

**BOUNDARY FAMILY SERVICES SOCIETY**

**Financial Statements**

**Year Ended March 31, 2021**

**BOUNDARY FAMILY SERVICES SOCIETY**

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**Year Ended March 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Boundary Family Services Society

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Boundary Family Services Society (the Society), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets 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 cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### 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 ethical requirements that are relevant to our audit 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 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 ASNPO, 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.

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Independent Auditor's Report to the Members of Boundary Family Services Society *(continued)*

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.
- 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 Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Grand Forks, British Columbia  
August 23, 2021

*KH Burch Kientz Inc.*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**BOUNDARY FAMILY SERVICES SOCIETY****Statement of Operations****Year Ended March 31, 2021**

	Family Services	Housing (Schedule 2)	2021	2020
<b>REVENUES</b> (Note 4)				
Program funding & fees for service	\$ 1,063,655	\$ 361,159	\$ 1,424,814	\$ 1,292,548
Grants	230,971	-	230,971	523,581
Transfer from (to) deferred contributions	(53,647)	(187,819)	(241,466)	(116,422)
	1,240,979	173,340	1,414,319	1,699,707
<b>OTHER INCOME</b>				
Rental income	450	332,504	332,954	78,179
Expense recoveries	5,882	44,553	50,435	13,418
Interest income	5,004	13	5,017	4,714
Donations	2,815	-	2,815	2,095
Loss on disposition of tangible capital assets	(165)	-	(165)	(41)
	13,986	377,070	391,056	98,365
	1,254,965	550,410	1,805,375	1,798,072
<b>EXPENSES</b>				
Administration	4,410	32,076	36,486	26,971
Advertising & promotion	2,150	-	2,150	4,240
Amortization	17,696	1,112	18,808	19,172
Audit & legal	12,232	6,520	18,752	17,886
Client expenses & development	62,934	452	63,386	105,603
Communications and technology	13,108	8,864	21,972	15,005
Community donations	100	-	100	58,952
Food and hospitality	11,479	22,515	33,994	33,932
Insurance	8,650	14,042	22,692	11,864
Occupancy costs	13,962	53,813	67,775	34,085
Professional contracts	117,503	-	117,503	111,044
Rent	39,330	1,230	40,560	44,251
Staff development	5,140	1,018	6,158	11,785
Travel	-	5,219	5,219	689
Utilities	-	88,446	88,446	45,603
Wages & benefits	933,446	308,478	1,241,924	1,184,554
	1,242,140	543,785	1,785,925	1,725,636
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 12,825	\$ 6,625	\$ 19,450	\$ 72,436

**BOUNDARY FAMILY SERVICES SOCIETY****Statement of Changes in Net Assets****Year Ended March 31, 2021**

	Family Services		Housing		2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$	314,819	\$	1,667	\$ 316,486	\$ 244,050
Excess of revenues over expenses		12,825		6,625	19,450	72,436
<b>NET ASSETS - END OF YEAR</b>	\$	327,644	\$	8,292	\$ 335,936	\$ 316,486

# BOUNDARY FAMILY SERVICES SOCIETY

## Statement of Financial Position

March 31, 2021

	Family Services	Housing	2021	2020
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and banks	\$ 324,913	\$ 461,333	\$ <b>786,246</b>	\$ 790,607
Term deposits (Note 6)	385,126	-	<b>385,126</b>	380,136
Accounts receivable	263,815	1,922	<b>265,737</b>	50,669
Goods and services tax recoverable	2,339	1,613	<b>3,952</b>	4,516
Prepaid expenses	15,143	9,561	<b>24,704</b>	21,461
Interfund receivable (payable) (Note 7)	187,974	(187,974)	-	-
	1,179,310	286,455	<b>1,465,765</b>	1,247,389
<b>TANGIBLE CAPITAL ASSETS (Note 8)</b>				
	44,802	8,291	<b>53,093</b>	44,224
	\$ 1,224,112	\$ 294,746	\$ <b>1,518,858</b>	\$ 1,291,613
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT</b>				
Accounts payable	\$ 28,208	\$ 3,735	\$ <b>31,943</b>	\$ 42,560
Wages payable	40,412	4,417	<b>44,829</b>	91,011
Employee deductions payable	27,773	-	<b>27,773</b>	25,171
Security deposits	-	28,552	<b>28,552</b>	18,341
Deferred funding contributions (Schedule 1)	800,075	249,750	<b>1,049,825</b>	798,044
	896,468	286,454	<b>1,182,922</b>	975,127
<b>NET ASSETS</b>				
Internally restricted net assets (Note 9)	327,644	8,292	<b>335,936</b>	316,486
	\$ 1,224,112	\$ 294,746	\$ <b>1,518,858</b>	\$ 1,291,613

