

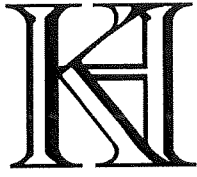
BOUNDARY FAMILY SERVICES SOCIETY

Financial Statements

Year Ended March 31, 2018

BOUNDARY FAMILY SERVICES SOCIETY
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Year Ended March 31, 2018

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KH BURCH KIENTZ INC.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Boundary Family Services Society

We have audited the accompanying financial statements of Boundary Family Services Society, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boundary Family Services Society as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on other Legal and Regulatory 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
September 19, 2018

KH Burch Kientz Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

BOUNDARY FAMILY SERVICES SOCIETY**Statement of Operations****Year Ended March 31, 2018**

	2018	2017
REVENUES (Note 3)		
Program funding and fees for service	\$ 1,150,825	\$ 1,112,380
Grants	118,029	105,921
Transfer from (to) deferred contributions	(52,914)	(13,292)
	<u>1,215,940</u>	<u>1,205,009</u>
OTHER INCOME		
Donations	16,292	17,003
Expense recoveries	4,656	14,076
Miscellaneous and interest income	3,735	4,535
Sublease of rented facilities	900	10,151
Gains (losses) on disposal of equipment	-	(1,602)
	<u>25,583</u>	<u>44,163</u>
	<u>1,241,523</u>	<u>1,249,172</u>
EXPENSES		
Advertising and promotion	967	1,400
Amortization	17,333	26,115
Audit and legal	9,903	10,071
Bank charges	1,353	701
Client expenses and development	53,612	62,310
Community donations	3,112	400
Insurance	7,097	9,675
Memberships	2,322	2,206
Professional contracts and honoraria	47,397	52,040
Program supplies and resources	23,265	20,113
Rent, maintenance and occupancy costs	48,778	47,908
Staff development	18,248	17,526
Telephone	14,762	10,236
Travel	35,428	39,672
Wages and benefits	942,909	958,653
	<u>1,226,486</u>	<u>1,259,026</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 15,037</u>	<u>\$ (9,854)</u>

BOUNDARY FAMILY SERVICES SOCIETY**Statement of Changes in Net Assets****Year Ended March 31, 2018**

	Unrestricted	Internally Restricted (Note 4)	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 181,824	\$ 181,824	\$ 191,678
Excess of revenues over expenses	15,037	-	15,037	(9,854)
Transfer to internally restricted funds	(15,037)	15,037	-	-
NET ASSETS - END OF YEAR	\$ -	\$ 196,861	\$ 196,861	\$ 181,824

BOUNDARY FAMILY SERVICES SOCIETY

Statement of Financial Position

March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 400,131	\$ 336,064
Term deposits (Note 5)	372,316	368,583
Accounts receivable	33,876	23,095
Goods and services tax recoverable	2,910	5,018
Prepaid expenses	4,991	4,268
	<u>814,224</u>	<u>737,028</u>
TANGIBLE CAPITAL ASSETS (Note 6)	<u>50,128</u>	<u>51,099</u>
	<u>\$ 864,352</u>	<u>\$ 788,127</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 27,137	\$ 28,963
Wages payable	74,274	66,118
Employee deductions payable	25,540	23,596
Deferred contributions (Schedule I)	540,540	487,626
	<u>667,491</u>	<u>606,303</u>
NET ASSETS	<u>196,861</u>	<u>181,824</u>
	<u>\$ 864,352</u>	<u>\$ 788,127</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

BOUNDARY FAMILY SERVICES SOCIETY**Statement of Cash Flow****Year Ended March 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Cash receipts from contributions	\$ 1,279,922	\$ 1,266,247
Cash paid to suppliers and employees	(1,201,603)	(1,238,594)
Interest received	3,735	4,535
Goods and services tax	2,108	(2,546)
	<u>84,162</u>	<u>29,642</u>
Cash flow from operating activities		
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(16,362)	(11,183)
Increase in term deposits	(3,733)	(4,021)
	<u>(20,095)</u>	<u>(15,204)</u>
Cash flow used by investing activities		
INCREASE IN CASH FLOW	64,067	14,438
Cash - beginning of year	<u>336,064</u>	<u>321,626</u>
CASH - END OF YEAR	\$ 400,131	\$ 336,064

BOUNDARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2018

I. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Revenue recognition

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

- (a) Program funding, fees for service 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. Actual results could differ from these estimates.

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BOUNDARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets is stated at cost or deemed cost less accumulated amortization. Tangible capital assets is amortized over its estimated useful life 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.

