

**FINANCIAL STATEMENTS**

**THOMPSON COMMUNITY  
ASSOCIATION**

**August 31, 2023**



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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, 2023, 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, 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.

*Tompkins Wozny LLP*

Vancouver, Canada  
December 6, 2023

Chartered Professional Accountants



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

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As at August 31

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	335,061	756,018
Guaranteed investment certificates <i>[note 3]</i>	730,244	175,183
Accounts receivable <i>[note 5]</i>	64,831	40,326
Prepaid expenses	1,460	6,341
<b>Total current assets</b>	<b>1,131,596</b>	<b>977,868</b>
Internally restricted cash and guaranteed investment certificates <i>[note 3 and 4]</i>	634,881	774,817
Property and equipment <i>[note 6]</i>	344,997	252,298
	<b>2,111,474</b>	<b>2,004,983</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accruals <i>[note 7]</i>	108,347	103,576
Deferred revenue <i>[note 8]</i>	308,206	295,480
<b>Total current liabilities</b>	<b>416,553</b>	<b>399,056</b>
Deferred contributions related to capital assets <i>[note 9]</i>	12,629	13,264
<b>Total liabilities</b>	<b>429,182</b>	<b>412,320</b>
<b>Net Assets</b>		
Invested in property and equipment <i>[note 10]</i>	332,368	239,034
Internally restricted <i>[note 10]</i>	634,881	774,817
Unrestricted	715,043	578,812
<b>Total net assets</b>	<b>1,682,292</b>	<b>1,592,663</b>
	<b>2,111,474</b>	<b>2,004,983</b>

COVID-19 *[note 13]**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>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>
<b>2022</b>				
<b>Balance, beginning of year</b>	271,577	772,817	509,526	1,553,920
Revenue over (under) expenses	(36,158)	—	74,901	38,743
Purchase of property and equipment	3,615	—	(3,615)	—
Interfund transfer	—	2,000	(2,000)	—
<b>Balance, end of year</b>	<b>239,034</b>	<b>774,817</b>	<b>578,812</b>	<b>1,592,663</b>

See accompanying notes to the financial statements

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**Thompson Community Association****STATEMENT OF OPERATIONS**

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Year ended August 31

	2023	2022
	\$	\$
<b>REVENUE</b>		
Programs <i>[schedule]</i>	592,558	466,410
Licensed Preschool - Rompers <i>[schedule]</i>	192,825	207,919
- Nature school <i>[schedule]</i>	221,282	229,706
- Camps <i>[schedule]</i>	29,899	32,161
- Time for Twos <i>[schedule]</i>	31,075	19,800
- Wage equality <i>[schedule]</i>	67,045	50,042
Beyond 4 Walls <i>[schedule]</i>	157,679	140,772
Rentals and children's parties <i>[schedule]</i>	38,886	11,135
Wage subsidy - government assistance <i>[note 13]</i>	—	71,381
Interest and other	31,614	14,927
Gain on disposal	4,500	—
Amortization of deferred contributions related to capital assets <i>[note 9]</i>	635	634
	<b>1,367,998</b>	<b>1,244,887</b>
Fitness <i>[schedule]</i>	392,687	229,951
<b>Total revenue</b>	<b>1,760,685</b>	<b>1,474,838</b>
<b>EXPENSES</b>		
Programs <i>[schedule]</i>	479,344	427,946
Licensed Preschool - Rompers <i>[schedule]</i>	205,315	195,172
- Nature school <i>[schedule]</i>	233,024	229,804
- Camps <i>[schedule]</i>	27,962	17,812
- Time for Twos <i>[schedule]</i>	25,595	16,656
- Wage equality <i>[schedule]</i>	68,658	52,207
Beyond 4 Walls <i>[schedule]</i>	101,108	68,883
Rentals and children's parties <i>[schedule]</i>	34,059	7,248
Amortization of property and equipment	47,237	36,792
Bank charges and credit card merchant fees	35,895	30,582
Accounting	25,393	26,753
Other administration	18,888	25,178
Community development coordinator	18,523	22,969
Auxiliary staff	19,534	14,706
Insurance	9,348	8,708
Repairs and maintenance	6,910	1,339
	<b>1,356,793</b>	<b>1,182,755</b>
Fitness <i>[schedule]</i>	314,263	253,340
<b>Total expenses</b>	<b>1,671,056</b>	<b>1,436,095</b>
<b>Revenue over expenses for the year</b>	<b>89,629</b>	<b>38,743</b>

