

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Financial Statements**

**Year Ended March 31, 2017**

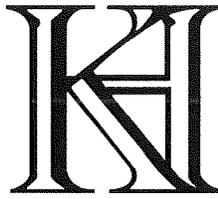
# BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY

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Year Ended March 31, 2017

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# KEMP HARVEY BURCH KIENTZ INC.

Chartered Professional Accountants

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STRENGTH IN NUMBER

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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, 2017 and the statements of operations, changes in net assets 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 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)

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

**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, 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 Matter**

As required by the British Columbia Societies 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 25, 2017

*Kemp Harvey Burch Kientz Inc.*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Statement of Operations**

**Year Ended March 31, 2017**

|   | 2017              | 2016               |
|---|-------------------|--------------------|
| <b>REVENUES</b> <i>(Note 3)</i>             |                   |                    |
| Program funding and fees for service        | \$ 1,112,380      | \$ 1,008,544       |
| Grants                                      | 105,921           | 110,749            |
| Transfer from (to) deferred contributions   | (13,292)          | 44,918             |
|   | <u>1,205,009</u>  | <u>1,164,211</u>   |
| <b>OTHER INCOME</b>                         |                   |                    |
| Donations                                   | 17,003            | 22,109             |
| Expense recoveries                          | 14,076            | 1,580              |
| Sublease of rented facilities               | 10,151            | 24,482             |
| Miscellaneous and interest income           | 4,535             | 5,126              |
| Gains (losses) on disposal of equipment     | (1,602)           | -                  |
|   | <u>44,163</u>     | <u>53,297</u>      |
|   | <u>1,249,172</u>  | <u>1,217,508</u>   |
| <b>EXPENSES</b>                             |                   |                    |
| Advertising and promotion                   | 1,400             | 5,263              |
| Amortization                                | 26,115            | 28,805             |
| Bank charges                                | 701               | 933                |
| Community donations                         | 400               | 2,450              |
| Insurance                                   | 9,675             | 9,731              |
| Memberships                                 | 2,206             | 980                |
| Client expenses and development             | 62,310            | 56,369             |
| Audit and legal                             | 10,071            | 11,420             |
| Rent, maintenance and occupancy costs       | 47,908            | 50,531             |
| Wages and benefits                          | 958,653           | 924,919            |
| Professional contracts and honoraria        | 52,040            | 63,003             |
| Program supplies and resources              | 20,113            | 21,131             |
| Telephone                                   | 10,236            | 12,735             |
| Staff development                           | 17,526            | 23,623             |
| Travel                                      | 39,672            | 33,365             |
|   | <u>1,259,026</u>  | <u>1,245,258</u>   |
| <b>DEFICIENCY OF REVENUES OVER EXPENSES</b> | <u>\$ (9,854)</u> | <u>\$ (27,750)</u> |

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Statement of Changes in Net Assets****Year Ended March 31, 2017**

|   | Unrestricted | Internally<br>Restricted | 2017       | 2016       |
|---|--------------|--------------------------|------------|------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>   |              |                          |            |            |
| As previously reported                  | \$ -         | \$ 173,400               | \$ 173,400 | \$ 209,987 |
| Prior period adjustment (Note 4)        | -            | 18,278                   | 18,278     | 9,441      |
| As restated                             | -            | 191,678                  | 191,678    | 219,428    |
| Deficiency of revenues over expenses    | (9,854)      | -                        | (9,854)    | (27,750)   |
| Transfer to internally restricted funds | 9,854        | (9,854)                  | -          | -          |
| <b>NET ASSETS - END OF YEAR</b>         | \$ -         | \$ 181,824               | \$ 181,824 | \$ 191,678 |

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Statement of Financial Position**

