



Financial Statements

Ontario Brain Injury Association

March 31, 2013

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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 statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of changes in net assets, revenues and expenses, and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 years, assets and net assets, end of the years.

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 the organization as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

The signature of Grant Thornton LLP is written in a cursive, handwritten style in black ink.

St. Catharines, Canada
June 18, 2013

Chartered Accountants
Licensed Public Accountants

Ontario Brain Injury Association

Statements of Financial Position

March 31	2013	2012	April 1, 2011
Assets			
Current			
Cash	\$ 475,858	\$ 515,462	\$ 291,430
Accounts receivable	82,451	91,994	48,964
Inventories	11,743	19,060	25,801
Prepaid expenses	<u>22,964</u>	<u>23,369</u>	<u>17,464</u>
	<u>593,016</u>	<u>649,885</u>	<u>383,659</u>
Long-term			
Investments (Note 4)	563,366	531,882	529,755
Property and Equipment (Note 5)	<u>869</u>	<u>1,086</u>	<u>1,794</u>
	<u>564,235</u>	<u>532,968</u>	<u>531,549</u>
	<u>\$ 1,157,251</u>	<u>\$ 1,182,853</u>	<u>\$ 915,208</u>
Liabilities			
Current			
Accounts payable and accrued liabilities	\$ 73,341	\$ 98,982	\$ 27,508
Government remittances payable	<u>16,745</u>	<u>17,171</u>	<u>11,904</u>
	<u>90,086</u>	<u>116,153</u>	<u>39,412</u>
Long-Term			
Deferred revenue (Note 6)	206,691	233,669	180,901
Accrued pay equity (Note 7)	<u>85,123</u>	<u>86,266</u>	<u>87,770</u>
	<u>291,814</u>	<u>319,935</u>	<u>268,671</u>
	<u>381,900</u>	<u>436,088</u>	<u>308,083</u>
Net assets			
Unrestricted net assets	95,401	81,182	52,860
Net assets invested in capital	869	1,086	1,794
Internally restricted funds (Schedule 1)	<u>679,081</u>	<u>664,497</u>	<u>552,471</u>
	<u>775,351</u>	<u>746,765</u>	<u>607,125</u>
	<u>\$ 1,157,251</u>	<u>\$ 1,182,853</u>	<u>\$ 915,208</u>

Commitments (Note 8)

On behalf of the Board

Director

Director

Ontario Brain Injury Association Statements of Changes in Net Assets

Years ended March 31

	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>

	Unrestricted	Invested in Capital Assets	Internally Restricted Funds (Schedule 1)	2012 Total
Balance, beginning of year	\$ 52,860	\$ 1,794	\$ 552,471	\$ 607,125
Excess (deficiency) of revenues over expenses for the year	105,822	(708)	34,526	139,640
Transfer from unrestricted net assets	<u>(77,500)</u>	<u>-</u>	<u>77,500</u>	<u>-</u>
Balance, end of year	<u>\$ 81,182</u>	<u>\$ 1,086</u>	<u>\$ 664,497</u>	<u>\$ 746,765</u>

Ontario Brain Injury Association

Statements of Revenues and Expenses

Years ended March 31

	2013	2012
Revenues		
Grants, one source projects	\$ 346,472	\$ 354,679
Fee for service, Ministry of Health	263,137	263,519
Other grants	-	4,170
Donations and events	137,573	451,270
Memberships	40,300	46,640
Conferences	214,529	233,785
Fundraising - break open ticket lotteries (Schedule 2)	115,189	117,321
OBIA review	70,225	60,613
Sales	4,920	4,392
Investment and miscellaneous	<u>35,862</u>	<u>53,000</u>
	<u>1,228,207</u>	<u>1,589,389</u>
Expenses		
Wages and benefits	445,370	453,397
Consulting	22,035	9,754
Fund development activities	85,181	343,924
Travel	7,183	4,650
Public education and promotion	15,175	5,536
Training programs	96,130	112,687
OBIA review	42,099	36,419
One source projects	346,472	354,679
Communications	4,381	4,670
Occupancy	45,176	47,589
Office	32,196	22,230
Professional fees	6,334	6,800
Support of organizations	40,252	41,662
Resource sales	7,981	1,988
Amortization of discount on accrued pay equity	3,439	3,492
Amortization	<u>217</u>	<u>272</u>
	<u>1,199,621</u>	<u>1,449,749</u>
Excess of revenues over expenses for the years	<u>\$ 28,586</u>	<u>\$ 139,640</u>

