

**BREAKING DOWN BARRIERS**  
**AN INDEPENDENT LIVING CENTRE INC.**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

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**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
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**AS AT MARCH 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Breaking Down Barriers An Independent Living Centre Inc.:

### **Qualified Opinion**

We have audited the financial statements of the Breaking Down Barriers An Independent Living Centre Inc. (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statement of operations, changes in net assets and cash flow statement 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 matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Breaking Down Barriers An Independent Living Centre Inc. as at March 31, 2022 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 not-for-profit organizations, the Organization derives revenues 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 expenses for the years ended March 31, 2022 and March 31, 2021, assets and net asset balances as at March 31, 2022 and March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

The Organization's policy is to expense capital assets when purchased in accordance with Canadian generally accepted standards. This policy has not been applied consistently as the Organization decided to capitalize the property purchase.

### **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 relating 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 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.

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.

*Baker Tilly SGB LLP*

Baker Tilly SGB LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
Collingwood, Ontario  
June 21, 2022

**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31**

	2022	2021
	\$	\$
<b>Assets</b>		
Current		
Cash	254,905	247,635
Accounts receivable	4,451	6,094
Prepaid expenses	2,712	1,657
Investments (Note 2)	41,685	40,958
	<b>303,753</b>	296,344
Capital		
Land	120,000	120,000
Building and grounds	585,345	585,345
	<b>705,345</b>	705,345
Less accumulated amortization	(91,593)	(66,016)
Net book value	<b>613,752</b>	639,329
	<b>917,505</b>	935,673
<b>Liabilities</b>		
Current		
Accounts payable and accruals	31,952	26,630
Government remittances payable	2,303	1,353
Deferred revenue (Note 6)	93,069	110,114
Current portion of long-term debt (Note 8)	14,792	14,043
	<b>142,116</b>	152,140
Deferred capital contribution (Note 5)	116,996	124,139
Long-term debt (Note 8)	333,302	347,943
	<b>592,414</b>	624,222
<b>Net assets</b>		
Consumer Contingency Fund (Note 4)	599	599
Unrestricted net assets	324,492	310,852
	<b>325,091</b>	311,451
	<b>917,505</b>	935,673

Approved on behalf of the board

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Director

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Director

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**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.****STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31**

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	2022	2021
	\$	\$
Revenue		
North Simcoe Muskoka Local Health Integration Network (LHIN) grant	108,297	106,102
Independent Living Canada (ILC) grant	40,411	49,100
Job Creation grant	13,527	8,844
Direct Funding grant	85,990	73,020
Donations and fundraising	32,867	24,273
Memberships	140	165
Interest earned	1,203	44
Trillium grant	47,326	3,101
Seniors Helping Seniors Grant	21,300	-
One-time funding/recoveries	33,050	82,958
Rental income	15,203	14,945
Amortization of deferred contributions (Note 5)	7,143	2,381
	<u>406,457</u>	<u>364,933</u>
Expenses		
Bank charges and interest	983	1,058
Fundraising	9,006	3,929
Insurance	4,806	4,653
Long-term interest	18,796	19,515
Occupancy costs	44,712	40,315
Professional services	7,726	6,700
Program expenses	16,755	10,116
Purchased administration services	7,452	7,452
Supplies, office, repairs and maintenance (Note 3)	37,752	33,606
Telephone	5,127	3,682
Travel, convention	2,561	1,908
Wages and benefits	237,141	193,457
	<u>392,817</u>	<u>326,391</u>
<b>Excess of revenue over expenses for the year</b>	<u>13,640</u>	<u>38,542</u>

See accompanying notes to the financial statements

**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31**

	Unrestricted Net Assets	Consumer Contingency Fund (Note 4)	<b>2022 Total</b>	2021 Total
	\$	\$	\$	\$
Balance, beginning of year	310,852	599	<b>311,451</b>	272,909
Excess of revenue over expenses for the year	13,640	-	<b>13,640</b>	38,542
<b>Balance, end of year</b>	<b>324,492</b>	<b>599</b>	<b>325,091</b>	<b>311,451</b>

See accompanying notes to the financial statements

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**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.****CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31**

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	2022	2021
	\$	\$
Cash flows from (for):		
Operating activities		
Excess of revenue over expenses for the year	13,640	38,542
Items not involving cash		
Amortization of property and equipment	25,577	20,629
Amortization of deferred contributions	<u>(7,143)</u>	<u>(2,381)</u>
	32,074	56,790
Changes in		
Accounts receivable	1,643	8,322
Prepaid expenses	(1,055)	2,788
Accounts payable and accruals	5,322	(6,320)
Government remittances payable	950	297
Deferred revenue	<u>(17,045)</u>	<u>(15,486)</u>
	<u>21,889</u>	<u>46,391</u>
Financing activities		
Repayment of long-term debt	(13,892)	(13,822)
Deferred capital contributions	<u>-</u>	<u>126,520</u>
	<u>(13,892)</u>	<u>112,698</u>
Investing activities		
Additions to property and equipment	-	(26,035)
Redemption (purchases) of GIC	<u>(727)</u>	<u>25,362</u>
	<u>(727)</u>	<u>(673)</u>
<b>Change in cash</b>	<b>7,270</b>	<b>158,416</b>
Cash position, beginning of year	<u>247,635</u>	<u>89,219</u>
<b>Cash position, end of year</b>	<b><u>254,905</u></b>	<b><u>247,635</u></b>

See accompanying notes to the financial statements

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**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2022**

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**Purpose of the organization**

Breaking Down Barriers An Independent Living Centre Inc. is a registered charitable organization incorporated under the Ontario Corporations Act in 1987. The mission of the Organization is to create a supportive community where persons with disabilities can live independent lives. The Organization provides peer support, independent living skills, information and referral services, self-managed attendant services, barrier-free design consultations and employment support for many local and regional residents. It is an exempt corporation under the Income Tax Act.