CONTINGENT LIABILITY (Note 10)

CONTRACTUAL OBLIGATIONS (Note 11)

ON BEHALF OF THE BOARD



Director



Director

**BOUNDARY FAMILY SERVICES SOCIETY****Statement of Cash Flows****Year Ended March 31, 2021**

	Family Services	Housing	2021	2020
<b>OPERATING ACTIVITIES</b>				
Cash receipts from funders and tenants	\$ 1,087,085	\$ 760,362	\$ 1,847,447	\$ 1,904,609
Cash paid to suppliers and employees	(1,278,092)	(546,463)	(1,824,555)	(1,708,186)
Interest received	5,004	13	5,017	4,714
Goods and services tax	2,177	(1,613)	564	1,208
Cash flow from (used by) operating activities	(183,826)	212,299	28,473	202,345
<b>INVESTING ACTIVITY</b>				
Purchase of tangible capital assets	(20,107)	(7,737)	(27,844)	(6,853)
<b>FINANCING ACTIVITY</b>				
Advances (repayments) of interfund amounts	33,860	(33,860)	-	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(170,073)	170,702	629	195,492
Cash - beginning of year	880,112	290,631	1,170,743	975,251
<b>CASH - END OF YEAR</b>	\$ 710,039	\$ 461,333	\$ 1,171,372	\$ 1,170,743
<b>CASH CONSISTS OF:</b>				
Cash and banks	\$ 324,913	\$ 461,333	\$ 786,246	\$ 790,607
Term deposits	385,126	-	385,126	380,136
	\$ 710,039	\$ 461,333	\$ 1,171,372	\$ 1,170,743



# BOUNDARY FAMILY SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 1. PURPOSE OF THE SOCIETY

Boundary Family Services Society (the "Society") is a not-for-profit organization of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to provide services that promote healthy families and healthy communities in the Boundary area.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Fund accounting

Boundary Family Services Society uses fund accounting

- (a) Revenues and expenses related to program delivery and administrative activities for Family Services programs are reported in the Family Services fund.
- (b) Revenues and expenses related to miscellaneous unfunded activities of the Society are reported in the Family Services fund.
- (c) Revenues and expenses related to the provision of Housing and related programs and administrative activities are recorded in the Housing fund.

#### Revenue recognition

Boundary Family Services Society follows the deferral method of accounting for contributions.

- (a) Program funding, fees for service, grants and rent received within the terms of BC Housing contracts are recognized as revenues in the year in which related expenditures are incurred. Restricted contributions which are not expended are recorded as deferred contributions.
- (b) Donations received with the purpose restricted by the donor, are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted donations and fundraising are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.
- (c) Rent, expense recoveries, interest and other miscellaneous types of income are recognized as revenue as earned.

#### Donated services and materials

The operations of the organization depend on both the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements. Donated goods are recorded where a charitable donation receipt is issued at the fair market value of the asset.

#### Allocation of expenses

The Society has entered into two BC Housing contracts in the current year. There are a number of expenses that are common to both Family Services programs and Housing programs. These expenses are allocated as detailed in *Note 5*.

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# BOUNDARY FAMILY SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses during the period, including related disclosures. The main estimates related to the expected useful life of tangible capital assets. Actual results could differ from these estimates.

#### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight line basis at the following rates:

Furniture and equipment	2 - 10 years
Computer equipment	3 years
Leasehold improvements	5 - 10 years

The Society regularly reviews its tangible capital assets to eliminate obsolete items. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### Financial instruments policy

Financial assets include cash, term deposits, accounts receivable and interfund receivable, and are measured at amortized cost as presented on the balance sheet. Financial liabilities include accounts payable and interfund payable, and are measured at amortized costs as presented on the balance sheet.

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### 3. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2021.

#### ***Credit risk***

Credit risk arises from the potential that a debtor will fail to pay the amount owed. The Society is exposed to credit risk from its funders and tenants. In the current year 96% of the amount receivable is from two government entities. These amounts were paid within three months of the year end.

#### ***Liquidity risk***

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funds and tenants, deferred contributions, and accounts payable.

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**BOUNDARY FAMILY SERVICES SOCIETY****Notes to Financial Statements****Year Ended March 31, 2021****4. REVENUES**

The activities of the Society are dependent on the renewal of funding contracts, grants and continued receipt for provision of fees for service with other non-profit organizations. Primary funders for the Society are shown below.

