

BC Family Maintenance Agency

2022/23

Annual Service Plan Report

Revised November 2023



**BC Family
Maintenance
Agency**

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Board Chair's Accountability Statement



The BC Family Maintenance Agency 2022/23 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2022/23 - 2024/25 Service Plan published in 2022. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in blue ink, appearing to be 'R. Fyfe'.

Richard J.M. Fyfe, KC
Board Chair
August 11, 2023

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Letter from the Board Chair & CEO

The [British Columbia Family Maintenance Agency](#) (BCFMA) is proud to present our Annual Service Plan Report, which reflects our performance during the fiscal year. 2022/23 was a remarkable year for both concluding old business and new beginnings. Last year BCFMA set in motion several bold and innovative strategies for our future that will define how we will respond to the evolving needs and expectations of our clients, staff, partners and communities in alignment with our mandate.

BCFMA applied a Lean process improvement approach (the systematic identification and elimination of waste in processes to delivery more value to customers) to our enrolment processes as we introduced online enrolment (over 70 per cent of our applications are now received online) to facilitate ease and convenience of access to our program for future clients. Technology advances through secure file sharing with other jurisdictions, digitizing of client letters, development of BCFMA's mobile app, and the streamlining and updating of BCFMA's public facing website showed significant progress through 2022/23. These activities have and will improve access to online web accounts, allow for easier access to program information, and enhance the overall citizen experience.

A provincial model was adopted to streamline and standardize internal practices across BCFMA's three offices/regions creating efficiencies for recruitment, enhancing our ability to move the work and not the people, and ensuring that we have consistent client experiences. The Agency held multiple engagement consultations with First Nations communities and leaders with a goal of collaborating using a government-to-government approach for how BCFMA can best support First Nations and their needs. An Indigenous Pilot project was initiated, in consultation with Indigenous leaders, to create a culturally appropriate, trauma-informed service model staffed with dedicated outreach liaison workers (to better meet the cultural needs of our Indigenous clientele).

BCFMA's goals centre on themes of modernization, accessibility and community connections to evolve the organization. To that end, BCFMA revised our vision and mission statements to better articulate who we are and where we are going. Business practices and service delivery levels were modernized to better meet the diverse and modern service needs of our clients (to enhance support of individuals and families, and to become a stronger partner of the social/justice ecosystem). BCFMA worked closely with other ministries and committees in support of the *Poverty Reduction Strategy Act* initiatives and towards meeting the poverty reduction targets set out in TogetherBC's Poverty Reduction Strategy.

BCFMA provided professional development and supports for staff through the implementation of a Client Service Professional program, and by offering Indigenous, mental health, and respectful workplace training opportunities. BCFMA's workplace engagement teams promoted quality assurance, green initiatives, and a positive and supportive work environment. In support of government's anti-racism priority the Agency documented an Inclusion, Diversity, Equity and Accessibility (IDEA) Plan that will encourage organizational awareness, promote accessibility, add to the number of languages in which services are provided, and mobilize the

implementation of equitable and inclusive behaviours, practices and policies within the organization.

BCFMA is putting people first by striving to be both innovative and approachable for the benefit of our clients.



Richard J.M. Fyfe, KC
Board Chair
August 11, 2023



Joanne Hanson
Chief Executive Officer
August 11, 2023

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the *Budget Transparency and Accountability Act* (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the [Board Chair's 2021/22 Mandate](#) Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the [BC Family Maintenance Agency 2022/23 - 2024/25 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

BCFMA is responsible for the administration of the Family Maintenance Enforcement Program and for offering supports that strengthen families, so that they may achieve their full potential and secure the best possible future for their children. BCFMA is central to supporting government's foundational principle of putting people first. The Agency facilitates over \$210 million in support payments annually, which produces better economic circumstances for children and families throughout the province. The [Family Maintenance Enforcement Act \(FMEA\)](#) provides the authority for BCFMA to monitor, facilitate and enforce court ordered maintenance orders and agreements, ensuring that families receive the financial support that they are entitled to under provincial and federal law.

By putting people first BCFMA ensures recipients receive the support payments to which they are entitled, contributing to financial stability and security for B.C. families each year. As an integral component of B.C.'s poverty reduction initiative, the Agency addresses the particular societal need of working with families and communities committed to reducing child poverty.

BCFMA has become one of the most successful family support programs since organizational inception in 1988. When measuring ultimate outcomes for parents (total support disbursed) against the total cost of providing services (return on investment), BCFMA has consistently disbursed \$11 for each \$1 applied to program costs, easily making the organization one of the top performing maintenance support jurisdictions in North America.

BCFMA activities align with many of government's current priorities and strategic direction as identified in the [Ministry of Attorney General Mandate Letter](#). By committing to promoting equity, anti-racism and multiculturalism, addressing social and health issues such as mental health and poverty, and providing services that make communities safer, BCFMA supports the British Columbia (B.C.) government's main foundational principles. BCFMA's commitment to lasting and meaningful reconciliation is demonstrated through Indigenous-specific community

recognition, outreach, and relationship building efforts. Through the development of federal partnerships, by applying a province-wide model approach, and by utilizing the modernization of virtual courts, BCFMA has improved access to and the value of our programs for B.C.'s under-served populations.

BCFMA has been working to build partnerships with both government and non-government organizations (NGOs) to reduce child poverty in alignment with the goals of TogetherBC and the *Poverty Reduction Strategy Act*. Families impacted by separation or divorce have been the beneficiaries of integrated BCFMA services at a provincial level, and from the Agency's focus to improve outreach and communications with both clients and family support providers, as these activities support the social, economic and environmental well-being in B.C. communities.

