

**FINANCIAL STATEMENTS**

**TFL TECHNOLOGY FOR LIVING SOCIETY**

**March 31, 2021**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**TFL Technology for Living Society**

### ***Opinion***

We have audited the financial statements of TFL Technology for Living Society (the Society), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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## INDEPENDENT AUDITOR'S REPORT

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
September 15, 2021

Chartered Professional Accountants



## STATEMENT OF FINANCIAL POSITION

As at March 31

	Restricted Funds		Association Funds	2021 Total	2020 Total
	PROP	TIL			
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current</b>					
Cash and cash equivalents <i>[note 3]</i>	—	—	2,378,850	2,378,850	3,983,661
Interfund balances	1,655,753	167,495	(1,823,248)	—	—
Funding and accounts receivable	221,320	6,269	27,771	255,360	61,903
GST receivable	19,134	1,665	1,676	22,475	20,556
Inventory of supplies	220,168	15,800	—	235,968	263,802
Prepaid expenses	14,774	3,693	—	18,467	14,287
<b>Total current assets</b>	<b>2,131,149</b>	<b>194,922</b>	<b>585,049</b>	<b>2,911,120</b>	<b>4,344,209</b>
Equipment <i>[note 4]</i>	2,015,938	74,114	—	2,090,052	2,275,264
	<b>4,147,087</b>	<b>269,036</b>	<b>585,049</b>	<b>5,001,172</b>	<b>6,619,473</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Accounts payable and accruals <i>[note 5]</i>	210,671	25,464	11,472	247,607	547,817
Deferred funding and revenue <i>[note 6]</i>	156,969	34,519	100,775	292,263	1,157,513
Deferred interest	—	—	—	—	129,360
<b>Total current liabilities</b>	<b>367,640</b>	<b>59,983</b>	<b>112,247</b>	<b>539,870</b>	<b>1,834,690</b>
Deferred equipment funding <i>[note 7]</i>	2,015,938	74,114	—	2,090,052	2,275,264
<b>Total liabilities</b>	<b>2,383,578</b>	<b>134,097</b>	<b>112,247</b>	<b>2,629,922</b>	<b>4,109,954</b>
<b>Net assets</b>					
Internally restricted <i>[note 8]</i>	—	—	186,677	186,677	186,677
Restricted funds	1,763,509	134,939	—	1,898,448	2,161,498
Unrestricted	—	—	286,125	286,125	161,344
<b>Total net assets</b>	<b>1,763,509</b>	<b>134,939</b>	<b>472,802</b>	<b>2,371,250</b>	<b>2,509,519</b>
	<b>4,147,087</b>	<b>269,036</b>	<b>585,049</b>	<b>5,001,172</b>	<b>6,619,473</b>

Commitment *[note 11]*COVID-19 *[note 14]**See accompanying notes to the financial statements*

On behalf of the Board:

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

**STATEMENT OF CHANGES IN NET ASSETS AND RESTRICTED FUNDS**

Year ended March 31

	Restricted Funds		Association Funds		Total
	PROP \$	TIL \$	Internally Restricted \$	Un - Restricted \$	
<b>2021</b>			<i>[Note 8]</i>		
Balance, beginning of year	2,022,504	138,994	186,677	161,344	2,509,519
Excess of expenses for the year	(258,995)	(4,055)	—	124,781	(138,269)
<b>Balance, end of year</b>	<b>1,763,509</b>	<b>134,939</b>	<b>186,677</b>	<b>286,125</b>	<b>2,371,250</b>
<b>2020</b>					
Balance, beginning of year	1,936,736	126,203	186,677	102,831	2,352,447
Excess of revenue for the year	85,768	12,791	—	58,513	157,072
<b>Balance, end of year</b>	<b>2,022,504</b>	<b>138,994</b>	<b>186,677</b>	<b>161,344</b>	<b>2,509,519</b>

