

Financial statements of

**Stroke Recovery Association of
British Columbia**

March 31, 2017

Stroke Recovery Association of British Columbia

March 31, 2017

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Independent Auditor's Report

To the Board of
Stroke Recovery Association of British Columbia

We have audited the accompanying financial statements of Stroke Recovery Association of British Columbia (the "Organization"), which comprise the statement of financial position as at March 31, 2017, and the statements of revenue and expenses, changes in fund balances, 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.

Auditor's 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 the auditor's 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, the auditor considers 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues from donations, 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. Therefore, we were not able to determine whether any adjustments might be necessary to donations and bequest revenue, excess of revenue over expenses and cash flows from operations for the year ended March 31, 2017, current assets as at March 31, 2017 and Unrestricted fund balance as at March 31, 2017 and April 1, 2016.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2017, 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.

Other Matter

The Organization's financial statements for the period ended March 31, 2016 were reviewed by another auditor who issued a Review Engagement Report dated June 14, 2016.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
September 14, 2017


Stroke Recovery Association of British Columbia

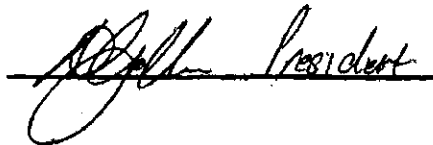
Statement of financial position

as at March 31, 2017

	2017	2016 (Unaudited) (Note 7)
	\$	\$
Assets		
Current assets		
Cash and term deposits (Note 3)	445,850	688,672
Accounts receivable	58,544	3,003
Prepaid expenses	1,289	7,040
	505,683	698,715
Capital assets (Note 4)	1,967	2,091
	505,680	700,806
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	20,685	13,685
Deferred revenue (Note 5)	478,498	789,553
	499,183	803,238
Fund balances		
Invested in equipment	1,967	2,091
Internally restricted funds	4,500	4,500
Unrestricted funds	-	(109,023)
	6,467	(102,432)
	505,680	700,806

On behalf of the Board

 (IRIS LAU) Director

 President Director

The Accompanying notes to the financial statements are an integral part of this financial statement.

Stroke Recovery Association of British Columbia

Statement of revenue and expenses twelve months ended March 31, 2017

	Twelve months ended March 31, 2017	Eight months ended March 31, 2016 (Unaudited) Note 7
	\$	\$
Revenue		
Grants	548,283	65,820
Donations and bequests	107,762	55,867
Rental and other income	43,546	20,800
Investment income	1,491	3,743
Membership dues	2,900	2,600
	703,982	148,830
Expenses		
Salaries, benefits and contract staff	127,470	50,843
Program delivery	190,234	50,829
New corporate programs	112,879	43,328
Administrative	104,881	26,962
Accounting and legal	40,596	15,329
Travel	151	546
Education	1,048	451
Awareness and public relations	17,244	443
Interest and bank charges	336	440
Amortization	244	133
	595,083	189,304
Excess of revenue over expenses (expenses over revenue)	108,899	(40,474)

The Accompanying notes to the financial statements are an integral part of this financial statement.

Stroke Recovery Association of British Columbia

Statement of changes in fund balances
twelve months ended March 31, 2017

	Invested in equipment	Internally Restricted		Externally Restricted		Board of Directors' Fund	Total	Twelve months ended March 31, 2017 Total	Eight months ended March 31, 2016 Total (Unaudited) Note 7
		Unrestricted	Stride for Stroke Funds	Capacity Development Fund	SRABC Branch Funds				
Fund balances, beginning of year		\$	\$	\$	\$	\$	\$	\$	\$
As previously reported	2,091	(35,299)	4,500	228,831	186,275	215,635	43,217	4,222	2,649
Prior period adjustments (Note 7)	-	(73,724)	-	(228,831)	(186,275)	(215,635)	(43,217)	(4,222)	(2,649)
As restated	2,091	(109,023)	4,500	-	-	-	-	-	-
Excess revenue over expenses, (expenses over revenue) for the year	(244)	109,143	-	-	-	-	-	-	-
Purchase of equipment	120	(120)	-	-	-	-	-	-	-
Fund balances, end of the year	1,967	-	4,500	-	-	-	-	6,467	(102,432)

The Accompanying notes to the financial statements are an integral part of this financial statement.

