

**Boundary Family Services Society**  
**Financial Statements**  
**For the Year Ended March 31, 2024**

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**Financial Statements**  
**For the Year Ended March 31, 2024**

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## Independent Auditor's Report

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**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, 2024, 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, 2024, 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, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

### **Emphasis of Matter - Restated Comparative Information**

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that certain comparative information for the year ended March 31, 2023 has been restated.

### **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 22, 2024

## Boundary Family Services Society Statement of Financial Position

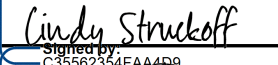
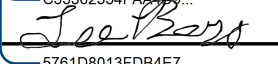
March 31	2024	Restated (Note 2) 2023
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	\$ 1,359,540	\$ 1,467,008
Accounts receivable	158,850	58,136
Prepaid expenses	26,593	33,238
	1,544,983	1,558,382
Restricted cash and investments (Note 3)	682,124	568,150
Tangible capital assets (Note 4)	67,586	68,040
	\$ 2,294,693	\$ 2,194,572

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 114,336	\$ 182,565
Deferred contributions (Note 5)	937,354	994,593
	1,051,690	1,177,158

<b>Net Assets</b>		
Invested in tangible capital assets	67,586	68,040
Replacement Reserve (Note 6)	332,708	290,536
Internally restricted (Note 7)	348,985	332,476
Unrestricted	493,724	326,362
	1,243,003	1,017,414
	\$ 2,294,693	\$ 2,194,572

On behalf of the Board:

 Director  
Signed by: C35562354FAA4D9...  
 Director  
Signed by: 5761D8013FDB4E7...

## Boundary Family Services Society Statement of Changes in Net Assets

For the year ended March 31	Invested in Capital Assets	Replacement Reserve	Internally Restricted	Unrestricted	2024 Total	Restated 2023 Total
Balance, beginning of the year, as previously stated	\$ 68,040	\$ -	\$ 332,476	\$ 6,820	\$ 407,336	\$ 370,751
Prior period adjustment (Note 2)	-	290,536	-	319,542	610,078	368,920
Balance, beginning of the year, as restated	68,040	290,536	332,476	326,362	1,017,414	739,671
Excess (deficiency) of revenues over expenses	(19,574)	-	-	245,163	225,589	277,743
Tangible capital asset additions	19,120	(2,831)	-	(16,289)	-	-
Transfer to replacement reserves (Note 6)	-	45,003	-	(45,003)	-	-
Interfund transfer	-	-	16,509	(16,509)	-	-
Balance, end of the year	\$ 67,586	\$ 332,708	\$ 348,985	\$ 493,724	\$ 1,243,003	\$ 1,017,414

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

## Boundary Family Services Society Statement of Operations

For the year ended March 31	2024	Restated (Note 2) 2023
<b>Revenue</b>		
Program funding and grants	\$ 2,307,589	\$ 2,065,370
Rental	408,086	391,258
Expense recoveries	52,421	46,095
Interest	5,574	5,993
Donations	2,223	1,948
	<b>2,775,893</b>	<b>2,510,664</b>
<b>Expenses</b>		
Administration	52,100	40,552
Advertising	4,665	3,546
Amortization	19,574	19,946
Bad debts	11,873	-
Insurance	28,727	24,221
Interest and bank charges	501	1,643
Professional fees	24,481	32,439
Program costs	265,814	207,010
Rent	32,770	32,024
Occupancy costs	82,753	94,967
Travel	39,914	37,779
Utilities	229,363	109,655
Wages and benefits	1,757,769	1,629,139
	<b>2,550,304</b>	<b>2,232,921</b>
<b>Excess of revenues over expenses</b>	<b>\$ 225,589</b>	<b>\$ 277,743</b>

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	2024	Restated (Note 2) 2023
<b>Cash flows from operating activities</b>		
Cash receipts from funders and tenants	\$ 2,617,939	\$ 2,620,368
Cash paid to suppliers and employees	(2,587,648)	(2,178,989)
Interest paid	(4,665)	(3,546)
	<b>25,626</b>	<b>437,833</b>
<b>Cash flows from investing activities</b>		
Acquisition of capital assets	(19,120)	(23,271)
<b>Cash flows from financing activities</b>		
Transfer to restricted cash	(113,974)	(96,264)
<b>Net (decrease) increase in cash</b>	<b>(107,468)</b>	<b>318,298</b>
Cash, beginning of the year	<b>1,467,008</b>	<b>1,148,710</b>
<b>Cash, end of the year</b>	<b>\$ 1,359,540</b>	<b>\$ 1,467,008</b>

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

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## Boundary Family Services Society Notes to Financial Statements

**March 31, 2024**

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<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>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Financial Instruments</b>	<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>
<b>Restricted Cash</b>	<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, 2024

### 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, 2024**

### 2. Comparative Figures Adjustment

During the year, management reviewed the amounts previously reported as capital contributions and identified the need to present the replacement reserve fund (Note 6) as equity. In addition, deferred contributions and unrestricted net assets have been adjusted for amounts incorrectly deferred in previous periods. The net impact of these corrections on the comparative figures is as follows:

	As previously stated	Correction	As restated
Deferred contributions	\$ 1,604,671	\$ (610,078)	\$ 994,593
Opening net assets	370,751	368,920	739,671
Program funding and grants	1,824,213	241,157	2,065,370

### 3. Restricted Cash

Included in restricted cash are three term deposits totalling \$401,124 (2023 - \$395,688), bearing interest between 4.80% and 5.30%, maturing between April 2024 and December 2025, which have been internally restricted for anticipated future expenditures.

