

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Financial Statements
March 31, 2019

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Index to Financial Statements
For the Year Ended March 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Association for the Rehabilitation of the Brain Injured (the "Association"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Association for the year ended March 31, 2018 were audited by the firm of Calvista LLP, whose practice now operates under BDO Canada LLP, and who expressed an unmodified opinion on those statements on June 4, 2018.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP


Chartered Professional Accountants

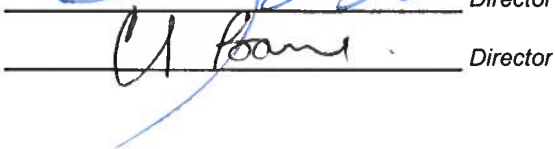
Calgary, Alberta
June 10, 2019

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Statement of Financial Position
As at March 31, 2019

	2019	2018
Assets		
Current		
Cash and cash equivalents	\$ 45,887	\$ 57,829
Restricted cash (Note 3)	147,044	126,229
Short term investments (Note 4)	446,474	150,532
Accounts receivable	97,290	439,596
Goods and services tax recoverable	2,451	2,093
Prepaid expenses and deposits	398	1,509
	<u>739,544</u>	<u>777,788</u>
Property and equipment (Note 5)	<u>30,829</u>	<u>27,495</u>
	<u>\$ 770,373</u>	<u>\$ 805,283</u>
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	\$ 45,505	\$ 29,369
Unearned revenue	82,980	-
Deferred contributions related to operations (Note 7)	251,229	459,575
	<u>379,714</u>	<u>488,944</u>
Deferred contributions related to property and equipment (Note 8)	<u>30,093</u>	<u>26,121</u>
	<u>409,807</u>	<u>515,065</u>
Net assets		
Invested in property and equipment	736	1,374
Internally restricted (Note 9)	150,000	150,000
Unrestricted	209,830	138,844
	<u>360,566</u>	<u>290,218</u>
	<u>\$ 770,373</u>	<u>\$ 805,283</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, 2019

	2019	2018
Revenue		
Donations		
General donations and grants <i>(Note 10)</i>	\$ 1,313,026	\$ 1,333,261
Alberta Health Services	400,000	400,000
Alberta Community and Social Services		
Community Integration/Volunteer Program	316,021	330,942
On site/CAPCC Program	184,659	184,656
Sustainability grant	206,793	-
Fee for service	33,702	56,525
Recognition of deferred contributions related to equipment <i>(Note 8)</i>	27,249	28,046
Interest	10,026	3,258
Other revenue	327	13,251
United Way of Calgary and Area	-	202,955
	<u>2,491,803</u>	<u>2,552,894</u>
Expenses		
Salaries and employee benefits		
Program	1,649,962	1,709,927
Administrative	102,234	110,461
	<u>1,752,196</u>	<u>1,820,388</u>
Program expenditures		
Program support	48,584	56,233
Consultants	85,488	28,944
	<u>134,072</u>	<u>85,177</u>
Facilities		
Rent and facility maintenance <i>(Note 10)</i>	400,000	400,000
Amortization of property and equipment	28,024	32,310
	<u>428,024</u>	<u>432,310</u>
Administration		
Office	73,930	76,056
Professional fees and memberships	21,720	17,989
Insurance	11,513	12,800
	<u>107,163</u>	<u>106,845</u>
	<u>2,421,455</u>	<u>2,444,720</u>
Excess of revenue over expenses	<u>\$ 70,348</u>	<u>\$ 108,174</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, 2019

	Invested in property and equipment	Internally restricted	Unrestricted	2019	2018
Net assets - beginning of year	\$ 1,374	\$ 150,000	\$ 138,844	\$ 290,218	\$ 182,044
Excess (deficiency) of revenue over expenses	(775)	-	71,123	70,348	108,174
Purchase of property and equipment funded internally	137	-	(137)	-	-
Net assets - end of year	\$ 736	\$ 150,000	\$ 209,830	\$ 360,566	\$ 290,218

