

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

FINANCIAL STATEMENTS

JULY 31, 2023

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, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, as well as 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, 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended July 31, 2023 and 2022, current assets as at July 31, 2023 and 2022, and net assets as at August 1 and July 31 for both the 2023 and 2022 years.

Qualified 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

* A Partnership of Incorporated Professionals

SANDY J. LEE LTD. ▲ ADAM H. SHARPE LTD. ▲ DOUGLAS K. DEBECK LTD.

REVIEW ENGAGEMENT REPORT

Report on Other Legal and Regulatory Requirements

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

Victoria, B.C.
October 19, 2023

Lee and Sharpe
Chartered Professional Accountants

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

STATEMENT OF OPERATIONS

YEAR ENDED JULY 31, 2023

	2023	2022
REVENUE		
School District 61	\$ 1,303,855	\$ 1,431,806
Provincial	1,079,750	726,520
Out-of-school fees	488,428	620,860
Municipal	214,567	209,186
Recreation fees	123,087	114,604
Gaming	89,000	89,000
Early years fees	68,571	174,626
Foundation grants	55,209	46,874
Facility rentals	41,310	33,452
Camp fees	25,373	62,840
Federal	24,486	23,822
Donation and fundraising	17,244	21,162
Interest income	10,424	11,192
Sundry income	<u>3,544</u>	<u>3,525</u>
	<u>3,544,848</u>	<u>3,569,469</u>
 EXPENSES		
Wages, salaries, contracts and benefits	3,314,722	3,218,940
General program expenses	146,241	166,701
Rent	42,873	46,366
Repairs and maintenance	26,974	25,222
Staff development and dues	24,980	23,416
Insurance	23,943	23,697
Office and sundry	18,933	23,866
Telephone and communications	20,595	19,744
Professional fees	11,720	11,096
Travel	9,662	8,857
Newsletter	6,821	6,782
Board development and expense	6,046	9,460
Equipment rentals	4,442	3,296
Advertising and promotion	798	1,756
Amortization of tangible capital assets	<u>11,777</u>	<u>10,043</u>
	<u>3,670,527</u>	<u>3,599,242</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	 <u>\$ (125,679)</u>	 <u>\$ (29,773)</u>

(See accompanying notes)
Prepared without audit

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

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED JULY 31, 2023

	General Fund	Capital Asset Fund	2023 Total	2022 Total
Balance, beginning of year	\$ 654,133	\$ 42,435	\$ 696,568	\$ 726,341
Excess (deficiency), revenue over expenses	(125,679)	-	(125,679)	(29,773)
Acquisition of tangible capital assets	(13,643)	13,643	-	-
Amortization of tangible capital assets	<u>11,777</u>	<u>(11,777)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 526,588</u>	<u>\$ 44,301</u>	<u>\$ 570,889</u>	<u>\$ 696,568</u>

(See accompanying notes)
 Prepared without audit

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

STATEMENT OF FINANCIAL POSITION

JULY 31, 2023

ASSETS

	2023	2022
Current		
Cash	\$ 389,691	\$ 575,807
Short-term Investments (Note 3)	226,779	123,312
Accounts receivable (Note 4)	16,139	9,466
Prepaid expenses	<u>74</u>	<u>74</u>
	632,683	708,659
Long term investments (Note 3)	240,000	181,196
Tangible capital assets (Note 5)	<u>44,301</u>	<u>42,435</u>
	<u>\$ 916,984</u>	<u>\$ 932,290</u>

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	\$ 22,141	\$ 31,968
Wages payable	68,294	55,957
Deferred revenues (Note 7)	<u>255,660</u>	<u>147,797</u>
	<u>346,095</u>	<u>235,722</u>
Net Assets		
General fund	526,588	654,133
Capital asset fund	<u>44,301</u>	<u>42,435</u>
	<u>570,889</u>	<u>696,568</u>
	<u>\$ 916,984</u>	<u>\$ 932,290</u>

Approved by the Directors

(See accompanying notes)
Prepared without audit

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

STATEMENT OF CASH FLOWS

YEAR ENDED JULY 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency, revenue over expenses	\$ (125,679)	\$ (29,773)
Items not involving cash		
Amortization	<u>11,777</u>	<u>10,043</u>
	(113,902)	(19,730)
Cash provided by (used for) non-cash working capital items		
Short-term Investments	(103,467)	30,576
Accounts receivable	(6,673)	(6,898)
Prepaid expenses	-	3,884
Accounts payable and accrued liabilities	(9,827)	15,084
Wages payable	12,337	9,137
Deferred revenue	<u>107,863</u>	<u>(182,243)</u>
	<u>(113,669)</u>	<u>(150,190)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(13,643)	-
Purchases of investments	<u>(58,804)</u>	<u>(131,196)</u>
	<u>(72,447)</u>	<u>(131,196)</u>
INCREASE (DECREASE) DURING THE YEAR	(186,116)	(281,386)
CASH (DEBT), beginning of year	<u>575,807</u>	<u>857,193</u>
CASH, end of year	<u>\$ 389,691</u>	<u>\$ 575,807</u>

(See accompanying notes)
Prepared without audit

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

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 1 - Nature of Business

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.