	2024	2023
<b>Represented by:</b>		
Cash	\$ 1,359,540	\$ 1,467,008
Restricted cash and investments	682,124	568,150
	<b>2,041,664</b>	<b>2,035,158</b>
Externally Restricted		
Restricted for BC housing projects (Note 6)	281,000	172,462
Internally Restricted		
Internally restricted for future expenditures	401,124	395,688
Unrestricted	1,359,540	1,467,008
	<b>\$ 2,041,664</b>	<b>\$ 2,035,158</b>

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## Boundary Family Services Society Notes to Financial Statements

March 31, 2024

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### 4. Tangible Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 216,807	\$ 156,705	\$ 201,953	\$ 146,368
Computer hardware	68,295	62,072	64,029	54,414
Leasehold improvements	254,833	253,572	254,833	251,993
	539,935	472,349	520,815	452,775
		\$ 67,586		\$ 68,040

## Boundary Family Services Society Notes to Financial Statements

**March 31, 2024**

### 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.

	2024	Restated 2023
Beginning balance	\$ 994,593	\$ 937,445
Contributions received during the year	2,493,065	2,290,069
Expenditures related to contributions	(2,550,304)	(2,232,921)
Ending balance	\$ 937,354	\$ 994,593

Deferred contributions relate to the following programs:

	2024	Restated 2023
<b>BC Housing Outreach</b>	<b>60,215</b>	<b>38,219</b>
<b>Family Services</b>		
Counselling and Support Services	198,638	190,582
Early Years	165,399	157,223
Family Resource Centre	114,276	128,837
Integrated Services	77,206	107,547
Pregnancy Outreach and CAPC	18,994	19,112
Child and Youth Aboriginal Services	5,381	41,738
Child and Youth Disability Services	44,481	35,515
Other Child and Youth Services	91,162	86,979
Victim and Violence Prevention Services	60,538	49,468
Flood Recovery	70,347	70,347
Senior Services	12,190	13,326
Other programs and contributions	18,527	55,700
	<b>877,139</b>	<b>956,374</b>
	<b>\$ 937,354</b>	<b>\$ 994,593</b>

## Boundary Family Services Society Notes to Financial Statements

**March 31, 2024**

### 6. 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 \$2,831 (2023 - \$Nil) were approved by British Columbia Housing as qualifying approved expenditures to be spent out of the replacement reserve.

	<u>2024</u>	<u>Restated 2023</u>
Balance, beginning of year	\$ 290,536	\$ 104,949
Annual transfer	44,928	44,928
Interest income	75	88
Approved expenditures	(2,831)	-
BC Housing adjustment	-	140,571
Ending balance	<u>\$ 332,708</u>	<u>\$ 290,536</u>
Cash balance (Note 3)	<u>\$ 281,000</u>	<u>\$ 172,462</u>

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## Boundary Family Services Society Notes to Financial Statements

**March 31, 2024**

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### 7. Internal Restrictions on Net Assets

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

	2024	2023
Administration	\$ 166,900	\$ 145,739
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	29,398	29,389
Society	17,862	22,932
Strategic barrier removal	6,689	6,689
Strategic priority area	5,651	5,242
	\$ 348,985	\$ 332,476

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### 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.



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## Boundary Family Services Society Notes to Financial Statements

**March 31, 2024**

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### 9. 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 \$160,039 (2023 - \$155,475).

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### 10. Commitments

a) The Society holds an operating agreement with BC Housing in which the Society earns rental income. As at March 31, 2024, 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 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 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 four years are as follows:

<u>Year</u>		<u>Amount</u>
2025	\$	6,730
2026		5,280
2027		5,280
2028		2,640
		19,930
	\$	19,930

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### 11. Comparative figures

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

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## Boundary Family Services Society Notes to Financial Statements

March 31, 2024

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### 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	2024	Restated 2023
<b>Revenue</b>		
Program funding and grants	\$ 1,309,964	\$ 1,125,979
Rental	-	1,350
Expense recoveries	95,146	89,664
Interest income	5,445	5,905
Donations	2,223	1,948
	<b>1,412,778</b>	<b>1,224,846</b>
<b>Expenses</b>		
Administration	100,021	59,516
Advertising and donations	4,665	3,546
Amortization	11,373	13,667
Insurance	8,178	7,546
Interest and bank charges	389	1,500
Professional fees	13,481	21,506
Program costs	171,812	146,829
Rent	31,232	30,487
Occupancy costs	7,260	14,617
Travel	30,450	28,208
Utilities and communication	17,656	18,276
Wages and benefits	935,794	852,170
	<b>1,332,311</b>	<b>1,197,868</b>
<b>Excess of revenues over expenses</b>	<b>\$ 80,467</b>	<b>\$ 26,978</b>

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

For the year ended March 31	2024	Restated 2023
<b>Revenue</b>		
Program funding and grants	\$ 997,625	\$ 939,390
Rental income	408,086	389,908
Expense recoveries	51,408	44,768
Interest income	129	88
	<b>1,457,248</b>	<b>1,374,154</b>
<b>Expenses</b>		
Administration	46,210	69,373
Amortization	8,201	6,279
Bad debts	11,873	-
Insurance	20,548	16,675
Interest and bank charges	112	143
Professional fees	11,000	10,933
Program costs	94,002	60,181
Rent	1,538	1,537
Occupancy costs	75,493	80,350
Travel	9,465	9,571
Utilities and communication	211,707	91,379
Wages and benefits	821,976	776,969
	<b>1,312,125</b>	<b>1,123,390</b>
<b>Excess of revenues over expenses</b>	<b>\$ 145,123</b>	<b>\$ 250,764</b>