

BREAKING DOWN BARRIERS
AN INDEPENDENT LIVING CENTRE INC.
FINANCIAL STATEMENTS
MARCH 31, 2023

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
TABLE OF CONTENTS
AS AT MARCH 31, 2023

	Page
Independent auditor's report	1
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	5
Cash flow statement	6
Notes to the financial statements	7

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, 2023, 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, 2023 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, 2023 and March 31, 2022, assets and net asset balances as at March 31, 2023 and March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 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.

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 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 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
May 25, 2023

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

	2023	2022
	\$	\$
Assets		
Current		
Cash	213,041	254,905
Accounts receivable	21,520	4,451
Prepaid expenses	2,901	2,712
Investments (Note 2)	41,797	41,685
	<u>279,259</u>	<u>303,753</u>
Capital		
Land	120,000	120,000
Building and grounds	585,345	585,345
	<u>705,345</u>	<u>705,345</u>
Less accumulated amortization	(117,110)	(91,593)
Net book value	<u>588,235</u>	<u>613,752</u>
	<u>867,494</u>	<u>917,505</u>
Liabilities		
Current		
Accounts payable and accruals	29,063	31,952
Government remittances payable	2,005	2,303
Deferred revenue (Note 6)	70,407	93,069
Current portion of long-term debt (Note 8)	12,324	14,792
	<u>113,799</u>	<u>142,116</u>
Deferred capital contribution (Note 5)	109,911	116,996
Long-term debt (Note 8)	321,887	333,302
	<u>545,597</u>	<u>592,414</u>
Net assets		
Consumer Contingency Fund (Note 4)	599	599
Unrestricted net assets	<u>321,298</u>	<u>324,492</u>
	<u>321,897</u>	<u>325,091</u>
	<u>867,494</u>	<u>917,505</u>

Approved on behalf of the board

Director

Director

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

	2023	2022
	\$	\$
Revenue		
North Simcoe Muskoka Local Health Integration Network (LHIN) grant	110,463	108,297
Independent Living Canada (ILC) grant	37,822	40,411
Job Creation grant	13,746	13,527
Direct Funding grant	78,372	85,990
Donations and fundraising	27,427	32,867
Memberships	245	140
Interest earned	2,421	1,203
Trillium grant	99,574	47,326
Seniors Helping Seniors Grant	24,750	21,300
One-time funding/recoveries	21,254	33,050
Rental income	16,135	15,203
Amortization of deferred contributions (Note 5)	7,085	7,143
	<u>439,294</u>	<u>406,457</u>
Expenses		
Bank charges and interest	825	983
Fundraising	5,141	9,006
Insurance	4,956	4,806
Long-term interest	21,425	18,796
Occupancy costs	97,312	44,712
Professional services	8,344	7,726
Program expenses	16,744	16,755
Purchased administration services	7,452	7,452
Supplies, office, repairs and maintenance (Note 3)	30,109	37,752
Telephone	4,893	5,127
Travel, convention	3,224	2,561
Wages and benefits	242,063	237,141
	<u>442,488</u>	<u>392,817</u>
Excess of (expenses over revenue) revenue over expenses for the year	<u>(3,194)</u>	<u>13,640</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)	2023 Total	2022 Total
	\$	\$	\$	\$
Balance, beginning of year	324,492	599	325,091	311,451
Excess of (expenses over revenue) revenue over expenses for the year	(3,194)	-	(3,194)	13,640
Balance, end of year	321,298	599	321,897	325,091

See accompanying notes to the financial statements

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

	2023	2022
	\$	\$
Cash flows from (for):		
Operating activities		
Excess of (expenses over revenue) revenue over expenses for the year	(3,194)	13,640
Items not involving cash		
Amortization of property and equipment	25,517	25,577
Amortization of deferred contributions	(7,085)	(7,143)
	15,238	32,074
Changes in		
Accounts receivable	(17,069)	1,643
Prepaid expenses	(189)	(1,055)
Accounts payable and accruals	(2,889)	5,322
Government remittances payable	(298)	950
Deferred revenue	(22,662)	(17,045)
	(27,869)	21,889
Financing activities		
Repayment of long-term debt	(13,883)	(13,892)
Investing activities		
Redemption (purchases) of GIC	(112)	(727)
Change in cash	(41,864)	7,270
Cash position, beginning of year	254,905	247,635
Cash position, end of year	213,041	254,905

See accompanying notes to the financial statements

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2023

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 significant accounting policies followed in the preparation of the financial statements:

(a) Financial instruments

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.

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2023

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 \$122,957 (2022 - \$69,823) 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 3.15% and matures October 7, 2023.

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 (2022 - \$NIL). There were other minor capital assets purchased during the year in the amount of \$7,652 (2022 - \$16,594) 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, 2023

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.

	2023	2022
	\$	\$
Balance, beginning of year	116,996	124,139
Amortization of deferred capital contributions	(7,085)	(7,143)
	109,911	116,996

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:

	2023	2022
	\$	\$
March of Dimes Canada	1,200	1,200
Municipal Grants	2,500	5,000
Independent Living Direct funding	2,808	-
Ontario Trillium Grant-Resilient Communities Fund grant	-	84,574
ILC grant	2,041	-
CAA Insurance claim: Fence repair	2,295	2,295
Enabling Change grant	59,563	-
	70,407	93,069

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.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2023

8. Long-term debt

Long-term debt consist of the following:

	2023	2022
	\$	\$
8.20% loan payable to TD Bank with blended payments of \$3,278 paid monthly. The loan is secured by the land and building located at 234 Ste. Marie Street, Collingwood. Due December 2025.	334,211	348,093
Less: current portion	(12,324)	(14,792)
	<u>321,887</u>	<u>333,301</u>

Payments anticipated over the next three years are as follows:

	Principal	Interest	Total
	\$	\$	\$
2024	12,324	27,010	39,334
2025	13,446	25,888	39,334
2026	308,440	18,753	327,193
	<u>334,210</u>	<u>71,651</u>	<u>405,861</u>