New vision and mission statements to be a leading family maintenance organization providing a diverse range of supports and services to ensure healthy and thriving families, and to provide the highest quality client-centric service, helping families achieve their best outcomes and future for their children, continuing to support the ongoing evolution of BCFMA's service delivery model. BCFMA's vision and mission align with the three main themes that capture the Agency's strategic focus:

- Accessibility – making the BCFMA program more accessible, available, and approachable to those who need our help, our clients and partners, through the use of technology and client-centric re-design of technology services. Service offerings provided in multiple languages and improved access to services for Indigenous peoples and under-served and marginalized populations are supported through a multiculturalism program pilot that recognizes diversity and accessibility.
- Modernization – client needs are supported by ensuring BCFMA operations, information technology (including utilizing virtual courts), financial, legal, and human resources business areas have in place efficient and effective systems, policies, and procedures.
- Community Connections – community outreach opportunities are enhanced through improvements to integration with justice, economic, and social sector service delivery providers, ensuring family support solutions address the needs and expectations of clients. Relationships are built with Indigenous governments, Indigenous communities, and under-served populations that generate understanding and provide opportunities for developing co-operative solutions that best support the well-being of clients.

Operating Environment

BCFMA implemented a provincial model during 2022/23 to allow the organization to offer flexibility and greater efficacy for the delivery of services and resource utilization, thus improving client and organizational outcomes. Having the flexibility to move the work, not the people in tandem with increased leveraging of technology as BCFMA moves away from being a paper-based organization enables greater agility in the delivery of services to meet client needs. BCFMA's provincial model has also allowed for greater flexibility for career development and opportunities as positions are offered across all offices, which has allowed

for greater access to opportunities in the communities where people live. Equity and inclusion planning has ensured strategies for recruitment efforts and retaining staff remain focused on diversity and heterogeneity. BCFMA's use of technology, including the adoption of online tools and digitization of documents, has created an enhanced virtual working environment allowing staff and leaders to better support/train one another across the Province.

BCFMA enhanced our citizen-centric approach to policies, procedures, systems and operations when all staff undertook an initial two day citizen-centred Certified Service Professional training program that focused on the fundamentals and tools needed to apply a client focused lens. BCFMA further supported staff through the offering of an advanced Certified Service Professional certification process that enhances leadership, service design and digital services components of the BCFMA program. Through evolving recruitment/onboarding, individualized training programs, and operational support practices, staff are being provided with the tools necessary to provide solutions that result in positive outcomes for parents.

General economic sustainability concerns existed during the fiscal year due to higher interest rates and significant cost of living increases, which created challenges for some clients. Discussions held with payors often focused on the impacts of the economic changes and the options available to them towards meeting their obligations. BCFMA's Indigenous Pilot supports how the Agency will engage with First Nations by creating a safe environment for their members that is trauma and culturally informed, as well as free of judgment and racism. Through consultation with First Nations, BCFMA will ensure that an end-to-end case management process and whole person approach to interactions between Indigenous clients and the Agency is created. Ultimately the pilot project will establish an altered service delivery framework that is developed in consultation with multiple Indigenous communities in B.C. The pilot project will also inform future caseload management service delivery models for all clients as BCFMA modernizes our approach and addresses systemic barriers within our organization.

Through involvement with provincial and national/international cross-jurisdictional working groups, BCFMA team members contribute to the establishment of information sharing standards and improving communication flows between service delivery partners. Outreach conducted with under-served communities and client groups and efforts to work with the Alliance of BC Modern Treaty Nations towards the development of protocol agreements both support reconciliation and the improvement of access to services, leading to better outcomes for parents. BCFMA utilizes program user feedback and lessons learned from pilot projects to inform the development of our service delivery model to ensure it best reflects all citizens and communities whom we serve (with a focus on improving access to and utilization of services by Indigenous and under-served clients). For BCFMA's legal counsel, engagements with law students and legal clinics in addition to community service providers enhance and inform our client-centric approach. Updated court practices now allow for virtual court appearances (when appropriate), which contributes to safer communities, efficient court proceedings, and reduced travel time/emissions. Virtual court makes it possible to successfully proceed with court matters (even for the most remote clients) in a timely manner, resulting in less adjournments, increased client participation, and having payment issues addressed efficiently.

BCFMA continued to modernize our organization by expanding the breadth of our program, working more closely with communities and government partners, and through selective improvements to business systems and processes in support of a stronger B.C. economy. Communication systems and process advancements improved the timeliness of transactions and enhanced user accessibility to information. New/emerging technology is replacing BCFMA's aging/expiring systems, including the Agency's telephony system. An organization-wide migration to Microsoft 365 has allowed the Agency to more effectively conduct operational practices that support effective staff engagement by making information and tools readily available when staff need them.

Economic Statement

After rebounding rapidly in 2021, British Columbia's economy saw slower yet strong growth in 2022. B.C.'s real GDP growth of 3.6 per cent last year was the fourth highest among provinces (tied with Ontario) and grew at the same pace as the national average, following growth of 6.2 per cent in 2021. Growth in B.C.'s real GDP was mostly supported by service-producing industries such as transportation and warehousing, accommodation and food services, and professional, scientific and technical services. Goods-producing industries also experienced growth led by construction.

While B.C.'s recovery broadened in 2022, it remained uneven as sectors such as transportation and warehousing; accommodation and food services; and arts, entertainment and recreation have yet to fully recover to pre-pandemic levels. B.C.'s labour market continued to grow in 2022, with employment growth of 3.2 per cent and an average unemployment rate of 4.6 per cent, while wages and salaries increased by 10.8 per cent. Consumer spending on goods grew slowly after a rapid expansion at the beginning of the recovery and nominal retail sales posted overall growth of 3.1 per cent. Last year, prices rose dramatically as strong demand for goods and services was met with lingering supply-chain challenges and high prices for global commodities following Russia's invasion of Ukraine.