	<u>2021</u>	<u>2020</u>
<b>Family Services</b>		
Province of BC	\$ 745,318	\$ 994,285
School District #51	224,019	261,335
Government of Canada	146,705	93,140
Charitable organizations	81,628	65,238
Regional District of Kootenay Boundary	31,372	50,820
Non-profit community services organizations, fees for service	11,937	94,843
	<u>1,240,979</u>	<u>1,559,662</u>
<b>Housing</b>		
BC Housing	<u>173,340</u>	<u>140,046</u>
	<u>\$ 1,414,319</u>	<u>\$ 1,699,707</u>

**5. ALLOCATION OF EXPENSES**

The allocation of expenses related to Housing fund occurs on the following basis.

1. Society administrative wages are allocated to the Housing fund based on a combination of actual hours worked recorded at the loaded wage cost or an estimate of time spent on provision of housing and related programs by location, recorded as a percentage of wages earned.
2. Wages directly related to the provision of housing and related programs are allocated by location based on a combination of actual hours worked recorded at the loaded wage cost.
3. Audit fees are allocated based on quoted fees provided by the auditor.

**6. TERM DEPOSITS**

	<u>2021</u>	<u>2020</u>
<b>Grand Forks Credit Union</b>		
Non-redeemable, interest earned at 1.40%, 2 year term maturing April 29, 2022	\$ 165,798	\$ 163,752
Non-redeemable, interest earned at 1.40%, 2 year term maturing April 29, 2022	166,579	164,522
Non-redeemable, interest earned at 1.70%, 2 year term maturing December 19, 2021	52,749	-
Matured September 28, 2019	-	51,862
	<u>\$ 385,126</u>	<u>\$ 380,136</u>

**BOUNDARY FAMILY SERVICES SOCIETY****Notes to Financial Statements****Year Ended March 31, 2021****7. INTERFUND LOANS RECEIVABLE (PAYABLE)**

Interfund loans are the result of Housing fund expenses paid from Family Services funds. Interfund loans have no terms and conditions of repayment but are expected to be repaid within the subsequent fiscal year.

**8. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
<b>Family Services</b>	\$ -	\$ -	\$ -	\$ -
Furniture and equipment	151,174	126,994	24,180	22,954
Computer equipment	61,585	44,303	17,282	14,028
Leasehold improvements	251,333	247,993	3,340	5,576
	<u>464,092</u>	<u>419,290</u>	<u>44,802</u>	<u>42,558</u>
<b>Housing</b>	-	-	-	-
Furniture and equipment	5,926	727	5,199	1,666
Leasehold improvements	3,500	408	3,092	-
	<u>9,426</u>	<u>1,135</u>	<u>8,291</u>	<u>1,666</u>
	<u>\$ 473,518</u>	<u>\$ 420,425</u>	<u>\$ 53,093</u>	<u>\$ 44,224</u>

**9. INTERNALLY RESTRICTED NET ASSETS**

	2021	2020
<b>Family Services</b>		
Administration	\$ 103,193	\$ 90,259
Building maintenance	2,400	1,950
Family Centre insurance	5,893	5,893
Information technology	52,884	48,584
Investment in tangible capital assets	44,802	42,558
Legal reserves	35,294	35,034
Personal damage	3,770	3,770
Professional development	27,294	22,614
Society	27,875	38,380
Strategic Barrier Removal	6,689	6,689
Strategic Priority Area	6,343	7,882
Succession planning	11,208	11,208
	<u>327,645</u>	<u>314,821</u>
<b>Housing</b>		
Investment in tangible capital assets	8,291	1,666
	<u>\$ 335,936</u>	<u>\$ 316,487</u>

Internally restricted net assets are amounts designated by the Board of Directors for future purposes, as indicated by the title of the fund. These restrictions can be changed by the Board of Directors.

# BOUNDARY FAMILY SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2021

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### 10. CONTINGENT LIABILITY

The Society has three contracts with BC Housing for provision of housing and housing related programs. BC Housing conducts an annual review of the Financial Statements and may adjust for any operating surplus or deficit. Adjustments will be recorded in the year they are determined.

