

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

FINANCIAL STATEMENTS

March 31, 2016



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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, 2016 and the statement of operations, changes in net assets and cash flows for the year ending March 31, 2016, 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 14, 2016
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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, 2016, 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 Professional Accountants

Prince George, British Columbia
June 14, 2016

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

year ended March 31, 2016

	2 0 1 6	2 0 1 5
Revenue		
Ministry of Children and Family Development	\$ 873,626	\$ 873,400
Success By Six	26,100	43,238
BC Gaming Commission	129,000	111,125
Interior Health Authority	16,236	16,434
Service Canada	76,670	116,472
Childcare revenue	328,145	254,948
Fundraising	26,787	36,382
Course fees and other income	19,600	51,606
	1,496,164	1,503,605
Expenses		
Advertising and promotion	2,332	11,143
Amortization	15,926	18,873
Audit	8,298	8,200
Bad debt	1,172	32
Client expenses	1,568	1,172
Donations in kind	19,178	24,656
Facilitator and subcontractor fees	78,334	82,141
Insurance	6,966	6,868
Janitorial	14,894	14,522
Legal fees	25	2,868
Library/client resources	-	107
Membership and subscriptions	2,969	3,281
Office equipment	2,559	3,117
Office supplies	21,934	19,074
Phone, fax and internet	8,522	7,750
Photocopier	8,345	5,604
Program supplies	42,133	45,720
Rent	116,338	118,239
Repairs and maintenance	16,326	13,909
Staff development	20,680	8,727
Storage rental	-	790
Travel	11,359	12,165
Wages and benefits	1,128,269	1,031,231
Workshops	9,743	21,180
	1,537,870	1,461,369
(Deficiency) excess of revenue over expenses before other expense	(41,706)	42,236
Other expense		
Loss on disposal of investments	-	(1,619)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (41,706) \$	40,617

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

as at March 31, 2016

	2 0 1 6	2 0 1 5
CURRENT ASSETS		
Cash (Note 3)	\$ 160,496	\$ 265,417
Portfolio investments	111,836	24,759
Accounts receivable	24,242	34,890
Prepaid expenses	1,276	1,108
	297,850	326,174
CAPITAL ASSETS (Note 4)	25,202	27,450
	\$ 323,052	\$ 353,624
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 18,475	\$ 14,549
Government remittance payable	17,607	17,229
Wages and benefits payable	38,416	27,102
Deferred contributions (Note 5)	146,624	151,108
	221,122	209,988
NET ASSETS		
Net assets invested in capital assets	25,202	27,450
Net assets externally restricted (Note 6)	-	390
Net assets internally restricted (Note 7)	128,803	144,812
Unrestricted net debt	(52,075)	(29,016)
	101,930	143,636
	\$ 323,052	\$ 353,624

APPROVED BY THE BOARD_____
Director_____
Director

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
as at March 31, 2016

	Investment In Capital Assets	Net Assets	2 0 1 6	2 0 1 5
NET ASSETS, BEGINNING OF YEAR	\$ 27,450	\$ 116,186	\$ 143,636	103,019
(Deficiency) excess of revenue over expenses	-	(41,706)	(41,706)	40,617
Investment in capital assets	13,678	(13,678)	-	-
Amortization	(15,926)	15,926	-	-
NET ASSETS, END OF YEAR	\$ 25,202	\$ 76,728	\$ 101,930	143,636
Classification of net assets:				
Externally restricted (Note 6)	\$ -	\$ -	\$ -	390
Contingency and other reserves (Note 7)	-	128,803	128,803	144,812
Unrestricted	25,202	(52,075)	(26,873)	(1,566)
	\$ 25,202	\$ 76,728	\$ 101,930	143,636

