
FINANCIAL STATEMENTS

**B. C. ASSOCIATION FOR INDIVIDUALIZED
TECHNOLOGY AND SUPPORTS FOR
PEOPLE WITH DISABILITIES**

March 31, 2017

***T*OMPKINS, *W*OZNY, *M*ILLER & *C*O.
Chartered Accountants**

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
B.C. Association for Individualized Technology and Supports for People with Disabilities

Report on the Financial Statements

We have audited the accompanying financial statements of B.C. Association for Individualized Technology and Supports for People with Disabilities which comprise the statement of financial position as at March 31, 2017, and the statements of changes in net assets, operations 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 Association'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 Association'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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of B.C. Association for Individualized Technology and Supports for People with Disabilities 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
August 14, 2017

Chartered Professional Accountants

B.C. Association for Individualized Technology and Supports for People with Disabilities

STATEMENT OF FINANCIAL POSITION

As at March 31

	Restricted Funds			Association	2017	2016
	PROP	TIL	PSN	Funds	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current						
Cash and cash equivalents <i>[note 3]</i>	—	—	—	1,924,958	1,924,958	3,792,823
Interfund balances	1,403,232	207,856	108,993	(1,720,081)	—	—
Investments	3,981	—	—	—	3,981	3,525
Funding and accounts receivable	12,497	—	—	1,419	13,916	6,811
GST receivable	14,927	1,957	—	85	16,969	21,732
Inventory of supplies	329,937	27,361	—	—	357,298	308,430
Prepaid expenses	5,699	5,699	—	1,005	12,403	3,558
Total current assets	1,770,273	242,873	108,993	207,386	2,329,525	4,136,879
Equipment <i>[note 4]</i>	3,241,207	100,054	—	—	3,341,261	2,550,770
	5,011,480	342,927	108,993	207,386	5,670,786	6,687,649
LIABILITIES AND NET ASSETS						
Current liabilities						
Accounts payable and accruals <i>[note 5]</i>	160,394	24,266	—	3,875	188,535	259,312
Deferred funding and revenue <i>[note 6]</i>	146,381	99,614	—	12,690	258,685	2,016,518
Deferred interest	77,442	—	—	—	77,442	66,938
Total current liabilities	384,217	123,880	—	16,565	524,662	2,342,768
Deferred equipment funding <i>[note 7]</i>	3,241,207	100,054	—	—	3,341,261	2,550,771
Total liabilities and deferred funding	3,625,424	223,934	—	16,565	3,865,923	4,893,539
Net assets						
Internally restricted <i>[note 8]</i>	—	—	—	77,684	77,684	77,684
Restricted funds	1,386,056	119,993	108,993	—	1,615,042	1,448,754
Unrestricted	—	—	—	112,137	112,137	267,672
Total net assets	1,386,056	119,993	108,993	189,821	1,804,863	1,794,110
	5,011,480	343,927	108,993	206,386	5,670,786	6,687,649

Commitment *[note 11]*

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

B.C. Association for Individualized Technology and Supports for People with Disabilities

STATEMENT OF CHANGES IN NET ASSETS AND RESTRICTED FUNDS

Year ended March 31

	Restricted Funds			Association Funds		Total
	PROP	TIL	PSN	Internally Restricted	Un - Restricted	
	\$	\$	\$	\$	\$	\$
2017				[Note 8]		
Balance, beginning of year	1,288,752	51,009	108,993	77,684	267,672	1,794,110
Excess of revenue (expenses) for the year	97,304	(81,516)	—	—	(5,035)	10,753
Association transfer to TIL	—	150,500	—	—	(150,500)	—
Balance, end of year	1,386,056	119,993	108,993	77,684	112,137	1,804,863
Net assets are made up as follows:						
Inventory of supplies	329,937	27,361	—	—	—	357,298
Grants and accounts receivable	12,497	—	—	—	1,419	13,916
Other net assets	1,043,622	92,632	108,993	77,684	110,718	1,433,649
	1,386,056	119,993	108,993	77,684	112,137	1,804,863
2016						
Balance, beginning of year	1,807,717	34,571	108,993	84,344	270,811	2,306,436
Excess of revenue (expenses) for the year	(518,965)	9,778	—	—	(3,139)	(512,326)
Association transfer to TIL	—	6,660	—	(6,660)	—	—
Balance, end of year	1,288,752	51,009	108,993	77,684	267,672	1,794,110
Net assets are made up as follows:						
Inventory of supplies	279,883	28,547	—	—	—	308,430
Grants and accounts receivable	6,633	—	—	—	178	6,811
Other net assets	1,002,236	22,462	108,993	77,684	267,494	1,478,869
	1,288,752	51,009	108,993	77,684	267,672	1,794,110