Note 2 - Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Fund accounting

Fairfield Community Association of Victoria 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

Fairfield Community Association of Victoria follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales and services are recognized as revenue when the product is shipped to the customer or the service is provided.

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 2 - 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 2023 is \$1,548, and \$1,625 in donated materials for 2022.

Tangible Capital Assets and Amortization

Tangible 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:

	<u>Method</u>	<u>Rate</u>
Buildings	Straight-line	10 years
Leasehold improvement	Straight-line	5 years
Program equipment	Straight-line	3 years
Computer equipment	Straight-line	3 years
Computer software	Declining balance	100%
Furniture and equipment	Declining balance	20%

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

The organization regularly reviews its capital assets to eliminate obsolete items.

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 2 - Accounting Policies (continued)

Financial Instruments

The Society's financial instruments consist of cash, accounts receivable, investments, accounts payable 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. 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 THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 3 - Investments

The Society's investments consist of guaranteed investment certificates held with varying interest rates and maturity dates.

Short-term guaranteed investment certificates have maturity dates of less than a year from the statement of financial position dates, and bear interest at rates ranging from 0.1674% to 4.65%.

Long-term guaranteed investment certificates have maturity dates greater than a year from the statement of financial position dates and bearing interest at rates ranging from 0.0044% to 4.55%.

	2023	2022
Current investments (matures in the next fiscal year)	\$ 226,779	\$ 123,312
Non-current investments (matures thereafter)	<u>240,000</u>	<u>181,196</u>
	<u>\$ 466,779</u>	<u>\$ 304,508</u>

Note 4 - Accounts Receivable

Included in accounts receivable are GST refund and rebates of \$5,634 (2022 - \$5,618).

Note 5 - Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2023	2022
Buildings	\$ 64,068	\$ 35,238	\$ 28,830	\$ 35,237
Computer equipment	9,596	7,475	2,121	4,408
Furniture and equipment	75,810	71,143	4,667	2,790
Program equipment	17,334	11,621	5,713	-
Leasehold improvements	<u>20,790</u>	<u>17,820</u>	<u>2,970</u>	<u>-</u>
	<u>\$ 187,598</u>	<u>\$ 143,297</u>	<u>\$ 44,301</u>	<u>\$ 42,435</u>

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 6 - Facility

The Society utilizes four facilities for its operations:

Fairfield Neighbourhood

- Place Building - utilized under an ongoing operating agreement with the owner, the City of Victoria.
- Multi-purpose room - utilized under an ongoing operating agreement with the City of Victoria, governed by a joint-use agreement between the City of Victoria and the owner, Greater Victoria School District 61.
- Portable building - located on City of Victoria land and owned by the Society.

Gonzales Neighbourhood

- Margaret Jenkins Elementary School (multiple spaces) - leased on a yearly basis from the Greater Victoria School District 61.

Note 7 - Deferred Revenues

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

	2023	2022
The figure for deferred contributions is made up of the following amounts:		
School District 61	\$ 128,130	\$ -
City of Victoria	91,225	104,950
Provincial	19,000	-
Federal	8,667	8,461
Other	8,155	34,150
Program and rental deposits	483	236
Ending balance	\$ 255,660	\$ 147,797

Changes in the total deferred contributions balance are as follows:

Beginning balance	\$ 147,797	\$ 330,040
Less: amounts recognized as revenue in the year	(147,797)	(330,040)
Add: amounts received related to expenses of a subsequent period	255,660	147,797
Ending balance	\$ 255,660	\$ 147,797

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 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.

Note 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.

Amount transferred included in Wages and Benefits

	2023	2022
Quadra Village Community Centre	<u>\$ 542,482</u>	<u>\$ 670,043</u>

Note 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:

2024	\$ 2,028
2025	2,028
2026	2,028
2027	<u>507</u>
	<u>6,591</u>

Note 11 - Remuneration Paid to Directors, Employees and Contractors

As required by the British Columbia Societies Act, it is noted that there were two employees paid greater than \$75,000 during the 2022-23 year. The Society paid a combined total of \$199,208 to these recipients.

No remuneration was paid to members of the Board of Directors for the year ended July 31, 2023.

FAIRFIELD COMMUNITY ASSOCIATION OF VICTORIA
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NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2023

Note 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, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's financial assets that are exposed to credit risk are cash and short-term investments and accounts receivable. The risk associated with cash and short-term investments is minimized to the extent that they are placed with a major Canadian financial institution. The Society manages its risk associated with accounts receivable by monitoring the outstanding balances and communicating frequently with funders and customers to ascertain the collectibility.

Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares a budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the prime interest rate will have a positive or negative impact on the Society's interest income. Such exposure will increase accordingly, should the Society maintain higher levels of investments in the future.

Note 13 - Comparative Figures

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