**1. Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNFPO") and are in accordance with Canadian generally accepted accounting principles.

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements:

**(a) Financial instruments**

The Organization considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

*Initial recognition and measurement*

A financial asset or a financial liability is recognized when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

*Subsequent measurement*

Changes in fair value of investments in equity instruments are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

*Impairment*

At the end of each reporting period, the Organization assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

**(b) Use of 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 revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

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**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2022**

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**1. Significant accounting policies (continued)**

**(c) Cash and cash equivalents**

Cash and cash equivalents include all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

**(d) Capital assets**

The Organization's policy is to expense capital assets when purchased pursuant to Canadian generally accepted accounting policies for non-for-profit organizations with average annual revenues less than \$500,000. This policy has not been applied consistently. As a result, property purchased in a prior year has been capitalized at cost. The building portion is amortized over the period of its useful life of 25 years. Balance sheet figures represent the amounts recorded in the records of the Organization. During 2020 the Organization started a major renovation to the building and parking lot. The project was completed in 2021 and amortization started.

**(e) 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized when earned.

**(f) Contributed services and materials**

Contributed materials which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at fair value at the time the contribution is received if fair value can be reasonably estimated. Volunteers provide services to the Organization for no compensation. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**(g) Allocation of expenses**

Breaking Down Barriers allocates expenses based on their various contributors and programs. The Organization allocates certain portion of its general expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. Allocation is applied to occupancy costs, municipal taxes, long-term interest, telephone, insurance and audit fees proportionately between the programs which allow for and require such expenses. Of the total expenses in the year \$69,823 (2021 - \$62,802) was allocated to the various programs.

**2. Investments**

Investments consist of one guaranteed investment certificate (GIC) purchased through the Toronto Dominion Bank. GIC's are purchased to ensure they stay within the Organization's investment policy. The GIC carries an interest rate of 0.45% and matures August 7, 2022.

**3. Capital assets**

The capital assets of the Organization consist of property, office furniture and fixtures and computer hardware. Total capital expenditures during the year amounted to \$NIL (2021 - \$26,035). There were other minor capital assets purchased during the year in the amount of \$16,594 (2021 - \$15,458) and are expensed through supplies and office. The intangible assets of the Organization consist of a client information database and website design costs.

**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2022**

**4. Consumer Contingency Fund**

The directors approved a fund to allow donors the opportunity to direct their donations to be used to offer assistance to consumers in emergency situations.

**5. Deferred capital contributions**

Deferred capital contribution is comprised of grants directly specified to the purchase of certain property. This fund is amortized over the same period of time as the related asset.

	2022 \$	2021 \$
Balance, beginning of year	124,139	-
Ontario Trillium Funding	-	126,520
Amortization of deferred capital contributions	(7,143)	(2,381)
	<b>116,996</b>	<b>124,139</b>

**6. Deferred revenue**

Deferred revenue represents operating funding received in the current period that is related to a subsequent period and consists of the following:

	2022 \$	2021 \$
March of Dimes Canada	1,200	1,200
Blue Mountain Village Grant	-	1,000
Municipal Grants	5,000	6,000
Independent Living Direct Funding	-	7,174
Ontario Trillium Grant-Resilient Communities Fund grant	84,574	71,899
Government of Canada Seniors Helping Seniors Grant	-	21,300
ILC year end funding	-	1,541
CAA Insurance claim: Fence repair	2,295	-
	<b>93,069</b>	<b>110,114</b>

**7. Financial instruments**

The Organization's financial instruments consist of cash, accounts receivable and investments, which will result in future cash receipts, as well as accounts payable and long-term debt, which will result in future cash outlays.

The Organization is not exposed to significant credit risk, interest rate risk, market risk, currency risk nor other price risk.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to fund its obligations as they come due. The Organization meets its liquidity requirements through cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. This is combined with the fact that approximately 80% of the Organization's revenues are from either provincial or regional government sources.

**BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31**

**8. Long-term debt**

Long-term debt consist of the following:

	2022	2021
	\$	\$
5.30% loan payable to TD Bank with blended payments of \$2,729 paid monthly. The loan is secured by the land and building located at 234 Ste. Marie Street, Collingwood. Due November 2023.	<b>348,092</b>	361,985
Less current portion	<b>(14,792)</b>	(14,043)
	<b>333,301</b>	347,942

Principal payments anticipated over the next three years are as follows:

2023	\$	14,792
2024		15,589
2025		317,711

**9. Impact of the COVID-19 pandemic**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The measures introduced at various levels of government to curtail the spread of the virus, such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing, could mean that the Organization's revenues and collections will be reduced. At the fiscal 2020 the delivery of the programs were modified to virtual platforms and staff began working remotely. The programs continue to be offered virtually, the staff is working remotely, the Organization received adequate funding to support virtual operations and continues to support their consumers. There is no financial impact to the Organization.