

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Financial Statements
March 31, 2017

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
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For the Year Ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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, 2017 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.

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, 2017 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
June 5, 2017

Calvista LLP
Chartered Professional Accountants

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Statement of Financial Position
As at March 31, 2017

	2017	2016
Assets		
Current		
Cash and cash equivalents	\$ 64,566	\$ 35,591
Restricted cash	16,497	32,580
Short term investments (Note 3)	176,027	173,706
Accounts receivable	80,777	83,042
Goods and services tax recoverable	1,043	7,334
Prepaid expenses and deposits	13,257	7,548
	<u>352,167</u>	339,801
Property and equipment (Note 4)	<u>59,804</u>	101,073
	<u>\$ 411,971</u>	<u>\$ 440,874</u>
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities	\$ 66,556	\$ 38,076
Unearned revenue	82,980	87,432
	<u>149,536</u>	125,508
Deferred contributions related to operations (Note 6)	26,224	25,613
Deferred contributions related to property and equipment (Note 7)	54,167	91,343
	<u>229,927</u>	242,464
Net Assets		
Invested in property and equipment	5,638	9,730
Internally restricted (Note 9)	75,000	76,481
Unrestricted	101,406	112,199
	<u>182,044</u>	198,410
	<u>\$ 411,971</u>	<u>\$ 440,874</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, 2017

	2017	2016
Revenue		
Donations		
General donations (Note 11)	\$ 1,094,193	\$ 1,163,688
Recognition of deferred contributions related to operations (Note 6)	193,984	356,602
	<u>1,288,177</u>	<u>1,520,290</u>
Alberta Community and Social Services		
Community Integration/Volunteer Program	305,285	304,695
On site/CAPCC Program	184,656	183,943
	<u>489,941</u>	<u>488,638</u>
Alberta Health Services	400,000	400,000
United Way of Calgary and Area	324,727	324,727
Recognition of deferred contributions related to property and equipment (Note 7)	37,176	51,802
Fee for service	75,589	108,922
Other revenue	11,319	12,482
Interest	839	2,276
	<u>2,627,768</u>	<u>2,909,137</u>
Expenses		
Salaries and employee benefits		
Program	1,873,686	1,930,376
Administrative	112,985	131,206
	<u>1,986,671</u>	<u>2,061,582</u>
Program expenditures		
Program support	39,932	46,315
Consultants	48,499	38,958
	<u>88,431</u>	<u>85,273</u>
Facilities		
Rent and facility maintenance	400,000	406,150
Amortization of property and equipment	41,971	57,662
	<u>441,971</u>	<u>463,812</u>
Administration		
Office	93,014	168,960
Professional fees and memberships	22,824	42,047
Insurance	11,223	12,545
	<u>127,061</u>	<u>223,552</u>
	<u>2,644,134</u>	<u>2,834,219</u>
(Deficiency) excess of revenue over expenses	<u>\$ (16,366)</u>	<u>\$ 74,918</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Statement of Changes in Net Assets

For the Year Ended March 31, 2017

	Invested in property and equipment	Internally restricted	Unrestricted	2017	2016
Net assets - beginning of year	\$ 9,730	\$ 76,481	\$ 112,199	\$ 198,410	\$ 169,523
(Deficiency) excess of revenue over expenses	(4,796)	-	(11,570)	(16,366)	74,918
Interfund transfer (Note 9)	-	(1,481)	1,481	-	-
Purchase of property and equipment	704	-	(704)	-	-
Endowment fund (Note 5)	-	-	-	-	(46,031)
Net assets - end of year	\$ 5,638	\$ 75,000	\$ 101,406	\$ 182,044	\$ 198,410

The accompanying notes are an integral part of these financial statements.

