

KERRISDALE COMMUNITY CENTRE SOCIETY

FINANCIAL STATEMENTS

AUGUST 31, 2005

JOHANNESSON McWILLIAMS

CHARTERED ACCOUNTANTS

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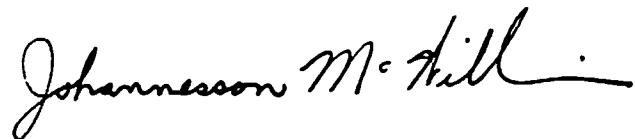
AUDITORS' REPORT

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, 2005 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, 2005 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.



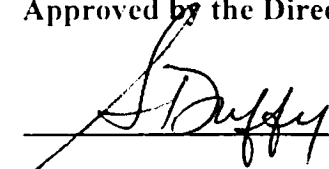
Vancouver, B.C.
December 10, 2005

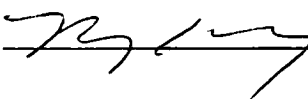
Chartered Accountants

KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets		
Cash	\$ 127,487	\$ 345,633
Investments (Note 2)	1,087,206	848,418
Accounts receivable	12,738	8,790
Interest receivable	9,066	14,545
Prepaid expenses	14,611	971
	1,251,108	1,218,357
Property and Equipment (Notes 2 & 3)	246,613	322,022
	\$ 1,497,721	\$ 1,540,379
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 117,585	\$ 83,320
Due to Board of Parks and Recreation, City of Vancouver (Note 4)	27,496	232,801
Deferred revenue (Note 2)	233,519	203,330
	378,600	519,451
Deferred Contributions Related to Property & Equipment (Notes 2 & 5)	137,944	165,318
	516,544	684,769
NET ASSETS		
Invested in Property and Equipment	246,613	322,022
Restricted (Note 6)	350,000	350,000
Unrestricted	384,564	183,588
	981,177	855,610
	\$ 1,497,721	\$ 1,540,379

Approved by the Directors


 _____ Director


 _____ Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED AUGUST 31, 2005**

	<u>2005</u>	<u>2004</u>
Revenue		
Activities - net (Schedule 1)	\$ 510,186	\$ 409,313
Amortization of deferred contributions related to property and equipment (Note 5)	68,873	60,883
Membership dues	59,909	58,991
Building rentals	40,065	48,778
Donations and fundraising	8,566	7,795
Interest and investment income	43,227	38,464
Sundry income	11,315	3,909
	<hr/> 742,141	<hr/> 628,133
General and Administrative Expenses (Schedule 2)	616,574	562,038
	<hr/>	<hr/>
Net Income	\$ 125,567	\$ 66,095
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes.

KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
AUGUST 31, 2005

	Invested in Property and Equipment	Restricted (Note 6)	Unrestricted	Total 2005	Total 2004
Balance, August 31, 2004	\$ 322,022	\$ 350,000	\$ 183,588	\$ 855,610	\$ 789,515
Net income (loss)	(129,274)	-	254,841	125,567	66,095
Net property and equipment purchased	53,865	-	(53,865)	-	-
Balance, August 31, 2005	\$ 246,613	\$ 350,000	\$ 384,564	\$ 981,177	\$ 855,610

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2005**

	<u>2005</u>	<u>2004</u>
Cash Provided By (Used For):		
Operating Activities		
Net income	\$ 125,567	\$ 66,095
Items not involving cash		
Amortization of property and equipment	129,274	134,599
Amortization of deferred contributions related to property and equipment	(68,873)	(60,883)
	185,968	139,811
Net change in non-cash working capital items:		
Accounts receivable	(3,948)	8
Interest receivable	5,478	(395)
Prepaid expenses	(13,640)	(154)
Accounts payable and accruals	34,266	25,847
Due to Board of Parks and Recreation	(205,305)	135,334
Deferred revenue	30,189	28,770
	(152,960)	189,410
Net cash provided by operating activities	33,008	329,221
Financing and Investing Activities		
Purchase of property and equipment	(53,865)	(54,986)
Cash contributions related to property and equipment (Note 5)	41,499	69,163
Net cash (used for) provided by financing and investing activities	(12,366)	14,177
Increase in Cash	20,642	343,398
Cash, beginning	1,194,051	850,653
Cash, ending	\$ 1,214,693	\$1,194,051
Cash Represented by:		
Cash	\$ 127,487	\$ 345,633
Investments	1,087,206	848,418
	\$ 1,214,693	\$1,194,051

See accompanying notes.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2005

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

Full amortization is taken in the year of acquisition.

**KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2005**

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>2005</u>	<u>2004</u>
Building improvements	\$ 602,569	\$ 489,009	\$ 113,560	\$ 170,340
Computer software and equipment	111,144	101,717	9,427	20,374
Furniture, fixtures and equipment	403,170	279,544	123,626	131,308
	<u>\$ 1,116,883</u>	<u>\$ 870,270</u>	<u>\$ 246,613</u>	<u>\$ 322,022</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 \$27,496 (2004 - \$232,801) in these financial statements which is the estimated amount to be billed to the Society for the year ended August 31, 2005.

KERRISDALE COMMUNITY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2005

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>2005</u>	<u>2004</u>
Balance, beginning	\$ 165,318	\$ 157,038
Contributions received during the year	41,499	69,163
Amount amortized to revenue during the year	(68,873)	(60,883)
Balance, ending	<u>\$ 137,944</u>	<u>\$ 165,318</u>

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.

7. Comparative Figures

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

**KERRISDALE COMMUNITY CENTRE SOCIETY
SCHEDULE OF OPERATING ACTIVITIES
YEAR ENDED AUGUST 31, 2005**

SCHEDULE 1

	<u>2005</u>	<u>2004</u>
Revenue		
Preschool Programs	\$ 202,101	\$ 173,310
Childrens Programs	557,262	514,748
Youth Programs	107,857	88,193
Adult Programs	334,189	330,560
Fitness Programs	70,325	62,300
Exercise Room	137,541	138,680
Seniors Programs	94,117	89,987
Seniors Kitchen	86,538	75,187
Play Palace	26,879	5,100
Special Events	7,608	10,897
	1,624,417	1,488,962
Expenses		
Preschool Programs	129,169	115,119
Childrens Programs	423,723	414,939
Youth Programs	94,610	86,402
Adult Programs	214,581	225,297
Fitness Programs	41,822	41,501
Exercise Room	9,720	16,033
Seniors Programs	73,499	66,517
Seniors Kitchen	98,748	90,994
Play Palace	13,414	3,330
Special Events	14,945	19,517
	1,114,231	1,079,649
Net Income	\$ 510,186	\$ 409,313

KERRISDALE COMMUNITY CENTRE SOCIETY **SCHEDULE 2**
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED AUGUST 31, 2005

	<u>2005</u>	<u>2004</u>
Amortization of property and equipment	\$ 129,274	\$ 134,599
Bank and finance charges	35,138	28,283
Board activities	22,155	25,469
Consulting and Needs Assessment fees	37,115	13,280
Postage, printing and stationery	13,115	9,619
Programs and newsletters	54,827	52,758
Promotional events	19,897	3,153
Repairs and maintenance	4,001	17,284
Sundries	9,964	3,454
Wages and employee benefits	291,088	274,139
	<hr/> \$ 616,574	<hr/> \$ 562,038