

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
***(Operating as Fairfield Gonzales Community Association)***  
**Financial Statements**  
**Year Ended July 31, 2018**



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**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

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To the Members of Fairfield Community Association of Victoria (Operating as Fairfield Gonzales Community Association)

We have reviewed the accompanying financial statements of Fairfield Community Association of Victoria, (Operating as Fairfield Gonzales Community Association) which comprise the statement of financial position as at July 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, 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.

*Practitioner's Responsibility for the Financial Statements*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Fairfield Community Association of Victoria as at July 31, 2018, 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.

*Other Matter*

As required by the Societies Act (British Columbia), we report that, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of preceding period.

*Lee & Company*



Victoria, British Columbia  
October 18, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**(Operating as Fairfield Gonzales Community Association)**  
**Statement of Financial Position**  
**July 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 485,548	\$ 444,328
Term deposits (Note 3)	50,000	50,000
Accounts receivable (Note 4)	5,609	10,959
Prepaid expenses	149	20,149
	541,306	525,436
<b>TANGIBLE CAPITAL ASSETS (Note 5)</b>	<b>76,467</b>	<b>10,368</b>
	<b>\$ 617,773</b>	<b>\$ 535,804</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 20,868	\$ 24,394
Wages payable	20,539	12,268
Bonuses payable	-	22,750
Deferred revenue (Note 7)	140,602	96,155
	182,009	155,567
 <b>NET ASSETS</b>		
General fund	359,297	324,869
Restricted fund	76,467	10,368
Renovation fund	-	45,000
	435,764	380,237
	<b>\$ 617,773</b>	<b>\$ 535,804</b>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

See notes to financial statements

**LEE & COMPANY**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
*(Operating as Fairfield Gonzales Community Association)*  
**Statement of Revenues and Expenditures**  
**Year Ended July 31, 2018**

	2018	2017
<b>REVENUES</b>		
Federal	\$ 21,419	\$ 24,192
Municipal	137,874	145,456
Provincial	176,406	155,034
Donations and fundraising	6,066	8,543
Gaming	79,273	72,060
Sundry income	3,829	2,913
Recreation fees	78,801	86,925
Facility rentals	49,367	44,813
Out-of-school fees	575,886	581,531
Camp fees	83,912	81,435
School District 61 (Note 9)	1,036,558	1,055,836
Preschool fees	211,247	87,947
Grants	2,500	22,796
Interest earned	-	1,200
	<u>2,463,138</u>	<u>2,370,681</u>
<b>EXPENSES</b>		
Advertising and promotion	530	554
Amortization	8,446	5,706
Board development and expense	7,591	8,821
Equipment rentals	19,869	15,480
Insurance	19,687	19,663
Newsletter	6,131	9,073
Office	25,160	20,392
Professional fees	9,211	11,014
Program supplies	82,370	68,921
Rental	22,242	22,695
Repairs and maintenance	22,896	16,247
Staff development and dues	14,337	10,495
Telephone	17,345	17,140
Travel and mileage	6,770	6,175
Wages and benefits	2,145,026	2,064,154
	<u>2,407,611</u>	<u>2,296,530</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 55,527</u>	<u>\$ 74,151</u>

See notes to financial statements

**LEE & COMPANY**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
*(Operating as Fairfield Gonzales Community Association)*  
**Statement of Changes in Net Assets**  
**Year Ended July 31, 2018**

	General Fund	Restricted Fund	Renovation Fund	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 324,869	\$ 10,368	\$ 45,000	<b>\$ 380,237</b>	\$ 306,086
EXCESS OF REVENUES OVER EXPENSES	55,527	-	-	<b>55,527</b>	74,151
	-	-	-	-	-
Amortization of tangible capital assets	8,446	(8,446)	-	-	-
Transfer	(29,545)	74,545	(45,000)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 359,297</b>	<b>\$ 76,467</b>	<b>\$ -</b>	<b>\$ 435,764</b>	<b>\$ 380,237</b>

See notes to financial statements

**LEE & COMPANY**  
CHARTERED PROFESSIONAL ACCOUNTANTS



**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
*(Operating as Fairfield Gonzales Community Association)*

**Statement of Cash Flows**

**Year Ended July 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 55,527	\$ 74,151
Item not affecting cash:		
Amortization of tangible capital assets	8,446	5,706
	<u>63,973</u>	<u>79,857</u>
Changes in non-cash working capital:		
Accounts receivable	5,350	1,203
Accounts payable	(3,526)	6,560
Deferred revenue	44,447	(17,036)
Prepaid expenses	20,000	(20,149)
Wages payable	8,271	(649)
Bonuses payable	(22,750)	22,750
	<u>51,792</u>	<u>(7,321)</u>
Cash flow from operating activities	<u>115,765</u>	<u>72,536</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(74,545)</u>	-
<b>INCREASE IN CASH FLOW</b>	<b>41,220</b>	<b>72,536</b>
Cash - beginning of year	<u>494,328</u>	<u>421,792</u>
<b>CASH - END OF YEAR</b>	<b>\$ 535,548</b>	<b>\$ 494,328</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 485,548	\$ 444,328
Term deposits	<u>50,000</u>	<u>50,000</u>
	<b>\$ 535,548</b>	<b>\$ 494,328</b>

See notes to financial statements

**LEE & COMPANY**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**(Operating as Fairfield Gonzales Community Association)**

**Notes to Financial Statements**

**Year Ended July 31, 2018**

*(Unaudited)*

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1. PURPOSE OF THE ORGANIZATION

The Society is a community based organization whose mission statement is "To create a connected, collaborative, inclusive, and sustainable community." The organization was incorporated on September 7, 1975 under the Society Act of British Columbia as a not-for-profit organization without share capital. The Society is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

The Society follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to Fairfield Community Association of Victoria's capital assets.

