

Financial Statements of

**HEAD INJURY
REHABILITATION ONTARIO**

And Independent Auditor's Report thereon

Year ended March 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Head injury Rehabilitation Ontario

Opinion

We have audited the financial statements of the Head Injury Rehabilitation Ontario (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of 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 responsibility under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



Responsibility 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 Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.



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- 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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 25, 2025

HEAD INJURY REHABILITATION ONTARIO

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 2,879,066	\$ 4,295,193
Accounts receivable	272,642	298,847
Prepaid expenses	110,183	116,410
Marketable securities (note 3)	1,336,547	2,432,891
	4,598,438	7,143,341
Long-term investments (note 3)	3,243,163	—
Capital assets (note 2)	537,010	556,685
	\$ 8,378,611	\$ 7,700,026

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 1,399,790	\$ 2,395,558
Due to Ministry of Health (note 5)	949,498	1,473,888
Due to Ontario Health (note 5)	477,880	164,192
	2,827,168	4,033,638
Deferred contributions (note 6):		
Expenses of future periods	75,463	53,274
Capital assets	482,523	502,198
	557,986	555,472
Net assets:		
Net assets invested in capital assets (note 7)	54,487	54,487
Unrestricted net assets	4,938,970	3,056,429
	4,993,457	3,110,916
Commitments (note 8)		
Contingencies (note 11)		
	\$ 8,378,611	\$ 7,700,026

See accompanying notes to financial statements.

On behalf of the Board:

Robert Ridge Director

George Kalopsis Director

Signature: *Robert Ridge*

Email: rridge101@gmail.com

Signature: *George Kalopsis*
George Kalopsis (Jun 26, 2025 04:34 EDT)

Email: gkalopsis@hotmail.com

HEAD INJURY REHABILITATION ONTARIO

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	Reserve Fund	Other Activities	Ontario Health Fund	2025 Total	2024 Total
Revenue:					
Ontario Health	\$ —	\$ —	\$ 15,413,286	\$ 15,413,286	\$ 14,734,427
Ministry of Health – Non-Profit Housing	—	—	—	—	65,590
Recoveries of costs	—	208,546	380,216	588,762	327,929
Donations	—	5,216	3,400	8,616	3,365
Interest	123,114	—	56,664	179,778	171,375
Fees	—	—	1,048,601	1,048,601	1,362,957
Rental, grocery and travel revenue	—	—	—	—	17,675
Amortization of deferred contributions related to capital assets	—	—	127,538	127,538	136,956
	\$ 123,114	\$ 213,762	\$ 17,029,705	\$ 17,366,581	\$ 16,820,274

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Operations (continued)

Year ended March 31, 2025, with comparative information for 2024

	Reserve Fund	Other Activities	Ontario Health Fund	2025 Total	2024 Total
Expenses:					
Salaries and wages	\$ —	\$ —	\$ 11,535,748	\$ 11,535,748	\$ 11,732,374
Benefits	—	—	2,476,662	2,476,662	2,288,889
Supplies	—	—	418,621	418,621	373,191
Travel, training and communications	10,883	70	803,750	814,703	413,633
Equipment	—	—	347,125	347,125	246,389
Contracted services	—	—	317,819	317,819	270,584
Buildings and grounds	—	—	907,710	907,710	811,496
Amortization	—	—	127,538	127,538	155,755
Unrealized loss on financial instruments	38,027	—	—	38,027	—
	48,910	70	16,934,973	16,983,953	16,292,311
Excess of revenue over expenses before the undernoted	\$ 74,204	\$ 213,692	\$ 94,732	\$ 382,628	\$ 527,963
Gift from Brain Injury Services Foundation	1,499,913	—	—	1,499,913	—
Excess of revenue over expenses	\$ 1,574,117	\$ 213,692	\$ 94,732	\$ 1,882,541	\$ 527,963

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

2025						
	Invested in capital assets	Unrestricted net assets				
	Reserve Fund	Reserve Fund	Other Activities	Ontario Health	2025 Total	
Fund balance, beginning of year	\$ 54,487	\$ 2,951,526	\$ 104,903	\$ –	\$ 3,110,916	
Excess of revenue over expenses	–	1,574,117	213,692	94,732	1,882,541	
Transfer	–	108,835	(14,103)	(94,732)	–	
	\$ 54,487	\$ 4,634,478	\$ 304,492	\$ –	\$ 4,993,457	

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Changes in Net Assets (continued)