Stroke Recovery Association of British Columbia

Statement of cash flows

twelve months ended March 31, 2017

	Twelve months ended March 31, 2017	Eight months ended March 31, 2016 (Unaudited) Note 7
	\$	\$
Operating activities		
Excess of revenue over expenses (expenses over revenue)	108,899	(40,474)
Items not involving cash		
Amortization	244	232
	109,143	(40,242)
Change in non-cash working capital items:		
Accounts receivable	(53,541)	(2,756)
Prepaid expenses	5,751	1,092
Accounts payable and accrued liabilities	7,000	4,472
Deferred revenue	(311,055)	108,724
	(242,702)	71,290
Investing activity		
Purchase of equipment	(120)	(2,323)
(Decrease) increase in cash and cash equivalents	(242,822)	68,967
Cash and cash equivalents, beginning of year	688,672	619,705
Cash and cash equivalents, end of year	445,850	688,672
Represented by		
Cash (Note 2)	106,605	649,760
Term deposits (Note 2)	339,245	38,912
	445,850	688,672

The Accompanying notes to the financial statements are an integral part of this financial statement.

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2017

1. Purpose of organization

Stroke Recovery Association of British Columbia (the "Association") is incorporated under British Columbia Society Act and is a registered charity under the Income Tax Act and therefore is not subject to income taxes. The purposes of the Association are:

- (a) Through its local Stroke Recovery Branches, to assist stroke survivors and their caregivers throughout the Province to improve their overall quality of life and to remain living independently;
- (b) To increase awareness within the community of the impact of stroke;
- (c) To raise awareness in the community of the services offered throughout the Province to stroke survivors and their caregivers;
- (d) To act as a resource for hospitals and for people concerned with the effect of cerebro-vascular accidents on individuals and their families;
- (e) To plan and promote programs of education and of assistance to stroke survivors in British Columbia; and
- (f) To disseminate information on stroke prevention.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting.

These financial statements have been prepared using the significant accounting policies noted below:

(a) Revenue recognition

The Association follows the deferred method of accounting for contributions. Restricted contributions are deferred and recognized as revenues in the year which the related expenses are incurred.

Unrestricted contributions (which include revenue from community campaigns, special events and other donations), are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donation pledges are not recognized as revenue until received.

Investment income is recognized as earned.

(b) Internally restricted funds

The Stride for Stroke Fund is used to assist branches to start their own Strides for Stroke fundraising events.

(c) Donated goods

The Association records donated goods at their fair market value when that value can be reasonably estimated and the goods would normally be purchased by the Association. No donated supplies and equipment have been recorded in the current year (2016 - \$Nil).

(d) Contributed services

Volunteers contribute during the year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(e) Cash and cash equivalents

Cash equivalents are highly liquid Canadian dollar investments that are readily convertible for cash with maturities or redemption provisions of three months or less from the date of acquisition.

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2017

2. Significant accounting policies (continued)

(f) *Capital assets*

Capital assets are recorded at cost and amortized over their estimated useful lives of 3 to 5 years on the straight-line basis.

The Association monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

(g) *Use of estimates*

The preparation of the financial statements in conformity of Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of, or during, the reporting period. Management believes the estimates used are reasonable and prudent; however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of useful lives of assets for calculating amortization, recognition of revenue and expenses and the amounts recorded as accrued liabilities.

3. Cash and term deposits

	2017	2016 (Unaudited)
	Total	Total
	\$	\$
Cash	106,605	649,760
Term deposits	339,245	38,912
	445,850	688,672

The cash balance consists of cash on hand and in bank accounts, earning interest at prevailing rates. Term deposits consist of GICs bearing interest at rates ranging from 0.90% to 1.10% (2016 - 1.20% - 1.55%) and maturing between September 2, 2017 and January 27, 2018 (2016 - maturing between September 2016 and January 2017).

4. Capital assets

	2017			2016 (Unaudited)
	Cash	Accumulated amortization	Net book value	Total
	\$	\$	\$	\$
Equipment	78,406	76,439	1,967	2,091

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2017

5. Deferred revenue

Deferred revenue includes funds received for specific uses for which the related expenses have not been incurred.

