
NON-CONSOLIDATED FINANCIAL STATEMENTS

**WESTERN INSTITUTE FOR THE DEAF
AND HARD OF HEARING**
**(dba WAVEFRONT CENTRE FOR
COMMUNICATION ACCESSIBILITY)**

December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
Western Institute for the Deaf and Hard of Hearing (dba Wavefront Centre for Communication Accessibility)

Qualified Opinion

We have audited the non-consolidated financial statements of the Western Institute for the Deaf and Hard of Hearing (dba Wavefront Centre for Communication Accessibility) (the "Society"), which comprise the non-consolidated statement of financial position as at December 31, 2022, and the non-consolidated 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, 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 Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations, bequests and gifts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations, bequests and gifts revenue, revenue under expenses, and cash flows from operations for the year ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years.

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 qualified 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 non-consolidated 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 non-consolidated 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 Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the non-consolidated 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.
- 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 the accounting principles used in these non-consolidated financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
June 9, 2023

Chartered Professional Accountants

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

	2022	2021
	\$	\$
ASSETS		
Current		
Cash	748,402	332,439
Short-term investments [note 3]	10,591,266	1,496,527
Accounts receivable [note 4]	718,801	709,121
Inventory	73,524	150,925
Prepaid expenses	55,034	51,858
Total current assets	12,187,027	2,740,870
Capital assets [note 6]	582,800	16,704,527
	12,769,827	19,445,397
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals [note 7]	522,626	413,989
Deferred revenue	84,548	32,177
Bank loan [note 8]	—	9,000,000
Total current liabilities	607,174	9,446,166
Deferred rent	80,427	—
Deferred contributions related to capital assets [note 9(i)]	209,991	2,522,100
Deferred contributions related to programs, research and other [note 9(ii)]	—	134,969
Total liabilities	897,592	12,103,235
Net assets		
Invested in capital assets	372,809	5,182,427
Internally restricted [note 10]	7,050,000	—
Unrestricted	4,449,426	2,159,735
Total net assets	11,872,235	7,342,162
	12,769,827	19,445,397

Lease commitments [note 18]

Other [note 20]

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	Invested in Capital Assets \$	Internally Restricted \$	Unrestricted \$	Total \$
		<i>[note 10]</i>		
2022				
Balance, beginning of year	5,182,427	—	2,159,735	7,342,162
Revenue over (under) expenses	(335,513)	—	4,865,586	4,530,073
Investment in capital assets	146,572	—	(146,572)	—
Sale of property - 2005 Quebec St, net of related debt of \$9,000,000 and restricted contributions	(4,620,677)	—	4,620,677	—
Interfund transfers	—	7,050,000	(7,050,000)	—
Balance, end of year	372,809	7,050,000	4,449,426	11,872,235
2021				
Balance, beginning of year	1,561,402	—	6,580,379	8,141,781
Revenue under expenses	(585,136)	—	(214,483)	(799,619)
Investment in capital assets	351,258	—	(351,258)	—
Exchange of investment in subsidiary company for property, net of related debt of \$9,000,000 <i>[note 5(i)]</i>	3,854,903	—	(3,854,903)	—
Balance, end of year	5,182,427	—	2,159,735	7,342,162

See accompanying notes to the financial statements

NON-CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31

	2022	2021
	\$	\$
REVENUE		
Grants, donations, bequests and gifts		
Province of British Columbia <i>[note 11]</i>	91,548	91,548
United Way	155,522	130,896
Other grants	120,090	468,093
Wage and rent subsidies - government assistance <i>[note 20]</i>	—	37,165
Donations, bequests and gifts	131,796	61,157
	498,956	788,859
Income from Social Enterprise		
Sales of hearing aids/communication devices	2,780,664	3,481,884
Cost of sales	(976,400)	(1,280,664)
Gross profit	1,804,264	2,201,220
Accessible Communications Services	1,679,218	1,560,377
Service contracts	222,920	225,352
Accessible Communications Services expenses	(1,068,981)	(971,548)
Gross profit	833,157	814,181
Total income from Social Enterprise	2,637,421	3,015,401
Other income		
Gaming	173,000	151,500
Endowment revenues - Vancouver Foundation <i>[note 12]</i>	53,782	46,409
Investment income <i>[note 13]</i>	144,461	70,130
Expense recoveries and other income	161,840	124,270
Total net revenue	3,669,460	4,196,569
EXPENSES		
Building occupancy	844,784	488,235
Loan interest	77,390	132,258
Office and general	475,281	475,968
Professional fees <i>[note 17]</i>	735,345	162,239
Publicity and public education	43,889	40,682
Salaries, employee benefits and contract services <i>[note 17]</i>	3,375,809	3,079,476
Transportation	96,377	32,194
Total expenses	5,648,875	4,411,052
Revenue under expenses for the year before other items	(1,979,415)	(214,483)
Amortization of deferred contributions related to capital assets <i>[note 9(i)]</i>	97,553	165,951
Amortization of capital assets	(433,066)	(751,087)
Gain on sale of property - 2005 Quebec Street <i>[note 5(ii)]</i>	6,845,001	—
Revenue over (under) expenses for the year	4,530,073	(799,619)

