



Financial Statements

Ontario Brain Injury Association

March 31, 2014

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statements 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

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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, 2014, 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*

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, 2014 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.

The logo for Grant Thornton LLP is written in a black, cursive script font. The letters are fluid and connected, with a professional and elegant appearance.

St. Catharines, Canada  
June 19, 2014

Chartered Accountants  
Licensed Public Accountants

# Ontario Brain Injury Association

## Statement of Financial Position

March 31	2014	2013
<b>Assets</b>		
Current		
Cash	\$ 394,673	\$ 475,858
Accounts receivable	158,812	82,451
Inventories	12,229	11,743
Prepaid expenses	10,234	22,964
	<u>575,948</u>	<u>593,016</u>
Long-term		
Investments (Note 3)	596,889	563,366
Property and equipment (Note 4)	695	869
	<u>597,584</u>	<u>564,235</u>
	<u>\$ 1,173,532</u>	<u>\$ 1,157,251</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 59,203	\$ 73,341
Government remittances payable	12,825	16,745
	<u>72,028</u>	<u>90,086</u>
Long-term		
Deferred revenue (Note 5)	173,147	206,691
Accrued pay equity (Note 6)	83,722	85,123
	<u>256,869</u>	<u>291,814</u>
	<u>328,897</u>	<u>381,900</u>
<b>Net assets</b>		
Unrestricted net assets	98,352	95,401
Net assets invested in capital	695	869
Internally restricted funds (Schedule 1)	745,588	679,081
	<u>844,635</u>	<u>775,351</u>
	<u>\$ 1,173,532</u>	<u>\$ 1,157,251</u>

Commitments (Note 7)

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)	2014 Total
<b>2014</b>				
Balance, beginning of year	\$ 95,401	\$ 869	\$ 679,081	\$ 775,351
Excess (deficiency) of revenues over expenses for the year	52,951	(174)	16,507	69,284
Transfer from unrestricted net assets	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Balance, end of year	<u>\$ 98,352</u>	<u>\$ 695</u>	<u>\$ 745,588</u>	<u>\$ 844,635</u>
<b>2013</b>				
	Unrestricted	Invested in Capital Assets	Internally Restricted Funds (Schedule 1)	2013 Total
Balance, beginning of year	\$ 81,182	\$ 1,086	\$ 664,497	\$ 746,765
Excess (deficiency) of revenues over expenses for the year	39,219	(217)	(10,416)	28,586
Transfer from unrestricted net assets	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Balance, end of year	<u>\$ 95,401</u>	<u>\$ 869</u>	<u>\$ 679,081</u>	<u>\$ 775,351</u>

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## Ontario Brain Injury Association Statements of Revenues and Expenses

Year ended March 31	2014	2013
<b>Revenues</b>		
Grants, one source projects	\$ 328,781	\$ 346,472
Fee for service	263,137	263,137
Other grants	2,770	-
Donations and events	484,678	137,573
Memberships	41,020	40,300
Training programs	273,150	214,529
Fundraising - break open ticket lotteries (Schedule 2)	101,296	115,189
OBIA review	69,075	70,225
Sales	2,029	4,920
Investment and miscellaneous	<u>40,385</u>	<u>35,862</u>
	<b><u>1,606,321</u></b>	<b><u>1,228,207</u></b>
<b>Expenses</b>		
Wages and benefits	488,277	445,370
Consulting	21,995	22,035
Fund development activities	360,068	85,181
Travel	10,629	7,183
Public education and promotion	1,069	15,175
Training programs	159,438	96,130
OBIA review	36,780	42,099
One source projects	328,781	346,472
Communications	3,745	4,381
Occupancy	46,048	45,176
Office	31,549	32,196
Professional fees	6,538	6,334
Support of organizations	36,506	40,252
Resource sales	2,049	7,981
Amortization of discount on accrued pay equity	3,391	3,439
Amortization	<u>174</u>	<u>217</u>
	<b><u>1,537,037</u></b>	<b><u>1,199,621</u></b>
Excess of revenues over expenses for the year	<b><u>\$ 69,284</u></b>	<b><u>\$ 28,586</u></b>

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## Ontario Brain Injury Association Statement of Cash Flows

Year ended March 31	2014	2013
(Decrease) increase in cash		
<b>Operating</b>		
Excess of revenues over expenses	\$ 69,284	\$ 28,586
Amortization	<u>174</u>	<u>217</u>
	<b>69,458</b>	28,803
Change in non-cash working capital items		
Accounts receivable	(76,361)	9,543
Inventories	(486)	7,317
Prepaid expenses	12,730	405
Accounts payable and accrued liabilities	(14,138)	(25,641)
Government remittances payable	<u>(3,920)</u>	<u>(426)</u>
	<u>(12,717)</u>	<u>20,001</u>
<b>Financing</b>		
Payment of accrued pay equity	(1,401)	(1,143)
Deferred revenue decrease	<u>(33,544)</u>	<u>(26,978)</u>
	<u>(34,945)</u>	<u>(28,121)</u>
<b>Investing</b>		
Increase in investments	<u>(33,523)</u>	<u>(31,484)</u>
Decrease in cash	(81,185)	(39,604)
Cash		
Beginning of year	<u>475,858</u>	<u>515,462</u>
End of year	<u>\$ 394,673</u>	<u>\$ 475,858</u>

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2014

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### 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.