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Statement of Cash Flows

For the Year Ended March 31, 2017

	2017	2016
Operating activities		
(Deficiency) excess of revenue over expenses	\$ (16,366)	\$ 74,918
Items not affecting cash:		
Recognition of deferred contributions related to operations	(193,984)	(356,602)
Recognition of deferred contributions related to property and equipment	(37,176)	(51,802)
Amortization of property and equipment	41,971	57,662
	<u>(205,555)</u>	<u>(275,824)</u>
Changes in non-cash working capital:		
Accounts receivable	2,265	(37,956)
Goods and services tax recoverable	6,291	(591)
Prepaid expenses and deposits	(5,709)	913
Accounts payable and accrued liabilities	28,482	(6,133)
Unearned revenue	(4,452)	49,831
Deferred contributions related to operations, received	194,595	289,411
	<u>221,472</u>	<u>295,475</u>
Cash flows from operating activities	<u>15,917</u>	<u>19,651</u>
Investing activities		
Redemption (acquisition) of short term investments	(2,321)	20,028
Acquisition of property and equipment	(704)	(24,279)
Cash flows used by investing activities	<u>(3,025)</u>	<u>(4,251)</u>
Increase in cash flows	12,892	15,400
Cash and cash equivalents - beginning of year	<u>68,171</u>	<u>52,771</u>
Cash and cash equivalents - end of year	81,063	68,171
Cash and cash equivalents consists of:		
Cash and cash equivalents	\$ 64,566	\$ 35,591
Restricted cash	16,497	32,580
	<u>\$ 81,063</u>	<u>\$ 68,171</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Notes to Financial Statements

For the Year Ended March 31, 2017

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.

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 Canada 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.

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
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.

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.

(continues)

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Notes to Financial Statements

For the Year Ended March 31, 2017

2. Summary of significant accounting policies (continued)

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.

3. Short term investments

Short term investments are one year cashable guaranteed investment certificates with interest rates at 0.5% (2016 - 0.8% and 0.5%) per annum. Externally restricted short term investment for the current year are \$101,027 (2016 - \$97,225).

4. Property and equipment

	Cost	Accumulated amortization	2017 Net book value
Furniture and equipment	\$ 429,171	\$ 370,070	\$ 59,101
Computer equipment	216,458	215,755	703
Leasehold improvements	71,166	71,166	-
Marketing equipment	5,090	5,090	-
	<u>\$ 721,885</u>	<u>\$ 662,081</u>	<u>\$ 59,804</u>

	Cost	Accumulated amortization	2016 Net book value
Furniture and equipment	\$ 428,466	\$ 334,106	\$ 94,360
Computer equipment	216,458	209,745	6,713
Leasehold improvements	71,166	71,166	-
Marketing equipment	5,090	5,090	-
	<u>\$ 721,180</u>	<u>\$ 620,107</u>	<u>\$ 101,073</u>

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Notes to Financial Statements

For the Year Ended March 31, 2017

5. Endowment fund

The investment income of the endowment fund held by the Calgary Foundation (the "Foundation") is available for the use of the Association as earned. Grant distribution of \$Nil (2016 - \$1,841) from the fund is recorded as other revenue.

During the 2016 fiscal year, the Association determined that the fund belongs to the Foundation. Therefore, the endowment fund balance was removed from the Association's assets and net assets.

6. Deferred contributions related to operations

	2017	2016
Balance - beginning of the year	\$ 25,613	\$ 117,083
Contributions received during the year	194,595	289,411
Transfer to deferred contributions related to property and equipment (Note 7)	-	(24,279)
Recognized as revenue during the year	(193,984)	(356,602)
Balance - end of the year	<u>\$ 26,224</u>	<u>\$ 25,613</u>

7. Deferred contributions related to property and equipment

	2017	2016
Balance - beginning of the year	\$ 91,343	\$ 118,866
Transfer from deferred contributions related to operations (Note 6)	-	24,279
Recognized as revenue during the year	(37,176)	(51,802)
Balance - end of the year	<u>\$ 54,167</u>	<u>\$ 91,343</u>

8. Related party transactions

A member of the finance committee is a principal of the organization that provides bookkeeping services for the participants. In the current year, \$14,700 was charged for these services. These transactions were in the normal course of operations and had been valued at the exchange amount which was the amount of consideration established.

9. Internally restricted net assets

The Association's Board of Directors has internally restricted \$75,000 (2016 - \$76,481) to be used for emergency purposes. Approval of the Board of Directors is required for these internally restricted amounts to be made available for use.

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Notes to Financial Statements

For the Year Ended March 31, 2017

10. Lease commitments

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

2018	\$	3,568
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11. Donations in kind

Included in general donation revenue are gifts in kind of \$402,074 (2016 - \$403,247), including \$400,000 (2016 - \$400,000) for rent and facility maintenance. The rent and facility maintenance are reported at fair market value.

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

Gross contributions recognized were \$1,288,177 (2016 - \$1,520,290). All expenses incurred for the purposes of soliciting contributions were \$155,005 (2016 - \$164,829).

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. \$142,192 was paid as remuneration to employees for fund-raising activities in 2017 (2016 - \$107,238).

13. 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 amortized cost. 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.

14. Allocated expenses

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

15. Comparative figures

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