

ONTARIO BRAIN INJURY ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2012



INDEPENDENT AUDITORS' REPORT

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, 2012 and the statements of changes in net assets; revenues, expenses and net assets; 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 generally accepted accounting principles, 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.

Auditors' 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 our 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, we consider internal control relevant to the entity'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 company'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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Ontario Brain Injury Association, in common with many not-for-profit organizations, derives a material amount of revenue from donations and fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the organization. We were unable to determine whether any adjustments for unrecorded revenues might be necessary to donation and fundraising revenues, excess of revenue over expenses for the year, assets and net assets, end of the year.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of **Ontario Brain Injury Association** as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. Catharines, Ontario
June 22, 2012

MacGillivray (St. Catharines)

CHARTERED ACCOUNTANTS
Licensed Public Accountants

MacGillivray (St. Catharines)
One St. Paul Street, 10th Floor
Box 848, St. Catharines, ON L2R 6Z6
T: 905.682.8363 • F: 905.682.2191
stcath@macgillivray.com • www.macgillivray.com

ONTARIO BRAIN INJURY ASSOCIATION

1

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012

	2012	2011
ASSETS		
Current		
Cash	\$ 515,462	\$ 291,430
Accounts receivable	91,994	48,964
Inventories, at cost	19,060	25,801
Prepaid expenses	<u>23,369</u>	<u>17,464</u>
	649,885	383,659
Investments (note 3)	531,882	529,755
Property and Equipment (note 4)	<u>1,086</u>	<u>1,794</u>
	\$ 1,182,853	\$ 915,208
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 113,694	\$ 39,412
Long-Term		
Deferred revenue (note 5)	236,128	180,901
Accrued pay equity (note 6)	<u>135,609</u>	<u>140,605</u>
	371,737	321,506
Commitments (note 7)		
Net Assets		
Net assets invested in capital	<u>1,086</u>	<u>1,794</u>
Internally restricted funds (note 8)		
Jane Hayman Fund	529,012	499,731
Training and Education Fund	32,000	25,024
Board Development Fund	15,000	-
Provincial Survey Fund	22,500	-
Marketing Fund	15,000	-
Strategic Planning Fund	25,985	-
Ontario Automotive Recyclers fund	<u>25,000</u>	<u>-</u>
	664,497	524,755
Unrestricted net assets	<u>31,839</u>	<u>27,741</u>
	\$ 1,182,853	\$ 915,208

Approved on behalf of the Board

Director_____
Director

See Accompanying Notes to the Financial Statements



ONTARIO BRAIN INJURY ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

AS AT MARCH 31, 2012

	Unrestricted	Invested in Capital Assets	Internally Restricted Funds	2012 Total	2011 Total
Balance, beginning of year	\$ 25	\$ 1,794	\$ 552,471	\$ 554,290	\$ 512,798
Excess (deficiency) of revenues over expenses for the year	109,314	(708)	34,526	143,132	41,492
Transfer from unrestricted net assets	<u>(77,500)</u>	<u>-</u>	<u>77,500</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 31,839</u>	<u>\$ 1,086</u>	<u>\$ 654,497</u>	<u>\$ 697,422</u>	<u>\$ 554,290</u>

	Jane Hayman Fund	Training and Education Fund	Board Development Fund	Provincial Survey Fund	Marketing Fund	Strategic Planning Fund	Ontario Automotive Recyclers Fund	Total
Balance, beginning of year	\$ 530,514	\$ 21,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,471
Excess (deficiency) of revenues over expenses for the year	36,084	(1,558)	-	-	-	-	-	34,526
Transfer from Jane Hayman fund	<u>(37,586)</u>	<u>11,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,985</u>	<u>-</u>	<u>-</u>
Transfer from unrestricted net assets	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>22,500</u>	<u>15,000</u>	<u>-</u>	<u>25,000</u>	<u>77,500</u>
Balance, end of year	<u>\$ 529,012</u>	<u>\$ 32,000</u>	<u>\$ 15,000</u>	<u>\$ 22,500</u>	<u>\$ 15,000</u>	<u>\$ 25,985</u>	<u>\$ 25,000</u>	<u>\$ 664,497</u>

INTERNALLY RESTRICTED FUNDS

See Accompanying Notes to the Financial Statements



ONTARIO BRAIN INJURY ASSOCIATION

3

STATEMENT OF REVENUES, EXPENSES AND NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
Revenues		
Grants, one source projects	\$ 354,679	\$ 329,666
Fee for service, Ministry of Health	263,519	259,625
Other grants	4,170	4,290
Donations and events	451,270	73,680
Memberships	46,640	39,875
Conferences	233,785	251,092
Fundraising - break open ticket lotteries (page 9)	117,321	101,849
OBIA review	60,613	55,355
Sales	4,392	4,229
Investment and miscellaneous	53,000	36,106
	<u>1,589,389</u>	<u>1,155,767</u>
Expenses		
Wages and benefits	453,397	462,652
Consulting	9,754	11,557
Fund development activities	343,924	38,914
Travel	4,650	10,549
Public education and promotion	5,536	2,178
Training programs	112,687	101,662
OBIA review	36,419	33,109
One source projects	354,679	334,101
Communications	4,670	1,990
Occupancy	47,589	47,897
Office	22,230	23,484
Professional fees	6,800	5,065
Support of organizations	41,662	37,942
Resource sales	1,988	2,726
Amortization	272	449
	<u>1,446,257</u>	<u>1,114,275</u>
Other expenses		
Excess of Revenues Over Expenses for the Year	\$ <u>143,132</u>	\$ <u>41,492</u>

