

**Independent Living Centre
Kingston**

**Financial Statements
For the year ended March 31, 2019**

**Independent Living Centre Kingston
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For the year ended March 31, 2019**

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Independent Auditor's Report

**To the Members of
Independent Living Centre Kingston**

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Qualified Opinion

We have audited the financial statements of the Independent Living Centre Kingston (the "organization") which comprise the statement of financial position as at March 31, 2019 and the statements 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, 2019 and the results of its 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 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 and fundraising revenues, excess of revenue over expenditures, assets and changes in net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility 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 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.

In preparing the 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.

Auditor's Responsibility 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.

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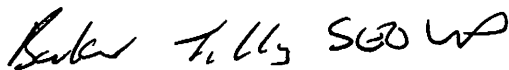
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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from 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 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 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.

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

Kingston, Ontario
September 26, 2019

**Independent Living Centre Kingston
Statement of Financial Position**

March 31	2019	2018
Assets		
Current		
Cash	\$ 55,109	\$ 79,707
Accounts receivable (Note 1)	14,534	7,493
Prepaid expenses	2,630	2,273
	72,273	89,473
Property, plant and equipment (Note 2)	14,541	23,295
	\$ 86,814	\$ 112,768

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 3)	\$ 22,506	\$ 17,604
Deferred contributions - capital (Note 4)	4,372	12,277
	26,878	29,881
Net Assets		
Investment in capital assets	10,169	11,018
Unrestricted	9,767	11,869
Salaries fund - internally restricted	-	20,000
Contingency fund - internally restricted	40,000	40,000
John Hofmann Memorial Fund	-	-
	59,936	82,887
	\$ 86,814	\$ 112,768

On behalf of the Board:

_____ Director

_____ Director

**Independent Living Centre Kingston
Statement of Changes in Net Assets**

For the year ended March 31

2019 2018

	John Hofmann Memorial Fund	Salaries Fund Internally Restricted	Contingency Fund Internally Restricted	Investment In Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	\$ -	\$ 20,000	\$ 40,000	\$ 11,018	\$ 11,869	\$ 82,887	\$ 100,601
Internal Transfer (Note 5)	-	(20,000)	-	3,881	16,119	-	-
Excess of expenditures over revenues, for the year	-	-	-	(4,730)	(18,221)	(22,951)	(17,714)
Balance, end of the year	\$ -	\$ -	\$ 40,000	\$ 10,169	\$ 9,767	\$ 59,936	\$ 82,887

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Independent Living Centre Kingston Statement of Revenue and Expenditures

For the year ended March 31	2019	2018
Revenue		
Grants (Note 10)	\$ 332,573	\$ 307,487
Memberships, fundraising and donations	38,971	42,881
Fee for service - Disability Management and Skills Training	28,375	28,125
Miscellaneous	-	883
Amortization of deferred contributions (Note 4)	7,905	8,067
	407,824	387,443
Expenditures		
Amortization	12,635	11,977
Bad debts	-	168
Consulting and honoraria	5,375	-
Fundraising	2,763	5,644
Insurance	3,620	3,157
Office	8,963	11,386
Professional fees	6,842	4,210
Public awareness	4,804	573
Rent and utilities	33,204	33,204
Repairs and maintenance	160	92
Telephone and internet	10,200	8,492
Travel and workshops	2,397	1,515
Wages and benefits	339,812	324,739
	430,775	405,157
Excess of expenditures over revenue, for the year	\$ (22,951)	\$ (17,714)

**Independent Living Centre Kingston
Statement of Cash Flows**

For the year ended March 31	2019	2018
Cash flows from operating activities		
Excess of expenditures over revenue, for the year	\$ (22,951)	\$ (17,714)
Adjustments for items not involving cash		
Amortization of deferred contributions	(7,905)	(8,067)
Amortization of capital assets	12,635	11,977
	(18,221)	(13,804)
Changes in non-cash working capital balances		
Accounts receivable	(7,041)	2,823
Prepaid expenses	(357)	-
Accounts payable and accrued liabilities	4,902	(7,638)
Deferred revenue	-	(2,175)
	(20,717)	(20,794)
Cash flows from investing activities		
Purchase of capital assets	(3,881)	(2,129)
Deferred contributions received	-	1,226
	(3,881)	(903)
Decrease in cash during the year	(24,598)	(21,697)
Cash and cash equivalents, beginning of year	79,707	101,404
Cash and cash equivalents, end of year	\$ 55,109	\$ 79,707

