

# BC Family Maintenance Agency

## 2023/24 Annual Service Plan Report

August 2024



**BC Family  
Maintenance  
Agency**

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## Board Chair's Accountability Statement



The BC Family Maintenance Agency 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 - 2025/26 Service Plan published in 2023. 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', written over a light blue horizontal line.

Richard J.M. Fyfe, K.C.  
Board Chair  
August 7, 2024

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## Letter from the Board Chair and CEO

The [BC Family Maintenance Agency](#) (BCFMA) is proud to present our Annual Service Plan Report, which reflects the Agency's performance during the fiscal year. In June of 2023, BCFMA celebrated 35 years of successfully providing family maintenance services to clients. The Honourable Niki Sharma, Attorney General joined our anniversary ceremony that was attended in person or virtually by all staff members across BCFMA's three offices. Since 1988, over \$5.2 billion has been distributed to families, and over 128,000 families have been supported.

In September of last year, BCFMA welcomed three new members to our Board of Directors in support of the governance and direction of Agency activities. The new Board Members bring years of diverse experience along with new energy that will provide guidance and support for the Agency's strategic planning as BCFMA moves forward.

BCFMA completed a corporate [Strategic Business Plan](#) to build confidence that long-range planning aligns with the organization's mandate/public sector priorities. Enhancing a client-centric culture, modernizing business practices, and expanding awareness of the Agency are several key goals that support aligning practices with principles. The completion of transitioning to the BCFMA name simplifies communications, enhances efficiencies, and eliminates potential barriers for clients to access services.

During June of 2023, BCFMA launched an Indigenous service delivery project in response to the B.C. government's [Declaration Act Action Plan](#) in support of meeting the objectives of the [United Nations Declaration on the Rights of Indigenous Peoples](#). Through engagement with First Nations representatives a need was conveyed for BCFMA to work with each First Nation individually. BCFMA has committed to this engagement with First Nations throughout B.C. to better inform our services and to create partnerships in support of families. The Agency also participated in the BC First Nations Justice Forum to stay in touch with the priorities of the B.C. First Nations Justice Strategy.

In support of an increasingly diverse workforce and lasting and meaningful reconciliation, an [Inclusion, Diversity, Equity and Accessibility \(IDEA\) Plan](#) was documented. In November of 2023, BCFMA attended the Public Sector Crown Conference on IDEA to share diversity and inclusion best practices and participated in the May 2023 [Moose Hide Campaign](#) to help spread awareness towards ending violence against women and children.

Technology advances were made with the launch of Canada's first family maintenance mobile app. Initial feedback received from clients is that they like using the app and appreciate the quick access it provides to their account information. BCFMA also continued to follow long-term information management/information technology (IMIT) planning by progressing towards the implementation of a Human Resources Information System, and by moving our telephony system to cloud technology. BCFMA's Business Technology and Solutions division takes a systems-thinking approach when developing strategic IMIT solutions to capture efficiencies and support the current and future technology needs of staff and clients.

BCFMA has moved away from transactional enforcement to focus on building better, longer-term relationships with our clients that support families. We are building meaningful partnerships with our stakeholders for when we work collaboratively, relationships are enhanced and supports and services provided to families are shared/integrated. BCFMA conducted outreach sessions with B.C. First Nations and met with legal education groups and family law practitioners and access centres to strengthen connections with educators and partner agencies. BCFMA collaborated with federal and international interjurisdictional committees to implement the Hague Convention and to promote best practices and collaborate on developing innovative approaches to family law and family support.

BCFMA continues to modernize and evolve our social services and resources to meet the diverse needs of our clients and staff.



Richard J.M. Fyfe, K.C.  
Board Chair  
August 7, 2024



Joanne Hanson  
Chief Executive Officer  
August 7, 2024

## 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 2023/24 - 2025/26 Service Plan](#) and the actual results reported on in this annual report.

## Purpose of the Organization

BCFMA provides a free service available to families in British Columbia who are eligible to receive or pay family support. The Agency offers supports that strengthen families so that they may achieve their full potential and secure the best possible future for their children. By putting people first, BCFMA ensures families receive the support payments to which they are entitled, contributing to financial stability and security for British Columbians.

The [Family Maintenance Enforcement Act](#) (FMEA) provides the authority for BCFMA to monitor and facilitate court ordered maintenance orders and agreements, ensuring that families receive the financial support that they are entitled to under provincial and federal law. The Agency facilitates over \$210 million in support payments annually, which produces better economic circumstances for children and families throughout the province.

BCFMA supports government's main foundational principles through our commitment to promote equity, anti-racism, and multiculturalism, to address social and health issues such as poverty and mental health, and to provide services that assist our clients with accessing justice services. BCFMA is committed to lasting and meaningful reconciliation as demonstrated through First Nations-specific community recognition, outreach, and relationship building. Through partnerships with federal, provincial and community organizations, and by applying a province-wide model approach, BCFMA is better able to support B.C.'s under-served populations and to support the province in meeting [TogetherBC](#) targets.

