

**KERRISDALE COMMUNITY CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2002**

# 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

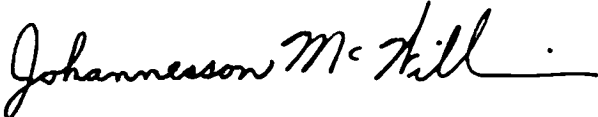
To the Directors of  
Kerrisdale Community Centre Society

We have audited the statement of financial position of Kerrisdale Community Centre Society as at August 31, 2002 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, 2002 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 15, 2002



Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2002**

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 109,575	\$ 52,329
Temporary investments	942,876	730,709
Accounts receivable	31,098	30,882
Prepaid expenses	11,373	-
Building improvements under construction (Note 3)	188,333	-
	1,283,255	813,920
<b>Capital Assets (Notes 2 &amp; 4)</b>	158,942	206,296
	\$ 1,442,197	\$ 1,020,216
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	\$ 280,807	\$ 73,714
Due to Board of Parks and Recreation, City of Vancouver (Note 5)	124,486	23,135
Deferred revenue (Note 2)	150,959	145,617
	556,252	242,466
<b>Deferred contributions related to capital assets (Notes 2 &amp; 6)</b>	207,399	213,368
<b>Deferred contributions (Notes 2 &amp; 7)</b>	-	4,063
	763,651	459,897
<b>NET ASSETS</b>		
<b>Invested in Capital Assets</b>	158,942	206,296
Restricted for Seniors Centre purposes	75,295	76,514
Restricted for Building Improvements (Note 8)	282,500	113,921
Unrestricted	161,809	163,588
	678,546	560,319
	\$ 1,442,197	\$ 1,020,216

Approved by the Directors

W. Harris Director

[Signature] Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED AUGUST 31, 2002**

	<u>2002</u>	<u>2001</u>
<b>Revenue</b>		
Activities	\$ 1,192,150	\$ 881,516
Amortization of deferred contributions related to capital assets (Note 6)	69,177	69,177
Amortization of deferred contributions (Note 7)	4,063	700
Investment income earned on deferred contributions (Note 6)	1,066	1,066
Building rentals	32,956	32,033
Donations and fundraising	10,050	16,532
Interest	32,934	30,444
Kitchen	70,327	55,792
Membership dues	53,549	58,262
	<hr/> 1,466,272	<hr/> 1,145,522
<b>Expenses</b>		
Activities	794,739	617,601
Amortization of capital assets	107,213	99,020
Bank and finance charges	20,198	15,331
Kitchen	80,665	61,405
Postage, printing and stationery	14,641	11,119
Programs and news letters	48,539	50,360
Sundries	21,079	30,566
Wages and employee benefits	260,971	100,631
	<hr/> 1,348,045	<hr/> 986,033
<b>Net Income</b>	<hr/> \$ 118,227	<hr/> \$ 159,489

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
AUGUST 31, 2002**

	Invested in Capital Assets	Restricted For Seniors Centre Purposes	Restricted For Building Improvements (Note 8)	Unrestricted	Total 2002	Total 2001
Balance, August 31, 2001	\$ 206,296	\$ 76,514	\$ 113,921	\$ 163,588	\$ 560,319	\$ 400,830
Net income	(107,213)	1,933	-	223,507	118,227	159,489
Transfers of funds	-	-	168,579	(168,579)	-	-
Investment in capital assets	59,859	(3,152)	-	(56,707)	-	-
Balance, August 31, 2002	<u>\$ 158,942</u>	<u>\$ 75,295</u>	<u>\$ 282,500</u>	<u>\$ 161,809</u>	<u>\$ 678,546</u>	<u>\$ 560,319</u>

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2002**

	<u>2002</u>	<u>2001</u>
<b>Cash Provided By (Used) For:</b>		
<b>Operating Activities</b>		
Net income	\$ 118,227	\$ 159,489
Items not involving cash		
Amortization of capital assets	107,213	99,020
Amortization of deferred contributions related to capital assets	(69,177)	(69,177)
Amortization of deferred contributions	(4,063)	(700)
Investment income earned on deferred contributions	(1,066)	(1,066)
	151,134	187,566
Net change in non-cash working capital items:		
Accounts receivable	(216)	(13,680)
Prepaid expenses	(11,373)	13,324
Building improvements under construction	(188,333)	-
Accounts payable	207,093	38,041
Due to Board of Parks and Recreation	101,351	(33,779)
Deferred income	5,342	(15,519)
<b>Net cash provided by operating activities</b>	<b>264,998</b>	<b>175,953</b>
<b>Financing and Investing Activities</b>		
Purchase of capital assets	(59,859)	(47,957)
Cash contributions related to capital assets (Note 6)	64,274	65,436
<b>Net cash provided by financing and investing activities</b>	<b>4,415</b>	<b>17,479</b>
<b>Increase in Cash</b>	<b>269,413</b>	<b>193,432</b>
<b>Cash, beginning</b>	<b>783,038</b>	<b>589,606</b>
<b>Cash, ending</b>	<b>\$ 1,052,451</b>	<b>\$ 783,038</b>
<b>Cash Represented by:</b>		
Cash	\$ 109,575	\$ 52,329
Temporary investments	942,876	730,709
	<b>\$ 1,052,451</b>	<b>\$ 783,038</b>

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2002**

**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, 2002**

**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. Building Improvements Under Construction**

Building improvements under construction represent the Society's pro-rata share of the Phase II renovation project as at August 31, 2002. This renovation was completed subsequent to the year end and the total cost of the project will be included in capital assets in the following fiscal year.

**4. Capital Assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2002</u>	<u>2001</u>
Building improvements	\$ 318,669	\$ 254,936	\$ 63,733	\$ 127,467
Computer software and equipment	76,830	64,005	12,825	4,291
Furniture, fixtures and equipment	183,245	115,751	67,494	52,202
Passenger vehicle	37,228	22,338	14,890	22,336
	\$ 615,972	\$ 457,030	\$ 158,942	\$ 206,296

**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 \$124,486 (2001 - \$23,135) in these financial statements which is the estimated amount to be billed to the Society for the year ended August 31, 2002.



**KERRISDALE COMMUNITY CENTRE SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2002**

**6. 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>2002</u>	<u>2001</u>
Balance, beginning	\$ 213,368	\$ 218,175
Contributions received during the year	64,274	65,436
Amount amortized to revenue during the year	(69,177)	(69,177)
Investment income recognized as revenue during the year	(1,066)	(1,066)
<u>Balance, ending</u>	<u>\$ 207,399</u>	<u>\$ 213,368</u>

**7. 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>2002</u>	<u>2001</u>
Balance, beginning	\$ 4,063	\$ 4,763
Amount amortized to revenue during the year	(4,063)	(700)
<u>Balance, ending</u>	<u>\$ -</u>	<u>\$ 4,063</u>

**8. Restricted for Building Improvements**

The Building Renovation Fund represents an amount of \$282,500 (2001 - \$113,921) for the cost of the Phase II renovation project.