

**BURNABY FAMILY LIFE INSTITUTE**

**FINANCIAL STATEMENTS**

**31 MARCH 2023**

# **BURNABY FAMILY LIFE INSTITUTE**

## **Financial Statements**

For the year ended 31 March 2023

### **Contents**

---

Independent Auditors' Report	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13

## INDEPENDENT AUDITORS' REPORT

---

To the Members,  
Burnaby Family Life Institute

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Burnaby Family Life Institute (the "Society"), which comprise the statement of financial position as at 31 March 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 March 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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.

---

## INDEPENDENT AUDITORS' REPORT - Continued

---

### Auditors' 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 auditors' 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 auditors' 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.

---

**INDEPENDENT AUDITORS' REPORT - Continued**

---

**Report on Other Legal and Regulatory Requirements**

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

*Rolfe Benson LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
17 July 2023



**BURNABY FAMILY LIFE INSTITUTE**  
**Statement of Changes in Net Assets**  
For the year ended 31 March 2023

	Unrestricted	Invested in tangible capital assets	Board restricted	Total 2023	Total 2022
<b>Balance - beginning of year</b>	\$ 953,571	\$ 41,073	\$ 229,423	\$ 1,224,067	\$ 1,128,518
Excess of revenues over expenditures for the year	157,493	-	-	<b>157,493</b>	95,549
Tangible capital asset additions	(48,759)	48,759	-	-	-
Amortization of tangible capital assets	40,456	(40,456)	-	-	-
Interfund transfers (Note 7)	(15,749)	-	15,749	-	-
<b>Balance - end of year</b>	<b>\$ 1,087,012</b>	<b>\$ 49,376</b>	<b>\$ 245,172</b>	<b>\$ 1,381,560</b>	<b>\$ 1,224,067</b>

The accompanying notes are an integral part of these financial statements

**BURNABY FAMILY LIFE INSTITUTE**  
**Statement of Operations**  
For the year ended 31 March 2023

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Grants	\$ 4,469,630	\$ 3,771,514
User fees	635,854	924,082
Other income	88,307	127,388
	<b>5,193,791</b>	<b>4,822,984</b>
<b>Expenditures</b>		
Wages and benefits (Note 10)	3,808,315	3,661,653
Payment to subcontractor agencies	450,207	422,401
Office expense and other	258,398	214,757
Rent and occupancy costs	209,061	200,719
Program expenses	208,915	152,785
Telephone and internet	34,948	31,518
Transportation	25,998	12,157
Amortization of tangible capital assets	40,456	31,445
	<b>5,036,298</b>	<b>4,727,435</b>
<b>Excess of revenues over expenditures for the year</b>	<b>\$ 157,493</b>	<b>\$ 95,549</b>

The accompanying notes are an integral part of these financial statements



**BURNABY FAMILY LIFE INSTITUTE**  
**Statement of Cash Flows**  
**For the year ended 31 March 2023**

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures for the year	\$ 157,493	\$ 95,549
Item not involving cash		
Amortization	40,456	31,445
	<b>197,949</b>	126,994
Changes in non-cash working capital balances		
Accounts receivable	16,706	(151,155)
Prepaid expenses and deposits	3,623	(18,741)
Accounts payable and accrued liabilities	193,443	44,410
Accrued payroll liabilities	15,617	31,311
Government remittances payable	1,572	4,565
Deferred contributions	(119,790)	78,756
	<b>309,120</b>	116,140
<b>Investing activities</b>		
Increase in short-term investments	(1,748)	(980)
Purchase of tangible capital assets	(48,759)	(7,309)
	<b>(50,507)</b>	(8,289)
<b>Net increase in cash</b>	<b>258,613</b>	<b>107,851</b>
<b>Cash - beginning of year</b>	<b>1,098,958</b>	991,107
<b>Cash - end of year</b>	<b>\$ 1,357,571</b>	<b>\$ 1,098,958</b>

The accompanying notes are an integral part of these financial statements

---

**BURNABY FAMILY LIFE INSTITUTE**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

---

**1. Nature of the Society**

Burnaby Family Life Institute (the "Society") was incorporated on 12 February 1971 under the Societies Act (British Columbia) and is a registered charity pursuant to the Income Tax Act and is exempt from income tax.

The Society has developed and delivered life-changing services and innovative programs for residents with diverse social, cultural, and socio-economic backgrounds. The Society serves newcomers, immigrants, victims of violence, vulnerable expecting and new moms, and operates three licensed childcare centres. Family programs support parenting, social inclusion and connected families. Clinical programs provide trauma-informed services to women, children, and youth 0-18.

**2. Summary of significant accounting policies**

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and accrued payroll liabilities and government remittances payable.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

---

**BURNABY FAMILY LIFE INSTITUTE**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

---

**2. Summary of significant accounting policies - Continued**

(b) Revenue recognition

The Society follows the deferral method of accounting for contributions, which includes grants and other government assistance. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All other revenues are recognized as the related services are provided.