*See accompanying notes to the financial statements*

## STATEMENT OF OPERATIONS

Year ended March 31

	2021				2020
	Restricted Funds		Association	Total	Total
	PROP	TIL	Funds		
\$	\$	\$	\$	\$	
<b>REVENUE</b>					
Contracts and Grants <i>[note 6]</i>					
Vancouver Coastal Health Authority <i>[note 13]</i>	2,946,997	414,206	—	3,361,203	3,531,387
Open doors project	—	—	71,250	71,250	16,242
Province of BC - temporary pandemic pay	26,793	5,652	2,853	35,298	—
Muscular Dystrophy Canada	—	—	25,000	25,000	—
Government of Canada - wage subsidy <i>[note 14]</i>	21,250	3,750	—	25,000	—
Government of Canada - summer grant	—	3,151	—	3,151	—
Neil Squire - wage subsidy	—	10,020	—	10,020	—
George Pearson Centre fund	—	—	840	840	—
Fees for services	783	5,629	43,087	49,499	36,687
Donations	—	1,321	20,755	22,076	73,284
Interest and other	—	—	146,200	146,200	59,857
Fundraising	—	—	—	—	1,500
Amortization - deferred equipment funding <i>[note 7]</i>	1,032,476	44,616	—	1,077,092	1,076,500
Revenue used for equipment purchases	(836,804)	(55,076)	—	(891,880)	(715,381)
	<b>3,191,495</b>	<b>433,269</b>	<b>309,985</b>	<b>3,934,749</b>	<b>4,080,076</b>
<b>EXPENSES</b>					
Salaries and benefits	1,336,539	253,341	103	1,589,983	1,457,115
Client service costs					
Supplies	418,779	41,748	26,030	486,557	459,358
Contracted client services	87,464	4,223	63,036	154,723	136,742
Equipment maintenance	128,382	11,080	—	139,462	127,545
Educational materials/peer support	73,456	7,007	—	80,463	120,472
Open doors project	—	—	71,250	71,250	16,242
Travel	20,536	9,294	—	29,830	119,336
Muscular Dystrophy Canada	—	—	25,000	25,000	—
George Pearson Centre fund	—	—	175	175	—
Amortization expense	1,032,476	44,616	—	1,077,092	1,076,500
Rent and premises	134,548	30,860	—	165,408	113,917
Office and administration	112,861	28,571	(390)	141,042	185,800
Insurance	105,449	6,584	—	112,033	109,977
	<b>3,450,490</b>	<b>437,324</b>	<b>185,204</b>	<b>4,073,018</b>	<b>3,923,004</b>
<b>Excess of revenue (expenses) for the year</b>	<b>(258,995)</b>	<b>(4,055)</b>	<b>124,781</b>	<b>(138,269)</b>	<b>157,072</b>

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2021	2020
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue (expenses) for year	(138,269)	157,072
Items not affecting cash		
Amortization - equipment	1,077,092	1,076,500
Amortization - deferred equipment funding	(1,077,092)	(1,076,500)
Change in other non-cash items		
Funding and accounts receivable	(193,457)	(22,670)
GST receivable	(1,919)	(2,084)
Inventory of supplies	27,834	43,985
Prepaid expenses	(4,180)	24,585
Accounts payable and accruals	(300,210)	274,909
Deferred funding and revenue	(865,250)	(1,221,483)
Deferred interest	(129,360)	16,972
<b>Cash used in operating activities</b>	<b>(1,604,811)</b>	<b>(728,714)</b>
<b>FINANCING ACTIVITIES</b>		
Restricted funding used for equipment purchases	891,880	715,381
Increase in investments (net)	—	3,444
<b>Cash provided by financing activities</b>	<b>891,880</b>	<b>718,825</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of equipment	(891,880)	(715,381)
<b>Cash used in investing activities</b>	<b>(891,880)</b>	<b>(715,381)</b>
<b>Decrease in cash for the year</b>	<b>(1,604,811)</b>	<b>(725,270)</b>
Cash, beginning of year	3,983,661	4,708,931
<b>Cash, end of year</b>	<b>2,378,850</b>	<b>3,983,661</b>

See accompanying notes to the financial statements

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2021

### 1. NATURE OF OPERATIONS

TFL Technology for Living Society (the "Society") commenced operations on April 1, 2006 when it assumed certain net assets and related contractual obligations of the B.C. Paraplegic Association. The Society is incorporated under the Societies Act (B.C.) and is a not-for-profit organization established for the purpose of providing assistive technologies and associated supports to meet the needs of persons with disabilities living independently in the community. The Society became a registered charity effective April 1, 2007.

The Society provides assistance through the following programs:

[a] The Technology for Independent Living ("TIL") program provides environmental controls and related supports to assist persons with severe disabilities in operating standard equipment in the home environment (i.e. telephone, lighting etc.). It also provides supports for those individuals who are physically disabled and non-vocal.