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### 11. CONTRACTUAL OBLIGATIONS

The Society has the following contractual obligations

1. The Society has a five year lease with School District #51 in respect to its location at the Glanville Centre, Grand Forks BC until June 30, 2022 in the amount of \$26,800 annually, including heat, electricity, water and sewer. Upon written delivered request to the Landlord at least three month's prior to the expiry of the term, the Landlord may consider renewing the lease on terms and conditions to be negotiated.
2. The Society has entered into a seven year contract with Kone to provide elevator maintenance at Raven Place, Grand Forks BC until September 30, 2027 in the amount of \$5,280 annually plus taxes.
3. The Society has a five year lease with Ricoh for three photocopiers, until September 3, 2024, in the amount of \$8,700 annually plus taxes.

The annual payments required for the agreements are as follows:

2022	\$	40,780
2023		20,680
2024		8,905
2025		5,280
2026		5,280
Thereafter		<u>7,920</u>
	\$	<u>88,845</u>

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**BOUNDARY FAMILY SERVICES SOCIETY**  
**Schedule of Deferred Funding Contributions**  
**Year Ended March 31, 2021**

**(Schedule 1)**

	2021	Additions (Expended)	2020
<b>Family Services Fund</b>			
Counselling and support services for children, youth and families	\$ 157,932	\$ (10,579)	\$ 168,511
Early years development and capacity building	48,225	(1,259)	49,484
Early years services	46,908	(8,781)	55,689
Family resource centre operations	130,558	18,817	111,741
Flood Recovery	110,026	24,918	85,108
Integrated services	86,871	(1,575)	88,446
Pregnancy outreach and community action plan for children's services	16,075	(3,461)	19,536
Services for aboriginal children and families	17,949	5,912	12,037
Services for children and youth with disabilities	34,768	7,268	27,500
Services for victims and prevention of violence against women and children	56,810	17,394	39,416
Services for youth	71,092	4,993	66,099
Tangible capital asset acquisitions and improvements	22,861	-	22,861
	<b>800,075</b>	<b>53,647</b>	<b>746,428</b>
<b>Housing Fund</b>			
Replacement reserve, restricted for replacement of Raven Place capital assets	59,904	55,243	4,661
Accumulated surplus, restricted for housing programs as approved by BC Housing			
Emergency Shelter	55,575	8,620	46,955
Raven Place	100,044	100,044	-
Housing Outreach	34,227	34,227	-
	<b>249,750</b>	<b>198,134</b>	<b>51,616</b>
	<b>\$ 1,049,825</b>	<b>\$ 251,781</b>	<b>\$ 798,044</b>

Deferred contributions are restricted to purposes shown as determined by the funder or donor, including as follows:

1. BC Housing
2. Community Futures Boundary
3. Health Canada
4. Donations by individuals
5. Kootenay Boundary Community Services Cooperative
6. Kootenay Family Place
7. Legal Services Society
8. Province of BC, Community Gaming grant
9. Province of BC, Department of Justice
10. Province of BC, Ministry of Children and Families
11. Province of BC, Provincial Health Services Authority
12. School District #51
13. United Way / Phoenix Foundation of the Boundary Communities
14. University of Victoria

**BOUNDARY FAMILY SERVICES SOCIETY**  
**Schedule of Housing Operations**  
**Year Ended March 31, 2021**

**(Schedule 2)**

	Raven Place	Safe Stay Shelter	Housing Outreach	2021	2020
<b>REVENUES</b>					
Funding, BC Housing	\$ -	\$ 252,871	\$ 108,288	\$ 361,159	\$ 191,661
Tenant rent contribution	332,504	-	-	332,504	76,229
Expense recoveries	44,553	-	-	44,553	7,945
Interest income	13	-	-	13	-
Transfer to deferred contributions	(144,971)	(8,621)	(34,227)	(187,819)	(51,616)
	232,099	244,250	74,061	550,410	224,219
<b>EXPENSES</b>					
Administration	455	23,305	8,315	32,075	11,266
Advertising & promotion	-	-	-	-	136
Amortization	500	612	-	1,112	23
Audit & legal	4,613	1,508	400	6,521	6,121
Client expenses & development	-	-	452	452	-
Communications	6,846	1,540	479	8,865	2,424
Food and hospitality	751	10,683	11,082	22,516	7,543
Insurance	11,039	2,500	502	14,041	3,794
Occupancy costs	38,090	12,783	2,940	53,813	19,498
Rent	-	1,230	-	1,230	7,702
Staff development	184	464	370	1,018	-
Travel	50	576	4,593	5,219	689
Utilities	88,446	-	-	88,446	45,603
Wages & benefits	75,770	187,779	44,928	308,477	117,756
	226,744	242,980	74,061	543,785	222,555
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 5,355	\$ 1,270	\$ -	\$ 6,625	\$ 1,664

See notes to financial statements