

Financial Statements of

**BRAIN CANADA FOUNDATION**

Year ended December 31, 2015

# BRAIN CANADA FOUNDATION

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Brain Canada Foundation

We have audited the accompanying financial statements of Brain Canada Foundation, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider 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.



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*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brain Canada Foundation as at December 31, 2015, 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.

*KPMG LLP\**

February 23, 2016

Montréal, Canada

# BRAIN CANADA FOUNDATION

## Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 18,796,901	\$ 6,116,134
Short-term investments	6,726,828	29,371,628
Accrued interest receivable	70,849	237,393
Advance payments on grants and awards	334,673	369,807
Grants and awards reimbursement receivable	274,850	–
Other receivables	80,872	47,769
Prepays and deposits	13,545	7,735
Contributions receivable	–	20,000
	<u>26,298,518</u>	<u>36,170,466</u>
Capital assets (note 3)	129,332	101,183
	<u>\$ 26,427,850</u>	<u>\$ 36,271,649</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 58,791	\$ 84,726
Salaries and benefits payable (note 4)	178,527	102,550
Current portion of deferred contributions (note 5)	12,618,404	26,699,113
	<u>12,855,722</u>	<u>26,886,389</u>
Deferred contributions (note 5)	13,465,362	9,278,494
	<u>26,321,084</u>	<u>36,164,883</u>
Net assets:		
Unrestricted net (deficiency) assets	(22,566)	5,583
Invested in capital assets	129,332	101,183
	<u>106,766</u>	<u>106,766</u>
Commitments (note 7)		
	<u>\$ 26,427,850</u>	<u>\$ 36,271,649</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# BRAIN CANADA FOUNDATION

## Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenues:		
Restricted contributions (note 5)	\$ 33,599,542	\$ 10,180,524
Unrestricted contributions	83,560	92,072
	<u>33,683,102</u>	<u>10,272,596</u>
Interest and investment income	19,630	18,439
	<u>33,702,732</u>	<u>10,291,035</u>
Expenditures:		
Grants and awards (schedule)	31,228,434	8,498,432
Operating expenses (schedule)	2,156,660	1,779,298
Administrative expenses charged by other organizations	283,107	–
Amortization of capital assets	34,531	13,608
	<u>33,702,732</u>	<u>10,291,338</u>
Excess of revenues over expenditures (expenditures over revenues)	\$ –	\$ (303)

See accompanying notes to financial statements.

# BRAIN CANADA FOUNDATION

## Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	Invested in capital assets	Unrestricted	Total 2015	Total 2014
Balance, beginning of year	\$ 101,183	\$ 5,583	\$ 106,766	\$ 107,069
Excess of revenues over expenditures (expenditures over revenues)	(34,531) <sup>(i)</sup>	34,531	–	(303)
Acquisition of capital assets	62,680	(62,680)	–	–
Balance, end of year	\$ 129,332	\$ (22,566)	\$ 106,766	\$ 106,766

<sup>(i)</sup> Represents the amortization of capital assets.

See accompanying notes to financial statements.

# BRAIN CANADA FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating:		
Excess of revenues over expenditures (expenditures over revenues)	\$ –	\$ (303)
Item not involving cash:		
Amortization of capital assets	34,531	13,608
Changes in non-cash components of operating working capital:		
Other receivables	(33,103)	(2,273)
Prepays and deposits	(5,810)	89,831
Grants and awards reimbursement receivable	(274,850)	–
Contributions receivable	20,000	(20,000)
Accounts payable and accrued liabilities	(25,935)	49,212
Salaries and benefits payable	75,977	(22,678)
	(209,190)	107,397
Financing:		
Contributions received	23,907,379	11,692,818
Contributions recognized into revenues	(33,599,542)	(10,180,524)
	(9,692,163)	1,512,294
Investing:		
Net decrease (increase) in short-term investments	22,644,800	(627,178)
Acquisition of computers, furniture and equipment	(11,082)	(55,118)
Acquisition of computer software	(2,280)	(53,940)
Acquisition of artwork	(49,318)	–
Proceeds from disposal of term deposits	–	50,000
	22,582,120	(686,236)
Net change in cash and cash equivalents	12,680,767	933,455
Cash and cash equivalents, beginning of year	6,116,134	5,182,679
Cash and cash equivalents, end of year	\$ 18,796,901	\$ 6,116,134
Supplemental non-cash information:		
Accrued interest receivable included in deferred contributions	\$ 70,849	\$ 237,393
Advance payments on grants and awards	35,134	(369,807)

See accompanying notes to financial statements.