See accompanying notes to the financial statements

NON-CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Revenue over (under) expenses for the year	4,530,073	(799,619)
Items not affecting cash		
Amortization of capital assets	433,066	751,087
Amortization of deferred contributions related to capital assets	(97,553)	(165,951)
Decrease in market value of short-term investments, net	95,455	36,655
Gain on sale of property - 2005 Quebec Street	(6,845,001)	—
Changes in non-cash working capital items		
Accounts receivable	76,049	(237,975)
Inventory	77,401	(36,793)
Prepaid expenses	(3,176)	(15,054)
Accounts payable and accruals	108,637	(66,520)
Deferred revenue	52,371	(348,523)
Deferred rent	80,427	—
Cash used in operating activities	(1,492,251)	(882,693)
INVESTING ACTIVITIES		
Recovery of (acquisition) of capital assets	195,853	(351,258)
Deferred contributions	(51,469)	84,388
Redemption (purchase) of short-term investments (net)	(9,190,194)	255,997
Proceeds on sale of property, net of disposition costs and repayment of bank loan	10,954,024	—
Cash provided by (used in) investing activities	1,908,214	(10,873)
Increase (decrease) in cash during the year	415,963	(893,566)
Cash, beginning of year	332,439	1,226,005
Cash, end of year	748,402	332,439

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. NATURE OF OPERATIONS AND NAME CHANGE

On July 23, 2019, the Western Institute for the Deaf and Hard of Hearing (the "Society") changed its operating name to Wavefront Centre for Communication Accessibility to better represent the Society. The legal name of the Society remains to be Western Institute for the Deaf and Hard of Hearing.

The Society is a not-for-profit organization and registered charity incorporated in 1956 pursuant to the British Columbia Societies Act. The Society is exempt from income taxes.

Operating as a Social Enterprise, the Society delivers innovative services in Audiology and Communication Devices, Counselling, Seniors Outreach, and Accessible Communication Services that assist people who are Deaf, DeafBlind and Hard of Hearing achieve full communication accessibility.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment in 2005 Q Street Properties Ltd.

Investment in wholly-owned subsidiary, 2005 Q Street Properties Ltd. ("Q-Street") is recorded on a cost basis.

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 revenue and expenses reported during the year. Significant areas requiring the use of management estimates relate to the valuation allowances for accounts receivable, the determination of net recoverable value of assets, in particular as it relates to the useful lives of capital assets and the determination of the deferred portion of grants received. Actual results could differ from these estimates.

Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions, except for donations, gifts and bequests, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

Donations, gifts and bequests are recorded on a cash basis. Donations in kind are recorded as revenue at the time received and are recorded at fair value, if independent evidence is available to support the fair value.

Revenue from sales of hearing aids is recognized when the customer's last fitting is completed. Technical equipment is recognized as revenue when title to the goods is transferred to the customer.

Revenue from fees for service is recognized when the service is provided.

Canada Emergency Wage Subsidies are recognized as income when the Society meets the conditions of the program and when the Society is reasonably assured of collection of the respective claims.

Contributed Services

Volunteers contribute time to assist the Society in its operations. However, because of the difficulty associated with determining the fair value of these services, they are not recognized in the financial statements.

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, term deposits and accounts receivable.

Financial assets measured at fair value include mutual funds.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at amortized 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.

Short-Term Investments

The high interest savings account and term deposits are recorded at amortized cost. All other investments are recorded at market value.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventory

Inventory consists of purchased goods held for resale and is valued at the lower of cost and net realizable value.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives [note 6].

Amortization of Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets consists of grants and other donations received that are restricted for building costs.

Amortization of deferred contributions related to capital assets is recognized as revenue on a straight-line basis over the estimated useful lives of the related capital assets [note 6].

Pension Plan

The Society participates in a multi-employer defined benefit pension plan ("Pension Plan") with the United Way and certain of its funded agencies. Defined contribution plan accounting is applied to multi-employer defined benefit plans and accordingly, pension contributions are expensed as the actuary does not attribute portions of the unfunded liability, if any, to individual employers.

All full time employees of the Society who have attained the age of 25 must join the Pension Plan after completing one year of employment.

3. SHORT-TERM INVESTMENTS

	2022	2021
	\$	\$
High interest savings and term deposits	10,000,000	635,888
Mutual funds - bond, income and equity	591,266	860,639
	10,591,266	1,496,527

Interest rates on the term deposits range from 4.77% to 5.05% [2021 - 0.10% to 1.26%] with maturities ranging from one to three months.

