

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

Financial Statements

For the Year Ended March 31, 2014

Association for the Rehabilitation of the Brain Injured
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For the Year Ended March 31, 2014

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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 statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended March 31, 2014, 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 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, 2014, and the results of its operations and its cash flows for the year then ended March 31, 2014, in accordance with Canadian accounting standards for not-for-profit organizations.

May 21, 2014
Calgary, Alberta, Canada

Calvista LLP
Professional Accountants

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Association for the Rehabilitation of the Brain Injured
Statement of Financial Position
As at March 31, 2014

	2014	2013
ASSETS		
Current		
Cash and cash equivalents	\$ 169,573	\$ 164,571
Accounts receivable	49,317	54,871
Goods and services tax recoverable	6,540	5,300
Prepaid expenses and deposits	9,329	6,321
Short term investments (note 3)	249,640	147,640
	<u>484,399</u>	<u>378,703</u>
Endowment fund (note 4)	42,957	38,290
Property and equipment (note 5)	106,431	79,507
	<u>\$ 633,787</u>	<u>\$ 496,500</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 85,036	\$ 31,438
Private loan (note 9)	-	35,000
Deferred contributions		
Related to property and equipment (note 6)	88,857	75,661
Related to operations (note 7)	255,656	202,433
	<u>429,549</u>	<u>344,532</u>
Net assets		
Invested in property and equipment	17,573	3,846
Endowment fund (note 4)	42,957	38,291
Internally restricted fund (note 8)	100,123	40,200
Unrestricted fund	43,585	69,631
	<u>204,238</u>	<u>151,968</u>
	<u>\$ 633,787</u>	<u>\$ 496,500</u>

Approved on behalf of the Board:

Director: 

Director: 

Association for the Rehabilitation of the Brain Injured
Statement of Operations
For the Year Ended March 31, 2014

	2014	2013
REVENUE		
Donations		
General	\$ 829,010	\$ 661,469
Deferred contributions recognized (note 7)	219,389	356,822
	<u>1,048,399</u>	<u>1,018,291</u>
Alberta Human Services (formerly Alberta Seniors and Community Supports)		
Community Integration/Volunteer Program	297,342	277,984
On site/CAPCC Program	174,721	167,829
	<u>472,063</u>	<u>445,813</u>
Alberta Health Services	399,996	399,996
United Way of Calgary and Area	315,269	321,574
Fee for service	117,435	58,564
Recognition of deferred contributions related to property and equipment (note 6)	65,101	42,781
Interest	1,770	2,476
Other	3,737	620
	<u>903,308</u>	<u>826,011</u>
	<u>2,423,770</u>	<u>2,290,115</u>
EXPENSES		
Salaries and employee benefits		
Program	1,711,664	1,557,195
Administrative	158,394	138,639
	<u>1,870,058</u>	<u>1,695,834</u>
Program Expenditures		
Program support	44,419	27,308
Consultants	2,300	2,122
	<u>46,719</u>	<u>29,430</u>
Facilities		
Rent and facility maintenance (note 11)	185,000	185,000
Amortization	74,138	46,521
	<u>259,138</u>	<u>231,521</u>
Administration		
Office	151,474	187,695
Gifts to other charities	-	87,000
Professional fees and memberships	37,150	34,185
Insurance	11,627	11,856
	<u>200,251</u>	<u>320,736</u>
	<u>2,376,166</u>	<u>2,277,521</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 47,604</u>	<u>\$ 12,594</u>

Association for the Rehabilitation of the Brain Injured
Statement of Changes in Net Assets
For the Year Ended March 31, 2014

	Invested in Property and Equipment	Endowment Fund	Internally Restricted Fund (note 8)	Unrestricted Fund	2014	2013
Net assets, beginning of year	\$ 3,846	\$ 38,291	\$ 40,200	\$ 69,631	\$ 151,968	\$ 137,729
Excess (deficiency) of revenue over expense	(9,037)	-	-	56,641	47,604	12,594
Acquisition of property and equipment	22,764	-	-	(22,764)	-	-
Fund transfer	-	-	59,923	(59,923)	-	-
Increase in endowment fund	-	4,666	-	-	4,666	1,645
Net assets, end of year	\$ 17,573	\$ 42,957	\$ 100,123	\$ 43,585	\$ 204,238	\$ 151,968