[b] The Provincial Respiratory Outreach Program ("PROP") provides a comprehensive range of equipment and supplies, respiratory therapy, education, biomedical engineering, and peer support to individuals with disabilities who need assisted ventilation to meet their respiratory needs while living in the community.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO 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 amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of deferred revenue. Actual results could differ from these estimates.

#### Revenue Recognition

Revenue is recognized using the deferral method of accounting, as it is earned.



## NOTES TO FINANCIAL STATEMENTS

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March 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Fund Accounting**

The Society reflects revenues relating to the PROP and TIL programs as separate funds. Any unexpended funding for the PROP and TIL programs must be used for future expenditures or they are otherwise repayable to Vancouver Coastal Health Authority, the Province of B.C. or other service provider, or to the donor.

#### **Direct Access Gaming Revenues**

Direct access gaming revenues are taken into income and reported as an expense as the funds are disbursed. Unexpended gaming funds are reported as deferred revenue of the TIL program.

#### **Measurement of Financial Instruments**

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, short-term deposits and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### **Investments**

The investments are recorded at their fair market value.

#### **Inventory of Supplies**

Inventory of supplies is recorded at the lower of cost and current replacement cost.

#### **Equipment**

Equipment is recorded at cost, less accumulated amortization, and is amortized on a straight-line basis over the following estimated useful lives:

▪ PROP equipment	5 years
▪ PROP computers	5 years
▪ PROP database	15 years
▪ PROP furniture and fixtures	10 years
▪ PROP leasehold improvements	20 years
▪ TIL equipment	3 years

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

## 3. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Current account - operating	240,083	348,164
Current account - Premium Interest account	88,767	585,445
Guaranteed investment certificates	2,050,000	3,050,000
Investment account cash balance	—	52
	<b>2,378,850</b>	<b>3,983,661</b>

The guaranteed investment certificates have interest rates ranging from 0.15% to 0.75% and maturity dates ranging from June 2021 to December 2021.

## 4. EQUIPMENT

	Cost	Accumulated Amortization	Book Value
	\$	\$	\$
<b>2021</b>			
PROP equipment	5,939,160	3,990,427	1,948,733
PROP computers	28,312	13,562	14,750
PROP database	29,668	1,978	27,690
PROP furniture and fixtures	12,649	1,265	11,384
PROP leasehold improvements	14,085	704	13,381
TIL equipment	383,150	309,036	74,114
	<b>6,407,024</b>	<b>4,316,972</b>	<b>2,090,052</b>
<b>2020</b>			
PROP equipment	5,979,163	3,768,890	2,210,273
TIL equipment	329,482	264,491	64,991
	<b>6,308,645</b>	<b>4,033,381</b>	<b>2,275,264</b>

Pursuant to the Society's contracts with Vancouver Coastal Health Authority ("VCHA") or the Province of B.C., the above equipment is held solely for use in the PROP and TIL programs.

## 5. ACCOUNTS PAYABLE AND ACCRUALS

	2021	2020
	\$	\$
Operations	213,641	514,746
Government remittances - payroll deductions	29,356	32,693
- WorkSafeBC	4,610	378
	<b>247,607</b>	<b>547,817</b>

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### 6. DEFERRED FUNDING AND REVENUE

Deferred funding and revenue represents funding received that is designated for operating and program expenses to be incurred after the end of the year.

	Opening deferred \$	Received or Receivable \$	Earned \$	Closing deferred \$
<b>PROP Fund:</b>				
Vancouver Coastal Health Authority - operations	154,639	1,885,914	1,883,584	156,969
Vancouver Coastal Health Authority - equipment	866,246	197,167	1,063,413	—
Province of BC - temporary pandemic pay	—	26,793	26,793	—
Government of Canada - wage subsidy	—	21,250	21,250	—
	<b>1,020,885</b>	<b>2,131,124</b>	<b>2,995,040</b>	<b>156,969</b>
<b>TIL Fund:</b>				
Vancouver Coastal Health Authority	33,763	414,962	414,206	34,519
Government of Canada - summer grant	—	3,151	3,151	—
Government of Canada - wage subsidy	—	3,750	3,750	—
Neil Squire Society - wage subsidy	—	10,020	10,020	—
Province of BC - temporary pandemic pay	—	5,652	5,652	—
	<b>33,763</b>	<b>437,535</b>	<b>436,779</b>	<b>34,519</b>
<b>Association Fund:</b>				
Open Doors project	86,075	17,500	71,250	32,325
Muscular Dystrophy Canada	—	25,000	25,000	—
Province of BC - temporary pandemic pay	—	2,853	2,853	—
George Pearson Centre fund	—	25,000	840	24,160
Simon Cox Innovations fund	15,900	27,500	—	43,400
Suzette Lewis fund	890	—	—	890
	<b>102,865</b>	<b>97,853</b>	<b>99,943</b>	<b>100,775</b>
	<b>1,157,513</b>	<b>2,666,512</b>	<b>3,531,762</b>	<b>292,263</b>

