

Boundary Family Services Society
Financial Statements
For the Year Ended March 31, 2025

Boundary Family Services Society
Financial Statements
For the Year Ended March 31, 2025

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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, 2025, 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, 2025, 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, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information included in the 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

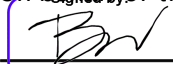
Chartered Professional Accountants

Kelowna, British Columbia
June 16, 2025

Boundary Family Services Society Statement of Financial Position

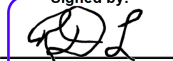
March 31	2025	2024
Assets		
Current		
Cash (Note 2)	\$ 1,373,941	\$ 1,359,540
Accounts receivable	150,986	158,850
Prepaid expenses	36,632	26,593
	<u>1,561,559</u>	<u>1,544,983</u>
Restricted cash and investments (Note 2)	854,484	682,124
Tangible capital assets (Note 3)	58,020	67,586
	<u>\$ 2,474,063</u>	<u>\$ 2,294,693</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 160,764	\$ 114,336
Deferred contributions (Note 4)	1,021,462	937,354
	<u>1,182,226</u>	<u>1,051,690</u>
Net Assets		
Invested in tangible capital assets	58,020	67,586
Replacement Reserve (Note 5)	416,705	332,708
Internally restricted (Note 6)	352,920	348,985
Unrestricted	464,192	493,724
	<u>1,291,837</u>	<u>1,243,003</u>
	<u>\$ 2,474,063</u>	<u>\$ 2,294,693</u>

On behalf of the Board:

 Director

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Signed by:

 Director

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Boundary Family Services Society
Statement of Changes in Net Assets

For the year ended March 31	Invested in Capital Assets	Replacemen t Reserve	Internally Restricted	Unrestricted	2025 Total	2024 Total
Balance, beginning of the year	67,586	332,708	348,985	493,724	1,243,003	1,017,414
Excess (deficiency) of revenues over expenses	(16,700)	75	-	89,324	72,699	225,589
Tangible capital asset additions	7,134	(23,865)	-	(7,134)	(23,865)	-
Transfer to replacement reserves (Note 5)	-	44,928	-	(44,928)	-	-
Interfund transfer (Note 5)	-	62,859	3,935	(66,794)	-	-
Balance, end of the year	\$ 58,020	\$ 416,705	\$ 352,920	\$ 464,192	\$ 1,291,837	\$ 1,243,003

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

Boundary Family Services Society Statement of Operations

For the year ended March 31	2025	2024
Revenue		
Program funding and grants	\$ 2,436,474	\$ 2,307,589
Rental	408,321	408,086
Expense recoveries	49,943	52,421
Interest	8,223	5,574
Donations	27,243	2,223
	<u>2,930,204</u>	<u>2,775,893</u>
Expenses		
Administration	51,761	52,100
Advertising	13,137	4,665
Amortization	16,700	19,574
Bad debts	-	11,873
Insurance	32,885	28,727
Interest and bank charges	927	501
Professional fees	33,087	24,481
Program costs	291,292	265,814
Rent	29,600	32,770
Occupancy costs	86,419	82,753
Travel	48,067	39,914
Utilities	217,711	229,363
Wages and benefits	2,035,919	1,757,769
	<u>2,857,505</u>	<u>2,550,304</u>
Excess of revenues over expenses	<u>\$ 72,699</u>	<u>\$ 225,589</u>

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	2025	2024
Cash flows from operating activities		
Cash receipts from funders and tenants	\$ 3,019,674	\$ 2,619,725
Cash paid to suppliers and employees	(2,812,642)	(2,589,434)
Interest paid	(13,137)	(4,665)
	<u>193,895</u>	<u>25,626</u>
Cash flows from investing activities		
Acquisition of capital assets	(7,134)	(19,120)
Cash flows from financing activities		
Transfer to restricted cash	(172,360)	(113,974)
Net increase (decrease) in cash	14,401	(107,468)
Cash, beginning of the year	<u>1,359,540</u>	<u>1,467,008</u>
Cash, end of the year	<u>\$ 1,373,941</u>	<u>\$ 1,359,540</u>