Independent Living Centre Kingston Summary of Significant Accounting Policies

March 31, 2019

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> <table><tr><td>Computer hardware</td><td>-</td><td>3 years</td><td>straight-line basis</td></tr><tr><td>Computer software</td><td>-</td><td>2 years</td><td>straight-line basis</td></tr><tr><td>Furniture and equipment</td><td>-</td><td>5 years</td><td>straight-line basis</td></tr><tr><td>Leasehold improvements</td><td>-</td><td>5 years</td><td>straight-line basis</td></tr></table>	Computer hardware	-	3 years	straight-line basis	Computer software	-	2 years	straight-line basis	Furniture and equipment	-	5 years	straight-line basis	Leasehold improvements	-	5 years	straight-line basis
Computer hardware	-	3 years	straight-line basis														
Computer software	-	2 years	straight-line basis														
Furniture and equipment	-	5 years	straight-line basis														
Leasehold 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>																

Independent Living Centre Kingston Summary of Significant Accounting Policies

March 31, 2019

Revenue Recognition

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.

Membership and miscellaneous revenue is recognized when received.

Fundraising and workshop revenue is recognized when the event occurs.

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

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.

Independent Living Centre Kingston Summary of Significant Accounting Policies

March 31, 2019

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 *Salaries Fund* includes resources available for the organization's salary needs.

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.

The *John Hofmann Memorial Fund* includes certain memorial donations in excess of those spent on peer-to-peer activities.

**Independent Living Centre Kingston
Notes to Financial Statements**

March 31, 2019

1. Accounts Receivable

	2019	2018
Trade	\$ 11,523	\$ 6,060
HST recoverable	3,011	1,433
	\$ 14,534	\$ 7,493

2. Property, Plant and Equipment

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	\$ 24,873	\$ 19,971	\$ 20,993	\$ 16,574
Computer software	7,864	7,865	7,864	7,865
Furniture and equipment	63,036	56,684	63,036	54,022
Leasehold improvements	52,302	49,014	52,302	42,439
	\$ 148,075	\$ 133,534	\$ 144,195	\$ 120,900
Net book value		\$ 14,541		\$ 23,295

During the year, the organization purchased property, plant and equipment of \$3,881 (2018 - \$2,129), of which \$Nil (2018 - \$1,226) was financed by capital grants.

**Independent Living Centre Kingston
Notes to Financial Statements**

March 31, 2019

3. Accounts Payable and Accrued Liabilities

	2019	2018
Trade accounts payable	\$ 3,536	\$ 8,975
Accrued liabilities	12,781	7,046
Government remittances payable	6,189	1,478
Other	-	105
	\$ 22,506	\$ 17,604

The organization has corporate credit card facilities with an aggregate limit of \$5,000 (2018 - \$5,000). At March 31, 2019, \$5,000 (2018 - \$1,266) of these credit facilities remain unused.

4. 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:

	2019	2018
Balance , beginning of the year	\$ 12,277	\$ 19,118
Contributions received during the year	-	1,226
Amounts amortized to revenue	(7,905)	(8,067)
Balance , end of the year	\$ 4,372	\$ 12,277

5. Internal Transfer

During the year the Board approved a \$20,000 transfer from the internally restricted salaries fund to the unrestricted fund.

During the year, the organization invested in capital assets of \$3,881.

Independent Living Centre Kingston Notes to Financial Statements

March 31, 2019

6. Grant Revenue

	2019	2018
Centre for Independent Living in Toronto		
- Direct funding	\$ 56,148	\$ 56,148
- Direct funding administration	153,012	153,012
- Other funding	10,416	8,880
Independent Living Canada		
- Core funding	44,215	44,215
United Way	30,000	30,000
Community Foundation for Kingston and Area - A2T	16,920	-
Service Canada - Summer experience	11,202	4,572
Southern Frontenac Community Services Corporation	10,660	10,660
	\$ 332,573	\$ 307,487

7. Commitments

The organization has an operating lease for its office space. The lease is for a term of five years expiring March 31, 2020 after which the agreement will become month-to-month.

The minimum annual lease payment for the next year is as follows:

2020	\$ 33,204
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8. 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, 2019

9. 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 and 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.

10. Financial Statement Presentation

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