Families affected by separation or divorce benefit from harmonized services at both community and provincial levels. BCFMA strives for outcomes that support healthy communities in British Columbia, including social, economic, and environmental well-being.

BCFMA's Strategic Business Plan Overview provides clarity and understanding of the Agency's principles, goals, and overall business direction. BCFMA's vision is to be a leading family

maintenance organization by providing a diverse range of supports and services to ensure healthy and thriving families. BCFMA's mission is to provide the highest quality client-centric service, helping families achieve their best outcomes and future for their children. A balanced approach to family support services within the justice and social services environments ensures constant communication and collaboration with all clients to achieve the best outcomes for children and families.

## Operating Environment

BCFMA efforts help to reduce child poverty and contribute to the financial stability and security of approximately 34,000 families each year. During the 2023/24 fiscal year BCFMA efforts and outcomes were affected by several challenging economic conditions, including higher interest rates, costs of living, borrowing/debt servicing costs, and unemployment. These tend to negatively impact the ability of paying parents to meet their family support obligations. BCFMA met these challenges through advancements in the Agency's client-centric business model, including encouraging payment arrangements and linking payors and recipients to justice and community supports for additional assistance, and by implementing several technology and service enhancements during the fiscal year.

To ensure that families are aware of our client-centric service model and know to contact BCFMA when considering family support services, the Agency conducted a significant re-branding effort. BCFMA's provincial model leverages technology in support of staff and with a focus on service, BCFMA staff were enabled to assist and train one another across the province in support of standardized client-centric service. Each BCFMA business area including operations, legal, and information technology develops a divisional business plan that supports responses to everchanging internal and external factors. Planning helps to guide the organizational development/changes needed that enable BCFMA staff to achieve successful outcomes.

Work has been undertaken to ensure BCFMA puts people first and supports equity and anti-racism. BCFMA's implementation of an IDEA Plan encourages organizational awareness, promotes accessibility, and confirms Agency alignment with government's priorities such as aligning with the Anti-Racism Data Act and the Accessible British Columbia Act. Further equity and inclusion planning has ensured that recruitment and staff retention strategies focus on diversity.

BCFMA supports of a long-term vision of reconciliation under the Declaration of the Rights of Indigenous Peoples Act and the Truth and Reconciliation Commission Calls to Action. An Indigenous services delivery project and outreach services have improved collaboration with First Nations communities and leaders. Feedback provided by First Nations communities is used to further explore and implement a service delivery model that supports the social, cultural, and economic well-being of our clients. Trauma-informed, systemic discrimination, mental health and truth and reconciliation training is provided annually to all staff. Expanded services and supports improved client access to justice services.



Attracting, hiring, and retaining skilled and diverse candidates is challenging. In order to create and sustain an inclusive, diverse and safe workplace, BCFMA's recruitment, onboarding, and staff development practices were updated to provide opportunities for career growth and leadership development, as well as to offer improved supports for health and well-being. The Agency is committed to developing strategic hands-on leaders, and fostering a respectful culture that celebrates a diverse workforce. BCFMA's workplace engagement teams promote quality assurance, green initiatives, and a positive and supportive work environment.

To provide the best client-centric service to British Columbians, supportive technology enabled staff to do their jobs more efficiently and effectively while ensuring that clients had swift access to their account information. Technology developments such as BCFMA's mobile app, the moving of systems to cloud environments, and the updating of enrolment business processes and systems all supported the elimination of dated manual processes, access to information, and higher service quality levels.

## **Economic Statement**

Following two years of strong recovery from the pandemic, economic growth in British Columbia moderated in 2023. After expanding by 3.9 per cent in 2022, B.C.'s real GDP increased by 1.6 per cent in 2023, the second highest growth rate among provinces (tied with Saskatchewan and Ontario) and outperforming the national average. Growth in B.C.'s real GDP was supported by service-producing industries such as real estate, rental and leasing; professional, scientific and technical services; transportation and warehousing; and healthcare. Despite steady growth in the construction and mining, quarrying and oil and gas extraction sectors, output for goods-producing industries decreased in 2023, partly due to lower manufacturing activity. While B.C.'s economy continued to expand in 2023, some sectors such as transportation and warehousing and accommodation and food services have yet to fully return to pre-pandemic levels.

B.C.'s labour market continued to grow in 2023, with employment growth of 1.6 per cent and wages and salaries increasing by 6.9 per cent. However, B.C.'s unemployment rate rose to 5.2 per cent in 2023 from 4.6 per cent in the previous year as the labour force, supported by record high immigration, grew faster than employment. High interest rates tempered consumer spending on goods in 2023 and nominal retail sales edged down 0.1 per cent. In 2023, price pressures in B.C. moderated among a broad number of goods and services but remained elevated. B.C.'s inflation rate averaged 3.9 per cent in 2023, down from 6.9 per cent in 2022. B.C. home construction activity strengthened in 2023. Housing starts totalled 50,490 units in 2023, the highest annual pace on record and up 8.1 per cent compared to the previous year. High interest rates continued to weigh on home sales activity last year. B.C. MLS home sales decreased by 9.2 per cent in 2023, while the MLS average home sale price was 2.6 per cent lower than 2022. On the external front, B.C.'s international merchandise exports declined by 13.5 per cent in 2023, due to weaker global demand and lower commodity prices compared to 2022.

# Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

## Goal 1: BCFMA is effective and efficient in providing family support services and referrals for British Columbians

### Objective 1.1: Enforce support orders and agreements filed under the Family Maintenance Enforcement Act and recover payments

Each year BCFMA facilitates over \$210 million in transfers between payors and recipients. Most 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 - \$211 million (over 32,000 payments processed each month).
- 95 per cent of cases with both parties in B.C. were either fully or partially paid. Consistent with last year, the average annual amount these families received was \$8,274.
- An average of 330 court appearances by BCFMA legal counsel were made each month.
- 82 per cent of all new enrolment applications were received through online enrolment (up from 71 per cent attained last year).

#### Summary of progress made in 2023/24

BCFMA modernized and increased access to services in 2023/24 with the addition of a mobile app and enhancements to online enrolment, which were developed, designed and implemented leveraging BCFMA's internal talent. The first family maintenance jurisdiction with a mobile app in Canada, the BCFMA My Account mobile app makes it easier for families to access resources and account information, upload documents, and obtain up to date statements and payment information. The mobile app was designed with the modern needs of families in mind and provides users with a quick and easy way to access their case information and stay up to date on payments from their mobile devices. Another key feature is that it improves direct communication with the Agency, as clients can send and receive messages, report payments, or request a client-services representative callback.

Ensuring efficient service delivery includes prioritizing the protection of the environment and cost-effectiveness. Each year, BCFMA operating procedures are reviewed and where possible

standardized across the organization. The practice ensures consistency of actions taken by staff in support of enhanced communications, better relationship-building with clients, and efficient spending. The Agency updated and digitized client letters during 2023/24 by applying plain language principles and reducing the amount of documentation/paper used through the digitization of letters. Staff also made a conscious effort to print less and to send more messages through webmail. These actions resulted in a better client experience, improved timeliness of communications, less paper used, and lower postage expenses.

Internationally, BCFMA is better positioned to be able to offer improved support to families that have cross-border child support matters. The International Hague Convention on Child and Family Support came into force on March 1, 2024, and will benefit British Columbian families by increasing the number of countries that we can work with for cross-border child support matters. The convention makes it easier to establish, change, and collect child support payments abroad. It also streamlines and standardizes international support collection procedures, policies, and practices making it easier for families to navigate the system.

**Performance measure(s) and related discussion**

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[1a] Maintain the ratio of support payments received over support payments due <sup>1</sup>	90.6	88.0	84.3

Data source: BCFMA

<sup>1</sup>PM [1a] targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 90.0 and 91.0, respectively.

BCFMA’s performance measures assess the organization’s ability to successfully improve support services for families. The Agency continues to look for opportunities to enhance service delivery within a client-centric model that focuses on service coordination and modernization. The ratio of support payments received over support payments due assesses the health of 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 paying clients.

Several factors have driven this ratio lower, from 94.5 during 2021/22, to 90.6 during 2022/23, and now 84.3 during 2023/24. One factor has been changes to the maturity of BCFMA’s cases. The Agency has seen increased enrolment over the past year, meaning there are more newer cases that have not yet had the time to build consistent payment histories. Conversely, older/mature cases as they withdraw tend to be fully paid or have been paying consistently at the time that they withdraw.

Changing provincial and national economic conditions affect this ratio both positively and negatively. Recent higher Canadian interest rates have affected B.C. families due to higher basic costs of living, including higher costs for accommodation, food, and gas, and higher borrowing/debt servicing costs. For paying parents this has significantly impacted their ability to meet their family support obligations. The number of payments processed through Employment Insurance rose from 2,001 payments in April 2023 to 2,543 payments in March

2024, which is indicative of a higher number of paying parents in our program being unemployed.

Parents who pay family support often face challenges to make payments and the subsequent increases to the amount of interest they owe resulting from previous non-payments drives the Performance Measure [1a] ratio even lower. The amount of interest owed by paying parents on overdue support payments rose to \$22.3 million during 2023/24, which is up \$9.3 million from the \$13 million increase that occurred during 2022/23. Because interest is also applied to previously missed payments (i.e. arrears), when interest rates are high this further increases amounts owed, creating additional financial stress for paying parents.

The challenges faced by parents to reduce their maintenance arrears is expected to continue until interest rates fall, or as personal financial situations become normalized. BCFMA is committed to working closely with paying parents to determine payment schedules that best meet their ability to pay.

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[1b] Maintain or improve on a low median enrolment time (in calendar days) <sup>1</sup>	48	35	5

Data source: BCFMA

<sup>1</sup>PM [1b] targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 35 and 35, respectively.

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, create trust in the maintenance system, and generally place less stress on program participants.

Enrolment time fell significantly during 2023/24 to five days, much less than the target of 35 days and last year’s median enrolment time of 48 days. BCFMA implemented our online enrolment program during 2022/23, and further enhancements to our business processes were made last year to help drive the enrolment time down.

