

**FINANCIAL STATEMENTS**

**THOMPSON COMMUNITY  
ASSOCIATION**

**August 31, 2024**



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# INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

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To the Directors of  
**Thompson Community Association**

## **Report on the Financial Statements**

We have reviewed the accompanying financial statements of Thompson Community Association that comprise the statement of financial position as at August 31, 2024, and the statements of changes in net assets, operations 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, 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 general 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 Thompson Community Association as at August 31, 2024, 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.

*Tompkins Wozny LLP*

Vancouver, Canada  
December 4, 2024

Chartered Professional Accountants



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**Thompson Community Association****STATEMENT OF FINANCIAL POSITION**

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As at August 31

	2024	2023
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	420,617	335,061
Guaranteed investment certificates <i>[note 3]</i>	712,763	730,244
Accounts receivable <i>[note 5]</i>	92,621	64,831
Prepaid expenses	7,910	1,460
<b>Total current assets</b>	<b>1,233,911</b>	<b>1,131,596</b>
Internally restricted cash and guaranteed investment certificates <i>[note 3 and 4]</i>	719,000	634,881
Property and equipment <i>[note 6]</i>	392,866	344,997
	<b>2,345,777</b>	<b>2,111,474</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accruals <i>[note 7]</i>	176,514	108,347
Deferred revenue <i>[note 8]</i>	328,462	308,206
<b>Total current liabilities</b>	<b>504,976</b>	<b>416,553</b>
Deferred contributions related to capital assets <i>[note 9]</i>	11,995	12,629
<b>Total liabilities</b>	<b>516,971</b>	<b>429,182</b>
<b>Net Assets</b>		
Invested in property and equipment <i>[note 10]</i>	380,871	332,368
Internally restricted <i>[note 10]</i>	719,000	634,881
Unrestricted	728,935	715,043
<b>Total net assets</b>	<b>1,828,806</b>	<b>1,682,292</b>
	<b>2,345,777</b>	<b>2,111,474</b>

*See accompanying notes to the financial statements*

On behalf of the Board:

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Director

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Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended August 31

	Invested in Property and Equipment \$	Internally Restricted \$	Un- restricted \$	Total \$
	<i>[Note 10]</i>	<i>[Note 10]</i>		
<b>2024</b>				
<b>Balance, beginning of year</b>	332,368	634,881	715,043	1,682,292
Revenue over (under) expenses	(62,884)	—	209,398	146,514
Purchase of property and equipment	111,387	(111,387)	—	—
Interfund transfer	—	195,506	(195,506)	—
<b>Balance, end of year</b>	<b>380,871</b>	<b>719,000</b>	<b>728,935</b>	<b>1,828,806</b>
<b>2023</b>				
<b>Balance, beginning of year</b>	239,034	774,817	578,812	1,592,663
Revenue over (under) expenses	(46,602)	—	136,231	89,629
Purchase of property and equipment	139,936	(139,936)	—	—
Interfund transfer	—	—	—	—
<b>Balance, end of year</b>	<b>332,368</b>	<b>634,881</b>	<b>715,043</b>	<b>1,682,292</b>