In 2022, B.C.'s inflation rate averaged 6.9 per cent, the fastest annual rate since 1982, and up from 2.8 per cent in 2021. B.C. housing starts totalled 46,721 units in 2022, down 1.9 per cent compared to the previous year. Despite the decline, housing starts in 2022 were the second highest on record. Home sales fell sharply in 2022 as they adjusted to higher mortgage rates not seen since 2008. B.C. MLS home sales decreased by 35.2 per cent in 2022 compared to 2021. Meanwhile the MLS average home sale price rose by 7.4 per cent in 2022 because of strength early in the year, despite monthly declines in 9 of the last 10 months of the year.

On the external front, B.C.'s international merchandise exports grew by 20.4 per cent, boosted by strong commodity prices in the first half of 2022.

Report on Performance: Goals, Objectives, and Results

Goal 1: Provide effective and efficient family support services and referrals for British Columbians

Objective 1.1: Support orders and agreements filed under the *Family Maintenance Enforcement Act* are enforced and payments are recovered

Each year BCFMA facilitates over \$210 million in transfers between payors and recipients. Most of the families in receipt of support payments have low or modest earnings, and the monies received account for a significant proportion of their monthly income.

Key results

- Total monies transferred between parents - \$216 million
- 96.4 per cent of cases (with both parties in B.C.) were either fully or partially paid - the average annual amount these families received was \$8,325 (up from \$7,297 last year)
- 71 per cent of all new enrolment applications were received through online enrolment (inaugural launch year)

Summary of progress made in 2022/23

BCFMA's manual enrolment practice was seen as a barrier for clients trying to enter the program as the process was labour intensive and required the printing and mailing/faxing of a significant amount of paper. With the implementation of an online enrolment program, the timing and impact of each client's first response with a BCFMA staff member has improved dramatically. Through using electronic means, information is also more securely transferred between clients and the Agency. The removal of barriers (e.g. time and effort required to complete paperwork, needing to print and post documents or have access to a fax machine, data received from the client having to be manually entered by staff upon receipt, etc.) has captured efficiencies and created a better user experience.

Several operating procedures were standardized across the organization to ensure consistency of actions taken by staff in support of improved communications, better relationship-building with clients, and collections of support payments. Client letters were simplified using plain language principles, and digitized to reduce the amount of documentation/paper used and to improve the client experience/timeliness when sharing information.

Agreements for transferring Swift payments (inter-jurisdictional, cross-border payment transfers) were established with additional partner countries to improve the timeliness and

ease of transfer payments. Direct deposit for payors was also initiated during the year so paying parents could have overpayments returned directly into their bank accounts (rather than the additional effort required to produce and cash a trust fund cheque) in the same manner that recipients receive their payments.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
1.1a Maintain the ratio of support payments received over support payments due ¹	94.5	92.0	90.6
1.1b Maintain or improve on a low median enrolment time (in calendar days) ²	39	35	48

Data source: BCFMA

¹PM 1.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 92.0 and 92.0, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

²PM 1.1b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 35 and 35, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

Through efforts to modernize and enhance service delivery to a client-centric model that focuses on service coordination and modernization, BCFMA’s performance measures will assess the organization’s ability to successfully improve support services for clients.

The ability to maintain the ratio of support payments received over support payments due assesses the health of support payment collections. BCFMA has historically collected at one of the highest ratios in Canada, and maintaining a high ratio ensures that both current and missed support payments are being made by payors. Changing economic conditions can affect this ratio in both directions - positively and negatively – and when Canadian policy interest rates rose from 0.5 per cent to 4.5 per cent between April 2022 and March 2023 it negatively affected payors’ ability to pay. Higher interest charges on previously missed payments resulted in increases to amounts owed. For example, the total amount of interest owed on the overdue amount of support payments rose by over \$5 million during 2022/23.

Increases to the amount of interest owed (e.g. due to higher interest rates) on previous non-payments (i.e. arrears) has driven the ratio of support payments received over support payments due metric lower, from 94.5 to 90.6. The ability of parents to reduce their maintenance arrears will continue to be negatively impacted by exceptional rises in interest rates until interest rates fall or personal financial situations become normalized. BCFMA is committed to working more closely with paying parents who have been affected by higher interest rates to determine payment schedules that best meet their ability to pay.

Median enrolment time reflects the median number of calendar days required from initial receipt of a filing kit to when a client is enrolled in the BCFMA program. Maintaining or improving on a low median enrolment time demonstrates the success of BCFMA enrolment

practices. An expedited enrolment process should simplify the support process, lessen the time between enrolment and receiving payments, and generally create trust in the maintenance system and place less stress on program participants.

During 2022/23 the median enrolment time increased from 39 days to 48 days. After a brief pilot implementation, BCFMA began offering online enrolment to all parties in April of 2022. As a net new process, the mean enrolment time was anticipated to increase over the first several months whilst existing enrolment procedures were assessed and addressed to align with the technology. The overwhelming utilization of online enrolment from a client user perspective was higher than anticipated and the organization was required to be highly responsive throughout the year to adapt to the new service model, processes, and staff recruitment and training needs. An uptick in the organization's speed for processing enrolments was experienced during the latter months of the fiscal that was more in line with expectations and is expected to be sustained going forward.

