

**ASSOCIATION FOR THE REHABILITATION
OF THE BRAIN INJURED**

Financial Statements

For the Years Ended March 31, 2013 and 2012

Association for the Rehabilitation of the Brain Injured
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For the Years Ended March 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Association for the Rehabilitation of the Brain Injured:

Report on the financial statements

We have audited the accompanying financial statements of The Association for the Rehabilitation of the Brain Injured, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for 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 accounting standards for not-for-profit organizations. Those standards require that we comply with ethical requirements and plan and perform the audits 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association for the Rehabilitation of the Brain Injured as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012, in accordance with Canadian accounting standards for not-for-profit organizations.

Thompson Penner & Lo LLP
Certified General Accountants

June 10, 2013
Calgary, Alberta, Canada

Association for the Rehabilitation of the Brain Injured
Statements of Financial Position
As at March 31, 2013 and 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
Current			
Cash and cash equivalents (note 4)	\$ 205,660	241,753	\$ 131,770
Accounts receivable	54,871	46,301	26,677
Goods and services tax recoverable	5,300	5,239	5,051
Prepaid expenses and deposits	6,321	3,809	3,685
Short term investments (note 10)	106,550	180,556	-
	<u>378,702</u>	<u>477,658</u>	<u>167,183</u>
Endowment fund (note 5)	38,291	36,646	38,467
Property and equipment (note 6)	79,507	97,327	133,419
	<u>\$ 496,500</u>	<u>\$ 611,631</u>	<u>\$ 339,069</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities	\$ 31,438	\$ 32,623	\$ 21,249
Private loan (note 11)	35,000	55,000	-
Deferred contributions			
Related to property and equipment (note 7)	75,661	89,740	121,989
Related to operations (note 8)	202,433	296,539	281,110
	<u>344,532</u>	<u>473,902</u>	<u>424,348</u>
Net assets			
Invested in property and equipment	3,846	7,587	11,430
Endowment fund (note 5)	38,291	36,646	38,467
Internally restricted fund (note 9)	40,200	75,000	100,000
Unrestricted fund	69,631	18,496	(235,176)
	<u>151,968</u>	<u>137,729</u>	<u>(85,279)</u>
	<u>\$ 496,500</u>	<u>\$ 611,631</u>	<u>\$ 339,069</u>

Approved on behalf of the Board:

Director:



Director:



Association for the Rehabilitation of the Brain Injured
Statements of Operations
For the Years Ended March 31, 2013 and 2012

	2013	2012
REVENUE		
Donations		
General (note 13)	\$ 661,469	\$ 843,471
Deferred contributions recognized (note 8)	356,822	218,382
	<u>1,018,291</u>	<u>1,061,853</u>
Alberta Human Services (formerly Alberta Seniors and Community Supports)		
Community Integration/Volunteer Program	277,984	271,797
On site/CAPCC Program	167,829	160,000
	<u>445,813</u>	<u>431,797</u>
Alberta Health Services	399,996	366,665
United Way of Calgary and Area	321,574	316,815
Fee for service	58,564	17,880
Recognition of deferred contributions related to property and equipment	42,781	63,412
Interest	2,476	1,316
Other	620	5,986
	<u>826,011</u>	<u>772,074</u>
	<u>2,290,115</u>	<u>2,265,724</u>
EXPENSES		
Salaries and employee benefits		
Program	1,557,195	1,439,876
Administrative	138,639	130,601
	<u>1,695,834</u>	<u>1,570,477</u>
Program Expenditures		
Program support	27,308	31,464
Consultants	2,122	6,704
	<u>29,430</u>	<u>38,168</u>
Facilities		
Rent and facility maintenance (note 13)	185,000	185,000
Amortization	46,521	67,254
	<u>231,521</u>	<u>252,254</u>
Administration		
Office	187,695	137,919
Gifts to other charities (note 14)	87,000	-
Professional fees and memberships	34,185	31,322
Insurance	11,856	10,755
	<u>320,736</u>	<u>179,996</u>
	<u>2,277,521</u>	<u>2,040,895</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 12,594</u>	<u>\$ 224,829</u>

Association for the Rehabilitation of the Brain Injured
Statements of Changes in Net Assets
For the Years Ended March 31, 2013 and 2012

