

BRAIN INJURY ASSOCIATION OF LONDON AND REGION

Financial Statements

Year Ended March 31, 2016

BRAIN INJURY ASSOCIATION OF LONDON AND REGION

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INDEPENDENT AUDITOR'S REPORT

To the Members of Brain Injury Association of London and Region

We have audited the accompanying financial statements of Brain Injury Association of London and Region, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in 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 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 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 entity'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.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from donations and other fundraising events, 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 the Association and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenditures, current assets and net assets. This issue also resulted in a qualified opinion of the financial statements for the year ended March 31, 2015.

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Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Brain Injury Association of London and Region as at March 31, 2016 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.

Other Matter

The financial statements for the year ended March 31, 2015 were audited by the firm of NPT LLP, whose practice now operates under BDO Canada LLP.

London, Ontario
June 10, 2016

BDO Canada LLP

Chartered Professional Accountants
Licensed Public Accountants

BRAIN INJURY ASSOCIATION OF LONDON AND REGION**Statement of Financial Position****March 31, 2016**

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 67,213	\$ 69,128
Guaranteed investment certificate	10,280	10,280
Amounts receivable	33,220	14,406
HST rebate recoverable	5,427	4,536
Inventory	-	812
Prepaid expenses	1,923	2,551
Fundraising deposit	9,912	8,537
	\$ 127,975	\$ 110,250
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,500	\$ 9,464
Source deductions payable	-	1,975
Deferred revenue (<i>Note 4</i>)	57,935	78,779
	62,435	90,218
NET ASSETS	65,540	20,032
	\$ 127,975	\$ 110,250

LEASE COMMITMENTS (*Note 5*)**ON BEHALF OF THE BOARD**_____
*Director*_____
Director

See accompanying notes to the financial statements.

BRAIN INJURY ASSOCIATION OF LONDON AND REGION

Statement of Changes in Net Assets

Year Ended March 31, 2016

	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 20,032	\$ 45,916
Excess (deficiency) of revenue over expenditures	45,508	(25,884)
NET ASSETS - END OF YEAR	\$ 65,540	\$ 20,032

See accompanying notes to the financial statements.

BRAIN INJURY ASSOCIATION OF LONDON AND REGION**Statement of Operations****Year Ended March 31, 2016**

	2016	2015
REVENUE		
Fundraising evenings <i>(Note 6)</i>	\$ 118,800	\$ 76,757
Conferences	42,025	32,140
Donations	28,157	16,183
Golf tournament <i>(Note 6)</i>	26,253	25,810
Advertising	23,123	12,780
Support group sponsorship	22,125	10,040
Helmets on Kids	19,489	23,704
Peer mentor program	9,668	9,543
Affiliate revenue	7,344	4,336
Nevada and raffle tickets <i>(Note 6)</i>	3,651	6,681
Interest and other income	3,148	2,538
Services directory sponsorships	255	-
	304,038	220,512
EXPENDITURES		
Salaries and benefits	86,528	97,051
Fundraising evenings <i>(Note 6)</i>	59,476	31,315
Helmets on Kids	19,489	23,704
Newsletter production	18,133	17,044
Rent	17,795	18,729
Support groups	11,088	11,130
Golf tournament <i>(Note 6)</i>	8,411	6,709
Conferences	6,673	14,590
Office supplies	6,027	5,305
Professional fees	4,469	4,469
Nevada and raffle licenses <i>(Note 6)</i>	3,673	1,144
Insurance	3,334	3,174
Telephone	3,326	3,513
Peer mentor program	2,686	1,745
Advertising and promotion	2,381	3,315
General	1,541	1,059
Utilities	1,294	1,174
Respite care program	1,177	1,123
Repairs and maintenance	605	-
Postage and courier	279	13
Memberships and subscriptions	145	90
	258,530	246,396
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ 45,508	\$ (25,884)

See accompanying notes to the financial statements.

BRAIN INJURY ASSOCIATION OF LONDON AND REGION**Statement of Cash Flows****Year Ended March 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for the year	\$ 45,508	\$ (25,884)
Changes in non-cash working capital:		
Amounts receivable	(18,814)	11,920
Inventory	812	-
HST rebate recoverable	(891)	2,736
Prepaid expenses	628	-
Fundraising deposit	(1,375)	(2,828)
Accounts payable and accrued liabilities	(4,964)	(1,869)
Source deductions payable	(1,975)	1,975
Deferred revenue	(20,844)	(7,928)
	(47,423)	4,006
DECREASE IN CASH	(1,915)	(21,878)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	79,408	101,286
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 77,493	\$ 79,408
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 67,213	\$ 69,128
Guaranteed investment certificate	10,280	10,280
	\$ 77,493	\$ 79,408

See accompanying notes to the financial statements.

