

**Boundary Family Services Society
Financial Statements
For the Year Ended March 31, 2023**

**Boundary Family Services Society
Financial Statements
For the Year Ended March 31, 2023**

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Independent Auditor's Report

To the Members of Boundary Family Services Society

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Boundary Family Services Society (the "Society"), which comprise the statement of financial position as at March 31, 2023, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, and its results of 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, 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, excess of revenues over expenses and cash flows for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Other Matters

The March 31, 2022 comparative figures were audited by another firm of Chartered Professional Accountants who issued a qualified opinion on August 22, 2022 with respect to completeness of donations.

These financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures and have been prepared to assist management of the Society to meet the reporting requirements of various funding agencies. We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the unaudited schedules of the Society's financial statements.



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 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 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.

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 Society Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
September 25, 2023

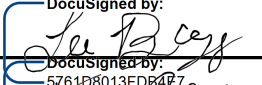
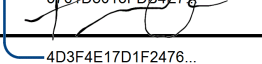
Boundary Family Services Society Statement of Financial Position

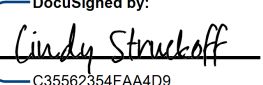
| March 31 | 2023 | 2022 |
|--|--------------|--------------|
| Assets | | |
| Current | | |
| Cash (Note 2) | \$ 1,467,008 | \$ 1,148,710 |
| Accounts receivable (Note 3) | 58,136 | 146,505 |
| Prepaid expenses | 33,238 | 31,120 |
| | 1,558,382 | 1,326,335 |
| Restricted cash and investments (Note 2) | 568,150 | 471,886 |
| Tangible capital assets (Note 4) | 68,040 | 64,529 |
| | \$ 2,194,572 | \$ 1,862,750 |

Liabilities and Net Assets

| | | |
|--|--------------|--------------|
| Current | | |
| Accounts payable and accrued liabilities | \$ 182,766 | \$ 150,010 |
| Deferred contributions (Note 5) | 1,604,470 | 1,341,989 |
| | 1,787,236 | 1,491,999 |
| Net Assets | | |
| Invested in tangible capital assets | 68,040 | 64,529 |
| Internally restricted (Note 6) | 332,476 | 306,222 |
| Unrestricted | 6,820 | - |
| | 407,336 | 370,751 |
| | \$ 2,194,572 | \$ 1,862,750 |

On behalf of the Board:


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 Chair

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 Vice Chair
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 Treasurer
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Boundary Family Services Society Statement of Changes in Net Assets

| For the year ended March 31 | Invested in Capital Assets | Internally Restricted | Unrestricted | 2023 Total | 2022 Total |
|---|----------------------------------|--------------------------|-----------------|-------------------|-------------------|
| Balance, beginning of the year | \$ 64,529 | \$ 306,222 | \$ - | \$ 370,751 | \$ 335,936 |
| Excess (deficiency) of revenues over expenses | (19,946) | - | 56,531 | 36,585 | 34,815 |
| Tangible capital asset additions | 23,271 | - | (23,271) | - | - |
| Interfund transfer | 186 | 26,254 | (26,440) | - | - |
| Balance, end of the year | \$ 68,040 | \$ 332,476 | \$ 6,820 | \$ 407,336 | \$ 370,751 |

The accompanying notes are an integral part of these financial statements.

Boundary Family Services Society Statement of Operations

| For the year ended March 31 | 2023 | 2022 |
|---|------------------|------------------|
| Revenue | | |
| Program funding and grants | \$ 1,824,213 | \$ 1,824,620 |
| Rental | 391,258 | 405,974 |
| Expense recoveries | 134,431 | 144,077 |
| Interest | 5,993 | 4,708 |
| Donations | 1,948 | 3,024 |
| | 2,357,843 | 2,382,403 |
| Expenses | | |
| Administration | 126,514 | 203,145 |
| Advertising | 3,546 | 11,202 |
| Amortization | 19,946 | 20,087 |
| Bad debts | - | 7,012 |
| Insurance | 24,221 | 22,037 |
| Interest and bank charges | 1,643 | 1,482 |
| Professional fees | 32,439 | 23,903 |
| Program costs | 207,010 | 172,659 |
| Rent | 32,024 | 35,537 |
| Occupancy costs | 94,967 | 99,427 |
| Travel | 37,779 | 30,970 |
| Utilities | 109,655 | 136,190 |
| Wages and benefits | 1,631,514 | 1,583,937 |
| | 2,321,258 | 2,347,588 |
| Excess of revenues over expenses | \$ 36,585 | \$ 34,815 |

The accompanying notes are an integral part of these financial statements.

