

Boundary Family Services Society
Financial Statements
For the Year Ended March 31, 2026

Boundary Family Services Society
Financial Statements
For the Year Ended March 31, 2026

Contents

Independent Auditor's Report	1 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15
Schedules	16 - 17



Tel: 250 763 6700
Fax: 250 763 4457
Toll-free: 1 800 928 3307
www.bdo.ca

BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC, V1Y 0B5

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, 2026, 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, 2026, 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, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2026 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

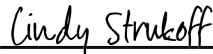
Chartered Professional Accountants

Kelowna, British Columbia
July 14, 2026

Boundary Family Services Society Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash (Note 2)	\$ 1,570,586	\$ 1,373,941
Accounts receivable	154,726	150,986
Prepaid expenses	24,364	36,632
	<u>1,749,676</u>	<u>1,561,559</u>
Restricted cash and investments (Note 2)	873,476	854,484
Tangible capital assets (Note 3)	70,752	58,020
	<u>\$ 2,693,904</u>	<u>\$ 2,474,063</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 171,277	\$ 160,764
Deferred contributions (Note 4)	1,050,229	1,021,462
	<u>1,221,506</u>	<u>1,182,226</u>
Net Assets		
Invested in tangible capital assets	70,752	58,020
Replacement reserves (Note 5)	474,690	416,705
Internally restricted (Note 6)	453,731	352,920
Unrestricted	473,225	464,192
	<u>1,472,398</u>	<u>1,291,837</u>
	<u>\$ 2,693,904</u>	<u>\$ 2,474,063</u>

On behalf of the Board:

Signed by:

 _____ Director
C35562354FAA4D9...

Signed by:

 _____ Director
D3067EC53D9443C...

Boundary Family Services Society Statement of Changes in Net Assets

For the year ended March 31	Invested in Tangible Capital Assets	Replacement Reserves	Internally Restricted	Unrestricted	2026 Total	2025 Total
Balance, beginning of the year	\$ 58,020	\$ 416,705	\$ 352,920	\$ 464,192	\$ 1,291,837	\$ 1,243,003
Excess of revenues over expenses	(24,076)	-	-	252,495	228,419	72,699
Tangible capital asset additions	36,808	(47,858)	-	(36,808)	(47,858)	(23,865)
Transfer to replacement reserves (Note 5)	-	44,928	-	(44,928)	-	-
Interfund transfer (Note 5)	-	60,915	100,811	(161,726)	-	-
Balance, end of the year	\$ 70,752	\$ 474,690	\$ 453,731	\$ 473,225	\$ 1,472,398	\$ 1,291,837

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

Boundary Family Services Society Statement of Operations

For the year ended March 31	2026	2025
Revenue		
Program funding and grants (Note 7)	\$ 2,658,032	\$ 2,436,474
Rental	411,505	408,321
Expense recoveries	52,385	49,943
Donations	24,691	27,243
Interest	16,714	8,223
	<u>3,163,327</u>	<u>2,930,204</u>
Expenses		
Administration	54,328	51,761
Advertising and donations	10,340	13,137
Amortization	22,948	16,700
Insurance	21,163	32,885
Interest and bank charges	437	927
Loss on disposal of tangible capital assets	1,128	-
Occupancy costs	102,717	86,419
Professional fees	38,686	33,087
Program costs	302,622	291,292
Rent	32,904	29,600
Travel	40,193	48,067
Utilities and communications	177,201	217,711
Wages and benefits	2,130,241	2,035,919
	<u>2,934,908</u>	<u>2,857,505</u>
Excess of revenues over expenses	<u>\$ 228,419</u>	<u>\$ 72,699</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	2026	2025
Cash flows from operating activities		
Cash receipts from funders and tenants	\$ 3,188,353	\$ 3,019,674
Cash paid to suppliers and employees	(2,935,471)	(2,824,852)
Interest paid	(437)	(927)
	<u>252,445</u>	<u>193,895</u>
Cash flows from investing activities		
Acquisition of capital assets	<u>(36,808)</u>	<u>(7,134)</u>
Cash flows from financing activities		
Transfer to restricted cash	<u>(18,992)</u>	<u>(172,360)</u>
Net increase in cash	196,645	14,401
Cash, beginning of the year	<u>1,373,941</u>	<u>1,359,540</u>
Cash, end of the year	<u>\$ 1,570,586</u>	<u>\$ 1,373,941</u>

Boundary Family Services Society Notes to Financial Statements

March 31, 2026

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, 2026

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, 2026

2. Restricted cash

Included in restricted cash are three term deposits totalling \$425,801 (2025 - \$409,205), bearing interest between 2.50% and 2.85%, maturing between April 2026 and December 2026, which have been internally restricted for anticipated future expenditures.

	2026	2025
Represented by:		
Cash	\$ 1,570,586	\$ 1,373,941
Restricted cash and investments	873,476	854,484
	<u>2,444,062</u>	<u>2,228,425</u>
Externally Restricted		
Restricted for BC Housing projects (Note 5)	447,675	445,279
Internally Restricted		
Internally restricted for future expenditures	425,801	409,205
Unrestricted	<u>1,570,586</u>	<u>1,373,941</u>
	<u>\$ 2,444,062</u>	<u>\$ 2,228,425</u>

3. Tangible capital assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 218,754	\$ 175,258	\$ 219,598	\$ 168,294
Computer hardware	99,625	72,404	72,637	66,308
Leasehold improvements	254,833	254,798	254,833	254,446
	<u>573,212</u>	<u>502,460</u>	<u>547,068</u>	<u>489,048</u>
		<u>\$ 70,752</u>		<u>\$ 58,020</u>

Boundary Family Services Society Notes to Financial Statements

March 31, 2026

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.

