

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Financial Statements**

**Year Ended March 31, 2016**

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

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**Year Ended March 31, 2016**

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# KEMP HARVEY BURCH KIENTZ INC.

Chartered Professional Accountants

Proud Member of the Kemp Harvey Group Inc.

Burnaby • Coquitlam • Grand Forks • Kelowna • Osoyoos • Penticton • Terrace • Vernon

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Boundary Family and Individual Services Society

We have audited the accompanying financial statements of Boundary Family and Individual Services Society, which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and expenses, changes in net assets and cash flow 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 entity'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 entity'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.

*(continues)*

J. R. (Jim) Burch, CPA, FCGA • Sylvia Burch, CPA, CGA • K. Sarah Kientz, BBA(App), CPA, CGA

Box 2020; 619 Central Ave. • Grand Forks, BC V0H 1H0  
T:250.442.2121 • F:250.442.5825 • E:grandforks@khcgca.com • khcgca.com

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boundary Family and Individual Services Society as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Report on other legal and regulatory requirement**

As required by the British Columbia Society Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Grand Forks, British Columbia  
August 22, 2016

*Kemp Harvey Burch Kientz Inc.*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Statement of Revenues and Expenses****Year Ended March 31, 2016**

	2016	2015
<b>REVENUES</b>		
Program funding, provincial and federal government	\$ 760,188	\$ 767,982
School District #51	248,356	248,015
Grants	110,749	121,531
Transfer from (to) deferred contributions	36,081	(15,684)
	<u>1,155,374</u>	<u>1,121,844</u>
<b>OTHER INCOME</b>		
Sublease of rented facilities	24,482	23,702
Donations	22,109	10,922
Expense recoveries	1,580	4,244
Miscellaneous and interest income	5,126	2,929
Gains (losses) on disposal of assets	-	(415)
	<u>53,297</u>	<u>41,382</u>
	<u>1,208,671</u>	<u>1,163,226</u>
<b>EXPENSES</b>		
Advertising and promotion	5,263	621
Amortization	28,805	29,186
Audit and legal	11,420	10,031
Bank charges	935	913
Client expenses and development	56,369	49,057
Community donations	2,450	3,740
Insurance	9,731	8,863
Memberships	980	2,231
Professional contracts and honoraria	63,003	37,427
Program supplies and resources	21,129	19,291
Rent, maintenance and occupancy costs	50,531	51,340
Staff development	23,623	22,306
Telephone	12,735	12,358
Travel	33,365	29,736
Wages and benefits	924,919	912,320
	<u>1,245,258</u>	<u>1,189,420</u>
<b>(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (36,587)</b>	<b>\$ (26,194)</b>

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Statement of Changes in Net Assets****Year Ended March 31, 2016**

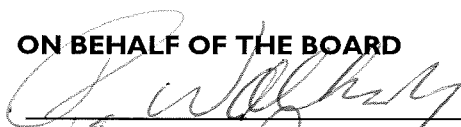
	Unrestricted	Internally restricted	Net investment in tangible capital assets	2016	2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ -	\$ 119,443	\$ 90,543	\$ 209,986	\$ 236,180
Deficiency of revenue over expenses	(36,587)	-	-	(36,587)	(26,194)
Additions to restricted funds	13,676	(13,676)	-	-	-
Capital asset additions	(5,894)	-	5,894	-	-
Amortization	28,805	-	(28,805)	-	-
	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ -	\$ 105,767	\$ 67,632	\$ 173,399	\$ 209,986

See accompanying notes to financial statements

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Statement of Financial Position****March 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 321,626	\$ 365,397
Term deposits (Note 3)	364,562	360,443
Accounts receivable	15,149	15,796
Goods and services tax recoverable	2,473	4,474
Prepaid expenses	4,333	4,205
	<b>708,143</b>	<b>750,315</b>
TANGIBLE CAPITAL ASSETS (Notes 2, 4)	<b>67,632</b>	<b>90,543</b>
	<b>\$ 775,775</b>	<b>\$ 840,858</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 34,417	\$ 31,467
Wages payable	34,340	34,808
Employee deductions payable	20,690	21,234
Deferred revenues (Note 5)	16,900	22,400
	<b>106,347</b>	<b>109,909</b>
DEFERRED CONTRIBUTIONS (Note 6)	<b>496,029</b>	<b>520,963</b>
	<b>602,376</b>	<b>630,872</b>
<b>NET ASSETS</b>		
Unrestricted	-	-
Internally restricted (Note 7)	105,767	119,443
Net investment in tangible capital assets	67,632	90,543
	<b>173,399</b>	<b>209,986</b>
	<b>\$ 775,775</b>	<b>\$ 840,858</b>

