

**INDEPENDENT LIVING CENTRE KINGSTON
FINANCIAL STATEMENTS
AS AT MARCH 31, 2023**

INDEPENDENT LIVING CENTRE KINGSTON
TABLE OF CONTENTS
AS AT MARCH 31, 2023

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Revenue and Expenditures	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14

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, 2023, 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, 2023, 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, 2023 and March 31, 2022, 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)**

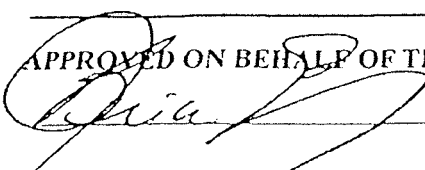
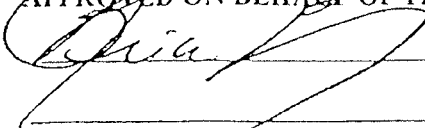
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KINGSTON, Canada
September 21, 2023

Wilkinson Company LLP

Chartered Professional Accountants
Licensed Public Accountants

**INDEPENDENT LIVING CENTRE KINGSTON
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash and bank	91,982	122,752
Accounts receivable	14,219	27,551
Government assistance receivable - Note 7		3,023
Prepaid expenses	3,523	5,289
	109,724	158,615
TANGIBLE CAPITAL ASSETS - Note 4	9,265	12,218
	118,989	170,833
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	5,179	13,049
Government remittances payable	6,239	4,473
Deferred revenue - Note 5	4,058	1,600
	15,476	19,122
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS - Note 6	4,999	6,999
	20,475	26,121
FUND BALANCES		
Unrestricted	249	24,494
Salaries fund - internally restricted	75,000	75,000
Contingency fund - internally restricted	19,000	40,000
Investment in capital assets	4,265	5,218
	98,514	144,712
APPROVED ON BEHALF OF THE BOARD  Director  Director		
	118,989	170,833

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, 2023**

	2023		2022		
	Unrestricted Fund	Salaries Fund - Internally Restricted \$	Contingency Fund - Internally Restricted \$	Investment in Capital Assets \$	Total
FUND BALANCES - BEGINNING OF YEAR	24,494	75,000	40,000	5,218	139,491
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) FOR YEAR	(42,778)			(3,420)	5,221
TRANSFER BETWEEN FUNDS - Note 8	18,533		(21,000)	2,467	NIL
FUND BALANCES - END OF YEAR	249	75,000	19,000	4,265	144,712

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, 2023**

	2023	2022
	\$	\$
REVENUE		
Grants - Note 9	194,707	228,575
Memberships, fundraising and donations	62,941	43,602
Fees for service - Disability Management and Skills Training	15,625	21,125
Wage subsidies	6,282	3,216
Amortized revenue from deferred contributions - Note 6	2,000	2,000
	281,555	298,518
EXPENDITURES		
Amortization of tangible capital assets	5,420	6,811
Consulting and honoraria	200	225
Fundraising	2,894	1,924
Insurance	5,078	4,544
Office	12,105	13,299
Professional fees	10,379	16,073
Public awareness	156	
Rent and utilities	32,033	32,033
Repairs and maintenance	270	
Telephone and internet	13,030	12,286
Travel and workshops	969	314
Wages and benefits	245,913	244,101
	328,447	331,610
EXCESS OF REVENUE OVER EXPENDITURES		
(EXPENDITURES OVER REVENUE) BEFORE COVID RELIEF		
FUNDING FOR THE YEAR	(46,892)	(33,092)
COVID RELIEF		
Government assistance - Note 7	694	38,313
	694	38,313
EXCESS OF REVENUE OVER EXPENDITURES		
(EXPENDITURES OVER REVENUE) FOR THE YEAR	(46,198)	5,221

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, 2023**

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue) for year	(46,198)	5,221
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	5,420	6,811
Amortized revenue from deferred contributions	(2,000)	(2,000)
	(42,778)	10,032
Net change in non-cash working capital balances related to operations - Note 10	14,475	(5,333)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(28,303)	4,699
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,467)	(1,004)
CASH FLOWS USED IN INVESTING ACTIVITIES	(2,467)	(1,004)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	(30,770)	3,695
CASH AND EQUIVALENTS - BEGINNING OF YEAR	122,752	119,057
CASH AND EQUIVALENTS - END OF YEAR	91,982	122,752
REPRESENTED BY:		
Cash and bank	91,982	122,752

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, 2023**

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, 2023**

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, 2023**

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 \$12,500 (2022 - \$6,000). At March 31, 2023, \$12,500 (2022 - \$6,000) of these credit facilities remain unused.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

4. TANGIBLE CAPITAL ASSETS

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer hardware	16,651	13,232	33,048	28,960
Furniture and equipment	74,382	68,536	74,382	66,252
	91,033	81,768	107,430	95,212
Cost less accumulated amortization	\$ 9,265		\$ 12,218	

5. DEFERRED REVENUE

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

	2023 \$	2022 \$
Canadian Career Development Foundation	1,600	1,600
Centre for Independent Living in Toronto (C.I.L.T.) Inc.	2,458	
	4,058	1,600

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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:

	2023	2022
	\$	\$
BALANCE - Beginning of year	6,999	8,999
Revenue recognized for the year	(2,000)	(2,000)
BALANCE - End of year	4,999	6,999

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) and Canada Recovery Hiring Program (CHRP):

The Organization was eligible for the CRHP for wages paid from April 1, 2022 to May 7, 2022. The total entitlement for the year was \$694 (2022 - \$34,261) and this has been reported as revenue.

(b) Canada Emergency Rent Subsidy (CERS):

The Organization was not eligible for the CERS for rent paid from April 1, 2022 to March 31, 2023. The total entitlement for the year was \$NIL (2022 - \$4,052) and this has been reported as revenue.

8. INTERFUND TRANSFERS

During the year, the Board of Directors approved a transfer of \$2,467 from the unrestricted fund to the restricted fund for capital assets. Effective at the year-end, the board approved a transfer of \$21,000 from the Contingency Fund - Internally Restricted to the Unrestricted fund.

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

9. GRANT REVENUE

Grant revenue consists of the following:

	2023	2022
	\$	\$
Centre for Independent Living Toronto		
- Direct funding	56,148	56,148
- Incentive funding	21,410	18,876
- One time funding		6,497
Independent Living Canada - core funding	39,863	38,871
United Way		
- Partner agency funding	52,484	32,500
Canadian Career Development Foundation		56,020
Employment and Social Development Canada - Canada Summer Jobs	14,142	9,003
Southern Frontenac Community Services Corporation	10,660	10,660
	194,707	228,575

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:

	2023	2022
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Accounts receivable	13,332	(1,495)
Government assistance receivable	3,023	3,321
Prepaid expenses	1,766	(1,124)
	18,121	702
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(7,870)	1,827
Government remittances payable	1,766	1,036
Deferred revenue	2,458	(8,898)
	(3,646)	(6,035)
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	14,475	(5,333)

**INDEPENDENT LIVING CENTRE KINGSTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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.

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. 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.