

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

**Financial Statements**

**March 31, 2015**

**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED**  
**Index to Financial Statements**  
**For the Year Ended March 31, 2015**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Association for the Rehabilitation of the Brain Injured:

We have audited the accompanying financial statements of Association for the Rehabilitation of the Brain Injured, which comprise the statement of financial position as at March 31, 2015 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 audit opinion.

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Independent Auditor's Report to the Members of Association for the Rehabilitation of the Brain Injured:  
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association for the Rehabilitation of the Brain Injured as at March 31, 2015 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.


Calgary, Alberta  
May 27, 2015


*Calvista LLP*  
Professional Accountants

**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED**  
**Statement of Financial Position**  
**As at March 31, 2015**

	2015	2014
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 52,771	\$ 169,573
Short term investments (Note 3)	193,734	249,640
Accounts receivable	45,087	49,317
Goods and services tax recoverable	6,743	6,540
Prepaid expenses and deposits	8,461	9,329
	<u>306,796</u>	<u>484,399</u>
Property and equipment (Note 5)	134,456	106,431
Endowment fund (Note 4)	46,031	42,957
	<u>\$ 487,283</u>	<u>\$ 633,787</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 44,210	\$ 85,036
Unearned revenue	37,601	-
	<u>81,811</u>	<u>85,036</u>
Deferred contributions related to operations (Note 7)	117,083	255,656
Deferred contributions related to property and equipment (Note 6)	118,866	88,857
	<u>317,760</u>	<u>429,549</u>
<b>Net Assets</b>		
Invested in property and equipment	15,590	17,573
Endowment fund (Note 4)	46,031	42,957
Internally restricted (Note 8)	75,643	100,123
Unrestricted	32,259	43,585
	<u>169,523</u>	<u>204,238</u>
	<u>\$ 487,283</u>	<u>\$ 633,787</u>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

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

**Statement of Operations**

**For the Year Ended March 31, 2015**

	2015	2014
<b>Revenue</b>		
Donations ( <i>Note 10</i> )		
General donations	\$ 1,052,853	\$ 829,010
Recognition of deferred contributions related to operations ( <i>Note 7</i> )	144,629	219,389
	<u>1,197,482</u>	<u>1,048,399</u>
Alberta Human Services		
Community Integration/Volunteer Program	302,766	297,342
On site/CAPCC Program	186,629	174,721
	<u>489,395</u>	<u>472,063</u>
Alberta Health Services	399,998	399,996
United Way of Calgary and Area	327,091	315,269
Fee for service	147,526	117,435
Recognition of deferred contributions related to property and equipment ( <i>Note 6</i> )	55,553	65,101
Others	11,025	3,737
Interest	2,206	1,770
	<u>2,630,276</u>	<u>2,423,770</u>
<b>Expenses</b>		
Salaries and employee benefits		
Program	1,840,536	1,711,664
Administrative	135,995	158,394
	<u>1,976,531</u>	<u>1,870,058</u>
Program expenditures		
Program support	34,039	44,419
Consultants	17,897	2,300
	<u>51,936</u>	<u>46,719</u>
Facilities		
Rent and facility maintenance ( <i>Note 10</i> )	400,000	185,000
Amortization	61,413	74,138
	<u>461,413</u>	<u>259,138</u>
Administration		
Office	125,825	151,474
Professional fees and memberships	40,374	37,150
Insurance	11,986	11,627
	<u>178,185</u>	<u>200,251</u>
	<u>2,668,065</u>	<u>2,376,166</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (37,789)</b>	<b>\$ 47,604</b>

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

**Statement of Changes in Net Assets  
For the Year Ended March 31, 2015**

	Invested in Property and Equipment	Endowment Fund	Internally Restricted	Unrestricted	2015	2014
<b>Net assets - beginning of year</b>	\$ 17,573	\$ 42,957	\$ 100,123	\$ 43,585	\$ 204,238	\$ 151,968
Excess (deficiency) of revenue over expenses	(5,859)	-	-	(31,930)	(37,789)	47,604
Acquisition of property and equipment	3,876	-	-	(3,876)	-	-
Interfund transfer (Note 8)	-	-	(24,480)	24,480	-	-
Increase in endowment fund	-	3,074	-	-	3,074	4,666
<b>Net assets - end of year</b>	\$ 15,590	\$ 46,031	\$ 75,643	\$ 32,259	\$ 169,523	\$ 204,238