# BRAIN CANADA FOUNDATION

Notes to Financial Statements

Year ended December 31, 2015

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The Brain Canada Foundation (the "Foundation") is a registered charity incorporated on August 30, 1997 under Part II of the *Canada Corporations Act*. It is a public foundation for federal and provincial tax purposes and is not subject to income taxes. On October 7, 2014, the Foundation obtained its articles of continuance under section 211 of the *Canada Not-for-Profit Corporations Act*.

The purpose and goals of the Foundation are to raise funds to foster advances in neuroscience discovery research and opening the way to better health care for those affected by neurological injury and disease. The objective of the Foundation is to use the funds raised to fund scientist affiliated with Canadian universities, hospitals or other academic institutions involved in research and development programs in world competitive neuroscience of nationwide scope.

As at January 1, 2015, the Foundation and NeuroScience Canada Partnership amalgamated under section 208 of the *Canada Not-for-Profit Corporations Act*. The amalgamated entities will continue under the name Brain Canada Foundation/Fondation Brain Canada.

Since this amalgamation was between two related entities, it has been accounted for on a continuity-of-interest basis. The financial statements of the combined entities include the assets and liabilities at their carrying value. The reported revenues and expenditures of the combined entity include revenues and expenditures of the combined entities since January 1, 2015. In addition, the financial statements of the combined entity presented for prior years are restated to reflect the financial position and results of operations as if the entities had been combined since their inception.

## 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*.

### (a) Cash and cash equivalents:

Cash and cash equivalents include cash in bank and highly liquid investments with an original maturity of three months or less at the date of acquisition.

### (b) Short-term investments:

The short-term investments consist of guaranteed investment certificates bearing interest between 0.70% to 1.20% and with maturity dates between January and November 2016. According to the multi-year contribution agreement with the Minister of Health, the Foundation can only invest any excess cash in interest-bearing certificates of deposit or Treasury bills issued by the government.

### (c) Capital assets:

Computers, furniture and equipment are recorded at cost. Amortization is calculated using the declining balance method using a 30% annual rate.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 1. Significant accounting policies (continued):

### (c) Capital assets (continued):

Computer software is recorded at cost. Amortization is calculated using the straight-line method over three years.

Artwork consists of paintings recorded at cost and not amortized due to their nature and virtually unlimited life.

### (d) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions relating to future period expenses are recognized as revenue in the year in which the related expenses are incurred. All other 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 Foundation normally allocates, based on contribution agreements, up to 10% of contributions received during the year to fund operating expenses.

A contribution of assets other than cash is measured at the fair value at the date of the contribution.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

### (e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. 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 Foundation has not elected to carry any such financial instruments at fair value.

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 Foundation 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 Foundation 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.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 1. Significant accounting policies (continued):

### (f) 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 revenues and expenses during the year. Actual results could differ from those estimates.

## 2. Contribution agreement and pledges:

During the year ended December 31, 2012, the Foundation signed a multi-year contribution agreement, expiring March 31, 2017, with the Minister of Health. The purpose of the agreement is to support the establishment of the Canada Brain Research Fund, which will support the very best Canadian neuroscience researchers, in order to improve the health and quality of life of Canadians who suffer from brain disorders. The Minister of Health has agreed to match, dollar for dollar, the funding received from non-governmental sources up to a maximum of \$100,000,000 over a six-year campaign. Any funding that the Foundation fails to match, as defined in the agreement, shall be repayable to the Minister of Health. In addition, the Minister of Health acknowledges and agrees that up to 10% of the funding for each year may be used by the Foundation for operating expenses and for the design of the research program, as defined in the agreement.

