

**KELOWNA FAMILY SERVICES CENTRE SOCIETY**  
**Financial Statements**  
**Year Ended March 31, 2022**

**KELOWNA FAMILY SERVICES CENTRE SOCIETY**  
**Index to Financial Statements**  
**Year Ended March 31, 2022**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Kelowna Family Services Centre Society

We have reviewed the accompanying financial statements of Kelowna Family Services Centre Society (the society) that comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows 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 (ASNPO), 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.

*Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Kelowna Family Services Centre Society as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Airdrie, Alberta  
September 14, 2022


*CMW*  
CMW Professional Corporation  
CHARTERED PROFESSIONAL ACCOUNTANTS

**KELOWNA FAMILY SERVICES CENTRE SOCIETY**  
**Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 272,093	\$ 193,966
Accounts receivable	5,508	7,752
Prepaid expenses	8,528	3,067
	<u>286,129</u>	<u>204,785</u>
PROPERTY, PLANT AND EQUIPMENT (Note 5)	10,252	7,542
RESTRICTED CASH (Note 4)	25,192	25,043
	<u>\$ 321,573</u>	<u>\$ 237,370</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 7,471	\$ 15,843
Goods and services tax payable	1,768	1,187
Wages payable	29,968	34,531
Employee deductions payable	155	-
Deferred revenue (Note 6)	79,990	59,227
	<u>119,352</u>	<u>110,788</u>
<b>NET ASSETS</b>		
Unrestricted net assets	166,777	93,997
Restricted net assets (Note 4)	25,192	25,043
Net assets invested in capital assets (Note 5)	10,252	7,542
	<u>202,221</u>	<u>126,582</u>
	<u>\$ 321,573</u>	<u>\$ 237,370</u>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**KELOWNA FAMILY SERVICES CENTRE SOCIETY**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2022**

	2022	2021
<b>REVENUES</b>		
Counselling	\$ 98,106	\$ 49,866
Donations and Fundraising	15,319	15,147
Grant - Community Gaming (Note 3)	14,703	28,524
Grants - Other	102,003	125,093
Grants - Provincial Government	442,923	428,585
Intake fees	10,536	1,725
Interest	499	411
Somatic Experience course fundraiser (Note 7)	106,211	88,720
	<u>790,300</u>	<u>738,071</u>
<b>COST OF SALES</b>		
Contract services	54,563	43,649
Program supplies	2,490	2,390
Salaries and benefits	438,258	426,617
Travel	792	487
	<u>496,103</u>	<u>473,143</u>
<b>GROSS PROFIT</b>	<u>294,197</u>	<u>264,928</u>
<b>EXPENSES</b>		
Advertising	2,013	2,146
Amortization	2,682	1,865
Communication	5,647	4,893
Fundraiser expenses	4,107	1,079
General and board meetings	1,653	1,650
Insurance	4,932	4,670
Office and general	24,508	27,736
Professional development	6,429	7,349
Professional fees	5,349	5,176
Purppl community enterprise	9,601	19,165
Rent	38,842	38,842
Repairs and maintenance	3,831	3,600
Salaries and wages	32,604	25,052
Security	560	954
Somatic Experience course expenses (Note 7)	74,750	60,218
	<u>217,508</u>	<u>204,395</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>76,689</b>	<b>60,533</b>
<b>OTHER INCOME</b>		
Loss on disposal of property, plant and equipment	(1,050)	(1,786)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 75,639</b>	<b>\$ 58,747</b>

See notes to financial statements

**KELOWNA FAMILY SERVICES CENTRE SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2022**

	Unrestricted net assets	Restricted net assets	Net assets invested in capital assets	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 93,997	\$ 25,043	\$ 7,542	\$ <b>126,582</b>	\$ 67,835
EXCESS OF REVENUES OVER EXPENDITURES	75,490	149	-	<b>75,639</b>	58,747
AMORTIZATION OF CAPITAL ASSETS	2,682	-	(2,682)	-	-
ADDITION OF CAPITAL ASSETS	(6,442)	-	6,442	-	-
LOSS ON DISPOSAL OF CAPITAL ASSETS	1,050	-	(1,050)	-	-
	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ <b>166,777</b>	\$ <b>25,192</b>	\$ <b>10,252</b>	\$ <b>202,221</b>	\$ <b>126,582</b>

See notes to financial statements

**KELOWNA FAMILY SERVICES CENTRE SOCIETY**

**Statement of Cash Flows**

**Year Ended March 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 75,639	\$ 58,747
Items not affecting cash:		
Amortization of property, plant and equipment	2,682	1,865
Loss on disposal of property, plant and equipment	1,050	1,786
	<u>79,371</u>	<u>62,398</u>
Changes in non-cash working capital:		
Accounts receivable	2,244	(462)
Accounts payable	(8,373)	8,136
Deferred revenue	20,763	7,674
Prepaid expenses	(5,461)	(78)
Goods and services tax payable	581	(516)
Wages payable	(4,563)	12,262
Employee deductions payable	155	-
Restricted cash	(149)	(298)
	<u>5,197</u>	<u>26,718</u>
Cash flow from operating activities	<u>84,568</u>	<u>89,116</u>
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	<u>(6,441)</u>	<u>(4,951)</u>
<b>INCREASE IN CASH FLOW</b>	<b>78,127</b>	<b>84,165</b>
Cash - beginning of year	<u>193,966</u>	<u>109,801</u>
<b>CASH - END OF YEAR</b>	<b>\$ <u>272,093</u></b>	<b>\$ <u>193,966</u></b>
<b>CASH CONSISTS OF:</b>		
Cash	<b>\$ <u>272,093</u></b>	<b>\$ <u>193,966</u></b>

See notes to financial statements

# KELOWNA FAMILY SERVICES CENTRE SOCIETY

## Notes to Financial Statements

Year Ended March 31, 2022

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### 1. PURPOSE OF THE SOCIETY

Kelowna Family Services Centre Society (the "Society") is a not-for-profit organization incorporated provincially under the Society 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 opportunity for consultation, counselling, guidance, and assistance to families and individuals in need in the Central Okanagan. The Society also promotes, sponsors, and conducts research and educational programs to facilitate prevention and resolution of some of the complex problems which confront families and individuals in the community.