Goal 2: BCFMA's services are reflective of the clients we serve and support the needs of individuals and families

Objective 2.1: Raise awareness of the BCFMA mandate and increase our client base

BCFMA exists to support the people of B.C. The more individuals who are aware of BCFMA and the services we provide, the greater the impact BCFMA will have. Through improved client access, community outreach, and linkages to both NGOs and government organizations, BCFMA will continue to raise organizational awareness so that the parents who need our services may access them.

Key results

- Developed an Indigenous Pilot project to explore new service delivery models that contribute to reconciliation and support the *Declaration on the Rights of Indigenous Peoples Act*
- Met with several Indigenous Nations in order to build relationships and offer collaboration between Indigenous communities, clients and BCFMA
- Conducted a client survey pilot to acquire user feedback on phone experiences with the Agency

Summary of progress made in 2022/23

BCFMA raises awareness of our program with clients, prospective clients and partner organizations through specific marketing and outreach efforts. During 2022/23 the organization made significant re-branding progress through efforts to begin re-building our website, expansion of community and service provider outreach services, and the initiation of an Indigenous Pilot project. BCFMA also documented an Inclusion, Diversity, Equity and Accessibility plan to support awareness, promote accessibility, and set a direction towards the implementation of equitable and inclusive organizational behaviours and practices. These activities will continue into 2023/24 and all support the solidification of BCFMA as B.C.'s family support service provider.

BCFMA's Indigenous Pilot project supports reconciliation and meets the Agency's commitment to strengthen relationships and provide more opportunities for collaboration with our Indigenous communities, clients, and service delivery partners. To dismantle systemic barriers and create an Indigenous informed service delivery model for Indigenous communities and clients, extensive consultations with Indigenous communities and support groups are required. Ultimately an end-to-end case management process and whole person approach to interactions between Indigenous clients and the Agency will be achieved, in consultation with the Indigenous communities of B.C. The project will remove barriers, support the creation of a safe environment that is trauma and culturally informed, be free of judgment and racism, and

build trust to bridge the relationship between Indigenous communities, clients, and the Agency.

BCFMA conducts outreach presentations with Indigenous, under-served, and strategic partners to raise awareness of our program, build relationships, and to identify opportunities with partner organizations towards increasing coordinated guidance and support options for under-served British Columbians. Outreach and educational events target accessibility of BCFMA services, and help to inform by acknowledging systemic barriers for obtaining services and the challenges that Indigenous and under-served people experience when accessing family justice services.

Community outreach involves spending time meeting face to face with clients at Justice Access Centres in order to improve access to the resources clients need. As these efforts were significantly stalled during COVID-19, efforts during 2022/23 focused on re-initiating services. Planning progressed toward the hiring of new community liaison positions that will meet and support under-served clients and raise awareness of BCFMA's services. BCFMA's outreach program increased its annual number of outreach presentations and engagements with advocacy groups and community service providers.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
2.1a Annual number of outreach or educational presentations with communities or stakeholder organizations that serve Indigenous governments and under-served groups ¹	5	10	14

Data source: BCFMA

¹PM 2.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 10 and 12, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

BCFMA conducted 14 outreach events/educational presentations during 2022/23, four more than targeted. Strategic partner discussions that were slowed during COVID-19 occurred more frequently with First Nations, Indigenous support organizations, legal students, community legal clinics, and family support services.

Each occasion for outreach provides the Agency with an opportunity to engage and collaborate with industry partners and potential future co-providers of support services. Specific outreach with Indigenous Treaty Nations and supports (e.g. BC First Nations Justice Council) were significant as the Agency strives to work with each First Nation individually and in a government-to-government capacity.

Goal 3: BCFMA is resilient, diverse, inclusive and engaged

Objective 3.1: Provide a workplace that promotes employee engagement and satisfaction

By engaging collaboratively with employees BCFMA promotes strong teamwork and open communication amongst all staff members in the workplace. Successes are built upon and work environment concerns are identified, understood, and addressed to ensure the successful and healthy delivery of BCFMA's client-centric services.

Key results

- TELUS Health Virtual Care made available to all BCFMA staff
- Training sessions provided during BCFMA's first acknowledgement of World Quality Assurance Week
- Five diversity and inclusion workplace engagement events held (including a potluck, Indigenous training sessions, and an inclusive year in review event)
- BCFMA participated in our first Moose Hide Campaign

Summary of progress made in 2022/23

BCFMA made significant progress in 2022/23 towards promoting employee engagement and satisfaction. By offering access to TELUS Health Virtual Care (i.e. access to short-term mental health providers, medical practitioner and referrals, diagnosis, prescriptions, referrals to specialists, lab work, imaging, etc.) the Agency is able to provide significant health/mental health support for staff. Our first acknowledgement of World Quality Assurance Week involved holding several interactive events with staff to share ideas towards putting people first, collaboration, and "people over paper". Progress towards a more diverse and inclusive workplace was seen with the development of BCFMA's first Inclusion, Diversity, Equity and Accessibility Plan, and the Agency's initial participation in the annual Moose Hide Campaign.

BCFMA rolled out a standardized, inclusive welcome package/orientation process and an executive meet and greet to ensure all new staff receive base knowledge and understanding of the organization they represent. A revised orientation program was established to include corporate-wide training requirements and a library of resource tools for use by managers was assembled to guide their support of new employees during the onboarding process. A new employee biography program introduces all new staff members by providing them with an opportunity to introduce themselves and share their backgrounds/interests/education with other staff.

BCFMA currently conducts our own internal exit interviews to gather feedback from departing staff. Outcomes of the exit interview are used to identify gaps and to ensure support is provided to current staff/managers towards improving employee retention and experience.

