

INDEPENDENT LIVING CENTRE KINGSTON
FINANCIAL STATEMENTS
AS AT MARCH 31, 2020

INDEPENDENT LIVING CENTRE KINGSTON
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INDEPENDENT AUDITOR'S REPORT

To the Members of
Independent Living Centre Kingston

Qualified Opinion

We have audited the financial statements of Independent Living Centre Kingston (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statement of changes in net assets, revenues 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 section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, 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, as at and for the years ended March 31, 2020 and March 31, 2019, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 these financial statements, management is responsible for assessing the Organization'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 AUDITOR'S REPORT
(CONT'D)**

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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 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 auditor's 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 auditor's 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

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.


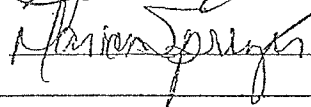
The prior year's financial statements were audited by another firm of Chartered Professional Accountants.

KINGSTON, Canada
September 24, 2020

Wilkinson Company LLP

Chartered Professional Accountants
Licensed Public Accountants

**INDEPENDENT LIVING CENTRE KINGSTON
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

	2020 \$	2019 \$
ASSETS		
CURRENT		
Cash and bank	56,358	55,109
Accounts receivable	5,739	14,534
Prepaid expenses	3,949	2,630
	66,046	72,273
TANGIBLE CAPITAL ASSETS - Note 5	6,061	14,541
	72,107	86,814
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	8,821	16,459
Government remittances payable	3,989	6,047
Deferred revenue	6,051	
	18,861	22,506
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - Note 6	367	4,372
	19,228	26,878
FUND BALANCES		
Unrestricted	7,185	9,767
Contingency fund - internally restricted	40,000	40,000
Investment in capital assets	5,694	10,169
	52,879	59,936
APPROVED ON BEHALF OF THE BOARD		
 Director		
 Director		
	72,107	86,814

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE KINGSTON
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020**

	2020					2019
	Unrestricted Fund	Salaries Fund - Internally Restricted	Contingency Fund - Internally Restricted	Investment in Capital Assets	Total	Total
	\$	\$	\$	\$	\$	\$
FUND BALANCES - BEGINNING OF YEAR	9,767	NIL	40,000	10,169	59,936	82,887
EXCESS OF EXPENDITURES OVER REVENUE FOR YEAR	(2,582)			(4,475)	(7,057)	(22,951)
FUND BALANCES - END OF YEAR	7,185	NIL	40,000	5,694	52,879	59,936

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE KINGSTON
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
	\$	\$
REVENUE		
Grants - Note 7	200,840	332,573
Memberships, fundraising and donations	50,655	37,971
Fees for service - Disability Management and Skills Training	25,003	28,375
Wage subsidies	14,622	1,000
Amortized revenue from deferred contributions	4,005	7,905
	295,125	407,824
EXPENDITURES		
Amortization of tangible capital assets	8,480	12,635
Consulting and honoraria	1,625	5,375
Fundraising	1,700	2,763
Insurance	4,120	3,620
Office	9,081	8,963
Professional fees	8,657	6,842
Public awareness	73	4,804
Rent and utilities	31,860	33,204
Repairs and maintenance		160
Telephone and internet	10,408	10,200
Travel and workshops	1,131	2,397
Wages and benefits	225,047	339,812
	302,182	430,775
EXCESS OF EXPENDITURES OVER REVENUE FOR THE YEAR	(7,057)	(22,951)

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE KINGSTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Excess of expenditures over revenue for year	(7,057)	(22,951)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	8,480	12,635
Amortized revenue from deferred contributions	(4,005)	(7,905)
	(2,582)	(18,221)
Net change in non-cash working capital balances related to operations - Note 8	3,831	(2,496)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	1,249	(20,717)
INVESTING ACTIVITIES		
Purchase of tangible capital assets		(3,881)
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES		(3,881)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	1,249	(24,598)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	55,109	79,707
CASH AND EQUIVALENTS - END OF YEAR	56,358	55,109
REPRESENTED BY:		
Cash	56,358	55,109

The accompanying notes form an integral part of these financial statements

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

1. ORGANIZATION AND NATURE OF FINANCIAL STATEMENTS

Independent Living Centre Kingston is a non-profit organization, incorporated without share capital under the laws of Ontario, and a registered charity under the *Canadian Income Tax Act* and is exempt from income tax under subparagraph 149(1)(f) of the *Canadian Income Tax Act*. The organization is a disability resource centre that provides information, support, and skills-building programs that address disability issues in the community.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the corporation considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Accounting 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include accounts receivables and accounts payables. Actual results could differ from those estimates.

(c) Fund Accounting

The accompanying financial statements include the activities of the organization for which the Board of Directors is legally accountable. In order to properly reflect its activities, the corporation maintains its accounts in accordance with the principles of "fund accounting" in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources for various purposes are classified for accounting and reporting into funds in accordance with activities or objectives specified. The individual funds are described below:

(i) Unrestricted Fund

This fund includes resources available for the organization's general operating activities.