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

year ended March 31, 2016

	2 0 1 6	2 0 1 5
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (41,706)	\$ 40,617
Items not affecting cash		
Amortization	15,926	18,873
Loss on disposal of investments	-	1,619
	<u>(25,780)</u>	61,109
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	10,648	(25,109)
(Increase) decrease in prepaid expenses	(168)	2,177
Increase (decrease) in accounts payable and accrued liabilities	3,926	(12,950)
Increase in government remittance payable	378	10,713
Increase in wages and benefits payable	11,314	4,934
Decrease in deferred contributions	(4,484)	(18,776)
	<u>(4,166)</u>	22,098
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments (Note 3)	(110,636)	(359)
Disposition of investments	23,559	100,000
Acquisition of capital assets	(13,678)	(6,739)
	<u>(100,755)</u>	92,902
NET (DECREASE) INCREASE IN CASH	(104,921)	115,000
CASH, BEGINNING OF YEAR	265,417	150,417
CASH, END OF YEAR	\$ 160,496	\$ 265,417

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2016

1. DESCRIPTION OF BUSINESS

The Cariboo Family Enrichment Centre Society (“CFEC”) was incorporated on August 29, 1988 under the Society Act of British Columbia and has been serving the South Cariboo for over 28 years. The mission of the organization is to strengthen the quality of personal, family and community life through counselling, education, referral and support. Our vision is “Enriched Families Living with Vitality”. Our values in working with families and our community include respect, empathy, integrity, collaboration, confidentiality, client centered and quality improvement.

CFEC Strategic Plan 2014 - 2017 has three goals that drive our organization to continue to improve our services to the community:

- Positively impact the lives of children, youth and families in the South Cariboo
- Secure the resources and infrastructure needed to support children, youth and families
- Advocate and mobilize community to support children, youth and families

CFEC serves the communities of 100 Mile House and District, Bridge Lake, Lac La Hache, 108 Mile Ranch, 70 Mile House, Forest Grove and Canim Lake; combined this population represents 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.

The Cariboo Family Enrichment Centre promotes quality, culturally competent, evidence based services provided in a working environment supportive of employee wellness. In October 2015 the Cariboo Family Enrichment Centre received its fourth – four year Council on Accreditation Award recognizing the high quality of services provided to the South Cariboo Community.

Description of CFEC’s activities

CFEC is governed by a Board of six 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, United Way, Interior Health Authority, childcare fees, corporate grants, and community donations. The following are some of the programs offered during the 2015/2016 fiscal year:

Family Services Program

The purpose of this program is to provide services to expectant parents, parents and their families. 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 strength based programs offered at CFEC include Daddy & Me, Nobody’s Perfect, Post-Partum Depression/Moms’ Self Care Group, Infant Massage, Food Skills for Families Prenatal Education, and Breastfeeding Support Group (in partnership with the La Leche League) and Circle of Security (in partnership with Infant Development Program and Child and Youth Mental Health) and Farmers Market Coupon Program (in partnership with the South Cariboo Farmers Market).

The Family Services Program also provides family support services to families including supervised/supported visits, food security services (prenatal coupons/prenatal vitamins, emergency food services, food recovery), family transportation support and parenting, Ages and Stages screening, social and life skills. The Family Services staff participate in early years events in the community including Ready Set Learn, Fair Start Day, FASD Awareness Day, and Welcome Baby.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2016

1. DESCRIPTION OF BUSINESS (continued)

Fetal Alcohol Disorder (FASD) and Complex Developmental Behaviour Conditions (CDBC)

This 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, their families and other service providers.

Child Care Resource and Referral Program (CCRR)

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.

Counselling Services

Counselling Services include Child Counselling and Play Therapy, Parent Teen Mediation, Family Group Conferences, Men's Night and Adult Counselling (individual, couples and families). Counselling services use strength based, trauma informed approaches to support the building of strong families through communication, self-esteem, boundary setting, anger management, conflict resolution, counselling, education, facilitation and support to families.

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 Counselling, Youth Employment Services and Youth Outreach. Youth Services works in partnership with School District 27 to provide the annual Turning Beauty Inside Out/Turning Masculinity Inside Out program.