Renovation fund is an internally restricted fund established to fund the portable renovations for the new daycare program. Renovations commenced in August, 2017 and completed in October, 2017.

Revenue recognition

- a) The Society follows the deferral method of accounting for contributions.
- b) Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- c) Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.
- d) Sales and services are recognized as revenue when the product is shipped to the customer or the service is provided.
- e) Interest revenues are recognized when received.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
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**Notes to Financial Statements**

**Year Ended July 31, 2018**

*(Unaudited)*

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated services

The Society benefits greatly from donated services in the form of volunteer time for various committees. The value of donated services is not recognized in these financial statements.

Gifts in-kind

Donated material is only recorded when a fair market value can be reasonably estimated and when the materials are normally purchased by the Society and would be paid for if not donated.

Donated materials included in revenue on the statement of revenue and expenditures for 2018 is \$0, and \$0 in donated materials for 2017.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	10 years	straight-line method
Program equipment	3 years	straight-line method
Furniture and equipment	20%	declining balance method
Computer equipment	30% - 45%	declining balance method
Computer software	100%	declining balance method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments

The Society's financial instruments consist of cash, term deposits, accounts receivable, payables and accruals. A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument. The Society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures all of its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
*(Operating as Fairfield Gonzales Community Association)*

**Notes to Financial Statements**

**Year Ended July 31, 2018**

*(Unaudited)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. TERM DEPOSITS

The Society's term deposits consists of guaranteed investment certificates, the fair market value of which approximates their carrying value due to their short-term maturity. Interest rate on the investment as at July 31, 2018 was 0.2504%.

4. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts receivable from the Canada Revenue Agency totalling \$5,609. The Society is eligible to receive a rebate of 50% of total G.S.T. paid on purchases during the year as the Society is a registered charity.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2018 Net book value</b>	2017 Net book value
Buildings	\$ 64,068	\$ 3,203	<b>\$ 60,865</b>	\$ -
Furniture and equipment	73,105	66,292	<b>6,813</b>	8,516
Computer equipment	12,309	12,251	<b>58</b>	103
Computer software	8,146	8,146	-	-
Program equipment	10,477	1,746	<b>8,731</b>	-
Leasehold improvements	17,490	17,490	-	1,749
	<b>\$ 185,595</b>	<b>\$ 109,128</b>	<b>\$ 76,467</b>	<b>\$ 10,368</b>

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**Notes to Financial Statements**  
**Year Ended July 31, 2018**  
*(Unaudited)*

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6. FACILITY

Facility includes the multi-purpose room and Place building.

The multi-purpose room is governed by a joint-use agreement between the City of Victoria and the Greater Victoria School District 61.

The Society has an on-going agreement with the City of Victoria to operate the facilities.

The Society owns a portable building that is situated on City of Victoria's land. The building was renovated in 2017 for the new daycare program.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
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**Notes to Financial Statements**

**Year Ended July 31, 2018**

(Unaudited)

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7. DEFERRED REVENUE

Deferred contributions represent funds received during the year which relate to the subsequent period.

	<u>2018</u>	<u>2017</u>
<b>The figure for deferred contributions is made up of the following amounts:</b>		
City of Victoria	\$ 78,817	\$ 54,306
Federal	6,420	6,420
Gaming	6,727	-
Program and rental deposits	48,638	32,929
Other	-	2,500
	<u>\$ 140,602</u>	<u>\$ 96,155</u>

**Changes in the total deferred contributions balance are as follows:**

Balance, beginning of the year	\$ 96,155	\$ 113,191
Less: amounts recognized as revenue during the year	(96,155)	(113,191)
Add: additional amounts received during the year	140,602	96,155
	<u>-</u>	<u>-</u>
Balance, end of the year	<u>\$ 140,602</u>	<u>\$ 96,155</u>

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8. CONTINGENCY FUND

The Society maintains a Contingency Fund for unanticipated expenses, including equipment purchases, and/or special expenses approved by the Board of Directors. Access to the fund is by Board motion. The contingency fund consists of \$30,000 in term deposits included in the General Fund.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
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**Notes to Financial Statements**

**Year Ended July 31, 2018**

*(Unaudited)*

9. SCHOOL DISTRICT 61

Additional information to revenue received from School District #61. The Society sub-contracts to Quadra Village Community Centre (Downtown Blanshard Activity Centre) during the school year, funds received from the Greater Victoria School District #61 to provide youth and family counsellors for the Reynolds family of Schools, Alternative Education, Victoria High School, and George Jay Elementary. These are flow thru funds and are based on the number of hours allocated by each school.

	2018	2017
<b>Amount transferred included in Wages and benefits</b>		
Quadra Village Community Centre	\$ 488,365	\$ 486,033
Burnside Gorge Community Association	675	-
	<b>\$ 489,040</b>	<b>\$ 486,033</b>

10. REMUNERATION PAID TO DIRECTORS, EMPLOYEES AND CONTRACTORS

The BC Societies Act came into effect on November 28, 2016. The Act has a requirement for the disclosure in the financial statements of the remuneration of directors, employees and contractors for financial statements prepared after November 28, 2016. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000. For the fiscal year ending July 31, 2018, the Society did not pay remuneration to any director, did not pay remuneration of over \$75,000 to any employee and one contractor (Note 9) received total annual remuneration of \$75,000 or greater.

11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of July 31, 2018.

**(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. In order to reduce its credit risk, the Society reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of customers which minimizes concentration of credit risk.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
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**Notes to Financial Statements**  
**Year Ended July 31, 2018**  
*(Unaudited)*

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11. FINANCIAL INSTRUMENTS *(continued)*

***(b) Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

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12. COMPARATIVE FIGURES

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

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