

SATURNA RECREATION CENTRE SOCIETY

FINANCIAL INFORMATION

JUNE 30, 2024

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COMPILATION ENGAGEMENT REPORT

To the members of
Saturna Recreation Centre Society

On the basis of information provided by the organization, we have compiled the statement of financial position of Saturna Recreation Centre Society as at June 30, 2024, the statements of operations and changes in net assets for the year then ended, and note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

The organization is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist the organization in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by the organization. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Sidney, BC
November 29, 2024

Hughesman Morris Liversedge

Hughesman Morris Liversedge
Chartered Professional Accountants

SATURNA RECREATION CENTRE SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30

	2024	2023
REVENUES		
Grant income	\$ 33,912	\$ 996
Rental revenue (note 4)	33,812	33,321
Membership fees	12,480	11,005
Donations	9,617	15,966
Fundraising	5,630	19,088
Interest income	5,028	2,294
Other revenue	4,090	4,872
	104,569	87,542
EXPENDITURES		
Amortization	41,598	43,425
Contract labour	9,856	10,013
Fundraising costs	10,828	2,861
Insurance	10,821	18,389
Interest and bank charges	240	366
Membership and licences	748	490
Office	4,642	2,414
Professional fees	4,012	3,511
Repairs and maintenance	11,672	8,121
Sports equipment	7,500	815
Telephone and utilities	14,131	14,902
	116,048	105,307
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (11,479)	\$ (17,765)

SATURNA RECREATION CENTRE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 94,507	\$ 69,270
Term deposit	68,119	65,000
Accounts receivable	1,076	3,998
Prepaid expenses	4,282	4,072
	167,984	142,340
Property, plant and equipment (note 5)	1,268,953	1,310,551
	\$ 1,436,937	\$ 1,452,891
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,459	\$ 3,645
Deferred revenue (note 6)	321,290	326,579
	325,749	330,224
NET ASSETS		
Operating fund	168,815	138,696
Capital fund	942,373	983,971
	1,111,188	1,122,667
	\$ 1,436,937	\$ 1,452,891

SATURNA RECREATION CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30

	Operating fund	Capital fund	Total 2024	Total 2023
BALANCE, BEGINNING OF YEAR	\$ 138,696	\$ 983,971	\$ 1,122,667	\$ 1,140,432
(Deficiency) excess of revenues over expenditures	30,119	(41,598)	(11,479)	(17,765)
BALANCE, END OF YEAR	\$ 168,815	\$ 942,373	\$ 1,111,188	\$ 1,122,667

SATURNA RECREATION CENTRE SOCIETY
NOTES TO THE FINANCIAL INFORMATION
AS AT JUNE 30, 2024

1. PURPOSE OF SOCIETY

Saturna Recreation Centre Society is incorporated under the Societies Act of British Columbia as a non-profit organization. The Society is also a registered charity under the Income Tax Act.

The purposes of the Society are to:

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

2. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Saturna Recreation Centre Society as at June 30, 2024, and the income statement for the year then ended, is on a historical cost basis, reflecting cash transactions with the addition of:

- (a) accounts receivable/payable, including accruals
- (b) prepaid expenses and deposits
- (c) property, plant and equipment amortized according to rates in the property, plant and equipment note
- (d) deferred revenue

3. ADDITIONAL ACCOUNTING POLICIES

(a) Fund Accounting

The Society follows the restricted method of fund accounting. The Operating Fund reports revenue and expenses related to the Society's program delivery and administrative activities. Within the Operating Fund \$104,727 (2023 - \$101,275) has been internally restricted by the Board of Directors for the purpose of maintaining a contingency fund.

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

(b) Donated Material, 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 the value of donated materials, services and property recorded in the accounts was nil. (2023 - nil)

SATURNA RECREATION CENTRE SOCIETY
NOTES TO THE FINANCIAL INFORMATION
AS AT JUNE 30, 2024

4. RENTAL REVENUE

Rental revenue is composed of the following:

	2024	2023
Saturna Community Club - annual lease	\$ 6,826	\$ 5,683
Parks Canada - annual lease	5,289	5,289
Parks Canada - triple net	5,492	5,224
Saturna Island Fire Protection Society - facility service fee	5,000	5,000
Gulf Islands SD #64 - facility service fee	3,000	3,000
Other	8,205	9,125
	\$ 33,812	\$ 33,321

5. PROPERTY, PLANT AND EQUIPMENT

Amortization of property, plant and equipment are calculated using the straight-line method and rates:

Amortization is not taken on the art collection.

Buildings			4%	
Equipment			20%	
	Cost	Accumulated amortization	2024	2023
Land	\$ 271,651	\$ -	\$ 271,651	\$ 271,651
Art collection	7,930	-	7,930	7,930
Buildings	2,121,840	1,134,265	987,575	1,028,724
Equipment	40,319	38,522	1,797	2,246
	\$ 2,441,740	\$ 1,172,787	\$ 1,268,953	\$ 1,310,551

SATURNA RECREATION CENTRE SOCIETY
NOTES TO THE FINANCIAL INFORMATION
AS AT JUNE 30, 2024

5. PROPERTY, PLANT AND EQUIPMENT, continued

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.

Medical Clinic

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

Parks Canada Office

An office building for Parks Canada is located on the same property as the recreation centre. The Society retains the 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.

Costs were historically allocated for land & building as noted below.

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

6. DEFERRED REVENUE

The Society 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 an 80 year term which is being recorded over the term at \$5,289 per year. Parks Canada is responsible for its share of annual operating costs referred to as triple net.

7. 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.

SATURNA RECREATION CENTRE SOCIETY
NOTES TO THE FINANCIAL INFORMATION
AS AT JUNE 30, 2024

8. FUNDS HELD AT THE VANCOUVER FOUNDATION

In 2007 the Saturna Recreation Centre Society Fund was established. Vancouver Foundation matched the Society's gift of \$12,500, for a total of \$25,000. The funds are being held in perpetuity by the Vancouver Foundation, and are not included on the Statement of Financial Position.

	<u>2024</u>
Beginning balance, market value	\$ 37,328
Total investment returns (declines)	<u>(647)</u>
Closing balance, market value	<u>\$ 36,681</u>

9. ADJUSTMENT TO OPENING SURPLUS

In a prior year, \$25,000 was donated to the Vancouver Foundation. The donation was recorded as an investment in cash but should have been expensed as a donation. The operating fund net asset value and cash at July 1, 2022 were adjusted to decrease the July 1, 2022 net asset value by \$25,000 and decrease cash by \$25,000.

10. COMPARATIVE AMOUNTS

The financial statements for the year ended June 30, 2023 were reported on by another firm of Chartered Professional Accountants. Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation. The changes do not affect prior year earnings.