See accompanying notes to the financial statements

**Thompson Community Association**

**STATEMENT OF OPERATIONS**

Year ended August 31

	2024	2023
	\$	\$
<b>REVENUE</b>		
Programs <i>[schedule]</i>	735,778	592,558
Licensed Preschool - Rompers <i>[schedule]</i>	197,403	192,825
- Nature school <i>[schedule]</i>	215,757	221,282
- Camps <i>[schedule]</i>	34,471	29,899
- Time for Twos <i>[schedule]</i>	24,710	31,075
- Wage equality <i>[schedule]</i>	78,773	67,045
Beyond 4 Walls <i>[schedule]</i>	186,415	157,679
Rentals and children's parties <i>[schedule]</i>	64,717	38,886
Interest and other	67,978	31,614
Gain on disposal of capital assets	1,391	4,500
Amortization of deferred contributions related to capital assets <i>[note 9]</i>	634	635
	<b>1,608,027</b>	<b>1,367,998</b>
Fitness <i>[schedule]</i>	492,575	392,687
<b>Total revenue</b>	<b>2,100,602</b>	<b>1,760,685</b>
<b>EXPENSES</b>		
Programs <i>[schedule]</i>	608,331	479,344
Licensed Preschool - Rompers <i>[schedule]</i>	196,421	205,315
- Nature school <i>[schedule]</i>	227,584	233,024
- Camps <i>[schedule]</i>	22,845	27,962
- Time for Twos <i>[schedule]</i>	23,218	25,595
- Wage equality <i>[schedule]</i>	78,334	68,658
Beyond 4 Walls <i>[schedule]</i>	127,669	101,108
Rentals and children's parties <i>[schedule]</i>	46,991	34,059
Amortization of property and equipment	63,518	47,237
Community development coordinator	58,824	18,523
Bank charges and credit card merchant fees	42,433	35,895
Other administration	29,401	18,888
Accounting	27,550	25,393
Auxiliary staff	21,881	19,534
Repairs and maintenance	16,602	6,910
Insurance	9,825	9,348
	<b>1,601,427</b>	<b>1,356,793</b>
Fitness <i>[schedule]</i>	352,661	314,263
<b>Total expenses</b>	<b>1,954,088</b>	<b>1,671,056</b>
<b>Revenue over expenses for the year</b>	<b>146,514</b>	<b>89,629</b>

*See accompanying notes to the financial statements*

**STATEMENT OF CASH FLOWS**

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Year ended August 31

	2024	2023
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Revenue over expenses for the year	146,514	89,629
Items not affecting cash		
Amortization of property and equipment	63,518	47,237
Amortization of deferred contributions related to capital assets	(634)	(635)
Changes in non-cash working capital items		
Accounts receivable	(27,790)	(24,505)
Prepaid expenses	(6,450)	4,881
Accounts payable and accruals	68,167	4,771
Deferred revenue	20,256	12,726
<b>Cash provided by operating activities</b>	<b>263,581</b>	<b>134,104</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of guaranteed investment certificates (net)	(66,638)	(415,125)
Purchase of property and equipment	(111,387)	(139,936)
<b>Cash used in investing activities</b>	<b>(178,025)</b>	<b>(555,061)</b>
<b>Increase (decrease) in cash during the year</b>	<b>85,556</b>	<b>(420,957)</b>
Cash, beginning of year	335,061	756,018
<b>Cash, end of year</b>	<b>420,617</b>	<b>335,061</b>

*See accompanying notes to the financial statements*

## **NOTES TO FINANCIAL STATEMENTS**

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August 31, 2024

### **1. PURPOSE OF THE ASSOCIATION**

The Thompson Community Association (the "Association") is incorporated pursuant to the British Columbia Societies Act, is a not-for-profit organization and is exempt from income taxes. The Association and the City of Richmond ("City") through a joint operating agreement ("JOA"), are responsible for the day to day operations of the Thompson Community Centre, located in the Thompson area of Richmond, B.C.

The current JOA expires on December 31, 2028.

The Association believes that a healthy community is welcoming, caring, safe, supportive and responsive to the needs of its residents. The mission of the volunteers and professionals of the Thompson Community Association is to strive for a healthy community by providing sustainable social and recreational opportunities and facilities to the residents of the Thompson area and Richmond in a way that invites the full participation of all people.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### **Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenditures reported during the year. The significant areas requiring the use of management estimate relate to the determination of allowance for doubtful accounts relating to accounts receivable and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

#### **Revenue Recognition**

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Contributions restricted for the purchase of property and equipment are amortized to revenue at the same rate as the related assets.

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Revenue Recognition (Cont'd)

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.

Licensed preschool fee revenue is recognized in the month to which the services relate based on enrollment rates.

Program revenue is recognized over the period the related program operates.

Rentals and children's parties revenue is recognized on the date the space is rented or over the period the space is rented out, if applicable.

Interest income is recognized as revenue in accordance with the terms of the underlying investment, which is generally with the passage of time.

Revenue from all other sources is recognized when the respective program or service is provided.

#### Property and Equipment

Property and equipment are recorded at cost.

#### Amortization

The Association amortizes its property and equipment on a straight-line basis over their estimated useful lives as follows:

Fitness Equipment	- 4, 5 and 8 years
Furniture and Fixtures	- 5 and 10 years
Playground	- 25 years

#### Contributed Services

The work of the Association is dependent on the efforts of many volunteers. As these services are not normally purchased by the Association and due to the difficulty in determining the fair value of such services, the value of the contributed services are not recognized in these financial statements.