See accompanying notes to the financial statements

B.C. Association for Individualized Technology and Supports for People with Disabilities

STATEMENT OF OPERATIONS

Year ended March 31	2017					2016
	Restricted funds			Association		Total
	PROP	TIL	PSN	Funds	Total	
\$	\$	\$	\$	\$	\$	
REVENUE						
Contracts and Grants <i>[note 6]</i>						
Vancouver Coastal Health Authority	3,671,770	380,496	—	—	4,052,266	3,065,468
Golf tournament	—	29,295	—	—	29,295	34,645
BC Rehabilitation Society	—	24,597	—	—	24,597	25,933
Government of Canada	2,193	2,193	—	—	4,386	4,706
BC Gaming	—	1,498	—	—	1,498	98,502
Fees for services	12,357	—	—	13,135	25,492	29,256
Interest and other	—	—	—	12,206	12,206	8,982
Donations	100	250	—	6,819	7,169	7,630
Amortization - deferred equipment funding <i>[note 7]</i>	860,178	59,066	—	—	919,244	686,812
Revenue used for equipment purchases	(1,635,520)	(74,215)	—	—	(1,709,735)	(1,484,364)
	2,911,078	423,180	—	32,160	3,366,418	2,477,570
EXPENSES						
Salaries and benefits	1,024,970	240,891	—	27,043	1,292,904	1,152,060
Client service costs						
Supplies	337,929	30,859	—	—	368,788	370,151
Equipment maintenance	128,677	6,871	—	—	135,548	144,100
Contracted client services	94,701	2,080	—	895	97,676	111,209
Travel	76,350	13,787	—	—	90,137	71,142
Educational materials/peer support	32,230	6,893	—	—	39,123	38,849
Golf tournament	—	29,295	—	—	29,295	34,645
Open doors project	—	24,597	—	—	24,597	25,933
Office and administration	117,114	39,943	—	6,507	163,564	162,654
Rent and premises	72,283	31,265	—	—	103,548	104,809
Insurance	69,342	19,149	—	2,750	91,241	87,532
Amortization expense	860,178	59,066	—	—	919,244	686,812
	2,813,774	504,696	—	37,195	3,355,665	2,989,896
Excess of revenue (expenses) for the year	97,304	(81,516)	—	(5,035)	10,753	(512,326)

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue (expenses) for year	10,753	(512,326)
Items not affecting cash		
Amortization - equipment	919,244	686,812
Amortization - deferred equipment funding	(919,244)	(686,812)
Change in other non-cash items		
Funding and accounts receivable	(7,105)	41,484
GST receivable	4,763	11,289
Inventory of supplies	(48,868)	(14,350)
Prepaid expenses	(8,845)	24
Accounts payable and accruals	(70,778)	143,876
Deferred funding and revenue	(1,757,833)	(1,255,715)
Deferred interest	10,504	29,864
Cash used in operating activities	(1,867,409)	(1,555,854)
FINANCING ACTIVITIES		
Restricted funding used for equipment purchases	1,709,735	1,484,364
Increase in investments (net)	(456)	(116)
Cash provided by financing activities	1,709,279	1,484,248
INVESTING ACTIVITIES		
Purchases of equipment	(1,709,735)	(1,484,364)
Cash used in investing activities	(1,709,735)	(1,484,364)
Decrease in cash for the year	(1,867,865)	(1,555,970)
Cash, beginning of year	3,792,823	5,348,793
Cash, end of year	1,924,958	3,792,823
Cash consists of:		
Cash	1,924,958	3,780,287
Restricted cash - gaming	—	12,536
	1,924,958	3,792,823

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1. NATURE OF OPERATIONS

The B.C. Association for Individualized Technology and Supports for People with Disabilities (the "Association") commenced operations on April 1, 2006 when it assumed certain net assets and related contractual obligations of the B.C. Paraplegic Association. The Association 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 Association became a registered charity effective April 1, 2007.

