notes to Financial Statements	9-12

Independent Auditors' Report

To the Members of 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, 2016 and March 31, 2015 the statements of changes in net assets, revenue and expenditures and cash flows for the years ended March 31, 2016 and March 31, 2015 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 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.

Auditor's Responsibility

Our responsibility is to express an 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 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 auditor's 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 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 audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives 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 and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures, assets and surplus.

Qualified Opinion

In our qualified opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2016 and March 31, 2015 and the results of its operations and its cash flows for the years ended March 31, 2016 and March 31, 2015 in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Licensed Public Accountants

Kingston, Ontario
September 15, 2016

Independent Living Centre Kingston Statement of Financial Position

March 31	2016	2015
Assets		
Current		
Cash	\$ 109,462	\$ 121,599
Accounts receivable (Note 1)	10,339	18,159
Prepaid expenses	2,125	1,162
	121,926	140,920
Property, plant and equipment (Note 2)	24,210	32,903
	\$ 146,136	\$ 173,823
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 13,112	\$ 30,122
Deferred grants (Note 4)	-	5,540
Deferred revenue	2,650	-
	15,762	35,662
Deferred contributions - capital (Note 5)	24,210	32,903
	39,972	68,565
Net Assets		
Unrestricted	66,164	70,258
Contingency fund - internally restricted	40,000	35,000
	106,164	105,258
	\$ 146,136	\$ 173,823

On behalf of the Board:

_____ Director

_____ Director

Independent Living Centre Kingston Statement of Changes in Net Assets

For the year ended March 31				2016	2015
	Contingency Fund Internally Restricted	Investment In Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	\$ 35,000	\$ -	\$ 70,258	\$ 105,258	\$ 113,608
Internal Transfer (Note 6)	5,000	-	(5,000)	-	-
Excess of (expenditures over revenue) revenue over expenditures, for the year	-	-	906	906	(8,350)
Balance, end of the year	\$ 40,000	\$ -	\$ 66,164	\$ 106,164	\$ 105,258

Independent Living Centre Kingston Statement of Revenue and Expenditures

For the year ended March 31	2016	2015
Revenue		
Grants (Note 7)	\$ 207,561	\$ 199,735
Memberships, fundraising and donations	34,075	43,000
Fee for service - Disability Management and Skills Training	9,125	31,125
Miscellaneous	753	2,452
Amortization of deferred contributions (Note 5)	8,693	8,196
	260,207	284,508
Expenditures		
Amortization	8,693	8,805
Bad debts	-	750
Consulting and honoraria	-	2,912
Fundraising	5,882	4,161
Insurance	2,339	3,028
Moving	-	659
Office	8,039	9,953
Professional fees	8,902	9,000
Public awareness	-	52
Rent and utilities	32,304	32,304
Repairs and maintenance	-	1,066
Telephone and internet	7,646	5,119
Travel and workshops	1,200	2,135
Wages and benefits	184,296	212,914
	259,301	292,858
Excess of (expenditures over revenue) revenue over expenditures, for the year	\$ 906	\$ (8,350)

Independent Living Centre Kingston Statement of Cash Flows

For the year ended March 31	2016	2015
Cash flows from operating activities		
Excess of (expenditures over revenue) revenue over expenditures for the year	\$ 906	\$ (8,350)
Adjustments for items not involving cash		
Amortization of deferred contributions	(8,693)	(8,196)
Amortization of capital assets	8,693	8,805
	<u>906</u>	<u>(7,741)</u>
Changes in non-cash working capital balances		
Accounts receivable	7,820	(5,018)
Prepaid expenses	(963)	1
Accounts payable and accrued liabilities	(17,010)	8,628
Deferred grants	(5,540)	(3,057)
Deferred revenue	2,650	-
	<u>(12,137)</u>	<u>(7,187)</u>
Cash flows from investing activities		
Purchase of capital assets	-	(35,897)
Deferred contributions received during the year for purchase of capital assets	-	35,897
	<u>-</u>	<u>-</u>
Decrease in cash during the year	(12,137)	(7,187)
Cash and cash equivalents, beginning of year	121,599	128,786
Cash and cash equivalents, end of year	\$ 109,462	\$ 121,599