LEASE COMMITMENT (Note 8)

**ON BEHALF OF THE BOARD**  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

See accompanying notes to financial statements

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Statement of Cash Flow****Year Ended March 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Cash receipts from contributions and funding	\$ 1,198,692	\$ 1,164,039
Cash paid to suppliers and employees	(1,214,644)	(1,164,357)
Interest received	5,127	2,930
Goods and services tax	2,001	(1,905)
	<hr/>	<hr/>
Cash flow from (used by) operating activities	(8,824)	707
<b>INVESTING ACTIVITY</b>		
Additions to tangible capital assets	(5,894)	(1,380)
<b>FINANCING ACTIVITY</b>		
Reserves	(24,934)	15,702
<b>INCREASE (DECREASE) IN CASH FLOW</b>		
	(39,652)	15,029
Cash - beginning of year	725,840	710,811
<b>CASH - END OF YEAR</b>		
	\$ 686,188	\$ 725,840
<b>CASH CONSISTS OF:</b>		
Cash	\$ 321,626	\$ 365,397
Term deposits	364,562	360,443
	<hr/>	<hr/>
	\$ 686,188	\$ 725,840



# BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2016

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### 1. PURPOSE OF THE SOCIETY

Boundary Family and Individual Services Society (the "Society") is a not-for-profit organization incorporated under the Societies Act 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 (ASNFPPO).

#### Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Society's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of assets;
- the recoverability of tangible assets;
- certain and economic assumptions used in determining the accumulation of the accrued sick pay obligation.

#### Revenue recognition

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

Restricted contributions made for a specific purpose are recognized as revenue in the year in which the related expenses are incurred. The unexpended portion is recorded as a deferred contribution.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Tangible capital assets

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

Furniture and equipment	6 years
Computer equipment	10 years
Leasehold improvements	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.

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# BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2016

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

#### Contributed services

The operations of the organization depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and is therefore not reflected in these financial statements.

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### 3. TERM DEPOSITS

	<u>2016</u>	<u>2015</u>
Non-redeemable, interest earned at 1%, 1 year term, maturing August 21, 2016	\$ 50,000	\$ 50,000
Non-redeemable, interest earned at 1.4%, 2 year term maturing October 29, 2016	157,400	155,222
Non-redeemable, interest earned at 1.15%, 18 month term maturing April 29, 2017	157,162	155,221
	<u>\$ 364,562</u>	<u>\$ 360,443</u>

Term deposits are held at the Grand Forks Credit Union.

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### 4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Furniture and equipment	\$ 143,428	\$ 114,464	\$ 28,964	\$ 33,441
Computer equipment	16,094	13,368	2,726	2,577
Leasehold improvements	251,696	215,754	35,942	54,525
	<u>\$ 411,218</u>	<u>\$ 343,586</u>	<u>\$ 67,632</u>	<u>\$ 90,543</u>

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### 5. DEFERRED REVENUES

The deferred revenues consists of a grant received from the Province of BC, Direct access to gaming program which is intended for the year April 1, 2015 to March 31, 2016.

# BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2016

### 6. DEFERRED CONTRIBUTIONS

	2016	2015
Counselling and support services for children, youth and families	\$ 68,055	\$ 62,598
Early years development and capacity building	20,332	31,951
Early years services	58,890	67,309
Family resource centre operations	102,180	116,270
Integrated services	60,963	60,483
Pregnancy outreach and community action plan for children's services	14,776	17,515
Services for aboriginal children and families	15,113	12,594
Services for children and youth with disabilities	26,511	34,019
Services for victims and prevention of violence against women and children	26,996	29,542
Services for youth	28,567	33,782
Sick pay replacement	34,978	23,883
Tangible capital asset acquisitions and improvements	38,668	31,017
	<u>\$ 496,029</u>	<u>\$ 520,963</u>

### 7. INTERNALLY RESTRICTED NET ASSETS

	2016	2015
Accreditation	\$ -	\$ 532
Administration	2,778	2,327
Family Centre insurance	5,893	5,893
Information technology	3,716	5,500
Legal reserves	31,679	29,629
Personal damage	2,370	2,370
Professional development	10,665	13,120
Society	36,895	50,338
Strategic barrier removal	6,782	-
Strategic priority area	2,985	-
Succession planning	2,004	9,734
	<u>\$ 105,767</u>	<u>\$ 119,443</u>

Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.

### 8. LEASE COMMITMENT

The Society has a long term lease with respect to its location at the Glanville Centre, Grand Forks BC until June 30, 2017 in the amount of \$26,800 annually, including utilities. 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.

# **BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

## **Notes to Financial Statements**

**Year Ended March 31, 2016**

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### **9. 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, 2016.

#### Liquidity risk

Liquidity risk is the risk that an entity 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 funders and payment of accounts payable.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure by varying the length of its term deposits.

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**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Five Year Schedule of Revenues and Expenses**

**Year Ended March 31, 2016**

**(Schedule I)**

	2016	2015	2014	2013	2012
<b>REVENUES</b>					
Provincial and federal government	\$ 760,188	\$ 767,982	\$ 739,846	\$ 836,385	\$ 851,149
School District #51	248,356	248,015	258,118	251,703	184,507
Grants	110,749	121,531	114,431	82,704	89,379
Transfers from (to) deferred contributions	36,081	(15,684)	(44,578)	(64,609)	13,278
	<b>1,155,374</b>	<b>1,121,844</b>	<b>1,067,817</b>	<b>1,106,183</b>	<b>1,138,313</b>
<b>OTHER INCOME</b>					
Sublease of rented facilities	24,482	23,702	23,642	24,002	23,642
Donations	22,109	10,922	10,078	13,743	9,146
Expense recoveries	1,580	4,244	3,371	7,068	5,219
Miscellaneous and interest income	5,126	2,929	4,833	5,800	4,890
Gains (losses) on disposal of assets	-	(415)	-	-	-
	<b>53,297</b>	<b>41,382</b>	<b>41,924</b>	<b>50,613</b>	<b>42,897</b>
	<b>1,208,671</b>	<b>1,163,226</b>	<b>1,109,741</b>	<b>1,156,796</b>	<b>1,181,210</b>
<b>EXPENSES</b>					
Advertising and promotion	5,263	621	807	1,560	2,030
Amortization	28,805	29,186	29,994	26,385	25,079
Audit and legal	11,420	10,031	10,371	9,590	11,963
Bank charges	935	913	880	747	537
Client expenses and development	56,369	49,057	49,211	44,293	35,207
Community donations	2,450	3,740	500	-	100
Insurance	9,731	8,863	7,181	6,850	6,849
Memberships	980	2,231	2,189	2,152	464
Professional contracts and honoraria	63,003	37,427	37,049	42,727	51,960
Program supplies and resources	21,129	19,291	19,030	19,514	17,900
Rent, maintenance and occupancy costs	50,531	51,340	51,914	51,352	50,505
Staff development	23,623	22,306	21,760	26,955	16,662
Telephone	12,735	12,358	14,783	28,141	24,818
Travel	33,365	29,736	28,038	27,373	29,429
Wages and benefits	924,919	912,320	838,655	875,761	904,223

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See accompanying notes to financial statements

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Five Year Schedule of Revenues and Expenses (continued)**

**Year Ended March 31, 2016**

**(Schedule I)**

	2016	2015	2014	2013	2012
	1,245,258	1,189,420	1,112,362	1,163,400	1,177,726
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (36,587)</b>	<b>\$ (26,194)</b>	<b>\$ (2,621)</b>	<b>\$ (6,604)</b>	<b>\$ 3,484</b>

See accompanying notes to financial statements