Historically BCFMA’s manual enrolment practice acted 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. The removal of barriers including 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, has captured efficiencies and created a better user experience. By using electronic means, information is now more quickly and securely transferred between clients and the Agency. As a result, the timing and impact of each client’s first response with a BCFMA staff member continues to improve.

## 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 British Columbia. The more individuals who are aware of BCFMA and the services we provide, the greater the impact BCFMA will have. Through improved client access and community outreach BCFMA will raise organizational awareness so that the parents who need our services may access them.

#### Key results

- Completed transition from the Family Maintenance Enforcement Program to identifying as the BC Family Maintenance Agency.
- Implemented BCFMA's Indigenous service delivery project to explore new service delivery models that contribute to reconciliation and support the Declaration on the Rights of Indigenous Peoples Act.
- Initiated a dedicated team to create culturally safe spaces, connect clients with Indigenous community members, and refer clients to Indigenous supports and services.
- Over 229,000 secure e-messages were sent and over 224,000 calls were made between BCFMA staff and clients during the 2023/24 fiscal year, up from over 204,000 secure e-messages and 223,000 calls during 2022/23.

#### Summary of progress made in 2023/24

During 2023, BCFMA executed a comprehensive re-naming project by successfully transitioning from identifying as the Family Maintenance Enforcement Program to the BC Family Maintenance Agency as mandated in our 2020 Mandate Letter from the Province. Client communications were streamlined by centralizing contact details, ensuring a more efficient service experience. Job title terms such as "enforcement" and "officer" were removed to eliminate potential barriers to clients accessing our services. Two separate websites were merged into a unified platform at [www.bcfma.ca](http://www.bcfma.ca) to simplify navigation for clients and partners. Client banking and payment methods were updated to enhance operational efficiencies. Brochures and marketing banners were updated/developed to better support staff when discussing our services with potential clients and partner services providers.

BCFMA's new Indigenous service delivery model with a dedicated team was created to encourage a more flexible communication approach, support relationship building during outreach, and honour First Nation culture and communities. A community liaison position was created to ensure a consistent approach during first contact with new Indigenous clients. All Indigenous service delivery project staff were provided with in-depth trauma-informed and

cultural training to ensure respectful and adaptable conversations when working with Indigenous clients.

During outreach the Indigenous services team has been able to initiate conversations with contacts representing over 40 First Nations communities and governments. These conversations have built positive relationships and identified ways for the First Nations and BCFMA to best work together in support of their members. These discussions have also led BCFMA to appreciate the individual needs of Indigenous clients and to better understand the assistance provided by their community and/or other support organizations.

The Indigenous service delivery model has provided a more open environment and has encouraged Indigenous clients to feel safer when speaking about their cultural and personal history. For example, Indigenous clients are now encouraged to bring an elder or a community support person when meeting with BCFMA staff. Through the project, over 1,500 Indigenous families have been identified for the Indigenous service delivery stream.

**Performance measure(s) and related discussion**

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[2a] Annual number of outreach or educational presentations with communities or stakeholder organizations that serve Indigenous governments and under-served groups <sup>1</sup>	14	10	11

Data source: BCFMA

<sup>1</sup>PM [2a] targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 12 and 15, respectively.

During 2023/24, BCFMA conducted 11 outreach events/educational presentations. Strategic partner discussions were held with First Nations, First Nations’ legal support organizations, law students, and community legal centres. Each occasion for outreach provides the Agency with an opportunity to engage and collaborate with industry partners and co-providers of support services. The relationship building has enabled BCFMA to work with First Nations communities to create two-way communication as to how to support both payors and recipients, and BCFMA has received strong feedback supporting this new balanced approach. Discussions with the BC First Nations Justice Council further support BCFMA’s efforts to work more closely with each First Nation individually in support of change to B.C.’s legal system.

## Goal 3: BCFMA is a resilient, diverse, inclusive and engaged organization

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

Effective staff engagement leads to a healthy work environment and a successful organization. Through collaborative workplace engagement opportunities staff lead aspects of workplace decision-making, creating ownership of outcomes, and resulting in a productive and healthy workplace environment.

#### Key results

- Published an IDEA Plan and initiated an IDEA Employee Advisory Committee (EAC) in support of an increasingly diverse workforce and to build a strong foundation for lasting and meaningful reconciliation.
- 2023 Work Environment Survey (WES) achieved an overall score of 63 – a five-point increase over the 2021 survey.
- Staff led or were involved with the Workplace Engagement Team, Green Team, and IDEA EAC.
- BCFMA participated in our second Moose Hide Campaign.
- Paper usage reduction efforts led to 21 per cent less paper being used.

#### Summary of progress made in 2023/24

BCFMA produced a Human Resources Divisional Plan to ensure that the Agency provides an environment that values opportunity, diversity, cooperation, innovation, and growth for staff members of all ages, ethnic backgrounds, and experiences. Throughout the plan are universal themes/commitments to fostering innovation, managing change, continuous improvement, development, and diversity and inclusion.