On July 21, 2015, the Foundation signed an amendment to the multi-year contribution agreement with the Minister of Health. The expiry date was changed from March 31, 2017 to March 31, 2020. According to this amendment, the Foundation will receive up to \$5,794,032 in 2016, \$29,949,108 in 2017 and \$25,923,591 in 2018. No funds shall be provided by the Minister of Health after 2018. In addition, the total funding from the Minister of Health must be spent prior to the expiration of the agreement. The Foundation may, however, spend matched funds received from non-governmental sources in years subsequent to the expiration of the agreement on successful proposals for research provided that such proposals have been approved before the expiration of the agreement and that the Foundation continues to report to the Minister of Health with respect to such matched funds.

In 2012, the Foundation received an amount of \$20,000,000 as an advance from the Minister of Health to cover the twelve-month periods ended March 31, 2012 and 2013.

In 2013, the Foundation received an amount of \$6,747,567 from the Minister of Health that matches, dollar for dollar, the funding received from non-governmental sources between the beginning of the agreement at April 1, 2011 and December 31, 2012.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 2. Contribution agreement and pledges (continued):

In 2014, the Foundation received an amount of \$5,404,909 from the Minister of Health that matches, dollar for dollar, the funding received from non-governmental sources in 2013.

In 2015, the Foundation received an amount of \$6,180,793 from the Minister of Health that matches, dollar for dollar, the funding received from non-governmental sources in 2014.

In addition to the amounts received from the Minister of Health, the Foundation also received pledges from non-governmental sources. In 2015, the Foundation has reached its goal of \$100,000,000 in pledges for the matching campaign. Since the beginning of the agreement at April 1, 2011, a total of \$35,670,574 has been collected, of which \$17,337,305 was collected during 2015. This amount will be matched by the Minister of Health once approved, as defined in the multi-year contribution agreement.

## 3. Capital assets:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Computers	\$ 19,532	\$ 12,735	\$ 6,797	\$ 6,993
Furniture and equipment	53,415	15,604	37,811	42,531
Computer software for grants management	56,220	27,473	28,747	45,000
Artwork	55,977	–	55,977	6,659
	\$ 185,144	\$ 55,812	\$ 129,332	\$ 101,183

## 4. Salaries and benefits payable:

Included in salaries and benefits payable are government remittances payable of \$6,547 (2014 - \$3,715), which include amounts payable for payroll-related taxes.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

## 5. Deferred contributions:

Deferred contributions represent unspent externally restricted grants and donations for specific programs, which relate to future years.

	2015	2014
Balance, beginning of year	\$ 35,607,800	\$ 33,880,193
Contributions received from Minister of Health	6,180,793	5,404,909
Contributions received from non-governmental sources	17,253,745	6,088,721
Investment income on contributions	306,297	414,501
	23,740,835	11,908,131
Less amount recognized as revenues	(33,599,542)	(10,180,524)
Plus advance payments on grants and awards	334,673	369,807
Less current portion of deferred contributions	(12,618,404)	(26,699,113)
	\$ 13,465,362	\$ 9,278,494

## 6. Programs and commitments:

The Canada Brain Research Fund was developed with the purpose of supporting excellent Canadian neuroscience researchers based at universities, hospitals and institutes across the country.

### (a) Multi-Investigator Research Initiative:

The first competition of the Canada Brain Research Fund, the Multi-Investigator Research Initiative ("MIRI"), was launched on May 17, 2012. The aim of MIRI grants is to support multidisciplinary teams and to accelerate novel and transformative research that will fundamentally change our understanding of nervous system function and dysfunction and their impact on health. The 2013 MIRI Sponsored Opportunity was launched on November 5, 2013 and the 2015 MIRI Sponsored Opportunity was launched on December 18, 2014. This program is designed to create mutually beneficial opportunities for institutions, voluntary health organizations and provincial agencies to co-fund research teams who qualify, i.e. that align with partners' strategic priorities, and have their funds matched by the federal government. A total of \$9,278,205 was provided to the MIRI programs in 2015 (2014 - \$6,398,735).

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 6. Programs and commitments (continued):

- (b) Consortium québécois sur la découverte de médicament (“CQDM”) and Ontario Brain Institute (“OBI”) “Focus on Brain”:

The Foundation, CQDM and the OBI launched a joint funding program to support the development of innovative tools, technologies and platforms to accelerate the discovery of new, safe and effective drugs for disorders of the brain and nervous system.