See notes to financial statements

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

**Statement of Cash Flows**

**For the Year Ended March 31, 2015**

	2015	2014
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (37,789)	\$ 47,604
Items not affecting cash:		
Recognition of deferred contributions related to operations	(144,629)	(219,389)
Recognition of deferred contributions related to property and equipment	(55,553)	(65,101)
Amortization	61,413	74,138
	<u>(176,558)</u>	<u>(162,748)</u>
Changes in non-cash working capital:		
Accounts receivable	4,230	5,554
Goods and services tax recoverable	(203)	(1,240)
Prepaid expenses and deposits	868	(3,008)
Accounts payable and accrued liabilities	(40,826)	53,598
Unearned revenue	37,601	-
Deferred contributions related to operations, received	91,618	350,909
	<u>93,288</u>	<u>405,813</u>
Cash flow used by operating activities	<u>(83,270)</u>	<u>243,065</u>
<b>Investing activities</b>		
Redemption(purchase) of short term investments	55,906	(102,000)
Acquisition of property and equipment	(89,438)	(101,063)
Cash flow used by investing activities	<u>(33,532)</u>	<u>(203,063)</u>
<b>Financing activity</b>		
Private loan repayment	-	(35,000)
Cash flow used by financing activity	<u>-</u>	<u>(35,000)</u>
<b>Increase (decrease) in cash flow</b>	<b>(116,802)</b>	<b>5,002</b>
Cash and cash equivalents - beginning of year	<u>169,573</u>	<u>164,571</u>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 52,771</b>	<b>\$ 169,573</b>
<b>Cash consists of:</b>		
Cash	\$ 49,966	\$ 166,781
Cash equivalents	2,805	2,792
	<u>\$ 52,771</u>	<u>\$ 169,573</u>

See notes to financial statements



# ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

## Notes to Financial Statements

For the Year Ended March 31, 2015

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### 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 and strokes. The Association operates out of facilities provided by the Province of Alberta. The Association is a registered charity, and under Section 149(1) of the Income Tax Act is exempt from the payment of income taxes.

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### 2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA 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:

#### 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.

Gifts-in-kind received are recorded when the fair market value is reasonably determinable at the date of contribution and when they would normally be purchased and paid for by the Association.

#### 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.

#### Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Leasehold improvements	5 years
Office furniture and equipment	5 years
Computer equipment	3.3 years
Marketing equipment	3.3 years

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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# ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

## Notes to Financial Statements

For the Year Ended March 31, 2015

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### 2. Summary of significant accounting policies *(continued)*

#### 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.

#### 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 accounts payable and accrued liabilities.

#### 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.

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### 3. Short term investments

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

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### 4. Endowment fund

The investment income of the endowment fund held by the Calgary Foundation is available for the use of the Association as earned.

As of March 31, 2015, the fair value of the fund increased to \$46,031 (2014 - \$42,957). Unrealized changes in fair value are recorded as an increase or reduction of the fund's net assets.

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

**Notes to Financial Statements**

**For the Year Ended March 31, 2015**

**5. Property and equipment**

	Cost	Accumulated amortization	2015 Net book value
Furniture and equipment	\$ 405,946	\$ 294,195	\$ 111,751
Computer equipment	214,700	191,995	22,705
Leasehold improvements	71,166	71,166	-
Marketing equipment	5,090	5,090	-
	<b>\$ 696,902</b>	<b>\$ 562,446</b>	<b>\$ 134,456</b>

	Cost	Accumulated amortization	2014 Net book value
Furniture and equipment	\$ 316,508	\$ 252,637	\$ 63,871
Computer equipment	214,700	172,140	42,560
Leasehold improvements	71,166	71,166	-
Marketing equipment	5,090	5,090	-
	<b>\$ 607,464</b>	<b>\$ 501,033</b>	<b>\$ 106,431</b>

**6. Deferred contributions related to property and equipment**

	2015	2014
Balance - beginning of the year	\$ 88,857	\$ 75,661
Transfer from deferred contributions related to operations (Note 7)	85,562	78,297
Recognized as revenue during the year	(55,553)	(65,101)
Balance - end of the year	<b>\$ 118,866</b>	<b>\$ 88,857</b>

**7. Deferred contributions related to operations**

	2015	2014
Balance - beginning of the year	\$ 255,656	\$ 202,433
Contributions received during the year	91,618	350,909
Transfer to deferred contributions related to property and equipment (Note 6)	(85,562)	(78,297)
Recognized as revenue during the year	(144,629)	(219,389)
	-	-
Balance - end of the year	<b>\$ 117,083</b>	<b>\$ 255,656</b>

# ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

## Notes to Financial Statements

For the Year Ended March 31, 2015

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### 8. Internally restricted net assets

The Association's Board of Directors has internally restricted \$75,643 (2014 - \$100,123) to be used for emergency purposes. These internally restricted amounts are not available for use without the approval of the Board of Directors.

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### 9. Lease commitments

The Association leased a photocopier subject to quarterly payments of \$892. The lease terminates March 2018, and the minimum annual payments are as follows:

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

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### 10. Donations in kind

Included in general donation revenue are gifts in kind of \$401,564 (2014 - \$187,395), including \$400,000 (2014 - \$185,000) for rent and facility maintenance. The rent and facility maintenance are reported at fair market value (2014 - historical cost).

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### 11. Additional information to comply with the disclosure requirement of the Charitable Fundraising Act of Alberta and Regulations

Gross contributions received were \$1,144,471 (2014 - \$1,179,919). All expenses incurred for the purposes of soliciting contributions were \$160,818 (2014 - \$136,823).

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. \$86,350 was paid as remuneration to employees for fund-raising activities in 2015 (2014 - \$85,712).

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### 12. Financial instruments

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, short term investments, accounts payable and accrued liabilities, 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.

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### 13. Allocated expenses

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

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**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED**  
**Notes to Financial Statements**  
**For the Year Ended March 31, 2015**

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**14. Comparative figures**

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

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