#### Internally Restricted Net Assets

The Capital Reserve internally restricts amounts to cover the replacement of Fitness Room equipment and other capital equipment.

The Family Support internally restricts amounts to support families up to \$250 per family to a total cost of \$2,000.



**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2024

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Internally Restricted Net Assets (Cont'd)**

The Fitness Room Upgrades internally restricts amounts to cover upgrades to the fitness centre.

The Contingency Reserve internally restricts three months of estimated operating expenses.

**Use of the Thompson Community Centre and the Providing of Operating Expenses**

The City provides the building, utilities and administrative staff to run the Centre at no cost to the Association. The value of the use of the facilities as well as these additional operating expenses has not been reflected in the financial statements.

**Measurement of Financial Instruments**

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, guaranteed investments certificates, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accruals.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**3. GUARANTEED INVESTMENT CERTIFICATES ("GIC's")**

GIC's have interest rates varying from 4.7% to 5.1% [2023 - 4.55% to 5.0%] and have maturity dates ranging from June 2025 to July 2025.

NOTES TO FINANCIAL STATEMENTS

August 31, 2024

**4. INTERNALLY RESTRICTED CASH AND GIC's**

Internally restricted cash and GIC's comprise the following:

	2024	2023
	\$	\$
Internally restricted funds:		
Capital Reserve	350,000	263,881
Family Support	—	2,000
Contingency Reserve	369,000	369,000
	<b>719,000</b>	<b>634,881</b>

**5. ACCOUNTS RECEIVABLE**

	2024	2023
	\$	\$
City of Richmond	44,293	32,143
Grants and other	35,978	20,863
Interest receivable	12,350	11,825
	<b>92,621</b>	<b>64,831</b>

**6. PROPERTY AND EQUIPMENT**

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Furniture and fixtures	311,884	265,186	46,698	30,616
Fitness equipment	503,139	343,793	159,346	117,216
Playground	258,578	71,756	186,822	197,165
	<b>1,073,601</b>	<b>680,735</b>	<b>392,866</b>	<b>344,997</b>

NOTES TO FINANCIAL STATEMENTS

August 31, 2024

7. ACCCOUNTS PAYABLE AND ACCRUALS

	2024	2023
	\$	\$
Trade payables and accruals	70,816	58,520
Wages payable	44,664	36,701
Government remittances - payroll withholdings	45,297	—
- GST	6,835	6,900
- WorkSafeBC	8,902	6,226
	<b>176,514</b>	<b>108,347</b>

8. DEFERRED REVENUE

Deferred revenue represents revenue received in advance and comprises the following:

	2024	2023
	\$	\$
Programs	214,055	177,263
Fitness	101,899	104,540
Fundraising	12,259	18,765
Grants	249	7,638
	<b>328,462</b>	<b>308,206</b>

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent restricted contributions with which capital assets were acquired. The balance in the account is as follows:

	2024	2023
	\$	\$
Balance, beginning of year	12,629	13,264
Add: Contributions for the year	—	—
Less: Amounts amortized to revenue	(634)	(635)
<b>Balance, end of year</b>	<b>11,995</b>	<b>12,629</b>

NOTES TO FINANCIAL STATEMENTS

August 31, 2024

**10. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT**

The Association’s main objectives when managing capital is to maintain financial flexibility in order to preserve its ability to meeting financial commitments. The Board of Directors has designated certain amounts of the Association’s net assets for various purposes. Disbursements and transfer to and from these internally restricted net assets are at the discretion of the Board of Directors. The Association has made the following internal restrictions:

	2024	2023
	\$	\$
Capital Reserve	350,000	263,881
Family Support	—	2,000
Fitness Room Upgrade	—	—
Contingency Reserve	369,000	369,000
	<b>719,000</b>	<b>634,881</b>

The internal restrictions are described as follows:

(i) Capital Reserve

During the year, the Board of directors approved capital asset additions of \$82,881 to be funded by the Fitness reserve and capital asset additions of totaling \$28,506 to be funded by the Furniture and Fixtures reserve.

