

VICTORIA BRAIN INJURY SOCIETY

FINANCIAL STATEMENTS

MARCH 31, 2020

TABLE OF CONTENTS

	Page
Independent Practitioner's Review Engagement Report	
Financial Statements	
Statement of Operations	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 9

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Victoria Brain Injury Society

We have reviewed the accompanying financial statements of Victoria Brain Injury Society that comprise the statement of financial position as at March 31, 2020, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Victoria Brain Injury Society as at March 31, 2020, 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.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Emphasis of Matter

Note 2 describes the Going Concern assumption which has been used in the preparation of these financial statements.

Hughesman Morris

Sidney, BC
June 30, 2020

Hughesman Morris
Chartered Professional Accountants

VICTORIA BRAIN INJURY SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31
(unaudited)

	2020	2019
REVENUES		
Brain injury program - VIHA	\$ 167,114	\$ 153,732
Grants (note 4)	162,837	234,064
Fundraising	41,708	32,069
Donations	18,413	22,008
Advertising and memberships	2,279	771
Contract funding	230	150
Rental	-	525
	392,581	443,319
EXPENDITURES		
Advertising and promotion	1,399	634
Amortization	605	2,228
Bad debts	-	50
Contract facilitators	12,400	12,650
Dues, fees and licenses	4,668	1,516
Fundraising	16,225	21,425
Insurance	3,051	2,900
Interest and bank charges	2,065	1,455
Office	33,739	31,031
Professional development	5,553	312
Program support	3,004	4,806
Rent	56,583	54,501
Repairs and maintenance	2,440	3,502
Telephone	2,119	2,763
Wages and benefits	338,939	262,331
	482,790	402,104
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	\$ (90,209)	\$ 41,215

VICTORIA BRAIN INJURY SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31
(unaudited)

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 51,341	\$ 125,619
Restricted cash (note 6)	15,510	31,770
Accounts receivable	-	23,306
Prepaid expenses	4,232	6,826
	71,083	187,521
Property, plant and equipment (note 5)	345	950
	\$ 71,428	\$ 188,471
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,493	\$ 15,688
Due to government agencies	4,203	13,582
Deferred contributions (note 6)	15,510	31,770
	34,206	61,040
NET ASSETS		
General fund	36,878	126,482
Invested in capital	344	949
	37,222	127,431
	\$ 71,428	\$ 188,471

Approved on behalf of the Board

Members _____

Members _____

VICTORIA BRAIN INJURY SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31
(unaudited)

	General fund	Invested in capital	Total 2020	Total 2019
BALANCE, BEGINNING OF YEAR	\$ 126,482	\$ 949	127,431	86,216
(Deficiency) excess of revenues over expenditures	(90,209)	-	(90,209)	41,215
Amortization	605	(605)	-	-
BALANCE, END OF YEAR	\$ 36,878	\$ 344	37,222	127,431

VICTORIA BRAIN INJURY SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31
(unaudited)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from general contributors	\$ 232,223	\$ 233,217
Cash received from government funding	167,404	154,909
Cash paid to suppliers and employees	<u>(490,165)</u>	<u>(396,379)</u>
NET DECREASE IN CASH	(90,538)	(8,253)
CASH, BEGINNING OF YEAR	157,389	165,642
CASH, END OF YEAR	\$ 66,851	\$ 157,389
 CASH CONSISTS OF:		
Cash	\$ 51,341	\$ 125,619
Restricted cash	<u>15,510</u>	<u>31,770</u>
	\$ 66,851	\$ 157,389

VICTORIA BRAIN INJURY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020
(unaudited)

1. NATURE OF OPERATIONS

Victoria Brain Injury Society (the "Society") is registered under the British Columbia Societies Act. The Society operates a not-for-profit centre for individuals and their families suffering from brain injuries. The Society is a registered charity under the Income Tax Act and is exempt from tax.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Society be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

Although the Society reported a loss in 2020, this is not expected to be a permanent issue, and the board and management have implemented strategies for 2021 and onward to ensure that this does not continue.

The accompanying financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Society be unable to continue its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year 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.

The Society records revenue from advertising and memberships as services are performed.

The Society records revenue from fundraising at the time of the event.