- (a) The Capacity Development Fund is from the Provincial Health Services Authority to be used toward capacity building within the Association as approved by the Board of Directors.
- (b) The SRABC Camp Fund is used to provide assistance to SRABC members experiencing financial hardship who wish to attend the BLAST Easter Camp, Sea to Sky Aphasia Camp or similar camps designed to assist in stroke recovery.
- (c) The SRABC Branch Fund is used for branches that are incorporated or registered as a charity, and any donations received where the donor requests that the money be used by particular Branch of SRABC. Amounts are held in a separate account in the name of that Branch. Any grants or other funds acquired by a Branch of SRABC not incorporated or registered as a charity are also held in this account.
- (d) The Gaming Commission Fund is from the British Columbia Gaming Commission, whereby all funds received must be used toward eligible programs, including branch support, program and service awareness and newsletter costs.
- (e) The JBH Memorial Fund is a bequest. The funds and interest earned thereon are used to assist individuals in attending the Building Life After Stroke Together Easter Camp.
- (f) The Community Stroke Recovery Navigator Project Fund is used to test the impact of providing a community-based stroke recovery navigation service, post-hospital discharge, as an approach to facilitate stroke survivor reintegration into community life after stroke.
- (g) The BMS Canada Fund is used to support an ongoing program of development and education in governance and strategic planning for the Association's Board of Directors.
- (h) The SRABC Board of Directors' Fund is used to provide assistance to SRABC members experiencing financial hardship. For example, provision of a gift such as a Christmas food hamper, repair to equipment such as a wheelchair, and funding to participate in the activity.

The details of deferred revenue are as follows:

	April 1, 2016	Revenue	Expenses	March 31, 2017	March 31, 2016 (Unaudited) (Note 7)
			\$	\$	\$
Capacity Development Fund	228,831	-	82,583	146,248	228,831
SRABC Branch Fund	186,275	40,856	82,541	144,590	186,275
Gaming Commission Fund	329,220	124,100	270,676	182,644	329,220
Community SR Navigator Fund	19,896	4,735	24,631	-	19,896
BMS Canada Fund	4,222	-	655	3,567	4,222
Board of Directors Fund	2,649	-	1,200	1,449	2,649
JBH Memorial Fund	(15,517)	15,517	-	-	(15,517)
Branch Fund	(1,023)	1,023	-	-	(1,023)
	754,553	186,231	462,286	478,498	754,553
Gaming Fund	35,000	-	35,000	-	35,000
Total	789,553	186,231	497,286	478,498	789,553

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2017

6. Financial instruments risks

In management's opinion, the Association is not exposed to significant credit, currency, liquidity, interest rate or other market risks arising from these financial instruments other than described below. In addition, the Association is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

(a) Credit risk

Credit risk is the risk that the Association will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Association to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Association limits its exposure to credit risk by placing its cash and cash equivalents in high quality investments with a chartered bank.

Given the nature of the Association's revenue, there is no concentration of accounts receivable. Bad debts for the past five years have been \$Nil. At March 31, 2017, there were no receivables outstanding for more than 90 days. The maximum amount of credit risk exposure is limited to the carrying amount of the balances in the financial statements.

(b) Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its obligations as they fall due. The Association maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

(c) 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 interest rates and terms of cash and cash equivalents are as disclosed in Note 3.

(d) Market risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Association minimizes this risk by investing in GICs which can be withdrawn prior to maturity in the event that market fluctuations result the fair value of these investments decreasing.

7. Prior period adjustments

During the year, management determined that the following two Externally restricted fund balances were incorrectly classified in the 2016 financial statements as Internally restricted fund balances:

	\$
Capacity Development Fund	228,831
Branch Funds	186,275
	<hr/> 415,106

In addition, during the year, the Association changed its revenue recognition policy from the Restricted fund method to the Deferral method. As a result, all Externally restricted fund balances have been transferred to Deferred revenue.

Stroke Recovery Association of British Columbia

Notes to the financial statements

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7. Prior period adjustments (continued)

The impacts of the above noted changes on the 2016 amounts are as follows:

	Balances, as previously reported	Adjustments	Balances, as restated
	\$	\$	\$
Internally Restricted Funds	419,606	(415,106)	4,500
Externally Restricted Funds	265,723	(265,723)	-
Revenue	363,830	(215,000)	148,830
Expenses	330,580	(141,276)	189,304
Excess of revenue over expenses	33,250	(73,724)	(40,474)
Deferred revenue	35,000	754,553	789,553

8. Comparative amounts

Certain prior year comparative amounts have been re-classified to conform to the current year's financial statement presentation.