



Financial Statements

Canadian Paraplegic Association Ontario

March 31, 2011

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Independent auditor's report

To the Members of
Canadian Paralegic Association Ontario

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We have audited the accompanying financial statements of the **Canadian Paralegic Association Ontario**, which comprise the statement of financial position as at March 31, 2011, and the statement of financial activities, statement of changes in net assets and statement of 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.

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 revenues from donations from the public and other 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 the Association and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the **Canadian Paralegic Association** as at March 31, 2011, and the results of its financial activities and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Toronto, Canada
June 7, 2011

Chartered Accountants
Licensed Public Accountants

Canadian Paraplegic Association Ontario

Statements of Financial Activities

Year ended March 31	2011	2010
Revenues		
Donations and other public support (Note 7)	\$ 2,369,767	\$ 2,208,076
Grants (Note 8)	7,649,278	7,667,764
Fees for service	55,095	53,810
Amortization of deferred capital contributions	<u>108,159</u>	<u>135,924</u>
	<u>10,182,299</u>	<u>10,065,574</u>
Expenses		
Staff salaries and benefits (Note 9)	7,233,156	6,809,801
Purchased services	732,481	1,024,900
Office	734,081	743,299
Travel	669,812	677,936
Payments on behalf of clients	285,748	240,804
Amortization of capital assets	133,189	162,047
Medical research grants (Note 10b)	146,946	123,562
National office	26,148	83,149
Professional development	97,104	83,360
Miscellaneous	<u>121,907</u>	<u>114,961</u>
	<u>10,180,572</u>	<u>10,063,819</u>
Excess of revenue over expenses for the year	\$ <u>1,727</u>	\$ <u>1,755</u>

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Statement of Changes in Net Assets

Year ended March 31

	2011			2010
	<u>Invested in Capital assets</u>	<u>Operating</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 78,173	\$ 129,782	\$ 207,955	\$ 206,200
Excess of revenue over expenses for the year	-	1,727	1,727	1,755
Net change in funds				
Invested in capital assets (Note 6b)	(7,645)	7,645	-	-
Net assets, end of year	\$ <u>70,528</u>	\$ <u>139,154</u>	\$ <u>209,682</u>	\$ <u>207,955</u>

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Statement of Financial Position

March 31 2011 2010

Assets

Current

Cash and cash equivalents	\$ 493,154	\$ 446,692
Grants receivable	136,757	3,599
Receivables		
Consulting services	10,769	6,169
National Office	1,451	37,570
Due from Ontario Paraplegic Foundation (Note 11)	278,655	308,021
Other	207,753	103,935
Prepays	<u>110,245</u>	<u>92,400</u>
	1,238,784	998,386

Capital assets (Note 3) 565,054 649,725

\$ 1,803,838 **\$ 1,648,111**

Liabilities

Current

Payables and accruals	\$ 969,927	\$ 743,723
Deferred revenue	<u>129,703</u>	<u>124,881</u>
	1,099,630	868,604

Deferred capital contributions (Note 5) 494,526 571,552
1,594,156 1,440,156

Net assets

Invested in capital assets (Note 6a)	70,528	78,173
Operating	<u>139,154</u>	<u>129,782</u>
	<u>209,682</u>	<u>207,955</u>
	\$ <u>1,803,838</u>	\$ <u>1,648,111</u>

Commitments (Note 10)

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Statement of Cash Flows

March 31

2011

2010

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses for the year	\$ 1,727	\$ 1,755
Amortization of capital assets	133,189	162,047
Amortization of deferred capital contributions	<u>(108,159)</u>	<u>(135,924)</u>
	26,757	27,878

Change in non-cash operating working capital

Grants receivable	(133,158)	(998)
Receivables	(72,299)	(2,228)
Due from Ontario Paraplegic Foundation	29,366	(23,727)
Prepays	(17,845)	6,070
Payables and accruals	226,204	(340,621)
Deferred revenue	<u>4,822</u>	<u>(34,320)</u>
	<u>63,847</u>	<u>(367,946)</u>