BCFMA initiated our WE (Workplace Engagement) Team during 2022/23, an employee led group that organizes staff engagement events across the BCFMA, ensuring that staff in the Agency's three offices all have similar experiences. The WE Team members in turn gain experience by leading events, collaborating with colleagues, establishing communications such as creating graphics/posters, generating a calendar of activities, and through opportunities for public speaking. WE Team events are held both in BCFMA's offices and over a virtual environment to ensure staff in all three offices are bridged together. An internal staff survey resulted in BCFMA receiving a positive staff engagement score of 76 per cent.

The efforts of the Agency's Green Team and complimentary Go by Bike promotions confirm BCFMA's commitment towards being a green conscious corporate citizen. Mental and physical health supports were provided through a therapy dog wellness pilot program that reduces staff stress, depression, and anxiety in the workplace.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
3.1a Improve the Overall Employee Engagement workplace engagement score ¹	58	n/a	n/a

Data source: BCFMA

¹PM 3.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 60 and n/a, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

BCFMA monitors the effectiveness of employee engagement/staff satisfaction strategies through feedback received by staff. A biennial Work Environment Survey (WES) measures the impact of previous workplace improvement decisions and of the efforts undertaken to improve the workplace between surveys on employees' perceptions, opinions and job satisfaction.

Workplace engagement drivers identified in the 2021 WES were used to develop a WES Action Plan. The action plan provided BCFMA with direction towards engaging staff and developing solutions to improve the workplace. Collaborative leadership/employee action groups identify successes and challenges experienced, and develop action plans/solutions to address any outstanding needs of the organization. BCFMA's WES is conducted every two years and results are currently pending from the most recent survey that occurred in May 2023.

Objective 3.2: Provide employees with the skills and training development opportunities needed to perform their jobs effectively

BCFMA understands the impact the organization has on the education and development of staff. Strong employee skills development will ensure an effective workforce, leading to increased employee confidence and improved workplace performance.

Key results

- BCFMA developed a staff skills and training development program
- All staff completed the client-centric Certified Service Professional series of courses
- All staff attended ten organization-wide training offerings during the year (training topics included trauma informed, respectful workplace, and racism, reconciliation and Indigenous cultural safety)
- BCFMA developed a new Employee Performance tool

Summary of progress made in 2022/23

BCFMA has developed a Learning and Development Plan to set corporate learning goals and to show commitment to organizational skills and training requirements by targeted completion dates. The Learning and Development Plan identifies training and education that will support the development of employees and includes a month to month training schedule that supports the development of employees throughout the year.

The Certified Service Professional program was implemented last year to equip all staff with professional service delivery competencies, skills and knowledge. In addition to improving participant's knowledge of the citizen-centred approach and professionalizing service delivery, the course focused on:

- Establishing a common competency framework
- Encouraging the development of knowledgeable and skilled staff
- Promoting shifts in frontline behaviours and attitudes, leading to improved service quality
- Enhancing frontline capabilities and capacity, generating improved employee engagement

BCFMA offered ten training opportunities during 2022/23 to encourage staff to acquire new or advanced skills and knowledge. Development topics included mental health resiliency, reconciliation and Indigenous cultural safety, gender-based violence awareness, de-escalation strategies to better support clients during challenging conversations, and respectful workplace/standards of conduct. BCFMA offered internal acting opportunities for leadership stream learning and development, and created five new roles/positions to strengthen our client-centric philosophies and to better support the organization going forward as an innovator/change agent. Assistance for post-secondary education is also provided to further support developing talent within.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
3.2a Develop and implement enhancements to the staff skills and training development program that expand interpersonal skills and client-focused training (e.g. de-escalation training) ¹	n/a	Program Development 0% of staff trained	Program Development 0% of staff trained

Data source: BCFMA

¹PM 3.2a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 25 per cent of staff trained and 50 per cent of staff trained, respectively. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

Learning is a continuous process, integrated with and running parallel to the work of an organization. BCFMA’s Leadership and Development Plan was developed and documented during 2022/23 Documenting the Agency’s skills and training development program acknowledges the skills and resources employees need to be successful in the workplace. BCFMA’s Leadership and Development Plan articulates the principles, roles, responsibilities and characteristics for building workplace capacity and includes client-focus and inter-personal skills that better represent the client-centric strategic direction of the organization. The Leadership and Development Plan supports a learning culture and provides a framework for staff skills and training development, for identifying processes that will position BCFMA to achieve our strategic outcomes, and stresses the need for alignment and integration with other workplace activities such as performance development.

BCFMA’s Leadership and Development Plan identifies opportunities for staff to become educated, certified, and empowered, regardless of the classification they are currently at within the organization. Providing a tailored skills and training program is also seen as an essential step towards attracting, engaging, and retaining staff. Enhanced skills and training development will ensure BCFMA staff have the key abilities they need to more fully understand and support clients, and should result in improved client and staff satisfaction and are a contributing factor to overall organizational success.

Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). These documents can also be found on the [BC Family Maintenance Agency website](#).

Discussion of Results

BCFMA's financial results for the year ending March 31, 2023 should be read in conjunction with BCFMA's audited financial statements, including accompanying notes. The information provided in BCFMA's financial reporting is prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

BCFMA's largest expenditure is salaries and benefits, which expended \$15.676 million and accounted for 79.7 per cent of spending during 2022/23. Facilities (including leases and building management costs for BCFMA's three office locations) are the second largest expenditure at \$2.023 million. Spending on these items has not changed remarkably over the last several reporting years. Information Technology purchases and contracts both rose year over year compared with last year. Travel costs increased somewhat over the lows experienced through the COVID-19 years, but were still below historical levels. Revenues were buoyed by a significant increase to Interest Revenue as a result of higher than expected interest rates through the year.

