

**BRAIN INJURY ASSOCIATION OF LONDON AND REGION**

**Financial Statements**

**Years Ended March 31, 2012 and 2011**

**BRAIN INJURY ASSOCIATION OF LONDON AND REGION**

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**Years Ended March 31, 2012 and 2011**

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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 statements of financial positions as at March 31, 2012, March 31, 2011 and April 1, 2010, and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2012 and March 31, 2011, 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 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 in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

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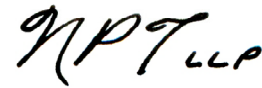
*Basis for Qualified Opinion*

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 verifications. 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 donations revenue, excess of revenue over expenditures, net assets and cash flows.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and other fundraising revenue referred to in the previous 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, 2012 and 2011 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.

London, Canada  
NPT LLP  
June 14, 2012

A handwritten signature in black ink that reads "NPT LLP". The letters are stylized and cursive.

Chartered Accountants  
Licensed Public Accountants

**BRAIN INJURY ASSOCIATION OF LONDON AND REGION**

**Statements of Financial Position**

**March 31, 2012 and 2011 and April 1, 2010**

	<i>March 31</i> <b>2012</b>	<i>March 31</i> 2011	<i>April 1</i> 2010
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 66,436	\$ 38,302	\$ 54,931
Guaranteed investment certificates	20,707	25,789	20,244
Accounts receivable	456	12,216	3,968
Inventory	462	1,360	1,165
Taxes other than income taxes recoverable	6,251	5,598	1,365
Prepaid expenses	3,610	3,395	5,693
Fundraising deposit	5,709	5,709	5,709
	<b>\$ 103,631</b>	<b>\$ 92,369</b>	<b>\$ 93,075</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 10,421	\$ 7,184	\$ 8,128
Deferred revenue ( <i>Note 4</i> )	38,451	41,493	30,237
	<b>48,872</b>	<b>48,677</b>	<b>38,365</b>
<b>NET ASSETS</b>			
Unrestricted	54,759	43,692	54,710
	<b>\$ 103,631</b>	<b>\$ 92,369</b>	<b>\$ 93,075</b>

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**

**Statements of Changes in Net Assets**

**Years Ended March 31, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>UNRESTRICTED NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 43,692</b>	<b>\$ 54,710</b>
Excess (deficiency) of revenue over expenditures	<b>11,067</b>	<b>(11,018)</b>
<b>UNRESTRICTED NET ASSETS - END OF YEAR</b>	<b>\$ 54,759</b>	<b>\$ 43,692</b>

See accompanying notes to the financial statements.

**BRAIN INJURY ASSOCIATION OF LONDON AND REGION****Statements of Operations****Years Ended March 31, 2012 and 2011**

	2012	2011
<b>REVENUE</b>		
Fundraising dinner <i>(Note 7)</i>	\$ 91,352	\$ 84,964
Conference fees	35,830	38,130
Golf tournament <i>(Note 7)</i>	25,288	25,220
Advertising	23,045	21,305
Donations	12,392	16,204
Helmets on Kids	11,299	10,869
Affiliate revenue	10,838	5,450
Services directory sponsorships	9,215	-
Peer mentor program	8,239	8,946
Nevada tickets <i>(Note 7)</i>	5,290	2,711
Interest and other income	446	1,019
Membership fees	-	25
	<b>233,234</b>	<b>214,843</b>
<b>EXPENDITURES</b>		
Salaries and benefits	69,596	70,449
Fundraising dinner <i>(Note 7)</i>	48,871	44,189
Newsletter production	17,605	18,154
Rent	15,759	17,741
Conferences	12,788	22,515
Helmets on Kids	11,299	11,011
Golf tournament <i>(Note 7)</i>	9,715	11,366
Support groups	7,382	3,068
Services directory	6,825	-
Professional fees	5,178	3,383
Nevada licenses <i>(Note 7)</i>	3,642	2,493
Peer mentor program	2,827	3,610
Office supplies	2,017	2,556
Insurance	1,584	4,073
Advertising and promotion	1,280	1,570
Grant search	1,228	1,228
Telephone	1,173	2,509
Utilities	1,164	2,269
Equipment purchases	919	1,097
General	912	1,325
Memberships and subscriptions	160	122
Repairs and maintenance	129	493
Postage and courier	114	68
Respite care program	-	572
	<b>222,167</b>	<b>225,861</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<b>\$ 11,067</b>	<b>\$ (11,018)</b>

See accompanying notes to the financial statements.

