

# **BC Family Maintenance Agency**

## **2021/22 Annual Service Plan Report**

**August 2022**



**BC Family  
Maintenance  
Agency**

For more information on the BC Family Maintenance Agency contact:

BC Family Maintenance Agency  
PO Box 9226, Stn Prov Govt  
Victoria, BC V8W 9J1

250-220-4040

Or visit our website at

[www.bcfma.ca](http://www.bcfma.ca)

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## Board Chair's Accountability Statement



The BC Family Maintenance Agency *2021/22 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2021/22 – 2023/24 Service Plan* created in April 2021. The Board is accountable for those results as reported.

A handwritten signature in blue ink, appearing to read 'R. Fyfe', written over a horizontal line.

Richard J.M. Fyfe, QC  
Board Chair  
July 27, 2022

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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 2021/22 fiscal year.

BCFMA successfully delivered on its mandate to serve the people of British Columbia by administering support payment services to recipients and payors despite challenges created by the COVID-19 pandemic. Accountable for strong public sector governance and engagement with other providers while recognizing continuity of client service, the organization continued to put people first. BCFMA provided the supports most needed by recipients, while instilling a renewed focus of building better relationships with the payors who make support payments. A permanent financially sustainable service delivery model for BCFMA was also established and showed government's commitment to protecting the interests of British Columbia's most vulnerable populations.

For most of the families receiving support payments the monthly amounts received provide an important contribution to their net income, often accounting for one-quarter of their monthly earnings. For those single parent families who typically live on annual incomes of \$40,000 or less, the contribution resulting from BCFMA's role is significant. Facilitation of support payments produces better economic circumstances for British Columbia's children and their families. BCFMA is one of the Province's most effective supports to combat child poverty, with services both provisioning a strong sustainable economy and helping the Province to meet the TogetherBC/British Columbia's Poverty Reduction Strategy target of a 50 percent reduction in the child poverty rate by 2024.

With a "putting people first approach", BCFMA was able to update many operational practices and procedures to better support client access to services supplemented with a focus on client-centric staff training and development. With a commitment towards meaningful reconciliation, BCFMA conducted outreach information sessions with Indigenous Family Law students and advocacy associations in order to build relationships and to further develop a shared understanding of support programs. Opportunities were thus created for Indigenous stakeholders to provide feedback and offer suggestions for improvement. Internally, BCFMA provided Indigenous-facilitated awareness and intercultural training to staff to promote cultural safety and awareness in support of our Equity, Diversity and Inclusion planning activities.

BCFMA focused on developing opportunities to build a positive work environment while also combatting climate change. Human resources recruitment and onboarding/orientation process redesign created a more positive work environment while improving accessibility and equity for both internal and external job applicants. BCFMA also demonstrated a strong commitment to climate change by working with a climate training and certification advisor, implementing significant business process redesign and paper reduction measures, enabling staff-driven recycling/waste reduction strategies, and by initiating a Green Team to develop and promote best practices across the organization.

A first ever Work Environment Survey (WES) for BCFMA was conducted in June of 2021. The WES identified several key factors or drivers to be addressed to enhance the BCFMA workplace. Workplace engagement action teams led by staff reviewed the drivers and identified successes to

leverage and opportunities for improvement. Action team results included a need for further development of the organization's provincial-focused model, improvement of professional relationships within the organization, and the development of a more inclusive work environment. Dedicated leadership training supported managers in their roles of leading and supporting staff towards success, and an updated training and development plan built internal talent capacity and ensured that key career skills and abilities development opportunities were provided to all staff.

Technological advancement and business process re-engineering continued to be a key contributor towards moving BCFMA forward. Cross-component working groups allowed BCFMA to address several key internal business challenges during the year, seen as key for both understanding our business in today's society as we move forward towards modernization, accessibility, and connectivity of services for our clients.

By displaying flexibility while meeting a shifting family support landscape and by addressing the many challenges brought on by the COVID-19 pandemic the BCFMA Board of Directors and Executive Team are very proud of how our organization and staff demonstrated innovation, addressed adversity, and managed change during 2021/22.

Richard J.M. Fyfe, QC



Board Chair, BCFMA  
July 27, 2022

Joanne Hanson



Chief Executive Officer, BCFMA  
July 27, 2022

## **Purpose of the Annual Service Plan Report**

The Annual Service Plan Report is designed 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, the Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

## **Purpose of the Organization**

Under the authority of the [Family Maintenance Enforcement Act](#) (FMEA), the [BC Family Maintenance Agency](#) (BCFMA) is dedicated to assisting families with the administration of their maintenance to ensure British Columbia's children and families receive the financial support that they are entitled to under provincial and federal law. Reporting to the Ministry of Attorney General, BCFMA has developed and continues to build a foundation for services that are predictable, sustainable and able to change and expand as required.

