

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

FINANCIAL STATEMENTS

March 31, 2014



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Independent Auditor's Report

To the Directors of The Cariboo Family Enrichment Centre Society

We have audited the accompanying financial statements of The Cariboo Family Enrichment Centre Society which comprise the statement of financial position as at March 31, 2014 and the statement of operations, changes in net assets and cash flows for the year ending March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, The Cariboo Family Enrichment Centre Society derives revenue from the public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we are not able to determine whether any adjustments might be necessary to donation revenues, deficiency of revenue over expenses, assets and net assets.

The Cariboo Family Enrichment Centre Society

June 27, 2014

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Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Cariboo Family Enrichment Centre Society as at March 31, 2014, and the result of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Accountants

Prince George, British Columbia

June 27, 2014

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**STATEMENT OF OPERATIONS**

year ended March 31, 2014

	2014	2013
Revenue		
Ministry of Children and Family Development	\$ 830,822	\$ 817,263
Success By Six	28,000	23,606
BC Gaming Commission	104,125	86,000
Interior Health Authority	16,335	15,602
Service Canada	266,716	236,875
Childcare revenue	221,020	310,908
Fundraising	32,900	17,354
Course fees and other income	124,353	127,396
	<u>1,624,271</u>	<u>1,635,004</u>
Expenses		
Advertising and promotion	27,548	13,893
Amortization	22,904	21,106
Audit	9,225	8,441
Bad debt (recovery)	(678)	1,993
Childminding	-	552
Client expenses	4,499	10,756
Donations in kind	21,991	7,170
Facilitator and subcontractor fees	94,276	81,653
Insurance	6,209	6,589
Janitorial	17,572	20,171
Legal fees	608	784
Library/client resources	270	1,092
Membership and subscriptions	3,704	3,600
Office equipment	3,658	11,012
Office supplies	20,717	17,293
Phone, fax and internet	12,368	10,920
Photocopier	10,321	8,778
Program supplies	76,772	51,537
Rent	120,807	122,672
Repairs and maintenance	15,836	11,761
Staff development	13,575	16,649
Storage rental	775	1,424
Travel	18,301	13,639
Wages and benefits	1,102,594	1,207,624
Workshops	25,659	16,067
	<u>1,629,511</u>	<u>1,667,176</u>
Deficiency of revenue over expenses before other expense	(5,240)	(32,172)
Other expense		
Unrealized loss on investments	(218)	(1,917)
DEFICIENCY OF REVENUE OVER EXPENSES	<u><u>\$ (5,458)</u></u>	<u><u>\$ (34,089)</u></u>

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**STATEMENT OF FINANCIAL POSITION**

as at March 31, 2014

	2 0 1 4	2 0 1 3
CURRENT ASSETS		
Cash (Note 3)	\$ 150,417	\$ 121,536
Portfolio investments	126,019	125,902
Accounts receivable (Note 4)	9,781	11,166
Grant receivable	-	36,684
Prepaid expenses	3,285	3,407
	<u>289,502</u>	<u>298,695</u>
CAPITAL ASSETS (Note 5)	<u>39,584</u>	<u>49,090</u>
	<u>\$ 329,086</u>	<u>\$ 347,785</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 27,499	\$ 28,507
Government remittance payable	6,516	1,489
Wages and benefits payable	22,168	32,188
Deferred contributions (Note 6)	169,884	177,124
	<u>226,067</u>	<u>239,308</u>
NET ASSETS		
Net assets invested in capital assets	39,584	49,090
Net assets externally restricted (Note 7)	25,660	7,657
Net assets internally restricted (Note 8)	124,819	149,702
Unrestricted net (debt) assets	<u>(87,044)</u>	<u>(97,972)</u>
	<u>103,019</u>	<u>108,477</u>
	<u>\$ 329,086</u>	<u>\$ 347,785</u>

APPROVED BY THE BOARD_____
Director_____
Director

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
as at March 31, 2014

	Investment In Capital Assets	Net Assets	2 0 1 4	2 0 1 3
NET ASSETS, BEGINNING OF YEAR	\$ 49,090	\$ 59,387	\$ 108,477	\$ 142,566
Deficiency of revenue over expenses	-	(5,458)	(5,458)	(34,089)
Investment in capital assets	13,398	(13,398)	-	-
Amortization	(22,904)	22,904	-	-
NET ASSETS, END OF YEAR	\$ 39,584	\$ 63,435	\$ 103,019	\$ 108,477
Classification of net assets:				
Externally restricted (Note 7)	\$ -	\$ 25,660	\$ 25,660	\$ 7,657
Contingency and other reserves (Note 8)	-	124,819	124,819	149,702
Unrestricted	39,584	(87,044)	(47,460)	(48,882)
	\$ 39,584	\$ 63,435	\$ 103,019	\$ 108,477

