

**KERRISDALE COMMUNITY CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2003**

# JOHANNESSEN McWILLIAMS

CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

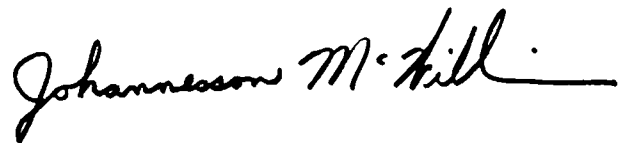
To the Directors of  
Kerrisdale Community Centre Society

We have audited the statement of financial position of Kerrisdale Community Centre Society as at August 31, 2003 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, 2003 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 6, 2003

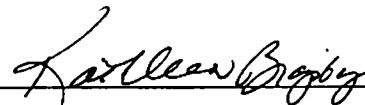


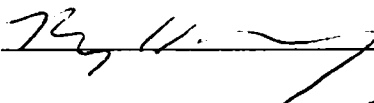
Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 130,999	\$ 109,575
Guaranteed investments (Note 2)	369,654	942,876
Accounts receivable	8,798	9,484
Interest receivable	14,150	21,614
Prepaid expenses	817	11,373
Building improvements under construction	-	188,333
	524,418	1,283,255
<b>Restricted Use Funds (Notes 2 &amp; 6)</b>		
Guaranteed investments	350,000	-
	401,635	158,942
<b>Capital Assets (Notes 2 &amp; 3)</b>	401,635	158,942
	\$ 1,276,053	\$ 1,442,197
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	\$ 57,473	\$ 280,807
Due to Board of Parks and Recreation, City of Vancouver (Note 4)	97,467	124,486
Deferred revenue (Note 2)	174,560	150,959
	329,500	556,252
<b>Deferred contributions related to capital assets (Notes 2 &amp; 5)</b>	157,038	207,399
	486,538	763,651
<b>NET ASSETS</b>		
<b>Invested in Capital Assets</b>	401,635	158,942
<b>Restricted (Note 6)</b>	350,000	357,795
<b>Unrestricted</b>	37,880	161,809
	789,515	678,546
	\$ 1,276,053	\$ 1,442,197

Approved by the Directors

 Director

 Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED AUGUST 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>Revenue</b>		
Activities	\$ 1,274,658	\$ 1,192,150
Amortization of deferred contributions related to capital assets (Note 5)	106,578	69,177
Amortization of deferred contributions	-	4,063
Investment income earned on deferred contributions (Note 5)	1,066	1,066
Building rentals	35,538	32,956
Donations and fundraising	22,148	10,050
Interest and investment income	39,257	32,934
Kitchen	73,681	70,327
Membership dues	55,089	53,549
	<hr/> 1,608,015	<hr/> 1,466,272
<b>Expenses</b>		
Activities	844,285	794,739
Amortization of capital assets	186,595	107,213
Bank and finance charges	24,174	20,198
Kitchen	84,854	80,665
Postage, printing and stationery	13,014	14,641
Programs and news letters	46,486	48,539
Sundries	19,151	21,079
Wages and employee benefits	278,487	260,971
	<hr/> 1,497,046	<hr/> 1,348,045
<b>Net Income</b>	<hr/> <hr/> \$ 110,969	<hr/> <hr/> \$ 118,227

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
AUGUST 31, 2003**

	Invested in Capital Assets	Restricted (Note 6)	Unrestricted	Total 2003	Total 2002
Balance, August 31, 2002	\$ 158,942	\$ 357,795	\$ 161,809	\$ 678,546	\$ 560,319
Net income	(186,595)	-	297,564	110,969	118,227
Transfers of funds	-	292,009	(292,009)	-	-
Net capital assets purchased	429,288	(299,804)	(129,484)	-	-
Balance, August 31, 2003	<u>\$ 401,635</u>	<u>\$ 350,000</u>	<u>\$ 37,880</u>	<u>\$ 789,515</u>	<u>\$ 678,546</u>

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>Cash Provided By (Used For):</b>		
<b>Operating Activities</b>		
Net income	\$ 110,969	\$ 118,227
Items not involving cash		
Amortization of capital assets	186,595	107,213
Amortization of deferred contributions related to capital assets	(106,578)	(69,177)
Amortization of deferred contributions	-	(4,063)
Investment income earned on deferred contributions	(1,066)	(1,066)
	189,920	151,134
Net change in non-cash working capital items:		
Accounts receivable	686	(216)
Interest receivable	7,464	-
Prepaid expenses	10,556	(11,373)
Building improvements under construction	188,333	(188,333)
Accounts payable	(223,334)	207,093
Due to Board of Parks and Recreation	(27,019)	101,351
Deferred income	23,601	5,342
	170,207	264,998
<b>Financing and Investing Activities</b>		
Purchase of capital assets	(429,288)	(59,859)
Cash contributions related to capital assets (Note 5)	57,283	64,274
	(372,005)	4,415
<b>(Decrease) Increase in Cash</b>	(201,798)	269,413
<b>Cash, beginning</b>	1,052,451	783,038
	\$ 850,653	\$1,052,451
<b>Cash Represented by:</b>		
Cash	\$ 130,999	\$ 109,575
Guaranteed investments	369,654	942,876
Restricted use funds - guaranteed investments	350,000	-
	\$ 850,653	\$1,052,451

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2003**

**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, guaranteed 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, 2003**

**2. Significant Accounting Policies (Cont'd)**

- Guaranteed Investments

Guaranteed investments are recorded at amortized cost.

- 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>2003</u>	<u>2002</u>
Building improvements	\$ 602,569	\$ 375,449	\$ 227,120	\$ 63,733
Computer software and equipment	83,354	73,665	9,689	12,825
Furniture, fixtures and equipment	322,109	164,728	157,381	67,494
Passenger vehicle	37,228	29,783	7,445	14,890
	<u>\$ 1,045,260</u>	<u>\$ 643,625</u>	<u>\$ 401,635</u>	<u>\$ 158,942</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 \$97,467 (2002 - \$124,486) in these financial statements which is the estimated amount to be billed to the Society for the year ended August 31, 2003.



**KERRISDALE COMMUNITY CENTRE SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2003**

**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>2003</u>	<u>2002</u>
Balance, beginning	\$ 207,399	\$ 213,368
Contributions received during the year	57,283	64,274
Amount amortized to revenue during the year	(106,578)	(69,177)
Investment income recognized as revenue during the year	(1,066)	(1,066)
<b>Balance, ending</b>	<b>\$ 157,038</b>	<b>\$ 207,399</b>

**6. Restricted Use Funds**

In May 2003, the Society's Board of Directors internally restricted funds for not more than 3 years in the amounts of \$75,000 for Senior Centre expenses, \$150,000 for paying costs of programs and \$125,000 for paying wages. Transfers of these amounts were made from the General Fund. These internally restricted amounts are not available for unrestricted purposes without approval of the Board of Directors.

	<u>Opening Balance</u>	<u>Transfers of Funds</u>	<u>Closing Balance</u>
Restricted for Senior Centre purposes	\$ 75,295	\$ (295)	\$ 75,000
Restricted for Building Improvements	282,500	(282,500)	-
Restricted for Costs of Programs	-	150,000	150,000
Restricted for Wages	-	125,000	125,000
	<b>\$ 357,795</b>	<b>\$ (7,795)</b>	<b>\$ 350,000</b>

**7. Comparative Figures**

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