BCFMA closed out the 2022/23 fiscal year, our fourth year of operation, in a positive position. A net income (surplus) of \$63,153 was achieved through strong expense management review processes and the ability to minimize leave liability by following robust leave management strategies. BCFMA continued to maintain organizational financial accountability by utilizing internal talent/capabilities to meet business needs, thus minimizing the need for contractors.

BCFMA's year-end positive financial position allowed for the organization to apply its net income against an outstanding accumulated deficit. At transition to a Crown agency in 2019 a one-time non-cash expense (\$195,680) related to the recognition of employee leave entitlements was applied due to the organization having to change accounting practices from ASPE (Accounting Standards for Private Enterprises) to PSAS (Public Sector Accounting Standards). BCFMA had been paying down on the accumulated deficit annually since transition. With the application of this year's surplus (\$63,153) the accumulated deficit has been fully addressed.

Financial Summary¹

(\$m)	2021/22 Actual	2022/23 Budget	2022/23 Actual	2022/23 Variance
Revenues				
Provincial Transfers	19.140	19.140	19.684	0.544
Interest Revenue	0.006	0.000	0.050	0.050
Total Revenue	19.146	19.140	19.734	0.594
Expenses				
Salaries & Benefits	15.237	15.451	15.676	0.225
Travel	0.025	0.100	0.087	(0.013)
Contracts	0.138	0.150	0.187	0.037
Information Technology	0.870	0.825	1.000	0.175
Office Expenses & Equipment	0.382	0.375	0.344	(0.031)
Facilities	2.047	2.100	2.023	(0.077)
Miscellaneous	0.314	0.139	0.354	0.215
Total Expenses	19.013	19.140	19.671	0.531
Net Income	0.133	0.000	0.063	0.063
Total Liabilities/Debt	0.000	0.000	0.000	0.000
Capital Expenditures	0.000	0.259	0.000	(0.259)
Accumulated Surplus (Deficit)²	(0.063)	(0.196)	0.000	0.196

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

² Accumulated deficit is a result of the transition from ASPE to PSAS in 2019/20 which resulted in the BCFMA taking a one-time non-cash transition expense related to the recognition of employee leave entitlements.

Variance and Trend Analysis

For 2022/23 BCFMA experienced a slight increase in operational revenue, primarily as a result of increased provincial government transfers to address our bargaining envelope/shared recovery mandate as a result of the conclusion of Professional Employees Association and General Employees' Union collective bargaining. Increases to Interest Revenue resulting from higher general interest rates also positively impacted revenues.

BCFMA minimizes operational costs through effective management and oversight of expenses, including lowering spending on contracted services as a result of strong corporate governance and internal talent development. BCFMA has made a concerted effort over the recent fiscal years to encourage staff to utilize their leave, in addition to providing staff with personal wellness education and supports, to minimize leave liability.

By utilizing existing communication technology, cost savings were realized through reduced business travel and alternative service delivery mechanisms. A trend in the reduction in office expenses and equipment spending has been experienced in recent years as business process re-designs and a centralized model of supply management has resulted in less paper usage and postage. The majority of the organization's business and technology solutions spending is for discovery phases for larger IT projects, ongoing systems development/software licences, and the purchase of laptop computers (in support of hybrid/remote work arrangements).

Risks and Uncertainties

BCFMA operations are funded through provincial government appropriations. The organization allocates this funding to programs that deliver on its mandate, as described in the [BCFMA 2023/24 Service Plan](#). The funding provides BCFMA with the necessary means to address the family support priorities that matter for British Columbians, while strong financial management practices are maintained and a balanced budget is met.

BCFMA is subject to financial pressures resulting from increasing salaries and benefits costs, facilities expense increases, costs associated with managing information (e.g. digital strategies), and changes to inflation and interest rates. These key pressures/risks are managed through optimization of operational efficiencies and business effectiveness, including making investments in continual improvement of business/workforce productivity and employee engagement, building internal talent/capabilities to address succession planning, developing innovative program partnerships, improving program delivery, and by working with partners to explore business development opportunities.

BCFMA evaluations of our strategic IT planning ensure IM/IT goals and objectives align with the vision and mission of the Agency. Planning and projecting build costs for the replacement of BCFMA's legacy systems that are nearing end of life ensure that they are reasonably supported. Funding sources, whether within BCFMA's current funding envelope or when identified as requiring a separate funding source, are identified during the project discovery phase to ensure that the goals of the Agency are met in alignment with minimizing IT costs.

BCFMA further mitigates business continuity risks associated with aging systems/processes by placing considerable effort into the operational procedures required to promptly restore critical functions in the event of a natural disaster or business disruption.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 Mandate Letter from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
Address the needs of recipients and payors as they cope with the fiscal impacts of COVID-19.	<ul style="list-style-type: none"> • Complete
Develop the BCFMA's governance structure and support the Ministry of Attorney General to identify and appoint candidates for an experienced and diverse Board of Directors.	<ul style="list-style-type: none"> • In Progress – BCFMA is working closely with the Ministry of Attorney General and the Crown Agencies and Board Resourcing Office to appoint several new Board members during the 2023/24 fiscal year. Adding Board members will improve Board diversity and enable BCFMA to further define its role, authority, accountability and transparency.
Establish a permanent and financially sustainable service delivery model for the BCFMA.	<ul style="list-style-type: none"> • Complete

Appendix B: Auditor's Report and Audited Financial Statements

Financial Statements of

BC FAMILY MAINTENANCE AGENCY

And Independent Auditor's Report thereon

Year ended March 31, 2023

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements


The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

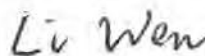
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of BC Family Maintenance Agency and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of BC Family Maintenance Agency


