

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

FINANCIAL STATEMENTS

March 31, 2015



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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, 2015 and the statement of operations, changes in net assets and cash flows for the year ending March 31, 2015, 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.

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, 2015, 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 16, 2015

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF OPERATIONS

year ended March 31, 2015

	2015	2014
Revenue		
Ministry of Children and Family Development	\$ 873,400	\$ 830,822
Success By Six	43,238	28,000
BC Gaming Commission	111,125	104,125
Interior Health Authority	16,434	16,335
Service Canada	116,472	266,716
Childcare revenue	254,948	221,020
Fundraising	36,382	32,900
Course fees and other income	51,606	124,353
	1,503,605	1,624,271
Expenses		
Advertising and promotion	11,143	27,548
Amortization	18,873	22,904
Audit	8,200	9,225
Bad debt (recovery)	32	(678)
Client expenses	1,172	4,499
Donations in kind	24,656	21,991
Facilitator and subcontractor fees	82,141	94,276
Insurance	6,868	6,209
Janitorial	14,522	17,572
Legal fees	2,868	608
Library/client resources	107	270
Membership and subscriptions	3,281	3,704
Office equipment	3,117	3,658
Office supplies	19,074	20,717
Phone, fax and internet	7,750	12,368
Photocopier	5,604	10,321
Program supplies	45,720	76,772
Rent	118,239	120,807
Repairs and maintenance	13,909	15,836
Staff development	8,727	13,575
Storage rental	790	775
Travel	12,165	18,301
Wages and benefits	1,031,231	1,102,594
Workshops	21,180	25,659
	1,461,369	1,629,511
Excess (deficiency) of revenue over expenses before other expense	42,236	(5,240)
Other expense		
Loss on disposal of investments	(1,619)	-
Unrealized loss on investments	-	(218)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 40,617	\$ (5,458)

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

as at March 31, 2015

	2 0 1 5	2 0 1 4
CURRENT ASSETS		
Cash (Note 3)	\$ 265,417	\$ 150,417
Portfolio investments	24,759	126,019
Accounts receivable	34,890	9,781
Prepaid expenses	1,108	3,285
	<u>326,174</u>	<u>289,502</u>
CAPITAL ASSETS (Note 4)	<u>27,450</u>	<u>39,584</u>
	<u>\$ 353,624</u>	<u>\$ 329,086</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,549	\$ 27,499
Government remittance payable	17,229	6,516
Wages and benefits payable	27,102	22,168
Deferred contributions (Note 5)	151,108	169,884
	<u>209,988</u>	<u>226,067</u>
NET ASSETS		
Net assets invested in capital assets	27,450	39,584
Net assets externally restricted (Note 6)	390	25,660
Net assets internally restricted (Note 7)	144,812	124,819
Unrestricted net (debt) assets	<u>(29,016)</u>	<u>(87,044)</u>
	<u>143,636</u>	<u>103,019</u>
	<u>\$ 353,624</u>	<u>\$ 329,086</u>

APPROVED BY THE BOARD_____
Director_____
Director

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
as at March 31, 2015

	Investment In Capital Assets	Net Assets	2 0 1 5	2 0 1 4
NET ASSETS, BEGINNING OF YEAR	\$ 39,584	\$ 63,435	\$ 103,019	108,477
Excess of revenue over expenses	-	40,617	40,617	(5,458)
Investment in capital assets	6,739	(6,739)	-	-
Amortization	(18,873)	18,873	-	-
NET ASSETS, END OF YEAR	\$ 27,450	\$ 116,186	\$ 143,636	103,019
Classification of net assets:				
Externally restricted (Note 6)	\$ -	\$ 390	\$ 390	25,660
Contingency and other reserves (Note 7)	-	144,812	144,812	124,819
Unrestricted	27,450	(29,016)	(1,566)	(47,460)
	\$ 27,450	\$ 116,186	\$ 143,636	103,019

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

year ended March 31, 2015

	2 0 1 5	2 0 1 4
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 40,617	\$ (5,458)
Items not affecting cash		
Amortization	18,873	22,904
Loss on disposal of investments	1,619	-
Unrealized loss on investments	-	218
	<u>61,109</u>	<u>17,664</u>
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(25,109)	1,385
Decrease in grant receivable	-	36,684
Decrease in prepaid expenses	2,177	122
Decrease in accounts payable and accrued liabilities	(12,950)	(1,008)
Increase in government remittance payable	10,713	5,027
Increase (decrease) in wages and benefits payable	4,934	(10,020)
Decrease in deferred contributions	(18,776)	(7,240)
	<u>22,098</u>	<u>42,614</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(359)	(335)
Disposition of investments	100,000	-
Acquisition of capital assets	(6,739)	(13,398)
	<u>92,902</u>	<u>(13,733)</u>
NET INCREASE IN CASH	115,000	28,881
CASH, BEGINNING OF YEAR	<u>150,417</u>	<u>121,536</u>
CASH, END OF YEAR	<u><u>\$ 265,417</u></u>	<u><u>\$ 150,417</u></u>