Under a joint collaboration agreement between CQDM and the Foundation, the Foundation received funding from CQDM in the amount of \$3,887,907. The Foundation then contributed to CQDM an amount of \$7,422,368 for this initiative. Six research projects amounting to \$8,399,664 were selected by the parties for which funds have to be disbursed by March 31, 2018. As at December 31, 2015, an amount of \$1,807,103 out of the Foundation’s share of the funding of \$3,534,461 was disbursed by CQDM for the projects.

- (c) Platform Support Grants:

Platform Support Grants (“PSGs”) are intended to fill a funding gap for operations and maintenance of major research platforms that provide national or regional technical capability to multiple neuroscience investigators from a number of institutions. The call for applications for the 2013 PSGs Sponsored Opportunity was launched on November 1, 2013. On December 18, 2014, the 2015 PSG Sponsored Opportunity was launched. In November 2015, three research projects were awarded for research funding totaling \$8,324,955. In January 2016, an additional four recipients were awarded \$3,225,192 for research funding. Support will be provided, for up to three years, to major research platforms that provide enhanced technical and research capability to multiple investigators working in the brain sciences. In 2015 and 2014, a total of \$34,577,617 was approved for research funding over a period of three years. A total of \$4,988,845 was provided for the PSGs in 2015 (2014 - \$74,991).

- (d) Canadian Institute for Advanced Research:

A joint collaboration agreement was signed in April 2015 between the Foundation and the Canadian Institute for Advanced Research (“CIFAR”), being a partnered initiative to co-fund three brain related programs totalling up to \$20,000,000.

In 2015, an amount of \$3,643,563 was provided to this program.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 6. Programs and commitments (continued):

### (e) Chagnon Family - ADRD MIRI:

On December 21, 2012, a joint venture between the Chagnon Family of Québec and the Brain Canada Foundation was announced. Over a term of five years, \$25,000,000 will be provided to accelerate novel and transformative intervention research that will improve the prevention of Alzheimer Disease and Related Disorders ("ADRD"). In December 2015, the Chagnon Family and Brain Canada mutually agreed to terminate the funding of new projects under this joint venture. The recipient of the first project ADRD MIRI was announced on May 1, 2014, and it was initiated on July 1, 2014. An amount of \$9,996,087 over five years was settled for funding. To date, a total of \$5,000,000 was provided by the Chagnon Family and these funds were matched by the Foundation. A total of \$1,724,169 was provided to the Chagnon Family programs in 2015 (2014 - \$1,096,053). As at December 31, 2015, \$2,873,666 and \$4,308,342 are recorded as current and non-current deferred contributions, respectively.

### (f) Azrieli Neurodevelopmental Research Program - Brain Canada MIRI:

On December 21, 2012, a partnership between the Azrieli Foundation (of Québec-Ontario-Israel) and the Foundation was announced. Through this joint venture, the partners aim to support excellent translational research in the area of neurodevelopmental disorders, with a special focus on Autism Spectrum Disorder and Fragile X Syndrome. Teams of Canadian researchers, or teams involving Canadian and international scientists, will be supported. An amount of \$7,500,000 from Azrieli Foundation and \$200,000 from the National Bank of Canada will be allocated to this program, plus the Foundation match, for a total of \$15,400,000. As at December 31, 2015, \$2,951,593 and \$9,157,020 are recorded as current and non-current deferred contributions, respectively. The first four recipients of the Azrieli Neurodevelopmental Research Program were announced on May 1, 2014 for a total funding of \$8,691,121 over five years. In November 2015, three new recipients were announced for a total funding of \$4,862,836 over three years. As of December 31, 2015, an amount of \$7,700,000 (2014 - \$5,726,000) was provided by the Azrieli Foundation and the National Bank and matched by the Foundation. As at December 31, 2015, \$2,951,593 and \$9,157,020 are recorded as current and non-current deferred contributions, respectively.

### (g) Canadian Cancer Society:

The Foundation is collaborating with the Canadian Cancer Society ("CCS") to support more CCS Impact Grants focused on brain and nervous systems cancer research. This program is intended to support progress of the various research stages for individual investigators or multidisciplinary teams.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 6. Programs and commitments (continued):

### (g) Canadian Cancer Society (continued):

In 2015, four applications were selected for co-funding by the Foundation in the 2015 Impact Grant Competition representing \$4,988,145 in research funding. As of December 31, 2015, an amount of \$997,630 was disbursed to awardees.