Joanne Hanson
Chief Executive Officer


Li Wen
Acting Chief Financial Officer

May 17, 2023



KPMG LLP
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800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of BC Family Maintenance Agency

Opinion

We have audited the financial statements of the BC Family Maintenance Agency (the "Agency"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and accumulated deficit for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Agency 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 public sector accounting standards, 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 Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency'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 auditors' 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 the 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 Agency'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 Agency'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 Agency 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 17, 2023

BC FAMILY MAINTENANCE AGENCY

Statement of Financial Position


March 31, 2023, with comparative information for 2022


	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 393,086	\$ 439,507
Accounts receivable (note 2)	241,601	22,139
	<u>634,687</u>	<u>461,646</u>
Liabilities		
Accounts payable and accrued liabilities (note 3)	448,586	361,579
Accrued employee benefits (note 4)	579,758	543,832
Obligations under capital lease (note 5)	18,033	105,775
	<u>1,046,377</u>	<u>1,011,186</u>
Net debt	<u>(411,690)</u>	<u>(549,540)</u>
Non-Financial Assets		
Tangible capital assets (note 6)	93,741	171,150
Prepaid expenses	317,949	315,237
	<u>411,690</u>	<u>486,387</u>
Accumulated deficit	\$ -	\$ (63,153)

Trust fund (note 7)
Contractual obligations (note 8)

See accompanying notes to financial statements.

Approved on behalf of the Board:


Richard J.M. Fyfe, Q.C.
Chair


Kevin Jardine
Director

BC FAMILY MAINTENANCE AGENCY

Statement of Operations and Accumulated Deficit

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 1(j))	2023	2022
Revenue:			
Provincial funding	\$ 18,925,000	\$ 19,468,985	\$ 18,924,000
Federal funding	215,000	215,000	216,000
Interest	5,800	50,363	6,008
	<u>19,145,800</u>	<u>19,734,348</u>	<u>19,146,008</u>
Expenses:			
Salaries and benefits	11,804,742	12,091,731	11,841,508
Operating benefits	2,179,533	2,283,779	2,142,695
Facilities	2,080,437	2,022,627	2,046,709
B&T solutions	893,214	999,875	869,987
Management benefits	534,753	600,010	555,807
Default fee salaries and benefits	400,000	400,000	400,000
Office expenses and equipment	334,931	343,846	382,415
Legal benefits	308,925	300,945	297,277
Contracts	144,500	187,389	138,181
Other costs	111,164	139,297	96,647
Amortization	110,000	110,755	108,059
Staff development	122,783	103,939	109,046
Travel	120,818	87,002	25,150
	<u>19,145,800</u>	<u>19,671,195</u>	<u>19,013,481</u>
Surplus for the year	-	63,153	132,527
Accumulated deficit, beginning of year	(63,153)	(63,153)	(195,680)
Accumulated deficit, end of year	<u>\$ (63,153)</u>	<u>\$ -</u>	<u>\$ (63,153)</u>

See accompanying notes to financial statements.

BC FAMILY MAINTENANCE AGENCY

Statement of Changes in Net Debt

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 1(j))	2023	2022
Surplus for the year	\$ -	\$ 63,153	\$ 132,527
Acquisition of tangible capital assets	-	(33,346)	-
Amortization of tangible capital assets	110,000	110,755	108,059
	110,000	77,409	108,059
Acquisition of prepaid expenses	-	(693,011)	(784,707)
Use of prepaid expense	-	690,299	672,302
	-	(2,712)	(112,405)
Decrease in net debt	110,000	137,850	128,181
Net debt, beginning of year	(549,540)	(549,540)	(677,721)
Net debt, end of year	\$ (439,540)	\$ (411,690)	\$ (549,540)

See accompanying notes to financial statements.

BC FAMILY MAINTENANCE AGENCY

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Surplus for the year	\$ 63,153	\$ 132,527
Amortization	110,755	108,058
Net changes in non-cash operating working capital:		
Accounts receivable	(219,462)	108,883
Accounts payable and accrued liabilities	87,007	108,993
Accrued employee benefits	35,926	(166,345)
Prepaid expenses	(2,712)	(112,404)
	74,667	179,712
Capital activities:		
Acquisition of tangible capital assets	(33,346)	-
Financing activities:		
Capital lease payments	(87,742)	(87,742)
Increase (decrease) in cash and cash equivalents	(46,421)	91,970
Cash and cash equivalents, beginning of year	439,507	347,537
Cash and cash equivalents, end of year	\$ 393,086	\$ 439,507
Supplemental cash flow information:		
Tangible capital assets acquired by way of capital lease	\$ -	\$ 28,022

See accompanying notes to financial statements.

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

Nature of operations:

BC Family Maintenance Agency Ltd. (the "Agency") was incorporated on June 17, 2019 under the Business Corporations Act. The BC Family Maintenance Agency (BCFMA) is dedicated to assisting families with the administration of their maintenance ensuring BC's children and families receive the financial support that they are entitled to under provincial and federal law. The Agency commenced operations on November 1, 2019.

1. Significant accounting policies:

The financial statements of the Agency are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Agency are as follows:

(a) Basis of accounting:

The Agency follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Amounts received in advance of services being provided are deferred until the service is provided. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Revenue recognition:

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial position.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and demand deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has not elected to carry any such financial instruments at fair value. Financial instruments are adjusted by transaction costs incurred on initial acquisition, which are amortized using the straight-line method. Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

(e) Financial assets and liabilities:

Financial assets and liabilities include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and accrued employee benefits.

