

BREAKING DOWN BARRIERS
AN INDEPENDENT LIVING CENTRE INC.
FINANCIAL STATEMENTS
MARCH 31, 2024

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
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AS AT MARCH 31, 2024

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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, 2024, 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, 2024 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, 2024 and March 31, 2023, assets and net asset balances as at March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Now that average revenues are over \$500,000 for the Organization, Canadian accounting standards for not-for-profit organizations requires that property, plant and equipment expenditures be capitalized and amortized over their useful lives. The Organization has applied this policy on prospective basis. As a result, we were not able to determine the completeness of tangible capital assets and we were not able to determine whether any adjustments might be necessary to opening amortization expense, excess of revenue over expenses for the years ended March 31, 2024 and March 31, 2023, assets and net asset balances as at March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 was not modified for the possible effects of this scope limitation as average revenues were under \$500,000.

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
June 19, 2024

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

| | 2024 | 2023 |
|--|-------------------------|----------------|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash | 239,378 | 213,041 |
| Accounts receivable | 23,331 | 21,520 |
| Prepaid expenses | 1,770 | 2,901 |
| Investments (Note 2) | 147,858 | 41,797 |
| | <u>412,337</u> | 279,259 |
| Tangible capital assets (Note 8) | 651,012 | 588,235 |
| | <u>1,063,349</u> | <u>867,494</u> |
| Liabilities | | |
| Current | | |
| Accounts payable and accruals | 61,929 | 29,063 |
| Government remittances payable | 7,872 | 2,005 |
| Deferred revenue (Note 5) | 94,557 | 70,407 |
| Current portion of long-term debt (Note 7) | 13,446 | 12,324 |
| | <u>177,804</u> | 113,799 |
| Deferred capital contribution (Note 4) | 191,116 | 109,911 |
| Long-term debt (Note 7) | 308,466 | 321,887 |
| | <u>677,386</u> | 545,597 |
| Net assets | | |
| Consumer Contingency Fund (Note 3) | 599 | 599 |
| Unrestricted net assets | 385,364 | 321,298 |
| | <u>385,963</u> | 321,897 |
| | <u>1,063,349</u> | <u>867,494</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**

| | 2024 | 2023 |
|---|----------------|----------------|
| | \$ | \$ |
| Revenue | | |
| Ontario Health Funding | 112,672 | 110,463 |
| Independent Living Canada (ILC) | 39,313 | 37,822 |
| Canada Summer Jobs Program | 14,782 | 13,746 |
| Direct Funding | 90,288 | 78,372 |
| Donations and fundraising | 54,418 | 27,427 |
| CSRF United Way Grant | 30,234 | - |
| Memberships | 200 | 245 |
| Interest earned | 8,236 | 2,421 |
| Enabling Change Grant (Schedule 1) | 119,125 | - |
| Ontario Trillium Foundation (OTF) Grant | 1,984 | 99,574 |
| New Horizons For Seniors Grant | 18,951 | 24,750 |
| One-time funding/recoveries | 32,581 | 21,254 |
| Rental income | 18,150 | 16,135 |
| Amortization of deferred contributions (Note 4) | 8,033 | 7,085 |
| | <u>548,967</u> | <u>439,294</u> |
| Expenses | | |
| Bank charges and interest | 1,362 | 825 |
| Fundraising | 6,327 | 5,141 |
| Insurance | 5,462 | 4,956 |
| Long-term interest | 26,799 | 21,425 |
| Occupancy costs (Note 8) | 42,254 | 97,312 |
| Professional services | 11,966 | 8,344 |
| Program expenses | 44,254 | 16,744 |
| Purchased administration services | 7,452 | 7,452 |
| Supplies, office, repairs and maintenance (Note 8) | 48,038 | 30,109 |
| Telephone | 4,762 | 4,893 |
| Travel, convention | 3,891 | 3,224 |
| Wages and benefits | 282,334 | 242,063 |
| | <u>484,901</u> | <u>442,488</u> |
| Excess of revenue over expenses (expenses over revenue) for the year | <u>64,066</u> | <u>(3,194)</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 3) | 2024 Total | 2023 Total |
|---|----------------------------|---|-----------------------|---------------|
| | \$ | \$ | \$ | \$ |
| Balance, beginning of year | 321,298 | 599 | 321,897 | 325,091 |
| Excess of revenue over expenses (expenses over revenue) for the year | 64,066 | - | 64,066 | (3,194) |
| Balance, end of year | 385,364 | 599 | 385,963 | 321,897 |