Investing and financing

Purchase of capital assets	(48,518)	(67,169)
Receipt of capital contributions	<u>31,133</u>	<u>52,367</u>
	<u>(17,385)</u>	<u>(14,802)</u>

Net increase (decrease) in cash and cash equivalents 46,462 (382,748)

Cash and cash equivalents, beginning of year 446,692 829,440

Cash and cash equivalents, end of year \$ 493,154 \$ 446,692

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2011

1. Description of the organization

The Canadian Paraplegic Association Ontario (the "Association") is dedicated to assisting persons with spinal cord injuries and other physical disabilities to achieve independence, self-reliance and full community participation. The Association is incorporated under the laws of Ontario as a corporation without share capital.

The Association is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

The following significant accounting policies adopted by the Association are in accordance with Canadian generally accepted accounting principles.

Revenue recognition

The Association follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donation revenue is recognized when received, since pledges are not legally enforceable claims.

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized.

Fees for service are recognized when the services have been provided.

Deferred capital contributions

Contributions received for capital assets are deferred in the accounts and amortized over the same terms and on the same basis as the related capital assets.

Contributed goods and services

Contributed goods and services are not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, a cashable GIC and money market instruments with a term to maturity of less than 90 days at time of purchase and are readily convertible to cash on short notice. The GIC and money market instruments are classified as held for trading and are measured at fair value at the statement of financial position date. Changes in fair value for the year are reflected in the statement of financial activities.

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2011

2. Summary of significant accounting policies (continued)

Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributions of capital assets are capitalized at fair market value at the date of contribution.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	over the term of the lease
Office equipment	10 years
Computer equipment	4 years

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Employee future benefits

Contributions to a defined contribution pension plan are expensed when due.

Financial instruments

All financial assets are classified as either held for trading ('HFT'), held to maturity ('HTM'), available-for-sale ('AFS'), or loans and receivables. Financial liabilities are classified as either HFT or other. Transaction costs related to investments held for trading are expensed as incurred. Transaction costs related to AFS, HTM, loans and receivables and deposits are capitalized and are then amortized over the expected life of the instrument.

HFT financial assets and financial liabilities are measured at fair value with the changes in fair value reported in excess (deficiency) of revenue over expenses. HTM financial assets, loans and receivables and financial liabilities other than those held for trading are measured at amortized cost. AFS financial assets are measured at fair value with changes in fair value reported in deferred contributions or changes in net assets.

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2011

2. Summary of significant accounting policies (continued)

Future accounting policies

In September 2010, the Accounting Standards Board (AcSB) decided that the final standards for CICA Handbook Part III – Accounting Standards for Not-for-Profit Organizations will be substantially the same as proposed in the exposure draft that was issued in March 2010.

Part III is proposed to include existing Not-for-Profit Organization (NFPO) standards 4400-4470 as well as the following standards from Part II, modified specifically to NFPOs.

- Section 1000 *Financial statement concepts*
- Section 1100 *Generally accepted accounting principles*
- Section 1400 *General standards of financial statement presentation*
- Section 1500 *First-time adoption*

The AcSB proposes that NFPOs should apply these standards for fiscal years beginning on or after January 1, 2012. The adoption of these standards is not expected to have a material impact on the Association's financial statements.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2011 Net Book Value</u>	<u>2010 Net Book Value</u>
Leasehold improvements	\$ 377,302	\$ 139,226	\$ 238,076	\$ 263,418
Office equipment	927,787	675,374	252,413	297,354
Computer equipment	<u>1,012,505</u>	<u>937,940</u>	<u>74,565</u>	<u>88,953</u>
	<u>\$ 2,317,594</u>	<u>\$ 1,752,540</u>	<u>\$ 565,054</u>	<u>\$ 649,725</u>

