

**INDEPENDENT LIVING CENTRE KINGSTON
FINANCIAL STATEMENTS
AS AT MARCH 31, 2021**

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, 2021, 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, 2021, 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, 2021 and March 31, 2020, 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.

KINGSTON, Canada
September 29, 2021

Wilkinson Company LLP

Chartered Professional Accountants
Licensed Public Accountants

INDEPENDENT LIVING CENTRE KINGSTON
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT		
Cash and bank	119,037	56,358
Accounts receivable	26,056	5,739
Government assistance receivable - Note 7	6,344	
Prepaid expenses	4,165	3,949
	155,622	66,046
TANGIBLE CAPITAL ASSETS - Note 4	18,025	6,061
	173,647	72,107
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	11,222	8,821
Government remittances payable	3,437	3,989
Deferred revenue - Note 5	10,498	6,051
	25,157	18,861
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - Note 6	8,999	367
	34,156	19,228
FUND BALANCES		
Unrestricted	15,466	7,185
Salaries fund - internally restricted	75,000	
Contingency fund - internally restricted	40,000	40,000
Investment in capital assets	9,025	5,694
	139,491	52,879
APPROVED ON BEHALF OF THE BOARD		
	Director	
_____	Director	
	173,647	72,107

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, 2021**

	2021			2020	
	Unrestricted Fund	Salaries Fund - Internally Restricted \$	Contingency Fund - Internally Restricted \$	Investment in Capital Assets	Total
FUND BALANCES - BEGINNING OF YEAR	7,185	NIL	40,000	5,694	52,879
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) FOR YEAR	91,797			(5,185)	(7,057)
TRANSFER BETWEEN FUNDS - Note 8	(83,516)	75,000		8,516	NIL
FUND BALANCES - END OF YEAR	15,466	75,000	40,000	9,025	139,491
					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, 2021**

	2021	2020
	\$	\$
REVENUE		
Grants - Note 9	235,430	200,840
Memberships, fundraising and donations	62,149	50,655
Fees for service - Disability Management and Skills Training	18,250	25,003
Wage subsidies	4,494	14,622
Amortized revenue from deferred contributions - Note 6	1,368	4,005
	321,691	295,125
EXPENDITURES		
Amortization of tangible capital assets	6,553	8,480
Consulting and honoraria		1,625
Fundraising	450	1,700
Insurance	4,174	4,120
Office	11,465	9,081
Program supplies - one time	7,307	
Professional fees	8,153	8,657
Public awareness	882	73
Rent and utilities	32,033	31,860
Telephone and internet	10,975	10,408
Travel and workshops	42	1,131
Wages and benefits	217,129	225,047
	299,163	302,182
EXCESS OF REVENUE OVER EXPENDITURES		
(EXPENDITURES OVER REVENUE) BEFORE COVID		
RELIEF FUNDING FOR THE YEAR	22,528	(7,057)
COVID RELIEF		
Government assistance - Note 7	6,344	
United Way - COVID-19 Seniors' Response Fund	8,740	
United Way - Emergency Community Support Fund (ECSF)	20,000	
Community Foundation of Canada - ECSF	29,000	
	86,612	(7,057)
EXCESS OF REVENUE OVER EXPENDITURES		
(EXPENDITURES OVER REVENUE) FOR THE YEAR		
	86,612	(7,057)

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, 2021**

	2021 \$	2020 \$
OPERATING ACTIVITIES		
Excess of expenditures over revenue for year	86,612	(7,057)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	6,553	8,480
Amortized revenue from deferred contributions	(1,368)	(4,005)
	91,797	(2,582)
Net change in non-cash working capital balances related to operations - Note 10	(20,581)	3,831
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	71,216	1,249
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(18,517)	
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	(18,517)	
FINANCING ACTIVITIES		
Capital contributions received	10,000	
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	10,000	
INCREASE IN CASH AND EQUIVALENTS FOR YEAR	62,699	1,249
CASH AND EQUIVALENTS - BEGINNING OF YEAR	56,358	55,109
CASH AND EQUIVALENTS - END OF YEAR	119,057	56,358
REPRESENTED BY:		
Cash and bank	119,057	56,358

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, 2021**

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, 2021**

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. Wage subsidies are recognized as revenue in the year in which the related wage expenditures are incurred.

(g) Government Assistance

Government assistance in the form of tax credits and subsidies is recorded as revenue. Government assistance is recognized in the period where all conditions of the tax credits or subsidies are met.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

2. ACCOUNTING POLICIES (Cont'd)

(h) 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.