### (h) ALS Society of Canada:

A \$20,000,000 partnership between Brain Canada and the ALS Society of Canada invested in a national research program encompasses three jointly funded programs: the Career Transition Grant, the Discovery Grants and the Arthur J. Hudson Grants.

The Career Transition Grants identifies and engages young neuroscientist pursuing innovative research in labs and academic. This award will develop the next generation of scientist across various disciplines. In 2015, an amount of \$500,000 was provided for this competition. The 2015 competition was launched February 13, 2015. Two applications were selected representing \$620,000 in research funding to commence in 2016.

The Discovery was established to encourage new basic research focus in identifying causes or treatment for ALS and/or related neurological diseases. The 2014 competition was launched June 4, 2014. Five applications were selected for funding totaling \$500,000. The 2015 competition was launched February 13, 2015 and eight projects were selected representing \$800,000 in research funding to commence in 2016.

The Arthur J. Hudson Grants for Translational Research MIRI programs is aligned with the Foundation's MIRI program and will bring together basic and clinical researchers from across the country to accelerate therapeutic developments. The 2014 competition was launched May 3, 2014. One application was selected for funding totaling \$489,856. In 2015, an amount of \$165,821 was provided for this competition. The 2015 competition was launched February 13, 2015 and five projects were selected totalling \$10,148,914 in research funding to commence in 2016.

In 2015, a total of \$663,285 was provided for ALS partnered programs.

### (i) Bell and CIBC Training Awards:

The Training Awards are designed to promote the next generation of Canadian neuroscience researchers by providing them with guidance, mentorship and training under the direction of world-leading researchers. In 2015, \$270,029 (2014 - \$305,833) was provided for the Bell Training Awards (Mental Health) and \$286,667 (2014 - \$230,000) was provided for the CIBC Training Awards (Brain Cancer).



# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 6. Programs and commitments (continued):

(j) Jewish General Hospital Foundation:

The Foundation with the Jewish General Hospital Foundation seek to evaluate the process and outcomes of the Kids Write Network intervention for teenagers at risk of psychosocial problems. A grant of \$190,385 was awarded to one recipient in 2015 for research funding. In 2015, an amount of \$100,000 was provided for this award.

(k) Alzheimer Society of Canada:

The Alzheimer Society Research Program/Brain Canada New Investigator & Career Change Grant program will provide salary support to new investigators and investigators wishing to make a career change from other areas to alzheimer's disease and related dementia. The program was launched on September 26, 2014 and the Foundation is co-funding two New Investigators Grants and one Career Change Grant that represent a total of \$673,992 in research funding. In 2015, a total of \$93,662 was provided for this program.

(l) Barbara Turnbull Award:

The Barbara Turnbull Award is intended to recognize an outstanding researcher who has contributed to the advancement of world leading spinal cord research conducted in Canada. In 2015, \$50,000 was provided for this award, of which \$25,000 was awarded in 2014 and \$25,000 in 2015.

(m) Brain Repair Program:

The Brain Repair Program was launched in November 2003. Through this program, the Foundation and its partners funded five multidisciplinary and multi-institutional teams of Canadian researchers focused on brain repair.

In 2011, a donor committed to provide half the funding to support one of the Brain Repair Program teams for an additional three years, the other half to be provided through the Contribution agreement with the Minister of Health. A total of \$392,820 was provided to this team in 2014. This program was completed in 2014.

(n) Heart and Stroke Foundation:

The partnership with the Heart and Stroke Foundation encompasses two career support initiatives: the Emerging Research Leaders Initiatives ("ERLI") program and the Grant-in-Aid ("GIA") program. The ERLI is for researchers transitioning from a post-doctoral fellowship to a junior professional position in the areas of cardiovascular, cerebrovascular and/or respiratory health research.

