

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

**Financial Statements**

**March 31, 2018**

**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED**  
**Index to Financial Statements**  
**For the Year Ended March 31, 2018**

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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, 2018 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, 2018 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 4, 2018

  
Chartered Professional Accountants

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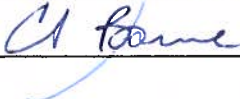
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**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED**  
**Statement of Financial Position**  
**As at March 31, 2018**

	2018	2017
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 57,829	\$ 64,566
Restricted cash	126,229	16,497
Short term investments (Note 3)	150,532	176,027
Accounts receivable	439,596	80,777
Goods and services tax recoverable	2,093	1,043
Prepaid expenses and deposits	1,509	13,257
	<u>777,788</u>	<u>352,167</u>
Property and equipment (Note 4)	<u>27,495</u>	<u>59,804</u>
	<b>\$ 805,283</b>	<b>\$ 411,971</b>
<b>Liabilities and net assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 29,369	\$ 66,556
Unearned revenue	-	82,980
	<u>29,369</u>	<u>149,536</u>
Deferred contributions related to operations (Note 6)	459,575	26,224
Deferred contributions related to property and equipment (Note 7)	26,121	54,167
	<u>515,065</u>	<u>229,927</u>
Net assets		
Invested in property and equipment	1,374	5,638
Internally restricted (Note 9)	150,000	75,000
Unrestricted	138,844	101,406
	<u>290,218</u>	<u>182,044</u>
	<b>\$ 805,283</b>	<b>\$ 411,971</b>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

## Statement of Operations

For the Year Ended March 31, 2018

	2018	2017
<b>Revenue</b>		
Donations		
General donations and grants <i>(Note 10)</i>	\$ 1,333,261	\$ 1,288,177
Alberta Community and Social Services		
Community Integration/Volunteer Program	330,942	305,285
On site/CAPCC Program	184,656	184,656
Alberta Health Services	400,000	400,000
United Way of Calgary and Area	202,955	324,727
Fee for service	56,525	75,589
Recognition of deferred contributions related to equipment <i>(Note 7)</i>	28,046	37,176
Other revenue	13,251	11,319
Interest	3,258	839
	<u>2,552,894</u>	<u>2,627,768</u>
<b>Expenses</b>		
Salaries and employee benefits		
Program	1,709,927	1,873,686
Administrative	110,461	112,985
	<u>1,820,388</u>	<u>1,986,671</u>
Program expenditures		
Program support	56,233	39,932
Consultants	28,944	48,499
	<u>85,177</u>	<u>88,431</u>
Facilities		
Rent and facility maintenance <i>(Note 10)</i>	400,000	400,000
Amortization of property and equipment	32,310	41,971
	<u>432,310</u>	<u>441,971</u>
Administration		
Office	76,056	93,014
Professional fees and memberships	17,989	22,824
Insurance	12,800	11,223
	<u>106,845</u>	<u>127,061</u>
	<u>2,444,720</u>	<u>2,644,134</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ 108,174</u>	<u>\$ (16,366)</u>

**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED**  
**Statement of Changes in Net Assets**  
**For the Year Ended March 31, 2018**

	Invested in property and equipment	Internally restricted	Unrestricted	2018	2017
<b>Net assets - beginning of year</b>	\$ 5,638	\$ 75,000	\$ 101,406	\$ 182,044	\$ 198,410
Excess (deficiency) of revenue over expenses	(4,264)	-	112,438	108,174	(16,366)
Interfund transfer (Note 9)	-	75,000	(75,000)	-	-
<b>Net assets - end of year</b>	<b>\$ 1,374</b>	<b>\$ 150,000</b>	<b>\$ 138,844</b>	<b>\$ 290,218</b>	<b>\$ 182,044</b>

See notes to financial statements

**ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED****Statement of Cash Flows****For the Year Ended March 31, 2018**

