
**THE ROUNDHOUSE COMMUNITY ARTS AND
RECREATION SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2018**





INDEPENDENT AUDITORS' REPORT

To the Members of:
The Roundhouse Community Arts and Recreation Society

Report on the Financial Statements

We have audited the financial statements of The Roundhouse Community Arts and Recreation Society which comprise the statement of financial position as at June 30, 2018, and the statement of revenue and expenditures, statement of changes in net assets, and statement of cash flows for the year then ended, and the related notes comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Roundhouse Community Arts and Recreation Society as at June 30, 2018 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.



INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

Chartered Professional Accountants
Vancouver, British Columbia
November 22, 2018

THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 551,593	\$ 398,157
Accounts receivable	208,668	207,474
Prepaid expenses and deposits	2,143	4,685
	<u>762,404</u>	<u>610,316</u>
CAPITAL ASSETS (Note 3)	<u>176,044</u>	<u>98,637</u>
	<u>\$ 938,448</u>	<u>\$ 708,953</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 109,376	\$ 84,833
Rental deposits	43,541	37,227
Deferred and unearned revenue	310,224	280,348
	<u>463,141</u>	<u>402,408</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	<u>79,877</u>	<u>-</u>
	<u>543,018</u>	<u>402,408</u>
NET ASSETS		
INVESTED IN CAPITAL ASSETS	96,167	98,637
CONTINGENCY RESERVE (Note 6)	100,000	100,000
UNRESTRICTED	<u>199,263</u>	<u>107,908</u>
	<u>395,430</u>	<u>306,545</u>
	<u>\$ 938,448</u>	<u>\$ 708,953</u>

Approved by the Directors:

_____ Director

_____ Director



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018

				2018	2017
	Invested in capital assets	Contingency reserve (Note 6)	Unrestricted	Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 98,637	\$ 100,000	\$ 107,908	\$ 306,545	\$ 230,447
Excess of revenue over expenditures for the year	-	-	88,885	88,885	76,098
Purchase of capital assets	102,394	-	(102,394)	-	-
Amortization of capital assets	(24,987)	-	24,987	-	-
Receipt of deferred contributions related to capital assets	(84,081)	-	84,081	-	-
Amortization of deferred contributions related to capital assets	4,204	-	(4,204)	-	-
BALANCE AT END OF YEAR	\$ 96,167	\$ 100,000	\$ 199,263	\$ 395,430	\$ 306,545



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
REVENUE		
Net program operations (Schedule)	\$ 478,970	\$ 418,629
Administration fees and other income	15,985	14,205
	494,955	432,834
EXPENDITURES		
Production department costs	159,017	138,039
Advertising and promotion	97,638	84,145
Employer costs	49,615	46,598
Bank charges	39,410	28,529
Administration	33,937	28,402
Facility development costs	14,254	7,275
Legal and accounting	11,900	11,900
Education and training	1,537	505
	407,308	345,393
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS	87,647	87,441
OTHER ITEMS		
Recovery of amount due to Vancouver Board of Parks and Recreation	22,021	-
Amortization of deferred contributions related to capital assets	4,204	-
Amortization	(24,987)	(11,343)
	1,238	(11,343)
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ 88,885	\$ 76,098



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,699,136	\$ 1,594,770
Cash receipts from administration fees and other income	15,985	14,205
Cash paid to suppliers, employees and contractors	(1,543,372)	(1,478,438)
	171,749	130,537
INVESTING ACTIVITY		
Purchase of capital assets	(102,394)	(15,488)
FINANCING ACTIVITY		
Receipt of deferred contributions related to capital assets	84,081	-
INCREASE IN CASH DURING THE YEAR	153,436	115,049
CASH, BEGINNING OF YEAR	398,157	283,108
CASH, END OF YEAR	\$ 551,593	\$ 398,157



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

PURPOSE OF THE ORGANIZATION

The purpose of The Roundhouse Community Arts and Recreation Society (the "Society") is to promote community spirit and good citizenship through community art, recreation and social programs and services. The overall mission is to celebrate diversity of ideas, people, values and activities through the provision and operation of the Roundhouse Community Centre.

The Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is accordingly exempt from income taxes under the Income Tax Act (Canada).

The Society operates the Roundhouse Community Centre jointly with the Vancouver Board of Parks and Recreation ("VPB") in accordance with the terms of a Joint Operating Agreement.

While the Roundhouse building and facilities are owned and maintained by VPB and key operating staff are provided by the VPB, the Society is responsible for the development and presentation of various programs in support of the mission of the Society and for the related program costs, equipment, supplies and services. The Society funds these activities through program and rental revenues.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have been prepared using the following significant accounting policies:

a) Financial instruments

i) Measurement

The Society's financial instruments consist of cash, accounts receivable and accounts payable. The Society initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenditures. A previously recognized impairment loss may be reversed to the extent of any improvement, 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 the statement of revenue and expenditures in the period in which it is determined.

b) Cash

For the purposes of determining cash flows, the Society's cash consists of cash on deposit.



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Capital assets

Capital assets are recorded at historical cost and amortized over their estimated useful lives applying the following annual rates and methods:

Performance centre equipment	10 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Computer software	30%	declining balance basis
Computer hardware	30/55%	declining balance basis
Signage	30%	declining balance basis

The Society records one-half of the annual amortization in the year that an asset is purchased.

The Society monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenditures. Write-downs recognized under this policy are not reversed.

d) Revenue recognition

The Society follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Revenue from programs and rentals is recognized when the associated class or event is held.

Contributions restricted for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset.

e) Contributed material and services

The Society benefits from contributed materials and from contributed services in the form of volunteer time. Fair values of contributed materials and services cannot be reasonably estimated and therefore these items are not recognized in these financial statements.

f) Allocation of expenses

The Society reports its expenditures by nature and provides supplementary information about the allocation of expenditures in the Schedule of Program Operations. Allocations in the Schedule are based on a direct assignment of costs attributable to each program.

g) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the collectibility of accounts receivable, the useful lives of assets for amortization and the amounts recorded as accrued liabilities and deferred revenue.



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 1(a). In management's opinion, the Society is not exposed to significant currency, credit, liquidity, interest rate or other market risks. In addition, the Society is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

3. CAPITAL ASSETS

				2018	2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Performance centre equipment	\$ 173,874	\$ 51,445	\$ 122,429	\$ 52,322	\$ 52,322
Furniture and fixtures	105,844	54,704	51,140	42,398	42,398
Computer software	30,763	28,847	1,916	2,737	2,737
Computer hardware	21,200	20,692	508	1,107	1,107
Signage	12,599	12,548	51	73	73
	\$ 344,280	\$ 168,236	\$ 176,044	\$ 98,637	\$ 98,637

4. GOVERNMENT REMITTANCES PAYABLE

Included in accounts payable and accrued liabilities as at June 30, 2018 are government remittances payable of \$2,288 (2017 - \$1,272).

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent restricted contributions that have been used to purchase capital assets. These contributions are amortized at the same rate as the underlying assets.

	2018	2017
Add: Deferred contribution	\$ 84,081	\$ -
Less: amortized to revenue	(4,204)	-
	\$ 79,877	\$ -

6. CONTINGENCY RESERVE

The board of directors has internally restricted a contingency reserve of \$100,000 (2017 - \$100,000) in the event the Society encounters extraordinary circumstances.



THE ROUNDHOUSE COMMUNITY ARTS AND RECREATION SOCIETY
SCHEDULE OF PROGRAM OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE I

	Revenue	Expenditures	Net Results	
			2018	2017
Classes/workshops	\$ 1,114,474	\$ 799,564	\$ 314,910	\$ 285,889
Subsidized programs	45,599	82,090	(36,491)	(52,122)
Partnership	124,285	119,264	5,021	(4,904)
Residency	31,461	23,540	7,921	(6,391)
Special events	20,344	38,821	(18,477)	(18,149)
Rentals	327,978	121,892	206,086	214,306
	\$ 1,664,141	\$ 1,185,171	\$ 478,970	\$ 418,629

