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**KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE**

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**FINANCIAL STATEMENTS**

**APRIL 30, 2020**

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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APRIL 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Members of: Kingston Community House for Self-Reliance

I have audited the accompanying financial statements of Kingston Community House for Self-Reliance which comprise the statement of financial position as at April 30, 2020 and the statements of net assets, operations, and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Qualified Opinion*

In my opinion, except for the effect of the matter described in the Basis of Qualified Opinion paragraph below, these financial statements present fairly, in all material respects, the financial position of Kingston Community House for Self-Reliance as at April 30, 2020 and its financial performance 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 not-for-profit organizations, Kingston Community House for Self-Reliance derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenditure, assets and fund balances.

### *Responsibility 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*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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.

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As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Sharbot Lake, Ontario  
November 09, 2020



**Seeds Professional Corporation**  
Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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## STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2020

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 8,368	\$ 10,998
Short-term investments (Note 2)	10,235	10,235
Accounts receivable	598	1,032
	19,201	22,265
<b>PROPERTY (Note 3)</b>	72,668	72,668
	\$ 91,869	\$ 94,933
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,129	\$ 3,695
Deferred revenue	640	725
	2,769	4,420
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	89,100	90,513
	\$ 91,869	\$ 94,933

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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## STATEMENT OF NET ASSETS FOR THE YEAR ENDED APRIL 30, 2020

	2020			
	Operating Fund	Donation Fund	Total	2019
<b>FUND BALANCES -</b> beginning of year	\$ 90,513	\$ -	\$ 90,513	\$ 93,185
<b>EXCESS OF EXPENDITURES OVER REVENUE (EXPENDITURES OVER REVENUE)</b>	(1,413)	-	(1,413)	(2,672)
<b>FUND BALANCES- end of year</b>	\$ 89,100	\$ -	\$ 89,100	\$ 90,513

The accompanying notes are an integral part of these financial statements.

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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## STATEMENT OF OPERATIONS FOR THE YEAR ENDED APRIL 30, 2020

	2020	2019
<b>REVENUE</b>		
Rents - offices	\$ 10,252	\$ 9,240
Rents - meetings	7,553	5,900
Rents - third floor	6,760	6,440
Rents - parking	1,100	850
Interest	129	171
Memberships and donations	2,523	6,235
	<hr/> 28,317	<hr/> 28,836
<b>EXPENSES</b>		
Community outreach	23	1,109
Bad debts	282	170
Donations	-	47
Insurance	4,535	4,511
Interest and bank charges	-	4
Legal and accounting	3,334	4,464
Office and general	5,326	5,309
Property taxes	3,637	3,490
Repairs and maintenance	8,326	7,077
Telephone	1,443	1,287
Utilities	2,824	4,040
	<hr/> 29,730	<hr/> 31,508
<b>EXCESS OF REVENUE OVER EXPENSES</b>		
<b>(EXPENSES OVER REVENUE)</b>	\$ (1,413)	\$ (2,672)

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The accompanying notes are an integral part of these financial statements.

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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## STATEMENT OF CHANGES IN FINANCIAL POSITION

APRIL 30, 2020

	2020	2019
<b>CASH (USED IN) OPERATING ACTIVITIES</b>		
Excess of expenses over revenue	\$ (1,413)	\$ (2,672)
<b>CHANGES IN NON-CASH WORKING CAPITAL BALANCES</b>		
Accounts receivable	434	(80)
Prepaid expenses	-	200
Accounts payable and accrued liabilities	(1,566)	642
Deferred revenue	(85)	(1,212)
	(1,217)	(450)
Net cash (used in) operating activities	(2,630)	(3,122)
<b>DECREASE IN CASH</b>	(2,630)	(3,122)
<b>CASH, beginning of year</b>	10,998	14,120
<b>CASH, end of year</b>	\$ 8,368	\$ 10,998

The accompanying notes are an integral part of these financial statements.

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020

### NATURE OF OPERATIONS

Kingston Community House for Self-Reliance was incorporated in Ontario as a corporation without share capital. Its primary purpose is to provide a central, low-cost meeting space for a variety of groups whose objectives are to enrich the community. The corporation is a registered charitable organization and consequently is exempt from income taxes under the Income Tax Act.

### IMPACT OF COVID-19

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations, and measures taken by various governments to contain the virus, have significantly affected our results in the reporting period.

Management has formulated plans, and taken measures, to deal with the ongoing uncertainty the effects of COVID-19 may have on the future operations of the organization. Management believes its current liquidity is sufficient to fulfil its obligations and to finance its ongoing operations. Although, it is not certain that these efforts will be successful, management has determined that the actions it has taken are sufficient to mitigate the uncertainty and has therefore prepared these financial statements on a going concern basis.

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO). The Company's significant accounting policies are as follows:

### (a) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Rent revenue is recognized when the rental services are provided. Interest income is recognized as earned. Memberships and donations are recorded as revenue when received by the corporation.

Grant revenue is recognized when received or as expenditures are made from the grants. Any undisbursed grant revenue at year end is deferred to the subsequent year.

### (b) Use of estimates

The preparation of financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses for the year, as well as the disclosure of contingent assets and liabilities. Significant items subject to such estimates include the determination of allowance for bad debts and useful life of property. Changes in estimates are recorded in the accounting period in which they are determined. Actual amounts could differ from these estimates.

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# KINGSTON COMMUNITY HOUSE FOR SELF-RELIANCE

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## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property

Property, including land, is recorded at cost plus the cost of improvements made to the building. No amortization is recorded on the building as the useful life is indefinite.

(d) Financial Instruments

Measurement of financial instruments

The Organization's financial instruments are initially recognized and measured at their fair value when the organization becomes a party to the contractual provisions of the instrument. The organization subsequently measures its financial instruments at amortized cost

Financial assets measured at amortized cost include cash, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals.

Impairment of financial instruments

Financial instruments carried at cost or amortized cost are tested for indications of impairment. When there is an indication of impairment, the impairment loss is recognized through statement of operations in net surplus. If the financial instrument is subsequently recovered, the impairment loss can be reversed to the extent previously recorded.

The organization's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted.

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### 2. SHORT-TERM INVESTMENTS

Short-term investments comprise term deposits with a carrying value of \$10,235. This represents the fair value at April 30, 2020 (2019 - \$10,235). These investment have a maturity term of less than one year.

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### 3. PROPERTY

	Cost	Accumulated Amortization	Net 2020	Net 2019
Land and building	\$ 72,668	\$ -	\$ 72,668	\$ 72,668

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