

**BREAKING DOWN BARRIERS
AN INDEPENDENT LIVING CENTRE INC.**

**FINANCIAL STATEMENTS
MARCH 31, 2018**

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COLLINS BARROW SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Breaking Down Barriers An Independent Living Centre Inc. which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 year, assets and net asset balances.

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.

COLLINS BARROW SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Qualified Opinion

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, 2018 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.

Collins Barrow SGB LLP

Licensed Public Accountants
Collingwood, Ontario
June 14, 2018

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31

	2018	2017
	\$	\$
Assets		
Current		
Cash	59,670	253,124
Accounts receivable	58,659	9,737
Prepaid expenses	4,598	9,429
	122,927	272,290
Capital		
Land	120,000	-
Building	453,866	-
Less accumulated amortization	(9,077)	-
Net book value	564,789	-
	687,716	272,290
Liabilities		
Current		
Accounts payable and accruals	35,000	21,871
Government remittances payable	3,271	1,390
Deferred revenue (Note 4)	2,430	22,814
Current portion of long-term debt (Note 8)	12,023	-
	52,724	46,075
Long-term debt (Note 8)	387,441	-
Total liabilities	440,165	46,075
Net assets		
Consumer Contingency Fund (Note 3)	599	618
Unrestricted net assets	246,952	225,597
Total net assets	247,551	226,215
	687,716	272,290

Approved on behalf of the board:

_____ Director

_____ Director

See accompanying notes to the financial statements

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31

	2018	2017
	\$	\$
Revenue		
Regional Opportunities fund grant (Note 6)	-	14,848
North Simcoe Muskoka Local Health Integration Network (LHIN) grant	113,782	124,705
Trillium grant	-	10,375
Independent Living Canada (ILC) grant	44,315	44,215
Job Creation grant	5,402	3,420
Direct Funding grant	64,572	69,472
Donations and fundraising (Note 7)	46,990	54,587
Fee for service	1,125	1,570
Memberships	110	135
Interest earned	957	1,568
One-time funding/recoveries	54,025	8,991
Rental income	6,000	-
	337,278	333,886
Expenses		
Bank charges and interest	1,964	1,375
Consumer Contingency Fund (Note 3)	19	44
Fundraising	5,219	6,937
Insurance	3,357	2,859
Long-term interest	7,346	-
Professional services (Note 7)	8,954	15,361
Program expenses	11,249	14,939
Purchased administration services	7,452	6,465
Rent and occupancy costs	51,205	63,446
Supplies, office, repairs and maintenance	27,238	19,683
Telephone	2,649	3,088
Travel, convention	2,189	1,380
Wages and benefits	187,101	219,569
	315,942	355,146
Excess of revenue over expenses (expenses over revenue) for the year	21,336	(21,260)

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)	2018 Total	2017 Total
	\$	\$	\$	\$
Balance, beginning of year	225,597	618	226,215	247,475
Excess of revenue over expenses (expenses over revenue) for the year	21,355	(19)	21,336	(21,260)
Balance, end of year	246,952	599	247,551	226,215

See accompanying notes to the financial statements

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31

	2018	2017
	\$	\$
Cash flows from (for):		
Operating activities		
Excess of revenue over expenses (expenses over revenue) for the year	21,336	(21,260)
Items not involving cash		
Amortization	9,077	-
	30,413	(21,260)
Changes in		
Accounts receivable	(48,922)	4,575
Prepaid expenses	4,831	1,910
Accounts payable and accruals	13,127	(586)
Government remittances payable	1,881	(3,918)
Deferred revenue	(20,382)	(16,399)
	(19,052)	(35,678)
Financing activities		
Repayment of long-term debt	(5,199)	-
Proceeds from long-term debt	404,663	-
	399,464	-
Investing activities		
Purchase of property	(573,866)	-
Change in cash	(193,454)	(35,678)
Cash position, beginning of year	253,124	288,802
Cash position, end of year	59,670	253,124

See accompanying notes to the financial statements

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2018

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.

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2018

1. Significant accounting policies (continued)

(c) 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 during the 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.

(d) 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.

(e) 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.

(f) Allocation of expenses

Breaking Down Barriers allocates expenses based on their various contributors and programs. The Organization allocates certain 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 rent, telephone, insurance and audit fees proportionately between the programs which allow for and require such expenses. Of the total expenses in the year \$85,823 (2017 - \$84,777) was allocated to the various programs.

2. 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 \$583,886 (2017 - \$5,882). \$10,020 has been expensed to the applicable programs. The intangible assets of the Organization consist of a client information database and website design costs.

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.

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2018

4. Deferred revenue

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

	2018	2017
	\$	\$
Georgian Bay Club Foundation	-	22,814
March of Dimes Canada	1,200	-
TD Friends of the Environment	1,230	-
	2,430	22,814

5. Financial instruments

The Organization's financial instruments consist of cash and accounts receivable, which will result in future cash receipts, as well as accounts payable, 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. (Note 6)

BREAKING DOWN BARRIERS AN INDEPENDENT LIVING CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS AS AT MARCH 31, 2018

6. Government funding

The Regional Opportunities (Work Links) funding expired in 2017.

7. Related party transactions

During the year, professional services were provided by members of the Board at fair market value for a total of \$1,161 (2017 - \$11,772), of which in-kind donation receipts were issued for \$1,161 (2017 - \$9,972).

8. Long-term debt

Long-term debt consist of the following:

	2018	2017
	\$	\$
5.3% 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 2022.	399,464	-
Less current portion	(12,023)	-
	387,441	-

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

2019	\$	12,023
2020		12,671
2021		13,354
2022		14,074
2023		347,342

9. Contingent liabilities

Various actions and legal proceedings can arise during the course of normal operations against the corporation. Subsequent to the year end the corporation was served notice of a legal matter involving the Ontario Human Rights Tribunal. Management advises the outcome is not yet determinable.