BCFMA operates the [BC Family Maintenance Enforcement Program](#) (FMEP) and is the delegated authority responsible for the monitoring, facilitation and enforcement of court ordered maintenance orders and agreements through its three offices in Burnaby, Kamloops and Victoria. BCFMA is a publicly funded, not for profit service that has been one of Canada's most successful family support services over the past 30 plus years. BCFMA operations include receiving support payments from the person required to pay maintenance (the payor) and disbursing that money to the person entitled to maintenance (the recipient). Many payors make their payments voluntarily, however the program often must take administrative enforcement measures and/or return matters to the courts. Most of the families in receipt of support are of low or modest incomes, and the monthly amounts received provide an important and growing amount of their disposable income. Since inception, over \$4.7 billion in child and spousal support payments have been collected and disbursed through the program with an average of \$217 million per year over the past three years.

Delivered under the FMEA, BCFMA is modernizing and improving accessibility and connectivity with clients through improved service delivery efficiency and effectiveness, outreach with communities, and through tactical improvements to information technology infrastructure systems. BCFMA's vision is to ensure healthy and thriving families achieve their full potential and secure the best possible future for their children. BCFMA's mission is to ensure British Columbians who experience separation or divorce are supported in achieving and maintaining the best financial outcomes for their family.

## **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 [2021/22 BC Family Maintenance Agency Service Plan](#) as well as actual results reported on in this annual report.

## Operating Environment

BCFMA puts people first by ensuring recipients receive the support payments to which they are entitled, contributing to financial stability and security for approximately 34,000 British Columbia families each year. As an integral component of British Columbia's poverty reduction initiative, BCFMA 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 disburses \$11 for each \$1 applied to program costs in British Columbia, easily making the organization one of the top performing maintenance support jurisdictions in North America.

COVID-19 continued to impact BCFMA operations during 2021/22. How payments were collected changed during the year as many payors returned to employment, resulting in electronic payments from payors and employers increasing by 6.6 percent and 35.1 percent respectively. A standardized remote work hybrid model/policy was implemented and a quality assurance framework was initiated to ensure the integrity of operations. In response to the changing work environment, BCFMA continued to enhance collaboration platforms to improve the quality and effectiveness of business processes and procedures, client interactions and internal communication. Laptop computers and virtual boardrooms replaced outdated technology and ensured staff had the proper business tools in place to be successful. Ongoing virtual court and Provincial Health Officer restrictions impacted travel for the better part of the year with overall travel being less than pre-pandemic levels. A systems-thinking approach was applied to centralize and standardize a provincial service delivery model and approach that leveraged human capital and technology to support better outcomes and optimize resources.

Leveraging internal end to end ownership and control of organizational information technology has historically allowed BCFMA to remain flexible and efficient when responding to the changing needs of clients and staff. BCFMA was the first family support program in Canada to provide an interactive client facing website. The organization continued to benefit through focused technology investment. BCFMA programs were made more accessible and easier to use during 2021/22 through the advancement of a prototype BCFMA mobile app and by implementing online enrolment. Internally, the organization responded to security, environmental and communications challenges by implementing multi-factor authentication, continuing with a conversion to a cloud network, and by re-engineering business processes towards digitization of communications and records management.

BCFMA understands the importance of outreach with clients and partner organizations. With an appreciation of inclusivity and equity and through relationship-building specifically with Indigenous populations, the organization is better able to begin to understand and support the diverse needs of our clients. BCFMA enhanced our support for the Truth and Reconciliation Commission of Canada: Calls to Action last year by providing Indigenous training activities for staff and by working with First Nations bands during outreach activities.



The value of teamwork and cooperation was also recognized with international partner providers. In March of 2022 British Columbia was the first Canadian jurisdiction to pass into law, support for an international multilateral treaty that established processes for changing, recognizing and enforcing family support orders and agreements when parents reside in different countries. By working closely with international partner agencies the BCFMA Interjurisdictional Support Order Team collects (and redistributes to British Columbia families) approximately \$18.5 million per year from those living abroad.

