

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Financial Statements
Year Ended July 31, 2020

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as *Fairfield Gonzales Community Association*)
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Year Ended July 31, 2020

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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 Organization) that comprise the statement of financial position as at July 31, 2020, 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

(continues)

Independent Practitioner's Review Engagement Report to the Members of Fairfield Community Association of Victoria (*continued*)

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 preceding year.

A handwritten signature in black ink that reads "Lee & Company". The script is cursive and elegant, with the ampersand being particularly stylized.

Victoria, British Columbia
October 21, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Statement of Financial Position
July 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 627,032	\$ 460,433
Term deposits	201,436	200,393
Accounts receivable	186,900	8,340
Prepaid expenses	149	149
	<u>1,015,517</u>	669,315
TANGIBLE CAPITAL ASSETS (Note 5)	<u>54,178</u>	65,181
	<u>\$ 1,069,695</u>	<u>\$ 734,496</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 18,638	\$ 17,935
Wages payable	39,899	26,194
Deferred revenue	160,613	154,647
	<u>219,150</u>	198,776
NET ASSETS		
General fund	776,367	470,539
Capital fund	54,178	65,181
Equipment fund	20,000	-
	<u>850,545</u>	535,720
	<u>\$ 1,069,695</u>	<u>\$ 734,496</u>

ON BEHALF OF THE BOARD

DocuSigned by:

Don Mansour

Director

DocuSigned by:

Brian Vatter

Director

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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, 2020

	2020	2019
REVENUES		
Federal	\$ 24,135	\$ 27,003
Municipal	150,202	175,208
Provincial	221,784	322,267
Donations and fundraising	8,072	39,574
Gaming	79,000	83,727
Sundry income	2,538	3,925
Recreation fees	64,148	89,716
Facility rentals	39,909	51,580
Out-of-school fees	439,397	634,024
Camp fees	72,191	71,637
School District 61	1,298,804	1,057,186
Preschool fees	168,234	221,280
Grants	76,971	13,699
Interest earned	1,704	4,833
	<u>2,647,089</u>	<u>2,795,659</u>
EXPENSES		
Advertising and promotion	184	1,854
Amortization	11,003	11,286
Board development and expense	3,237	9,223
Equipment rentals	9,998	16,192
Insurance	21,734	21,038
Newsletter	4,819	6,148
Office	19,066	20,100
Professional fees	9,733	9,100
Program supplies	71,867	96,806
Rental	35,506	36,917
Repairs and maintenance	40,857	36,349
Staff development and dues	15,883	19,241
Telephone	19,070	17,583
Travel and mileage	8,091	8,211
Wages and benefits	2,578,981	2,385,655
	<u>2,850,029</u>	<u>2,695,703</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(202,940)</u>	<u>99,956</u>
OTHER INCOME		
Canada Wage Subsidy	276,291	-
Provincial Temporary Emergency Funding (Childcare)	241,474	-
	<u>517,765</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 314,825</u>	<u>\$ 99,956</u>

See notes to financial statements

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Statement of Changes in Net Assets
Year Ended July 31, 2020

	General Fund	Capital Fund	Equipment Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 470,539	\$ 65,181	\$ -	\$ 535,720	\$ 435,764
Excess of revenues over expenses	314,825	-	-	314,825	99,956
Amortization of tangible capital assets	11,003	(11,003)	-	-	-
Transfer	(20,000)	-	20,000	-	-
NET ASSETS - END OF YEAR	\$ 776,367	\$ 54,178	\$ 20,000	\$ 850,545	\$ 535,720

See notes to financial statements

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Statement of Cash Flows
Year Ended July 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 314,825	\$ 99,956
Item not affecting cash:		
Amortization of tangible capital assets	11,003	11,286
	<u>325,828</u>	<u>111,242</u>
Changes in non-cash working capital:		
Accounts receivable	(178,561)	(2,731)
Accounts payable	704	(2,933)
Deferred revenue	5,966	14,045
Wages payable	13,705	5,655
	<u>(158,186)</u>	<u>14,036</u>
INCREASE IN CASH FLOW	167,642	125,278
Cash - beginning of year	<u>660,826</u>	<u>535,548</u>
CASH - END OF YEAR	\$ 828,468	\$ 660,826
CASH CONSISTS OF:		
Cash	\$ 627,032	\$ 460,433
Term deposits	<u>201,436</u>	<u>200,393</u>
	\$ 828,468	\$ 660,826

See notes to financial statements

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

Notes to Financial Statements

Year Ended July 31, 2020

(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.

Equipment Fund is an internally restricted fund established to fund the equipment for the new Infant and Toddler program. Total budgeted cost of the equipment is estimated to be \$20,000. Purchases commenced in August, 2020 and are expected to be completed within the next fiscal year.

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.

(continues)

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

Notes to Financial Statements

Year Ended July 31, 2020

(Unaudited)

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 2020 is \$0, and \$0 in donated materials for 2019.

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 organization 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, 2020

(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. Minimum interest rates on the investments as at July 31, 2020 ranges from 0.375% to 2.10%.

4. ACCOUNTS RECEIVABLE

Accounts receivable includes amounts receivable from the Canada Revenue Agency for GST rebates and Canada Emergency Wage Subsidy.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Buildings	\$ 64,068	\$ 16,017	\$ 48,051	\$ 54,458
Furniture and equipment	73,105	68,744	4,361	5,451
Computer equipment	12,309	12,290	19	33
Computer software	8,146	8,146	-	-
Program equipment	10,477	8,730	1,747	5,239
Leasehold improvements	17,490	17,490	-	-
	<u>\$ 185,595</u>	<u>\$ 131,417</u>	<u>\$ 54,178</u>	<u>\$ 65,181</u>

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

Notes to Financial Statements

Year Ended July 31, 2020

(Unaudited)

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.

7. DEFERRED REVENUE

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

	<u>2020</u>	<u>2019</u>
The figure for deferred contributions is made up of the following amounts:		
City of Victoria	\$ 97,715	\$ 80,536
Federal	6,420	6,420
Gaming	-	-
Program and rental deposits	44,234	49,661
Other	12,244	18,030
	<u>\$ 160,613</u>	<u>\$ 154,647</u>

Changes in the total deferred contributions balance are as follows:

Balance, beginning of the year	\$ 154,647	\$ 140,602
Less: amounts recognized as revenue during the year	(149,647)	(135,602)
Add: additional amounts received during the year	155,613	149,647
	-	-
Balance, end of the year	<u>\$ 160,613</u>	<u>\$ 154,647</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
(Operating as Fairfield Gonzales Community Association)

Notes to Financial Statements

Year Ended July 31, 2020

(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.

	<u>2020</u>	<u>2019</u>
Amount transferred included in Wages and benefits		
Quadra Village Community Centre	\$ 619,168	\$ 509,047

10. REMUNERATION PAID TO DIRECTORS, EMPLOYEES AND CONTRACTORS

As required by the British Columbia Societies Act, it is noted that there were one employee and one contractor paid greater than \$75,000 during the 2019-20 year. The Society paid a combined total of \$698,234 to these recipients.

No remuneration was paid to members of the Board of Directors for the year ended July 31, 2020.

11. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

At the time of approval of these financial statements, the Society has amended its operations in order to continue deliver its services during the COVID-19 pandemic.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

12. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of July 31, 2020.

(continues)

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Notes to Financial Statements
Year Ended July 31, 2020
(Unaudited)

12. FINANCIAL INSTRUMENTS *(continued)*

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization 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 organization 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 organization 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.

(c) 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 organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank term deposits.

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

13. COMPARATIVE FIGURES

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