
Financial statements of
Stroke Recovery Association of
British Columbia

March 31, 2023

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Independent Practitioner's Review Engagement Report

To the Board of Directors
Stroke Recovery Association of British Columbia

We have reviewed the accompanying financial statements of Stroke Recovery Association of British Columbia that comprise the statement of financial position as at March 31, 2023, 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 (the "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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

Basis for Qualified Conclusion

In common with many not-for-profit organizations, Stroke Recovery Association of British Columbia derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained for this revenue was limited to the amounts recorded in the records of Stroke Recovery Association of British Columbia. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to recorded donations and bequests revenue, excess of revenues over expenses, and cash flows from operating activities for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 years. Our conclusion on the financial statements as at, and for the year ended, March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Stroke Recovery Association of British Columbia as at March 31, 2023, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 20, 2023

Stroke Recovery Association of British Columbia

Statement of financial position

As at March 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash and term deposits	3	601,162	553,379
Accounts receivable		6,059	13,375
Prepaid expenses		9,769	2,196
		616,990	568,950
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	33,131	45,164
Deferred revenue	4	520,673	471,102
		553,804	516,266
Fund balances			
Unrestricted funds		63,186	52,684
		616,990	568,950

The accompanying notes are an integral part of the financial statements.

Approved by the Board

_____, Director

_____, Director

Approved by the Board

_____, Director

Stroke Recovery Association of British Columbia

Statement of revenue and expenses

Year ended March 31, 2023

	Notes	2023 \$	2022 \$
Revenue			
Grants	7	317,927	356,595
Donations and bequests	2 and 6	78,592	135,434
Rental income	2 and 6	56,246	42,882
Interest income		15,347	1,964
Membership dues		1,040	840
		469,152	537,715
Expenses			
Program delivery		177,076	279,928
Salaries and wages	2 and 6	120,470	118,047
Corporate programs		81,524	65,162
Administrative	2 and 6	69,898	61,872
Awareness and public relations		9,209	8,399
Interest and bank charges		473	1,069
Education		-	2,980
Amortization of capital assets		-	258
	7	458,650	537,715
Excess of revenue over expenses		10,502	-

The accompanying notes are an integral part of the financial statements.

Stroke Recovery Association of British Columbia
Statement of changes in fund balances
Year ended March 31, 2023

	Unrestricted	2023	2022
	\$	\$	\$
Fund balances, beginning of year	52,684	52,684	52,684
Excess of revenue over expenses	10,502	10,502	-
Fund balances, end of year	63,186	63,186	52,684

The accompanying notes are an integral part of the financial statements.

Stroke Recovery Association of British Columbia

Statement of cash flows

Year ended March 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess of revenue over expenses	10,502	-
Item not affecting cash		
Amortization of capital assets	-	258
	10,502	258
Changes in non-cash operating working capital items		
Accounts receivable	2,590	4,359
Prepaid expenses	(2,848)	(1,629)
Accounts payable and accrued liabilities	(12,032)	(11,266)
Deferred revenue	49,571	(17,486)
	47,783	(25,764)
Increase (decrease) in cash and term deposits	47,783	(25,764)
Cash and term deposits , beginning of year	553,379	579,143
Cash and term deposits, end of year	601,162	553,379

The accompanying notes are an integral part of the financial statements.

(See additional information presented in Note 3).

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2023

1. Purpose of organization

Stroke Recovery Association of British Columbia (the "Association") is incorporated under British Columbia Societies Act and is a registered charity under the Income Tax Act and therefore is exempt from income taxes. The purposes of the Association are:

- (a) Through its local Stroke Recovery Branches and direct programs and activities, to assist stroke survivors and their caregivers throughout the Province to improve their overall quality of life and 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 cerebrovascular accidents on individuals and their families;
- (e) To plan and promote programs of education and of assistance to stroke survivors in the Province; 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 Chartered Professional Accountants Canada Handbook - Accounting.

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

Revenue recognition

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

Unrestricted contributions are recognized as revenue when they are 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.

Interest income is recognized as earned.

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. \$Nil of donated goods has been recorded in the current year (\$nil in 2022) and are included in donations and bequests revenue and in administrative expenses.

Contributed services

Volunteers contribute during the year to assist Stroke Recovery Association of British Columbia in delivering its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2023

2. Significant accounting policies (continued)

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and 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. Balances which require the use of management estimates include amortization (the useful life of capital assets) and the amounts recorded as accrued liabilities and deferred revenue.