British Columbia's economic recovery strengthened in 2021. B.C.'s real GDP growth of 6.2 per cent was the second highest among provinces (behind Prince Edward Island), following a contraction of 3.4 per cent in 2020. Growth in B.C.'s real GDP was mostly driven by service-producing industries such as real estate, rental and leasing, healthcare and social assistance, and professional, scientific and technical services. Goods-producing industries also experienced growth with gains in most sectors, led by mining, quarrying and oil and gas extraction. While B.C.'s recovery broadened in 2021, it remained uneven as sectors such as accommodation and food services, and arts, entertainment and recreation have yet to fully recover to pre-pandemic levels. B.C.'s labour market strengthened in 2021, with employment growth of 6.6 per cent while wages and salaries increased by 11.3 per cent. Consumer spending on goods remained at elevated levels and nominal retail sales posted overall growth of 12.6 per cent. Meanwhile, inflation grew throughout the year and increased by 2.8 per cent on an annual basis, largely due to supply-chain disruptions, resilient demand for goods and services, and high energy prices. Residential construction activity reached a record high in 2021, with housing starts increasing by 25.6 per cent. At the same time, home sales also reached a record high in 2021 while the average home sale price saw double-digit increases. On the external front, B.C.'s international merchandise exports grew by 36.0 per cent, reflecting a combination of the recovery in global demand and higher commodity prices amid impacts from the B.C. floods and landslides in November 2021.

## Report on Performance: Goals, Objectives, Measures and Targets

### Goal 1: Provide effective and efficient enforcement services for British Columbians

The BCFMA will continue to provide a high level of service to clients. The Agency will ensure service levels are maintained and/or enhanced during British Columbia’s response to COVID-19.

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

#### Key Highlights

- Over 1.3 million visits to BCFMA websites were made; over 131,000 inbound calls and over 100,000 inbound web messages were addressed by BCFMA staff.
- Over 450,000 payment transactions were completed in support of the 50,000 children enrolled in BCFMA programs.
- BCFMA legal counsel and retained counsel were referred 441 new court actions (e.g. default hearings, committal hearings, etc.) and concluded 363 existing court actions during 2021/22.
- Improvements to program accessibility were achieved by implementing the initial stages of online enrolment, which will make enrolling in BCFMA programs significantly easier/more efficient.

Performance Measures	2012/13 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.1a Child and family support payments recovered per case through the Family Maintenance Enforcement Program <sup>1</sup>	\$5,053	\$6,293	\$6,300	\$6,628	\$6,400	\$6,500
1.1b Telephone call response time – in minutes:seconds (industry standard is less than three minutes) <sup>1</sup>	1:00	2:03	2:30	3:34	2:30	2:30
1.1c Web message response time – in days (internal standard for the program is less than two business days) <sup>2</sup>	0.75	1.22	1.0	1.85	1.0	1.0

<sup>1</sup>Data Source: FMEP Key Indicator Report. This performance measure was replaced in the [2022/23 BCFMA Service Plan](#).

<sup>2</sup>Data Source: FMEP Key Indicator Report. 1.0 = one business day. This performance measure was replaced in the [2022/23 BCFMA Service Plan](#).

### Discussion of Results

1.1a This performance measure is a calculation of the total value of support payments collected over the total caseload (note: total caseload excludes cases where the only amount

owed by the payor is outstanding court fees, penalties or default fees, as these fees are not paid to the recipient). Child and family support payments recovered per case increased from \$6,293 per case in 2020/21 to \$6,628 per case during 2021/22, exceeding the target of \$6,300 per case. The value of support payments collected by BCFMA rose to \$221.3 million (the most ever in a single year), an increase of 2.9 percent over the previous year.

How BCFMA collected support payments changed considerably in 2021/22. During the initial phases of the COVID-19 pandemic many people stopped working and BCFMA began intercepting a greater percentage of federal government supports (employment insurance and GST payments). 2021/22 saw many people return to work, and with greater employment the source of payments changed. Federal funds collections fell dramatically and instead many more payors were able to make support payments on their own. The receipt of federal monies fell by 32.4 percent, or by \$10 million, compared to the previous year.

1.1b An average telephone call response time of three minutes and 34 seconds was achieved over the 2021/22 fiscal year, which was one minute beyond the two minutes and 30 seconds target. BCFMA's Enquiry Representative (ER) staff are cross-trained to address both telephone calls and web enquiries. These entry level positions historically have high turnover even though they require a high knowledge-base that necessitates considerable in-person peer to peer training to be successful (made more difficult by safety plan requirements during the COVID-19 pandemic). ERs normally take seven to 12 weeks to become fully trained (i.e. before being able to work solely on their own).