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**STATEMENT OF CASH FLOWS**

year ended March 31, 2014

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (5,458)	\$ (34,089)
Items not affecting cash		
Amortization	22,904	21,106
Unrealized gain on investments	218	1,917
	<u>17,664</u>	<u>(11,066)</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	1,385	(2,490)
Decrease (increase) in grant receivable	36,684	(30,971)
Decrease in government remittance recoverable	-	6,019
Decrease in prepaid expenses	122	444
(Decrease) increase in accounts payable and accrued liabilities	(1,008)	3,533
Increase in government remittance payable	5,027	262
Decrease in wages and benefits payable	(10,020)	(632)
(Decrease) increase in deferred contributions	(7,240)	6,332
	<u>42,614</u>	<u>(28,569)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(335)	-
Disposition of investments	-	80,838
Acquisition of capital assets	(13,398)	(4,336)
	<u>(13,733)</u>	<u>76,502</u>
NET INCREASE IN CASH	28,881	47,933
CASH, BEGINNING OF YEAR	<u>121,536</u>	<u>73,603</u>
CASH, END OF YEAR	<u><u>\$ 150,417</u></u>	<u><u>\$ 121,536</u></u>

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2014

1. DESCRIPTION OF BUSINESS

The Cariboo Family Enrichment Centre Society ("CFECS") is a society incorporated on August 29, 1988 under the Society Act of British Columbia. The purpose of the organization is to strengthen the quality of personal, family and community life through counselling, education, referral and support. CFEC serves the communities of 100 Mile House and District, Bridge Lake, Lac La Hache, 108 Mile Ranch, 70 Mile House, Forest Grove, Canim Lake; which represents a population over 20,000 people. The Cariboo Family Enrichment Centre Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

Description of the CFEC's activities

CFEC is governed by a Board of eight Directors. Funding for The Cariboo Family Enrichment Centre Society is provided by the British Columbia Ministry of Children and Family Development, BC Gaming Commission, Service Canada, childcare fees, corporate grants, and community donations. The following are some of the programs offered during the 2013/2014 fiscal year:

Early Years Programs

The purpose of this program is to provide services to expectant parents and to parents with young children. The pregnancy outreach program is a universal access for new parents in our community and outlying areas to learn about healthy babies and positive parent/child interactions. Parents are also offered home visiting services. The Home Visitor Program supports parents in developing healthy attachments with their children, promoting successful child development. Other programs include Daddy & Me, Nobody's Perfect, Make the Connection, Post-Partum Depression/Mom's Self Care Group, Prenatal Education, and Breastfeeding Support Group.

Child Care Resource and Referral Program

The purpose of this program is to enhance the availability and quality of a range of child care support options. The services include information, outreach, toy lending, networking and education, childcare referrals, childcare subsidy, parenting programs, Welcome Baby Party and CCRR Childcare Awards of Excellence.

Family Services

The Family Services programs include Family Support, Family Group Conferencing, Parent Teen Mediation, Youth Employment Services and Workshops and Men's Night. The purposes of these programs are to build strong families through conflict resolution, counselling, education, facilitation and support to families. The service's objectives are presented by offering counselling and support groups, workshops, public education courses and training.

The Fetal Alcohol Disorder (FASD) and Complex Developmental Behaviour Conditions (CDBC) program provides assistance for families of children and youth with FASD and similar neurological conditions in accessing assessment and diagnosis. The program also offers support, information and resources for individuals with FASD, families and other service providers.

Family Services also provides an autism service for children zero to five and six to 18, which includes assessment, care planning, intervention, treatment, and support.

Youth Services

The purpose of this program is to support the health and well-being of youth in the community. The Youth Services programs include drop in Youth Centre, Youth Counseling, and Youth Outreach.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2014

1. DESCRIPTION OF BUSINESS (continued)

Early Care and Learning Centre

On August 2, 2011, the Society opened the CFEC Child Care Centre to address a crisis in the community child care services. The Child Care Centre provides licensed facilities for 0-3 (infant/toddler), 3-5 years and before school / after school children. This undertaking included a full renovation of the building to meet licensing requirements and the recruitment of seven ECE trained staff.

The Society experienced the challenges associated with the opening of a new service/business within the current economic environment. The Society has supported both the significant leasehold improvements and start up operating costs through its contingency services. In 2013/2014 the Society continued to support the deficit from the first two years of operations.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not – for – profit organizations in Part III of the CICA Handbook and include the following significant policies:

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Society becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for the following financial instruments:

- a) Investments in unlisted shares are measured at cost less any reduction for impairment;
- b) Investments in listed shares and derivative financial instruments that are not designated in qualifying hedging relationship are measured at fair value at the balance sheet date. The fair value of listed shares is based on the latest closing price and the fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments.

Interest earned on portfolio investments and realized gains and losses on sales of portfolio investments are included in revenue in the statement of operations.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Society recognizes in operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to operations in the period the reversal occurs.