Year ended March 31, 2025, with comparative information for 2024

2024	Invested in capital assets	Unrestricted net assets			
	Reserve Fund	Reserve Fund	Other Activities	Ontario Health	2024 Total
Fund balance, beginning of year	\$ 54,487	\$ 2,359,211	\$ 169,255	\$ –	\$ 2,582,953
Excess of revenue over expenses	–	112,315	2,623	413,025	527,963
Transfer	–	480,000	(66,975)	(413,025)	–
	\$ 54,487	\$ 2,951,526	\$ 104,903	\$ –	\$ 3,110,916

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 1,882,541	\$ 527,963
Item not involving cash:		
Amortization of capital assets	127,538	155,754
Amortization of deferred contributions related to capital assets	(127,538)	(136,956)
Unrealized loss on financial instruments	38,027	–
Change in non-cash working capital balances arising from operating activities:		
Decrease in accounts receivable	26,205	95,617
Increase in prepaid expenses	6,227	(31,038)
(Decrease) increase in accounts payable and accrued liabilities	(995,768)	1,014,391
Decrease in due to Ministry of Health	(524,390)	(1,006,823)
Increase in due to Ontario Health	313,688	103,400
Increase in deferred contributions related to expenses of future periods	22,189	36,422
	768,719	758,730
Financing and investing activities:		
Purchase of capital assets	107,863	345,749
Purchase of capital assets funded by deferred contributions	(107,863)	(345,749)
Repayment of mortgage	–	(18,798)
Net purchase of marketable securities	(2,184,846)	(397,784)
	(2,184,846)	(416,582)
Increase (decrease) in cash	(1,416,127)	342,148
Cash, beginning of year	4,295,193	3,953,045
Cash, end of year	\$ 2,879,066	\$ 4,295,193

See accompanying notes to financial statements.

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

Head Injury Rehabilitation Ontario (HIRO) (formerly operating as Brain Injury Services of Hamilton) (the "Organization") is a registered charity committed to delivering quality, community-based rehabilitation for adults living with brain injuries in Ontario through personalized rehabilitation programs in residential and outreach settings. The Organization is incorporated under the laws of Ontario and is a registered charity under the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook. The Organization follows the deferral method of accounting for contributions.

(a) Revenue recognition:

Restricted contributions are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured.

(b) Fund accounting:

Revenues and expenses related to the delivery of Outreach, Group and Residential Services at Transitional Living Services and the John Reesor Centre are reported in the Ontario Health Fund.

Revenues and expenses related to the delivery of Residential Services at Cathy Wever Place, Elmhurst Place, Ravenda Place, Kenny House, Campden Heights and Outreach Services for Individualized Funded Clients are also reported in the Ontario Health Fund.

(c) Capital assets:

Capital assets are stated at cost and amortization is provided on the straight-line method commencing in the month of acquisition, at the following annual rates:

Asset	Rate
Computer equipment	33.3%
Furniture and other equipment	20%
Building and building improvements	2.5%
Vehicles	5 year straight-line
Leasehold improvements	3 - 15 years straight-line

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(d) Income taxes:

The Organization is registered as a charitable organization without share capital under the Ontario Corporations Act. As such, the Organization is not liable for any federal or provincial income taxes under the provisions of the Income Tax Act (Canada).

(e) Use of estimates:

The preparation of the financial statements 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 date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Capital assets:

March 31, 2025			
	Cost	Accumulated amortization	Net book value
Land	\$ 76,471	\$ –	\$ 76,471
Buildings	322,392	322,392	–
Building improvements	521,280	521,280	–
Furniture and equipment	402,277	296,242	106,035
Computer equipment	125,428	116,385	9,043
Leasehold improvements	2,226,401	1,880,940	345,461
Vehicles	345,213	345,213	–
	\$ 4,019,462	\$ 3,482,452	\$ 537,010
March 31, 2024			
	Cost	Accumulated amortization	Net book value
Land	\$ 76,471	\$ –	\$ 76,471
Buildings	322,392	322,392	–
Building improvements	521,280	521,280	–
Furniture and equipment	385,493	267,546	117,947
Computer equipment	125,428	111,864	13,564
Leasehold improvements	2,135,322	1,786,619	348,703
Vehicles	345,213	345,213	–
	\$ 3,911,599	\$ 3,354,914	\$ 556,685

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Marketable securities and long-term investments:

The carrying amount of the investments held by the organization as at March 31, 2025 was \$4,579,710. At March 31, 2024, marketable securities was comprised of \$2,432,891 held in three GIC's bearing interest at annual rates between 4.75% and 5.20%.

