



Financial Statements

Canadian Paraplegic Association Ontario

March 31, 2010

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Grant Thornton

Auditors' report

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To the Members of
Canadian Paralegic Association Ontario

We have audited the statement of financial position of **Canadian Paralegic Association Ontario** as at March 31, 2010 and the statements of financial activities, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Association derives part of its income from donations and other fund raising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these donations 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 income from donations, excess of revenue over expenses, assets and net assets.

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 income from donations and other fund raising activities referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2010 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

Markham, Canada
May 12, 2010

Chartered Accountants
Licensed Public Accountant

Canadian Paraplegic Association Ontario

Statements of Financial Activities

Year ended March 31	2010	2009
Revenues		
Donations and other public support (Note 7)	\$ 2,208,076	\$ 2,283,382
Grants (Note 8)	7,667,764	7,313,693
Fees for service	53,810	78,545
Amortization of deferred capital contributions	<u>135,924</u>	<u>136,242</u>
	<u>10,065,574</u>	<u>9,811,862</u>
Expenses		
Staff salaries and benefits (Note 9)	6,809,801	6,347,639
Purchased services	1,024,900	1,019,267
Office	743,299	767,050
Travel	677,936	733,972
Payments on behalf of clients	240,804	276,689
Amortization of capital assets	162,047	169,553
Medical research grants (Note 10b)	123,562	121,913
National Office	83,149	105,809
Professional development	83,360	95,477
Miscellaneous	<u>114,961</u>	<u>173,057</u>
	<u>10,063,819</u>	<u>9,810,426</u>
Excess of revenue over expenses for the year	\$ <u>1,755</u>	\$ <u>1,436</u>

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Statement of Changes in Net Assets

Year ended March 31

	2010			2009
	<u>Invested in Capital assets</u>	<u>Operating</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 89,494	\$ 116,706	\$ 206,200	\$ 204,764
Excess of revenue over expenses for the year	-	1,755	1,755	1,436
Net change in Invested in capital assets (Note 6b)	<u>(11,321)</u>	<u>11,321</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u>78,173</u>	\$ <u>129,782</u>	\$ <u>207,955</u>	\$ <u>206,200</u>

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Statement of Financial Position

March 31 2010 2009

Assets

Current

Cash and cash equivalents	\$ 446,692	\$ 829,440
Grants receivable	3,599	2,601
Receivables		
Consulting services	6,169	7,199
National Office	37,570	37,411
Due from Ontario Paraplegic Foundation (Note 11)	308,021	284,294
Other	103,935	100,836
Prepays	<u>92,400</u>	<u>98,470</u>
	998,386	1,360,251

Capital assets (Note 3) 649,725 744,603

\$ 1,648,111 **\$ 2,104,854**

Liabilities

Current

Payables and accruals	\$ 743,723	\$ 1,084,344
Deferred revenue	<u>124,881</u>	<u>159,201</u>
	868,604	1,243,545

Deferred capital contributions (Note 5) 571,552 655,109
1,440,156 1,898,654

Net assets

Invested in capital assets (Note 6a)	78,173	89,494
Operating	<u>129,782</u>	<u>116,706</u>
	<u>207,955</u>	<u>206,200</u>
	\$ <u>1,648,111</u>	\$ <u>2,104,854</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

2010

2009

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses for the year	\$ 1,755	\$ 1,436
Amortization of capital assets	162,047	169,553
Amortization of deferred capital contributions	<u>(135,924)</u>	<u>(136,242)</u>
	27,878	34,747
Change in non-cash operating working capital		
Grants receivable	(998)	162,558
Receivables	(2,228)	57,221
Due from Ontario Paraplegic Foundation	(23,727)	(125,717)
Prepays	6,070	(1,311)
Payables and accruals	(340,621)	(262,122)
Deferred revenue	<u>(34,320)</u>	<u>35,387</u>
	<u>(367,946)</u>	<u>(99,237)</u>

Investing and financing

Purchase of capital assets	(67,169)	(116,008)
Receipt of capital contributions	<u>52,367</u>	<u>100,995</u>
	<u>(14,802)</u>	<u>(15,013)</u>

Net decrease in cash and cash equivalents	(382,748)	(114,250)
Cash and cash equivalents, beginning of year	<u>829,440</u>	<u>943,690</u>
Cash and cash equivalents, end of year	<u>\$ 446,692</u>	<u>\$ 829,440</u>

See accompanying notes to the financial statements.

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2010

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, 2010

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
Client equipment	3 years
Office equipment	5 to 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.

Recent accounting changes

Effective April 1, 2009, the Association adopted the following CICA standards:

CICA 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The impact of this new accounting standard on the Foundation's financial statements is disclosed in Note 12.

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2010

2. Summary of significant accounting policies (continued)

Recent accounting changes (continued)

CICA 4400, "Financial Statement Presentation by Not-for-Profit Organizations", has been amended to permit a Not-for-Profit Organization to present net assets invested in capital assets as a category of internally restricted net assets and clarification of presentation of revenue and expenses on a gross basis when the entity is acting as the principal in a transaction. There is no significant impact of the accounting standard on the Association.