VICTORIA BRAIN INJURY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020
(unaudited)

3. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(b) **Contributed services**

Volunteers contribute a significant amount of time to assist the Society in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(c) **Financial instruments**

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The company subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(d) **Property, plant and equipment**

Property, plant and equipment are recorded at cost and are being amortized over their estimated useful lives on a straight-line method, commencing in the year of addition up to and excluding the year of disposal, at the following rates:

Computer equipment	3 years
Office equipment	5 years

(e) **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 amount of assets and liabilities, revenues and expenses.

The main estimates relate to accounts receivable exposure and the useful life of property, plant and equipment. Actual results could differ from those estimates, although management does not generally believe such differences would materially affect the financial statements in any individual year.

VICTORIA BRAIN INJURY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020
(unaudited)

4. GRANTS

	<u>2020</u>	<u>2019</u>
Brain Injury Alliance	\$ 93,223	\$ 127,806
Charlton L. Smith	-	5,000
City of Victoria	2,125	8,125
Dr. Gur Singh	(2,465)	4,553
Government of Canada	-	6,072
ICBC Peer Support Program	3,968	11,905
Music Heals Foundation	6,791	4,895
Quail Rock Foundation	11,667	10,833
Rotary Club of Victoria	-	2,000
Shoppers Drug Mart Life Foundation	2,000	-
United Way	45,000	45,000
Vandekerkhove	-	4,375
Vancity Community Foundation	-	1,500
Victoria Foundation	-	2,000
Victoria Foundation - Endowment Fund	528	-
	<u>\$ 162,837</u>	<u>\$ 234,064</u>

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2020</u>	<u>2019</u>
Computer equipment	\$ 19,987	\$ 19,987	-	\$ 108
Office equipment	4,120	3,775	345	842
	<u>\$ 24,107</u>	<u>\$ 23,762</u>	<u>\$ 345</u>	<u>\$ 950</u>

6. DEFERRED CONTRIBUTIONS

Cash is externally restricted for the following purposes:

	<u>Opening balance</u>	<u>Contributions</u>	<u>Disbursements</u>	<u>Closing balance</u>
Brain Injury Alliance	\$ -	\$ 93,223	\$ (93,223)	-
Vancouver Island Health Authority	13,219	167,405	(167,114)	13,510
Other	18,551	3,000	(19,551)	2,000
	<u>\$ 31,770</u>	<u>\$ 263,628</u>	<u>\$ (279,888)</u>	<u>\$ 15,510</u>

VICTORIA BRAIN INJURY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020
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7. FINANCIAL INSTRUMENTS

The Society is exposed to various financial risks through transactions in financial instruments. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant currency, credit, liquidity, interest rate or other price risks.

8. LEASE COMMITMENTS

The Society's total commitments under various operating leases, are as follows:

2021	\$ 46,470
2022	45,904
2023	47,052
2024	48,228
2025	<u>49,434</u>
	<u>\$ 237,088</u>

9. FUNDS HELD AT THE VICTORIA FOUNDATION

In 2017 the Victoria Brain Injury Society Fund was established. Victoria Foundation matched Victoria Brain Injury Society's gift of \$7,500, for a total of \$15,000. The funds are being held in perpetuity by the Victoria Foundation, and are not included on the Statement of Financial Position.

	<u>2020</u>
Beginning balance, market value	\$ 15,548
Total investment returns	(818)
Administration fees	(78)
Grants paid	<u>(528)</u>
	<u>\$ 14,124</u>

As of March 31, 2020, there were funds of \$564 available to grant.

VICTORIA BRAIN INJURY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020
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10. **SUBSEQUENT EVENTS**

Subsequent to year end the COVID-19 global pandemic was ongoing. The pandemic has had no significant impacts on the Society.

Furthermore, subsequent to year end the company received the government's Canada Emergency Business Account (CEBA) loan in response to the pandemic. The loan is held at Vancity Credit Union. It bears no interest and is due to be paid by December 31, 2022. Should the loan be paid in full at that time, 25% (\$10,000) will be forgiven and will be recognized as revenue at that time. Should the loan not be paid back, it will be converted to a term loan with an annual interest rate of 5%, payable in monthly instalments and due December 31, 2025.