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### 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 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.

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2014

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### 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 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.

#### 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:

Computers	30%
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.

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2014

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### 2. Significant accounting policies (continued)

#### 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, accounts receivable, accounts payable, accrued liabilities, government remittances payable and accrued pay equity.

Investments are measured at fair value.

#### 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 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.

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2014

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### 3. Investments

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

	2014	2013
Canadian equities	\$ 196,658	\$ 202,389
Canadian bonds	<u>400,231</u>	<u>360,977</u>
	<u>\$ 596,889</u>	<u>\$ 563,366</u>

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### 4. Property and equipment

	2014	2013		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 53,522	\$ 53,080	\$ 442	\$ 553
Leasehold improvements	<u>24,206</u>	<u>23,953</u>	<u>253</u>	<u>316</u>
	<u>\$ 77,728</u>	<u>\$ 77,033</u>	<u>\$ 695</u>	<u>\$ 869</u>

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### 5. Deferred revenue

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

	2014	2013
Balance, beginning of year	\$ 206,691	\$ 233,669
Amounts received during the year	562,709	257,303
Amounts recognized as revenue	<u>(596,253)</u>	<u>(284,281)</u>
Balance, end of year	<u>\$ 173,147</u>	<u>\$ 206,691</u>

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2014

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### 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 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:

	2014	2013
Total pay equity obligation	\$ 126,235	\$ 131,027
Unamortized discount of obligation	<u>(42,513)</u>	<u>(45,904)</u>
	<u>\$ 83,722</u>	<u>\$ 85,123</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.

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### 7. Lease commitments

The Association has an operating lease obligation for premises until 2018, for approximately \$49,000 per year. In addition, the Association has various operating leases for equipment with an approximate annual cost of \$20,000.

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2014

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### 8. 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, 2014:

#### 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 long-term debt,

#### 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.

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## Ontario Brain Injury Association Schedule of Internally Restricted Funds

Year ended March 31

	Jane Hayman Fund	Training and Education Fund	Board Development Fund	Provincial Survey Fund	Marketing Fund	Strategic Planning Fund	Ontario Automotive Recyclers Fund	Public Policy Initiative Fund	2014 Total
Balance, beginning of year	\$ 538,741	\$ 32,000	\$ 7,848	\$ 22,500	\$ 40,000	\$ 12,992	\$ 25,000	\$ -	\$ 679,081
Excess (deficiency) of revenues over expenses for the year	29,499	-	-	-	-	(12,992)	-	-	16,507
Transfer from unrestricted net assets	-	-	-	-	-	-	-	50,000	50,000
Balance, end of year	<u>\$ 568,240</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>\$ 745,588</u>

	Jane Hayman Fund	Training and Education Fund	Board Development Fund	Provincial Survey Fund	Marketing Fund	Strategic Planning Fund	Ontario Automotive Recyclers Fund	Public Policy Initiative Fund	2013 Total
Balance, beginning of year	\$ 529,012	\$ 32,000	\$ 15,000	\$ 22,500	\$ 15,000	\$ 25,985	\$ 25,000	\$ -	\$ 664,497
Excess (deficiency) of revenues over expenses for the year	9,729	-	(7,152)	-	-	(12,993)	-	-	(10,416)
Transfer from unrestricted net assets	-	-	-	-	25,000	-	-	-	25,000
Balance, end of year	<u>\$ 538,741</u>	<u>\$ 32,000</u>	<u>\$ 7,848</u>	<u>\$ 22,500</u>	<u>\$ 40,000</u>	<u>\$ 12,992</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 679,081</u>

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

Year ended March 31	2014	2013
Revenues		
Net sales	\$ <u>275,223</u>	\$ <u>334,951</u>
Expenses		
Licenses	15,771	19,961
Alcohol and gaming commission fees	35,190	44,581
Tickets	35,351	45,454
Retailer fees	52,331	64,120
Management services	32,474	39,194
Office supplies and other	-	3,932
Professional fees	<u>2,810</u>	<u>2,520</u>
	<u>173,927</u>	<u>219,762</u>
Net income	\$ <u>101,296</u>	\$ <u>115,189</u>

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