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### 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

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

The Society recognizes revenues when they are earned, specifically when all the following conditions are met:

- Services are provided or products are delivered to customers
- There is clear evidence that an arrangement exists
- Amounts are fixed or can be determined
- The ability to collect is reasonably assured

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 meets the conditions identified above.

Grants received are recognized as revenue in the year the services are carried out under the term of the grants. Donations and miscellaneous contributions are recognized as revenue when funds are received.

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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**KELOWNA FAMILY SERVICES CENTRE SOCIETY**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other 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.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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3. COMMUNITY GAMING FUNDS

The Society maintains a separate bank account for monies received from the British Columbia Ministry of Community, Sport and Cultural Development. The balance in this account as at March 31, 2022 is \$43,273 (March 31, 2021 - \$28,476). The Community Gaming Grant revenue is recognized when expended on approved operating programs and activities. During the year ended March 31, 2022 the Society received \$29,500 (2021 - \$29,500) in funding and expended \$14,703 (2021 - \$28,524) on program delivery. Any unspent funding at the time of dissolution of the Society, is returned back to the British Columbia Ministry of Community, Sport and Cultural Development.

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4. RESTRICTED CASH AND INTERNALLY RESTRICTED NET ASSETS

The Society has funds internally restricted for a future purpose. These internally restricted amounts are not available for unrestricted purposes without the prior approval of the Board of Directors. At March 31, 2022, the Society had a total of \$25,192 (March 31, 2021 - \$25,043) in internally restricted net assets. During the fiscal year, \$149 (for the year ended March 31, 2021 - \$298) ) was transferred from the general fund to the internally restricted funds. These restricted funds are invested in redeemable term deposits that mature December 15, 2022.

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**KELOWNA FAMILY SERVICES CENTRE SOCIETY**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

**5. PROPERTY, PLANT AND EQUIPMENT**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 3,718	\$ 3,016	\$ 702	\$ 878
Computer equipment	12,082	3,684	8,398	5,221
Furniture and fixtures	12,031	10,879	1,152	1,440
Leasehold improvements	37,929	37,929	-	-
	\$ 65,760	\$ 55,508	\$ 10,252	\$ 7,542

**6. DEFERRED REVENUE**

	2022	2021
Community Gaming Grant	\$ 43,273	\$ 28,477
Donations	-	2,000
Community Foundations CALM Group grant	-	2,400
United Way grant	5,000	-
Civil Forfeiture grant	8,735	-
Central Okanagan Foundation capital grant	2,868	-
Fundraising	20,114	26,350
	\$ 79,990	\$ 59,227

The Society has deferred \$43,273 in revenue, which was received in the form of a "Community Gaming Grant" from the British Columbia Ministry of Finance - Gaming Policy and Enforcement Branch for the 2023 fiscal year.

The Society received a \$10,000 grant from the United Way for October 1, 2021 to September 30, 2022 and \$5,000 is deferred for the 2023 fiscal year.

The Society received a \$17,469 grant from the Government of British Columbia to run two 14-week groups for crime prevention and remediation. One group ran in the fiscal year ended March 31, 2022 and \$8,735 is deferred for a group running in the 2023 fiscal year.

The Society received a \$3,375 grant from the Central Okanagan Foundation to cover costs for the purchase of computer equipment. The grant is taken into income at the same rate as the amortization of the equipment and \$2,868 is deferred for future years.

Registrations of \$20,114 were received during the fiscal year ended March 31, 2022, for workshops to be held in the 2023 fiscal year.

**7. SOMATIC EXPERIENCE COURSE FUNDRAISER**

The Society offers Somatic Experience courses. Somatic experiencing is a form of alternative therapy aimed at relieving the symptoms of post-traumatic stress disorder (PTSD) and other mental and physical trauma-related health problems by focusing on the client's perceived body sensations (or somatic experiences). For the year ended March 31, 2022, the Society recognized revenue of \$106,211 (for the year ended March 31, 2021 - \$88,720) and expenses of \$74,750 (for the year ended March 31, 2021 - \$60,218).

KELOWNA FAMILY SERVICES CENTRE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2022

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8. ECONOMIC DEPENDENCE

Approximately 56% (for the year ended March 31, 2021 – 58%) of revenue for the year ended March 31, 2022 related to contracts with the Province of British Columbia. If the funding were to be substantially reduced, it is management's opinion that the continued viability of operations may be in question.

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9. CONTRACTUAL OBLIGATIONS

The Society has an equipment lease at \$75 per month under a contract expiring July 31, 2026.

Contractual obligation repayment schedule:

2023	\$	900
2024		900
2025		900
2026		900
2027		300
		<hr/>
	\$	3,900

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10. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2022.

**(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. The credit risk relating to cash is managed by holding the funds in a chartered bank, subject to risk based on deposit insurance.

**(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 receipt of funds from from its government grants, other related sources, and accounts payable. The Society's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Society manages liquidity by monitoring cash requirements to meet expected operational expenses.

**(c) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities

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

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11. COMPARATIVE FIGURES

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

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