Boundary Family Services Society Statement of Cash Flows

| For the year ended March 31 | 2023 | 2022 |
|---|--------------|--------------|
| Cash flows from operating activities | | |
| Cash receipts from funders and tenants | \$ 2,708,505 | \$ 2,787,748 |
| Cash paid to suppliers and employees | (2,267,126) | (2,295,799) |
| Interest paid | (3,546) | (11,202) |
| | 437,833 | 480,747 |
| Cash flows from investing activities | | |
| Acquisition of capital assets | (23,271) | (31,522) |
| Cash flows from financing activities | | |
| Transfer to restricted cash | (96,264) | (69,272) |
| Net increase in cash | 318,298 | 379,953 |
| Cash, beginning of the year | 1,148,710 | 768,757 |
| Cash, end of the year | \$ 1,467,008 | \$ 1,148,710 |

The accompanying notes are an integral part of these financial statements.

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

| | |
|---|---|
| Nature and Purpose of Organization | <p>Boundary Family Services Society (the "Society") is a not-for-profit organization of British Columbia.</p> <p>The Society's purpose, working collaboratively with other community organizations, is to develop, facilitate, fund, and administer programs and services which provide support, counselling, recreation, rehabilitation, and education to families and individuals facing environmental, economic, physical, emotional or cognitive challenges.</p> |
| Basis of Accounting | <p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p> |
| Financial Instruments | <p>Financial instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p> |
| Restricted Cash | <p>Restricted cash includes savings accounts and temporary investments which have been internally restricted by the Society for future expected cashflow needs.</p> |

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies (continued)

Tangible Capital Assets Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

| | Method | Rate |
|-------------------------|---------------|-------------|
| Furniture and equipment | Straight-line | 2-10 years |
| Computer hardware | Straight-line | 3 years |
| Leasehold improvements | Straight-line | 5-10 years |

Revenue Recognition The 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 the related expenditures are incurred. Restricted contributions which are not expended are recorded as deferred revenue.

(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.

Income Tax As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

Use of 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 year. The main estimates include the expected useful life of tangible capital assets. Actual useful lives could differ from these estimates.

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

2. Restricted Cash

Included in restricted cash are three term deposits totaling \$395,688 (2022 - \$395,688), bearing interest between 0.55% and 1.50%, maturing between December 2023 and April 2024, which have been internally restricted for anticipated future expenditures.

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Represented by: | | |
| Cash | \$ 1,467,008 | \$ 1,148,710 |
| Restricted cash and investments | 568,150 | 471,886 |
| | 2,035,158 | 1,620,596 |
| | | |
| Externally Restricted | | |
| Restricted for BC housing projects | 172,462 | 82,095 |
| | | |
| Internally Restricted | | |
| Internally restricted for future expenditures | 395,688 | 389,792 |
| | | |
| Unrestricted | 1,467,008 | 1,148,710 |
| | \$ 2,035,158 | \$ 1,620,597 |

3. Government Remittances

Included in accounts receivable are government remittances receivable of \$4,798 (2022 - \$3,857).

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

4. Tangible Capital Assets

| | 2023 | | 2022 | |
|----------------------------|------------|-----------------------------|------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Furniture and equipment | \$ 201,953 | \$ 146,368 | \$ 181,588 | \$ 135,191 |
| Computer hardware | 64,029 | 54,414 | 61,123 | 47,409 |
| Leasehold improvements | 254,833 | 251,993 | 254,833 | 250,415 |
| | 520,815 | 452,775 | 497,544 | 433,015 |
| | | \$ 68,040 | | \$ 64,529 |

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

5. Deferred Contributions

Deferred contributions consist of grants and donations received to pay for expenditures relating to different programs provided by the Society. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are incurred.

| | 2023 | 2022 |
|--|--------------|--------------|
| Beginning balance | \$ 1,341,989 | \$ 1,049,825 |
| Contributions received during the year | 2,533,292 | 2,696,133 |
| Expenditures related to contributions | (2,270,811) | (2,403,969) |
| Ending balance | \$ 1,604,470 | \$ 1,341,989 |

Deferred contributions relate to the following programs:

| | 2023 | 2022 |
|---|--------------|--------------|
| BC Housing Programs | | |
| Raven Place | \$ 331,342 | \$ 208,281 |
| Raven Place Capital Fund | 149,760 | 104,832 |
| Housing Outreach | 38,219 | 57,977 |
| Stay Safe Shelter | 128,774 | 91,426 |
| | 648,095 | 462,516 |
| Family Services | | |
| Counselling and Support Services | 190,582 | 200,999 |
| Early Years | 157,223 | 128,076 |
| Family Resource Centre | 128,837 | 121,712 |
| Integrated Services | 107,547 | 98,636 |
| Pregnancy Outreach and CAPC | 19,112 | 18,288 |
| Child and Youth Aboriginal Services | 41,738 | 41,360 |
| Child and Youth Disability Services | 35,515 | 35,347 |
| Other Child and Youth Services | 86,979 | 87,351 |
| Victim and Violence Prevention Services | 49,468 | 51,244 |
| Flood Recovery | 70,347 | 49,203 |
| Senior Services | 13,326 | 24,374 |
| Other programs and contributions | 55,701 | 22,883 |
| | 956,375 | 879,473 |
| | \$ 1,604,470 | \$ 1,341,989 |

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

6. Internal Restrictions on Net Assets

Internally restricted net assets are amounts designated by the Board of Directors for future purposes.

| | 2023 | 2022 |
|--|------------|------------|
| Administration | \$ 145,739 | \$ 121,214 |
| Administration and succession planning | 11,208 | 11,208 |
| Building | 5,716 | 2,183 |
| Family centre insurance | 5,893 | 5,893 |
| IT | 59,009 | 59,009 |
| Legal | 36,889 | 36,889 |
| Personal damage | 3,770 | 3,770 |
| Professional development | 29,389 | 29,380 |
| Society | 22,932 | 24,598 |
| Strategic barrier removal | 6,689 | 6,689 |
| Strategic priority area | 5,242 | 5,389 |
| | \$ 332,476 | \$ 306,222 |

7. 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.