A combination of low unemployment in British Columbia, competition from other employers for similar positions, and the unique traits of the position resulted in recruitment challenges for much of the year. The organization averaged 71 percent of expected FTE counts (16.4 of a base expectation of 23 ER staff) during 2021/22. At year-end 47 percent of the existing ER staff had been in their role for less than one year.

To address recruitment and training challenges BCFMA made several changes mid-year. A Training Working Group reconfigured the training process to include more virtual training and a greater alignment of potential candidates with the complementary skill sets necessary for success at the position was implemented into recruitment practices. As a result of these changes BCFMA became more successful supporting new hires and new ERs were becoming operationally independent over a shorter training timeframe.

1.1c ER staffing attrition due to retirements, promotions, and training time requirements affected web message response times, which rose from 1.22 days to respond during 2020/21 to 1.85 days to respond in 2021/22. BCFMA staff sent 95,495 web message responses during 2021/22, down from 110,947 web messages sent during 2020/21 (a 13.9 percent decrease). Business process/policy re-development was accountable for some of the decrease in the number of messages sent as BCFMA addressed several inefficiencies. For example, a policy was removed that had previously required staff to respond to all messages, even when a client provided a message that didn't require a response (e.g. "thank you for the information provided").

## Goal 2: Ensure BCFMA’s services support the needs of individuals and families

Work collaboratively with service delivery partners, including the Ministry of Attorney General, affected ministries, and relevant stakeholders, to determine opportunities to better meet the needs of low-income individuals and families for support and enforcement.

### Objective 2.1: Raise awareness of BCFMA mandate and strengthen relationships with FMEP participants and stakeholders

#### Key Highlights

- Revised/updated BCFMA’s strategic direction to more accurately capture changes to the organization’s strategic challenges and opportunities.
- Coordinated outreach with several Indigenous service delivery partners to facilitate collection and disbursement of support payments to Indigenous clients.
- Worked closely with major financial institutions to address improvements to banking sector client service/supports.

Performance Measures	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.1a Agency completes/updates its multi-year strategic plan <sup>1</sup>	100%	100%	100%	100%	100%
2.1b Increase the number of recipients on income assistance enrolled in FMEP <sup>2</sup>	n/a	6%	n/a	7%	8%

<sup>1</sup>Data source: BCFMA. This performance measure was replaced in the [2022/23 BCFMA Service Plan](#).

<sup>2</sup>Data source: BCFMA. This performance measure was replaced in the [2022/23 BCFMA Service Plan](#).

#### Discussion of Results

2.1a BCFMA continued to apply its 2021-2024 Strategic Framework, including all of the organization’s existing vision, mission, goals, and objectives, to its strategic direction during 2021/22. The organization identified and applied three new main themes to capture the latest strategic opportunities and challenges going forward. Accessibility, modernization, and connectivity were recognized during the year as best reflecting BCFMA’s renewed direction in support of providing clients with updated, client-centric/specific, and inclusive customer supports and service.

2.1b Performance measure 2.1b was expected to demonstrate how BCFMA activities increased enrolment in active income assistance cases utilizing family support programs. When the performance measure was originally considered it was understood that the data required for the measure was an accurate match with a third party source provider and that it would be available. However, BCFMA conducted a further review of the databases involved and determined that the two sources were not compatible to accurately report out on this performance measure and the organization was not able to interface with the third party to meet this need. The performance measure has subsequently been retired. BCFMA has engaged with the

Ministry of Social Development and Poverty Reduction and the Ministry of Attorney General to review alternative methods to assess support for income assistance recipients and to inform the development of outreach services with potential clients.

**Goal 3: Develop and maintain a responsive and resilient organization**

Establish a governance framework to deliver the mandate of the BCFMA while reviewing opportunities to maintain a healthy workplace environment, in consultation with the Minister of Attorney General.

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

**Key Highlights**

- Conducted BCFMA’s first Work Environment Survey (WES) and piloted staff-led work environment action groups. Initiated a work environment action plan to unpack WES results, develop options/recommendations, and implement solutions towards improving empowerment, recognition, professional development, respectful environment, and executive/supervisory-level management at the workplace.
- Rolled out 1:1 management/staff discussion sessions in support of encouraging respectful conversations, providing stronger onboarding practices, and creating work environment supports.
- Initiated staff-led Workplace Engagement (WE) Action Teams to build relationships and teamwork between BCFMA’s three offices in support of a new provincial model.
- Organizational structure was reviewed/assessed and re-designed to ensure that the organization has the right resources in the right place. Attrition and retention were reviewed and recruitment, orientation and staff development practices were re-engineered (in tandem with business needs) to improve hiring and training outcomes and generate position accessibility and stability.
- Individual office Occupational Health and Safety leads were unified through the creation of a provincial model to uniformly address COVID-19 orders, ensure a full complement of first aid wardens, and update corporate emergency response and business continuity planning.