	2026	2025
Beginning balance	\$ 1,021,462	\$ 937,354
Contributions received during the year	1,610,942	1,534,452
Expenditures related to contributions	<u>(1,582,175)</u>	<u>(1,450,344)</u>
Ending balance	<u>\$ 1,050,229</u>	<u>\$ 1,021,462</u>

Deferred contributions relate to the following programs:

	2026	2025
BC Housing Programs		
BC Housing Outreach	\$ 49,132	\$ 52,024
Prepaid rent deposits	<u>12,901</u>	<u>11,832</u>
	<u>62,033</u>	<u>63,856</u>
Family Services		
Counselling and Support Services	163,108	209,516
Early Years	279,229	223,684
Family Resource Centre	117,828	98,776
Integrated Services	71,603	71,603
Pregnancy Outreach and CAPC	27,041	32,678
Child and Youth Aboriginal Services	4,715	4,309
Child and Youth Disability Services	58,816	58,051
Other Child and Youth Services	70,266	79,675
Victim and Violence Prevention Services	81,407	58,709
Flood Recovery	815	41,224
Senior Services	113,368	60,853
Other programs and contributions	<u>-</u>	<u>18,528</u>
	<u>988,196</u>	<u>957,606</u>
	<u>\$ 1,050,229</u>	<u>\$ 1,021,462</u>

Boundary Family Services Society Notes to Financial Statements

March 31, 2026

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 amount that is transferred to the replacement reserve is \$44,928. Approval from BC Housing must be acquired in order to use these restricted funds for any purpose. In the current year, expenditures of \$47,858 (2025 - \$23,865) were approved by BC Housing as qualifying approved expenditures to be spent out of the replacement reserve.

	2026	2025
Balance, beginning of year	\$ 416,705	\$ 332,708
Interest income	-	75
Approved expenditures	(47,858)	(23,865)
Annual transfer	44,928	44,928
BC Housing adjustment	60,915	62,859
Ending balance	474,690	416,705
Funded restricted cash balance (Note 2)	447,675	445,279
Under (over) funded balance	\$ 27,015	\$ (28,574)

Boundary Family Services Society Notes to Financial Statements

March 31, 2026

6. Internal restrictions on net assets

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

	2026	2025
Administration	\$ 147,953	\$ 169,448
Administration and succession planning	11,208	11,208
Building	111,528	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	39,175	29,405
Society	26,430	19,757
Strategic barrier removal	6,689	6,689
Strategic priority area	5,187	5,136
	<u>\$ 453,731</u>	<u>\$ 352,920</u>

7. Program funding and grants

	2026	2025
BC Housing	\$ 1,109,915	\$ 1,025,081
Ministry of Children & Family Development	734,216	716,240
Ministry of Public Safety and Solicitor General	119,565	128,939
United Way British Columbia	465,039	354,220
Other	229,297	211,994
	<u>\$ 2,658,032</u>	<u>\$ 2,436,474</u>

8. 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, 2026

9. BC Societies 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 (2025 - one) individual with remuneration over \$75,000 with annual remuneration of \$87,288 (2025 - \$84,726). No payments were made to the members of the Board in the current year or the prior year.

10. 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. The Society continues to operate within the terms of this agreement, which expired on November 30, 2025, while it negotiates an interim operating agreement with BC Housing.

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>
2027	\$	7,702
2028		5,062
2029		2,422
2030		2,422
	\$	17,608

11. Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation. The changes do not affect prior year earnings.

Boundary Family Services Society Notes to Financial Statements

March 31, 2026

12. 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	2026	2025
Revenue		
Program funding and grants	\$ 1,545,225	\$ 1,403,202
Expense recoveries	89,258	100,675
Donations	24,691	27,243
Interest	16,603	8,088
	<u>1,675,777</u>	<u>1,539,208</u>
Expenses		
Administration	28,410	48,962
Advertising and donations	10,340	13,137
Amortization	14,321	7,181
Insurance	7,055	9,890
Interest and bank charges	205	775
Loss on disposal of tangible capital assets	757	-
Occupancy costs	11,544	6,319
Professional fees	27,686	21,937
Program costs	161,459	209,412
Rent	32,904	29,600
Travel	35,568	43,992
Utilities and communication	36,228	29,211
Wages and benefits	1,201,449	1,128,410
	<u>1,567,926</u>	<u>1,548,826</u>
Excess (deficiency) of revenues over expenses	\$ 107,851	\$ (9,618)

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

For the year ended March 31	2026	2025
Revenue		
Program funding and grants	\$ 1,112,807	\$ 1,033,272
Rental	411,505	408,321
Expense recoveries	51,560	48,823
Interest	111	135
	<u>1,575,983</u>	<u>1,490,551</u>
Expenses		
Administration	114,351	102,354
Amortization	8,627	9,519
Insurance	14,108	22,995
Interest and bank charges	232	152
Loss on disposal of tangible capital assets	371	-
Occupancy costs	91,173	80,100
Professional fees	11,000	11,150
Program costs	141,163	81,880
Travel	4,625	4,075
Utilities and communication	140,973	188,500
Wages and benefits	928,792	907,509
	<u>1,455,415</u>	<u>1,408,234</u>
Excess of revenues over expenses	<u>\$ 120,568</u>	<u>\$ 82,317</u>