

**Association for the Rehabilitation  
of the Brain Injured**

**Financial Statements**

**March 31, 2012**

**The Association for the Rehabilitation of the Brain Injured**  
**Index to the Financial Statements**  
**For the Year Ended March 31, 2012**

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## INDEPENDENT AUDITOR'S REPORT

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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 are comprised of the statement of financial position as at March 31, 2012, 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 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 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



June 6, 2012  
Calgary, Alberta, Canada

Certified General Accountants

**The Association for the Rehabilitation of the Brain Injured**  
**Statement of Financial Position**  
**As at March 31, 2012**

	2012	2011
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 3)	\$ 241,753	131,770
Accounts receivable	46,301	26,677
Goods and services tax receivable	5,239	5,051
Prepaid expenses and deposits	3,809	3,685
Short term investments (note 9)	180,556	-
	<u>477,658</u>	167,183
<b>Endowment fund (note 4)</b>	<b>36,646</b>	<b>38,467</b>
<b>Property and equipment (note 5)</b>	<b>97,327</b>	<b>133,419</b>
	<u>\$ 611,631</u>	<u>\$ 339,069</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 32,623	\$ 21,249
<b>Private loan (note 10)</b>	<b>55,000</b>	<b>-</b>
<b>Deferred contributions</b>		
Related to property and equipment (note 6)	89,740	121,989
Related to operations (note 7)	296,539	281,110
	<u>386,279</u>	403,099
	<u>473,902</u>	424,348
<b>Net assets</b>		
Invested in property and equipment	7,585	11,427
Endowment fund (note 4)	36,646	38,467
Internally restricted (note 8)	75,000	100,000
Unrestricted	18,498	(235,173)
	<u>137,729</u>	(85,279)
	<u>\$ 611,631</u>	<u>\$ 339,069</u>

Approved on behalf of the Board:

Director:   
 Director: 

**The Association for the Rehabilitation of the Brain Injured**  
**Statement of Operations**  
**For the Year Ended March 31, 2012**

	2012	2011
<b>Revenue</b>		
Donations		
General (note 12)	\$ 843,471	\$ 654,228
Deferred contributions recognized	<u>218,382</u>	<u>356,535</u>
	<b>1,061,853</b>	<b>1,010,763</b>
Alberta Seniors and Community Supports		
Community Integration/Volunteer Program	<u>271,797</u>	<u>271,797</u>
On site/CAPCC Program	<u>160,000</u>	<u>157,902</u>
	<b>431,797</b>	<b>429,699</b>
United Way of Calgary and Area	<b>316,815</b>	309,127
Alberta Health Services	<b>366,665</b>	-
Recognition of deferred contributions related to property and equipment	<b>63,412</b>	51,163
Fee for service	<b>17,880</b>	7,038
Interest	<b>1,316</b>	1,358
Other	<b>5,986</b>	10,963
	<u><b>772,074</b></u>	<u>379,649</u>
	<u><b>2,265,724</b></u>	<u>1,820,111</u>
<b>Expenses</b>		
Salaries and employee benefits		
Program	<b>1,439,876</b>	1,331,101
Administrative	<u>130,601</u>	<u>122,094</u>
	<b>1,570,477</b>	<b>1,453,195</b>
Program Expenditures		
Program support	<b>31,464</b>	41,720
Consultants	<u>6,704</u>	<u>37,126</u>
	<b>38,168</b>	<b>78,846</b>
Facilities		
Rent and facility maintenance (note 12)	<b>185,000</b>	185,000
Amortization	<u>67,254</u>	<u>63,448</u>
	<b>252,254</b>	<b>248,448</b>
Administration		
Office	<b>137,919</b>	112,636
Professional fees and memberships	<b>31,322</b>	33,809
Insurance	<b>10,755</b>	13,574
Loss on disposal of investments	<b>-</b>	585
	<u>179,996</u>	<u>160,604</u>
	<u><b>2,040,895</b></u>	<u>1,941,093</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u><b>\$ 224,829</b></u>	<u><b>\$ (120,982)</b></u>

**The Association for the Rehabilitation of the Brain Injured**  
**Statement of Changes in Net Assets**  
**For the Year Ended March 31, 2012**

	Invested in Property and Equipment	Endowment Fund	Internally Restricted Fund	Unrestricted Fund	2012	2011
Net assets, beginning of the year	\$ 11,427	\$ 38,467	\$ 100,000	\$ (235,173)	\$ (85,279)	\$ 34,383
Excess (deficiency) of revenues over expenses	(3,842)	-	-	228,671	224,829	(120,982)
Fund transfer	-	-	(25,000)	25,000	-	-
Increase (decrease) in endowment fund	-	(1,821)	-	-	(1,821)	1,320
<b>Net assets, end of the year</b>	<b>\$ 7,585</b>	<b>\$ 36,646</b>	<b>\$ 75,000</b>	<b>\$ 18,498</b>	<b>\$ 137,729</b>	<b>\$ (85,279)</b>

