

**KERRISDALE COMMUNITY CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2004**

# JOHANNESSON 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, 2004 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, 2004 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, 2004

Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2004**

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 345,633	\$ 130,999
Investments (Note 2)	498,418	369,654
Accounts receivable	8,790	8,798
Interest receivable	14,545	14,150
Prepaid expenses	971	817
	868,357	524,418
<b>Restricted Use Funds (Notes 2 &amp; 6)</b>		
Investments	350,000	350,000
	322,022	401,635
<b>Property and Equipment (Notes 2 &amp; 3)</b>	322,022	401,635
	\$ 1,540,379	\$ 1,276,053
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	\$ 83,320	\$ 57,473
Due to Board of Parks and Recreation, City of Vancouver (Note 4)	232,801	97,467
Deferred revenue (Note 2)	203,330	174,560
	519,451	329,500
<b>Deferred contributions related to property and equipment (Notes 2 &amp; 5)</b>	165,318	157,038
	684,769	486,538
<b>NET ASSETS</b>		
<b>Invested in Property and Equipment</b>	322,022	401,635
Restricted (Note 6)	350,000	350,000
Unrestricted	183,588	37,880
	855,610	789,515
	\$ 1,540,379	\$ 1,276,053

Approved by the Directors

 Director

 Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF OPERATIONS  
YEAR ENDED AUGUST 31, 2004**

	<u>2004</u>	<u>2003</u>
<b>Revenue</b>		
Activities	\$ 1,400,915	\$ 1,274,658
Amortization of deferred contributions related to property and equipment (Note 5)	60,883	106,578
Investment income earned on deferred contributions (Note 5)	-	1,066
Building and arena rentals	53,879	35,538
Donations and fundraising	14,673	22,148
Interest and investment income	40,676	39,257
Kitchen	75,187	73,681
Membership dues	58,991	55,089
	<hr/> 1,705,204	<hr/> 1,608,015
<b>Expenses</b>		
Activities	999,968	844,285
Amortization of property and equipment	134,599	186,595
Bank and finance charges	28,283	24,174
Board activities	16,875	13,167
Kitchen	90,995	84,854
Postage, printing and stationery	9,619	13,014
Programs and news letters	48,323	46,486
Repairs and maintenance	17,284	2,785
Sundries	8,801	3,199
Wages and employee benefits	284,362	278,487
	<hr/> 1,639,109	<hr/> 1,497,046
<b>Net Income</b>	<hr/> \$ 66,095	<hr/> \$ 110,969

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
AUGUST 31, 2004**

	Invested in Property and Equipment	Restricted (Note 6)	Unrestricted	Total 2004	Total 2003
Balance.					
August 31, 2003	\$ 401,635	\$ 350,000	\$ 37,880	\$ 789,515	\$ 678,546
Net income (loss)	(134,599)	-	200,694	66,095	110,969
Net property and equipment purchased	54,986	-	(54,986)	-	-
Balance.					
August 31, 2004	\$ 322,022	\$ 350,000	\$ 183,588	\$ 855,610	\$ 789,515

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2004**

	<u>2004</u>	<u>2003</u>
<b>Cash Provided By (Used For):</b>		
<b>Operating Activities</b>		
Net income	\$ 66,095	\$ 110,969
Items not involving cash		
Amortization of property and equipment	134,599	186,595
Amortization of deferred contributions related to property and equipment	(60,883)	(106,578)
Investment income earned on deferred contributions	-	(1,066)
	139,811	189,920
Net change in non-cash working capital items:		
Accounts receivable	8	686
Interest receivable	(395)	7,464
Prepaid expenses	(154)	10,556
Building improvements under construction	-	188,333
Accounts payable	25,847	(223,334)
Due to Board of Parks and Recreation	135,334	(27,019)
Deferred income	28,770	23,601
Net cash provided by operating activities	329,221	170,207
<b>Financing and Investing Activities</b>		
Purchase of property and equipment	(54,986)	(429,288)
Cash contributions related to property and equipment (Note 5)	69,163	57,283
Net cash provided by (used for) financing and investing activities	14,177	(372,005)
<b>Increase (Decrease) in Cash</b>	343,398	(201,798)
<b>Cash, beginning</b>	850,653	1,052,451
<b>Cash, ending</b>	\$ 1,194,051	\$ 850,653
<b>Cash Represented by:</b>		
Cash	\$ 345,633	\$ 130,999
Investments	498,418	369,654
Restricted use funds - investments	350,000	350,000
	\$ 1,194,051	\$ 850,653

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2004**

**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, 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.

- Property and Equipment

Purchased property and equipment is 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, 2004**

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

- Investments

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. Property and Equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2004</u>	<u>2003</u>
Building improvements	\$ 602,569	\$ 432,229	\$ 170,340	\$ 227,120
Computer software and equipment	110,654	90,280	20,374	9,689
Furniture, fixtures and equipment	349,795	218,487	131,308	157,381
Passenger vehicle	37,228	37,228	-	7,445
	<u>\$ 1,100,246</u>	<u>\$ 778,224</u>	<u>\$ 322,022</u>	<u>\$ 401,635</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 \$232,801 (2003 - \$97,467) in these financial statements which is the estimated amount to be billed to the Society for the year ended August 31, 2004.



**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2004**

**5. Deferred Contributions Related to Property and Equipment**

Deferred contributions related to property and equipment represent restricted contributions to the Community Centre Society. The changes for the year are as follows:

	<u>2004</u>	<u>2003</u>
Balance, beginning	\$ 157,038	\$ 207,399
Contributions received during the year	69,163	57,283
Amount amortized to revenue during the year	(60,883)	(106,578)
Investment income recognized as revenue during the year	-	(1,066)
<b>Balance, ending</b>	<b>\$ 165,318</b>	<b>\$ 157,038</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. 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	\$ 75,000	\$ -	\$ 75,000
Restricted for Costs of Programs	150,000	-	150,000
Restricted for Wages	125,000	-	125,000
	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ 350,000</b>

**7. Comparative Figures**

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