

SATURNA RECREATION CENTRE SOCIETY

Saturna Island, British Columbia

UNAUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2012

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Agree P/Y

SATURNA RECREATION CENTRE SOCIETY
(Incorporated Under The Society Act of British Columbia)
UNAUDITED FINANCIAL STATEMENTS
Year Ended June 30, 2012

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*operating as a partnership of incorporated professionals

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Saturna Recreation Centre Society as at June 30, 2012 and the statement of income and retained earnings 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.

Sidney, British Columbia
November 2, 2012

Cowland Paterson & Co.

PROFESSIONAL ACCOUNTANTS

SATURNA RECREATION CENTRE SOCIETY

Statement of Financial Position
 Unaudited - See Notice to Reader

June 30, 2012

	Operating Fund	Capital Fund	Gaming Fund	2012 Total	2011 Total
ASSETS					
Current					
Cash and cash equivalents	\$ 158,136	\$ -	2	\$ 158,138	\$ 158,278
HST receivable	1,640	-	-	1,640	2,022
Accounts receivable	300	-	-	300	2,691
Prepaid expenses	3,688	-	-	3,688	3,848
Total current	<u>163,764</u>	<u>-</u>	<u>2</u>	<u>163,766</u>	<u>166,839</u>
Capital Assets (Note 3)	<u>-</u>	<u>1,865,514</u>	<u>-</u>	<u>1,865,514</u>	<u>1,933,617</u>
	\$ <u>163,764</u>	\$ <u>1,865,514</u>	\$ <u>2</u>	\$ <u>2,029,280</u>	\$ <u>2,100,456</u>
LIABILITIES					
Current					
Accounts payable	\$ <u>4,725</u>	\$ -	-	\$ <u>4,725</u>	\$ <u>6,001</u>
Deferred revenue (Note 4)	<u>-</u>	<u>384,761</u>	<u>-</u>	<u>384,761</u>	<u>390,049</u>
Net assets					
Non-Restricted funds	44,549	-	-	44,549	-
Restricted funds (Note 2b)	<u>114,490</u>	<u>1,480,753</u>	<u>2</u>	<u>1,595,245</u>	<u>1,704,406</u>
	<u>159,039</u>	<u>1,480,753</u>	<u>2</u>	<u>1,639,794</u>	<u>1,704,406</u>
	\$ <u>163,764</u>	\$ <u>1,865,514</u>	\$ <u>2</u>	\$ <u>2,029,280</u>	\$ <u>2,100,456</u>

Approved by the Board:

_____ Director

_____ Treasurer

SATURNA RECREATION CENTRE SOCIETY
Statement of Operations and Changes in Net Assets
Unaudited - See Notice to Reader
Year Ended June 30, 2012

	Operating Fund	Capital Fund	Gaming Fund	2012 Total	2011 Total
Revenue					
Donations	\$ 3,875	\$ -	-	\$ 3,875	\$ 10,984
Fund raising	16,582	-	-	16,582	20,113
Medical clinic income	5,000	-	-	5,000	5,000
Membership fees	5,205	-	-	5,205	5,900
Rental revenue (Note 4)	20,320	-	-	20,320	30,642
Interest income	1,844	-	-	1,844	1,282
Other Income	334	-	-	334	1,555
Total Revenue	<u>53,160</u>	<u>-</u>	<u>-</u>	<u>53,160</u>	<u>75,476</u>
Expenses					
Accounting and legal fees	3,554	-	-	3,554	6,772
Acoustic system	-	-	-	-	15,930
Bank charges	20	-	-	20	15
Contract labour and WCB	6,213	-	-	6,213	6,140
Expense recovery (HST/GST rebate)	(1,640)	-	-	(1,640)	(1,719)
Fundraising costs	10,821	-	-	10,821	12,378
Insurance	9,219	-	-	9,219	9,014
Office and miscellaneous	2,165	-	-	2,165	2,763
Repairs and maintenance	4,437	-	-	4,437	11,706
Sports equipment	2,156	-	-	2,156	6,502
Telephone	1,205	-	-	1,205	1,148
Utilities	11,519	-	-	11,519	11,684
Amortization of capital assets	-	68,103	-	68,103	71,356
	<u>49,669</u>	<u>68,103</u>	<u>-</u>	<u>117,772</u>	<u>153,689</u>
Excess (deficiency) of revenue over expenses	3,491	(68,103)	-	(64,612)	(78,213)
Net assets, beginning of year	160,837	1,543,567	2	1,704,406	1,782,619
Transfer between funds	(5,289)	5,289	-	-	-
Net assets, end of year	<u>\$ 159,039</u>	<u>\$ 1,480,753</u>	<u>\$ 2</u>	<u>\$ 1,639,794</u>	<u>\$ 1,704,406</u>