## The Association for the Rehabilitation of the Brain Injured

### Statement of Cash Flows

For the Year Ended March 31, 2012

	2012	2011
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 224,829	\$ (120,982)
Items not affecting cash:		
Amortization of property and equipment	67,254	63,448
Recognition of deferred contribution related to property and equipment	(63,412)	(51,163)
	<u>228,671</u>	<u>(108,697)</u>
Changes in non-cash working capital		
Accounts receivable	(19,622)	64,724
Goods and services tax receivable	(188)	2,028
Prepaid expenses and deposits	(124)	11,903
Accounts payable and accruals	11,374	12,143
Deferred contributions related to operations	15,428	(179,114)
	<u>235,539</u>	<u>(197,013)</u>
<b>FINANCING ACTIVITIES</b>		
Contributions received for property and equipment	31,163	36,060
Private loan advance	55,000	-
	<u>86,163</u>	<u>36,060</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of short term investments	(180,556)	-
Acquisition of property and equipment	(31,163)	(36,063)
	<u>(211,719)</u>	<u>(36,063)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>109,983</b>	<b>(197,016)</b>
Cash and cash equivalents, beginning of the year	<u>131,770</u>	<u>328,786</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>\$ 241,753</b>	<b>\$ 131,770</b>
<b>Cash and cash equivalents represented by:</b>		
Cash on hand (note 3)	\$ 163,469	\$ 28,856
Externally restricted temporary investments (note 3)	3,284	2,914
Other investments (note 3)	75,000	100,000
	<u>\$ 241,753</u>	<u>\$ 131,770</u>

# The Association for the Rehabilitation of the Brain Injured

## Notes to the Financial Statements

For the Year Ended March 31, 2012

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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. 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.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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.

#### b) 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

#### c) 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.

#### d) Goods and Services Tax

Goods and Services Tax is recoverable at 50% as a rebate. The unrecoverable 50% is recorded as part of the expenses with the rebate treated as a receivable.

#### e) Financial instruments

The Association classifies all financial instruments as trading and they are therefore carried at their fair value. Unrealized gains and losses on trading assets are recognized as part of the excess (deficiency) of revenue over expenses.

The fair value of financial instruments reported at fair value is based on current interest rates, market values, and pricing of financial instruments with comparative terms. Because the fair value of financial instruments held by the Association approximates their carrying value, the application of this accounting standard does not have a significant effect on the Association's financial statements.

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# The Association for the Rehabilitation of the Brain Injured

## Notes to the Financial Statements

For the Year Ended March 31, 2012

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Accounting Standards Changes

In 2010, the Accounting Standards Board issued new accounting standards for Not for Profit organization which must be adopted for years beginning on or after January 1, 2012. Management is currently reviewing the standards to determine the potential effect of their adoption on the financial statements of the Association, but it currently appears that the changes will not be significant.

#### g) Use of estimates

The financial statements have been prepared in conformity with Canadian generally accepted accounting principles, 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.

### 3. CASH AND CASH EQUIVALENTS

Cash equivalents are held in Guaranteed Investment Certificates and Treasury Bills that mature within 90 days of year end. They include both restricted and unrestricted amounts as follows:

	2012	2011
Cash	\$ 163,469	\$ 28,856
Externally restricted by donors/funders	3,284	2,914
Internally restricted by the board	75,000	100,000
	<u>\$ 241,753</u>	<u>\$ 131,770</u>

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.

### 4. 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 decreased (2011 - increased). Unrealized changes in fair value are recorded as an increase or reduction of the fund's net assets.

### 5. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2012	2011	2012	2011	2012	2011
Furniture and equipment	\$ 249,356	\$ 228,908	\$ 182,529	\$ 145,897	\$ 66,827	\$ 83,011
Computer equipment	152,089	141,374	148,980	132,155	3,109	9,219
Leasehold improvements	71,166	71,166	43,775	29,977	27,391	41,189
Marketing equipment	5,090	5,090	5,090	5,090	-	-
	<u>\$ 477,701</u>	<u>\$ 446,538</u>	<u>\$ 380,374</u>	<u>\$ 313,119</u>	<u>\$ 97,327</u>	<u>\$ 133,419</u>

## The Association for the Rehabilitation of the Brain Injured

### Notes to the Financial Statements

For the Year Ended March 31, 2012

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#### 6. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

	2012	2011
Balance, beginning of the year	\$ 121,989	\$ 137,092
Contributions during the year	31,163	36,060
Recognized during the year	(63,412)	(51,163)
Balance, end of the year	<u>\$ 89,740</u>	<u>\$ 121,989</u>

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#### 7. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

	2012	2011
Balance, beginning of the year	\$ 281,110	\$ 460,223
Contributions during the year	233,811	177,422
Utilized during the year	(218,382)	(356,535)
Balance, end of the year	<u>\$ 296,539</u>	<u>\$ 281,110</u>

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#### 8. INTERNALLY RESTRICTED

The Association's Board of Directors has internally restricted \$75,000 (2011 - \$100,000) 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. SHORT TERM INVESTMENTS

Short term investments are one year Cashable GICs with interest rates at 0.9% to 1.0% per annum.

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#### 10. 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, 2012, \$45,000 of the principal was repaid.

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#### 11. COMMITMENTS

The Association leased a photocopier subject to quarterly payments of \$1,181. The lease terminates April 2013, and the minimum annual payments are as follows:

2013	\$	4,583
2014		394

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#### 12. DONATIONS

Included in general donation revenue are amounts totalling \$195,339 representing gifts-in-kind (\$185,000 rent) (2011 - \$185,000).

## **The Association for the Rehabilitation of the Brain Injured**

### **Notes to the Financial Statements**

**For the Year Ended March 31, 2012**

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

Gross contributions received were \$1,077,281 (2011 - \$955,106). All expenses incurred for the purposes of soliciting contributions were \$116,382 (2011 - \$129,019).

No fees were paid as remuneration to fundraising businesses, including any expenses or fees paid by Association to fundraising businesses or as reimbursements to fundraising businesses. \$87,491 was paid as remuneration to employees for fund-raising activities in 2012 (2011 - \$91,941).

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#### **14. 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.

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#### **15. 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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#### **16. COMPARATIVE FIGURES**

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

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