

**THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**March 31, 2019**

**THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**

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## Independent Auditor's Report

To the Board of Directors of  
The Cariboo Family Enrichment Centre Society

### Qualified Opinion

We have audited the financial statements of The Cariboo Family Enrichment Centre Society (the "Society"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from 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 were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
Prince George, British Columbia  
June 12, 2019

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

year ended March 31, 2019

	<b>2 0 1 9</b>	<b>2 0 1 8</b>
	\$	\$
<b>Revenue</b>		
Ministry of Children and Family Development	<b>957,258</b>	917,949
Childcare revenue	<b>440,850</b>	376,045
BC Gaming Commission	<b>130,450</b>	127,950
Course fees and other income	<b>62,647</b>	46,981
Fundraising	<b>29,655</b>	36,223
Canadian Red Cross	<b>56,720</b>	-
Interior Health Authority	<b>12,641</b>	14,873
Success By Six	<b>12,465</b>	7,535
	<b>1,702,686</b>	1,527,556
<b>Expenses</b>		
Advertising and promotion	<b>1,575</b>	2,853
Amortization	<b>6,075</b>	8,359
Audit	<b>10,102</b>	9,174
Bad debt	<b>396</b>	217
Donations in kind	<b>17,538</b>	22,662
Facilitator and subcontractor fees	<b>25,972</b>	43,941
Insurance	<b>9,016</b>	8,818
Janitorial	<b>23,958</b>	17,993
Legal fees	<b>391</b>	2,064
Membership and subscriptions	<b>1,329</b>	2,849
Office equipment	<b>3,120</b>	3,688
Office supplies	<b>19,974</b>	18,679
Phone, fax and internet	<b>14,191</b>	7,152
Photocopier	<b>8,046</b>	8,097
Program supplies	<b>71,778</b>	100,580
Rent	<b>102,592</b>	110,569
Repairs and maintenance	<b>20,432</b>	15,662
Staff development	<b>19,774</b>	27,604
Travel	<b>7,203</b>	4,987
Wages and benefits	<b>1,233,119</b>	1,143,091
Workshops	<b>562</b>	11,002
	<b>1,597,143</b>	1,570,041
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>105,543</b>	<b>(42,485)</b>

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, 2019

	Investment In Tangible Capital Assets	Internally Restricted and Unrestricted Net Assets	2 0 1 9	2 0 1 8
	\$	\$	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>9,739</b>	<b>78,406</b>	<b>88,145</b>	130,630
Excess (deficiency) of revenue over expenses	-	<b>105,543</b>	<b>105,543</b>	(42,485)
Investment in tangible capital assets	<b>14,996</b>	<b>(14,996)</b>	-	-
Amortization	<b>(6,075)</b>	<b>6,075</b>	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>18,660</b>	<b>175,028</b>	<b>193,688</b>	88,145
<b>Classification of net assets:</b>				
Contingency and other reserves (Note 7)	-	<b>165,837</b>	<b>165,837</b>	162,964
Unrestricted	<b>18,660</b>	<b>9,191</b>	<b>27,851</b>	(74,819)
	<b>18,660</b>	<b>175,028</b>	<b>193,688</b>	88,145

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, 2019

	2 0 1 9	2 0 1 8
	\$	\$
<b>CURRENT ASSETS</b>		
Cash (Note 3)	419,092	227,597
Portfolio investments	115,216	114,163
Accounts receivable	8,563	15,446
Prepaid expenses	6,023	1,825
	<u>548,894</u>	359,031
<b>TANGIBLE CAPITAL ASSETS</b> (Note 4)	<u>18,660</u>	9,739
	<u><u>567,554</u></u>	<u>368,770</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	23,749	77,639
Government remittances payable	19,299	16,572
Wages and benefits payable	42,080	31,899
Deferred contributions (Note 5)	288,738	154,515
	<u>373,866</u>	280,625
<b>NET ASSETS</b>		
Net assets invested in tangible capital assets	18,660	9,739
Net assets internally restricted (Note 7)	165,837	162,964
Unrestricted net debt	9,191	(84,558)
	<u>193,688</u>	88,145
	<u><u>567,554</u></u>	<u>368,770</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, 2019

	2 0 1 9	2 0 1 8
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	105,543	(42,485)
Items not affecting cash		
Amortization	6,075	8,359
	111,618	(34,126)
Changes in non-cash working capital		
Accounts receivable	6,883	(5,240)
Prepaid expenses	(4,198)	140
Accounts payable and accrued liabilities	(53,890)	60,711
Government remittances payable	2,727	(2,915)
Wages and benefits payable	10,181	(15,788)
Deferred contributions	134,223	15,052
	207,544	17,834
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investments	(1,053)	(1,021)
Acquisition of tangible capital assets	(14,996)	(3,931)
	(16,049)	(4,952)
<b>NET INCREASE IN CASH</b>	191,495	12,882
<b>CASH, BEGINNING OF YEAR</b>	227,597	214,715
<b>CASH, END OF YEAR</b>	419,092	227,597

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, 2019

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#### 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 16,000 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.