The Association 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.

[c] The Personal Supports Network ("PSN") program assists people with disabilities to find a range of personal supports they need – from assistive technology to personal assistants.

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

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

Fund Accounting

The Association reflects revenues relating to the PROP, TIL, and PSN 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 Association initially measures its financial assets and financial liabilities at fair value. The Association 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.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end and short-term guaranteed investment certificates with maturity dates of three months or less.

Statement of Cash Flows

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

The cash flow statement is not segregated into separate restricted fund categories as all cash is received and disbursed from the Association's bank account.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 5 years
- TIL 3 years

3. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Current account - operating	112,260	(59,391)
Current account - Premium Interest account	1,762,131	3,789,197
Current account - gaming	—	12,536
Guaranteed investment certificate	50,000	50,000
Investment account cash balance	567	481
	1,924,958	3,792,823

The guaranteed investment certificate (GIC) is pledged as security by the Association with its financial institution for its operating credit cards. The GIC has an interest rate of 0.9% and maturity date of December 2017.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4. EQUIPMENT

	Cost	Accumulated	Book
	\$	Amortization	Value
		\$	\$
2017			
PROP equipment	5,828,132	2,586,925	3,241,207
TIL equipment	210,312	110,258	100,054
	6,038,444	2,697,183	3,341,261
2016			
PROP equipment	4,192,613	1,726,747	2,465,866
TIL equipment	136,097	51,193	84,904
	4,328,710	1,777,940	2,550,770

Pursuant to the Association'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

	2017	2016
	\$	\$
Operations	156,713	241,772
Government remittances - payroll deductions	29,159	15,022
- WorkSafeBC	2,663	2,518
	188,535	259,312

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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	—	1,854,149	1,707,768	146,381
Vancouver Coastal Health Authority	1,964,002	—	1,964,002	—
	1,964,002	1,854,149	3,671,770	146,381
Government of Canada	—	2,193	2,193	—
	1,964,002	1,856,342	3,673,963	146,381
TIL Fund:				
Vancouver Coastal Health Authority	—	412,778	380,496	32,282
Golf tournament - Open Doors project	25,155	57,006	29,295	52,866
B.C. Rehabilitation Society - Open Doors project	14,063	25,000	24,597	14,466
Government of Canada	—	2,193	2,193	—
B.C. Gaming	1,498	—	1,498	—
	40,716	496,977	438,079	99,614
Association Fund:				
Simon Cox Innovations fund	11,800	—	—	11,800
Suzette Lewis fund	—	890	—	890
	11,800	890	—	12,690
	2,016,518	2,354,209	4,112,042	258,685

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

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:

	2017	2016
	\$	\$
Balance, beginning of year	2,550,771	1,753,219
Expended on equipment during the year		
From PROP funding	1,635,519	1,415,990
From TIL funding	74,215	68,374
Amortization of equipment for the year - PROP equipment	(860,178)	(650,940)
Amortization of equipment for the year - TIL equipment	(59,066)	(35,872)
Balance, end of year	3,341,261	2,550,771

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	20,000	—	—	20,000
	77,684	—	—	77,684

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

9. ALLOCATED EXPENSES

In 2017, the Association 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	90%	10%	Nil
Biomedical engineering department manager	50%	50%	Nil
Biomedical technician	100%	Nil	Nil
Client services & IT manager, materials manager	80%	20%	Nil
Respiratory therapy department manager	100%	Nil	Nil
Administrative costs			
Rent and premises	70%	30%	Nil
Staff travel	70%	10%	20%
Office and administration	70%	30%	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 Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at March 31, 2017.

Credit Risk

The Association is exposed to credit risk with respect to its bank deposits, short-term investments and accounts receivable. The Association 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 Association 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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

10. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk

The Association 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.

11. COMMITMENT

Operations are conducted from leased premises, currently rented at a base rent plus operating expenses and property taxes. The lease expires on July 31, 2020.

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

	\$
2018	49,875
2019	49,875
2020	49,875
2021	16,625
	166,250

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. 2017 salaries and benefits expense includes \$249,634 paid to three employees.