

KERRISDALE COMMUNITY CENTRE SOCIETY

FINANCIAL STATEMENTS

AUGUST 31, 1997

JOHANNESSON McWILLIAMS

CHARTERED ACCOUNTANTS

1052 RICHARDS STREET,
VANCOUVER, B.C. V6B 4Y6

TEL: (604) 685-1351
FAX: (604) 683-4398

AUDITORS' REPORT

To the Directors of
Kerrisdale Community Centre Society

We have audited the balance sheet of Kerrisdale Community Centre Society as at August 31, 1997 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 1997 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

Vancouver, B.C.
October 29, 1997



Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY
BALANCE SHEET
AUGUST 31, 1997**

	<u>1997</u>	<u>1996</u> (Restated See Note 8)
ASSETS		
Current Assets		
Cash	\$ 145,422	\$ 32,291
Temporary investments	402,700	365,000
Accounts receivable	21,916	19,194
Prepaid expenses	10,144	6,035
	580,182	422,520
Capital Assets (Note 3)	51,850	30,597
	\$ 632,032	\$ 453,117
LIABILITIES		
Current Liabilities		
Accounts payable and accruals (Note 4)	\$ 127,816	\$ 134,447
Due to Board of Parks and Recreation, City of Vancouver (Note 5)	36,618	28,566
Deferred revenue (Note 2)	91,742	17,418
Deferred renovation campaign contributions and related investment income (Note 6)	89,323	-
	345,499	180,431
NET ASSETS		
Invested in capital assets	51,850	30,597
Restricted for Seniors Centre	83,303	76,136
Restricted for renovation and network purposes (Note 7)	16,085	35,120
Unrestricted	135,295	130,833
	286,533	272,686
	\$ 632,032	\$ 453,117

Approved by the Directors

_____ Director

_____ Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED AUGUST 31, 1997**

	<u>1997</u>	<u>1996</u> (Restated See Note 8)
Revenue		
Activities	\$ 646,076	\$ 632,138
Building rentals	37,157	35,127
Donations and fundraising	22,934	27,164
Interest	23,603	22,216
Kitchen	62,098	63,148
Membership dues	43,358	42,874
	<hr/> 835,226	<hr/> 822,667
Expenses		
Activities	463,837	433,156
Amortization of capital assets	23,817	11,984
Bank charges	9,697	6,907
Kitchen	65,571	59,403
Postage, printing and stationery	8,060	5,735
Programs and news letters	38,505	40,977
Renovations	-	36,047
Sundries	11,571	8,765
Wages and employee benefits	200,321	191,840
	<hr/> 821,379	<hr/> 794,814
Net Income	<hr/> \$ 13,847	<hr/> \$ 27,853

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
AUGUST 31, 1997**

	Investments in Capital Assets	Restricted For Seniors Centre Purposes	Restricted For Renovations and Computer Network Purposes	Unrestricted	Total 1997	Total 1996
						(Restated See Note 8)
Balance, August 31, 1996	\$ 30,597	\$ 76,136	\$ 35,120	\$ 130,833	\$ 272,686	\$ 244,833
Net income	(23,817)	7,167	-	30,497	13,847	27,853
Investment in capital assets	45,070	-	-	(45,070)	-	-
Transfer of funds held for computer network purposes	-	-	(19,035)	19,035	-	-
Balance, August 31, 1997	<u>\$ 51,850</u>	<u>\$ 83,303</u>	<u>\$ 16,085</u>	<u>\$ 135,295</u>	<u>\$ 286,533</u>	<u>\$ 272,686</u>

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 1997**

	<u>1997</u>	<u>1996</u> (Restated See Note 8)
Cash Flows from Operating Activities		
Net income	\$ 13,847	\$ 27,853
Item not involving cash		
Amortization of capital assets	23,817	11,984
	37,664	39,837
Net change in non-cash working capital	68,914	43,242
Net cash provided (used) by operating activities	106,578	83,079
Financing and Investing Activities		
Purchase of capital assets	(45,070)	(42,581)
Cash contributions resulting from the renovation campaign less related expenses paid	88,637	-
Income received on renovation campaign investments	686	-
Net cash provided (used) by financing and investing activities	44,253	(42,581)
Increase (Decrease) in Cash	150,831	40,498
Cash, beginning	397,291	356,793
Cash, ending	\$ 548,122	\$ 397,291
Cash Represented by:		
Cash	\$ 145,422	\$ 32,291
Temporary investments	402,700	365,000
	\$ 548,122	\$ 397,291