(i) Income Taxes

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

(j) Cash and Equivalents

Cash and equivalents consist of cash on deposit.

(k) 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.

(l) Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost except for investments actively quoted in an active market. In subsequent periods, investments are reported at fair value, with any unrealized gains and losses reported in the statement of revenue and expenditures.

3. CREDIT FACILITIES

The organization has corporate credit card facilities with an aggregate limit of \$6,000 (2019 - \$5,000). At March 31, 2021, \$6,000 (2019 - \$5,000) of these credit facilities remain unused.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

4. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer hardware	33,048	25,588	24,873	22,578
Computer software	7,864	7,864	7,864	7,864
Furniture and equipment	73,378	62,813	63,036	59,270
Leasehold improvements	52,302	52,302	52,302	52,302
	166,592	148,567	148,075	142,014
Cost less accumulated amortization	\$ 18,025		\$ 6,061	

5. DEFERRED REVENUE

Deferred revenue consists of amounts received and not spent as of March 31 as follows:

	2021 \$	2020 \$
United Way - Community Investment Grant		6,051
Canadian Career Development Foundation	4,000	
Centre for Independent Living in Toronto (C.I.L.T.) Inc.	6,498	
	10,498	6,051

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:

	2021 \$	2020 \$
BALANCE - Beginning of year	367	4,372
Contributions received for capital expenditures during the year	10,000	
Revenue recognized for the year	(1,368)	(4,005)
BALANCE - End of year	8,999	367

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

7. GOVERNMENT ASSISTANCE

During the year the Organization received government assistance, as a consequence of COVID-19 under various programs. The amounts received for the year have been reported as follows:

(a) Canada Emergency Wage Subsidy (CEWS):

The Organization was eligible for the CEWS for wages paid from June 1, 2020 to March 31, 2021. The total entitlement for the year was \$5,423 (2020 - \$Nil) and this has been reported as revenue. As at March 31, 2021 \$5,423 was receivable from the Canada Revenue Agency.

(b) Canada Emergency Rent Subsidy (CERS):

The Organization was eligible for the CERS for rent paid from September 27, 2020 to March 31, 2021. The total entitlement for the year was \$921 (2020 - \$Nil) and this has been reported as revenue. As at March 31, 2021 \$921 was receivable from the Canada Revenue Agency.

8. INTERFUND TRANSFERS

During the year, the Board of Directors approved a transfer of \$8,516 from the unrestricted fund to the restricted fund for capital assets and a transfer for \$75,000 from the unrestricted fund to the restricted fund for salaries.

9. GRANT REVENUE

Grant revenue consists of the following:

	2021	2020
	\$	\$
Centre for Independent Living Toronto		
- Direct funding	56,148	56,148
- Direct funding administration		38,253
- Other funding	18,588	8,004
Independent Living Canada - core funding	38,513	38,513
United Way		
- Partner agency funding	30,000	30,000
- Community Leader	18,150	6,050
Canadian Career Development Foundation	34,800	
Employment and Social Development Canada - Canada		
Summer Jobs	13,111	13,212
Southern Frontenac Community Services Corporation	10,660	10,660
Community Foundation of Canada - ECSF	15,460	
	235,430	200,840

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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

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

	2021	2020
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	(20,317)	8,795
Government assistance receivable	(6,344)	
Prepaid expenses	(216)	(1,319)
	<u>(26,877)</u>	<u>7,476</u>
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	2,401	(7,638)
Government remittances payable	(552)	(2,058)
Deferred revenue	4,447	6,051
	<u>6,296</u>	<u>(3,645)</u>
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	<u>(20,581)</u>	<u>3,831</u>

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

11. 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.

12. 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, 2021**

13. IMPACT OF COVID-19

In March 2020, the coronavirus disease (COVID-19) outbreak was declared a pandemic by the World Health Organization, having considerable impact both globally and locally, and has the potential to create financial stress on the economy and the organization. As of March 31, 2021, the organization was still dealing with the pandemic, which continues to have the potential to create financial stress on the organization. The pandemic has had considerable impact on the organization in the following areas:

- (a) In person fundraising events, such as the annual dance and silent auction were cancelled and any in person fundraising events held in support of other organizations were cancelled;
- (b) Difficulties have arisen when recruiting volunteers and supporting individuals who rely on in person supports or who are unable to access program supports virtually; and
- (c) There has been an increase in demand for services from people who were unable to access the services previously due to many different barriers and are now able to access the online services offered.

At the time that these financial statements were approved, the amount of the financial impact could not be determined.

14. 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.