*See accompanying notes to the financial statements*

**STATEMENT OF CASH FLOWS**

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Year ended August 31

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over expenses for the year	<b>89,629</b>	38,743
Items not affecting cash		
Amortization of property and equipment	<b>47,237</b>	36,792
Amortization of deferred contributions related to capital assets	<b>(635)</b>	(634)
Changes in non-cash working capital items		
Accounts receivable	<b>(24,505)</b>	36,117
Prepaid expenses	<b>4,881</b>	(1,795)
Accounts payable and accruals	<b>4,771</b>	55,466
Deferred revenue	<b>12,726</b>	47,729
<b>Cash provided by operating activities</b>	<b>134,104</b>	212,418
<b>INVESTING ACTIVITIES</b>		
Redemption (purchase) of guaranteed investment certificates	<b>(415,125)</b>	19,827
Purchase of property and equipment	<b>(139,936)</b>	(3,615)
<b>Cash provided by (used in) investing activities</b>	<b>(555,061)</b>	16,212
<b>FINANCING ACTIVITIES</b>		
Repayment of Canada Emergency Business Account loan	—	(40,000)
<b>Cash used in financing activities</b>	—	(40,000)
<b>Increase (decrease) in cash during the year</b>	<b>(420,957)</b>	188,630
Cash, beginning of year	<b>756,018</b>	567,388
<b>Cash, end of year</b>	<b>335,061</b>	756,018

*See accompanying notes to the financial statements*

## **NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

### **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, 2023.

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.

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.

**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

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

**Revenue Recognition (Cont'd)**

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.

Canadian Emergency Wage Subsidies and Canada Recovery Hiring Program subsidies are recognized as income when the Association meets the conditions of the program and when the Association is reasonably assured of collection of the respective claims.

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.

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



**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

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

**Internally Restricted Net Assets**

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 4.55% to 5.0% [2022 - 1.55% to 2.75%] and have maturity dates ranging from June 2024 to July 2024.

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

Internally restricted cash and GIC's comprise the following:

	2023	2022
	\$	\$
Internally restricted funds:		
Capital Reserve	263,881	386,817
Family Support	2,000	2,000
Fitness Room Upgrade	—	17,000
Contingency Reserve	369,000	369,000
	<b>634,881</b>	<b>774,817</b>



**NOTES TO FINANCIAL STATEMENTS**

August 31, 2023

**5. ACCOUNTS RECEIVABLE**

	2023	2022
	\$	\$
City of Richmond	32,143	13,484
Grants and other	20,863	21,705
Interest receivable	11,825	5,137
	<b>64,831</b>	<b>40,326</b>

**6. PROPERTY AND EQUIPMENT**

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Furniture and fixtures	283,379	252,763	30,616	27,586
Fitness equipment	441,360	324,144	117,216	17,204
Playground	258,578	61,413	197,165	207,508
	<b>983,317</b>	<b>638,320</b>	<b>344,997</b>	<b>252,298</b>

**7. ACCCOUNTS PAYABLE AND ACCRUALS**

	2023	2022
	\$	\$
Trade payables and accruals	58,520	44,745
Wages payable	36,701	19,084
Government remittances - payroll withholdings	—	32,102
- GST	6,900	3,681
- WorkSafeBC	6,226	3,964
	<b>108,347</b>	<b>103,576</b>

**8. DEFERRED REVENUE**

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

	2023	2022
	\$	\$
Programs	177,263	143,744
Fitness	104,540	109,040
Fundraising	18,765	18,415
Grants	7,638	24,281
	<b>308,206</b>	<b>295,480</b>

NOTES TO FINANCIAL STATEMENTS

August 31, 2023

**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:

	2023	2022
	\$	\$
Balance, beginning of year	13,264	13,898
Add: Contributions for the year	—	—
Less: Amounts amortized to revenue	(635)	(634)
<b>Balance, end of year</b>	<b>12,629</b>	<b>13,264</b>

**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:

	2023	2022
	\$	\$
Capital Reserve	263,881	386,817
Family Support	2,000	2,000
Fitness Room Upgrade	—	17,000
Contingency Reserve	369,000	369,000
	<b>634,881</b>	<b>774,817</b>

The internal restrictions are described as follows:

(i) Capital Reserve

During the year, the Board of directors approved capital asset additions of \$127,145 to be funded by the Fitness reserve and capital asset additions of totaling \$12,971 to be funded by the Furniture and Fixtures reserve.

