

ONTARIO BRAIN INJURY ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2011



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, 2011 and the statements of revenues expenses and net deficiency 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 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 revenues, excess of revenue over expenses for the year, assets and fund balances, 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, 2011, 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 23, 2011

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, 2011

	2011	2010
ASSETS		
Current		
Cash	\$ 291,430	\$ 263,220
Accounts receivable	48,964	38,582
Inventories, at cost	25,801	18,993
Prepaid expenses	<u>17,464</u>	<u>8,351</u>
	383,659	329,146
Investments (note 3)	529,755	496,162
Property and Equipment (note 4)	<u>1,794</u>	<u>2,243</u>
	<u>\$ 915,208</u>	<u>\$ 827,551</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 39,412	\$ 55,371
Deferred revenue (note 5)	<u>180,901</u>	<u>113,805</u>
	220,313	169,176
Long-Term		
Accrued pay equity (note 6)	<u>140,605</u>	<u>145,577</u>
Commitments (note 7)		
Net Assets (Liabilities)		
Net assets invested in capital (note 8)	<u>1,794</u>	<u>2,243</u>
Internally restricted funds (note 9)		
Jane Hayman fund	530,514	499,731
Training and education fund	<u>21,957</u>	<u>25,024</u>
	552,471	524,755
Unrestricted from operations	<u>25</u>	<u>(14,200)</u>
	<u>\$ 915,208</u>	<u>\$ 827,551</u>

Approved on behalf of the Board

Director_____
Director

See Accompanying Notes to the Financial Statements



ONTARIO BRAIN INJURY ASSOCIATION

2

STATEMENT OF REVENUES, EXPENSES AND NET DEFICIENCY
FOR THE YEAR ENDED MARCH 31, 2011

	2011	2010
Revenues		
Grants	\$ 593,581	\$ 576,841
Donations and events (net of related expenses of \$35,240, 2010 - \$284,083)	38,439	49,544
Memberships	39,875	47,955
Conferences (net of related expenses of \$98,595, 2010 - \$113,332)	152,497	137,088
Fundraising - break open ticket lotteries (page 9)	101,849	109,594
Sales (net of related expenses of \$2,726, 2010 - \$29,977)	1,504	(17,750)
Interest and miscellaneous	1,735	1,313
	<u>929,480</u>	<u>904,585</u>
Expenses (page 10)		
Program services		
Survivor support	245,774	246,629
Information dissemination	482,769	484,450
Prevention initiatives	43,887	44,041
Support services	105,332	105,698
	<u>877,762</u>	<u>880,818</u>
Support of affiliates	37,942	21,537
	<u>915,704</u>	<u>902,355</u>
Excess of Revenues Over Expenses	13,776	2,230
Transfer from education and training fund	-	2,100
Transfer from capital	449	560
	<u>14,225</u>	<u>4,890</u>
Excess of Revenues Over Expenses for the Year	14,225	4,890
Net Deficiency - Beginning of year	<u>(14,200)</u>	<u>(19,090)</u>
Net Assets - End of year	\$ <u>25</u>	\$ <u>(14,200)</u>

See Accompanying Notes to the Financial Statements



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2011

	2011	2010
Cash Flows from Operating Activities		
Excess of revenues over expenses	\$ 13,776	\$ 2,230
Adjustments for non-cash items		
Amortization	<u>449</u>	<u>560</u>
	14,225	2,790
Changes in non-cash working capital		
Accounts receivable	(10,382)	1,388
Inventories	(6,808)	22,279
Prepaid expenses	(9,113)	8,505
Accounts payable and accrued liabilities	(15,959)	(11,056)
Deferred revenue	<u>67,096</u>	<u>10,539</u>
	<u>39,059</u>	<u>34,445</u>
Cash Flows from Investing Activities		
Decrease in investment portfolio cash balance	(2,810)	(706)
Training and education fund expenses	<u>(3,067)</u>	<u>(1,055)</u>
	<u>(5,877)</u>	<u>(1,761)</u>
Cash Flows from Financing Activities		
Long-term debt repayments	<u>(4,972)</u>	<u>(5,085)</u>
Increase in Cash	28,210	27,599
Cash - Beginning of year	<u>263,220</u>	<u>235,621</u>
Cash - End of year	\$ <u>291,430</u>	\$ <u>263,220</u>

See Accompanying Notes to the Financial Statements



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 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

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

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) 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%

(c) 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, 2011

(d) 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

(e) 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:

	2011	2010
Canadian equities	\$ 170,237	\$ 165,450
Canadian bonds	<u>359,518</u>	<u>330,712</u>
	<u>\$ 529,755</u>	<u>\$ 496,162</u>

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	<i>Net Book Value</i>	
			2011	2010
Computers	\$ 151,358	\$ 150,922	\$ 436	\$ 545
Office equipment	53,522	52,658	864	1,080
Leasehold improvements	<u>24,206</u>	<u>23,712</u>	<u>494</u>	<u>618</u>
	<u>\$ 229,086</u>	<u>\$ 227,292</u>	<u>\$ 1,794</u>	<u>\$ 2,243</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2011

5. DEFERRED REVENUE

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

	2011	2010
Deferred opening	\$ 113,805	\$ 103,266
Collected	191,878	220,961
Recognized	<u>(124,782)</u>	<u>(210,422)</u>
Deferred ending	<u>\$ 180,901</u>	<u>\$ 113,805</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 \$140,605 at March 31, 2011. 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 \$4,884 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. NET ASSETS INVESTED IN CAPITAL

	2011	2010
Balance - beginning of year	\$ 2,243	\$ 2,803
Transfer to operating fund	<u>(449)</u>	<u>(560)</u>
Balance - end of year	<u>\$ 1,794</u>	<u>\$ 2,243</u>

9. INTERNALLY RESTRICTED FUND

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.

	<i>Jane Hayman Fund</i>	<i>Training and Education Fund</i>
Fund balance - Beginning of year	\$ 499,731	\$ 25,024
Investment income	30,783	-
Expenses paid out of fund	<u>-</u>	<u>(3,067)</u>
Fund balance - End of year	<u>\$ 530,514</u>	<u>\$ 21,957</u>

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.



10. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, investments, accounts payable and long-term debt. The fair values of these financial instruments approximate their carrying value.

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

11. CAPITAL MANAGEMENT

Unrestricted Fund:

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

Internally Restricted Funds:

The association's objectives in managing the internally restricted funds are:

Jane Hayman Fund

Investment income earned on the Jane Hayman Fund will be directed toward funding brain injury education.

Training and Education Fund

The Training and Education Fund has been restricted for funding education programs.



AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Members,
Ontario Brain Injury Association
St. Catharines, Ontario

We have audited and reported separately herein on the financial statements of the **Ontario Brain Injury Association** as at and for the year ended March 31, 2011.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the organization taken as a whole. The current year's supplementary information included in the schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

St. Catharines, Ontario,
June 23, 2011

Mac Gillivray (St. Catharines)
CHARTERED ACCOUNTANTS
Licensed Public Accountants



ONTARIO BRAIN INJURY ASSOCIATION

9

**SCHEDULE OF FUNDRAISING - BREAK OPEN TICKET LOTTERIES
FOR THE YEAR ENDED MARCH 31, 2011**

	2011	2010
Revenues		
Net sales	<u>\$ 296,653</u>	<u>\$ 312,798</u>
Expenses		
Licenses	17,445	19,048
Alcohol and gaming commission fees	42,985	47,610
Tickets	40,373	40,053
Retailer fees	55,850	59,085
Management services	35,120	36,145
Office supplies and other	2,823	(1,237)
Professional fees	208	2,500
	<u>194,804</u>	<u>203,204</u>
Net Income	<u>\$ 101,849</u>	<u>\$ 109,594</u>

See Accompanying Notes to the Financial Statements



ONTARIO BRAIN INJURY ASSOCIATION
SCHEDULE OF EXPENSES - PROGRAM SERVICES
FOR THE YEAR ENDED MARCH 31, 2011

	Survivor Support	Information Dissemination	Prevention Initiatives	Support Services	2011 Total	2010 Total
Expenses						
Wages and benefits	\$ 129,543	\$ 254,459	\$ 23,133	\$ 55,518	\$ 462,653	\$ 453,358
Promotion and education	92,194	181,095	16,463	39,512	329,264	339,222
Occupancy	13,411	26,343	2,395	5,748	47,897	46,092
Office	5,571	10,943	995	2,387	19,896	23,693
Travel	2,954	5,802	527	1,266	10,549	14,186
Professional fees	1,418	2,786	253	608	5,065	3,500
Communications	557	1,094	99	239	1,989	207
Amortization	126	247	22	54	449	560
	<u>\$ 245,774</u>	<u>\$ 482,769</u>	<u>\$ 43,887</u>	<u>\$ 105,332</u>	<u>\$ 877,762</u>	<u>\$ 880,818</u>

See Accompanying Notes to the Financial Statements