The cost of the investments at December 31, 2022 is \$10,579,920 [2021 - \$1,389,725].

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trades and other	622,023	705,102
Allowance for doubtful accounts	(16,519)	(2,000)
	605,504	703,102
Government - GST	113,297	6,019
	718,801	709,121

5. INVESTMENT IN SUBSIDIARY COMPANY

(i) Donated Property

On January 1, 2021, Q-Street issued a deed of gift for the real estate property located at 2005 Quebec Street in Vancouver, B.C. for a deemed amount of \$10,668,964. As a result of the gift, the Society incurred \$342,425 of GST, net of the applicable GST charity rebate.

The deed of gift was accounted for as follows:

	\$
Cost of the investment in Q-Street shares	12,854,903
Net GST incurred on the gifted property	342,425
Total	13,197,328

The \$13,197,328 cost was allocated to the applicable value of the property's land and building based on relative fair market value [note 6].

The net GST of \$342,425 was incurred as the property was transferred from the subsidiary (Q-Street) to the parent (the Society). Subsequently, in 2022, it was determined that the \$342,425 in GST was not applicable and the Canada Revenue Agency refunded the amount to the Society.

(ii) Sale of Property

During the year, the Society entered into a purchase and sale agreement to sell the land and building situated at 2005 Quebec Street, Vancouver, B.C. The gain on the sale was \$6,845,001, net of disposition costs of \$546,049 and a reversal of the related deferred contributions related to capital assets of \$2,298,129.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. CAPITAL ASSETS

	Rate	Cost \$	Accumulated Amortization \$	Net Book Value \$
2022				
Leasehold improvements - Tri-Cities and Broadway	5 yrs	230,239	145,533	84,706
Furniture and equipment	5 yrs	555,223	380,476	174,747
Audio assessment equipment	5 yrs	1,060,238	835,243	224,995
Computer equipment	3 yrs	363,843	333,819	30,024
Computer software	3 yrs	79,998	79,998	—
Website	5 yrs	57,500	57,500	—
Artwork	—	68,328	—	68,328
		2,415,369	1,832,569	582,800
2021				
Land - 2005 Quebec Street, Vancouver	—	4,950,564	—	4,950,564
Building - 2005 Quebec Street, Vancouver	25 yrs	8,246,764	329,871	7,916,893
Building improvements - 2005 Quebec Street, Vancouver	25 yrs	3,430,277	306,807	3,123,470
Leasehold improvements - Tri-Cities	5 yrs	145,533	131,009	14,524
Furniture and equipment	5 yrs	555,223	286,455	268,768
Audio assessment equipment	5 yrs	1,040,542	696,103	344,439
Computer equipment	3 yrs	321,673	304,132	17,541
Computer software	3 yrs	79,998	79,998	—
Website	5 yrs	57,500	57,500	—
Artwork	—	68,328	—	68,328
		18,896,402	2,191,875	16,704,527

7. ACCOUNTS PAYABLE AND ACCRUALS

	2022 \$	2021 \$
Trades and other	265,543	243,425
Vacation, overtime and sick time	224,707	151,856
Government remittance - Employer Health Tax	27,639	14,601
- PST	1,570	1,705
- WorkSafeBC	3,167	2,402
	522,626	413,989

8. BANK LOAN

During the year, the Society repaid its \$9,000,000 bank loan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

9. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for capital assets and other programs.

(i) *Deferred contributions related to capital assets*

	2022	2021
	\$	\$
Balance, beginning of year	2,522,100	2,688,051
Add: Contributions for the year	83,500	—
Less: Contributions related to building and building improvements	(2,298,056)	—
Less: Amortized during the year	(97,553)	(165,951)
Balance, end of year	209,991	2,522,100

(ii) *Deferred contributions related to programs, research and other*

	2022	2021
	\$	\$
Balance, beginning of year	134,969	50,581
Add: Contributions for the year	—	116,073
Less: Used during the year	(134,969)	(31,685)
Balance, end of year	—	134,969

10. INTERNALLY RESTRICTED NET ASSETS

On December 28, 2022, the Board of Directors internally restricted a portion of the Society's net assets for the following purposes:

	Beginning of Year	Designated in the Year	End of Year
	\$	\$	\$
Tenant improvements - Tri-City location	—	250,000	250,000
- Broadway location	—	300,000	300,000
- Quebec Street location	—	500,000	500,000
Expansion improvements	—	6,000,000	6,000,000
	—	7,050,000	7,050,000

The above amounts must be spent within five years.

11. PROVINCE OF BRITISH COLUMBIA GRANT

The Society received a grant from the Province of British Columbia for audiology. In 2022, the grant revenue recognized as earned is \$91,548 [2021 - \$91,548].