Performance Measure	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.1a An employee engagement survey has been completed <sup>1</sup>	n/a	100%	100%	n/a	100%

<sup>1</sup>Data Source: BCFMA. This performance measure was replaced in the [2022/23 BCFMA Service Plan](#).

**Discussion of Results**

3.1a A work environment survey provides a snapshot of an organization’s health and offers information in support of collaborative change. Workplace engagement is a shared accountability that informs future activities and practices in a workplace. Research says that engaged employees are more productive, less likely to leave an organization, and provide better service to clients.

BCFMA’s first WES was available to staff during June/July of 2021 and 85 percent of staff participated. Action teams were initiated allowing for staff engagement through focus groups.

Successes were recognized, concerns to be addressed were identified, and viable solutions in alignment with staff feedback and company goals/values were developed and implemented. Immediately realized benefits attributed to this effort included greater staff innovation and collaboration at work, improved business and client outcomes, and stronger societal (ethical and environmental) impacts. A BCFMA WES will be conducted every two years.

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

**Key Highlights**

- Updated the corporate skills and training development plan to focus on Indigenous acknowledgement, resiliency at work, mental health support, bullying and harassment, and client service training and development opportunities.
- Implemented a virtual work hybrid model/policy to leverage technology, promote consistency of practice, standardize training, and provide improved staff development/support.
- Provided internal (coaching, mentoring, and resume development support for existing staff) and recruitment support to set all job applicants up for success. New guidance included 1:1 support (reviewing behavioural competencies and coaching strategies), and updated orientation practices.

Performance Measure	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.2.a Implement a staff skills and training development program that includes two mental health training opportunities each year <sup>1,2</sup>	n/a	100%	100%	100%	100%

<sup>1</sup>Data Source: BCFMA. This performance measure was replaced in the [2022/23 BCFMA Service Plan](#).

<sup>2</sup>Performance measure was referenced with incorrect identifiers in the [2021/22 BCFMA Service Plan](#).

**Discussion of Results**

3.2a An updated corporate skills and training development plan informed by a skills assessment identified specific training strategies and activities needed to achieve desired learning outcomes for all staff, while aligning with BCFMA’s mandate. Training resources were identified based on a variety of considerations including cost, benefit to clients, benefit to employee professional development and career planning, and benefit to BCFMA. Indigenous acknowledgement and awareness training and discussion, resiliency at work, mental health awareness, and bullying and harassment training opportunities addressed generic skills and completion was required by all employees.

BCFMA delivers training (and all organizational programs) in alignment with the [Calls to Action of the Truth and Reconciliation Commission](#) and the [United Nations Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#). The COVID-19 pandemic specifically has had a significant negative impact on exposed populations, including Indigenous women, who are over-represented as receivers of family support payments. Externally, BCFMA has shown a commitment to

meaningful reconciliation by conducting outreach information sessions with Indigenous students and advocacy associations, and by providing opportunities for Indigenous stakeholders to offer feedback and suggestions for organizational improvement. The Chief Executive Officer has engaged with provincial Maintenance Enforcement Programs and federal counterparts to share best practices in support of reconciliation. Internally, a Cultural Safety Team Program Specialist from the Ministry of Social Development and Poverty Reduction provided Indigenous-facilitated awareness and intercultural training to staff to promote cultural safety and awareness in support of Equity, Diversity and Inclusion planning activities. Outcomes from this training included socializing UNDRIP themes and principles during staff meetings and an increase in employee uptake of leading territorial acknowledgements at the beginning of meetings.

Specialized client service and other role-based training and development opportunities were offered to provide staff with the specific tools and resources needed to perform their jobs accurately and effectively. For example, at the end of the 2021/22 fiscal BCFMA began offering to employees the nationally recognized Institute for Citizen-Centred Service training program. The Certified Service Professional and Certified Service Manager self-directed learning platforms provided staff with a learning and development opportunity created specifically for public sector service delivery professionals.

The focus of the new service delivery training program has been to enable staff with improved client-focus and inter-personal skills that better represents the client-centric strategic direction of the organization. The training model provides an opportunity for staff to become educated, certified, and empowered, regardless of the classification they are currently at within the organization. An immediate outcome of this educational opportunity has been several staff being able to take on developmental roles within the organization.



