

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

FINANCIAL STATEMENTS

March 31, 2018

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

	Page
Independent Auditor's Report	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 12

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 (the "Society") which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year ending March 31, 2018, 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 not-for-profit 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 fundraising revenues, deficiency of revenue over expenses, net assets and cash flows from operations for the year ended March 31, 2018.

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, 2018, and the result of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Professional Accountants

Prince George, British Columbia
June 12, 2018

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

STATEMENT OF OPERATIONS

year ended March 31, 2018

	2018	2017
Revenue		
Ministry of Children and Family Development	\$ 917,949	\$ 889,256
Childcare revenue	376,046	388,112
BC Gaming Commission	127,950	130,430
Course fees and other income	46,981	23,227
Fundraising	36,223	28,474
Interior Health Authority	14,873	16,460
Success By Six	7,535	15,900
Service Canada	-	104,140
	<u>1,527,557</u>	<u>1,595,999</u>
Expenses		
Advertising and promotion	2,853	1,866
Amortization	8,359	13,807
Audit	9,174	9,013
Bad debt	217	598
Donations in kind	22,662	22,400
Facilitator and subcontractor fees	43,941	47,895
Insurance	8,818	6,232
Janitorial	17,993	17,770
Legal fees	2,064	25
Membership and subscriptions	2,849	3,503
Office equipment	3,688	4,640
Office supplies	18,679	20,309
Phone, fax and internet	7,152	9,108
Photocopier	8,097	6,271
Program supplies	100,580	57,527
Rent	110,569	111,834
Repairs and maintenance	15,662	18,524
Staff development	27,604	42,756
Travel	4,987	9,398
Wages and benefits	1,143,091	1,149,228
Workshops	11,002	14,595
	<u>1,570,041</u>	<u>1,567,299</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (42,484)</u>	<u>\$ 28,700</u>

The accompanying notes are an integral part of the financial statements.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
as at March 31, 2018

	Investment In Tangible Capital Assets	Internally Restricted and Unrestricted Net Assets	2 0 1 8	2 0 1 7
NET ASSETS, BEGINNING OF YEAR	\$ 14,167	\$ 116,463	\$ 130,630	\$ 101,930
(Deficiency) excess of revenue over expenses	-	(42,484)	(42,484)	28,700
Investment in tangible capital assets	3,931	(3,931)	-	-
Amortization	(8,359)	8,359	-	-
NET ASSETS, END OF YEAR	\$ 9,739	\$ 78,407	\$ 88,146	\$ 130,630
Classification of net assets:				
Contingency and other reserves (Note 7)	\$ -	\$ 162,964	\$ 162,964	\$ 151,110
Unrestricted	9,739	(84,557)	(74,818)	(20,480)
	\$ 9,739	\$ 78,407	\$ 88,146	\$ 130,630

The accompanying notes are an integral part of the financial statements.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF FINANCIAL POSITION

as at March 31, 2018

	2018	2017
CURRENT ASSETS		
Cash (Note 3)	\$ 227,597	\$ 214,715
Portfolio investments	114,163	113,142
Accounts receivable	15,446	10,206
Prepaid expenses	1,825	1,965
	<u>359,031</u>	<u>340,028</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>9,739</u>	<u>14,167</u>
	<u>\$ 368,770</u>	<u>\$ 354,195</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 77,638	\$ 16,928
Government remittances payable	16,572	19,487
Wages and benefits payable	31,899	47,687
Deferred contributions (Note 5)	154,515	139,463
	<u>280,624</u>	<u>223,565</u>
NET ASSETS		
Net assets invested in tangible capital assets	9,739	14,167
Net assets internally restricted (Note 7)	162,964	151,110
Unrestricted net debt	<u>(84,557)</u>	<u>(34,647)</u>
	<u>88,146</u>	<u>130,630</u>
	<u>\$ 368,770</u>	<u>\$ 354,195</u>
COMMITMENTS (Note 8)		
APPROVED BY THE BOARD		
_____	Director	
_____	Director	

The accompanying notes are an integral part of the financial statements.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
STATEMENT OF CASH FLOWS
year ended March 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (42,484)	\$ 28,700
Items not affecting cash		
Amortization	8,359	13,807
	<u>(34,125)</u>	42,507
Changes in non-cash working capital		
Accounts receivable	(5,240)	14,036
Prepaid expenses	140	(689)
Accounts payable and accrued liabilities	60,710	(1,547)
Government remittances payable	(2,915)	1,880
Wages and benefits payable	(15,788)	9,271
Deferred contributions	15,052	(7,161)
	<u>17,834</u>	58,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(1,021)	(1,306)
Acquisition of tangible capital assets	(3,931)	(2,772)
	<u>(4,952)</u>	(4,078)
NET INCREASE IN CASH	12,882	54,219
CASH, BEGINNING OF YEAR	<u>214,715</u>	<u>160,496</u>
CASH, END OF YEAR	<u><u>\$ 227,597</u></u>	<u><u>\$ 214,715</u></u>