See accompanying notes to the financial statements

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

| | 2024 \$ | 2023 \$ |
|--|-----------------------|-----------------|
| Cash flows from (for): | | |
| Operating activities | | |
| Excess of revenue over expenses (expenses over revenue) for the year | 64,066 | (3,194) |
| Items not involving cash | | |
| Amortization of property and equipment | 26,461 | 25,517 |
| Amortization of deferred contributions | (8,033) | (7,085) |
| | <u>82,494</u> | 15,238 |
| Changes in | | |
| Accounts receivable | (1,811) | (17,069) |
| Prepaid expenses | 1,131 | (189) |
| Accounts payable and accruals | 32,866 | (2,889) |
| Government remittances payable | 5,867 | (298) |
| Deferred revenue | 24,150 | (22,662) |
| | <u>144,697</u> | (27,869) |
| Financing activities | | |
| Repayment of long-term debt | (12,299) | (13,883) |
| Deferred capital contributions | 89,238 | - |
| | <u>76,939</u> | (13,883) |
| Investing activities | | |
| Additions to property and equipment | (89,238) | - |
| Redemption (purchases) of GIC | (106,061) | (112) |
| | <u>(195,299)</u> | (112) |
| Change in cash | 26,337 | (41,864) |
| Cash position, beginning of year | <u>213,041</u> | 254,905 |
| Cash position, end of year | <u>239,378</u> | 213,041 |

See accompanying notes to the financial statements

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

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, 2024

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) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes the purchase price and any directly attributable cost of preparing the asset for its intended use. Contributed property and equipment are recorded at fair market value at the date of contribution. Amortization is provided using the declining balance method on an asset by asset basis intended to amortize the cost of assets over their estimated useful lives. The estimated useful lives for the major categories of capital assets are as follows.

| | |
|----------------------------|-----------------------|
| Buildings and improvements | between 4% and 4.5% |
| Equipment | 20% declining balance |

In 2023, there were minor capital asset purchased and expensed that totaled \$7,652.

(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 \$71,896 (2023 - \$122,957) 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 4% and 5% matures May 6, 2024 and December 9, 2024.

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

3. 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.

4. 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.

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| Balance, beginning of year | 109,911 | 116,996 |
| Ontario Trillium Foundation (OTF) Grant | 68,067 | - |
| CSRF United Way Grant | 17,398 | - |
| New Horizons For Seniors Grant | 3,773 | - |
| Amortization of deferred capital contributions | (8,033) | (7,085) |
| | 191,116 | 109,911 |

5. Deferred revenue

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

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$ | \$ |
| March of Dimes Canada | 1,200 | 1,200 |
| CSRF United Way Grant | 31,009 | - |
| Municipal Grants | - | 2,500 |
| Direct Funding | - | 2,808 |
| Ontario Trillium Foundation (OTF) Grant | 62,348 | - |
| Independent Living Canada (ILC) | - | 2,041 |
| CAA Insurance claim: fence repair | - | 2,295 |
| Enabling Change Grant | - | 59,563 |
| | 94,557 | 70,407 |

6. 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. There has been no change to the risk exposure.

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, 2024

7. Long-term debt

Long-term debt consist of the following:

| | 2024 | 2023 |
|--|-----------------|----------------|
| | \$ | \$ |
| 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 which has a net book value of \$642,634 (2023 - \$588,235). Due December 2025. | 321,911 | 334,211 |
| Less: current portion | (13,446) | (12,324) |
| | 308,465 | 321,887 |

Payments anticipated over the next two years are as follows:

| | Principal | Interest | Total |
|------|----------------|---------------|----------------|
| | \$ | \$ | \$ |
| 2025 | 13,446 | 25,888 | 39,334 |
| 2026 | 308,465 | 18,753 | 327,218 |
| | 321,911 | 44,641 | 366,552 |

8. Tangible capital assets

Tangible capital assets consist of the following:

| | 2024 | 2023 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Cost | | |
| Land | 120,000 | 120,000 |
| Building and grounds | 665,573 | 585,345 |
| Equipment | 9,010 | - |
| | 794,583 | 705,345 |
| Accumulated amortization | | |
| Building and grounds | 142,939 | 117,110 |
| Equipment | 632 | - |
| | 143,571 | 117,110 |
| | 651,012 | 588,235 |

Included in the cost of building and grounds is \$64,741 (2023 - \$NIL) of work in progress that has not been amortized as it is not yet in use.

Included in occupancy costs and supplies, office, repairs and maintenance is amortization expensed during the year totaling \$26,460 (2023 - \$25,517).

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.
SCHEDULE 1 - ENABLING CHANGE GRANT
FOR THE YEAR ENDED MARCH 31

| | 2024 \$ |
|-------------------------------|----------------|
| Enabling Change grant revenue | <u>119,125</u> |
| Direct program expenses | |
| Compensation | 44,419 |
| Supplies | 7,794 |
| Program expenses | 25,513 |
| Equipment | 249 |
| Contracted out | <u>12,277</u> |
| | <u>90,252</u> |
| Administration expenses | |
| Compensation | 27,834 |
| Professional services | <u>1,039</u> |
| | <u>28,873</u> |
| Total expenses | <u>119,125</u> |
| | <u>-</u> |

In addition to the above direct expenses of the project the required contribution by lead organization was fulfilled which included promotion, oversight and staffing for project delivery.