



Financial Statements

Ontario Brain Injury Association

March 31, 2016

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12
Schedule of Internally Restricted Funds	13
Schedule of Fundraising - Break Open Ticket Lotteries	14

Independent Auditor's Report

Grant Thornton LLP
80 King Street
Suite 200
St. Catharines, ON
L2R 7G1

T +1 905 682 8363
F +1 905 682 2191
www.GrantThornton.ca

To the Members of
Ontario Brain Injury Association

We have audited the accompanying financial statements of Ontario Brain Injury Association, which comprise the statement of financial position as at March 31, 2016, and the statements of changes in net assets, revenues and expenses, and cash flows 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 about whether the financial statements are free from 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 judgment, including the assessment of the 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.

Independent Auditor's Report (continued)

Basis for qualified opinion

In common with many charitable organizations, Ontario Brain Injury Association derives revenue from donations and fundraising activities 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 Ontario Brain Injury Association and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2016 and March 31, 2015, current assets as at March 31, 2016 and March 31, 2015 and net assets as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly, because of the possible effects of this scope limitation.

Qualified opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2016 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.

Report on other legal and regulatory requirements

As required by section 96(2) of the Ontario Corporations Act, we report that, in our opinion, the accounting principles have been applied on a consistent basis.

St. Catharines, Canada
May 15, 2016



Chartered Professional Accountants
Licensed Public Accountants

Ontario Brain Injury Association

Statement of Financial Position

March 31

2016

2015

Assets

Current

Cash	\$ 491,937	\$ 527,940
Term deposit (Note 3)	168,897	-
Accounts receivable	34,842	79,413
Inventories	12,273	11,480
Prepaid expenses	<u>10,466</u>	<u>25,101</u>
	<u>718,415</u>	<u>643,934</u>

Long-term

Investments (Note 4)	<u>588,538</u>	<u>640,204</u>
	<u>\$ 1,306,953</u>	<u>\$ 1,284,138</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 53,291	\$ 58,740
Government remittances payable	13,044	17,964
Deferred revenue (Note 6)	<u>262,073</u>	<u>250,625</u>
	<u>328,408</u>	<u>327,329</u>

Long-term

Accrued pay equity (Note 7)	<u>79,567</u>	<u>82,054</u>
	<u>407,975</u>	<u>409,383</u>

Net assets

Unrestricted net assets	124,258	94,899
Internally restricted funds (Schedule 1)	<u>774,720</u>	<u>779,856</u>
	<u>898,978</u>	<u>874,755</u>
	<u>\$ 1,306,953</u>	<u>\$ 1,284,138</u>

Commitments (Note 8)

On behalf of the board

_____ Director _____ Director

Ontario Brain Injury Association

Statement of Changes in Net Assets

Year ended March 31

	Unrestricted	Invested in Capital Assets	Internally Restricted Funds (Schedule 1)	2016 Total
2016				
Balance, beginning of year	\$ 94,899	\$ -	\$ 779,856	\$ 874,755
Excess (deficiency) of revenues over expenses for the year	79,359	-	(55,136)	24,223
Transfer from unrestricted net assets	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Balance, end of year	<u>\$ 124,258</u>	<u>\$ -</u>	<u>\$ 774,720</u>	<u>\$ 898,978</u>
2015				
	Unrestricted	Invested in Capital Assets	Internally Restricted Funds (Schedule 1)	2015 Total
Balance, beginning of year	\$ 98,352	\$ 695	\$ 745,588	\$ 844,635
Excess (deficiency) of revenues over expenses for the year	<u>(3,453)</u>	<u>(695)</u>	<u>34,268</u>	<u>30,120</u>
Balance, end of year	<u>\$ 94,899</u>	<u>\$ -</u>	<u>\$ 779,856</u>	<u>\$ 874,755</u>

Ontario Brain Injury Association

Statement of Revenues and Expenses

Year ended March 31	2016	2015
Revenues		
Grants		
Fee for service - HHS	\$ 263,136	\$ 263,137
One source projects		
North Eastern Ontario Advocacy	58,422	7,862
Ministry of Health - peer support	290,841	290,841
Other grants	27,374	32,104
Donations and fundraising		
Donations	74,163	14,773
Events	162,395	178,272
Break open ticket lotteries, net (Schedule 2)	56,974	84,007
Membership and directory		
Membership	11,165	12,925
Directory	24,425	30,305
Training programs and conferences	537,978	215,871
OBIA review	61,500	72,150
Resource sales	2,858	4,953
Other income	503	1,611
	<u>1,571,734</u>	<u>1,208,811</u>
Expenses		
Support programs and services	1,037,242	914,746
Education and awareness	347,568	161,241
Fundraising	42,371	112,838
Administration	73,901	35,843
	<u>1,501,082</u>	<u>1,224,668</u>
Excess (deficiency) of revenues over expenses	<u>70,652</u>	<u>(15,857)</u>
Non operational gain (loss)		
Investment (loss) income	<u>(46,429)</u>	<u>45,977</u>
Excess of revenues over expenses for the year	<u>\$ 24,223</u>	<u>\$ 30,120</u>