BRAIN INJURY ASSOCIATION OF LONDON AND REGION

Notes to Financial Statements

Year Ended March 31, 2016

1. DESCRIPTION OF ASSOCIATION

The Brain Injury Association of London and Region (the "Association") is incorporated without share capital under the Ontario Corporations Act and is a registered charity under the Income Tax Act. The Association promotes measures to enhance quality care, education and the prevention of head injury.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO are part of Canadian generally accepted accounting principles (GAAP).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if they can be reasonably estimated and collection is reasonably assured.

Revenue from fundraising and other events is recognized at the time the event is held and when collection of funds is reasonably assured. Other revenue is recognized when earned.

Cash and cash equivalents

Cash and cash equivalents consist of cash and cashable guaranteed investment certificate. Cash consists of cash on hand and on deposit, less cheques issued and outstanding at the reporting date.

Inventory

Inventory is valued at the lower of cost using the first-in, first-out method and net realizable value determined to be replacement cost.

Capital assets

Capital asset purchases are expensed through the statement of operations in the year of acquisition. If the policy was to capitalize and amortize capital assets, the major categories of capital assets would consist of office furniture and computer equipment. There were no capital assets purchased during the year.

Volunteer contributions

Volunteers contribute many hours per year to assist the Association in carrying out its fundraising activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Contributed materials

The Association on occasion receives donations of materials and supplies. No revenue or expense is recorded in relation to such donations.

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BRAIN INJURY ASSOCIATION OF LONDON AND REGION

Notes to Financial Statements

Year Ended March 31, 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Income taxes

According to the provisions of the Income Tax Act (Canada), the Association is exempt from taxes on income. During the year, the Association expended sufficient amounts on charitable activities to meet the disbursement quota requirements as defined in paragraph 149.1(1)(e) of the Income Tax Act (Canada).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in operations in the period in which they become known. Actual results could differ from these estimates.

4. DEFERRED REVENUE

Deferred revenue represents contributions received for specific purposes which will be recognized as revenue in a future year when the Association has provided the corresponding service.

The deferred revenue from the Helmets on Kids program and the respite care funds are restricted for use only for those respective programs and will be recognized in revenue when the corresponding expenditures have been incurred.

	2016	2015
Helmets on Kids donations	\$ 23,577	\$ 23,736
Fundraising event sponsorships	9,500	16,625
Conference	11,500	15,500
Respite care donations	8,858	9,981
Support group sponsorships	2,250	9,374
Advertising	2,250	3,563
	\$ 57,935	\$ 78,779

BRAIN INJURY ASSOCIATION OF LONDON AND REGION

Notes to Financial Statements

Year Ended March 31, 2016

5. LEASE COMMITMENTS

The Association entered into a 1-year term lease agreement with Talbot Court Ltd. on 341 Talbot Street commencing on August 1, 2015 and expiring on July 31, 2016 at the monthly rate of \$1,200. During the year, the Association entered into a 3-year term lease agreement with Pillar Nonprofit Network on 201 King Street. The lease agreement commences on July 1, 2016 and expires on June 30, 2019 at the monthly rate of \$800.

Minimum future rental payments required under the terms of the office space lease are as follows (before applicable HST):

2017	\$ 12,000
2018	9,600
2019	9,600
2020	2,400
	<u>\$ 33,600</u>

6. FUNDRAISING

	Revenue	Expenditure	2016 Net Fundraising	2015 Net Fundraising
Fundraising evenings	\$ 118,800	\$ 59,476	\$ 59,324	\$ 45,442
Golf tournament	26,253	8,411	17,842	19,101
Nevada and raffle tickets	3,651	3,673	(22)	5,537
	<u>\$ 148,704</u>	<u>\$ 71,560</u>	<u>\$ 77,144</u>	<u>\$ 70,080</u>

7. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration. There have been no significant changes in the nature or concentration of these risk exposures from the prior year, unless otherwise noted.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In management's opinion, the Association is not exposed to significant credit risk since receivables are only set up if collection is reasonably assured.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts. The Association retains sufficient funds in cash to protect against unforeseen obligations.

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BRAIN INJURY ASSOCIATION OF LONDON AND REGION

Notes to Financial Statements

Year Ended March 31, 2016

7. FINANCIAL INSTRUMENTS *(continued)*

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.

Currency risk

Currency risk is the risk to the Association's operations that arise from fluctuations of foreign exchange rates. The Association is not exposed to significant currency risk as it does not hold financial instruments denominated in a foreign currency.

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 primarily through its holding of guaranteed investment certificates.

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. In management's opinion, the Association is not exposed to significant other price risk.