**March 31, 2017**

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|   | 2017              | 2016              |
|---|-------------------|-------------------|
| <b>ASSETS</b>                           |                   |                   |
| <b>CURRENT</b>                          |                   |                   |
| Cash                                    | \$ 336,064        | \$ 321,626        |
| Term deposits (Note 5)                  | 368,583           | 364,562           |
| Accounts receivable                     | 23,095            | 15,149            |
| Goods and services tax recoverable      | 5,018             | 2,473             |
| Prepaid expenses                        | 4,268             | 4,333             |
|   | <u>737,028</u>    | 708,143           |
| <b>TANGIBLE CAPITAL ASSETS (Note 6)</b> | <u>51,099</u>     | 67,632            |
|   | <u>\$ 788,127</u> | <u>\$ 775,775</u> |

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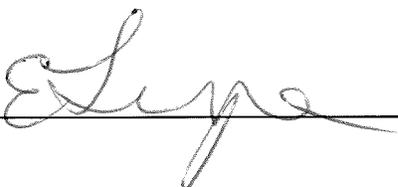
**LIABILITIES AND NET ASSETS**

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| <b>CURRENT</b>                      |                   |                   |
| Accounts payable                    | \$ 28,963         | \$ 34,416         |
| Employee deductions payable         | 23,596            | 20,690            |
| Wages payable                       | 66,118            | 69,319            |
| Deferred contributions (Schedule I) | 487,626           | 459,672           |
|                                     | <u>606,303</u>    | 584,097           |
| <b>NET ASSETS</b>                   |                   |                   |
| Internally restricted (Note 7)      | <u>181,824</u>    | 191,678           |
|                                     | <u>\$ 788,127</u> | <u>\$ 775,775</u> |

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LEASE COMMITMENTS (Note 8)

**APPROVED ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Statement of Cash Flows****Year Ended March 31, 2017**

|   | <b>2017</b>  | <b>2016</b>  |
|---|--------------|--------------|
| <b>OPERATING ACTIVITIES</b>             |              |              |
| Cash receipts from customers            | \$ 1,266,247 | \$ 1,162,662 |
| Cash paid to suppliers and employees    | (1,238,593)  | (1,203,548)  |
| Interest received                       | 4,534        | 5,127        |
| Goods and services tax                  | (2,546)      | 2,001        |
|   | <hr/>        | <hr/>        |
| Cash flow from operating activities     | 29,642       | (33,758)     |
| <b>INVESTING ACTIVITIES</b>             |              |              |
| Purchase of tangible capital assets     | (11,183)     | (5,894)      |
| Increase in term deposits               | (4,021)      | (4,119)      |
|   | <hr/>        | <hr/>        |
| Cash flow used by investing activities  | (15,204)     | (10,013)     |
| <b>INCREASE (DECREASE) IN CASH FLOW</b> |              |              |
|   | 14,438       | (43,771)     |
| Cash - beginning of year                | 321,626      | 365,397      |
|   | <hr/>        | <hr/>        |
| <b>CASH - END OF YEAR</b>               | \$ 336,064   | \$ 321,626   |

# **BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

## **Notes to Financial Statements**

**Year Ended March 31, 2017**

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### **1. PURPOSE OF THE SOCIETY**

Boundary Family and Individual Services Society (the "Society") is a not-for-profit organization incorporated provincially, November 24, 1976 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 (ASNFPO).

#### **Revenue recognition**

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

- (a) Program funding, fees for and grants 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) Expense recoveries, sublease, interest and other miscellaneous types of income are recognized as revenue as earned.

#### **Contributed services**

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.

#### **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.

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# BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2017

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

#### 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 | 5 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.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. Financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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### 3. 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 are shown below

|   | <u>2017</u>         | <u>2016</u>         |
|---|---------------------|---------------------|
| Province of BC  | \$ 714,810          | \$ 682,105          |
| School District #51   | 249,672             | 248,356             |
| Government of Canada  | 94,020              | 89,685              |
| Non-profit community services organizations, fees for service | 91,793              | 88,526              |
| United Way/Phoenix Foundation of the Boundary Communities     | 54,714              | 55,539              |
|   | <u>\$ 1,205,009</u> | <u>\$ 1,164,211</u> |

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### 4. PRIOR PERIOD ADJUSTMENT

An adjustment has been made to correct the prior year balance of Deferred contributions, which was overstated and revenues which were understated. The result was a decrease in Deferred contribution and an increase in internally restricted net assets of \$18,278 as of March 31, 2017.