## Financial Report

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

## Discussion of Results

BCFMA's financial results for the year ending March 31, 2022 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 \$15.237 million and accounted for 79.6 percent of budgeted spending during 2021/22. Facilities (including leases and building management costs for BCFMA's three office locations) are the second largest expenditure at \$2.047 million. Spending on these items did not change remarkably from 2020/21. Travel costs remained below historical levels due to the impacts of COVID-19.

BCFMA closed out the 2021/22 fiscal year, our third year of operation, in a positive position. A net income (surplus) of \$132,527 was achieved through an enhanced focus on comprehensive budget management and fiscal responsibility and an emphasis towards building internal talent/capabilities to meet business needs. These activities contributed to improving the organization's financial accountability and reduced a reliance on work conducted by outside contractors. Enhanced expense management processes and leave management strategies were very effective to both educate staff on financial responsibilities and reduce leave liability.

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 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). As a result BCFMA had been reporting since transition an accumulated deficit of \$195,680. After applying this year's surplus the remaining accumulated deficit of \$63,153 will be addressed in the coming years.

**Financial Summary<sup>1</sup>**

<b>\$ millions</b>	<b>2020/21 Actual</b>	<b>2021/22 Budget</b>	<b>2021/22 Actual</b>	<b>2021/22 Variance</b>
<b>Revenue</b>				
Provincial Transfers	18.925	19.140	19.140	0.000
Interest Revenue	0.000	0.000	0.006	0.006
<b>Total Revenue</b>	<b>18.925</b>	<b>19.140</b>	<b>19.146</b>	<b>0.006</b>
<b>Expenses</b>				
Salaries & Benefits	15.157	15.423	15.237	(0.186)
Travel	0.018	0.040	0.025	(0.015)
Contracts	0.377	0.150	0.138	(0.012)
Information Technology	0.680	0.723	0.870	0.147
Office Expenses & Equipment	0.402	0.350	0.382	0.032
Facilities	2.052	2.150	2.047	(0.103)
Miscellaneous	0.148	0.304	0.314	0.010
<b>Total Expenses</b>	<b>18.925</b>	<b>19.140</b>	<b>19.013</b>	<b>(0.127)</b>
<b>Net Income</b>	<b>0.000</b>	<b>0.000</b>	<b>0.133</b>	<b>0.133</b>
<b>Total Liabilities/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>0.200</b>	<b>0.000</b>	<b>0.000</b>
<b>Accumulated Surplus (Deficit)<sup>2</sup></b>	<b>(0.196)</b>	<b>(0.196)</b>	<b>(0.063)</b>	<b>0.133</b>

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

**Note 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 2021/22 BCFMA experienced a slight increase in operational revenue, primarily as a result of increased provincial government transfers related to ensuring the uninterrupted delivery of services to vulnerable families.

Operational costs decreased significantly due to effective management and oversight of expenses, including minimized spending on contracted services through strong corporate governance and internal talent development. BCFMA made a concerted effort during fiscal 2021/22 to encourage staff to utilize their leave by providing personal wellness education and support. Accrued vacation leave liability was subsequently reduced as accumulated vacation days were taken by employees.

By utilizing existing communication technology developed during the onset of the COVID-19 pandemic cost savings continued to be realized through reduced business travel and alternative service delivery mechanisms. A reduction in office expenses and equipment spending was experienced as business process re-designs and a centralized model of supply management resulted in less paper usage and postage. The majority of the organization's business and technology solutions spending accounted for 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 2022/23 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, cost associated with managing information (e.g. digital strategies, cyber security), 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 and capabilities, developing innovative program partnerships, improving program delivery, and by working with partners to explore business development opportunities.

BCFMA continues to monitor a risk related to human resources/leave liability tracking systems, as the organization operates on legacy systems that are only minimally supported. These business critical systems support payroll, recruitment, leave and benefit administration, and human resource management. Current processes include some paper-based and/or manual data collection, lack integration with other management systems, and require substantially more effort than would be normally acceptable to support. BCFMA needs to mitigate the business continuity risks associated with aging systems/processes by placing considerable effort into the operational procedures that would be required to promptly restore critical functions in the event of a natural disaster or business (e.g. labour) disruption.

## Appendix A: Additional Information

### Organizational Overview

Under the authority of the *Family Maintenance Enforcement Act* (FMEA), the [BC Family Maintenance Agency](#) (BCFMA) is dedicated to assisting families with the administration of their maintenance to ensure British Columbia's children and families receive the financial support that they are entitled to under provincial and federal law. Reporting to the Ministry of Attorney General, BCFMA has developed and continues to build a foundation for services that are predictable, sustainable and able to change and expand as required.