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2015

1. DESCRIPTION OF BUSINESS

The Cariboo Family Enrichment Centre Society ("CFEC") 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, support and referral. 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 five 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 2014/2015 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 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 Infant Massage.

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 and parenting programs.

South Cariboo Early Years Centre

The Society was awarded the contract to host the first of sixteen Early Years Centres in the Province in August 2014. The goal of this initiative is to coordinate and provide needed services to parents and children as part of the Provincial Government Families First initiative. This contract has been recently extended for an additional 4 years. In addition to the Early Years Centre, CFEC will be developing an App for parents and will partner with other organizations to provide outreach services in rural communities.

Family Services

The Family services programs include Family Support, Individual and Couples Counselling, Family Group Conferencing, Parent Teen Mediation, Supported and Supervised Visits and Men's Night. The purpose of these programs are to build strong families and community through healthy relationships, communication, conflict resolution, counselling, education and support to families.

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

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2015

1. DESCRIPTION OF BUSINESS (continued)

Youth Services

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

Early Care and Learning Centre

On August 2, 2011, the Society opened the CFEC Early Care and Learning Centre to address a crisis in the community for child care services. The Centre provides 49 space licensed facilities for 0-3 (infant/toddler), 3-5 year olds, preschool, before school/after school children and out of school care.

The Society has supported both the significant leasehold improvements and start up operating costs through its reserve fund. The Society continues to support the Early Care and Learning Centre 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, 2015

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
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 will expire in December 2015 and is \$6,300 per month.

The Society leases the premises at 372 Taylor Avenue in 100 Mile House, B.C. from W-4 Enterprises Ltd. This lease will expire in October 2017 and is \$2,699 per month plus annual property taxes and one half of fire and liability insurance.

The Society leases the facilities at 429 Cedar Avenue in 100 Mile House, B.C. from School District #27. This lease will expire in December 2018 and is \$1 per year.

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.

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.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**NOTES TO THE FINANCIAL STATEMENTS**

year ended March 31, 2015

2. ACCOUNTING POLICIES (continued)

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 \$129,000 (March 31, 2014 - \$111,125) and \$86,921 (March 31, 2014 \$nil) held with RBC Dominion Securities Inc. for purposes of investing.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2 0 1 5 Net book value	2 0 1 4
Furniture and equipment	\$ 67,522	\$ 61,120	\$ 6,402	7,240
Computer equipment	52,561	45,804	6,757	7,781
Computer software	4,554	4,554	-	-
Leasehold improvements	78,121	63,830	14,291	24,563
	\$ 202,758	\$ 175,308	\$ 27,450	39,584

5. 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 5	2 0 1 4
BC Gaming Commission Community grant	\$ 129,000	\$ 111,125
CMHA Travel Vouchers	300	500
Deferred daycare revenue	4,278	2,922
Ministry of Children and Family - OTO Aboriginal Family Resources	8,215	20,500
Ministry of Children and Family - Assessments	5,879	5,879
Ministry of Children and Family - OTO Toolbox	3,436	4,917
Service Canada - YES	-	7,148
Success By Six (SB6) Funds	-	15,393
Thompson Cariboo Nicola United Way - Youth Outreach	-	1,500
	\$ 151,108	\$ 169,884

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**NOTES TO THE FINANCIAL STATEMENTS**

year ended March 31, 2015

5. DEFERRED CONTRIBUTIONS (continued)

	2 0 1 5	2 0 1 4
Changes in the deferred contributions balances are as follows:		
Balance, beginning of the year	\$ 169,884	\$ 177,124
Amounts received in the year	313,277	501,719
Amounts recognized as revenue in the year	<u>(332,053)</u>	<u>(508,959)</u>
Balance, end of the year	<u>\$ 151,108</u>	<u>\$ 169,884</u>

6. 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.

7. 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.

8. 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, 2015, the most significant financial liabilities are: accounts payable and accrued liabilities, and wages and benefits payable.