(ii) Salaries Fund

This fund includes resources available for the organization's salary needs.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

2. ACCOUNTING POLICIES (Cont'd)

(iii) Contingency Fund

This fund includes resources available for the organization's working capital needs.

(iv) Invested in Capital Assets

This fund includes the financial resources invested in capital assets, recorded on an amortized cost basis

(d) Tangible capital assets

Tangible capital assets 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:

Asset	Basis	Rate
Computer hardware	Straight-line	3 years
Computer software	Straight-line	2 years
Leasehold improvements	Straight-line	5 years
Furniture and equipment	Straight-line	5 years

(e) Deferred Capital Contributions

Deferred capital contributions consist of amounts received for specific capital purchases. These amounts are amortized on the same basis as the related tangible capital assets.

(f) Revenue Recognition

Grants are recorded as revenue in the period to which they relate. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. Membership, donations and miscellaneous revenue is recognized as revenue when received. 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. Fundraising and workshop revenue is recognized as revenue when the corresponding event occurs. Fee for service revenue is recognized as revenue when the service is performed.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

2. ACCOUNTING POLICIES (Cont'd)

(g) Contributed Services

Volunteers contribute hundreds of hours per year to assist the corporation in carrying out its service delivery and fundraising activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(h) Income Taxes

The corporation is exempt from paying income taxes, as it is a not-for-profit organization.

(i) Cash and Equivalents

Cash and equivalents consist of cash on deposit.

(j) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations required 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.

3. FINANCIAL STATEMENT PRESENTATION

In some instances, comparative figures have been reclassified in order to comply with the current year's presentation.

4. CREDIT FACILITIES

The organization has corporate credit card facilities with an aggregate limit of \$5,000 (2019 - \$5,000). At March 31, 2020, \$5,000 (2019 - \$5,000) of these credit facilities remain unused.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

5. TANGIBLE CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Computer hardware	24,873	22,578	24,873	19,971
Computer software	7,864	7,864	7,864	7,865
Furniture and equipment	63,036	59,270	63,036	56,684
Leasehold improvements	52,302	52,302	52,302	49,014
	148,075	142,014	148,075	133,534
Cost less accumulated amortization	\$ 6,061		\$ 14,541	

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

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

	2020	2019
	\$	\$
BALANCE - Beginning of year	4,372	12,277
Revenue recognized for the year	(4,005)	(7,905)
BALANCE - End of year	367	4,372

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

7. GRANT REVENUE

Grant revenue consists of the following:

	2020	2019
	\$	\$
Centre for Independent Living Toronto		
- Direct funding	56,148	56,148
- Direct funding administration	38,253	153,012
- Other funding	8,004	10,416
Independent Living Canada - core funding	38,513	44,215
United Way		
- Partner agency funding	30,000	30,000
- Community Leader	6,050	
Community Foundation for Kingston & Area - A2T		16,920
Service Canada - Summer experience	13,212	11,202
Southern Frontenac Community Services Corporation	10,660	10,660
	200,840	332,573

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

8. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2020	2019
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	8,795	(7,041)
Prepaid expenses	(1,319)	(357)
	7,476	(7,398)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(7,638)	4,902
Government remittances payable	(2,058)	
Deferred revenue	6,051	
	(3,645)	4,902
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	3,831	(2,496)

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

9. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis presents the organization's exposures to significant risk at the reporting date.

Credit Risk

Credit risk is the risk of financial loss to the organization if a debtor fails to make payments of interest and principal when due. The organization is exposed to this risk relating to its cash and accounts receivables. The organization holds its cash with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. All other receivables are assessed on a continuous basis for collectibility.

Interest Rate Risk

The organization is exposed to interest rate risk on its variable rate term loan with an interest rate of the bank's prime rate plus 2.5%. The term loan rate is scheduled for renewal in May 2021.

Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet all cash outflow obligations as they come due. The organization mitigates this risk by monitoring cash activities and expected outflows through the budgeting process.

There have been no significant changes from the prior year in the exposure to risk or policies, procedures and methods used to measure the risks of the organization.

10. ECONOMIC DEPENDENCE

The organization is dependent on obtaining operating grants to help carry out 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
FOR THE YEAR ENDED MARCH 31, 2020**

11. IMPACT OF COVID-19

Since the beginning of 2020, the coronavirus disease (COVID-19) has had considerable impact both globally and locally, which has the potential to create financial stress on the economy and the organization.

At the date of this report, it is not possible to determine the effect of the pandemic on the organization, including its funders, suppliers or other third parties.

12. CAPITAL DISCLOSURE

The organization's objectives with respect to capital management are to maintain a minimum capital base that allows the organization to continue with and execute its overall purpose. The organization's Board of Directors performs periodic reviews of the organization's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the organization.