All non-cash financial assets and liabilities are recorded at amortized cost.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(g) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the asset. Tangible capital assets are amortized on a straight-line basis as follows:

Asset	Rate
Computer equipment	25%

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Agency's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net write-downs (if any) are accounted for as expenses in the Statement of Operations.

(h) Employee future benefits:

The Agency and its employees make contributions to a legacy defined contribution pension plan and the Public Service Pension Plan, a multi-employer defined benefit pension plan. Contributions to both plans are expensed as incurred. The cost of non-vesting accumulating sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days, sick leave utilization, long-term inflation rates and discount rates.

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(i) Budget figures:

Budget figures have been provided for comparative purposes and have been derived from the Agency's Fiscal 2022/2023 Budget forecast approved by the Board of Directors on May 19, 2022. The budget is reflected in the statements of operations and accumulated deficit and changes in net debt.

(j) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(k) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Key estimates include assumptions used in employee benefits, rates for amortization, impairment of assets and provisions for losses incurred. Actual results could differ from those estimated.

(l) Asset retirement obligations:

On April 1, 2022, the Agency adopted Public Accounting Standard PS 3280, *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings, as well as contractual liabilities under lease arrangements by public sector entities.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

There was no impact on the financial statements as a result of adopting this new standard.

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

2. Accounts receivable:

	2023	2022
Funding from the Province of British Columbia	\$ 228,985	\$ 12,325
GST receivable and other	12,616	9,814
	\$ 241,601	\$ 22,139

3. Accounts payable and accrued liabilities:

	2023	2022
Trade accounts payables	\$ 83,710	\$ 86,507
Other accrued liabilities	291,433	211,653
Salary and benefits payable	73,443	63,419
	\$ 448,586	\$ 361,579

4. Accrued employee benefits:

Accrued employee benefits are made up of accumulated vacation entitlement and sick leave.

(a) Accumulated vacation:

Employees may carry up to a maximum of six or ten days of vacation over to the next fiscal year (dependent on union status). As at March 31, 2023 the balance of this accumulated vacation was \$280,174 (2022 - \$269,787).

(b) Accumulated sick leave:

Employees are entitled to ten days non-vesting sick leave whereby they are credited days per year, for use as paid absences in the year due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to an allowable maximum provided in their respective employment agreement.

Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick leave compensation ceases on termination of employment and employee unused sick bank is not paid out at retirement. The benefit cost and liabilities related to the plan are recorded in the financial statements. The liability recorded is equal to the expected future use of accrued sick leave. As at March 31, 2023 the balance of accumulated sick leave was \$299,584 (2022 - \$274,045).

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

5. Obligations under capital lease:

The amounts due for obligations under capital leases are as follows:

2024	\$	21,935
Total minimum lease payments		21,935
Less amounts representing interest		3,902
Present value of net minimum capital lease payments	\$	18,033

Interest expense of \$1,682 (2022 - \$3,762) related to the capital lease obligation was recorded in the current year.

6. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 381,075	\$ 287,334	\$ 93,741	\$ 171,150

Amortization expense of \$110,755 (2022 - \$108,058) was recorded in the current year, which includes \$64,831 (2022 - \$68,334) related to assets under capital lease.

7. Trust fund:

The trust fund is a Provincial Government account and represents money received from or on behalf of debtors which, in turn, are payable to creditors and/or debtors as well as enforcement fees payable to the Province for services rendered for the creditors and/or debtors. These funds have not been included in the statement of financial position nor have their operations been included in the statement of operations. This fund is administered by the Agency, but is not the property of the Agency.

	2023	2022
Trust fund balance as of March 31	\$ 11,178,928	\$ 9,736,540
Trust liabilities as of March 31	(11,178,928)	(9,736,540)
	\$ -	\$ -

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

8. Contractual obligations:

(a) Premise leases:

The Agency has entered into leases expiring in March 2023, 2027 and 2030. Minimum lease payments and estimated operating costs are as follows:

2024	\$ 2,023,681
2025	2,033,378
2026	1,662,970
2027	1,670,956
2028	920,319
Thereafter	1,853,276
	<hr/> \$ 10,164,580 <hr/>

(b) Equipment and service contracts:

The Agency is committed for photocopier and mail machine leases expiring in 2025 with payments as follows:

2024	\$ 28,882
2025	28,882
	<hr/> \$ 57,764 <hr/>

9. Defined contribution pension plan and PSPP:

The Agency contributes to a defined contribution plan that provides pension benefits to its employees. Participation in the plan is compulsory for all eligible employees meeting certain conditions. The Agency contributes 9.43% and the employee contributes 5% of gross annual salary. In 2023, the Agency contributed \$46,284 (2022 - \$53,788) to the plan.

The Agency and its employees make contributions to the Public Service Pension Plan (the "Plan"), a jointly trustee pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2020, the Plan had approximately 68,000 active members and 54,000 retired members.

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

9. Defined contribution pension plan and PSPP (continued):

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation as at March 31, 2020 indicated a surplus of \$2,667 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2023, with results available in 2024. Contributions to the plan by the Agency totaled \$1,128,269 (2022 - \$1,068,350) during the year.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

10. Financial risk management note:

The nature of the program's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

(a) Credit risk:

The program is not subject to significant credit risk as most financial assets are amounts due from the Province of British Columbia.

(b) Market risk:

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices.

The program is not generally subject to market risk.

(c) Liquidity risk:

Liquidity risk is the risk that the program is unable to meet its financial obligations as they fall due. The program is not subject to significant liquidity risk as financial obligations are funded through receivables from the Province of British Columbia.

There have been no changes to the risk exposures from 2022.

BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2023

11. Comparative Information

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. the changes do not affect prior year earnings.