

**BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

# **BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON**

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**YEAR ENDED DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: Brain Injury Association of Waterloo-Wellington

### Qualified Opinion

We have audited the accompanying financial statements of Brain Injury Association of Waterloo-Wellington, which comprise the statement of financial position as at December 31, 2021 and the statements of revenues and expenditures and 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Brain Injury Association of Waterloo-Wellington as at December 31, 2021 and the results of its operations and its cash flows for the then ended in accordance with Canadian accounting standards for not for profit organizations.

### Basis for Qualified Opinion

In common with many not for profit organizations, the association derives some of the revenues from private donations, fundraising activities and programs, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the association and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures and cash flows from operations for the year ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1 and December 31, 2021.

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 Association of Waterloo-Wellington 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 qualified audit opinion.

### Other matter

The corresponding financial statements are unaudited.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 a going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association'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 judgement 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 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.



Kitchener, Ontario  
May 9, 2022

Chartered Professional Accountants  
Licensed Public Accountants

**BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 120,023	\$ 89,930
Investments (note 4)	110,820	100,155
Accounts receivable	<u>2,419</u>	<u>10,569</u>
	<u>\$ 233,262</u>	<u>\$ 200,654</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 8,228	\$ 8,336
<b>LONG TERM DEBT</b> (note 8)	40,000	40,000
<b>DEFERRED REVENUE</b> (note 7)	<u>75,895</u>	<u>76,530</u>
	<u>124,123</u>	<u>124,866</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	<u>109,139</u>	<u>75,788</u>
	<u>\$ 233,262</u>	<u>\$ 200,654</u>

**BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON****STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN UNRESTRICTED NET ASSETS****FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Grant revenue	\$ 132,195	\$ 44,330
Sponsorship revenue	60,170	33,850
Fundraising	28,109	1,115
Programs	25,811	12,307
Government subsidies (notes 5 and 8)	11,336	58,665
Corporate and private donations	10,695	12,510
OBIA revenue	9,587	14,829
Interest and other revenue	3,900	238
Membership revenue	3,090	1,490
	<u>284,893</u>	<u>179,334</u>
<b>EXPENDITURES</b>		
Wages and benefits	163,888	97,657
Programs	56,716	23,787
Administrative	12,769	6,808
Fundraising	6,340	124
Rent	5,608	5,528
Professional fees	5,160	5,056
Board of Directors	1,061	744
	<u>251,542</u>	<u>139,704</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES for the year</b>	33,351	39,630
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u>75,788</u>	<u>36,158</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<u>\$ 109,139</u>	<u>\$ 75,788</u>

**BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	\$ 33,351	\$ 39,630
Changes in non-cash working capital		
Accounts receivable	8,150	(9,288)
Accounts payable and accrued liabilities	(108)	6,335
Deferred revenue	<u>(635)</u>	<u>53,030</u>
	<u>40,758</u>	<u>89,707</u>
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>		
Long term debt	<u>0</u>	<u>40,000</u>
<b>CASH (USED IN) INVESTING ACTIVITIES</b>		
Purchase of investments	<u>(10,665)</u>	<u>(90,077)</u>
<b>NET INCREASE IN CASH</b>	30,093	39,630
<b>NET CASH, BEGINNING OF YEAR</b>	<u>89,930</u>	<u>50,300</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 120,023</u>	<u>\$ 89,930</u>

# **BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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### **1. NATURE OF OPERATIONS**

The purpose of the Brain Injury Association of Waterloo-Wellington (the "association") is to foster and promote quality care, recreation, education, research, prevention, and public awareness of brain injuries. The association was incorporated on February 26, 1990 without share capital under the Corporations Act of Ontario and commenced operations on July 10, 1991. The association is a non-profit organization and is a registered charity under the Income Tax Act, and as such, is exempt from 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 and include the following significant accounting policies:

#### **(a) REVENUE RECOGNITION**

The association follows the deferral method of accounting for contributions. Contributions include grant revenue, government subsidies, corporate and private donations, and OBIA revenue. 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. Externally restricted contributions are recognized as revenue in the year in which the related expenses have occurred.

Revenue from sponsorships is recognized in the period it relates to. Revenue from fundraising is recognized in the period the fundraising occurs and the amount has been received. Program revenue is recognized at the time the program occurs and collection is reasonably assured.

#### **(b) USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include the determination of accrued liabilities. Actual results could differ from those estimates.

#### **(c) CONTRIBUTED SERVICES**

The value of services contributed to the association is not reflected in these financial statements. A number of volunteers contribute a significant amount of time each year. Due to the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

#### **(d) PROPERTY, PLANT AND EQUIPMENT**

The association expenses capital assets in the year of purchase.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The association initially measures its financial assets and liabilities at fair value.

The association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in net surplus.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenditures.

Transaction costs

The association recognizes its transaction costs in the statement of revenues and expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the association's exposure to these risks did not change in 2021 compared to the previous period.

The association does not have a significant exposure to any individual customer or counterparty.

**4. INVESTMENTS**

Investments consist of guaranteed investment certificates (GICs). The GICs mature in 2022 and have interest rates ranging from 0.15% to 0.70%.

**5. GOVERNMENT SUBSIDIES**

Included in government subsidies is the following:

	<b>2021</b>	<b>2020</b>
Canada Emergency Wage Subsidy (CEWS)	\$ 10,006	\$ 38,665
Canada Emergency Rent Subsidy (CERS)	1,330	0
Canada Emergency Business Account (CEBA) forgivable portion	<u>0</u>	<u>20,000</u>
	<u>\$ 11,336</u>	<u>\$ 58,665</u>

**BRAIN INJURY ASSOCIATION OF WATERLOO-WELLINGTON**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**6. CAPITAL ASSETS EXPENSED**

During the year, the association expensed \$5,948 (2020 - \$3,612) of software and computer costs.

**7. DEFERRED REVENUE**

Deferred revenue, which consist of the unexpended portion of grant revenue and other program funding received that relates to future periods less related expenditures, is as follows:

	<b>2021</b>	<b>2020</b>
Balance, beginning of the year	\$ 76,530	\$ 23,500
Less amount recognized as revenue in the year	(156,542)	(33,530)
Plus amount received related to the following year	<u>155,907</u>	<u>86,560</u>
Balance, end of year	<u>\$ 75,895</u>	<u>\$ 76,530</u>

**8. LONG TERM DEBT**

Long term debt is made up of the repayable portion of the Canada Emergency Business Account (CEBA) loan balance of \$40,000, which is interest free until December 31, 2023, with 5% interest payments required afterward until principal due on December 31, 2025. If repaid by December 31, 2023, 25% of the \$40,000 principal and 50% of the \$20,000 principal will be forgiven. As the association expects to meet these terms, \$20,000 was recorded in government subsidies revenue in 2020.

**9. MATERIAL UNCERTAINTY DUE TO THE NOVEL CORONAVIRUS (COVID-19)**

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the association's assets and its future ability to deliver all services.