Ontario Brain Injury Association

Statements of Cash Flows

Years ended March 31

2013

2012

(Decrease) increase in cash

Operating

Excess of revenues over expenses	\$ 28,586	\$ 139,640
Adjustments for		
Amortization	217	272
Loss on disposal of capital assets	-	436
	<u>28,803</u>	<u>140,348</u>
Change in non-cash working capital items		
Accounts receivable	9,543	(43,030)
Inventories	7,317	6,741
Prepaid expenses	405	(5,905)
Accounts payable and accrued liabilities	(25,641)	71,474
Government remittances payable	(426)	5,267
	<u>20,001</u>	<u>174,895</u>

Investing

Increase in investments	<u>(31,484)</u>	<u>(2,127)</u>
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Financing

Payment of accrued pay equity	(1,143)	(1,504)
Deferred revenue	<u>(26,978)</u>	<u>52,768</u>
	<u>(28,121)</u>	<u>51,264</u>

(Decrease) increase in cash

(39,604) 224,032

Cash

Beginning of years	<u>515,462</u>	<u>291,430</u>
End of years	<u>\$ 475,858</u>	<u>\$ 515,462</u>

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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

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.

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.

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

2. Significant accounting policies (continued)

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.

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.

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

2. Significant accounting policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet 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.

3. Impact of the change in the basis of accounting

The Association has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian accounting standards for non-profit organizations.

These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organizations hereafter referred to as "ASNPO".

The financial statements for the year ended March 31, 2013 were prepared in accordance with the accounting principles and provisions set out in First-time Adoption by Not-for-Profit Organizations, Section 1501, for first-time adopters of this basis of accounting.

The impact of adopting these standards was accounted for in net assets at the date of transition, April 1, 2011.

The rules for transition to Canadian accounting standards for not-for-profit organizations normally require that an organization prepare its opening balance sheet using the standards that will be followed thereafter. However, certain elective exemptions from this rule are available. In preparing the opening balance sheet shown above, the Association has elected to use the following exemption:

Fair value

The Association valued its accrued pay equity liability at its fair value at the date of transition, April 1, 2011, and has elected to use that fair value measurement as its deemed cost. This change resulted in a decrease of the accrued pay equity liability by \$52,835 and an increase to net assets by \$52,835.

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

3. Impact of the change in the basis of accounting (continued)

	Statement of financial position April 1, 2011, as previously stated	Changes in net assets	Statement of financial position April 1, 2011, as restated under ASNPO
Assets			
Current assets	\$ 383,659	\$ -	\$ 383,659
Long-term assets	<u>531,549</u>	<u>-</u>	<u>531,549</u>
	<u>\$ 915,208</u>	<u>\$ -</u>	<u>\$ 915,208</u>
Liabilities			
Current	\$ 39,412	\$ -	\$ 39,412
Deferred revenue	180,901	-	180,901
Accrued pay equity	140,605	(52,835)	87,770
Net assets	<u>554,290</u>	<u>52,835</u>	<u>607,125</u>
	<u>\$ 915,208</u>	<u>\$ -</u>	<u>\$ 915,208</u>

Reconciliation of excess of revenue over expenses for the year ending March 31, 2012