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>2018</u>	<u>2017</u>
Province of BC	\$ 713,773	\$ 714,810
School District #51	230,341	249,672
United Way/Phoenix Foundation of the Boundary Communities	105,854	54,714
Government of Canada	94,366	94,020
Non-profit community services organizations, fees for service	71,606	91,793
	<u>\$ 1,215,940</u>	<u>\$ 1,205,009</u>

BOUNDARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2018

4. INTERNALLY RESTRICTED NET ASSETS

	2018	2017
Administration	\$ 16,797	\$ 4,373
Building reserve	900	-
Family Centre insurance	5,893	5,893
Information technology	4,869	5,246
Investment in tangible capital assets	50,127	51,099
Legal reserves	33,004	32,229
Personal damage	3,020	2,520
Professional development	13,189	10,964
Society	48,740	52,055
Strategic Barrier Removal	6,689	6,782
Strategic Priority Area	8,925	5,955
Succession planning	4,708	4,708
	<u>\$ 196,861</u>	<u>\$ 181,824</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.

5. TERM DEPOSITS

	2018	2017
Grand Forks Credit Union		
Non-redeemable, interest earned at 1.15%, 1 year term maturing April 29, 2018	\$ 159,890	\$ 158,979
Non-redeemable, interest earned at 1.2%, 18 month term maturing April 29, 2018	161,525	159,604
Non-redeemable, interest earned at 1.25%, 18 month term maturing September 28, 2019	50,901	-
Matured on March 28, 2018	-	50,000
	<u>\$ 372,316</u>	<u>\$ 368,583</u>

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Furniture and equipment	\$ 139,431	\$ 115,160	\$ 24,271	\$ 29,926
Computer equipment	35,019	19,302	15,717	3,490
Leasehold improvements	252,296	242,156	10,140	17,683
	<u>\$ 426,746</u>	<u>\$ 376,618</u>	<u>\$ 50,128</u>	<u>\$ 51,099</u>

BOUNDARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2018

7. 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.

8. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2018.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources and accounts payable.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

BOUNDARY FAMILY SERVICES SOCIETY**Schedule of Deferred Contributions****(Schedule 1)****Year Ended March 31, 2018**

	2018	Additions (Expended)	2017
Counselling and support services for children, youth and families	\$ 115,380	\$ 5,529	\$ 109,851
Early years development and capacity building	27,809	4,658	23,151
Early years services	63,926	1,274	62,652
Family resource centre operations	112,658	15,342	97,316
Integrated services	77,132	9,453	67,679
Pregnancy outreach and community action plan for children's services	16,516	2,488	14,028
Services for aboriginal children and families	13,620	1,632	11,988
Services for children and youth with disabilities	22,318	(1,789)	24,107
Services for victims and prevention of violence against women and children	37,668	13,032	24,636
Services for youth	30,621	1,295	29,326
Tangible capital asset acquisitions and improvements	22,892	-	22,892
	\$ 540,540	\$ 52,914	\$ 487,626

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 SERVICES SOCIETY
Five Year Schedule of Operations
Year Ended March 31, 2018

(Schedule 2)

	2018	2017	2016	2015	2014
REVENUES	\$ 1,215,940	\$ 1,205,008	\$ 1,164,212	\$ 1,128,782	\$ 1,069,278
OTHER INCOME					
Donations	16,292	17,003	22,109	10,922	10,078
Expense recoveries	4,656	14,076	1,580	4,244	3,371
Miscellaneous and interest income	3,735	4,535	5,126	2,929	4,833
Sublease of rented facilities	900	10,151	24,482	23,702	23,642
Gains (losses) on disposal of equipment	-	(1,602)	-	(415)	-
	25,583	44,163	53,297	41,382	41,924
	1,241,523	1,249,171	1,217,509	1,170,164	1,111,202
EXPENSES					
Advertising and promotion	967	1,400	5,263	621	807
Amortization	17,333	26,115	28,805	29,186	29,994
Audit and legal	9,903	10,071	11,420	10,031	10,371
Bank charges	1,356	701	935	913	880
Client expenses and development	53,612	62,310	56,369	49,057	49,211
Community donations	3,112	400	2,450	3,740	500
Insurance	7,097	9,675	9,731	8,863	7,181
Memberships	2,322	2,206	980	2,231	2,189
Professional contracts and honoraria	47,397	52,040	63,003	37,427	37,049
Program supplies and resources	23,262	20,112	21,130	19,290	19,030
Rent, maintenance and occupancy costs	48,778	47,908	50,531	51,340	51,914
Staff development	18,248	17,526	23,623	22,306	21,760
Telephone	14,762	10,236	12,735	12,358	14,783
Travel	35,428	39,672	33,365	29,736	28,038
Wages and benefits	942,909	958,653	924,919	912,320	838,655
	1,226,486	1,259,025	1,245,259	1,189,419	1,112,362
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 15,037	\$ (9,854)	\$ (27,750)	\$ (19,255)	\$ (1,160)

See notes to financial statements