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2021

**7. DEFERRED EQUIPMENT FUNDING**

Deferred equipment funding represent past funding received that has been expended on equipment purchases that have not yet been recognized as income. This funding is being amortized to income over the useful life of the related equipment, as follows:

	2021	2020
	\$	\$
<b>Balance, beginning of year</b>	<b>2,275,264</b>	2,636,383
Expended on equipment during the year		
From PROP funding	<b>836,804</b>	668,277
From TIL funding	<b>55,076</b>	47,104
Amortization of equipment for the year - PROP equipment	<b>(1,032,476)</b>	(1,031,340)
Amortization of equipment for the year - TIL equipment	<b>(44,616)</b>	(45,160)
<b>Balance, end of year</b>	<b>2,090,052</b>	2,275,264

**8. INTERNALLY RESTRICTED NET ASSETS**

The Society's Board of Directors has internally restricted net assets for the following purposes:

	Opening	Restricted in	Utilized in	Closing
	\$	\$	\$	\$
TIL development plan	35,335	—	—	35,335
TIL special needs equipment	22,349	—	—	22,349
Building fund	128,993	—	—	128,993
	<b>186,677</b>	—	—	<b>186,677</b>

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### 9. ALLOCATED EXPENSES

In 2021, the Society allocated salary and benefits expenses and administrative costs to the PROP and TIL programs, as shown in the following table:

	PROP	TIL	Association
<b>Salaries and benefits</b>			
Executive director, finance & admin. Manager	80%	20%	Nil
Biomedical engineering department manager	50%	50%	Nil
Biomedical technician	50%	50%	Nil
Client services & IT manager, materials manager	80%	20%	Nil
Respiratory therapy department manager	100%	Nil	Nil
<b>Administrative costs</b>			
Rent and premises	80%	20%	Nil
Staff travel	80%	20%	Nil
Office and administration	80%	20%	Nil

Insurance is allocated to PROP, TIL and the Association based on the relative value of the items insured. All other costs were incurred specifically for each program.

### 10. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2021.

#### Credit Risk

The Society is exposed to credit risk with respect to its bank deposits, short-term investments and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and investments are invested with a large financial institution.

#### Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

#### Interest Rate Risk

The Society is exposed to interest rate risk on its term deposits in so far that the initial rate may be higher than the current interest rate obtained on maturity and renewal.

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2021

### 11. COMMITMENT

Operations are conducted from leased premises, currently rented at a base rent plus operating expenses and property taxes. The lease expires on October 31, 2022.

The commitment for the next two years, for base rent only, is:

	\$
2022	93,846
2023	55,765
	<u>149,611</u>

### 12. SALARIES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Society is required to disclose salaries and benefits paid to employees who are paid \$75,000 or more during the fiscal year. 2021 salaries and benefits expense includes \$956,060 paid to eleven employees.

### 13. ECONOMIC DEPENDENCE

The primary source of the Society's revenues are the grant revenues from Vancouver Coastal Health Authority. The Society's ability to continue viable operations is dependent upon maintaining this source of revenue. These financial statements have been prepared on a going concern basis on the assumption this source of funding will continue to finance the Society's program activities.

### 14. COVID-19

PROP and TIL staff are using complete PPE equipment when visiting service users in their homes. The public health orders have been adhered to, frequency of visits have varied depending on the severity of the spread of COVID and the health orders. During the pandemic many staff have worked from home, coming into the office as required. The office protocols follow the health orders, we ask staff and all entering the office to complete a self-health check and sign in. The staff are socially distanced in the office and wear a mask. No staff were laid off as a result of the pandemic.

During the year, the Society received temporary wage subsidies in the amount of \$25,000 [2020 - \$Nil].