



Financial Statements

Ontario Brain Injury Association

March 31, 2017

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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 statement of financial position as at March 31, 2017, 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, 2017 and March 31, 2016, current assets as at March 31, 2017 and March 31, 2016 and net assets as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended March 31, 2016 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, 2017 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  
June 9, 2017

Chartered Professional Accountants  
Licensed Public Accountants

# Ontario Brain Injury Association

## Statement of Financial Position

March 31

2017

2016

### Assets

#### Current

Cash	\$ 434,376	\$ 491,937
Term deposit (Note 3)	318,897	168,897
Accounts receivable	32,949	34,842
Inventories	13,730	12,273
Prepaid expenses	<u>17,083</u>	<u>10,466</u>
	<u>817,035</u>	<u>718,415</u>

#### Long-term

Investments (Note 4)	680,309	588,538
Equipment (Note 5)	<u>13,006</u>	<u>-</u>
	<u>\$ 1,510,350</u>	<u>\$ 1,306,953</u>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 46,729	\$ 53,291
Government remittances payable	13,940	13,044
Deferred revenue (Note 6)	<u>282,106</u>	<u>262,073</u>
	<u>342,775</u>	<u>328,408</u>

#### Long-term

Accrued pay equity (Note 7)	<u>77,731</u>	<u>79,567</u>
	<u>420,506</u>	<u>407,975</u>

### Net assets

Unrestricted net assets	129,222	124,258
Internally restricted funds (Schedule 1)	<u>960,622</u>	<u>774,720</u>
	<u>1,089,844</u>	<u>898,978</u>
	<u>\$ 1,510,350</u>	<u>\$ 1,306,953</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)	2017 Total
<b>2017</b>				
Balance, beginning of year	\$ 124,258	\$ -	\$ 774,720	\$ 898,978
Excess of revenues over expenses for the year	104,964	-	85,902	190,866
Transfer from unrestricted net assets	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Balance, end of year	<u>\$ 129,222</u>	<u>\$ -</u>	<u>\$ 960,622</u>	<u>\$1,089,844</u>
<b>2016</b>				
	Unrestricted	Invested in Capital Assets	Internally Restricted Funds (Schedule 1)	2016 Total
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>

# Ontario Brain Injury Association

## Statement of Revenues and Expenses

Year ended March 31	2017	2016
<b>Revenues</b>		
Grants		
Fee for service - HHS	\$ 263,136	\$ 263,136
One source projects		
North Eastern Ontario Advocacy	73,584	58,422
Ministry of Health - peer support	290,841	290,841
Other grants	20,302	27,374
Donations and fundraising		
Donations	39,168	74,163
Events	222,000	162,395
Break open ticket lotteries, net (Schedule 2)	50,419	56,974
Membership and directory		
Membership	12,505	11,165
Directory	20,315	24,425
Training programs and conferences	322,869	537,978
OBIA review	57,649	61,500
Resource sales	3,849	2,858
Other income	340	503
	<u>1,376,977</u>	<u>1,571,734</u>
<b>Expenses</b>		
Support programs and services	935,577	1,037,242
Education and awareness	225,062	347,568
Fundraising	52,177	42,371
Administration	72,171	73,901
	<u>1,284,987</u>	<u>1,501,082</u>
<b>Excess of revenues over expenses before other item</b>	<u>91,990</u>	<u>70,652</u>
<b>Non operational gain (loss)</b>		
Investment (loss) income	<u>98,876</u>	<u>(46,429)</u>
<b>Excess of revenues over expenses for the year</b>	<u>\$ 190,866</u>	<u>\$ 24,223</u>

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## Ontario Brain Injury Association Statement of Cash Flows