The GIA program provides operating funds to support important, pertinent and novel research in the areas of heart diseases and stroke. The Foundation co-funded two ERLI awardees and five GIA awardees from the 2014/15 competition representing \$1,532,110 in research funding to commence in January 2016.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 6. Programs and commitments (continued):

(o) Alzheimer's Association (US):

The Foundation has committed an amount up to US\$900,000 over a three-year period for partnered initiatives with the Alzheimer's Association (US), which involve Canadian researchers. In 2015, two recipients were awarded in the ALS 2015 New Investigation-Research Grant ("NIRG") program competition and another recipient was awarded in the ALZ 2015 Investigator-initiated Research Grant: Non-pharmacological Strategies to Ameliorate Symptoms of Alzheimer's Disease and Related Dementia. The three recipients were awarded a total amount of \$397,783 (US\$285,272) for research funding. Payments to the awardees will commence in 2016.

(p) NeuroDevNet Training Awards:

The Foundation has partnered with NewDevNet on the developmental Neurosciences Research Training Awards programs. The training award will fund doctoral candidates and post-doctoral fellows performing research aimed at the origins, early detection, and effective treatment of brain development disorders. The program was launched May 15, 2015. In September 2015, the selection committee selected eight doctoral and nine post-doctoral fellows recipients. The awardees will share an amount of \$1,500,000 in research funding over a two-year funding term. The disbursement of the grants awarded will commence in 2016.

(q) RBC-Brain Canada Research Partnership in Mental Health Services for Children and Youth:

The RBC-Brain Canada Research Partnership will support a multi-investigator three-year research project focused on improved delivery of mental health services through the identification and validation of innovative interventions and practices to support affected individuals and their families.

The recipient of this grant was notified in December 2015. An amount of \$909,996 was awarded and to be disbursed over a three-year period commencing in 2016. During the year 2015, the Foundation received an amount of \$166,667 from the RBC Foundation. The funds received were recorded as deferred contribution as at December 31, 2015.

(r) Dr. Hubert Van Tol Travel Fellowship:

This fellowship enables doctoral students and post-doctoral fellows performing research as part of a Brain Canada MIRI team or training award to attend major international conferences, symposium and training courses. In 2015, an amount of \$1,843 was provided to a recipient.

# BRAIN CANADA FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2015

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## 7. Commitments:

The Foundation is committed under an operating lease for the rental of its business premises. The minimum payments required, including common area costs, over the next five years and in total are as follows:

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2016	\$ 155,100
2017	151,800
2018	158,800
2019	162,200
2020	13,800
	<hr/>
	\$ 641,700

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## 8. Financial risks:

(a) Liquidity risk:

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

(b) Interest rate risk:

The Foundation is exposed to interest rate risk on its fixed-interest rate investments because they expose the Foundation to a fair value risk. However, this risk is mitigated by the fact that the short-term investments mature in the short term.

# BRAIN CANADA FOUNDATION

Schedule - Grants and Awards Expenses and Operating Expenses

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
<b>Grants and awards:</b>		
Multi-Investigator Research Initiative ("MIRI")	\$ 9,278,205	\$ 6,398,735
CQDM/OBI - Focus on Brain Program	7,422,368	-
Platform Support Grants	4,988,845	74,991
Canadian Institute for Advanced Research Initiative	3,643,563	-
Chagnon Family - ADRD-MIRI	1,724,169	1,096,053
Azrieli Neurodevelopmental Research Program - MIRI	1,708,168	-
Canadian Cancer Society - Impact Grants	997,630	-
ALS Society of Canada Research Program	663,285	-
CIBC Training Awards	286,667	230,000
Bell Training Awards	270,029	305,833
Jewish General Hospital Foundation	100,000	-
Alzheimer Society of Canada Research Program	93,662	-
Barbara Turnbull Award	50,000	-
Brain Repair Program - MHM Van Tol Award	1,843	-
Brain Repair Program - Dr. David Park	-	392,820
	<b>\$ 31,228,434</b>	<b>\$ 8,498,432</b>
<b>Operating:</b>		
Salaries and wage levies	\$ 1,049,317	\$ 913,800
Communications material	256,410	79,834
Fundraising campaign and programs expenses	252,034	140,139
Professional fees	168,757	385,731
Rent	150,385	29,941
Travel	66,808	83,440
Scientific consulting fees	63,641	12,926
Board meetings	60,719	43,936
Administration	32,938	44,571
Office	32,779	22,920
Website	14,096	15,388
Directors' and commercial liability insurances	8,776	6,672
	<b>\$ 2,156,660</b>	<b>\$ 1,779,298</b>