

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

**Financial Statements**

**Year Ended July 31, 2016**

*(Unaudited)*



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**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 statement of financial position of Fairfield Community Association of Victoria, (Operating as Fairfield Gonzales Community Association), as at July 31, 2016 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 21, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

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


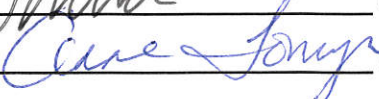
**Statement of Financial Position**

**July 31, 2016**

*(Unaudited)*

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 291,792	\$ 156,895
Term deposits <i>(Note 3)</i>	130,000	175,000
Accounts receivable <i>(Note 4)</i>	12,162	10,933
	433,954	342,828
 CAPITAL ASSETS <i>(Note 5)</i>	 16,074	 22,375
	\$ 450,028	\$ 365,203
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 17,835	\$ 23,203
Wages payable	12,916	12,445
Deferred revenue <i>(Note 7)</i>	113,191	99,144
	143,942	134,792
 <b>NET ASSETS</b>		
General fund	290,012	208,036
Capital asset fund	16,074	22,375
	306,086	230,411
	\$ 450,028	\$ 365,203

**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 Changes in Net Assets**

**Year Ended July 31, 2016**

*(Unaudited)*

	General Fund	Capital Asset Fund	<b>2016</b>	2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 208,036	\$ 22,375	<b>\$ 230,411</b>	\$ 111,181
Excess of revenue over expenses	75,675	-	<b>75,675</b>	119,230
Amortization of capital assets	6,301	(6,301)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 290,012</b>	<b>\$ 16,074</b>	<b>\$ 306,086</b>	<b>\$ 230,411</b>

See notes to financial statements

**LEE & COMPANY**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

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

**Statement of Operations**

**Year Ended July 31, 2016**

*(Unaudited)*

	2016	2015
<b>REVENUE</b>		
Federal	\$ 25,052	\$ 35,108
Municipal	129,722	131,091
Provincial	187,461	194,681
Donations and fundraising	12,915	33,339
Gaming	72,000	72,000
Sundry income	1,003	1,729
Recreation fees	89,395	75,067
Facility rentals	42,063	38,961
Out-of-school fees	517,085	476,893
Camp fees	88,047	89,109
School District 61 <i>(Note 9)</i>	1,048,328	1,017,614
Preschool fees	77,754	70,538
Grants	25,165	15,950
Interest earned	276	833
	<u>2,316,266</u>	<u>2,252,913</u>
<b>EXPENSES</b>		
Advertising and promotion	464	1,786
Amortization	6,301	7,077
Board development and expense	5,847	3,090
Equipment rentals	19,575	10,214
Insurance	18,185	16,759
Newsletter	2,975	2,129
Office	18,662	21,627
Professional fees	13,164	9,658
Program supplies	61,258	54,626
Rental	17,529	18,051
Repairs and maintenance	25,747	20,347
Staff development and dues	14,999	9,107
Telephone	16,474	16,462
Travel and mileage	4,801	4,247
Wages and benefits	2,014,610	1,938,503
	<u>2,240,591</u>	<u>2,133,683</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 75,675</u>	<u>\$ 119,230</u>

See notes to financial statements

**LEE & COMPANY**  
 CHARTERED PROFESSIONAL ACCOUNTANTS

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

**Statement of Cash Flow**

**Year Ended July 31, 2016**

*(Unaudited)*

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 75,675	\$ 119,230
Item not affecting cash:		
Amortization of capital assets	6,301	7,077
	<u>81,976</u>	<u>126,307</u>
Changes in non-cash working capital:		
Accounts receivable	(1,229)	16,108
Accounts payable	(5,368)	8,497
Deferred revenue	14,047	(84,926)
Wages payable	471	4,262
Employee deductions payable	-	(5,108)
	<u>7,921</u>	<u>(61,167)</u>
<b>INCREASE IN CASH FLOW</b>	<b>89,897</b>	<b>65,140</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>331,895</u>	<u>266,755</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 421,792</b>	<b>\$ 331,895</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 291,792	\$ 156,895
Term deposits	130,000	175,000
	<u>\$ 421,792</u>	<u>\$ 331,895</u>

See notes to financial statements

**LEE & COMPANY**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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

**Year Ended July 31, 2016**

*(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**  
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**Notes to Financial Statements**

**Year Ended July 31, 2016**

*(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 2016 is \$0, and \$62 in donated materials for 2015.

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.

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.

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

**Year Ended July 31, 2016**

*(Unaudited)*

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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, 2016 ranges from 0.1000% to 0.2504%.

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4. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts receivable from the Canada Revenue Agency totalling \$3,469. 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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5. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Furniture and equipment	\$ 73,105	\$ 62,460	\$ 10,645	\$ 13,306
Computer equipment	12,309	12,127	182	324
Computer software	8,146	8,146	-	-
Leasehold improvements	17,490	12,243	5,247	8,745
	<u>\$ 111,050</u>	<u>\$ 94,976</u>	<u>\$ 16,074</u>	<u>\$ 22,375</u>

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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.

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**Notes to Financial Statements**

**Year Ended July 31, 2016**

(Unaudited)

7. DEFERRED REVENUE

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

	2016	2015
<b>The figure for deferred contributions is made up of the following amounts:</b>		
City of Victoria	\$ 56,316	\$ 52,908
Federal	6,420	9,898
Program and rental deposits	37,870	36,338
Other	12,585	-
	\$ 113,191	\$ 99,144

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

Balance, beginning of the year	\$ 99,144	\$ 184,070
Less: amounts recognized as revenue during the year	(99,144)	(184,070)
Add: additional amounts received during the year	113,191	99,144
	-	-
Balance, end of the year	\$ 113,191	\$ 99,144

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.

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.

	2016	2015
Amount transferred to Quadra Village Community Centre and included in Wages and benefits	\$ 386,442	\$ 382,506

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**Notes to Financial Statements**

**Year Ended July 31, 2016**

*(Unaudited)*

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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, 2016.

***(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.

***(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 funders, customers and other related sources, contributions to the Registered Retirement Savings 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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**11. COMPARATIVE FIGURES**

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

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