	Invested in Property and Equipment	Endowment Fund	Internally Restricted Fund	Unrestricted Fund	2013	2012
Net assets (deficiency), beginning of year	\$ 7,587	\$ 36,646	\$ 75,000	\$ 18,496	\$ 137,729	\$ (85,279)
Excess (deficiency) of revenue over expense	(3,741)	-	-	16,335	12,594	224,829
Fund transfer	-	-	(34,800)	34,800	-	-
Increase (decrease) in endowment fund	-	1,645	-	-	1,645	(1,821)
Net assets, end of year	\$ 3,846	\$ 38,291	\$ 40,200	\$ 69,631	\$ 151,968	\$ 137,729

Association for the Rehabilitation of the Brain Injured
Statements of Cash Flows
For the Years Ended March 31, 2013 and 2012

	2013	2012
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 12,594	\$ 224,829
Items not affecting cash:		
Amortization of property and equipment	46,521	67,254
Recognition of deferred contribution related to property and equipment	(42,781)	(63,412)
	<u>16,334</u>	<u>228,671</u>
Changes in non-cash working capital		
Accounts receivable	(8,631)	(19,810)
Prepaid expenses and deposits	(2,512)	(124)
Accounts payable and accruals	(1,185)	11,374
Deferred contributions related to operations	(94,105)	15,428
	<u>(90,099)</u>	<u>235,539</u>
Contributions received for property and equipment	28,702	31,163
Private loan advance	(20,000)	55,000
	<u>8,702</u>	<u>86,163</u>
INVESTING ACTIVITIES		
Redemption (purchase) of short term investments	74,006	(180,556)
Acquisition of property and equipment	(28,702)	(31,163)
	<u>45,304</u>	<u>(211,719)</u>
Increase (decrease) in cash	(36,093)	109,983
Cash and cash equivalents, beginning of year	<u>241,753</u>	<u>131,770</u>
Cash and cash equivalents, end of year	<u>\$ 205,660</u>	<u>\$ 241,753</u>
Cash and cash equivalents consists of:		
Cash on hand (note 4)	\$ 161,790	\$ 163,469
Externally restricted temporary investments (note 4)	3,670	3,284
Other investments (note 4)	40,200	75,000
	<u>\$ 205,660</u>	<u>\$ 241,753</u>

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2013 and 2012

1. PURPOSE OF THE ORGANIZATION

The Association for the Rehabilitation of the Brain Injured (the "Association") was incorporated under the Societies Act of Alberta on September 11, 1978 as a non-profit organization. It was formed for the purpose of providing long-term rehabilitation and hope for people who have survived the most severe brain injuries. The Association operates out of facilities provided by the Province of Alberta. The Association is a registered charity, and under Section 149 of the Income Tax Act is exempt from the payment of income taxes.

2. IMPACT OF THE CHANGES IN THE BASIS OF ACCOUNTING

Effective April 1, 2012, the Association adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations ("ASNPO"). These are the Association's first financial statements prepared in accordance with these accounting standards, which has been applied retrospectively. The accounting policies set out in the following significant accounting policy note have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening statement of financial position as at April 1, 2011 (the Association's date of transition).

The Association issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook – Accounting XFI. The adoption of ASNPO had no impact on the Association's excess of revenues over expenses for the year ended March 31, 2012 or on the net assets as at April 1, 2011, the date of transition. Certain of the Association's disclosures included in these financial statements reflect the new disclosure requirements of ASNPO.

Note that the Association's 2013 statement of financial position is three columns: March 31, 2013, March 31, 2012 and April 1, 2011. The balances for the April 1, 2011 statement of financial position are the same as those shown for March 31, 2011 because there were no transitional adjustments to these numbers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with ASNPO in Part III of the *CICA Handbook*, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Revenue recognition

The Association follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the period in which the related expenses are incurred.

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.

Endowment contributions and income earned on the fund are recognized as direct increases to the endowment fund balance. The funds are held by the Calgary Foundation.

(Continues.../)

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2013 and 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (/...Continued)

b) Cash and cash equivalents

Cash equivalents consist primarily of cash, Guaranteed Investment Certificates and Treasury Bills with an original maturity of three months or less and are stated at cost, because of the short term maturity of these investments, their carrying amount approximates fair value.

c) Property and equipment

Property and Equipment is amortized using the following schedule:

Office furniture and equipment	5 years	straight line
Computer hardware	3.3 years	straight line
Marketing equipment	3.3 years	straight line
Leasehold improvements	5 years	straight line

d) Contributed services

Volunteers contribute a significant number of hours to assist the Association in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

e) Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets measured at amortized cost include cash and cash equivalents, short term investments and accounts receivable. The financial liabilities measured at amortized cost include the private loan and accounts payable and accrued liabilities.

f) Use of estimates

The financial statements have been prepared in conformity with ASNPO, which require management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the years presented. Actual results could differ from these estimates. Assumptions are used in estimating useful life of property and equipment and accrued liabilities. Management reviews its estimates annually based on current available information.