	2018	2017
<b>Operating activities</b>		
Excess (deficiency) of revenue	\$ 108,174	\$ (16,366)
Items not affecting cash:		
Recognition of deferred contributions related to operations	(213,157)	(193,984)
Recognition of deferred contributions related to property and equipment	(28,046)	(37,176)
Amortization of property and equipment	32,310	41,971
	<u>(100,719)</u>	<u>(205,555)</u>
Changes in non-cash working capital:		
Accounts receivable	(358,819)	2,265
Goods and services tax recoverable	(1,050)	6,291
Accounts payable and accrued liabilities	(37,187)	28,482
Unearned revenue	(82,980)	(4,452)
Prepaid expenses and deposits	11,747	(5,709)
Deferred contributions related to operations, received	646,423	194,595
	<u>178,134</u>	<u>221,472</u>
Cash flow from operating activities	<u>77,415</u>	15,917
<b>Investing activities</b>		
Redemption (acquisition) of short term investments	25,580	(2,321)
Acquisition of property and equipment	-	(704)
Cash flow from (used by) investing activities	<u>25,580</u>	<u>(3,025)</u>
<b>Increase in cash flow</b>	<b>102,995</b>	12,892
Cash and cash equivalents - beginning of year	<u>81,063</u>	68,171
<b>Cash and cash equivalents - end of year</b>	<b><u>184,058</u></b>	<b><u>81,063</u></b>
<b>Cash consists of:</b>		
Cash and cash equivalents	\$ 57,829	\$ 64,566
Restricted cash	126,229	16,497
	<u>\$ 184,058</u>	<u>\$ 81,063</u>

See notes to financial statements

# ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

## Notes to Financial Statements

For the Year Ended March 31, 2018

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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 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. 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

For the Year Ended March 31, 2018

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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 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.

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### 3. Short term investments

Short term investments are one year cashable guaranteed investment certificates with interest rates from 1.1% to 1.3% (2017 - 0.5%) per annum. These investments are internally restricted (Note 9). Externally restricted short term investment for the current year are \$Nil (2017 - \$101,027).

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# ASSOCIATION FOR THE REHABILITATION OF THE BRAIN INJURED

## Notes to Financial Statements

For the Year Ended March 31, 2018

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### 4. Property and equipment

	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>

	Cost	Accumulated amortization	2017 Net book value
Furniture and equipment	\$ 429,171	\$ 370,070	\$ 59,101
Computer equipment	216,458	215,755	703
	<u>\$ 645,629</u>	<u>\$ 585,825</u>	<u>\$ 59,804</u>

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### 5. 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. The current year's distribution of \$1,930 (2017: \$1,888) is included with other income.

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### 6. Deferred contributions related to operations

	2018	2017
Balance - beginning of the year	\$ 26,224	\$ 25,613
Contributions received during the year	646,508	194,595
Recognized as revenue during the year	(213,157)	(193,984)
Balance - end of the year	<u>\$ 459,575</u>	<u>\$ 26,224</u>

Contributions received during the year includes a \$400,000 sustainability grant awarded by Alberta Community and Social Services. The grant covers the period April 1, 2018 through March 31, 2020 and will be recognized as revenue when utilized for its intended purposes.

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### 7. Deferred contributions related to property and equipment

	2018	2017
Balance - beginning of the year	\$ 54,167	\$ 91,343
Recognized as revenue during the year	(28,046)	(37,176)
Balance - end of the year	<u>\$ 26,121</u>	<u>\$ 54,167</u>

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

### **Notes to Financial Statements**

**For the Year Ended March 31, 2018**

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#### **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, \$Nil (2017 - \$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.

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#### **9. Internally restricted net assets**

The Association's Board of Directors has internally restricted \$150,000 (2017 - \$75,000) 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.

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#### **10. Donations in kind**

Included in general donation revenue are gifts in kind of \$402,408 (2017 - \$402,074), including \$400,000 (2017 - \$400,000) for rent and facility maintenance. The rent and facility maintenance are reported at fair market value.

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

Gross contributions recognized were \$1,333,261 (2017 - \$1,288,177). All expenses incurred for the purposes of soliciting contributions were \$138,243 (2017 - \$155,005).

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. \$123,000 was paid as remuneration to employees for fund-raising activities in 2018 (2017 - \$142,192).

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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 amortized cost. Due to their short term nature, the carrying value of these financial instruments approximate their fair value.

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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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