See Accompanying Notes to the Financial Statements



ONTARIO BRAIN INJURY ASSOCIATION

4

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
Cash Flows from Operating Activities		
Excess of revenues over expenses	\$ 143,132	\$ 41,492
Adjustments for non-cash items		
Amortization	272	449
Loss on disposal of capital assets	436	-
	<u>143,840</u>	<u>41,941</u>
Changes in non-cash working capital		
Accounts receivable	(43,030)	(10,382)
Inventories	6,741	(6,808)
Prepaid expenses	(5,905)	(9,113)
Accounts payable and accrued liabilities	74,282	(15,959)
	<u>175,928</u>	<u>(321)</u>
Cash Flows from Investing Activities		
Increase in investments	<u>(2,127)</u>	<u>(33,593)</u>
	<u>(2,127)</u>	<u>(33,593)</u>
Cash Flows from Financing Activities		
Payment of accrued pay equity	(4,996)	(4,972)
Deferred revenue	<u>55,227</u>	<u>67,096</u>
Increase in Cash	224,032	28,210
Cash - Beginning of year	<u>291,430</u>	<u>263,220</u>
Cash - End of year	<u>\$ 515,462</u>	<u>\$ 291,430</u>

See Accompanying Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012

1. NATURE OF OPERATIONS

The Ontario Brain Injury Association is a non-profit, income tax exempt organization incorporated for the purpose of fostering measures to promote quality care, education, research and prevention of brain injury.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) 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 fund-raising 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.

(b) Inventories

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

(c) 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:

Computers	30%
Office equipment	20%
Leasehold improvements	20%

(d) 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments

The Association continues to disclose and present financial instruments in accordance with Section 3861 "Financial Instruments - Disclosure and Presentation. Financial assets are classified as either "held-for-trading", "held-to-maturity", "available for sale" or "loans and receivables". Financial liabilities are classified as either "held for trading" or "other liabilities". Financial assets and liabilities classified as held-for-trading are measured at fair value with changes in fair value reported in the statement of operations. Financial assets classified as held-to-maturity or loans and receivables and financial liabilities classified as other liabilities are subsequently measured at amortized cost using the effective interest rate method.

The Association has classified its financial instruments as follows:

- Cash and investments are classified as held-for-trading
- Accounts receivable are classified as loans and receivables
- Accounts payable and accrued liabilities are classified as other liabilities

(f) Management Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known. Actual results could differ from those estimates.

3. INVESTMENTS

Investments are recorded at fair market value and are comprised of:

	2012	2011
Canadian equities	\$ 177,114	\$ 170,237
Canadian bonds	<u>354,768</u>	<u>359,518</u>
	<u>\$ 531,882</u>	<u>\$ 529,755</u>

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	<i>Net Book Value</i>	
			2012	2011
Computers	\$ -	\$ -	\$ -	\$ 436
Office equipment	53,522	52,831	691	864
Leasehold improvements	<u>24,206</u>	<u>23,811</u>	<u>395</u>	<u>494</u>
	<u>\$ 77,728</u>	<u>\$ 76,642</u>	<u>\$ 1,086</u>	<u>\$ 1,794</u>



5. DEFERRED REVENUE

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

	2011	2010
Balance, beginning of year	\$ 180,901	\$ 113,805
Amounts received during the year	630,578	191,878
Amounts recognized as revenue	<u>(575,351)</u>	<u>(124,782)</u>
Balance, end of year	<u>\$ 236,128</u>	<u>\$ 180,901</u>

6. 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 total pay equity obligation is in the amount of \$135,609 at March 31, 2012. This amount is not due or payable in full in the near future. The Association must pay at the minimum 1% of the total Association's prior year payroll. The Association must pay \$5,098 in adjustments in the next year. Further, the Association is not obligated to pay out any individual employee adjustment in full on their termination or retirement.

7. LEASE COMMITMENTS

The Association has an operating lease obligation for premises for approximately \$49,000 per year. In addition, the Association has various operating leases for equipment with an approximate annual cost of \$20,000.

8. INTERNALLY RESTRICTED FUNDS

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 has been restricted to fund future board development

The Provincial Survey Fund has been restricted for the updating, revision, and promotion of the Ontario Brain Injury Association Provincial Survey and the Ontario Brain Injury Association Impact Report.

The Marketing Fund has been restricted to fund the marketing and promotion activities of the Ontario Brain Injury Association.

The Strategic Planning Fund has been restricted to fund a new strategic plan for the Ontario Brain Injury Association.

The Ontario Automotive Recyclers Fund has been restricted for an activity for which the Ontario Brain Injury Association will be able to provide recognition to the Ontario Automotive Recyclers.



9. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risk arising from its financial instruments.

10. CAPITAL MANAGEMENT

Unrestricted Net Assets:

The Association's objective in managing the unrestricted fund capital is to maintain a sufficient level to provide for normal operating requirements.

11. COMPARATIVE FIGURES

The comparative figures have been restated to reflect the financial statement presentation adopted in the current year.



ONTARIO BRAIN INJURY ASSOCIATION

9

SCHEDULE OF FUNDRAISING - BREAK OPEN TICKET LOTTERIES

FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
Revenues		
Net sales	\$ <u>346,908</u>	\$ <u>296,653</u>
Expenses		
Licenses	21,025	17,445
Alcohol and gaming commission fees	46,525	42,985
Tickets	45,936	40,373
Retailer fees	66,484	55,850
Management services	40,468	35,120
Office supplies and other	5,749	2,823
Professional fees	3,400	208
	<u>229,587</u>	<u>194,804</u>
Net Income	\$ <u>117,321</u>	\$ <u>101,849</u>

See Accompanying Notes to the Financial Statements