(c) Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Office equipment and furniture	5 years
Computer equipment	3 years
Leasehold improvements	5 years

(d) Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recovered. When a tangible capital asset no longer contributes to the services provided by the Society, its carrying amount is written down to its residual value. No impairment losses were determined by management to be necessary for the year.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Items requiring use of management estimates include the recognition of accrued liabilities and amortization periods and rates related to tangible capital assets. Management believes that estimates used in preparing the financial statements are prudent and reasonable, however, actual results could differ from those estimates.

**BURNABY FAMILY LIFE INSTITUTE**  
**Notes to the Financial Statements**  
For the year ended 31 March 2023

**2. Summary of significant accounting policies - Continued**

(f) Contributed goods and services

The Society recognizes donated goods and services when the fair value of such gifts can be reasonably estimated and the gifts are used in the normal course of the Society's operations that would otherwise have been purchased.

Gifts in kind received during the year with an estimated total value of \$6,107 (2022 - \$5,496) were recognized as donation revenue and tax receipts were issued by the Society.

(g) Cash and cash equivalents

The Society's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

**3. Tangible capital assets**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2023 Net</b>	<b>2022 Net</b>
Office equipment	\$ 189,338	\$ 169,363	\$ 19,975	\$ 21,132
Computer equipment	206,149	176,892	29,257	19,797
Leasehold improvements	123,331	123,187	144	144
	<b>\$ 518,818</b>	<b>\$ 469,442</b>	<b>\$ 49,376</b>	<b>\$ 41,073</b>

**4. Accounts payable and accrued liabilities**

Included in the balance of accounts payable and accrued liabilities are amounts payable to government funding agency of \$150,125 (2022 - \$Nil).

**BURNABY FAMILY LIFE INSTITUTE**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

**5. Deferred contributions**

Deferred contributions consist of donations and grants received which may only be used for the purpose of operating costs of future periods related to specific programs. The balance in the account is comprised of the following:

	Balance, beginning of year	Received	Recognized	Other adjustments (Note 4)	<b>Balance, end of year</b>
Government	\$ 215,414	\$ 3,567,478	\$ (3,490,003)	\$ (150,125)	\$ <b>142,764</b>
Not-for-Profit	103,334	502,228	(558,539)	-	<b>47,023</b>
Other	25,380	46,720	(37,549)	-	<b>34,551</b>
	<u>\$ 344,128</u>	<u>\$ 4,116,426</u>	<u>\$ (4,086,091)</u>	<u>\$ (150,125)</u>	<u>\$ <b>224,338</b></u>

Deferred contributions recognized as revenue of \$4,086,091 (2022 - \$3,941,762) are included in grants in the statement of operations.

Some of these contributions deferred at year-end, to the extent that they are not fully spent, may have to be repaid upon completion of the programs. Management cannot determine the repayment amount until the program reports are filed with and reviewed by the funder.

**6. Commitments**

The Society is committed to payments for leased premises and equipment. The minimum annual lease payments are as follows:

2024	\$ 157,662
2025	133,669
2026	83,234
2027	19,779
2028	<u>1,198</u>
	<u>\$ 395,542</u>

The Society receives grants from the City of Burnaby for certain leased premises equal to 50% of the Society's lease rate (2023 - \$69,886; 2022 - \$69,886). Annual applications for these grants are required.

The Society has coalition contracts for the Community Action Program for Children with an extended term of 2 years ending 31 March 2025. Under these agreements, the total annual payment to coalition members is \$406,912.

---

**BURNABY FAMILY LIFE INSTITUTE**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

---

**7. Board restricted net assets**

The Society's Board has internally restricted funds for future office relocation expenses and tangible capital asset purchases and replacements. 10% of revenue over expenses for the year is transferred from the unrestricted fund to the Board restricted fund.

**8. Economic dependence**

The Society is economically dependent on federal, provincial and municipal government sources of funding. Approximately 86% (2022 - 83%) of the Society's total revenue in the year comes from government sources.

**9. Financial instruments**

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at the statement of financial position date, 31 March 2023.

(a) 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's main credit risks relate to its cash, short-term investments and accounts receivable. The Society limits its credit risk by placing its cash and short-term investments with provincially regulated, credit worthy financial institutions in Canada. The majority of the Society's accounts receivable are from funders and management believes that the Society is not exposed to significant credit risk. There has been no change to the nature of the risk exposure from the prior year.

(b) 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 accounts payable and accrued liabilities, accrued payroll liabilities and government remittances payable. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; monitors and manages its cash and investment balance to ensure adequate cash flow is available to repay trade creditors and other obligations as payments become due. There has been no change to the nature of the risk exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk. There has been no change to the nature of the risk exposure from the prior year.

---

**BURNABY FAMILY LIFE INSTITUTE**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

---

**9. Financial instruments - Continued**

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Society does not use financial instruments to reduce its risk exposure.

**10. Remuneration of Directors, Employees and Contractors**

The Societies Act (British Columbia) requires a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors or employees and contractors earning more than \$75,000 during the fiscal year. For both the fiscal years ended 31 March 2023 and 2022, the directors of the Society did not receive any remuneration for acting in their noted capacity. Four employees and one contractor (2022 - four employees and no contractor) received remuneration in excess of \$75,000, and the total amount of remuneration was \$508,192 (2022 - \$393,800) and is included in wages and benefits.