SATURNA RECREATION CENTRE SOCIETY

Notes to Financial Statements
Unaudited - See Notice to Reader
Year Ended June 30, 2012

1. PURPOSE OF THE SOCIETY

Saturna Recreation Centre Society (The "Society") is incorporated under the Society Act of British Columbia as a not-for-profit organization. As a non-profit organization, the Society is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act.

The purposes of the Society are:

- a) To identify the recreational, cultural and health needs and interests 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. SIGNIFICANT ACCOUNTING POLICIES

a) Capital Assets

Amortization is provided for on a declining balance basis over the estimated life of the asset as indicated in Note 3. In the year of acquisition or completion, one half of the regular amortization is charged.

b) Fund Accounting

The 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, \$113,099 has been internally restricted by the Board of Directors, for the purpose of setting up an investment with the Vancouver Foundation. An amount of \$25,000 has previously been invested with the Vancouver Foundation.

The Capital Fund reports all land and building costs incurred to date for the purpose of building a new recreational facility for the community of Saturna Island. Within the Capital Fund, donations were being accepted for the purpose of building a structure to house the ambulance. The Society transferred \$80,503 of these restricted donations in June 2009 to Saturna Island Fire Protection Society to build an ambulance facility for Saturna Island Rescue.

The Gaming Fund reports the revenue, expenses and monetary resources whose use is restricted to those permitted by the British Columbia Gaming Commission.

SATURNA RECREATION CENTRE SOCIETY

Notes to Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue Recognition

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

Restricted contributions are recorded as revenue in the year receivable.

d) Donated Materials, Services and Property

Donated materials, services and property are recognized only when their fair value can be reasonably estimated and the materials and services would be paid for by the Society if not donated.

During the year ended June 30, 2012 the value of donated materials, services and property recorded in the accounts was \$ NIL (2011 - \$NIL).

3. CAPITAL ASSETS

	Rate	Cost	Accumulated Amortization	2012 Net	2011 Net
Land		\$ 271,661	\$ -	\$ 271,661	\$ 271,661
Buildings	4%	2,102,158	517,082	1,585,076	1,651,121
Outbuilding	10%	2,965	1,989	976	1,084
Equipment	20%	<u>33,066</u>	<u>25,265</u>	<u>7,801</u>	<u>9,751</u>
		<u>\$ 2,409,850</u>	<u>\$ 544,336</u>	<u>\$ 1,865,514</u>	<u>\$ 1,933,617</u>

SATURNA RECREATION CENTRE SOCIETY

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3. CAPITAL ASSETS (CONTINUED)

The building costs are allocated into three areas:

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 2006.

b) Medical Clinic

The medical clinic portion of the building was funded 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. (See Note 4)

The costs have been allocated as follows:

	Land	Building
Recreation Centre	\$ 161,661	\$ 1,813,223
Medical Clinic	-	99,750
Parks Canada Office	<u>110,000</u>	<u>189,185</u>
	<u>\$ 271,661</u>	<u>\$ 2,102,158</u>

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4. RENTAL REVENUE

PARKS CANADA LEASE

The Society has entered into a lease with Parks Canada for a term of 80 years commencing March 1, 2005. The Society received \$423,130 of rent for the 80 year term which is being recorded over the term.

As of June 30, 2012, the balance of \$384,761 (June 30, 2011 - \$390,049) represents prepaid rent. Parks Canada is responsible for its share of annual operating costs.

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.

The 2012 Rental Revenue is composed of the following:

Parks Canada annual lease	\$	5,289
Parks Canada fee for operating costs		5,444
SIFPS annual lease		50
SIFPS facility service fee		5,000
Other rental fees		<u>4,537</u>
	\$	<u>20,320</u>

5. 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 with the Cash and cash equivalents at its original cost of \$25,000. The market value as at June 30, 2012 is \$23,049.47 (market value as at June 30, 2011 was \$24,529).