#### *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 2018/2019 fiscal year:

#### *Family Services Program*

The purpose of this program is to provide services to expectant parents, existing parents and families. The pregnancy outreach program is intended for new parents in our region to learn about healthy pregnancies, 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 and promoting successful child development. Other strength based programs offered at CFEC include Daddy & Me, Nobody’s Perfect, Post-Partum Depression/Mom’s Self Care Group, Infant Massage, Food Skills for Families Prenatal Education, Breastfeeding Support Group (in partnership with the La Leche League), Circle of Security (in partnership with Infant Development Program and Child and Youth Mental Health), Community Kitchen, and Farmers Market Coupon Program (in partnership with the South Cariboo Farmers Market).

The Family Services Program also provides family support services to families through supervised/supported visits, food security services (prenatal coupons/prenatal vitamins, emergency food services, food recovery), family transportation support, parenting, Ages and Stages (infant/child) screening, social and life skills.

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

year ended March 31, 2019

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**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 includes Child Counselling and Play Therapy, Parent Teen Mediation, Family Group Conferences, Men's Night and Adult Counselling (Individual, Couples, and Families). Counselling services use motivational and a trauma informed approach to support the goals of individuals and 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 the Raven Youth Centre, Youth Counselling, and Youth Outreach. Youth Services works in partnership with School District 27 to provide support for student's social and emotional needs through various in-school programs.

*Early Care and Learning Centre (ECLC)*

The Child Care Centre provides licensed facilities for 0-3 (infant/toddler), 3-5 years and before school/after school/out of school children (5 to 12) 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. The ECLC Early Childhood Educators screen and monitor child development using the Ages and Stages Infant/Child Developmental Assessment Forms.

*CFEC Cariboo Kids Centre*

The Cariboo Family Enrichment Centre Society hosts the Cariboo Kids 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 Cariboo Kids webpage, and monthly calendar of events to support early years development.

CFEC demonstrates its collaboration with involvement in various community organizations including: Violence in Relationship Committee, Early Childhood Development Committee, Child and Youth Mental Health Collaborative, and Suicide Prevention Committee. We work with 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, Stemetuwi Friendship Centre, School District 27 and Canim Lake Band.

**THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
year ended March 31, 2019

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**1. DESCRIPTION OF BUSINESS** (continued)

The Society 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

## THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2019

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#### 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 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, 2019

**3. CASH**

Cash includes externally restricted cash of \$126,850 (March 31, 2018 - \$130,450).

**4. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2 0 1 9 Net book value</b>	2 0 1 8
	\$	\$	\$	\$
Furniture and equipment	72,471	64,870	7,601	1,618
Computer equipment	26,804	17,899	8,905	3,833
Computer software	8,649	8,649	-	-
Leasehold improvements	84,552	82,399	2,154	4,287
	<b>192,476</b>	<b>173,817</b>	<b>18,660</b>	<b>9,739</b>

**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:

	<b>2 0 1 9</b>	2 0 1 8
	\$	\$
BC Gaming Commission Community Grant	126,850	127,950
Canadian Red Cross	72,049	-
Child Care Resource and Referral Program	465	1,259
CMHA	250	
Deferred daycare revenue	6,360	6,600
FASD	1,550	-
FSP - EPA	78,822	-
EYC	-	627
Interior health - nobody's perfect	1,166	-
Interior health - pregnancy outreach	1,227	-
Ministry of Children and Family - OARH	-	1,920
Ministry of Children and Family - OTO Toolbox	-	5,394
Province of BC - Multiculturalism Gaming Grant	-	2,500
Success By Six (SB6) Funds	-	7,465
Thompson Cariboo Nicola United Way - Youth Outreach	-	800
	<b>288,738</b>	<b>154,515</b>

## THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS

year ended March 31, 2019

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#### 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. Other than described in Note 3, 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 \$1,845 per month continue to be paid until October 1, 2020 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 expired in July 2018 and is \$1 per year, which will continue to be paid on a yearly basis as a new lease agreement is being negotiated.

The Society has committed to future lease payments for office equipment totaling \$45,667, which expire April 2023 and include the following amounts payable over the next four years:

	\$
2020	11,816
2021	11,816
2022	11,612
2023	<u>10,423</u>
	<u>45,667</u>

#### 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.

**THE CARIBOO FAMILY ENRICHMENT CENTRE SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
year ended March 31, 2019

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**9. FINANCIAL INSTRUMENTS** (continued)

*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, 2019, the most significant financial liabilities are accounts payable and accrued liabilities and wages and benefits payable.