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, 2019

	2019	2018
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 70,348	\$ 108,174
Items not affecting cash:		
Recognition of deferred contributions related to operations	(439,461)	(213,157)
Recognition of deferred contributions related to property and equipment	(27,249)	(28,046)
Amortization of property and equipment	28,024	32,310
	<u>(368,338)</u>	<u>(100,719)</u>
Changes in non-cash working capital:		
Restricted cash	(20,815)	(109,732)
Accounts receivable	342,307	(358,819)
Goods and services tax recoverable	(358)	(1,050)
Accounts payable and accrued liabilities	16,138	(37,187)
Unearned revenue	82,980	(82,980)
Prepaid expenses and deposits	1,112	11,747
Deferred contributions related to operations, received	231,114	646,423
	<u>652,478</u>	<u>68,402</u>
Cash flows from operating activities	<u>284,140</u>	<u>(32,317)</u>
Investing activities		
Redemption (acquisition) of short term investments	(295,942)	25,580
Acquisition of property and equipment	(31,359)	-
Cash flows from (used by) investing activities	<u>(327,301)</u>	<u>25,580</u>
Financing activity		
Deferred contributions related to property and equipment, received	31,220	-
Cash flow from financing activity	<u>31,220</u>	<u>-</u>
Decrease in cash flows	(11,942)	(6,737)
Cash and cash equivalents - beginning of year	<u>57,829</u>	<u>64,566</u>
Cash and cash equivalents - end of year	\$ 45,887	\$ 57,829

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

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Notes to Financial Statements

Year Ended March 31, 2019

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.

Restricted 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. Restricted contributions for the purchase of property and equipment are deferred and recognized as income on the same basis that the related assets are amortized.

Fees for service revenue is recognized when services are provided, amount can be measurable and collectibility is reasonably assured. Interest revenue is recognized on an accrual basis.

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.

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:

Furniture and equipment	5 years
Computer 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. Property and equipment purchases with a cost below \$2,000 are expensed in the year acquired.

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ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Notes to Financial Statements
Year Ended March 31, 2019

2. Summary of significant accounting policies (continued)

Contributed materials and services

Donated materials (gifts in kind) are recorded when the fair market value is reasonably determinable at the date of contribution and if the gifts are used in operations and would otherwise have been purchased.

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.

Use of estimates

The financial statements have been prepared in conformity with ASNPO, which requires 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. Restricted cash

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements or management's discretion are recorded in restricted cash. Restricted cash balances primarily include a holding bank account, internally restricted cash and funds that have been collected through casino and therefore externally restricted for specific use. The Association maintains separate bank accounts for restricted cash.

4. Short term investments

Short term investments consist of cashable guaranteed investment certificates maturing between April 2019 and March 2020, with interest rates from 1.4% to 1.8% (2017 - 1.1% to 1.3%) per annum. \$150,417 of these investments are internally restricted (Note 9).

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED
Notes to Financial Statements
Year Ended March 31, 2019

5. Property and equipment

	Cost	Accumulated amortization	2019 Net book value
Furniture and equipment	\$ 447,667	\$ 425,837	\$ 21,830
Computer equipment	229,320	220,321	8,999
	<u>\$ 676,987</u>	<u>\$ 646,158</u>	<u>\$ 30,829</u>

	Cost	Accumulated amortization	2018 Net book value
Furniture and equipment	\$ 429,171	\$ 401,852	\$ 27,319
Computer equipment	216,458	216,282	176
	<u>\$ 645,629</u>	<u>\$ 618,134</u>	<u>\$ 27,495</u>

6. Endowment fund

The Association is the beneficiary of an endowment fund held by The Calgary Foundation (the "Foundation"). The Foundation distributes an annual grant to the Association out of the income on the endowment. Distribution for the current year is \$1,850 (2018: \$1,930).

7. Deferred contributions related to operations

	2019	2018
Balance - beginning of the year	\$ 459,575	\$ 26,224
Contributions received during the year	231,114	646,508
Recognized as revenue during the year	<u>(439,461)</u>	<u>(213,157)</u>
Balance - end of the year	<u>\$ 251,229</u>	<u>\$ 459,575</u>

8. Deferred contributions related to property and equipment

	2019	2018
Balance - beginning of the year	\$ 26,121	\$ 54,167
Contributions received during the year	31,220	-
Recognized as revenue during the year	<u>(27,249)</u>	<u>(28,046)</u>
Balance - end of the year	<u>\$ 30,093</u>	<u>\$ 26,121</u>

ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

Notes to Financial Statements

Year Ended March 31, 2019

9. Internally restricted net assets

The Association's Board of Directors has internally restricted \$150,000 (2018 - \$150,000) 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.

10. Donations in kind

Included in general donation revenue are gifts in kind of \$400,514 (2018 - \$402,408), including \$400,000 (2018 - \$400,000) for rent and facility maintenance. The rent and facility maintenance are reported at fair market value.

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

Gross contributions recognized were \$1,313,026 (2018 - \$1,333,261). All expenses incurred for the purposes of soliciting contributions were \$143,466 (2018 - \$138,243).

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. \$124,550 was paid as remuneration to employees for fund-raising activities in 2019 (2018 - \$123,000).

12. Financial instruments

It is management's opinion that the Association is not exposed to significant interest, currency or credit risk arising from financial instruments.

13. Allocated expenses

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

14. Comparative figures

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