The change in net book value of capital assets is due to the following:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 649,725	\$ 744,603
Purchase of capital assets		
Funded by deferred capital contributions	31,133	52,367
Internally funded	17,385	14,802
Amortization of capital assets	<u>(133,189)</u>	<u>(162,047)</u>
Balance, end of year	<u>\$ 565,054</u>	<u>\$ 649,725</u>

4. Operating line of credit

The Association has an operating line of credit with a bank to a maximum of \$290,000. Interest is payable at the bank's prime rate plus 1%. The credit facility is secured by the granting of a security interest in the personal property of the Association. No drawing on the line of credit existed as of March 31, 2011 (2010 - \$Nil).

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2011

5. Deferred capital contributions

2011

2010

The changes in the deferred capital contributions balance are as follows:

Balance, beginning of year	\$ 571,552	\$ 655,109
Amortization of deferred capital contributions	(108,159)	(135,924)
Contributions received for capital purposes	<u>31,133</u>	<u>52,367</u>
Balance, end of year	\$ <u>494,526</u>	\$ <u>571,552</u>

6. Invested in capital assets

2011

2010

(a) Invested in capital assets consists of the following:

Capital assets, net book value	\$ 565,054	\$ 649,725
Amount funded by deferred capital contributions	<u>(494,526)</u>	<u>(571,552)</u>
	\$ <u>70,528</u>	\$ <u>78,173</u>

(b) The net change in funds invested in capital assets is calculated as follows:

Purchase of capital assets internally funded (Note 3)	\$ <u>17,385</u>	\$ <u>14,802</u>
Amortization of capital assets	(133,189)	(162,047)
Amortization of deferred capital contributions	<u>108,159</u>	<u>135,924</u>
	<u>(25,030)</u>	<u>(26,123)</u>
Net change	\$ <u>(7,645)</u>	\$ <u>(11,321)</u>

7. Donations and other public support, net

2011

2010

Donations and other public support, net is calculated as follows:

Donations and other public support	\$ 2,486,792	\$ 2,311,078
Support from Ontario Paraplegic Foundation (Note 11)	<u>199,764</u>	<u>220,498</u>
	<u>2,686,556</u>	<u>2,531,576</u>
Less: related costs	<u>316,789</u>	<u>323,500</u>
	\$ <u>2,369,767</u>	\$ <u>2,208,076</u>

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2011

8. Grants	<u>2011</u>	<u>2010</u>
Toronto Central Local Health Integrated Network	\$ 3,547,180	\$ 3,443,834
Ontario Ministry of Health and Long-Term Care	3,218,710	3,167,510
Ontario Ministry of Training, Colleges & Universities	484,442	468,827
Ontario Ministry of Community Social Services	205,384	443,564
Others	<u>193,562</u>	<u>144,029</u>
	<u>\$ 7,649,278</u>	<u>\$ 7,667,764</u>

The Association has a service contract with the Ontario Ministry of Community and Social Services to provide specified services under the Ontario Disability Supports Program. One requirement of the contract is the disclosure, by way of a note to the audited financial statements, of any over or under-delivery of contracted services. Funding in respect of under-delivered services is reflected in the financial statements as payables and accruals for current year amount of \$6,616 (2010 - \$60,423).

9. Pension plan

The Association offers a defined contribution pension plan to its employees. During the year, contributions of \$159,334 (2010 - \$155,833) were expensed in the statement of operations.

10. Commitments

- (a) The Association has lease commitments over the next five years for its office premises and equipment as follows:

2012	\$ 311,607
2013	267,846
2014	143,968
2015	107,610
2016	73,964

- (b) The Association has undertaken to participate in a research partnership with the Toronto Rehabilitation Institute and University of Toronto. Under this arrangement, \$70,000 per year with annual cost of living increases will be contributed for up to 20 years to support a postdoctoral fellowship in the field of spinal cord injury research. This arrangement commenced in September 2002. The contribution for the fiscal year is included in the financial statements as medical research grants of \$84,919 (2010 - \$82,446).
- (c) The Association has undertaken to participate in a partnership with the Toronto Rehabilitation Institute Foundation for the purpose of supporting the redevelopment of the Toronto Rehabilitation Institute's Lyndhurst Centre. Under this arrangement, \$100,000 per year will be contributed for up to 5 years. This arrangement commenced in March 2008 and the contribution is included in the financial statements as Miscellaneous Expense of \$100,000 (2010 - \$100,000).