	Fitness	Furniture and Fixtures	Total
	\$	\$	\$
<b>2023</b>			
Balance, beginning of year	338,543	48,274	386,817
Property and equipment purchased	(127,145)	(12,791)	(139,936)
Interfund transfers	17,000	—	17,000
<b>Balance, end of year</b>	<b>228,398</b>	<b>35,483</b>	<b>263,881</b>

**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

**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.

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	<b>2,000</b>	—
Interfund transfer	—	2,000
<b>Balance, end of year</b>	<b>2,000</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.

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	<b>17,000</b>	17,000
Interfund transfer	<b>(17,000)</b>	—
<b>Balance, end of year</b>	—	17,000

## (iv) Contingency Reserve

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

	2023	2022
	\$	\$
<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 \$332,368 [2022 - \$139,936].

**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.

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2023

### 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, 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 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.

### 13. COVID-19

Throughout fiscal 2022, due to COVID-19, the City of Richmond continued with modified operations including the Thompson Community Centre, thus limiting certain of the Association's on-going programs.

As a result, the Association experienced a reduction in revenue over expenses during the COVID-19 crisis and took steps to reduce discretionary costs.

In fiscal 2023, the Association resumed normal pre-COVID-19 operations and activities.

**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

**13. COVID-19 (CONT'D)**

The Association has applied for and received COVID-19 government subsidies in the amount of \$Nil [2022 - \$71,381] for the Canada Emergency Wage Subsidy (CEWS) and Canada Recovery Hiring Program (CRHP).

During the year, the Association also applied for and received a Health and Safety grant in the amount of \$11,104 [2022 - \$12,425].

**14. RELATED PARTY TRANSACTIONS**

Wages and benefits expense includes \$2,476 [2022 - \$1,364] 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.

**SCHEDULE OF PROGRAM REVENUE AND EXPENSES**

Year ended August 31

	2023			2022		
	Revenue	Wages and Benefits	Supplies and Other Expenses	Total Expenses	Income (Loss)	Income (Loss)
	\$	\$	\$	\$	\$	\$
Programs:						
Seasonal - preschool, children, adult and tennis	426,844	165,645	132,143	297,788	129,056	78,834
Other	75,659	—	17,331	17,331	58,328	31,314
Seniors	30,922	67,629	9,614	77,243	(46,321)	(57,281)
Youth	59,133	73,814	13,168	86,982	(27,849)	(14,403)
<b>Total programs</b>	<b>592,558</b>	<b>307,088</b>	<b>172,256</b>	<b>479,344</b>	<b>113,214</b>	<b>38,464</b>
Licensed Preschool - Rompers	192,826	201,061	4,254	205,315	(12,489)	12,747
- Nature School	221,282	214,196	18,828	233,024	(11,742)	(98)
- Camps	29,899	27,532	430	27,962	1,937	14,349
- Time for Twos	31,075	25,215	380	25,595	5,480	3,144
- Wage equality	67,045	68,658	—	68,658	(1,613)	(2,165)
Beyond 4 Walls	157,679	93,847	7,261	101,108	56,571	71,889
Rentals and children's parties	38,886	32,999	1,060	34,059	4,827	3,887
<b>Subtotal</b>	<b>1,331,250</b>	<b>970,596</b>	<b>204,469</b>	<b>1,175,065</b>	<b>156,185</b>	<b>142,217</b>
Fitness	392,687	286,382	27,881	314,263	78,424	(23,389)
<b>Total</b>	<b>1,723,937</b>	<b>1,256,978</b>	<b>232,350</b>	<b>1,489,328</b>	<b>234,609</b>	<b>118,828</b>