Year ended March 31	2017	2016
(Decrease) increase in cash		
<b>Operating</b>		
Excess of revenues over expenses	\$ 190,866	\$ 24,223
Amortization	7,063	3,259
Unrealized (gain) loss on investments	<u>(84,701)</u>	<u>72,005</u>
	<b>113,228</b>	99,487
Change in non-cash working capital items		
Accounts receivable	1,893	44,571
Inventories	(1,457)	(793)
Prepaid expenses	(6,617)	14,635
Accounts payable and accrued liabilities	(6,562)	(5,449)
Government remittances payable	896	(4,920)
Deferred revenue	<u>20,033</u>	<u>11,448</u>
	<b>121,414</b>	<b>158,979</b>
<b>Financing</b>		
Payment of accrued pay equity	<u>(5,647)</u>	<u>(5,746)</u>
<b>Investing</b>		
Acquisition of investments	(7,070)	(20,339)
Purchase of equipment	(16,258)	-
Acquisition of term deposit	<u>(150,000)</u>	<u>(168,897)</u>
	<b>(173,328)</b>	<b>(189,236)</b>
Decrease in cash	<b>(57,561)</b>	<b>(36,003)</b>
<b>Cash</b>		
Beginning of year	<u>491,937</u>	<u>527,940</u>
End of year	<b>\$ 434,376</b>	<b>\$ 491,937</b>

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2017

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### 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.

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

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, 2017

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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 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.

#### 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%
Computer equipment	20%

#### Donated services

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

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2017

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### 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.

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2017

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### 3. Term deposit

The term deposit matures in 2017 and earns interest at 1.5%.

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### 4. Investments

Investments recorded at fair market value and are comprised of:

	<u>2017</u>	<u>2016</u>
Fixed income	\$ 207,247	\$ 176,776
Preferred shares	261,739	211,497
Equity	<u>193,251</u>	<u>163,196</u>
	<b>662,237</b>	551,469

Investments recorded at amortized cost are comprised of:

Cash and cash equivalents	<u>18,072</u>	<u>37,069</u>
	<b>\$ 680,309</b>	<b>\$ 588,538</b>

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### 5. Equipment

			<u>2017</u>	<u>2016</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 5,615	\$ 1,123	\$ 4,492	\$ -
Computer equipment	<u>10,643</u>	<u>2,129</u>	<u>8,514</u>	<u>-</u>
	<u>\$ 16,258</u>	<u>\$ 3,252</u>	<u>\$ 13,006</u>	<u>\$ -</u>

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### 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>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 262,073	\$ 250,625
Amounts received during the year	273,869	285,827
Amounts recognized as revenue	<u>(253,836)</u>	<u>(274,379)</u>
Balance, end of year	<b>\$ 282,106</b>	<b>\$ 262,073</b>

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2017

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### 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>2017</u>	<u>2016</u>
Total pay equity obligation	\$ 109,842	\$ 115,489
Unamortized discount of obligation	<u>(32,111)</u>	<u>(35,922)</u>
	<u>\$ 77,731</u>	<u>\$ 79,567</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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### 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:

2018	\$ 39,484
2019	24,438
2020	9,391
2021	<u>782</u>
	<u>\$ 74,095</u>

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# Ontario Brain Injury Association

## Notes to the Financial Statements

March 31, 2017

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### 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, 2017:

#### 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.

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## Ontario Brain Injury Association Schedule of Internally Restricted Funds

Year ended March 31

**2017**

	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	2017 Total
Balance, beginning of year	\$ 547,372	\$ 32,000	\$ 7,848	\$ 22,500	\$ 40,000	\$ 50,000	\$ 25,000	\$ 50,000	\$ 774,720
Excess of revenues over expenses for the year	85,902	-	-	-	-	-	-	-	85,902
Transfer from unrestricted net assets	-	-	-	-	-	100,000	-	-	100,000
Balance, end of year	<u>\$ 633,274</u>	<u>\$ 32,000</u>	<u>\$ 7,848</u>	<u>\$ 22,500</u>	<u>\$ 40,000</u>	<u>\$ 150,000</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 960,622</u>

**2016**

	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>

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

Year ended March 31	2017	2016
<b>Revenues</b>		
Net sales	<u>\$ 181,016</u>	<u>\$ 167,819</u>
<b>Expenses</b>		
Licenses	21,091	10,031
Alcohol and gaming commission fees	25,094	22,216
Tickets	23,330	21,665
Retailer fees	34,555	34,278
Management services	21,857	19,322
Office supplies and other	866	-
Professional fees	<u>3,804</u>	<u>3,333</u>
	<u>130,597</u>	<u>110,845</u>
Net income	<u>\$ 50,419</u>	<u>\$ 56,974</u>

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