Two action items from the Human Resources Divisional Plan were the development of an IDEA Plan and the IDEA EAC. The IDEA Plan and EAC recognized a need to identify opportunities for meaningful change inclusive of Indigenous peoples, minority communities, immigrants, persons with disabilities and the 2SLGBTQ+ community. They also recognized the social responsibility BCFMA has to collaborate with Indigenous Peoples and to advance reconciliation efforts in support of the B.C. Declaration on the Rights of Indigenous Peoples Act.

The IDEA EAC was established to raise awareness about accessibility and inclusion within BCFMA and to ensure that related changes in the workplace are driven by/for staff. The intent is for the EAC to identify accessibility, diversity, and inclusion barriers for individuals working in or interacting with the Agency, with a lens of continuous improvement. In support of the Accessible British Columbia Act, BCFMA actively seeks to identify, prevent, and remove barriers

by establishing accessibility standards, educating staff, and implementing supports based on experiences of persons with a diverse range of abilities.

BCFMA had several other employee-led initiatives. The Workplace Engagement Team organized staff events in support of team building and to raise morale. The Green Team coordinated efforts to reduce the Agency's impact on the environment, including lowering paper usage and fully transitioning to an environmentally friendly "sugar paper" alternative. Postage costs have now been reduced by 33 per cent over the past two years by transitioning many client letters to electronic messages.

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

Employees are provided with the skills and resources they need to be successful in the workplace, which supports job satisfaction, professional development, and contributes to the effective delivery of family maintenance services.

#### **Key results**

- BCFMA 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 staff participated in 2,496 hours of in-course training last year.
- BCFMA began developing a new employee Performance Development Plan tool.

#### **Summary of progress made in 2023/24**

Through the documentation of a divisional plan, BCFMA's human resources planning set goals and action items towards providing an inclusive, diverse and safe workplace, career growth and leadership development opportunities, and offering supports for health and well-being. During 2023/24, BCFMA enhanced employee skills and development by ensuring that staff were provided with the educational and training opportunities necessary to expand their foundational knowledge and to gain skills.

Through the offering of a diverse set of educational and development tools BCFMA has better positioned itself to attract and retain staff, as well as to allow staff to self-manage and enhance their delivery of services to the organization's diverse client groups. New learning opportunities in the areas of systemic discrimination, cultural awareness, being trauma informed, and mental health awareness were identified and delivered to all staff and going forward will be provided annually. These training sessions improved staff engagement practices in support of working towards reconciliation, recognizing trauma/mental health in our clients and how to avoid re-trauma of individuals and communities, and supporting client diversity. In alignment with supporting Indigenous clients, Indigenous cultural safety training helped to inform staff understanding of the barriers and challenges that B.C.'s First Nations parents experience when accessing family justice services.



Enhanced Agency-wide client-centric training opportunities provided in the topics of caseload management, ethics, privacy, and client interaction/managing difficult phone calls ensure that staff have the key communication skills needed to understand and support the specific and changing needs of clients. Specialized training was delivered by the B.C. Office of the Ombudsperson in the areas of administrative fairness and complaint resolution training to smaller cohorts to address specific educational needs. Several training offerings including public interest disclosure and base-level Gender-Based Analysis Plus training are delivered during new staff orientation to ensure that every BCFMA staff member has a common base level of knowledge in these subjects as soon as they begin their employment.

**Performance measure(s) and related discussion**

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[3a] Improve the Overall Employee Engagement workplace engagement score <sup>1</sup>	n/a	60	63

Data source: BCFMA

<sup>1</sup>PM [3a] targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as n/a and 62, respectively.

BCFMA’s WES provides a snapshot of the organization’s health and offers information in support of collaborative workplace change. A WES is a temperature check on the overall health of an organization, based on feedback from both union staff and executive/management/non-union staff.

Through a series of survey questions staff were asked to assess how motivated and engaged they were to perform their best at work each day. An assessment of the responses received provided scores that measured perceptions of several factors and produced an overall WES grade/engagement score. The scoring provides a base level for which to measure the impact of changes made to the workplace culture. Research says that engaged employees are more productive, less likely to leave an organization, and provide better service to clients.

BCFMA’s WES score improved from 58 in 2021 to 63 in 2023. The higher overall score supports the substantial efforts BCFMA made to address several key concerns that were identified in the 2021 WES. For example, BCFMA leadership worked closely with staff in action groups to develop mutually beneficial solutions in the areas of empowerment and recognition. Several issues relating to pay and benefit inequity raised by staff were addressed during the 2022/23 bargaining campaign, resulting in a 17-point increase to the Pay and Benefits driver. Staff continue to support BCFMA’s WES process, with over 80 per cent participating in last year’s survey.

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[3b] Develop and implement enhancements to the staff skills and development program that expand interpersonal skills and client-focused training (e.g. de-escalation training) <sup>1</sup>	Program Development 0% of staff trained	Implementation and evaluation 25% of staff trained	100% of staff trained

Data source: BCFMA

<sup>1</sup>PM [3b] targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 50% and 75% of staff trained, respectively.