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

8. BC Society Act Disclosure

The Society Act (British Columbia) requires certain information be reported with regards to remuneration of employees, contractors, and directors.

Included in wages and benefits are two individuals with remuneration over \$75,000 with annual remuneration of \$155,475 (2022 - \$184,803).

9. Commitments

a) The Society holds an operating agreement with BC Housing in which the Society earns rental income. As at March 31, 2023, the Society was in negotiations to amend the terms of this agreement.

b) The Society held a five year lease commitment with School District #51 in respect to its location at the Glanville Centre in Grand Forks, BC, in the amount of \$26,800 annually, which ended in June 2022. The Society will continue the lease on a month-to-month basis, until a lease renewal agreement is finalized.

c) The Society has entered into an agreement with KONE Inc., to provide maintenance at Raven Place until September 30, 2027, in the amount of \$5,280 annually plus applicable taxes.

d) The Society has a five year lease with Ricoh for three photocopiers, until September 3, 2024 in the amount of \$8,700 annually plus applicable taxes.

The annual payments for the agreements for the next five years are as follows:

| <u>Year</u> | | <u>Amount</u> |
|-------------|----|---------------|
| 2024 | \$ | 8,180 |
| 2025 | | 6,730 |
| 2026 | | 5,280 |
| 2027 | | 5,280 |
| 2028 | | 2,640 |
| | | 28,110 |
| | \$ | 28,110 |

Boundary Family Services Society Notes to Financial Statements

March 31, 2023

10. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the Society's receivables are from government sources and the Society works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

The Society is also exposed to credit risk arising from all of its bank accounts being held at one financial institution.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Society is exposed to this risk mainly in respect of its accounts payable.

The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

It is managements position that the Society is not significantly exposed to liquidity risk.

Boundary Family Services Society
Family Services
Statement of Operations
(unaudited)

| For the year ended March 31 | 2023 | 2022 |
|---|------------------|------------------|
| Revenue | | |
| Program funding and grants | \$ 1,125,979 | \$ 1,144,107 |
| Rental | 1,350 | 2,550 |
| Expense recoveries | 89,664 | 89,026 |
| Interest income | 5,905 | 4,680 |
| Donations | 1,948 | 3,024 |
| | <u>1,224,846</u> | <u>1,243,387</u> |
| Expenses | | |
| Administration | 57,141 | 127,838 |
| Advertising and donations | 3,546 | 11,202 |
| Amortization | 13,667 | 17,131 |
| Insurance | 7,546 | 7,099 |
| Interest and bank charges | 1,500 | 1,023 |
| Professional fees | 21,506 | 11,347 |
| Program costs | 146,829 | 124,892 |
| Rent | 30,487 | 33,999 |
| Occupancy costs | 14,617 | 18,826 |
| Travel | 28,208 | 18,325 |
| Utilities and communication | 18,276 | 16,472 |
| Wages and benefits | 854,545 | 831,963 |
| | <u>1,197,868</u> | <u>1,220,117</u> |
| Excess of revenues over expenses | \$ 26,978 | \$ 23,270 |

Boundary Family Services Society
Housing Services
Statement of Operations
(unaudited)

| For the year ended March 31 | 2023 | 2022 |
|---|------------------|------------------|
| Revenue | | |
| Program funding and grants | \$ 698,233 | \$ 680,514 |
| Rental income | 389,908 | 403,424 |
| Expense recoveries | 44,768 | 55,051 |
| Interest income | 88 | 28 |
| | <u>1,132,997</u> | <u>1,139,017</u> |
| Expenses | | |
| Administration | 69,373 | 75,308 |
| Amortization | 6,279 | 2,956 |
| Bad debts | - | 7,012 |
| Insurance | 16,675 | 14,938 |
| Interest and bank charges | 143 | 459 |
| Professional fees | 10,933 | 12,556 |
| Program costs | 60,181 | 47,767 |
| Rent | 1,537 | 1,538 |
| Occupancy costs | 80,350 | 80,601 |
| Travel | 9,571 | 12,645 |
| Utilities and communication | 91,379 | 119,718 |
| Wages and benefits | 776,969 | 751,974 |
| | <u>1,123,390</u> | <u>1,127,472</u> |
| Excess of revenues over expenses | \$ 9,607 | \$ 11,545 |