Early Care and Learning Centre (ECLC)

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 years (infant/toddler), 3-5 years and before school/after school/out of school children (5-12 years) and preschool. The ECLC provides the international Seeds of Empathy Program as well as best practice child development including partnerships with Interior Health Speech and Language Services and Supported Child Services.

South Cariboo Early Years Centre

The Cariboo Family Enrichment Centre hosts the South Cariboo Early Years Centre. The Centre's role, part of the BC Government Families First Strategy, is to ensure that all families have the information and resources needed to support healthy child development. The Centre includes a physical site at CFEC including the Early Learning Room, Outreach services to Strong Start and Kindergym programs in surrounding communities and virtual services through the Early Years App, Website and monthly calendar of events. The Centre works in partnership with Success by Six, Make Children First, the South Cariboo Early Years Team, CCRR and CFEC Family Services to support early years community development.

CFEC works in collaboration with the community and is a member of the South Cariboo Community Planning Council, Violence in Relationship Committee, Early Childhood Development Committee, Child and Youth Mental Health Collaborative, and Suicide Prevention Committee. We work with the Canadian Mental Health Association, 100 Mile and District Women's Resource Centre, Community Employment Services, South Cariboo Chamber of Commerce, Cedar Crest Infant Development and Supported Child Program, Interior Health, Cariboo Chilcotin Partners for Literacy, School District 27 and Canim Lake Band.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2016

1. DESCRIPTION OF BUSINESS (continued)

The organization is also a member of the BC Federation of Social Service Agencies, BC Board Voice, Community Social Services Employers' Association (CSSEA), BC Poverty Coalition and BC Association of Pregnancy Outreach Services.

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 CPA 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.

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 years straight line
Computer equipment	- 3 years straight line
Computer software	- 2 years straight line
Leasehold improvements	- 5 years straight line

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2016

2. ACCOUNTING POLICIES (continued)

Capital assets (continued)

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 in December 2015 and was \$6,300 per month. Payments of \$6,300 per month continue to be paid while a new lease agreement is being negotiated.

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.

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.

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

year ended March 31, 2016

3. CASH

Cash includes externally restricted cash of \$130,430 (March 31, 2015 - \$129,000) and \$nil (March 31, 2015 \$86,921) held with RBC Dominion Securities Inc. for purposes of investing. The March 31, 2015 balance of \$86,921 of cash held for purposes of investing has been included as part of the investing activities on the Statement of Cash Flows and is part of the acquisition of investments of \$110,636.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2 0 1 6 Net book value	2 0 1 5
Furniture and equipment	\$ 67,522	\$ 63,417	\$ 4,105	6,402
Computer equipment	56,425	50,698	5,727	6,757
Computer software	8,649	5,237	3,412	-
Leasehold improvements	83,839	71,881	11,958	14,291
	\$ 216,435	\$ 191,233	\$ 25,202	27,450

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 6	2 0 1 5
BC Gaming Commission Community Grant	\$ 127,950	\$ 129,000
CMHA Travel Vouchers	-	300
Deferred daycare revenue	5,685	4,278
Ministry of Children and Family - OTO Aboriginal Family Resources	-	8,215
Ministry of Children and Family - Assessments	5,879	5,879
Ministry of Children and Family - OTO Toolbox	2,480	3,436
Province of BC - Multiculturalism Gaming Grant	2,480	-
Success By Six (SB6) Funds	900	-
Thompson Cariboo Nicola United Way - Youth Outreach	1,250	-
	\$ 146,624	\$ 151,108

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

year ended March 31, 2016

5. DEFERRED CONTRIBUTIONS (continued)

	2016	2015
Changes in the deferred contributions balances are as follows:		
Balance, beginning of the year	\$ 151,108	\$ 169,884
Amounts received in the year	315,818	313,277
Amounts recognized as revenue in the year	<u>(320,302)</u>	<u>(332,053)</u>
Balance, end of the year	<u>\$ 146,624</u>	<u>\$ 151,108</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.

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, 2016, the most significant financial liabilities are accounts payable and accrued liabilities, and wages and benefits payable.