Board of Directors: <https://www.bcfma.ca/about-us/board-of-directors/>  
Statutes and Regulations: <https://www.bcfma.ca/about-us/statutes-and-regulations/>  
Corporate Reporting: <https://www.bcfma.ca/about-us/reporting/>

### Corporate Governance

BCFMA operates the [BC Family Maintenance Enforcement Program](#) (FMEP) and is the delegated authority responsible for the monitoring, facilitation and enforcement of court ordered maintenance orders and agreements. Delivered under the FMEA, BCFMA is modernizing and improving accessibility and connectivity with clients through improved service delivery efficiency and effectiveness, and through tactical improvements to information technology infrastructure systems.

BCFMA's vision is to ensure healthy and thriving families achieve their full potential and secure the best possible future for their children. BCFMA's mission is to ensure British Columbians who experience separation or divorce are supported in achieving and maintaining the best financial outcomes for their family. BCFMA offices are located in Burnaby, Kamloops and Victoria.

Home Page: <https://www.bcfma.ca/>  
About Us: <https://www.bcfma.ca/about-us/>  
Family Maintenance Enforcement Program: <https://www.fmep.gov.bc.ca/about-the-program/>

### Contact Information

For more information on BC Family Maintenance Agency please contact:

BC Family Maintenance Agency  
PO Box 9226, Stn Prov Govt  
Victoria, BC V8W 9J1  
250-220-4040  
[bcfma@bcfma.ca](mailto:bcfma@bcfma.ca)

Or visit our website at [www.bcfma.ca](http://www.bcfma.ca)

## **Appendix B: Auditor's Report and Audited Financial Statements**

Financial Statements of

**BC FAMILY MAINTENANCE AGENCY**

And Independent Auditors' Report thereon

Year ended March 31, 2022

## 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 16, 2022



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 AUDITORS' 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, 2022
- 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, 2022, 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 "***Auditors' 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.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, 2022

# BC FAMILY MAINTENANCE AGENCY

## Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 439,507	\$ 347,537
Accounts receivable (note 2)	22,139	131,022
	<u>461,646</u>	<u>478,559</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 3)	361,579	252,586
Accrued employee benefits (note 4)	543,832	710,177
Obligations under capital lease (note 5)	105,775	193,517
	<u>1,011,186</u>	<u>1,156,280</u>
Net debt	<u>(549,540)</u>	<u>(677,721)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	171,150	279,208
Prepaid expenses	315,237	202,833
	<u>486,387</u>	<u>482,041</u>
Accumulated deficit	<u>\$ (63,153)</u>	<u>\$ (195,680)</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, Q.C.  
Chair

  
\_\_\_\_\_  
Kevin Jardine  
Director

# BC FAMILY MAINTENANCE AGENCY

## Statement of Operations and Accumulated Deficit

Year ended March 31, 2022, with comparative information for 2021

	Budget (note 1(j))	2022	2021
Revenue:			
Operational revenue	\$ 18,233,000	\$ 18,233,000	\$ 17,912,000
Default fee collection	400,000	400,000	400,000
Federal funding	215,000	216,000	224,450
CCSS project	144,000	144,000	144,000
Additional funding	-	-	121,855
Telecommunication transfer	116,000	116,000	87,377
Trust fund reimbursement	25,000	24,000	17,640
Interest revenue	6,200	6,008	10,472
Funding for ISO web support	7,000	7,000	7,000
	19,146,200	19,146,008	18,924,794
Expenses:			
Salaries and benefits	12,000,000	11,841,508	11,844,645
Facilities	2,150,000	2,046,709	2,052,285
Operating benefits	2,162,160	2,142,695	2,024,193
B&T solutions	723,200	869,987	679,977
Management benefits	560,040	555,807	603,398
Office expenses and equipment	350,000	382,415	402,410
Default fee salaries and benefits	400,000	400,000	400,000
Contracts	150,000	138,181	376,645
Legal benefits	300,800	297,277	285,160
Other costs	100,000	96,647	79,069
Staff development	100,000	109,046	90,640
Amortization	110,000	108,059	68,520
Travel	40,000	25,150	17,852
	19,146,200	19,013,481	18,924,794
Surplus for the year	-	132,527	-
Accumulated deficit, beginning of year	(195,680)	(195,680)	(195,680)
Accumulated deficit, end of year	\$ (195,680)	\$ (63,153)	\$ (195,680)

See accompanying notes to financial statements.