CICA 4470 – Disclosure of Allocated Expenses by Not-for-Profit Organization, establishes disclosure standards for a Not-for-Profit Organization that classified its expenses by function and allocated its expenses to a number of functions to which the expenses relate. There is no significant impact of the accounting standard on the Association.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2010 Net Book Value</u>	<u>2009 Net Book Value</u>
Leasehold improvements	\$ 373,776	\$ 110,358	\$ 263,418	\$ 292,689
Client equipment	86,719	86,719	-	-
Office equipment	924,164	626,810	297,354	295,156
Computer equipment	<u>974,544</u>	<u>885,591</u>	<u>88,953</u>	<u>156,758</u>
	\$ <u>2,359,203</u>	\$ <u>1,709,478</u>	\$ <u>649,725</u>	\$ <u>744,603</u>

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

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 744,603	\$ 798,148
Purchase of capital assets		
Funded by deferred capital contributions	52,367	100,995
Internally funded	14,802	15,013
Amortization of capital assets	<u>(162,047)</u>	<u>(169,553)</u>
Balance, end of year	\$ <u>649,725</u>	\$ <u>744,603</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, 2010 (2009 - \$Nil).

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2010

5. Deferred capital contributions 2010 2009

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

Balance, beginning of year	\$ 655,109	\$ 690,356
Amortization of deferred capital contributions	(135,924)	(136,242)
Contributions received for capital purposes	<u>52,367</u>	<u>100,995</u>
Balance, end of year	<u>\$ 571,552</u>	<u>\$ 655,109</u>

6. Invested in capital assets 2010 2009

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

Capital assets, net book value	\$ 649,725	\$ 744,603
Amount funded by deferred capital contributions	<u>(571,552)</u>	<u>(655,109)</u>
	<u>\$ 78,173</u>	<u>\$ 89,494</u>

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

Purchase of capital assets internally funded (Note 3)	\$ <u>14,802</u>	\$ 15,013
Amortization of capital assets	(162,047)	(169,553)
Amortization of deferred capital contributions	<u>135,924</u>	<u>136,242</u>
	<u>(26,123)</u>	<u>(33,311)</u>
Net change	<u>\$ (11,321)</u>	<u>\$ (18,298)</u>

7. Donations and other public support, net 2010 2009

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

Donations and other public support	\$ 2,218,854	\$ 2,550,354
Support from Ontario Paraplegic Foundation (Note 11)	<u>312,722</u>	<u>415,857</u>
	<u>2,531,576</u>	<u>2,966,211</u>
Less: related costs	<u>323,500</u>	<u>682,829</u>
	<u>\$ 2,208,076</u>	<u>\$ 2,283,382</u>

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2010

8. Grants

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 \$60,423 (2009 - \$31,513).

9. Pension plan

The Association offers a defined contribution pension plan to its employees. During the year, contributions of \$155,833 (2009 - \$132,006) 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:

2011	\$ 307,547
2012	273,303
2013	153,280
2014	117,859
2015	75,273

- (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 \$82,446 (2009 - \$80,044).
- (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 (2009 - \$100,000).

Canadian Paraplegic Association Ontario

Notes to the Financial Statements

March 31, 2010

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, 2010 and for the year then ended is as follows:

	<u>2010</u>	<u>2009</u>
Financial position		
Assets		
Investments, at market value	\$ 6,520,755	\$ 5,494,175
Other	<u>19,599</u>	<u>34,026</u>
Total assets	<u>6,540,354</u>	<u>5,528,201</u>
Liabilities		
Due to Association	308,021	284,294
Other	<u>11,542</u>	<u>10,497</u>
	<u>319,563</u>	<u>294,791</u>
Fund balances		
General Fund	5,510,439	4,747,186
Restricted Fund – Port Hope	-	6,046
Restricted Fund – Research	488,322	480,178
Restricted Fund – A.T. Jousse	106,886	-
Restricted Fund – Ken Langford	<u>115,144</u>	<u>-</u>
	<u>6,220,791</u>	<u>5,233,410</u>
Total liabilities and fund balances	\$ <u>6,540,354</u>	\$ <u>5,528,201</u>
Results of operations		
Donations and bequests	\$ 293,874	\$ 164,397
Change in value of investments	1,050,580	(852,576)
Grants to Association	(312,722)	(415,857)
Other expenses	<u>(44,351)</u>	<u>(45,911)</u>
Excess (deficiency) of revenue over expenses for the year	\$ <u>987,381</u>	\$ <u>(1,149,947)</u>

Canadian Paralegic Association Ontario

Notes to the Financial Statements

March 31, 2010

11. Ontario Paralegic Foundation (continued)

Revenue of the Association for the year ended March 31, 2010 includes \$312,722 (2009 - \$415,857) from the Foundation. The Association recovered \$10,506 (2009 - \$12,228) 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 \$192,224 (2009 - \$164,397) 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.

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.