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**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**5. TERM DEPOSITS**

|   | <u>2017</u>       | <u>2016</u>       |
|---|-------------------|-------------------|
| <b>Grand Forks Credit Union</b>   |                   |                   |
| Non-redeemable, interest earned at 1.15%, 18 month term maturing April 29, 2017   | \$ 158,979        | \$ 157,161        |
| Non-redeemable, interest earned at 1.2%, 18 month term maturing on March 28, 2018 | 50,000            | -                 |
| Non-redeemable, interest earned at 1.2%, 18 month term maturing April 29, 2018    | 159,604           | 157,401           |
| Matured August 21, 2016   | -                 | 50,000            |
|   | <u>\$ 368,583</u> | <u>\$ 364,562</u> |

**6. TANGIBLE CAPITAL ASSETS**

|                         | Cost              | Accumulated<br>amortization | <u>2017<br/>Net book<br/>value</u> | <u>2016<br/>Net book<br/>value</u> |
|-------------------------|-------------------|-----------------------------|------------------------------------|------------------------------------|
| Furniture and equipment | \$ 139,431        | \$ 109,505                  | \$ 29,926                          | \$ 28,964                          |
| Computer equipment      | 18,657            | 15,167                      | 3,490                              | 2,726                              |
| Leasehold improvements  | 252,296           | 234,613                     | 17,683                             | 35,942                             |
|                         | <u>\$ 410,384</u> | <u>\$ 359,285</u>           | <u>\$ 51,099</u>                   | <u>\$ 67,632</u>                   |

**7. INTERNALLY RESTRICTED NET ASSETS**

|                                       | <u>2017</u>       | <u>2016</u>       |
|---------------------------------------|-------------------|-------------------|
| Administration                        | \$ 4,373          | \$ 2,778          |
| Family Centre insurance               | 5,893             | 5,893             |
| Information technology                | 5,246             | 3,716             |
| Investment in tangible capital assets | 51,099            | 67,632            |
| Legal reserves                        | 32,229            | 31,679            |
| Personal damage                       | 2,520             | 2,370             |
| Professional development              | 10,963            | 10,665            |
| Society                               | 52,056            | 55,174            |
| Strategic Barrier Removal             | 6,782             | 6,782             |
| Strategic Priority Area               | 5,955             | 2,985             |
| Succession planning                   | 4,708             | 2,004             |
|                                       | <u>\$ 181,824</u> | <u>\$ 191,678</u> |

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

# **BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

## **Notes to Financial Statements**

**Year Ended March 31, 2017**

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### **8. LEASE COMMITMENTS**

The Society has a long term lease with 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.

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### **9. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2017.

#### ***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 customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

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### **10. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY****Schedule of Deferred Contributions****(Schedule 1)****Year Ended March 31, 2017**

|  | 2017              | Additions<br>(Expended) | 2016              |
|--|-------------------|-------------------------|-------------------|
| Counselling and support services for children, youth and families          | \$ 109,851        | \$ 24,896               | \$ 84,955         |
| Early years development and capacity building                              | 23,151            | 2,819                   | 20,332            |
| Early years services   | 62,652            | 3,762                   | 58,890            |
| Family resource centre operations  | 97,316            | (4,864)                 | 102,180           |
| Integrated services  | 67,679            | 6,716                   | 60,963            |
| Pregnancy outreach and community action plan for children's services       | 14,028            | (748)                   | 14,776            |
| Services for aboriginal children and families                              | 11,988            | (3,125)                 | 15,113            |
| Services for children and youth with disabilities                          | 24,107            | (2,404)                 | 26,511            |
| Services for victims and prevention of violence against women and children | 24,636            | 142                     | 24,494            |
| Services for youth   | 29,326            | 759                     | 28,567            |
| Tangible capital asset acquisitions and improvements                       | 22,892            | -                       | 22,892            |
|  | <b>\$ 487,626</b> | <b>\$ 27,953</b>        | <b>\$ 459,673</b> |

