

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

Financial Statements
Year Ended July 31, 2019



LEE & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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) (the Society) that comprise the statement of financial position as at July 31, 2019, 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 (ASNPO), 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

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 the financial statements do not present fairly, in all material respects, the financial position of Fairfield Community Association of Victoria as at July 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Report on Regulatory Requirements

As required by the Societies Act of British Columbia, we report that the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceeding year.

Victoria, British Columbia
October 16, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS


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

Statement of Financial Position

July 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 460,433	\$ 485,548
Term deposits	200,393	50,000
Accounts receivable	8,340	5,609
Prepaid expenses	149	149
	<u>669,315</u>	<u>541,306</u>
TANGIBLE CAPITAL ASSETS (Note 5)	<u>65,181</u>	<u>76,467</u>
	<u>\$ 734,496</u>	<u>\$ 617,773</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 17,935	\$ 20,868
Wages payable	26,194	20,539
Deferred revenue	154,647	140,602
	<u>198,776</u>	<u>182,009</u>
NET ASSETS		
General fund	470,539	359,297
Capital fund	65,181	76,467
	<u>535,720</u>	<u>435,764</u>
	<u>\$ 734,496</u>	<u>\$ 617,773</u>

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, 2019

	2019	2018
REVENUES		
Federal	\$ 27,003	\$ 21,419
Municipal	175,208	137,874
Provincial	322,267	176,406
Donations and fundraising	39,574	6,066
Gaming	83,727	79,273
Sundry income	3,925	3,829
Recreation fees	89,716	78,801
Facility rentals	51,580	49,367
Out-of-school fees	634,024	575,886
Camp fees	71,637	83,912
School District 61	1,057,186	1,036,558
Preschool fees	221,280	211,247
Grants	13,699	2,500
Interest earned	4,833	-
	<u>2,795,659</u>	<u>2,463,138</u>
EXPENSES		
Advertising and promotion	1,854	530
Amortization	11,286	8,446
Board development and expense	9,223	7,591
Equipment rentals	16,192	19,869
Insurance	21,038	19,687
Newsletter	6,148	6,131
Office	20,100	25,160
Professional fees	9,100	9,211
Program supplies	96,806	82,370
Rental	36,917	22,242
Repairs and maintenance	36,349	22,896
Staff development and dues	19,241	14,337
Telephone	17,583	17,345
Travel and mileage	8,211	6,770
Wages and benefits	2,385,655	2,145,026
	<u>2,695,703</u>	<u>2,407,611</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 99,956</u>	<u>\$ 55,527</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, 2019

	General Fund	Capital Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 359,297	\$ 76,467	\$ 435,764	\$ 380,237
EXCESS OF REVENUES OVER EXPENSES	99,956	-	99,956	55,527
Amortization of tangible capital assets	11,286	(11,286)	-	-
NET ASSETS - END OF YEAR	<u>\$ 470,539</u>	<u>\$ 65,181</u>	<u>\$ 535,720</u>	<u>\$ 435,764</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 Flows
Year Ended July 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 99,956	\$ 55,527
Item not affecting cash:		
Amortization of tangible capital assets	11,286	8,446
	<u>111,242</u>	<u>63,973</u>
Changes in non-cash working capital:		
Accounts receivable	(2,731)	5,350
Accounts payable	(2,933)	(3,526)
Deferred revenue	14,045	44,447
Prepaid expenses	-	20,000
Wages payable	5,655	8,271
Bonuses payable	-	(22,750)
	<u>14,036</u>	<u>51,792</u>
Cash flow from operating activities	<u>125,278</u>	<u>115,765</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	-	(74,545)
INCREASE IN CASH FLOW	<u>125,278</u>	<u>41,220</u>
Cash - beginning of year	<u>535,548</u>	<u>494,328</u>
CASH - END OF YEAR	<u>\$ 660,826</u>	<u>\$ 535,548</u>
CASH CONSISTS OF:		
Cash	\$ 460,433	\$ 485,548
Term deposits	<u>200,393</u>	<u>50,000</u>
	<u>\$ 660,826</u>	<u>\$ 535,548</u>

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, 2019

(Unaudited)

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.

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.
- e) Interest revenues are recognized when received.

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, 2019

(Unaudited)

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 2019 is \$0, and \$0 in donated materials for 2018.

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.

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.

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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Notes to Financial Statements

Year Ended July 31, 2019

(Unaudited)

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. Minimum interest rates on the investments as at July 31, 2019 ranges from 0.25% to 2.05%.

4. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts receivable from the Canada Revenue Agency totalling \$5,032. 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	2019 Net book value	2018 Net book value
Buildings	\$ 64,068	\$ 9,610	\$ 54,458	\$ 60,865
Furniture and equipment	73,105	67,654	5,451	6,813
Computer equipment	12,309	12,276	33	58
Computer software	8,146	8,146	-	-
Program equipment	10,477	5,238	5,239	8,731
Leasehold improvements	17,490	17,490	-	-
	<u>\$ 185,595</u>	<u>\$ 120,414</u>	<u>\$ 65,181</u>	<u>\$ 76,467</u>

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.

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

Notes to Financial Statements

Year Ended July 31, 2019

(Unaudited)

7. DEFERRED REVENUE

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

	<u>2019</u>	<u>2018</u>
The figure for deferred contributions is made up of the following amounts:		
City of Victoria	\$ 80,536	\$ 78,817
Federal	6,420	6,420
Gaming	-	6,727
Program and rental deposits	49,661	48,638
Other	18,030	-
	<u>\$ 154,647</u>	<u>\$ 140,602</u>

Changes in the total deferred contributions balance are as follows:

Balance, beginning of the year	\$ 140,602	\$ 96,155
Less: amounts recognized as revenue during the year	(135,602)	(96,155)
Add: additional amounts received during the year	149,647	140,602
	<u>-</u>	<u>-</u>
Balance, end of the year	<u>\$ 154,647</u>	<u>\$ 140,602</u>

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.

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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Notes to Financial Statements

Year Ended July 31, 2019

(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.

	2019	2018
Amount transferred included in Wages and benefits		
Quadra Village Community Centre	\$ 509,047	\$ 488,365
Burnside Gorge Community Association	-	675
	<u>\$ 509,047</u>	<u>\$ 489,040</u>

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, 2019, 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, 2019.

(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
(Operating as *Fairfield Gonzales Community Association*)

Notes to Financial Statements

Year Ended July 31, 2019

(Unaudited)

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.

12. COMPARATIVE FIGURES

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