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

12. ENDOWMENT FUNDS

The Vancouver Foundation administers the Western Institute for the Deaf and Hard of Hearing Endowment Fund, the Anderson Fund and the Rene Charbin Fund from which annual interest is provided to the Society. The Society does not have access to the capital in the funds held by the Vancouver Foundation.

13. INVESTMENT INCOME

During the year, investment income includes an unrealized market value loss in the amount of \$95,455 [2021 - unrealized market value loss of \$36,655] as a result of the decline in the market values of short-term investments.

14. PENSION PLAN

The annual cost of the Pension Plan to the Society is 175% [2021 - 175%] of employee contributions. The Society's expense for the year ended December 31, 2022 in respect of pension contributions for its employees amounted to \$131,050 [2021 - \$177,608].

15. 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 December 31, 2022:

Credit Risk

The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral or other security to support its accounts receivable subject to credit risk but mitigates this risk by also dealing with Government agencies and, accordingly, reduces its risk of significant loss for non-performance.

The Society is also exposed to credit risk with respect to its bank deposits, term deposits and short-term investments. The Society reduces its credit risk by placing its bank deposits with a Canadian Credit Union and chartered Canadian bank as well as having its investments managed by a professional investment manager.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

15. FINANCIAL INSTRUMENTS (CONT'D)

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.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk and other price risk.

Interest Rate Risk

The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Society is exposed to this type of risk as a result of investments in mutual funds [note 3] and line of credit [note 16].

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in equity based investments.

16. LINE OF CREDIT

The Society has arranged a credit facility with RBC. The line of credit is to a maximum of \$500,000. The established interest rate is prime plus 1.0%. As at December 31, 2022, the Society had not utilized this credit facility [2021 - \$Nil].

The Society also provided a general security agreement over all of their assets as collateral for the \$500,000 revolving demand credit facility and for a credit card to a maximum \$250,000.

17. SALARIES AND CONTRACT SERVICES

Pursuant to the British Columbia Societies Act, the Society is required to disclose amounts paid to contractors and employees of \$75,000 or more.

Salaries, employee benefits, contract and professional expense services include \$1,328,322 [2021 - \$1,118,569] paid to the ten highest compensated employees and contractors [2021 - ten employees] in the year.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

18. LEASE COMMITMENTS

The Society is committed to the following estimated premises lease payments over the next five years:

	\$
2023	871,984
2024	847,287
2025	796,410
2026	796,999
2027	858,732
	4,171,412

19. RELATED PARTY TRANSACTIONS

(i) Subsidiary

The Society owns 100% of the shares of its wholly-owned subsidiary, Q-Street.

Summary of the unaudited financial information for Q-Street is as follows:

	2022	2021
	\$	\$
Total assets	14,118	14,133
Total liabilities	2,269	2,269
Equity	11,849	11,864
	2022	2021
	\$	\$
Revenue	—	—
Expenses	1,126	1,111
Net loss	(1,126)	(1,111)

On January 1, 2021, as described in [note 5(i)], Q-Street issued a deed of gift for the real estate property located at 2005 Quebec Street in Vancouver, B.C to the Society.

The Society had leased its premises at 2005 Quebec Street from Q-Street for nominal annual rent of \$1 until the property was sold on January 1, 2021.

Q-Street had provided a guarantee for the \$9,000,000 bank loan, which was fully repaid during the year.

(ii) Accounts payable and accruals

As at December 31, 2022, accounts payable and accruals includes \$112,442 [2021 - \$4,122] owing to senior management.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

20. OTHER - COVID-19

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, business are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus including travel bans, quarantines, physical distancing, and closure of non-essential services have triggered significant disruptions to business worldwide. The Society has been impacted by these activities which has resulted in loss of revenue in Hearing Clinics and Accessible Communication Services social enterprises.

In late March 2020, the Government of BC issued a Public Health Order which essentially closed all non-essential services, it was deemed that the Society was an Essential Service and operated with various restrictions.

While some restrictions were lifted in June 2020, the Society continued to operate on consistently evolving Public Health Orders as various variants were discovered. The Society made significant investments to property, plant and equipment, cleaning supplies and other safety measures to comply with WorkSafe BC and other health orders so that we could continue in-person services and operate at significantly reduced capacity.

The Society continues to review various government subsidies to assist with the various financial losses because of operations being closed and limited, however, due to criteria established, the Society have not qualified for additional subsidies over the long-term.

As public health orders continue to be lifted, and we see new variances of the virus, the Society continues to monitor these and make changes to its operations as required.

The Society has applied for and received Canada Emergency Wage Subsidy (CEWS) grant to cover up to 75% of the salaries of its employees in the amount of \$Nil [2021 - \$32,172].

The Society has also applied for and received Canada Emergency Rent Subsidy (CERS) grant to cover part of their commercial rent in the amount of \$Nil [2021 - \$4,993].