	Fitness	Furniture and Fixtures	Total
	\$	\$	\$
<b>2024</b>			
Balance, beginning of year	228,398	35,483	263,881
Property and equipment purchased	(82,881)	(28,506)	(111,387)
Interfund transfers	—	197,506	197,506
Balance, end of year	<b>145,517</b>	<b>204,483</b>	<b>350,000</b>

NOTES TO FINANCIAL STATEMENTS

August 31, 2024

**10. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT (CONT'D)**

(ii) Family Support

In 2022, the Association's Board of Directors internally restricted funds for a family support fund to be paid out at \$250 per family.

	2024	2023
	\$	\$
<b>Balance, beginning of year</b>	<b>2,000</b>	2,000
Interfund transfer	(2,000)	—
<b>Balance, end of year</b>	<b>—</b>	2,000

(iii) Fitness Room Upgrades

During the year, the Board of Directors approved the transfer of this internal restriction to be transferred to the Capital Reserve - Fitness internal restriction.

	2024	2023
	\$	\$
<b>Balance, beginning of year</b>	—	17,000
Interfund transfer	—	(17,000)
<b>Balance, end of year</b>	<b>—</b>	—

(iv) Contingency Reserve

In prior years, the Association internally restricted net assets of \$369,000 to cover three months of estimated operating expenses.

	2024	2023
	\$	\$
<b>Balance, beginning of year</b>	<b>369,000</b>	369,000
Interfund transfer	—	—
<b>Balance, end of year</b>	<b>369,000</b>	369,000

(v) Invested in Property and Equipment

The Association has internally restricted an amount equal to the net assets invested in property and equipment in the amount of \$380,871 [2023 - \$332,368].

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2024

### 11. INTERFUND TRANSFERS

As described in the statement of changes in net assets, interfund transfers are made between internally restricted net assets and unrestricted net assets to fund property and equipment purchases, certain expenses, future expenditures and amortization of property and equipment.

### 12. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at August 31, 2024.

#### **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 Association's exposure to credit risk are indicated by the carrying amounts of its cash, GIC's and accounts receivable. The Association limits its exposure to credit loss by placing its cash and GIC's with chartered Canadian financial institutions. Management believes that the Association is not exposed to an unusual level of credit risk.

#### **Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

#### **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.

All of the Association's financial instruments are non-interest bearing except for cash that earns interest at variable market rates and GIC's that earn interest at negotiated rates.

**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2024

**13. RELATED PARTY TRANSACTIONS**

Wages and benefits expense includes \$2,131 [2023 - \$2,476] of wages paid to an immediate family member of one board director.

The above amount is in the normal course of business and is measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

**14. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year presentation.

**SCHEDULE OF PROGRAM REVENUE AND EXPENSES**

Year ended August 31

	2024			2023		
	Revenue	Wages and Benefits	Supplies and Other Expenses	Total Expenses	Income (Loss)	Income (Loss)
	\$	\$	\$	\$	\$	\$
Programs:						
Seasonal - preschool, children, adult and tennis	527,867	178,882	202,232	381,114	146,753	129,056
Other	65,023	447	21,972	22,419	42,604	47,064
Seniors	60,734	78,018	16,911	94,929	(34,195)	(35,057)
Youth	82,154	92,627	17,242	109,869	(27,715)	(27,849)
Total programs	735,778	349,974	258,357	608,331	127,447	113,214
Licensed Preschool - Rompers	197,403	186,973	9,448	196,421	982	(12,489)
- Nature School	215,757	207,795	19,789	227,584	(11,827)	(11,742)
- Camps	34,471	22,472	373	22,845	11,626	1,937
- Time for Twos	24,710	23,015	203	23,218	1,492	5,480
- Wage equality	78,773	78,334	—	78,334	439	(1,613)
Beyond 4 Walls	186,415	121,027	6,642	127,669	58,746	56,571
Rentals and children's parties	64,717	44,845	2,146	46,991	17,726	4,827
Subtotal	1,538,024	1,034,435	296,958	1,331,393	206,631	156,185
Fitness	492,575	330,062	22,599	352,661	139,914	78,424
	2,030,599	1,364,497	319,557	1,684,054	346,545	234,609