

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Financial Statements
Year Ended July 31, 2021

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
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Year Ended July 31, 2021

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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

I 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, 2021, and the statements of changes in net assets, revenues and expenditures 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

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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, I 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.

ScH & Company

CHARTERED PROFESSIONAL ACCOUNTANT

Victoria, British Columbia
October 14, 2021

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Statement of Financial Position
July 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 857,193	\$ 627,032
Term deposits (Note 3)	203,888	201,436
Accounts receivable (Note 4)	8,092	186,900
Prepaid expenses	3,959	149
	<u>1,073,132</u>	1,015,517
TANGIBLE CAPITAL ASSETS (Note 5)	<u>52,478</u>	54,178
	<u>\$ 1,125,610</u>	<u>\$ 1,069,695</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 22,409	\$ 18,638
Wages payable	46,820	39,899
Deferred revenue (Note 7)	330,040	160,613
	<u>399,269</u>	219,150
 NET ASSETS		
General fund	673,863	776,367
Capital asset fund	52,478	54,178
Program start-up fund	-	20,000
	<u>726,341</u>	850,545
	<u>\$ 1,125,610</u>	<u>\$ 1,069,695</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

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, 2021

	General Fund	Capital Asset Fund	Program Start-Up Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 776,367	\$ 54,178	\$ 20,000	\$ 850,545	\$ 535,720
Deficiency of revenues over expenses	(124,204)	-	-	(124,204)	314,825
Amortization of tangible capital assets	10,495	(10,495)	-	-	-
Purchase and disposal of tangible capital assets	(8,795)	8,795	-	-	-
Transfer	20,000	-	(20,000)	-	-
NET ASSETS - END OF YEAR	\$ 673,863	\$ 52,478	\$ -	\$ 726,341	\$ 850,545

See notes to financial statements

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Statement of Revenues and Expenditures
Year Ended July 31, 2021

	2021	2020
REVENUES		
Federal	\$ 24,735	\$ 24,135
Municipal	198,743	150,202
Provincial	444,607	463,257
Donations and fundraising	9,960	8,072
Gaming	83,000	79,000
Sundry income	3,072	2,538
Recreation fees	43,578	64,148
Facility rentals	20,093	39,909
Out-of-school fees	549,620	439,397
Camp fees	113,319	72,191
School District 61	1,336,089	1,298,804
Early years fees	250,710	168,234
Foundation grants	30,580	76,971
Interest earned	5,202	1,704
	<u>3,113,308</u>	<u>2,888,562</u>
EXPENSES		
Wages and benefits	2,907,354	2,578,981
Advertising and promotion	3,085	184
Amortization	10,495	11,003
Board development and expense	2,522	3,237
Equipment rentals	5,319	6,847
Insurance	21,808	21,734
Newsletter	6,485	4,819
Office	22,977	19,066
Professional fees	8,942	9,733
Program supplies	124,429	75,017
Rental	42,235	35,506
Repairs and maintenance	29,938	40,857
Staff development and dues	22,257	15,883
Telephone	20,381	19,070
Travel and mileage	9,285	8,091
	<u>3,237,512</u>	<u>2,850,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(124,204)	38,534
OTHER INCOME		
Canada Wage Subsidy	-	276,291
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (124,204)	\$ 314,825

See notes to financial statements

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Statement of Cash Flows
Year Ended July 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (124,204)	\$ 314,825
Items not affecting cash:		
Amortization of tangible capital assets	10,495	11,003
Loss on disposal of tangible capital assets	19	-
	<u>(113,690)</u>	<u>325,828</u>
Changes in non-cash working capital:		
Accounts receivable	178,810	(178,561)
Accounts payable	3,770	704
Deferred revenue	169,427	5,966
Prepaid expenses	(3,810)	-
Wages payable	6,921	13,705
	<u>355,118</u>	<u>(158,186)</u>
Cash flow from operating activities	<u>241,428</u>	<u>167,642</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(8,815)</u>	-
INCREASE IN CASH FLOW	232,613	167,642
Cash - beginning of year	<u>828,468</u>	<u>660,826</u>
CASH - END OF YEAR	<u>\$ 1,061,081</u>	<u>\$ 828,468</u>
CASH CONSISTS OF:		
Cash	\$ 857,193	\$ 627,032
Term deposits	<u>203,888</u>	<u>201,436</u>
	<u>\$ 1,061,081</u>	<u>\$ 828,468</u>

See notes to financial statements

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
(Operating as Fairfield Gonzales Community Association)
Notes to Financial Statements
Year Ended July 31, 2021

1. PURPOSE OF THE ORGANIZATION

The Society is a community based organization whose mission statement is "The Fairfield Gonzales Community Association pursues our vision through the development and delivery of inclusive and effective community-focused programs and projects. We support our neighbourhood, create a haven and a warm welcome for community members, and seek the building of connections and collaborations with likeminded individuals to assist Fairfield and Gonzales neighbourhoods in enhancing their community's vitality."

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.

Program Start-Up Fund is an internally restricted fund established to fund the start-up costs for the new Infant and Toddler program, which began operations in November, 2020.

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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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 2021 is \$0, and \$0 in donated materials for 2020.

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

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, 2021

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, 2021 ranges from 0.167% to 2.10%.

4. ACCOUNTS RECEIVABLE

Included in accounts receivable are GST refund and rebates of \$5,523 (2020 - \$3,663) and Canada Emergency Wage Subsidy of \$0 (2020 - \$179,746).

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings	\$ 64,068	\$ 22,424	\$ 41,644	\$ 48,051
Computer equipment	8,815	1,469	7,346	19
Computer software	8,146	8,146	-	-
Furniture and equipment	73,105	69,617	3,488	4,361
Leasehold improvements	17,490	17,490	-	-
Program equipment	10,477	10,477	-	1,747
	\$ 182,101	\$ 129,623	\$ 52,478	\$ 54,178

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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Notes to Financial Statements
Year Ended July 31, 2021

7. DEFERRED REVENUE

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

	2021	2020
The figure for deferred contributions is made up of the following amounts:		
City of Victoria	\$ 86,816	\$ 97,715
Federal	6,420	6,420
Provincial	33,425	-
School District 61	137,906	-
Program and rental deposits	44,963	44,234
Other	20,510	12,244
	\$ 330,040	\$ 160,613

Changes in the total deferred contributions balance are as follows:

Balance, beginning of the year	\$ 160,613	\$ 154,647
Less: amounts recognized as revenue during the year	(154,749)	(149,647)
Add: additional amounts received during the year	324,176	155,613
Balance, end of the year	\$ 330,040	\$ 160,613

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

	2021	2020
Amount transferred included in Wages and benefits		
Quadra Village Community Centre	\$ 654,455	\$ 619,168

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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Notes to Financial Statements
Year Ended July 31, 2021

10. LEASE COMMITMENTS

The Society has an operating lease with respect to its office equipment. Future minimum lease payments as at year end are as follows:

2022	\$	2,028
2023		2,028
2024		2,028
2025		2,028
2026		2,028
Thereafter		507
		<hr/>
	\$	<u>10,647</u>

11. 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 2020-21 year. The Society paid a combined total of \$742,273 to these recipients.

No remuneration was paid to members of the Board of Directors for the year ended July 31, 2021.

12. IMPACT OF COVID-19

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.

13. 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, 2021.

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FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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Notes to Financial Statements
Year Ended July 31, 2021

13. 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.

14. COMPARATIVE FIGURES

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