See accompanying notes.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1997

1. Purpose of the Organization

The Kerrisdale Community Centre Society was incorporated under the Society Act of British Columbia as a Not for Profit organization and is a registered charity under the Canadian Income Tax Act. The objectives of the Society are to promote and provide education, recreational, athletic and social activities, facilities and equipment for the use and benefit of the community. The Society carries out these objectives through the operation of the Kerrisdale Community Centre pursuant to a joint operating agreement with the Board of Parks and Recreation, City of Vancouver.

2. Significant Accounting Policies

The following is a summary of significant accounting policies of the Society:

- Revenue Recognition

The Kerrisdale Community Centre Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Membership dues are taken into income on a pro rata basis over the term of the membership. All memberships expire on August 31 each year.

- Capital Assets

Purchased capital assets are recorded at cost. Amortization is provided on a straight line basis over the assets estimated useful life as follows:

Computer software and equipment	- 3 years
Furniture, fixtures and equipment	- 5 years

Full amortization is taken in the year of acquisition.

- Investments

Investments are recorded at the lower of cost and market value.

- Deferred Revenue

Deferred revenue represents the unearned portion of amounts received during the year for memberships and activities which will commence after the year end.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
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2. Significant Accounting Policies (Cont'd)

- Use of Kerrisdale Community Centre

The Board of Parks and Recreation, City of Vancouver has the control, care and maintenance of the building situated at 5851 West Boulevard, Vancouver, B.C. and have set this building aside for the recreation, comfort and enjoyment of the public.

Use of the Kerrisdale Community Centre building is provided without cost to the Society pursuant to a joint operating agreement with the Board of Parks and Recreation, City of Vancouver. The value of the use of the Kerrisdale Community Centre facilities has not been reflected in these financial statements.

3. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>1997</u>	<u>1996</u> (Restated See Note 8)
Computer software and equipment	\$ 47,149	\$ 24,387	\$ 22,762	\$ 17,342
Furniture, fixtures and equipment	40,502	11,414	29,088	13,255
	<u>\$ 87,651</u>	<u>\$ 35,801</u>	<u>\$ 51,850</u>	<u>\$ 30,597</u>

The fair value of capital assets acquired before September 1, 1995 cannot be reasonably determined and management has satisfied itself that these capital assets would have a nominal value due to their remaining useful life.

4. Accounts Payable and Accruals

Included in accounts payable is \$82,196 (1996 - \$84,647) which represents funds collected for various activities not included in the income of the Society.

5. Due to Board of Parks and Recreation, City of Vancouver

The Society has entered into an arrangement to have the Board of Parks and Recreation, City of Vancouver, pay a number of the Society's employees. The Society has agreed to reimburse a portion of these costs. Management has accrued, \$36,618 (1996 - \$28,566) in these financial statements which is the amount billed to the Society and remaining outstanding at August 31, 1997.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
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6. Renovation Campaign

In 1996 the Kerrisdale Community Centre Society launched a renovation campaign to raise funds for major renovations to the Community Centre. The \$89,323 deferred renovation campaign contributions less related expenses comprises \$88,637 contributed to date net of related expenses and related investment income of \$686, which is also externally restricted for renovation purposes.

7. Restrictions on Net Assets

The Society's board of directors has internally restricted \$6,112 (1996 - \$25,147) of unrestricted net assets to be held for computer network purposes and \$9,973 (1996 - \$9,973) of unrestricted net assets to be used for renovation purposes. These internally restricted amounts are not available for other purposes without approval of the board of directors.

8. Restatement of Comparative Figures

The Society changed its accounting policy from expensing the acquisition of capital assets as incurred, to capitalizing and amortizing them over their estimated useful life. The prior year's figures have been restated to reflect this accounting change. Accordingly, capital assets have been increased by \$30,597, amortization expense has been increased by \$11,984, and net income and changes in net assets have been increased by \$30,597.

Other prior year's figures have been reclassified to conform with the financial statement presentation adopted for the current period.