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

Boundary Family Services Society Notes to Financial Statements

March 31, 2025

1. Significant Accounting Policies

Nature and Purpose of Organization	Boundary Family Services Society (the "Society") is a not-for-profit organization of British Columbia. 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.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Financial Instruments	Financial instruments are recorded at fair value at initial recognition. 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. 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.
Restricted Cash	Restricted cash includes savings accounts and temporary investments which have been internally restricted by the Society for future expected cash flow needs.

Boundary Family Services Society Notes to Financial Statements

March 31, 2025

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, 2025

2. Restricted Cash

Included in restricted cash are three term deposits totalling \$409,205 (2024 - \$401,124), bearing interest between 2.50% and 5.30%, maturing between December 2025 and April 2026, which have been internally restricted for anticipated future expenditures.

	2025	2024
Represented by:		
Cash	\$ 1,373,941	\$ 1,359,540
Restricted cash and investments	854,484	682,124
	<u>2,228,425</u>	<u>2,041,664</u>
Externally Restricted		
Restricted for BC housing projects (Note 5)	445,279	281,000
Internally Restricted		
Internally restricted for future expenditures	409,205	401,124
Unrestricted	<u>1,373,941</u>	<u>1,359,540</u>
	<u>\$ 2,228,425</u>	<u>\$ 2,041,664</u>

3. Tangible Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 219,598	\$ 168,294	\$ 216,807	\$ 156,705
Computer hardware	72,637	66,308	68,295	62,072
Leasehold improvements	254,833	254,446	254,833	253,572
	<u>547,068</u>	<u>489,048</u>	<u>539,935</u>	<u>472,349</u>
		<u>\$ 58,020</u>		<u>\$ 67,586</u>

Boundary Family Services Society Notes to Financial Statements

March 31, 2025

4. Deferred Contributions

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

	2025	2024
Beginning balance	\$ 937,354	\$ 994,593
Contributions received during the year	1,534,452	2,493,065
Expenditures related to contributions	(1,450,344)	(2,550,304)
Ending balance	<u>\$ 1,021,462</u>	<u>\$ 937,354</u>

Deferred contributions relate to the following programs:

	2025	2024
BC Housing Programs		
BC Housing Outreach	\$ 52,024	\$ 60,215
Prepaid Rent Deposits	11,832	
	<u>63,856</u>	<u>60,215</u>
Family Services		
Counselling and Support Services	209,516	198,638
Early Years	223,684	165,399
Family Resource Centre	98,776	114,276
Integrated Services	71,603	77,206
Pregnancy Outreach and CAPC	32,678	18,994
Child and Youth Aboriginal Services	4,309	5,381
Child and Youth Disability Services	58,051	44,481
Other Child and Youth Services	79,675	91,162
Victim and Violence Prevention Services	58,709	60,538
Flood Recovery	41,224	70,347
Senior Services	60,853	12,190
Other programs and contributions	18,528	18,527
	<u>957,606</u>	<u>877,139</u>
	<u>\$ 1,021,462</u>	<u>\$ 937,354</u>

Boundary Family Services Society

Notes to Financial Statements

March 31, 2025

5. Replacement Reserves

Under the terms of the agreement with BC Housing, the replacement reserve account is externally restricted by BC Housing and is to be credited in the amount determined by the budget provision per annum plus interest earned. These funds, along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canadian Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation; in investments in accordance with the Society Act or Municipal act, in investments guaranteed by a Canadian government, or in other investment instruments as agreed upon with BC Housing.

There is one replacement reserve for Raven Place. The annual amounts that are transferred to the replacement reserve is \$44,928. Approval from British Columbia Housing must be acquired in order to use these restricted funds for any purpose. In the current year, expenditures of \$23,865 (2024 - \$2,831) were approved by British Columbia Housing as qualifying approved expenditures to be spent out of the replacement reserve.