**BRAIN INJURY ASSOCIATION OF LONDON AND REGION****Statements of Cash Flows****Years Ended March 31, 2012 and 2011**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ 11,067	\$ (11,018)
Changes in non-cash working capital:		
Accounts receivable	11,760	(8,248)
Inventory	898	(195)
Taxes other than income taxes recoverable	(653)	(4,233)
Prepaid expenses	(215)	2,298
Accounts payable and accrued liabilities	3,237	(944)
Deferred revenue	(3,042)	11,256
	11,985	(66)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>23,052</b>	<b>(11,084)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>64,091</b>	<b>75,175</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 87,143</b>	<b>\$ 64,091</b>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash	\$ 66,436	\$ 38,302
Guaranteed investment certificates	20,707	25,789
	\$ 87,143	\$ 64,091

See accompanying notes to the financial statements.



# BRAIN INJURY ASSOCIATION OF LONDON AND REGION

## Notes to Financial Statements

Years Ended March 31, 2012 and 2011

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### 1. DESCRIPTION OF ASSOCIATION

The Brain Injury Association of London and Region 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

#### Changes in accounting policies - Accounting standards for not-for-profit organizations

With regard to the Association's transition from former Canadian GAAP to Canadian ASNPO, the Association has made the following elections available under Canadian Institute of Chartered Accountants (CICA) Handbook Section 1501 of Canadian accounting standards for not-for-profit organizations:

#### Financial instruments

The Association has applied Handbook Section 3856, "Financial instruments", to the opening balance sheet for the first year presented in the financial statements for the year of adoption of accounting standards for private enterprises. Any difference between the recognition and measurement of financial instruments at that date, in accordance with Handbook Section 3856, and the prior year's closing balance sheet is recorded as an adjustment to opening net assets at the date of transition to accounting standards for not-for-profit organizations. There were no adjustments required as a result of adopting Section 3856.

#### 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 events is recognized at the time the event is held and when collection of funds is reasonably assured.

#### Cash and cash equivalents

Cash and cash equivalents consist primarily of cash and Guaranteed Investment Certificates.

#### Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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## BRAIN INJURY ASSOCIATION OF LONDON AND REGION

### Notes to Financial Statements

Years Ended March 31, 2012 and 2011

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

##### Capital assets

The purchases of capital assets are expensed through the statement of operations in the year of acquisition. The capital assets owned by the Association are comprised of office furniture and computer equipment.

##### 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.

##### 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 and by way of gifts to qualified donees 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 accounting standards for not-for-profit organizations 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 revenues 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.

## BRAIN INJURY ASSOCIATION OF LONDON AND REGION

### Notes to Financial Statements

Years Ended March 31, 2012 and 2011

#### 4. DEFERRED REVENUE

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

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.

	2012	2011
Helmets on Kids donations	\$ 16,623	\$ 17,945
Respite care donations	8,687	8,687
Advertising	10,766	14,176
Conference	2,300	400
Services directory	75	285
	<b>\$ 38,451</b>	<b>\$ 41,493</b>

#### 5. LEASE COMMITMENTS

The Association has entered into a lease agreement with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. The lease agreement expires on September 30, 2012.

Minimum lease payments required under the terms of the lease are as follows:

2013	<u>\$ 8,527</u>
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#### 6. 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.

##### 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. The Association is not exposed to credit risk from customers.

##### 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 guaranteed investment certificates are redeemable at any time without penalty.

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## BRAIN INJURY ASSOCIATION OF LONDON AND REGION

### Notes to Financial Statements

Years Ended March 31, 2012 and 2011

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#### 6. 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 rate risk, interest rate risk and other price risk.

##### Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates. The Association is not exposed to significant currency risk.

##### 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 through its guaranteed investment certificates upon maturity.

##### 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 not exposed to significant other price risk.

#### 7. FUNDRAISING

	Revenue	Expenditure	2012 Net Fundraising	2011 Net Fundraising
Fundraising dinner	\$ 91,352	\$ 48,871	\$ 42,481	\$ 40,775
Nevada tickets	5,290	3,642	1,648	218
Golf tournament	25,288	9,715	15,573	13,854
	\$ 121,930	\$ 62,228	\$ 59,702	\$ 54,847

## **BRAIN INJURY ASSOCIATION OF LONDON AND REGION**

### **Notes to Financial Statements**

#### **Years Ended March 31, 2012 and 2011**

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#### **8. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

Effective April 1, 2011, the Association adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: ASNPO. These are the Association's first financial statements prepared in accordance with ASNPO which has been applied retrospectively. The accounting policies set out in the significant accounting policies note have been applied in preparing the financial statements for the year ended March 31, 2012, the comparative information for the year ended March 31, 2011 and in the preparation of the opening ASNPO balance sheet at April 1, 2010 (the Association's date of transition).

The Association issued financial statements for the year ended March 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook - Accounting. The adoption of ASNPO has no impact on previously reported assets, liabilities and net assets of the Association, and accordingly, no adjustments have been recorded in the comparative statements of financial position, operations, changes in net assets and the cash flow statement. Certain of the Association's disclosures included in these financial statements reflect the new disclosure requirements of ASNPO.

#### **9. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.