Association for the Rehabilitation of the Brain Injured
Statement of Cash Flows
For the Year Ended March 31, 2014

	2014	2013
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 47,604	\$ 12,594
Items not affecting cash:		
Amortization of property and equipment	74,138	46,521
Recognition of deferred contribution related to property and equipment	(65,101)	(42,781)
	<u>56,641</u>	<u>16,334</u>
Changes in non-cash working capital		
Accounts receivable	5,554	(8,570)
Goods and services tax recoverable	(1,240)	(61)
Prepaid expenses and deposits	(3,008)	(2,512)
Accounts payable and accruals	53,598	(1,185)
Deferred contributions related to operations	53,223	(94,105)
	<u>164,768</u>	<u>(90,099)</u>
FINANCING ACTIVITIES		
Contributions received for property and equipment	78,297	28,702
Private loan repayment	(35,000)	(20,000)
	<u>43,297</u>	<u>8,702</u>
INVESTING ACTIVITIES		
Redemption (purchase) of short term investments	(102,000)	32,917
Acquisition of property and equipment	(101,063)	(28,702)
	<u>(203,063)</u>	<u>4,215</u>
Increase (decrease) in cash	5,002	(77,182)
Cash and cash equivalents, beginning of year	<u>164,571</u>	<u>241,753</u>
Cash and cash equivalents, end of year	\$ 169,573	\$ 164,571
Cash and cash equivalents consists of:		
Cash on hand	\$ 166,781	\$ 161,790
Cash equivalents	2,792	2,781
	<u>\$ 169,573</u>	<u>\$ 164,571</u>

Association for the Rehabilitation of the Brain Injured

Notes to the Financial Statements

For the Year Ended March 31, 2014

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 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 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.

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.

(Continues.../)

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2014

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

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.

3. SHORT TERM INVESTMENTS

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

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 increased (2013 - 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	
	2014	2013	2014	2013	2014	2013
Furniture and equipment	\$ 316,508	\$ 270,257	\$ 252,637	\$ 214,723	\$ 63,871	\$ 55,534
Computer equipment	214,700	159,890	172,140	149,612	42,560	10,278
Leasehold improvements	71,166	71,166	71,166	57,471	-	13,695
Marketing equipment	5,090	5,090	5,090	5,090	-	-
	\$ 607,464	\$ 506,403	\$ 501,033	\$ 426,896	\$ 106,431	\$ 79,507

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2014

6. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

	2014	2013
Balance, beginning of the year	\$ 75,661	\$ 89,740
Transfer from deferred contributions related to operations (note 7)	78,297	28,702
Recognized during the year	(65,101)	(42,781)
Balance, end of the year	<u>\$ 88,857</u>	<u>\$ 75,661</u>

7. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

	2014	2013
Balance, beginning of the year	\$ 202,433	\$ 296,539
Contributions during the year	350,909	291,418
Transfer to deferred contributions related to property and equipment (note 6)	(78,297)	(28,702)
Utilizations during the year	(219,389)	(356,822)
Balance, end of the year	<u>\$ 255,656</u>	<u>\$ 202,433</u>

8. INTERNALLY RESTRICTED FUND

The Association's Board of Directors has internally restricted \$100,123 (2013 - \$40,200) to be used for emergency purposes. These internally restricted amounts are not available for use without the approval of the Board of Directors.

9. PRIVATE LOAN

On May 1, 2011, the Association was advanced \$100,000 from a director of the Board. Repayment is over a five year period at a simple interest rate of 3% per annum. As of March 31, 2014, the association paid off the loan balance in advance.

10. 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:

2015	3,566
2016	3,566
2017	3,566
2018	3,566

Association for the Rehabilitation of the Brain Injured
Notes to the Financial Statements
For the Year Ended March 31, 2014

11. DONATIONS IN KIND

Included in general donation revenue are gifts in kind of \$187,395 (2013 - \$213,747), including \$185,000 (2013 - \$185,000) for rent and facility maintenance. The rent and facility maintenance were not reported at fair market value, but historical cost.

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

Gross contributions received were \$1,179,919 (2013 - \$952,887). All expenses incurred for the purposes of soliciting contributions were \$136,823 (2013 - \$133,502).

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. \$85,712 was paid as remuneration to employees for fund-raising activities in 2014 (2013 - \$98,769).

13. 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.

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.