	20252024	
Balance, beginning of year	\$ 332,708	\$ 290,536
Annual transfer	44,928	44,928
Interest income	75	75
Approved expenditures	(23,865)	(2,831)
BC Housing adjustment	62,859	-
Ending balance	\$ 416,705	\$ 332,708
Cash balance (Note 2)	\$ 445,279	\$ 281,000

Boundary Family Services Society
Notes to Financial Statements

March 31, 2025

6. Internal Restrictions on Net Assets

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

	2025	2024
Administration	\$ 169,448	\$ 166,900
Administration and succession planning	11,208	11,208
Building	5,716	5,716
Family Centre insurance	5,893	5,893
IT	59,009	59,009
Legal reserves	36,889	36,889
Personal damage	3,770	3,770
Professional development	29,405	29,398
Society	19,757	17,862
Strategic barrier removal	6,689	6,689
Strategic priority area	5,136	5,651
	<u>\$ 352,920</u>	<u>\$ 348,985</u>

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, 2025

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 is one (2024 - two) individual with remuneration over \$75,000 with annual remuneration of \$84,726 (2024 - \$160,039). No payments were made to the members of the Board in the current year or the prior year.

9. Commitments

- a) The Society holds an operating agreement with BC Housing under which it earns rental income. The Society has agreed to provide a range of affordable and appropriate rental housing for low and moderate income households across British Columbia. As at March 31, 2025, the Society's commitment is in place until November 30, 2025.
- 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 has continued 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 and a half year lease with Ricoh for a photocopier, until September 10, 2030 in the amount of \$2,422 annually plus applicable taxes.

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

<u>Year</u>		<u>Amount</u>
2026	\$	7,702
2027		7,702
2028		5,062
2029		2,422
	\$	22,888

Boundary Family Services Society Notes to Financial Statements

March 31, 2025

10. Financial Instruments

The Society is exposed to risks that arise from its use of financial instruments. This note describes the Society's objectives, policies and processes for managing those risks.

There have been no substantive changes in the Society's exposure to financial instrument risks or its objectives, policies and processes for managing those risks from previous periods unless otherwise stated in this note.

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.

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	2025	2024
Revenue		
Program funding and grants	\$ 1,403,202	\$ 1,309,964
Expense recoveries	100,675	95,146
Interest income	8,088	5,445
Donations	27,243	2,223
	<u>1,539,208</u>	<u>1,412,778</u>
Expenses		
Administration	48,962	100,021
Advertising and donations	8,103	4,665
Amortization	7,181	11,373
Insurance	9,890	8,178
Interest and bank charges	775	389
Professional fees	21,937	13,481
Program costs	209,412	171,812
Rent	29,600	31,232
Occupancy costs	6,319	7,260
Travel	43,992	30,450
Utilities and communication	29,211	17,656
Wages and benefits	1,133,444	935,794
	<u>1,548,826</u>	<u>1,332,311</u>
Excess of revenues over expenses	\$ (9,618)	\$ 80,467

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

For the year ended March 31	2025	2024
Revenue		
Program funding and grants	\$ 1,033,272	\$ 997,625
Rental income	408,321	408,086
Expense recoveries	48,823	51,408
Interest income	134	129
	<u>1,490,550</u>	<u>1,457,248</u>
Expenses		
Administration	102,353	46,210
Amortization	9,519	8,201
Bad debts	-	11,873
Insurance	22,995	20,548
Interest and bank charges	902	111
Professional fees	11,150	11,000
Program costs	81,880	94,002
Rent	-	1,538
Occupancy costs	70,320	75,493
Travel	4,075	9,465
Utilities and communication	197,530	211,707
Wages and benefits	907,509	821,976
	<u>1,408,233</u>	<u>1,312,124</u>
Excess of revenues over expenses	<u>\$ 82,317</u>	<u>\$ 145,124</u>