Excess of revenues over expenses as previously stated	\$ 143,132
Amortization of discount on accrued pay equity	<u>(3,492)</u>
Excess of revenues over expenses as restated under ASNPO	<u>\$ 139,640</u>

4. Investments

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

	2013	2012	2011
Canadian equities	\$ 202,389	\$ 177,114	\$ 170,237
Canadian bonds	<u>360,977</u>	<u>354,768</u>	<u>359,518</u>
	<u>\$ 563,366</u>	<u>\$ 531,882</u>	<u>\$ 529,755</u>

Ontario Brain Injury Association Notes to the Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

5. Property and equipment

	Cost	Accumulated Amortization	2013 Net Book Value
Office equipment	\$ 53,522	\$ 52,969	\$ 553
Leasehold improvements	<u>24,206</u>	<u>23,890</u>	<u>316</u>
	<u>\$ 77,728</u>	<u>\$ 76,859</u>	<u>\$ 869</u>
			2012
	Cost	Accumulated Amortization	Net Book Value
Office equipment	\$ 53,522	\$ 52,831	\$ 691
Leasehold improvements	<u>24,206</u>	<u>23,811</u>	<u>395</u>
	<u>\$ 77,728</u>	<u>\$ 76,642</u>	<u>\$ 1,086</u>
			2011
	Cost	Accumulated Amortization	Net Book Value
Computers	\$ 151,357	\$ 150,921	\$ 436
Office equipment	53,522	52,658	864
Leasehold improvements	<u>24,206</u>	<u>23,712</u>	<u>494</u>
	<u>\$ 229,085</u>	<u>\$ 227,291</u>	<u>\$ 1,794</u>

6. Deferred revenue

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

	2013	2012
Balance, beginning of year	\$ 233,669	\$ 180,901
Amounts received during the year	257,303	624,121
Amounts recognized as revenue	<u>(284,281)</u>	<u>(571,353)</u>
Balance, end of year	<u>\$ 206,691</u>	<u>\$ 233,669</u>

Ontario Brain Injury Association

Notes to the Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

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:

	2013	2012	2011
Total pay equity obligation	\$ 131,027	\$ 135,609	\$ 140,605
Unamortized discount of obligation	<u>(45,904)</u>	<u>(49,343)</u>	<u>(52,835)</u>
	<u>\$ 85,123</u>	<u>\$ 86,266</u>	<u>\$ 87,770</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 for approximately \$49,000 per year. In addition, the Association has various operating leases for equipment with an approximate annual cost of \$20,000.

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, 2013.

Credit risk

The Association is exposed to credit risk through its accounts receivable since failure of these parties to fulfill their obligations could cause significant financial loss for the entity.

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.

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.

Ontario Brain Injury Association Schedules of Internally Restricted Funds

Years 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	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	\$ 538,741	\$ 32,000	\$ 7,848	\$ 22,500	\$ 40,000	\$ 12,992	\$ 25,000	\$ 679,081

	Jane Hayman Fund	Training and Education Fund	Board Development Fund	Provincial Survey Fund	Marketing Fund	Strategic Planning Fund	Ontario Automotive Recyclers Fund	2012 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	(37,586)	11,601	-	-	-	25,985	-	-
Transfer from unrestricted net assets	-	-	15,000	22,500	15,000	-	25,000	77,500
Balance, end of year	\$ 529,012	\$ 32,000	\$ 15,000	\$ 22,500	\$ 15,000	\$ 25,985	\$ 25,000	\$ 664,497

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

Years ended March 31

2013

2012

Revenues		
Net sales	\$ 334,951	\$ 346,908
Expenses		
Licenses	19,961	21,025
Alcohol and gaming commission fees	44,581	46,525
Tickets	45,454	45,936
Retailer fees	64,120	66,484
Management services	39,194	40,468
Office supplies and other	3,932	5,749
Professional fees	2,520	3,400
	<u>219,762</u>	<u>229,587</u>
Net Income	\$ <u>115,189</u>	\$ <u>117,321</u>