3. Cash and term deposits

The cash balance consists of cash on hand and in bank accounts, earning interest at prevailing rates from 1% to 5% (0.75% to 1% in 2022). Term deposits consisted of GICs bearing interest at 1.00% and 0.35% and matured on June 14, 2022 and December 14, 2022. The Association does not hold any term deposits as at March 31, 2023.

Included in cash is a balance of \$411,412 (\$251,971 in 2022) which is restricted cash and can only be used toward eligible programs.

	2023	2022
	\$	\$
Cash	601,162	348,466
Term deposits	-	204,913
	601,162	553,379

4. Deferred revenue

Deferred revenue includes funds received for specific restricted use for which the related expenses have not been incurred. Details of the various funds in deferred revenue is as follows:

- (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) Branches that are a Registered Canadian Charity and Incorporated as a British Columbia Society have their own bank accounts and file their own T3010 tax return with Canadian Revenue Agency. They therefore have no funds in the Branch Equity Account.

Unincorporated/Unregistered Branches do not maintain separate bank accounts. These Branches transfer to the Association any and all donations or bequests and any other funds raised. Funds received by the Association are held in a separate "branch fund" in the Branch's name for its benefit. These funds are used for the purpose of providing stroke recovery and education programs and services in the community served by the Branch. For so long as the Branch remains affiliated with the Association, the Association will always consider the recommendations of the Branch as to the use of the funds as per the Association's Branch Affiliation Agreement.

- (c) 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.
- (d) The Bristol-Myers Squibb 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.

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2023

4. Deferred revenue (continued)

(e) The Association's Board of Directors' Fund records amounts is used to provide assistance to the Association 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 an activity.

The details of deferred revenue are as follows:

	April 1, 2022	Contributions received	Contributions recognized as revenue	March 31, 2023	March 31, 2022
	\$	\$	\$	\$	\$
Capacity Development Fund Stroke Recovery Association of British Columbia Branch Fund	98,961	1,500	-	100,461	98,961
Gaming Commission Fund Bristol-Myers Squibb Canada Fund	138,813	78,497	20,848	196,462	138,813
Board of Director's Fund	223,452	215,367	223,871	214,948	223,452
Other	3,566	-	-	3,566	3,566
	232	-	-	232	232
	6,078	6,980	8,054	5,004	6,078
	471,102	302,344	252,773	520,673	471,102

5. 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.

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 term deposits and accounts receivable. The Association limits its exposure to credit risk by investing its cash 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, 2023, there were no amounts 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.

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.

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 term deposits are as disclosed in Note 3.

Stroke Recovery Association of British Columbia

Notes to the financial statements

March 31, 2023

6. Related party transactions and balances

During the year, the Association entered into the following transactions with March of Dimes Canada ("MODC"), which controls the Association through representation on its Board of Directors.

MODC has the mandate to maximize the independence, personal empowerment and community participation of people with physical disabilities. This is accomplished through several programs, including Assistive Devices, Employment Services and Independent Living Services. MODC is a registered charitable organization and, as such, is exempt from income taxes.

Transactions during the year with MODC were as follows:

- (i) MODC total donations and bequests to the Association were \$47,300 (\$114,557 in 2022).
- (ii) MODC rents a portion of the Association premises and pays rent to the Association. The total rental fees to the Association were \$55,366 (\$42,162 in 2022).
- (iii) During the year, the Association paid MODC \$120,470 (\$116,103 in 2022) for administrative salaries and benefits.
- (iv) During the year, the Association paid MODC \$47,300 (\$47,300 in 2022) for professional services rendered.

As at March 31, 2023, the Association has a net payable to MODC of \$1,314 (\$6,933 in 2022). The balance is interest free and payable on demand and included in accounts payable and accrued liabilities on the statement of financial position.

7. Economic dependence

Contributions from Provincial Health Services Authority ("PHSA") account for 20% (18% in 2022) of total revenue, while contributions from British Columbia Ministry of Community, Sport and Cultural Development Community Gaming account for 47% (38% in 2022). The funding agreements are subject to certain terms which are reviewed annually for compliance. PHSA program expenses account for 20% (18% in 2022), while Community Gaming program expenses account for 48% (38% in 2022) of total expenses.