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

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

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

**Five Year Schedule of Revenues and Expenses**

**Year Ended March 31, 2017**

**(Schedule 2)**

|  | 2017             | 2016             | 2015             | 2014             | 2013             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>REVENUE</b>                             |                  |                  |                  |                  |                  |
| Program funding and fees for service       | \$ 1,112,380     | \$ 1,008,544     | \$ 1,015,997     | \$ 997,964       | \$ 1,088,088     |
| Grants                                     | 105,921          | 110,749          | 121,531          | 114,431          | 82,704           |
| Transfers from (to) deferred contributions | (13,292)         | 44,918           | (8,746)          | (43,118)         | (63,566)         |
|  | <b>1,205,009</b> | <b>1,164,211</b> | <b>1,128,782</b> | <b>1,069,277</b> | <b>1,107,226</b> |
| <b>OTHER INCOME</b>                        |                  |                  |                  |                  |                  |
| Donations                                  | 17,003           | 22,109           | 10,922           | 10,078           | 13,743           |
| Expense recoveries                         | 14,076           | 1,580            | 4,244            | 3,371            | 7,068            |
| Sublease of rented facilities              | 10,151           | 24,482           | 23,702           | 23,642           | 24,002           |
| Miscellaneous and interest income          | 4,535            | 5,126            | 2,929            | 4,833            | 5,800            |
| Gains (losses) on disposal of equipment    | (1,602)          | -                | (415)            | -                | -                |
|  | <b>44,163</b>    | <b>53,297</b>    | <b>41,382</b>    | <b>41,924</b>    | <b>50,613</b>    |
|  | <b>1,249,172</b> | <b>1,217,508</b> | <b>1,170,164</b> | <b>1,111,201</b> | <b>1,157,839</b> |
| <b>EXPENSES</b>                            |                  |                  |                  |                  |                  |
| Advertising and promotion                  | 1,400            | 5,263            | 621              | 807              | 1,560            |
| Amortization                               | 26,115           | 28,805           | 29,186           | 29,994           | 26,385           |
| Audit and legal                            | 10,071           | 11,420           | 10,031           | 10,371           | 9,590            |
| Bank charges                               | 701              | 935              | 913              | 880              | 747              |
| Client expenses and development            | 62,310           | 56,369           | 49,057           | 49,211           | 44,293           |
| Community donations                        | 400              | 2,450            | 3,740            | 500              | -                |
| Insurance                                  | 9,675            | 9,731            | 8,863            | 7,181            | 6,850            |
| Memberships                                | 2,206            | 980              | 2,231            | 2,189            | 2,152            |
| Professional contracts and honoraria       | 52,040           | 63,003           | 37,427           | 37,049           | 42,727           |
| Program supplies and resources             | 20,113           | 21,129           | 19,291           | 19,030           | 19,514           |
| Rent, maintenance and occupancy costs      | 47,908           | 50,531           | 51,340           | 51,914           | 51,352           |
| Staff development                          | 17,526           | 23,623           | 22,306           | 21,760           | 26,955           |
| Telephone                                  | 10,236           | 12,735           | 12,358           | 14,783           | 28,141           |
| Travel                                     | 39,672           | 33,365           | 29,736           | 28,038           | 27,373           |
| Wages and benefits                         | 958,653          | 924,919          | 912,320          | 838,655          | 875,761          |

(continues)

See accompanying notes to financial statements

**BOUNDARY FAMILY AND INDIVIDUAL SERVICES SOCIETY**

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

**Year Ended March 31, 2017**

**(Schedule 2)**

|  | 2017              | 2016               | 2015               | 2014              | 2013              |
|--|-------------------|--------------------|--------------------|-------------------|-------------------|
|  | 1,259,026         | 1,245,258          | 1,189,420          | 1,112,362         | 1,163,400         |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b> | <b>\$ (9,854)</b> | <b>\$ (27,750)</b> | <b>\$ (19,256)</b> | <b>\$ (1,161)</b> | <b>\$ (5,561)</b> |

See accompanying notes to financial statements