The accompanying notes are an integral part of the financial statements.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2018

1. DESCRIPTION OF BUSINESS

The Cariboo Family Enrichment Centre Society (“CFEC” or the “Society”) was incorporated on August 29, 1988 under the Society Act of British Columbia and has been serving the South Cariboo for over 30 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’s Strategic Plan has three goals that drive the organization to continue to improve its 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 section 149.1(1)(b) of the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) 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. In 2016, CFEC also received accreditation through Imagine Canada.

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 2017/2018 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 and social and life skills.

1. DESCRIPTION OF BUSINESS (continued)

Fetal Alcohol Disorder (FASD) and Complex Developmental Behavior 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, support, advocacy and education.

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 a 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)

The Early Care and Learning 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"). The Centre's role as 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 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. CFEC works 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, 2018

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. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASPNO") in Part III of the CPA Handbook and include the following significant accounting 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 investments in listed shares and derivative financial instruments that are not designated in qualifying hedging relationship are measured at fair value at the year end 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.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Tangible capital assets are allocated directly to the program for which budgeted funds have been approved. Amortization is computed on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	- 5 years
Computer equipment	- 3 years
Computer software	- 2 years
Leasehold improvements	- 5 years

2. ACCOUNTING POLICIES (continued)

Tangible 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 deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the period in which they are 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.

Donations in kind

Donations in kind are recognized in the financial statements when a fair market value can be reasonably estimated and when the donated goods or services would have been otherwise purchased. Fair value is estimated using market or appraisal values at the date of the donation.

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 (Canada) and is exempt from income taxes.

Use of estimates

The preparation of financial statements in conformity with ASPNO 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, estimated useful lives and impairment of tangible capital assets, value of donations-in-kind and value of accrued liabilities and potential contingencies. Actual results could differ from those estimates.

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2018

3. CASH

Cash includes externally restricted cash of \$130,450 (March 31, 2017 - \$127,950).

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2 0 1 8 Net book value	2 0 1 7
Furniture and equipment	\$ 68,767	\$ 67,148	\$ 1,619	2,490
Computer equipment	61,171	57,338	3,833	3,271
Computer software	8,649	8,649	-	1,365
Leasehold improvements	84,552	80,265	4,287	7,041
	\$ 223,139	\$ 213,400	\$ 9,739	14,167

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. The composition of the deferred contributions balances are as follows:

	2 0 1 8	2 0 1 7
BC Gaming Commission Community Grant	\$ 127,950	\$ 127,950
Child Care Resource and Referral Program	1,259	3,798
Deferred daycare revenue	6,600	5,341
EYC	627	-
Ministry of Children and Family - OARH	1,920	-
Ministry of Children and Family - OTO Toolbox	5,394	1,124
Province of BC - Multiculturalism Gaming Grant	2,500	-
Success By Six (SB6) Funds	7,465	-
Thompson Cariboo Nicola United Way - Youth Outreach	800	1,250
	\$ 154,515	\$ 139,463

THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
year ended March 31, 2018

5. DEFERRED CONTRIBUTIONS (continued)

	2 0 1 8	2 0 1 7
Changes in the deferred contributions balances are as follows:		
Balance, beginning of the year	\$ 139,463	\$ 146,624
Amounts received in the year	208,738	301,905
Amounts recognized as revenue in the year	<u>(193,687)</u>	<u>(309,066)</u>
Balance, end of the year	<u>\$ 154,515</u>	<u>\$ 139,463</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. The Society currently does not have any externally restricted net assets.

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. COMMITMENTS

The Society leases facilities at #1 486 Birch Avenue in 100 Mile House, B.C. from Rastad Construction Ltd. Rental payments of \$6,150 per month continue to be paid on a month to month basis as 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. Rental payments of \$2,634 per month continue to be paid on a month to month basis plus annual property taxes and one half of fire and liability insurance, until a new lease agreement is being negotiated.

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

The Society has committed to lease payments for office equipment totaling \$2,613, which expire December 2018.

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.

10. FINANCIAL INSTRUMENTS

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, 2018, the most significant financial liabilities are accounts payable and accrued liabilities and wages and benefits payable.