Ontario Brain Injury Association Statement of Cash Flows

Year ended March 31	2016	2015
(Decrease) increase in cash		
Operating		
Excess of revenues over expenses	\$ 24,223	\$ 30,120
Amortization	3,259	4,027
Unrealized loss on investments	<u>72,005</u>	<u>7,322</u>
	99,487	41,469
Change in non-cash working capital items		
Accounts receivable	44,571	79,399
Inventories	(793)	749
Prepaid expenses	14,635	(14,867)
Accounts payable and accrued liabilities	(5,449)	(463)
Government remittances payable	(4,920)	5,139
Deferred revenue	<u>11,448</u>	<u>77,478</u>
	<u>158,979</u>	<u>188,904</u>
Financing		
Payment of accrued pay equity	<u>(5,746)</u>	<u>(5,000)</u>
Investing		
Acquisition of investments	(20,339)	(50,637)
Acquisition of term deposit	<u>(168,897)</u>	<u>-</u>
Increase in cash	(36,003)	133,267
Cash		
Beginning of year	<u>527,940</u>	<u>394,673</u>
End of year	<u>\$ 491,937</u>	<u>\$ 527,940</u>

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2016

1. Nature of operations

The Ontario Brain Injury Association (OBIA) is a non-profit, income tax exempt, charitable organization incorporated under the laws of Ontario. OBIA's mission is to enhance the lives of Ontarians living with the effects of acquired brain injury (ABI) through education, awareness and support.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Fund accounting

The Association is the beneficiary of an estate bequest which has been internally restricted as two funds, the Jane Hayman Fund and the Training and Education Fund. Investment income earned on the Jane Hayman Fund will be directed toward funding brain injury education. The Training and Education Fund has been restricted for funding education programs.

The Board Development Fund reports resources that are internally restricted to fund future board development.

The Provincial Survey Fund reports resources that are internally restricted for updating, revising and promoting the Ontario Brain Injury Association Provincial Survey and the Ontario Brain Injury Association Impact Report.

The Marketing Fund reports resources that are internally restricted to fund the marketing and promotion activities of the Ontario Brain Injury Association.

The Operational Fund reports resources that are internally restricted to further enhance membership engagement and support.

The Strategic Planning Fund reports resources that are internally restricted to fund a new strategic plan for the Ontario Brain Injury Association.

The Ontario Automotive Recyclers Fund reports resources that are internally restricted for an activity for which the Ontario Brain Injury Association will be able to provide recognition to the Ontario Automotive Recyclers.

The Public Policy Initiative Fund was created by a transfer from unrestricted funds from operations. These funds are internally restricted to provide funds for future public policy initiatives to represent and speak for the needs and issues of those living with the effects of Acquired Brain Injury in the province of Ontario.

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

Revenue recognition

The Association uses the deferral method of accounting for contributions.

Funds received through memberships and unrestricted donations are recognized as revenue when received. Revenue from fundraising is recognized when the event occurs. Revenue from grants are deferred and recognized over the duration of each program as the funds are earned and other restricted contributions are deferred until funds are used for the specific purpose.

Revenues recorded from break open lottery tickets represent amounts to which there is a reasonable likelihood that the Association is entitled. These revenues are reported as sales, net of any shortages experienced by retailers selling the tickets.

Inventories

Inventories of goods held for resale are valued at the lower of average cost and net realizable value.

Property and equipment

Expenses for property and equipment are capitalized and amortized over their estimated useful lives on the declining balance using the following rates:

Office equipment	20%
Leasehold improvements	20%

Donated services

No amounts have been recorded in the financial statements for donated services as no objective basis is available to measure the value of such services.

Financial instruments

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity and debt instruments that are quoted in an active market, which are measured at fair value.

Financial assets and liabilities measured at amortized cost include cash, term deposits, accounts receivable, accounts payable, accrued liabilities, government remittances payable and accrued pay equity.

Investments are measured at fair value.

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2016

2. Significant accounting policies (continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of revenues and expenses.

Cash and cash equivalents

The Association's policy is to present bank balances and term deposits with a maturity period of three months or less from date of acquisition under cash.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenues over expenses as appropriate in the year they become known.

Items subject to significant management estimate include deferred revenue, and accrued pay equity.

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2016

3. Term deposit

The term deposit matures in 2016 and earns interest at 1.5%.