Portfolio Investments

Portfolio investments are accounted for at fair value.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2014

2. ACCOUNTING POLICIES (continued)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are allocated directly to the program for which budgeted funds have been approved. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture and equipment	- 5 year straight line
Computer equipment	- 3 year straight line
Computer software	- 2 year straight line
Vehicle	- 30% declining balance basis
Leasehold improvements	- 5 year straight line

The carrying value of tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

Revenue recognition

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

Facilities

The Society leases facilities at #1 486 Birch Avenue in 100 Mile House, B.C. from Rastad Construction Ltd. This lease expired December 31, 2010 and is currently operating as a month to month lease at \$6,720 per month.

The Society leases the upper level premises at 372 Taylor Avenue in 100 Mile House, B.C. from W-4 Enterprises Ltd. This lease expired June 30, 2010 and is currently operating as a month to month lease at \$1,573 per month.

The Society leases the lower level premises at 372 Taylor Avenue in 100 Mile House, B.C. from W-4 Enterprises Ltd. This lease expired October 31, 2012 and is currently operating as a month to month lease at \$1,470 per month.

The Society leases facilities at 429 Cedar Avenue in 10 Mile House, BC from School District #27. As of April 1, 2013, SD#27 has given notice that this is a month to month lease until the future use of all of the school district buildings and property in our area has been decided. Current monthly payments on this lease are \$747.

Contributed services

Volunteers contribute a valuable service to assist the Society in carrying out its activities. Because of the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2014

2. ACCOUNTING POLICIES (continued)

Income taxes

No provision has been made for income taxes in these financial statements as the Society is a not-for-profit organization registered under the Income Tax Act and is exempt from Income Tax.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect to receivables and the useful lives of capital assets. Actual results could differ from those estimates.

3. CASH

Cash includes externally restricted cash of \$111,125 (March 31, 2013 - \$104,125).

4. ACCOUNTS RECEIVABLE

	2 0 1 4	2 0 1 3
Trade accounts receivable	\$ 9,781	\$ 12,926
Allowance for doubtful accounts	-	(1,760)
	<u>\$ 9,781</u>	<u>\$ 11,166</u>

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2 0 1 4 Net book value	2 0 1 3
Furniture and equipment	\$ 66,147	\$ 58,907	\$ 7,240	\$ 8,174
Computer equipment	48,334	40,553	7,781	7,777
Computer software	4,554	4,554	-	-
Leasehold improvements	76,985	52,422	24,563	33,139
	<u>\$ 196,020</u>	<u>\$ 156,436</u>	<u>\$ 39,584</u>	<u>\$ 49,090</u>

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2014

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for the purpose of providing a broad range of community programs and services and include restricted operating funding received in the current fiscal period that is related to the subsequent period. Composition of the deferred contributions balances are as follows:

	2 0 1 4	2 0 1 3
BC Association of family resource programs	\$ -	\$ 158
BC Gaming Commission Community grant	111,125	104,125
CMHA Travel Vouchers	500	375
CMHA-CAI youth grant	-	37,857
Deferred daycare revenue	2,922	4,339
Embrace BC (multiculturalism)	-	2,334
Ministry of Children and Family - OTO Aboriginal Family Resources	20,500	-
Ministry of Children and Family - FASD development	5,879	5,880
Ministry of Children and Family - OTO Toolbox	4,917	6,663
Service Canada - YES	7,148	-
Success By Six (SB6) Funds	15,393	15,393
Thompson Cariboo Nicola United Way - Youth Outreach	1,500	-
	\$ 169,884	\$ 177,124

Changes in the deferred contributions balances are as follows:

	2 0 1 4	2 0 1 3
Balance, beginning of the year	\$ 177,124	\$ 170,792
Amounts received in the year	501,719	291,067
Amounts recognized as revenue in the year	(508,959)	(284,735)
Balance, end of the year	\$ 169,884	\$ 177,124

7. NET ASSETS EXTERNALLY RESTRICTED

Certain external funders require that surplus program funds be applied on a specific basis. Therefore these surplus funds are not generally available for discretionary purposes without the consent of funders.

8. NET ASSETS INTERNALLY RESTRICTED

A contingency fund has been set aside for emergency and other unplanned events (i.e. staff severance) which would ensure the Society would be available to continue to provide services should unforeseen circumstances occur. A capital fund has been set aside to allow the Society to consider future service and operational opportunities.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2014

9. FINANCIAL INSTRUMENTS

Financial assets

The Society's financial assets consist of cash, portfolio investments and accounts receivable. All of these financial assets except portfolio investments are measured at amortized cost. Portfolio investments are measured at fair value.

Credit risk

The Society has a long history of dealing with its diverse client base and does not believe it is exposed to an unusual level of credit risk with respect to its accounts receivable

Interest rate risk

The Society is exposed to interest rate risk on its fixed rate financial instruments due to changes in fair value. The maturity date of the fixed rate guaranteed investment certificates included in portfolio investments is annual but within two months of year end. The exposure to interest rate risk is therefore minimal.

Liquidity risk

The Society's objective is to have sufficient liquidity to meet its liabilities when due. The Society monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2014, the most significant financial liabilities are: accounts payable and accrued liabilities, and wages and benefits payable.

10. COMPARATIVE FIGURES

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