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**BRAIN INJURY SOCIETY OF TORONTO**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2019**



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## BRAIN INJURY SOCIETY OF TORONTO

### FINANCIAL STATEMENTS

MARCH 31, 2019

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## INDEPENDENT AUDITORS' REPORT

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To the Members of  
Brain Injury Society of Toronto

### Report on the Audit of the Financial Statements

#### *Qualified Opinion*

We have audited the financial statements of Brain Injury Society of Toronto, which comprise the statement of financial position as at March 31, 2019, and the statement of operations and net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising and various social event activities described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Brain Injury Society of Toronto 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 Qualified Opinion*

In common with many charitable organizations, the Society derives significant revenue from its members and the general public in the form of fundraising and various social events, the completeness of which is not susceptible to satisfactory audit procedures. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Society. Therefore we were not able to determine whether any adjustments might be necessary to operating revenue, excess of revenues over expenses and cash flows for the years ended March 31, 2019 and March 31, 2018, current assets as at March 31, 2019 and March 31, 2018, and net assets balances as at the beginning and the end of the years ended March 31, 2019 and March 31, 2018. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Brain Injury Society of Toronto in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITORS' REPORT (Continued)

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### *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 Society'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 either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the 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.

## INDEPENDENT AUDITORS' REPORT (Continued)

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- 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 Society'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 Society'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 Society 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.

KRIENS-LAROSE, LLP



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
July 29, 2019

BRAIN INJURY SOCIETY OF TORONTO  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2019

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	2019 \$	2018 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash		
HST receivable	172,417	104,030
Accounts receivable	10,886	16,338
Prepaid expenses	4,516	5,857
Investments (Note 2)	4,685	4,706
	61,945	61,262
	254,449	192,193
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	37,657	30,238
Government remittances payable	4,089	-
Deferred revenue (Note 3)	127,764	66,989
	169,510	97,227
<b>NET ASSETS</b>		
Unrestricted net assets	84,939	94,966
	254,449	192,193

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

See accompanying notes to the financial statements

**BRAIN INJURY SOCIETY OF TORONTO**  
**STATEMENT OF OPERATIONS AND NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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	2019 \$	2018 \$
<b>REVENUES</b>		
Fundraising/events	179,252	178,985
Trillium grant (Note 4)	111,801	16,212
BIST	25,397	29,050
OBIA	11,881	19,824
Donations and membership	11,735	2,257
Miscellaneous and interest	2,890	4,885
<b>TOTAL REVENUES</b>	<b>342,956</b>	<b>251,213</b>
<b>EXPENSES</b>		
Trillium grant (Note 4)	111,801	16,212
BIST program	96,930	93,522
Fundraising / events	66,772	64,332
Contractors fees / wages	34,223	27,858
Rent	25,586	30,131
Professional fees	5,975	5,502
Communications	5,159	3,315
Administration	2,716	6,667
Insurance	2,251	2,781
Bank fees	1,570	1,104
<b>TOTAL EXPENSES</b>	<b>352,983</b>	<b>251,424</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(10,027)</b>	<b>(211)</b>
Net assets, beginning of year	94,966	95,177
Net assets, end of year	84,939	94,966

See accompanying notes to the financial statements

**BRAIN INJURY SOCIETY OF TORONTO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

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2019	2018
\$	\$

**CASH WAS PROVIDED BY (USED IN):**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from fundraising/events	241,368	188,275
Other cash receipts	163,704	72,228
Cash (paid to) suppliers	(336,002)	(220,140)

69,070	40,363
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**CASH FLOWS FROM INVESTING ACTIVITIES**

(Purchase) redemption of investments	(683)	(526)
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Change in cash	68,387	39,837
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Cash, beginning of year	104,030	64,193
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Cash, end of year	172,417	104,030
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See accompanying notes to the financial statements



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## PURPOSE OF THE ORGANIZATION

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The Brain Injury Society of Toronto (BIST) works to help raise awareness of Acquired Brain Injury and its effects. BIST volunteers speak to community groups to help increase the knowledge of brain injury and improve their ability to support people in their community.

The Society is a registered charity, and is exempt from income taxes under section 149 of the Income Tax Act (Canada).

### 1. SIGNIFICANT ACCOUNTING POLICIES

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The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

#### Financial Instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable, and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Continued...

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1. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**Prepaid Expenses**

Prepaid expenses are recorded for goods and services being received in the next fiscal year, which were paid for in the current fiscal year.

**Equipment**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit and charitable organizations. As an organization with less than \$500,000 of annual revenue the Society has adopted the policy of expensing equipment in the year of acquisition.

**Revenue Recognition**

The Society 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.

OBIA funds are recognized as revenue when received.

Fundraising event income is recognized as revenue when the service/event is substantially complete.

Donations and membership income are recognized as revenue when received.

BIST program income is recognized as revenue as the service/event is completed on a percentage completion basis.

Miscellaneous income is recognized as revenue when received.

Interest income is recognized as revenue when received.

**Donated Property and Services**

During the year, voluntary services were provided. Because these services are not normally purchased by the Society, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

**Allocation of Expenses**

The Society incurs costs for their general operations and for funded projects. The costs of each program includes the expenses that are directly related to providing the programs.

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2. INVESTMENTS

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The investments are three guaranteed investment certificates, which bear interest rate from 1.2% to 1.35% per annum, and mature on September 8, 2019 and November 2, 2019.

3. DEFERRED REVENUE

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Deferred revenue represents the following funds for services to be provided in the next fiscal year.

	2019	2018
	\$	\$
Sponsorship and fees	63,177	41,501
Trillium grant	64,587	25,488
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Total	127,764	66,989
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4. **TRILLIUM GRANT**

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During the 2018 fiscal year, The Trillium Foundation approved a \$249,000 grant to be paid to the Society over 36 months to help people with cognitive impairments access an appropriate income through the Transitional Support Initiative.

During the 2019 fiscal year, The Trillium Foundation approved an additional \$75,000 to be paid to the Society over 12 months to hire a coordinator to deliver a homeless prevention program for people with brain injury.

The funds have been accounted for as follows:

	2019	2018
	\$	\$
Revenue	111,801	16,212
Deferred revenue	64,587	25,488
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Total	176,388	41,700
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5. **COMMITMENT**

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The Society has a lease for their office premises for the period August 1, 2017 to July 31, 2020. The annual base rental commitment is approximately \$10,000. The Society is also committed to common area costs on an annual basis.

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6. **FINANCIAL INSTRUMENTS**

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The Society is exposed to various risks through its financial instruments. The following presents the Society's risk exposures and concentrations at March 31, 2019.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relate to accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2018: \$0).

**Liquidity Risk**

Liquidity risk is the risk the Society will encounter difficulties in meeting obligations associated with financial liabilities. The Society is exposed to this risk primarily in respect of accounts payable and accrued liabilities. The Society has a plan to meet its obligations as they come due, primarily from internally unrestricted reserve and cash flow from operations. There has been no change in the risk assessment from the prior period.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

**Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society is not exposed to foreign currency risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society has a low interest rate risk.

**Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to other price risk.