# BC FAMILY MAINTENANCE AGENCY

## Statement of Changes in Net Debt

Year ended March 31, 2022, with comparative information for 2021

	Budget	2022	2021
	(Note 1(j))		
Surplus for the year	\$ -	\$ 132,527	\$ -
Acquisition of tangible capital assets	-	-	(58,700)
Amortization of tangible capital assets	110,000	108,059	68,520
	110,000	108,059	9,820
Acquisition of prepaid expenses	-	(784,707)	(160,778)
Use of prepaid expense	-	672,302	231,431
	-	(112,405)	70,653
Decrease in net debt	110,000	128,181	80,473
Net debt, beginning of year	(677,721)	(677,721)	(758,194)
Net debt, end of year	\$ (560,721)	\$ (549,540)	\$ (677,721)

See accompanying notes to financial statements.

# BC FAMILY MAINTENANCE AGENCY

## Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Surplus for the year	\$ 132,527	\$ -
Amortization	108,058	68,520
Net change in non-cash operating working capital:		
Accounts receivable	108,883	72,087
Accounts payable and accrued liabilities	108,993	(339,105)
Accrued employee benefits	(166,345)	(31,618)
Prepaid expenses	(112,405)	70,653
	<u>179,712</u>	<u>(159,463)</u>
Capital activities:		
Acquisition of tangible capital assets	-	(58,700)
Financing activities		
Capital lease payments	(87,742)	(65,806)
Increase (decrease) in cash and cash equivalents	91,970	(283,969)
Cash and cash equivalents, beginning of year	347,537	631,506
Cash and cash equivalents, end of year	<u>\$ 439,507</u>	<u>\$ 347,537</u>
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, 2022

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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.

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

(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.

(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.



# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

(h) Employee future benefits:

The Agency and its employees make contributions to a defined contribution plan that provides benefits to its employees. These contributions 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.

(i) Budget figures:

Budget figures have been provided for comparative purposes and have been derived from the Agency's Fiscal 2021/2022 Budget forecast approved by the Board of Directors on June 15, 2021. The budget is reflected in the statement of operations and accumulated deficit.

(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.

## 2. Accounts receivable:

	2022	2021
Funding from the Province of British Columbia	\$ 12,325	\$ 128,478
GST receivable and other	9,814	2,544
	<u>\$ 22,139</u>	<u>\$ 131,022</u>

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

### 3. Accounts payable and accrued liabilities:

	2022	2021
Trade accounts payables	\$ 86,507	\$ 97,998
Other accrued liabilities	211,653	85,983
Salary and benefits payable	63,419	68,605
	<u>\$ 361,579</u>	<u>\$ 252,586</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). In fiscal 2021, this maximum carry forward was extended on a one-time basis for an additional five days of leave for each employee in response to high vacation balances due to travel restrictions in place as a result of COVID-19. As at March 31, 2022 the balance of this accumulated vacation was \$269,787 (2021 - \$464,570).

(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, 2022 the balance of accumulated sick leave was \$274,045 (2021 - \$245,607).

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

## 5. Obligations under capital lease:

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

2023	\$	87,742
2024		21,936
Total minimum lease payments		109,677
Less amounts representing interest		3,902
Present value of net minimum capital lease payments		\$ 105,775

Interest expense of \$3,762 (2021 - \$4,252) related to the capital lease obligation was recorded in the current year.

## 6. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 347,728	\$ 176,578	\$ 171,150	\$ 279,208

Amortization expense of \$108,058 (2021 - \$68,520) was recorded in the current year, which includes \$68,334 (2021 - \$57,627) 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.

	2022	2021
Trust fund balance as of March 31	\$ 9,736,540	\$ 9,005,563
Trust liabilities as of March 31	(9,736,540)	(9,005,563)
	\$ -	\$ -

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

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## 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:

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2023		\$ 2,068,315
2024		1,680,341
2025		1,688,163
2026		1,696,062
2027		1,704,041
Thereafter		2,854,116
		<hr/>
		\$ 11,691,038

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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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2023	\$	\$ 28,882
2024		28,882
2025		28,882
		<hr/>
		\$ 86,646

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# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

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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 2022, the Agency contributed \$53,788 (2021 - \$52,641) 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 64,000 active members and 51,000 retired members.

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 \$1,068,350 (2021 - \$1,065,756) 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.

# BC FAMILY MAINTENANCE AGENCY

Notes to Financial Statements

Year ended March 31, 2022

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## 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 2021.