Performance measure [3b] is deemed complete, with 100 per cent of staff trained. Over the last year BCFMA addressed gaps identified during skills and development program development to ensure that all staff have access to both organization-wide training opportunities and tailored/specific skills training. BCFMA provided tailored skills and training opportunities for staff to become educated, certified, and empowered, regardless of their classification within the organization. Enhanced and specific skills and training development ensures that BCFMA staff have the key abilities they personally need as they prepare to take on greater responsibility/advance their careers. Organizational-wide training on key subjects ensures consistency of our client support activities, which ensures consistency of family support and should ultimately lead to improved client and staff satisfaction, as well as contribute to overall organizational success.

During 2023/24, BCFMA began the next step of the Agency’s skills and development program, which is to develop Professional Development Plans (PDPs) for each staff member. PDPs will take training management a step further by ensuring employees’ specific professional development needs and career aspirations are met. Employee action plans for career-specific training, skills development, and experiential opportunities, will enable the organization to identify, provide and monitor growth opportunities for staff, and to ensure that these opportunities align with organizational goals, performance measures, and business needs.

## Financial Report

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

## Discussion of Results

BCFMA's financial results for the year ending March 31, 2024, 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 \$17.354 million and accounted for 81 per cent of spending during 2023/24. Facilities, including leases and building management costs for BCFMA's three office locations, are the second largest expenditure at \$2.144 million. In general, with higher inflation rates, the unit cost of items purchased by the Agency have increased over the last three years. Information Technology purchases and contractor rates have risen significantly. Travel, shipping, postage, paper per unit costs have all increased somewhat, lowering BCFMA's overall purchasing power. Higher interest revenues buoyed by higher-than-expected interest rates have off-set some of these higher costs. A strong expense management review process was utilized to control costs/minimize liabilities.

## Financial Summary<sup>1</sup>

(\$m)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
<b>Revenues</b>				
Provincial Transfers <sup>2</sup>	19.684	19.692	21.331	1.639
Interest	0.050	0.020	0.087	0.067
<b>Total Revenue</b>	<b>19.734</b>	<b>19.712</b>	<b>21.418</b>	<b>1.706</b>
<b>Expenses</b>				
Salaries and Benefits	15.676	15.777	17.354	1.577
Travel	0.087	0.093	0.099	0.006
Contracts	0.187	0.100	0.136	0.036
Information Technology	1.000	0.982	1.045	0.063
Office Expenses and Equipment	0.344	0.350	0.336	(0.014)
Facilities	2.023	2.080	2.144	0.064
Miscellaneous	0.354	0.330	0.304	(0.026)
<b>Total Expenses</b>	<b>19.671</b>	<b>19.712</b>	<b>21.418</b>	<b>1.706</b>
<b>Annual Surplus (Deficit)</b>	<b>0.063</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Debt</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Capital Expenditures</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Accumulated Surplus<sup>3</sup></b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

<sup>1</sup> The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>2</sup> Provincial transfers include \$0.366 million in federal flow-through funding.

<sup>3</sup> An accumulated deficit resulted during transition from ASPE to PSAS in 2019/20, which resulted in BCFMA taking a one-time non-cash transition expense related to the recognition of employee leave entitlements. This accumulated deficit was eliminated at the end of the 2022/23 fiscal.

## Variance and Trend Analysis

For 2023/24, BCFMA experienced a significant increase in operational revenue because of increased provincial government transfers to address shared recovery mandate/wage increases. Increases to Interest Revenue resulting from higher general interest rates also positively impacted BCFMA's revenues.

Operational costs are minimized through effective management and oversight of expenses. During 2023/24, savings were captured through several initiatives, including during negotiations with BCFMA's benefits provider, by changing telephone providers, and through lower usage of external legal counsel retainers. Many court proceedings historically attended by external legal counsel may now be conducted by BCFMA's in-house lawyers through the remote/virtual court system. Previous investments in employee health and well-being supports and services have also contributed to less leave liability.

Through a focused effort to reduce environmental impact and lower office expenses, business process re-designs and technical changes to BCFMA's form letters have resulted in significant less paper usage and postage spending. Last year saw a slight increase in Business and Technology Solutions spending on larger IT systems development planning including moving telephony to cloud technology and systems software licence updating.