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2013 and 2012

4. CASH AND CASH EQUIVALENTS

Cash equivalents are held in Guaranteed Investment Certificates and Treasury Bills that mature within 3 months of year end.

Externally restricted funds may only be spent on projects and services as directed by funders/donors and are reported as deferred contributions related to operations.

5. ENDOWMENT FUND

The Association has set up an Endowment Fund with the Calgary Foundation for future use. Any disbursements paid to the Association from the Calgary Foundation relating to income earned are recorded in the general operating fund when received.

During the year, the fair value of the fund's investments increased (2012 - decreased). Unrealized changes in fair value are recorded as an increase or reduction of the fund's net assets.

6. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2013	2012	2013	2012	2013	2012
Furniture and equipment	\$ 270,257	\$ 249,356	\$ 214,723	\$ 182,529	\$ 55,534	\$ 66,827
Computer equipment	159,890	152,089	149,612	148,980	10,278	3,109
Leasehold improvements	71,166	71,166	57,471	43,775	13,695	27,391
Marketing equipment	5,090	5,090	5,090	5,090	-	-
	<u>\$ 506,403</u>	<u>\$ 477,701</u>	<u>\$ 426,896</u>	<u>\$ 380,374</u>	<u>\$ 79,507</u>	<u>\$ 97,327</u>

7. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

	2013	2012
Balance, beginning of the year	\$ 89,740	\$ 121,989
Contributions during the year	-	-
Transfer from deferred contributions related to operations (note 8)	28,702	31,163
Recognized during the year	(42,781)	(63,412)
Balance, end of the year	<u>\$ 75,661</u>	<u>\$ 89,740</u>

8. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

	2013	2012
Balance, beginning of the year	\$ 296,539	\$ 281,110
Contributions during the year	291,418	264,974
Transfer to deferred contributions related to property and equipment (note 7)	(28,702)	(31,163)
Utilizations during the year	(356,822)	(218,382)
Balance, end of the year	<u>\$ 202,433</u>	<u>\$ 296,539</u>

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2013 and 2012

9. INTERNALLY RESTRICTED FUND

The Association's Board of Directors has internally restricted \$40,200 (2012 - \$75,000) to be used for emergency purposes. These internally restricted amounts are not available for use without the approval of the Board of Directors.

10. SHORT TERM INVESTMENTS

Short term investments are one year Cashable GICs with interest rates at 0.8% per annum.

11. PRIVATE LOAN

On May 1, 2011, the Association was advanced \$100,000 from a director of the Board. Repayment will be over a five year period at a simple interest rate of 3% per annum. As of March 31, 2013, \$65,000 of the principal was repaid.

12. COMMITMENTS

The Association leased a photocopier subject to quarterly payments of \$891.50. The lease terminates March 2018, and the minimum annual payments are as follows:

2014	\$	3,566
2015		3,566
2016		3,566
2017		3,566
2018		3,566

13. DONATIONS

Included in general donation revenue are gifts in kind of \$213,747 (2012 - 194,339), including \$185,000 (2012 - \$185,000) for rent and facility maintenance. The rent and facility maintenance were not reported at fair market value, but historical cost.

14. GIFTS TO OTHER CHARITIES

During the year, the Association donated \$87,000 to another charity, because a donation was received with those specifications.

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2013 and 2012

15. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENT OF THE CHARITABLE FUND-RAISING ACT OF ALBERTA AND REGULATIONS

Gross contributions received were \$952,887 (2012 - \$1,108,445). All expenses incurred for the purposes of soliciting contributions were \$133,502 (2012 - \$116,382).

No fees were paid as remuneration to fundraising businesses, including any expenses or fees paid by the Association to fundraising businesses or as reimbursements to fundraising businesses. \$98,769 was paid as remuneration to employees for fund-raising activities in 2013 (2012 - \$87,491).

16. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, short term investments, accounts payable and accrued liabilities, and a private loan, all of which are reported at fair value. Due to their short term nature, the carrying value of these financial instruments approximate their fair value.

Management has determined that the Association is not exposed to significant credit, market or interest rate risk.

17. ALLOCATED EXPENSES

Expenses were allocated among the different programs on a pro rata basis according to revenue sources up to the budgeted limits.

18. COMPARATIVE FIGURES

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