

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**

**Financial Statements**

**Year Ended July 31, 2015**

*(Unaudited)*

# Lee & Company

## CHARTERED ACCOUNTANT

W. Lee, CGA, CA

An incorporated professional



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### REVIEW ENGAGEMENT REPORT

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To the Members of Fairfield Community Association of Victoria

We have reviewed the statement of financial position of Fairfield Community Association of Victoria as at July 31, 2015 and the statements of operations, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*Lee & Company*

Victoria, British Columbia  
October 23, 2015

CHARTERED PROFESSIONAL ACCOUNTANTS

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Statement of Financial Position**  
**July 31, 2015**  
*(Unaudited)*

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 156,895	\$ 186,755
Term deposits (Note 3)	175,000	80,000
Accounts receivable (Note 4)	10,934	27,042
	<u>342,829</u>	<u>293,797</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>22,374</u>	<u>29,451</u>
	<u>\$ 365,203</u>	<u>\$ 323,248</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 23,203	\$ 14,706
Wages payable	12,445	8,183
Employee deductions payable	-	5,108
Deferred revenue (Note 7)	99,144	184,070
	<u>134,792</u>	<u>212,067</u>
<b>NET ASSETS</b>		
General fund (Note 8)	208,036	81,729
Capital asset fund (Note 2)	22,375	29,452
	<u>230,411</u>	<u>111,181</u>
	<u>\$ 365,203</u>	<u>\$ 323,248</u>

ON BEHALF OF THE BOARD

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

See notes to financial statements

**Lee & Company**  
 CHARTERED ACCOUNTANT

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Statement of Operations**  
**For the Year Ended July 31, 2015**  
*(Unaudited)*

	2015	2014
<b>REVENUE</b>		
Federal	\$ 35,108	\$ 24,625
Municipal	131,091	95,176
Provincial	194,681	195,524
Donations and fundraising	33,339	23,462
Gaming	72,000	73,102
Sundry income	1,729	600
Recreation fees	75,067	75,285
Facility rentals	38,961	31,333
Out-of-school fees	476,893	443,082
Camp fees	89,109	55,542
School District 61	1,017,614	1,043,610
Preschool fees	70,538	61,316
Grants	15,950	8,814
Interest earned	833	418
	<u>2,252,913</u>	<u>2,131,889</u>
<b>EXPENSES</b>		
Advertising and promotion	1,786	4,933
Amortization	7,077	8,114
Board development and expense	3,090	3,996
Equipment rentals	10,214	7,203
Insurance	16,759	16,748
Newsletter	2,129	-
Office	21,627	21,817
Professional fees	9,658	6,969
Program supplies	54,626	50,380
Rental	18,051	14,875
Repairs and maintenance	20,347	10,487
Staff development and dues	9,107	8,902
Telephone	16,462	16,779
Travel and mileage	4,247	4,879
Wages and benefits	1,938,503	1,925,769
	<u>2,133,683</u>	<u>2,101,851</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 119,230</u>	<u>\$ 30,038</u>

See notes to financial statements

**Lee & Company**  
**CHARTERED ACCOUNTANT**

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Statement of Changes in Net Assets**  
**Year Ended July 31, 2015**  
*(Unaudited)*

	General Fund	Capital asset Fund	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 81,729	\$ 29,452	\$ 111,181	\$ 81,143
Excess of revenue over expenses	119,230	-	119,230	30,038
Amortization of capital assets	7,077	(7,077)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 208,036</b>	<b>\$ 22,375</b>	<b>\$ 230,411</b>	<b>\$ 111,181</b>

See notes to financial statements

**Lee & Company**  
CHARTERED ACCOUNTANT

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Statement of Cash Flow**  
**Year Ended July 31, 2015**  
*(Unaudited)*

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 119,230	\$ 30,038
Item not affecting cash:		
Amortization of capital assets	7,077	8,114
	<u>126,307</u>	<u>38,152</u>
Changes in non-cash working capital:		
Accounts receivable	16,108	(12,763)
Accounts payable	8,497	1,785
Deferred revenue	(84,926)	123,008
Prepaid expenses	-	16,685
Wages payable	4,262	8,183
Employee deductions payable	(5,108)	5,108
	<u>(61,167)</u>	<u>142,006</u>
<b>INCREASE IN CASH FLOW</b>	<b>65,140</b>	<b>180,158</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>266,755</u>	<u>86,597</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 331,895</b>	<b>\$ 266,755</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 156,895	\$ 186,755
Term deposits	175,000	80,000
	<u>\$ 331,895</u>	<u>\$ 266,755</u>

See notes to financial statements

**Lee & Company**  
CHARTERED ACCOUNTANT

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Notes to Financial Statements**  
**Year Ended July 31, 2015**  
*(Unaudited)*

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1. PURPOSE OF THE ORGANIZATION

The Society is a community based organization whose mission statement is "To enhance the quality of life in Fairfield/Gonzales by involving community members in identifying and acting on the needs of area residents." 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.

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.

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.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Notes to Financial Statements**  
**Year Ended July 31, 2015**  
*(Unaudited)*

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

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 2015 is \$62, and \$0 in donated materials for 2014.

Capital assets

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

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 capital assets to eliminate obsolete items.

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

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.

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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 rates on the investments as at July 31, 2015 ranges from 0.85% to 1.75%.

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4. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts receivable from the Canada Revenue Agency totalling \$2,975. 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.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Notes to Financial Statements**  
**Year Ended July 31, 2015**  
*(Unaudited)*

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and equipment	\$ 73,104	\$ 59,799	\$ 13,305	\$ 16,631
Computer equipment	12,309	11,985	324	577
Computer software	8,146	8,146	-	-
Leasehold improvements	17,490	8,745	8,745	12,243
	<u>\$ 111,049</u>	<u>\$ 88,675</u>	<u>\$ 22,374</u>	<u>\$ 29,451</u>

6. MULTI-PURPOSE BUILDING

The Building 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 building.

7. DEFERRED REVENUE

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

	2015	2014
<b>The figure for deferred contributions is made up of the following amounts:</b>		
City of Victoria	\$ 52,908	\$ 44,712
Federal	9,898	5,218
Program and rental deposits	36,338	33,703
School District #61	-	100,437
	<u>\$ 99,144</u>	<u>\$ 184,070</u>

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

Balance, beginning of the year	\$ 184,070	\$ 61,062
Less: amounts recognized as revenue during the year	(184,070)	(61,062)
Add: additional amounts received during the year	99,144	184,070
	<u>\$ 99,144</u>	<u>\$ 184,070</u>

**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Notes to Financial Statements**  
**Year Ended July 31, 2015**  
*(Unaudited)*

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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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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 Oaklands Elementary. These are flow thru funds and are based on the number of hours allocated by each school.

	<u>2015</u>	<u>2014</u>
Amount transferred to Quadra Village Community Centre and included in Wages and benefits	<u>\$ 382,506</u>	<u>\$ 463,319</u>

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10. 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, 2015.

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.

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.

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**FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA**  
**Notes to Financial Statements**  
**Year Ended July 31, 2015**  
*(Unaudited)*

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10. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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11. COMPARATIVE FIGURES

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

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