## 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 [2021/22 Mandate Letter](#) and [2023 Mandate Letter](#). 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, facilities expense increases, costs associated with managing information such as 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 IM/IT systems development planning ensures strategic IT goals and objectives align with the vision and mission of the Agency. Planning and projecting build costs for the modernization/upgrading of BCFMA's legacy systems are underway. The Agency 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 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>Address the needs of recipients and payors as they cope with the fiscal impacts of COVID-19.</p>	<ul style="list-style-type: none"> <li>• Complete - Prior to the COVID-19 pandemic, BCFMA staff worked solely in an office environment, as the organization did not have the required infrastructure to support a comprehensive and safe remote work environment. BCFMA quickly shifted focus to enable changes to business processes that addressed multiple service delivery challenges and alter infrastructure, to allow staff to provide the enhanced services that families rely on.</li> <li>• Times during the COVID-19 pandemic were challenging due to high unemployment rates, reduced incomes and the general stress created by the pandemic. BCFMA worked with stakeholders and partners to align actions and policies during these unprecedented times, including pausing some enforcement activities and ensuring that Agency actions were reflective of BCFMA’s vision of supporting B.C. families.</li> </ul>
<p>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.</p>	<ul style="list-style-type: none"> <li>• Complete - BCFMA worked closely with the Ministry of Attorney General and the Crown Agencies and Board Resourcing Office to appoint three new Board members during September of 2023. The additional Board members improved Board diversity and enabled BCFMA to further define its role, authority, accountability, and transparency.</li> </ul>
<p>Establish a permanent and financially sustainable service delivery model for the BCFMA.</p>	<ul style="list-style-type: none"> <li>• Complete - A permanent financially sustainable service delivery model for BCFMA was established during 2021/22. Government’s commitment to BCFMA enabled the organization to further protect the interests of British Columbia’s most vulnerable populations.</li> </ul>

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Undertake consultations with First Nation communities and leadership to explore new service delivery models that contribute to reconciliation and support the <i>Declaration on the Rights of Indigenous Peoples Act</i>.</p>	<ul style="list-style-type: none"> <li>• In Progress – BCFMA has initiated an Indigenous service delivery project to create a trauma-informed, end-to-end service delivery model that is specific for First Nations clients. Indigenous clients are encouraged to bring an elder or a support person with them when meeting with BCFMA staff. A community liaison position created last year specifically to support Indigenous clients is currently enrolling up to 30 new Indigenous families directly into the Indigenous service delivery stream each month.</li> <li>• A further benefit of the Indigenous service delivery project includes increasing the number of annual outreach/education presentations BCFMA undertakes with communities and partner organizations such as Justice Access Centres that serve First Nations governments.</li> <li>• BCFMA programs support Indigenous and other cultural populations towards improving their standard of living. The Agency delivers programs in alignment with the Calls to Action of the Truth and Reconciliation Commission and the <i>B.C. Declaration on the Rights of Indigenous Peoples Act</i>. BCFMA's commitment to lasting and meaningful reconciliation is also demonstrated through Indigenous-specific training of staff, community recognition, and relationship building efforts.</li> </ul>

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Modernize BC Family Maintenance Agency business practices and service delivery levels to better meet the modern service needs of clients and enhance support of individuals and families.</p>	<ul style="list-style-type: none"> <li>• In Progress - Putting people first means being able to provide services to families as and when those services are needed, including to Indigenous and under-served client groups, in support of government's commitment to provide a sustainable and fair economy, affordability, and safer communities.</li> <li>• BCFMA's modernizing efforts as identified in BCFMA's strategic plan and divisional business plan are ensuring that operations, information technology including utilizing virtual courts, financial, legal, and human resources business areas have the appropriate systems, policies, and procedures in place to support modern client needs efficiently and effectively.</li> </ul>



## **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, 2024

## MANAGEMENT'S REPORT

### Management's Responsibility for the Financial Statements

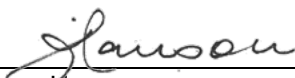
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, 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  
Chief Financial Officer

May 16, 2024



**KPMG LLP**

St. Andrew's Square II  
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, 2024
- the statement of operations and accumulated surplus (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, 2024, 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 16, 2024

# BC FAMILY MAINTENANCE AGENCY

## Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 748,913	\$ 393,086
Accounts receivable (note 2)	8,062	241,601
	<u>756,975</u>	<u>634,687</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 3)	500,755	448,586
Accrued employee benefits (note 4)	610,220	579,758
Obligations under capital lease (note 5)	-	18,033
	<u>1,110,975</u>	<u>1,046,377</u>
Net debt	<u>(354,000)</u>	<u>(411,690)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	35,803	93,741
Prepaid expenses	318,197	317,949
	<u>354,000</u>	<u>411,690</u>
Accumulated surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>

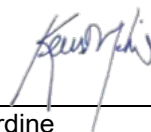
Trust fund (note 7)  
Contractual obligations (note 8)

See accompanying notes to financial statements.

