

SATURNA RECREATION CENTRE SOCIETY

Financial Statements

Year Ended June 30, 2019

(Unaudited - See Notice To Reader)

SATURNA RECREATION CENTRE SOCIETY
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Year Ended June 30, 2019
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NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Saturna Recreation Centre Society as at June 30, 2019 and the statements of revenues and expenditures and changes in net assets for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Cowland + Associates.

Sidney, British Columbia
October 3, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

SATURNA RECREATION CENTRE SOCIETY

Statement of Financial Position

June 30, 2019

(Unaudited - See Notice To Reader)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 168,588	\$ 137,538
Accounts receivable	-	125
Goods and services tax recoverable	62	1,235
Prepaid expenses	4,290	3,891
	<u>172,940</u>	142,789
CAPITAL ASSETS (Note 3)	<u>1,476,167</u>	1,526,019
	<u>\$ 1,649,107</u>	<u>\$ 1,668,808</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 3,026	\$ 5,678
Deferred rental income	2,000	-
	<u>5,026</u>	5,678
NET ASSETS		
Deferred income (Note 5)	347,736	353,025
Operating fund	151,087	114,994
Capital fund	1,145,258	1,195,111
	<u>1,644,081</u>	1,663,130
	<u>\$ 1,649,107</u>	<u>\$ 1,668,808</u>

ON BEHALF OF THE BOARD

Director

Director



See notes to financial statements

SATURNA RECREATION CENTRE SOCIETY

Statement of Revenues and Expenditures

Year Ended June 30, 2019

(Unaudited - See Notice To Reader)

	2019	2018
REVENUES		
Donations	\$ 30,341	\$ 16,285
Fundraising	5,099	6,434
Interest income	2,466	2,178
Membership fees	8,324	10,420
Rental revenue	42,393	27,964
	<u>88,623</u>	<u>63,281</u>
EXPENSES		
Accounting and legal fees	2,215	2,255
Contract labour and WCB	7,019	8,017
Fundraising costs	3,149	4,074
Insurance	9,981	10,149
Interest and bank charges	161	240
Office	7,276	1,696
Repairs and maintenance	6,570	40,867
Sports equipment	2,038	93
Telephone	1,501	1,419
Utilities	11,601	12,958
	<u>51,511</u>	<u>81,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	37,112	(18,487)
OTHER EXPENSES		
Amortization of capital assets	50,873	52,615
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (13,761)	\$ (71,102)

See notes to financial statements

SATURNA RECREATION CENTRE SOCIETY
Statement of Changes in Net Assets
Year Ended June 30, 2019
(Unaudited - See Notice To Reader)

	Operating Fund	Capital Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 114,995	\$ 1,195,111	\$ 1,310,106	\$ 1,381,207
Building Fund: Current Year Amortization	50,873	(50,873)	-	-
Operating Funds: Transfer to Capital Fund	(1,020)	1,020	-	-
DEFICIENCY OF REVENUES OVER EXPENSES	(13,761)	-	(13,761)	(71,101)
NET ASSETS - END OF YEAR	\$ 151,087	\$ 1,145,258	\$ 1,296,345	\$ 1,310,106

SATURNA RECREATION CENTRE SOCIETY

Notes to Financial Statements

Year Ended June 30, 2019

(Unaudited - See Notice To Reader)

1. PURPOSE OF SOCIETY

Saturna Recreation Centre Society (the "Society") is incorporated under the Society Act of British Columbia as a non-for-profit organization. As a non-profit organization, the Society is exempt from income tax under paragraph 149(1) of the income tax act.

The purposes of the Society are:

- a) To identify the recreational, cultural and health needs and interest of the community;
- b) To organize, administer and coordinate appropriate recreation opportunities for all ages in the community on a year-round basis;
- c) To assist already established recreation groups and programs; and
- d) To obtain and manage the necessary finances, personnel and equipment to operate community recreation programs and facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

Saturna Recreation Centre Society follows the restricted fund method of accounting for contributions.