Independent Living Centre Kingston Summary of Significant Accounting Policies

March 31, 2016

Nature of Business	<p>Independent Living Centre Kingston (the "organization") is incorporated without share capital and operates as a registered charitable organization on a not-for-profit basis and is exempt from income tax under subparagraph 149(1)(f) of the Canadian Income Tax Act.</p> <p>The organization is engaged in the operation of supporting independent living in the community for people with any type of disability.</p>
Basis of Accounting	<p>These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents consists of cash on hand and on deposit.</p>
Property, Plant and Equipment	<p>Property, plant and equipment are stated at cost less accumulated amortization. Cost is net of related investment tax credits and government grants. Amortization based on the estimated useful life of the asset is calculated as follows:</p> <ul style="list-style-type: none">Computer hardware - 3 years straight-line basisComputer software - 2 years straight-line basisFurniture and equipment - 5 years straight-line basisLeasehold improvements - 5 years straight-line basis
Donated Materials and Services	<p>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 fair market value, the value of these donated services is not recognized in these financial statements.</p>
Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions and grants. 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.</p> <p>Membership and miscellaneous revenue is recognized when received.</p> <p>Fundraising and workshop revenue is recognized when the event occurs.</p> <p>Fee for service revenue is recognized when the service is performed.</p>

Independent Living Centre Kingston Summary of Significant Accounting Policies

March 31, 2016

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in the periods in which they become known.

Fund Accounting

The organization follows the restricted fund method of accounting for contributions. For financial reporting purposes, the accounts have been classified into the following funds:

The *Unrestricted Fund* includes resources available for the organization's general operating activities.

The *Contingency Fund* includes resources available for the organization's working capital needs.

The *Invested In Capital Assets Fund* includes the financial resources invested in capital assets, recorded on an amortized cost basis.

Independent Living Centre Kingston Notes to Financial Statements

March 31, 2016

1. Accounts Receivable

	2016	2015
Trade	\$ 8,343	\$ 15,918
HST recoverable	1,996	2,241
	\$ 10,339	\$ 18,159

2. Property, Plant and Equipment

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	\$ 12,741	\$ 12,128	\$ 12,741	\$ 10,733
Computer software	7,864	7,815	7,864	7,714
Furniture and equipment	50,486	49,951	50,486	49,329
Leasehold improvements	52,302	29,289	52,302	22,714
	\$ 123,393	\$ 99,183	\$ 123,393	\$ 90,490
Net book value		\$ 24,210		\$ 32,903

During the year, the organization purchased property, plant and equipment of \$Nil (2015 - \$35,897) financed by capital grants of \$Nil (2015 - \$35,897).

3. Accounts Payable and Accrued Liabilities

	2016	2015
Trade accounts payable	\$ 1,821	\$ 17,233
Accrued liabilities	6,899	7,490
Government remittances payable	4,329	5,271
Other	63	128
	\$ 13,112	\$ 30,122

The organization has corporate credit card facilities with an aggregate limit of \$3,000 (2015 - \$2,500). At March 31, 2016, \$3,000 (2015 - \$2,500) of these credit facilities remain unused.

Independent Living Centre Kingston Notes to Financial Statements

March 31, 2016

4. Deferred Grants

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

	2016	2015
Community Foundation for Kingston & Area	\$ -	\$ 4,000
Employment and Social Development Canada - Enabling Accessibility in Communities	-	1,540
	\$ -	\$ 5,540

5. Deferred Contributions

Deferred contributions related to property, plant and equipment represent restricted contributions with which the organization purchased property, plant and equipment. The changes in the deferred contributions balance for the year are as follows:

	2016	2015
Balance , beginning of the year	\$ 32,903	\$ 5,202
Contributions received during the year	-	35,897
Amounts amortized to revenue	(8,693)	(8,196)
Balance , end of the year	\$ 24,210	\$ 32,903

6. Internal Transfer

During the year the Board approved a \$5,000 transfer from the Unrestricted Fund to the Contingency Fund.

Independent Living Centre Kingston Notes to Financial Statements

March 31, 2016

7. Grant Revenue

	2016	2015
Centre for Independent Living in Toronto		
- Direct funding	\$ 65,616	\$ 62,158
- Direct funding administration	83,024	78,024
- Other funding	-	8,480
Independent Living Canada		
- Core funding	20,215	19,632
United Way	20,000	10,000
United Way - A2V	5,100	-
Government of Canada - HSRDC - New Horizons for Seniors Program	-	8,594
Service Canada - Summer experience	2,946	2,187
Southern Frontenac Community Services Corporation	10,660	10,660
	\$ 207,561	\$ 199,735

8. Commitments

The organization has an operating lease for its office space. The lease is for a term of five years expiring March 31, 2019 after which the agreement will become month-to-month.

The minimum annual lease payments for the next three years are as follows:

2017	\$ 32,300
2018	32,300
2019	32,300
	\$ 96,900

9. Economic Dependence

The continuation of the organization is dependent on obtaining operating grants to help carryout the organization's mandate. Failure to obtain future grants could negatively impact the future operations of the organization.

Independent Living Centre Kingston Notes to Financial Statements

March 31, 2016

10. Financial Instruments

Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash and bank, accounts receivable, accounts payable and accrued liabilities.

The organization initially recognized its financial instruments at fair value and subsequently measure them at amortized cost.

Financial assets measured at cost or amortized costs are tested for impairment at the end of each year and the amount of any write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.