

FINANCIAL STATEMENTS

TFL TECHNOLOGY FOR LIVING SOCIETY

March 31, 2024

DRAFT

INDEPENDENT AUDITOR'S REPORT

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, 2024, 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, 2024, 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.
- 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Vancouver, Canada
Date of board approval

Chartered Professional Accountants

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STATEMENT OF FINANCIAL POSITION

As at March 31

	Restricted Funds		Association	2024	2023
	PROP	TIL	Funds	Total	Total
	\$	\$	\$	\$	\$
ASSETS					
Current					
Cash and cash equivalents <i>[note 3]</i>	—	—	5,003,273	5,003,273	5,253,735
Interfund balances	3,429,666	208,452	(3,638,118)	—	—
Funding and accounts receivable	—	—	96,270	96,270	188,961
GST receivable	24,089	1,942	3,462	29,493	27,901
Inventory of supplies	243,183	23,795	—	266,978	236,172
Prepaid expenses	12,997	3,249	—	16,246	17,109
Total current assets	3,709,935	237,438	1,464,887	5,412,260	5,723,878
Equipment <i>[note 4]</i>	2,673,100	52,993	—	2,726,093	2,681,068
	6,383,035	290,431	1,464,887	8,138,353	8,404,946
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accruals <i>[note 5]</i>	233,820	37,814	87,993	359,627	300,962
Deferred funding and revenue <i>[note 6]</i>	1,707,078	40,929	298,294	2,046,301	3,027,677
Total current liabilities	1,940,898	78,743	386,287	2,405,928	3,328,639
Deferred equipment funding <i>[note 7]</i>	2,673,100	52,993	—	2,726,093	2,681,068
Total liabilities	4,613,998	131,736	386,287	5,132,021	6,009,707
Net assets					
Internally restricted <i>[note 8]</i>	—	—	186,677	186,677	186,677
Restricted funds	1,769,037	158,695	—	1,927,732	1,643,736
Unrestricted	—	—	891,923	891,923	564,826
Total net assets	1,769,037	158,695	1,078,600	3,006,332	2,395,239
	6,383,035	290,431	1,464,887	8,138,353	8,404,946

Commitment *[note 11]*

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 \$	
2024			<i>[Note 8]</i>		
Balance, beginning of year	1,499,165	144,571	186,677	564,826	2,395,239
Excess of revenue for the year	269,872	14,124	—	327,097	611,093
Balance, end of year	1,769,037	158,695	186,677	891,923	3,006,332
2023					
Balance, beginning of year	608,095	134,301	186,677	285,112	1,214,185
Excess of revenue for the year	891,070	10,270	—	279,714	1,181,054
Balance, end of year	1,499,165	144,571	186,677	564,826	2,395,239

See accompanying notes to the financial statements

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STATEMENT OF OPERATIONS

Year ended March 31

	2024			2023	
	Restricted Funds		Association	Total	Total
	PROP	TIL	Funds		
\$	\$	\$	\$	\$	
REVENUE					
Contracts and Grants <i>[note 6]</i>					
Vancouver Coastal Health Authority <i>[note 13]</i>	4,237,007	491,181	—	4,728,188	4,186,741
Open doors project	—	—	61,208	61,208	83,511
Youth Assistive Technology Fund	—	—	34,333	34,333	32,868
Praxis Spinal Cord Institute	—	—	27,678	27,678	—
Simon Cox Competition	—	—	27,509	27,509	17,309
Perrinham Foundation	—	—	25,000	25,000	—
New Horizons - We Talk Tech	—	—	18,067	18,067	21,480
Stuart Belkin Education Fund	—	—	15,673	15,673	—
George Pearson Centre fund	—	—	10,391	10,391	13,617
Neil Squire - wage subsidy	—	—	2,820	2,820	13,800
Smart Technology	—	—	2,176	2,176	29,858
Government of Canada - summer grant	—	—	—	—	5,367
North Okanagan Community Foundation	—	—	—	—	5,000
Woodward's Foundation	—	—	—	—	2,500
Interest and other	—	—	244,988	244,988	136,312
Fees for services	—	84,425	80,525	164,950	91,280
Donations	—	—	104,657	104,657	152,362
Amortization - deferred equipment funding <i>[note 7]</i>	929,635	37,067	—	966,702	960,308
Revenue used for equipment purchases	(973,175)	(38,552)	—	(1,011,727)	(462,740)
	4,193,467	574,121	655,025	5,422,613	5,289,573
EXPENSES					
Salaries and benefits	1,672,950	378,586	4,388	2,055,924	1,614,891
Client service costs					
Supplies	460,142	24,846	8,739	493,727	344,338
Contracted client services	117,186	4,649	59,220	181,055	195,817
Equipment maintenance	138,242	14,165	—	152,407	148,911
Travel	86,999	4,867	—	91,866	81,045
Educational materials/peer support	70,052	7,227	—	77,279	70,785
Open doors project	—	—	61,208	61,208	83,511
Simon Cox Competition	—	—	30,234	30,234	17,309
Youth Assistive Technology Fund	—	—	29,818	29,818	32,868
COPD Project	—	—	28,324	28,324	—
Perrinham Foundation	—	—	25,000	25,000	—
New Horizons - We Talk Tech	—	—	18,686	18,686	21,844
Praxis Spinal Cord Institute	—	—	17,978	17,978	—
Smart Technology	—	—	17,477	17,477	29,858
Stuart Belkin Education Fund	—	—	15,673	15,673	—
George Pearson Centre fund	—	—	10,391	10,391	13,617
North Okanagan Community Foundation	—	—	—	—	5,038
Woodward's Foundation	—	—	—	—	2,509
Rent and premises	219,162	48,109	—	267,271	222,072
Office and administration	153,418	37,322	792	191,532	185,950
Insurance	75,809	3,159	—	78,968	77,848
Amortization expense	929,635	37,067	—	966,702	960,308
	3,923,595	559,997	327,928	4,811,520	4,108,519
Excess of revenue for the year	269,872	14,124	327,097	611,093	1,181,054

