

KERRISDALE COMMUNITY CENTRE SOCIETY

FINANCIAL STATEMENTS

AUGUST 31, 2000

JOHANNESSEN McWILLIAMS

CHARTERED ACCOUNTANTS

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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, 2000 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, 2000 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.
December 7, 2000



Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY
BALANCE SHEET
AUGUST 31, 2000**

	<u>2000</u>	<u>1999</u> (Note 7)
ASSETS		
Current Assets		
Cash	\$ 112,546	\$ 135,019
Temporary investments	477,060	455,000
Accounts receivable	17,202	14,067
Prepaid expenses	13,324	17,104
	620,132	621,190
Capital Assets (Notes 2 & 3)	257,359	296,422
	\$ 877,491	\$ 917,612
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 35,673	\$ 186,922
Due to Board of Parks and Recreation, City of Vancouver (Note 4)	56,914	79,379
Deferred revenue (Note 2)	161,136	133,257
	253,723	399,558
Deferred contributions related to capital assets (Notes 2 & 5)	218,175	202,314
Deferred contributions (Notes 2 & 6)	4,763	-
	476,661	601,872
NET ASSETS		
Invested in capital assets	257,359	296,422
Restricted for Seniors Centre purposes	82,976	85,083
Unrestricted	60,495	(65,765)
	400,830	315,740
	\$ 877,491	\$ 917,612

Approved by the Directors

W. Harris Director

P. Cook Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED AUGUST 31, 2000**

	<u>2000</u>	<u>1999</u> (Note 7)
Revenue		
Activities	\$ 939,920	\$ 699,272
Amortization of deferred contributions related to capital assets (Note 5)	71,949	49,513
Amortization of deferred contributions (Note 6)	1,237	-
Investment income earned on deferred contributions (Note 5)	1,066	1,066
Building rentals	45,087	24,153
Donations and fundraising	10,808	13,711
Interest	24,970	16,014
Kitchen	67,852	65,800
Membership dues	40,724	39,615
	<hr/> 1,203,613	<hr/> 909,144
Expenses		
Activities	671,270	447,322
Amortization of capital assets	93,166	89,390
Bank charges	14,415	10,911
Kitchen	64,920	71,187
Postage, printing and stationery	9,210	7,005
Programs and news letters	46,764	38,612
Sundries	18,852	17,318
Wages and employee benefits	199,926	224,385
	<hr/> 1,118,523	<hr/> 906,130
Net Income	<hr/> \$ 85,090	<hr/> \$ 3,014

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
AUGUST 31, 2000**

	Invested in Capital Assets	Restricted For Seniors Centre Purposes	Unrestricted	Total 2000	Total 1999
Balance, August 31, 1999	\$ 296,422	\$ 85,083	\$ (65,765)	\$ 315,740	\$ 312,726
Net income	(93,166)	(2,107)	180,363	85,090	3,014
Investment in capital assets	54,103	-	(54,103)	-	-
Balance, August 31, 2000	\$ 257,359	\$ 82,976	\$ 60,495	\$ 400,830	\$ 315,740

See accompanying notes.

KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2000

	<u>2000</u>	<u>1999</u> (Note 7)
Cash Flows from Operating Activities		
Net income	\$ 85,090	\$ 3,014
Items not involving cash		
Amortization of capital assets	93,166	89,390
Amortization of deferred contributions related to capital assets	(71,949)	(49,513)
Amortization of deferred contributions	(1,237)	-
Investment income earned on deferred contributions	(1,066)	(1,066)
	104,004	41,825
Net change in non-cash working capital	(145,190)	147,447
Net cash provided by (used for) operating activities	(41,186)	189,272
Cash Flows from Financing and Investing Activities		
Purchase of capital assets	(54,103)	(325,845)
Cash contributions related to capital assets (Note 5)	88,876	104,122
Cash contributions for miscellaneous projects (Note 6)	6,000	-
Net cash provided by (used for) financing and investing activities	40,773	(221,723)
Decrease in Cash	(413)	(32,451)
Cash, beginning	590,019	622,470
Cash, ending	\$ 589,606	\$ 590,019
Cash Represented by:		
Cash	\$ 112,546	\$ 135,019
Temporary investments	477,060	455,000
	\$ 589,606	\$ 590,019

See accompanying notes.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2000

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:

- Financial Instruments

The Society's financial instruments consist of cash, temporary investments, accounts receivable and payable, deferred revenue and deferred contributions. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of the financial instruments approximate their carrying values, unless otherwise noted.

- 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
Building improvements	- 5 years
Passenger vehicle	- 5 years

Full amortization is taken in the year of acquisition.

**KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2000**

2. Significant Accounting Policies (Cont'd)

- 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.

- 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>2000</u>	<u>1999</u>
Building improvements	\$ 318,669	\$ 127,468	\$ 191,201	\$ 254,935
Computer software and equipment	54,375	53,247	1,128	3,537
Furniture, fixtures and equipment	97,884	62,636	35,248	37,950
Passenger vehicle	37,228	7,446	29,782	-
	<u>\$ 508,156</u>	<u>\$ 250,797</u>	<u>\$ 257,359</u>	<u>\$ 296,422</u>

4. 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 \$56,914 (1999 - \$79,379) in these financial statements which is the estimated amount to be billed to the Society for the year ended August 31, 2000.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2000

5. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent restricted contributions to the Community Centre Society. The changes for the year are as follows:

	<u>2000</u>	<u>1999</u> (Note 7)
Balance, beginning	\$ 202,314	\$ 150,360
Contributions received during the year	88,876	102,533
Amount amortized to revenue during the year	(71,949)	(49,513)
Investment income recognized as revenue during the year	(1,066)	(1,066)
Balance, ending	<u>\$ 218,175</u>	<u>\$ 202,314</u>

6. Deferred Contributions

Deferred contributions related to miscellaneous projects represent restricted contributions to the Community Centre Society. The changes for the year are as follows:

	<u>2000</u>	<u>1999</u>
Contributions received during the year	\$ 6,000	\$ -
Amount amortized to revenue during the year	(1,237)	-
Balance, ending	<u>\$ 4,763</u>	<u>\$ -</u>

7. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.