Approved on behalf of the Board:



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



Kevin Jardine  
Director

# BC FAMILY MAINTENANCE AGENCY

## Statement of Operations and Accumulated Surplus (Deficit)

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 1(i))	2024	2023
Revenue:			
Provincial funding	\$ 21,116,000	\$ 21,116,144	\$ 19,468,985
Federal funding	215,000	215,000	215,000
Interest	66,341	86,556	50,363
	<u>21,397,341</u>	<u>21,417,700</u>	<u>19,734,348</u>
Expenses:			
Salaries and benefits	13,345,236	13,343,674	12,091,731
Operating benefits	2,494,107	2,617,109	2,283,779
Facilities	2,110,439	2,143,783	2,022,627
B&T solutions	1,042,695	1,044,806	999,875
Management benefits	698,486	661,282	600,010
Default fee salaries and benefits	400,000	400,000	400,000
Office expenses and equipment	319,369	335,537	343,846
Legal benefits	326,326	331,895	300,945
Contracts	178,470	135,930	187,389
Other costs	133,388	113,860	139,297
Amortization	118,630	59,555	110,755
Staff development	115,970	130,966	103,939
Travel	114,225	99,303	87,002
	<u>21,397,341</u>	<u>21,417,700</u>	<u>19,671,195</u>
Surplus for the year	-	-	63,153
Accumulated deficit, beginning of year	-	-	(63,153)
Accumulated surplus (deficit), end of year	\$ -	\$ -	\$ -

See accompanying notes to financial statements.



# BC FAMILY MAINTENANCE AGENCY

## Statement of Changes in Net Debt

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 1(i))	2024	2023
Surplus for the year	\$ -	\$ -	\$ 63,153
Acquisition of tangible capital assets	-	(1,617)	(33,346)
Amortization of tangible capital assets	118,630	59,555	110,755
	118,630	57,938	77,409
Acquisition of prepaid expenses	-	(736,240)	(693,011)
Use of prepaid expense	-	735,992	690,299
	-	(248)	(2,712)
Decrease in net debt	118,630	57,690	137,850
Net debt, beginning of year	(411,690)	(411,690)	(549,540)
Net debt, end of year	\$ (293,060)	\$ (354,000)	\$ (411,690)

See accompanying notes to financial statements.

# BC FAMILY MAINTENANCE AGENCY

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Surplus for the year	\$ -	\$ 63,153
Amortization	59,555	110,755
Net changes in non-cash operating working capital:		
Accounts receivable	233,539	(219,462)
Accounts payable and accrued liabilities	52,169	87,007
Accrued employee benefits	30,462	35,926
Prepaid expenses	(248)	(2,712)
	375,477	74,667
Capital activities:		
Acquisition of tangible capital assets	(1,617)	(33,346)
Financing activities:		
Capital lease payments	(18,033)	(87,742)
Increase (decrease) in cash and cash equivalents	355,827	(46,421)
Cash and cash equivalents, beginning of year	393,086	439,507
Cash and cash equivalents, end of year	\$ 748,913	\$ 393,086

See accompanying notes to financial statements.

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2024

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## **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, 2024

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## 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, 2024

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## 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 2023/2024 Budget forecast approved by the Board of Directors on June 5, 2023. The budget is reflected in the statements of operations and accumulated surplus (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:

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 are no asset retirement obligations recorded in these financial statements.

### (m) New accounting standards:

Effective April 1, 2023, the Agency adopted section 3400 *Revenue*. This standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement, and specifically, it addresses revenue arising from exchange transactions and non-exchange transitions. The authority performed a review of its existing revenues and noted no impact as a result of this new standard.

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2024

## 2. Accounts receivable:

	2024	2023
Funding from the Province of British Columbia	\$ -	\$ 228,985
GST receivable and other	8,062	12,616
	<u>\$ 8,062</u>	<u>\$ 241,601</u>

## 3. Accounts payable and accrued liabilities:

	2024	2023
Trade accounts payables	\$ 169,633	\$ 83,710
Other accrued liabilities	263,189	291,433
Salary and benefits payable	67,933	73,443
	<u>\$ 500,755</u>	<u>\$ 448,586</u>

## 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, 2024 the balance of this accumulated vacation was \$260,345 (2023 - \$280,174).

### (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, 2024 the balance of accumulated sick leave was \$349,875 (2023 - \$299,584).

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2024

## 5. Obligations under capital lease:

Capital lease obligations were repaid during the year. Interest expense of \$nil (2023 - \$1,682) related to the capital lease obligation was recorded in the current year.

## 6. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 123,369	\$ 87,566	\$ 35,803	\$ 93,741

Amortization expense of \$59,555 (2023 - \$110,755) was recorded in the current year, which includes \$28,806 (2023 - \$64,831) 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.

	2024	2023
Trust fund balance as of March 31	\$ 10,802,950	\$ 11,178,928
Trust liabilities as of March 31	(10,802,950)	(11,178,928)
	\$ -	\$ -

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2024

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## 8. Contractual obligations:

### (a) Premise leases:

The Agency has entered into leases expiring in March 2025, 2027 and 2030. Minimum lease payments and estimated operating costs are as follows:

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2025	\$ 2,037,927
2026	1,667,518
2027	1,675,505
2028	920,319
2029	924,518
Thereafter	928,758
	<hr/>
	\$ 8,154,545

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### (b) Equipment and service contracts:

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

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2025	\$ 28,882
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## 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 2024, the Agency contributed \$41,624 (2023 - \$46,284) 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, 2023, the Plan had approximately 71,000 active members and 55,000 retired members.



# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2024

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## 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, 2023 indicated a surplus of \$4,491 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in 2027. Contributions to the plan by the Agency totaled \$1,250,891 (2023 - \$1,128,269) 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 2023.