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for year	611,093	1,181,054
Items not affecting cash		
Amortization - equipment	966,702	960,308
Amortization - deferred equipment funding	(966,702)	(960,308)
Change in other non-cash items		
Funding and accounts receivable	92,691	3,615,834
GST receivable	(1,592)	(2,636)
Inventory of supplies	(30,806)	(90,762)
Prepaid expenses	863	(5,399)
Accounts payable and accruals	58,665	81,082
Deferred funding and revenue	(981,376)	(942,976)
Cash provided by (used in) operating activities	(250,462)	3,836,197
FINANCING ACTIVITIES		
Restricted funding used for equipment purchases	1,011,727	462,740
Cash provided by financing activities	1,011,727	462,740
INVESTING ACTIVITIES		
Purchases of equipment	(1,011,727)	(462,740)
Cash used in investing activities	(1,011,727)	(462,740)
Increase (decrease) in cash for the year	(250,462)	3,836,197
Cash, beginning of year	5,253,735	1,417,538
Cash, end of year	5,003,273	5,253,735

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES

Direct Access Gaming Revenues

Direct access gaming revenues, when applicable, 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, 2024

3. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Current account - operating	327,008	287,762
Current account - Premium Interest account	265	115,973
Guaranteed investment certificates	4,676,000	4,850,000
	5,003,273	5,253,735

The guaranteed investment certificates have interest rates ranging from 4.00% to 5.66% and maturity dates ranging from June 2024 to March 2025.

4. EQUIPMENT

	Cost	Accumulated Amortization	Book Value
	\$	\$	\$
2024			
PROP equipment	7,024,026	4,526,309	2,497,717
PROP computers	50,931	25,998	24,933
PROP database	175,460	32,600	142,860
PROP furniture and fixtures	12,649	5,059	7,590
PROP leasehold improvements	14,085	14,085	—
TIL equipment	489,350	436,357	52,993
	7,766,501	5,040,408	2,726,093
2023			
PROP equipment	6,075,733	3,615,367	2,460,366
PROP computers	38,367	20,268	18,099
PROP database	163,144	20,903	142,241
PROP furniture and fixtures	12,649	3,795	8,854
PROP leasehold improvements	14,085	14,085	—
TIL equipment	450,798	399,290	51,508
	6,754,776	4,073,708	2,681,068

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

5. ACCOUNTS PAYABLE AND ACCRUALS

	2024	2023
	\$	\$
Operations	328,351	262,857
Government remittances - payroll deductions	21,824	31,745
- WorkSafeBC	9,452	6,360
	359,627	300,962

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 \$
PROP Fund:				
Vancouver Coastal Health Authority - operations	161,267	2,254,084	2,229,559	185,792
Vancouver Coastal Health Authority - equipment	2,745,829	782,905	2,007,448	1,521,286
	2,907,096	3,036,989	4,237,007	1,707,078
TIL Fund:				
Vancouver Coastal Health Authority	35,110	497,000	491,181	40,929
Government of Canada - summer grant	—	—	—	—
	35,110	497,000	491,181	40,929
Association Fund:				
George Pearson Centre fund	9,227	10,000	10,391	8,836
Neil Squire Society - wage subsidy	—	2,820	2,820	—
New Horizons - We Talk Tech	—	18,067	18,067	—
North Okanagan Community Foundation	—	5,000	—	5,000
Open Doors project	4,671	76,800	61,208	20,263
Perrinham Foundation	—	25,000	25,000	—
Praxis Spinal Cord Institute	—	50,000	27,678	22,322
Simon Cox Competition	8,009	19,500	27,509	—
Simon Cox Innovations fund	10,405	—	—	10,405
Smart Technology	1,685	491	2,176	—
Stuart Belkin Education Fund	—	225,000	15,673	209,327
Suzette Lewis fund	890	—	—	890
Youth Assistive Technology Fund	50,584	5,000	34,333	21,251
	85,471	437,678	224,855	298,294
	3,027,677	3,971,667	4,953,043	2,046,301

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

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:

	2024	2023
	\$	\$
Balance, beginning of year	2,681,068	3,178,636
Expended on equipment during the year		
From PROP funding	973,175	438,639
From TIL funding	38,552	24,101
Amortization of equipment for the year - PROP equipment	(929,635)	(917,414)
Amortization of equipment for the year - TIL equipment	(37,067)	(42,894)
Balance, end of year	2,726,093	2,681,068

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
	\$	Year	Year	\$
	\$	\$	\$	\$
TIL development plan	35,335	—	—	35,335
TIL special needs equipment	22,349	—	—	22,349
Building fund	128,993	—	—	128,993
	186,677	—	—	186,677

NOTES TO FINANCIAL STATEMENTS

March 31, 2024

9. ALLOCATED EXPENSES

In 2024, 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
Salaries and benefits			
Executive director, finance & admin. Manager	82%	18%	Nil
Biomedical engineering department manager	50%	50%	Nil
Biomedical technician	50%	50%	Nil
Client services & IT manager, materials manager	82%	18%	Nil
Respiratory therapy department manager	100%	Nil	Nil
Administrative costs			
Rent and premises	82%	18%	Nil
Office and administration	82%	18%	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, 2024.

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

March 31, 2024

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, 2024.

The commitment for the next fiscal year, for base rent only, is:

	\$
2025	95,224

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. 2024 salaries and benefits expense includes \$1,486,753 paid to fifteen employees [2023 - \$759,286 - nine 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.