At the end of the year, the Organization held the following marketable securities:

	Interest rate	Maturity date	Fair value at March 31, 2025
RBC Prime-Linked Cashable GIC	3.95%	December 3, 2025	\$ 54,452
RBC Prime-Linked Cashable GIC	3.95%	December 3, 2025	96,213
RBC Prime-Linked Cashable GIC	3.96%	December 3, 2025	96,216
RBC Prime-Linked Cashable GIC	3.80%	December 3, 2025	1,012,285
Current Account Regular			52,215
Cash			25,166
Total marketable securities			\$ 1,336,547

At the end of the year, the Organization held the following long-term investments, including mutual funds, common share and foreign securities where the intention is to hold the financial instrument for longer than one year:

	Interest rate	Maturity date	Fair value at March 31, 2025
RBC Prime-Linked Cashable GIC	3.93%	December 3, 2026	\$ 93,169
RBC Prime-Linked Cashable GIC	3.92%	December 3, 2026	93,166
RBC Prime-Linked Cashable GIC	3.91%	December 3, 2026	93,163
RBC Prime-Linked Cashable GIC	3.91%	December 3, 2026	93,163
RBC Prime-Linked Cashable GIC	3.92%	December 3, 2026	93,166
RBC Prime-Linked Cashable GIC	3.44%	December 3, 2027	66,174
Mutual funds			2,322,659
Common shares			271,630
Foreign securities			116,873
Total long-term investments			\$ 3,243,163

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$133,900 (2024 - \$290,200), which includes amounts payable for payroll related taxes.

5. Due to Ministry of Health and Ontario Health:

These liabilities represent undistributed restricted Ministry of Health and Ontario Health funds.

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Deferred contributions:

(a) Expenses of future periods:

As required by the Ministry of Health Non-Profit Housing, the Organization has a replacement reserve fund to cover the cost of worn-out capital equipment, chattels or other items at the John Reesor Centre. Deferred contributions related to expenses of future periods represent the balance in the replacement reserve fund.

	2025	2024
Balance, beginning of year	\$ 53,274	\$ 16,852
Add: amount received related to future periods	22,189	36,422
Less: amount utilized in the period	—	—
	\$ 75,463	\$ 53,274

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount of Ministry of Health and Ontario Health funding and fees received for the purchase of capital assets.

	2025	2024
Balance, beginning of year	\$ 502,198	\$ 293,405
Add: amount received related to future periods - Ministry of Health and Ontario Health	107,863	345,749
Less: amounts amortized to revenue	(127,538)	(136,956)
	\$ 482,523	\$ 502,198

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Net assets invested in capital assets:

Net assets invested in capital assets is calculated as follows:

	2025	2024
Capital assets	\$ 537,010	\$ 556,685
Amounts financed by deferred contributions	(482,523)	(502,198)
	\$ 54,487	\$ 54,487

Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Deficiency of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 127,538	\$ 136,956
Amortization of capital assets	(127,538)	(155,754)
	—	(18,798)
Net change in invested in capital assets:		
Purchase of capital assets	107,863	345,749
Amounts funded by deferred contributions	(107,863)	(345,749)
Repayment of long-term debt	—	18,798
	—	18,798
	\$ —	\$ —

8. Commitments:

Future minimum payments under operating leases for the Organization's premises and other equipment with remaining non-cancellable terms in excess of one year are as follows:

2026	\$ 585,373
2027	541,136
2028	540,109
2029	540,433
Thereafter	398,125
	\$ 2,605,176

HEAD INJURY REHABILITATION ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Related entities:

Brain Injury Services of Hamilton Foundation Inc. (the "Foundation") is a related entity without share capital incorporated under the laws of Ontario. The Foundation is independent but supports the Organization through volunteer groups involved in fund-raising through ancillary operations.

During the year, the Foundation is in the process of being dissolved and provided a gift totaling \$1,499,913. This gift was recognized in the statement of operations during the year and subsequently used to invest in marketable securities and long-term investments. Subsequent to year end, additional gifts are expected to be received from the Foundation upon wind-up.

As the Organization does not control the Foundation, their results are not included in these financial statements.

10. Financial instruments:

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

As all of the Organization's financial instruments are carried at fair value with fair value changes recognized in the statement of financial position, all changes in market conditions will directly affect the financial position of the Organization.

Market price risk is managed by the Organization through construction of a diverse portfolio of instruments consisting of GIC's, mutual funds, common shares, and foreign securities, the majority of which are in low risk instruments. The Organization has a policy over the type, risk profile and duration of financial instruments.

Market risk has increased during the year with additional investing activities.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change in this risk from 2024.

11. Contingencies:

During the normal course of operations, certain employment related claims exist against the Organization. Management does not expect the claims to have a material impact on the financial position or operating results of the Organization.