4. Investments

Investments recorded at fair market value and are comprised of:

	<u>2016</u>	<u>2015</u>
Fixed income	\$ 176,776	\$ 227,462
Preferred shares	211,497	180,946
Equity	<u>163,196</u>	<u>191,618</u>
	551,469	600,026

Investments recorded at amortized cost are comprised of:

Cash and cash equivalents	<u>37,069</u>	<u>40,178</u>
	\$ 588,538	\$ 640,204

5. Property and equipment

	<u>2016</u>	<u>2015</u>		
	Accumulated Net Book	Net Book		
	Cost	Amortization		
	<u>Value</u>	<u>Value</u>		
Office equipment	\$ 53,522	\$ 53,522	\$ -	\$ -
Leasehold improvements	<u>24,206</u>	<u>24,206</u>	-	-
	\$ 77,728	\$ 77,728	\$ -	\$ -

6. Deferred revenue

Deferred revenue relates to contributions for special projects or specified purposes. The changes in the deferred revenue balances are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 250,625	\$ 173,147
Amounts received during the year	285,827	356,851
Amounts recognized as revenue	<u>(274,379)</u>	<u>(279,373)</u>
Balance, end of year	\$ 262,073	\$ 250,625

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2016

7. Accrued pay equity

A review by the Pay Equity Commission of Ontario determined that pay equity adjustments attributable to past service are owed to a certain group of employees and past employees. The Association must pay at the minimum 1% of the total Association's prior year payroll. The obligation is discounted at a rate of 4% based on anticipated repayments. The carrying value of the pay equity obligation is comprised of the following:

	<u>2016</u>	<u>2015</u>
Total pay equity obligation	\$ 115,489	\$ 121,235
Unamortized discount of obligation	<u>(35,922)</u>	<u>(39,181)</u>
	<u>\$ 79,567</u>	<u>\$ 82,054</u>

The Association estimates that it will have to pay approximately \$5,000 per year for the next 5 years. Further, the Association is not obligated to pay out any individual employee adjustment in full on their termination or retirement.

8. Lease commitments

The Association has an operating lease obligation for premises until 2018, for approximately \$30,000 per year. In addition, the Association has an operating lease until 2021 for printer equipment with an approximate annual cost of \$9,000.

Expected annual payments under these lease obligation are as follows:

2017	\$ 39,484
2018	39,484
2019	24,438
2020	9,391
2021	<u>782</u>
	<u>\$ 113,579</u>

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2016

9. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at March 31, 2016:

Credit risk

Credit risk is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with its financial liabilities. The Association is exposed to this risk in respect of its accounts payable and accrued liabilities, and the accrued pay equity liability.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to other price risk.

(i) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk primarily through its investments.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed rate term deposit, which subjects the Association to a fair value risk.

10. Comparative figures

The comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Ontario Brain Injury Association Schedule of Internally Restricted Funds

Year ended March 31

	Jane Hayman Fund	Training and Education Development Fund	Board Development Fund	Provincial Survey Fund	Marketing Fund	Operational Fund	Ontario Automotive Recyclers Fund	Public Policy Initiative Fund	2016 Total
Balance, beginning of year	\$ 602,508	\$ 32,000	\$ 7,848	\$ 22,500	\$ 40,000	\$ -	\$ 25,000	\$ 50,000	\$ 779,856
Excess (deficiency) of revenues over expenses for the year	(55,136)	-	-	-	-	-	-	-	(55,136)
Transfer from unrestricted net assets	-	-	-	-	-	50,000	-	-	50,000
Balance, end of year	<u>\$ 547,372</u>	<u>\$ 32,000</u>	<u>\$ 7,848</u>	<u>\$ 22,500</u>	<u>\$ 40,000</u>	<u>\$ 50,000</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 774,720</u>
	Jane Hayman Fund	Training and Education Development Fund	Board Development Fund	Provincial Survey Fund	Marketing Fund	Strategic Planning Fund	Ontario Automotive Recyclers Fund	Public Policy Initiative Fund	2015 Total
Balance, beginning of year	\$ 568,240	\$ 32,000	\$ 7,848	\$ 22,500	\$ 40,000	\$ -	\$ 25,000	\$ 50,000	\$ 745,588
Excess (deficiency) of revenues over expenses for the year	<u>34,268</u>	-	-	-	-	-	-	-	<u>34,268</u>
Balance, end of year	<u>\$ 602,508</u>	<u>\$ 32,000</u>	<u>\$ 7,848</u>	<u>\$ 22,500</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 779,856</u>

Ontario Brain Injury Association Schedule of Fundraising - Break Open Ticket Lotteries

Year ended March 31	2016	2015
Revenues		
Net sales	<u>\$ 167,819</u>	<u>\$ 238,777</u>
Expenses		
Licenses	10,031	14,072
Alcohol and gaming commission fees	22,216	31,539
Tickets	21,665	31,035
Retailer fees	34,278	46,528
Management services	19,322	28,263
Professional fees	<u>3,333</u>	<u>3,333</u>
	<u>110,845</u>	<u>154,770</u>
Net income	<u>\$ 56,974</u>	<u>\$ 84,007</u>
