

KERRISDALE COMMUNITY CENTRE SOCIETY

FINANCIAL STATEMENTS

AUGUST 31, 2001

JOHANNESSON McWILLIAMS

CHARTERED ACCOUNTANTS

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

TEL: (604) 685-1351
FAX: (604) 683-4398
EMAIL: jmca@direct.ca

AUDITORS' REPORT

To the Directors of
Kerrisdale Community Centre Society

We have audited the statement of financial position of Kerrisdale Community Centre Society as at August 31, 2001 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 Canadian 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, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian 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.
November 19, 2001



Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2001**

	<u>2001</u>	<u>2000</u>
ASSETS		
Current Assets		
Cash	\$ 52,329	\$ 112,546
Temporary investments	730,709	477,060
Accounts receivable	30,882	17,202
Prepaid expenses	-	13,324
	813,920	620,132
Capital Assets (Notes 2 & 3)	206,296	257,359
	\$ 1,020,216	\$ 877,491
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 73,714	\$ 35,673
Due to Board of Parks and Recreation, City of Vancouver (Note 4)	23,135	56,914
Deferred revenue (Note 2)	145,617	161,136
	242,466	253,723
Deferred contributions related to capital assets (Notes 2 & 5)	213,368	218,175
Deferred contributions (Notes 2 & 6)	4,063	4,763
	459,897	476,661
NET ASSETS		
Invested in Capital Assets	206,296	257,359
Restricted for Seniors Centre purposes	76,514	82,976
Restricted for Building Improvements (Note 7)	113,921	-
Unrestricted	163,588	60,495
	560,319	400,830
	\$ 1,020,216	\$ 877,491

Approved by the Directors

W. Harris Director

J. Cook Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED AUGUST 31, 2001**

	<u>2001</u>	<u>2000</u>
Revenue		
Activities	\$ 881,516	\$ 939,920
Amortization of deferred contributions related to capital assets (Note 5)	69,177	71,949
Amortization of deferred contributions (Note 6)	700	1,237
Investment income earned on deferred contributions (Note 5)	1,066	1,066
Building rentals	32,033	45,087
Donations and fundraising	16,532	10,808
Interest	30,444	24,970
Kitchen	55,792	67,852
Membership dues	58,262	40,724
	<hr/> 1,145,522	<hr/> 1,203,613
Expenses		
Activities	617,601	671,270
Amortization of capital assets	99,020	93,166
Bank charges	15,331	14,415
Kitchen	61,405	64,920
Postage, printing and stationery	11,119	9,210
Programs and news letters	50,360	46,764
Sundries	30,566	18,852
Wages and employee benefits	100,631	199,926
	<hr/> 986,033	<hr/> 1,118,523
Net Income	<hr/> \$ 159,489	<hr/> \$ 85,090

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
AUGUST 31, 2001**

	Invested in Capital Assets	Restricted For Seniors Centre Purposes	Restricted For Building Improvements (Note 7)	Unrestricted	Total 2001	Total 2000
Balance, August 31, 2000	\$ 257,359	\$ 82,976	\$ -	\$ 60,495	\$ 400,830	\$ 315,740
Net income	(99,020)	1,270	-	257,239	159,489	85,090
Transfers of funds	-	(7,732)	113,921	(106,189)	-	-
Investment in capital assets	47,957	-	-	(47,957)	-	-
Balance, August 31, 2001	\$ 206,296	\$ 76,514	\$ 113,921	\$ 163,588	\$ 560,319	\$ 400,830

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2001**

	<u>2001</u>	<u>2000</u>
Cash Provided By (Used) For:		
Operating Activities		
Net income	\$ 159,489	\$ 85,090
Items not involving cash		
Amortization of capital assets	99,020	93,166
Amortization of deferred contributions related to capital assets	(69,177)	(71,949)
Amortization of deferred contributions	(700)	(1,237)
Investment income earned on deferred contributions	(1,066)	(1,066)
	187,566	104,004
Net change in non-cash working capital items:		
Accounts receivable	(13,680)	(3,135)
Prepaid expenses	13,324	3,780
Accounts payable	38,041	(151,249)
Due to Board of Parks	(33,779)	(22,465)
Deferred income	(15,519)	27,879
Net cash provided by (used for) operating activities	175,953	(41,186)
Financing and Investing Activities		
Purchase of capital assets	(47,957)	(54,103)
Cash contributions related to capital assets (Note 5)	65,436	88,876
Cash contributions for miscellaneous projects (Note 6)	-	6,000
Net cash provided by (used for) financing and investing activities	17,479	40,773
Increase (Decrease) in Cash	193,432	(413)
Cash, beginning	589,606	590,019
Cash, ending	\$ 783,038	\$ 589,606
Cash Represented by:		
Cash	\$ 52,329	\$ 112,546
Temporary investments	730,709	477,060
	\$ 783,038	\$ 589,606

See accompanying notes.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2001

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, 2001**

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>2001</u>	<u>2000</u>
Building improvements	\$ 318,669	\$ 191,202	\$ 127,467	\$ 191,201
Computer software and equipment	60,811	56,520	4,291	1,128
Furniture, fixtures and equipment	139,405	87,203	52,202	35,248
Passenger vehicle	37,228	14,892	22,336	29,782
	<u>\$ 556,113</u>	<u>\$ 349,817</u>	<u>\$ 206,296</u>	<u>\$ 257,359</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 \$23,135 (2000 - \$56,914) in these financial statements which is the estimated amount to be billed to the Society for the year ended August 31, 2001.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2001

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>2001</u>	<u>2000</u>
Balance, beginning	\$ 218,175	\$ 202,314
Contributions received during the year	65,436	88,876
Amount amortized to revenue during the year	(69,177)	(71,949)
Investment income recognized as revenue during the year	(1,066)	(1,066)
Balance, ending	\$ 213,368	\$ 218,175

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>2001</u>	<u>2000</u>
Balance, beginning	\$ 4,763	\$ -
Contributions received during the year	-	6,000
Amount amortized to revenue during the year	(700)	(1,237)
Balance, ending	\$ 4,063	\$ 4,763

7. Restricted for Building Improvements

Commencing September 1, 2000, the Board of Directors approved that any surplus funds in excess of \$10,000 in each quarter be specifically allocated to a Building Renovation Fund until it is sufficient to fund the next phase (Phase II). Included in the Building Renovation Fund is an amount of \$113,921 (2000 - \$Nil) of these surplus funds.

8. Comparative Figures

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