

## COMMUNITY CENTRE AUDIT/REVIEW GUIDELINES

The audited/reviewed statement must be performed and signed by a Certified Accountant (CMA, CGA, CA) and must include the following:

### 1. Contents of Audit Review

- Auditor/reviewer's report
- Balance sheet
- Income statement
- Statement of surplus (loss)
- Notes to the financial statement

### 2. General Information

- A statement of the auditor's opinion on the financial statements
- A balance sheet prepared on the accrual basis of accounting
- A statement of revenue and expense prepared on the accrual basis of accounting
- Disclosure of any information pertinent to the financial statements and report
- If circumstances warrant, a copy of the auditor's management and/or internal control report
- Signature of two members of the board of directors approving the audited/reviewed report
- All reporting must be done on a gross basis – **NOT NETTED BY ACTIVITY.**

### 3. Specific Information

- Balance Sheet
  - a. Comparative figures for the previous year
  - b. Detailed accounts receivable including the following:
    - All operating/special grants
    - Registration fees
    - Canteen receipts
    - Hall rental receipts
    - Bingo/Nevada receipts
    - Fundraising/donations, other specific receivables
  - c. Detailed accounts payable including the following:
    - Salaries payable
    - Payroll deductions
    - Bank loan payable
    - Hall deposits payable
    - Other specific payables
  - d. A statement of the Centre's policy regarding asset purchases
  - e. Deferred revenues e.g. City of Winnipeg grant, sports registration, other

- Statement of Revenue and Expense

- a. Fixed assets (capitalized or expense). If capitalized, disclose method of depreciation. If expensed, capital items under \$1,000 should note the amount of the expense.
- b. Inventory – if recorded, note the method of evaluation
- c. Statement of the centre's policy regarding asset purchases
- d. Related party transactions – indicating transactions with executive/family/friends
- e. Fixed asset note (cost, accumulated depreciation)
- f. Bank loan disclosure
  - Payments
  - Long term portion/current portion
  - Interest rate
  - Security/guarantees
  - Repayment plan of next 5 years
- g. Long term commitment/leases
- h. Operations (reference to income tax, reference to non-profit status)

- Recommendation

In order to assure that all centres are recording in the same manner, it is recommended that:

- a. All sporting equipment be expensed in the year of purchase
- b. Any purchases under \$1,000 be expensed in the year of purchase
- c. Any purchases over \$1,000 be capitalized at (e.g. building 40 years straight line basis, equipment 10 years straight line basis).