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2011

11. Ontario Paraplegic Foundation

The Association controls the Ontario Paraplegic Foundation (the "Foundation"), which was established in March 2000 and receives bequests and other donations from supporters of the Association. The Foundation is incorporated under the Corporations Act (Ontario) and is a registered charity under the Income Tax Act (Canada). The Association appoints the majority of the Foundation's Board of Directors and, according to the Foundation's bylaws, all resources of the Foundation must ultimately be used for the benefit of the Association's programs or for research supported by the Association.

The accounts of the Foundation have not been consolidated into the Association's financial statements. Separate financial statements of the Foundation are available on request. A financial summary of the Foundation as at March 31, 2011 and for the year then ended is as follows:

	<u>2011</u>	<u>2010</u>
Financial position		
Assets		
Investments, at market value	\$ 6,985,599	\$ 6,520,755
Other	<u>1,051</u>	<u>19,599</u>
Total assets	<u>6,986,650</u>	<u>6,540,354</u>
Liabilities		
Due to Association	278,655	308,021
Other	<u>12,068</u>	<u>11,542</u>
	<u>290,723</u>	<u>319,563</u>
Fund balances		
General Fund	5,900,912	5,510,439
Restricted Fund – Research	552,645	488,322
Restricted Fund – A.T. Jousse	116,621	106,886
Restricted Fund – Ken Langford	<u>125,749</u>	<u>115,144</u>
	<u>6,695,927</u>	<u>6,220,791</u>
Total liabilities and fund balances	\$ <u>6,986,650</u>	\$ <u>6,540,354</u>
Results of operations		
Donations and bequests	\$ 125,000	\$ 201,650
Change in value of investments	613,606	1,050,580
Grants to Association	(199,764)	(220,498)
Other expenses	<u>(63,706)</u>	<u>(44,351)</u>
Excess of revenue over expenses for the year	\$ <u>475,136</u>	\$ <u>987,381</u>

Canadian Paralegic Association Ontario

Notes to the Financial Statements

March 31, 2011

11. Ontario Paralegic Foundation (continued)

Revenue of the Association for the year ended March 31, 2011 includes \$199,764 (2010 - \$220,498) from the Foundation. The Association recovered \$10,277 (2010 - \$10,506) from the Foundation in connection with services provided by Association staff. The Association provides space at no cost to the Foundation.

Bequests to the Association of \$125,000 (2010 - \$100,000) were recorded as revenue by the Foundation in accordance with Association's Board policy, and are not reflected in Association's financial statements.

Amounts due to / from the Foundation are non-interest bearing and due on demand.

12. Capital management

The capital structure of the Association consists of net assets invested in capital assets and operating net assets. The primary objective of the Association's capital management is to provide adequate funding to support its programs and services.

Net assets invested in capital assets represent the amount of net assets that are not available for other purposes because they have been invested. The Association is not subject to any externally imposed capital requirements, however, some grants and donations have conditions setting out the activities or other expenditures for which the funds must be used.

13. Financial instruments and risk

Credit risk

The Association is subject to credit risk through its receivables. It is management's opinion that the risk is minimal as it closely monitors the receivables.

Financial instruments

The Association's financial instruments have been classified as follows:

Cash and cash equivalents	Held for trading
Grants receivable	Loans and receivables
Receivables	Loans and receivables
Payables and accruals	Other financial liabilities

The carrying amount of cash and cash equivalents, grants receivable, receivables and payables and accruals approximate their fair value due to their short-term to maturity.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.