The Operating Fund reports revenue, expenses and monetary resources related to the Society's program delivery and administrative activities. Within the Operating Fund \$102,319 has been internally restricted by the Board of Directors for the purpose of maintaining a contingency fund. The Cash and cash equivalents account includes an amount of \$25,000 that was previously invested with the Vancouver Foundation.

The Capital Fund reports all land and building capital costs incurred to date.

b) Revenue recognition

Restricted contributions are recognized as revenue in the year receivable.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

c) Donated Materials, Services and Property

Donated materials, services and property are recognized only when their fair market value can be reasonably estimated and the materials and services would be paid for by the Society if not donated. During the year 2019 the value of donated materials, services and property recorded in the accounts was \$Nil (2018 - \$Nil).

SATURNA RECREATION CENTRE SOCIETY
Notes to Financial Statements
Year Ended June 30, 2019
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

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:

Land	4%	non-depreciable
Buildings	20%	declining balance method
Equipment		declining balance method
Art Collection		non-depreciable

In the year of acquisition or completion, one half of the regular amortization is charged.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 271,651	\$ -	\$ 271,651	\$ 271,651
Buildings	2,102,158	911,056	1,191,102	1,240,731
Equipment	40,319	34,835	5,484	5,707
Art Collection	7,930	-	7,930	7,930
	\$ 2,422,058	\$ 945,891	\$ 1,476,167	\$ 1,526,019

SATURNA RECREATION CENTRE SOCIETY
Notes to Financial Statements
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4. CAPITAL ASSETS - LAND & BUILDING

	Land	Building
Recreation Centre	\$ 161,651	\$ 1,813,223
Medical Centre	-	99,750
Parks Canada Office	110,000	189,185
	\$ 271,651	\$ 2,102,158

The costs were historically allocated per above.

a) Recreation Centre

The recreation centre consists of a banquet hall, gymnasium, performance stage, bar/lounge and a medical clinic. The Society retains ownership of the land and building. Funding for the construction of the recreation centre was from donations and government grants, primarily a Canada/British Columbia Infrastructure Program (CBCIP) grant in 2005.

b) Medical Clinic

The medical clinic portion of the building was founded by donations, and is leased to another group.

c) Parks Canada Office

An office building for Parks Canada is located on the same property as the recreation centre. The Society retains ownership of this building and the land. The lease amount consists of the approximate cost of the associated land and the actual costs associated with constructing the building.

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5. RENTAL REVENUE

	2019	2018
Rental revenue is composed of the following:		
Parks Canada - Annual Lease	5,289	5,289
Parks Canada - triple net	10,589	4,875
SIFPS facility service fee	5,000	5,000
Rental Income - other	21,515	12,800
	42,393	27,964

PARKS CANADA LEASE

The Society has entered into a lease with Parks Canada for a term of 80 years that commenced on March 1, 2005. The Society received \$423,130 of rent for the 80 year term which is being recorded over the term at \$5,289 per year. As of June 30, 2019, the balance of \$347,736 (June 30, 2018 - \$353,025) represents prepaid rent. Parks Canada is responsible for its share of annual operating costs referred to as triple net. This year the operating cost was \$10,589. (2018 - \$4,875)

SATURNA ISLAND FIRE PROTECTION SOCIETY (SIFPS) LEASE & FACILITY FEE

The Society has entered into a lease with SIFPS with a term of 50 years commencing January 1, 2009. The leased premises shall be used and occupied only for the provision of community and emergency services. The annual lease fee is \$50. As part of the agreement, the SIFPS will also pay an annual facility service fee of \$5,000.

6. INVESTMENT WITH VANCOUVER FOUNDATION

This fund was initiated with \$25,000. The investment with the Vancouver Foundation is included on the Statement of Financial Position within Cash and cash equivalents at its original cost of \$25,000. The market value as at June 30, 2019 is \$32,120 (market value as at June 30, 2018 was \$30,568).