

**KERRISDALE COMMUNITY CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2006**

# JOHANNESSON McWILLIAMS

CHARTERED ACCOUNTANTS

1075 CAMBIE STREET,  
VANCOUVER, B.C. V6B 5L7

TEL: (604) 685-1351  
FAX: (604) 683-4398  
EMAIL: jmca@accountant.com

## AUDITORS' REPORT

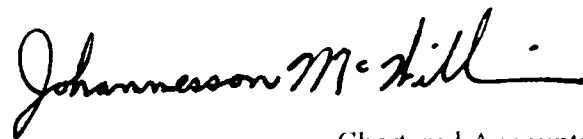
To the Directors of  
Kerrisdale Community Centre Society

We have audited the statement of financial position of Kerrisdale Community Centre Society as at August 31, 2006 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, 2006 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 6, 2006



Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2006**

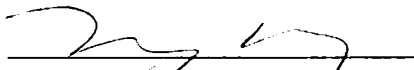
	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 155,654	\$ 127,487
Investments (Note 2)	1,123,054	1,087,206
Accounts receivable	14,391	12,738
Interest receivable	13,094	9,066
Prepaid expenses	15,089	14,611
	1,321,282	1,251,108
<b>Property and Equipment (Notes 2 &amp; 3)</b>	286,721	246,613
	\$ 1,608,003	\$ 1,497,721

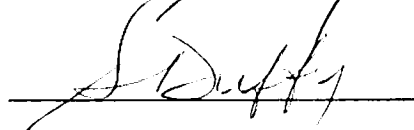
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	\$ 135,299	\$ 145,081
Deferred revenue (Note 2)	252,070	233,519
	387,369	378,600
<b>Deferred Contributions Related to Property &amp; Equipment (Notes 2 &amp; 4)</b>	95,068	137,944
	482,437	516,544

**Commitments (Note 6)**

<b>NET ASSETS</b>		
<b>Invested in Property and Equipment Restricted (Note 5)</b>	286,721	246,613
<b>Unrestricted</b>	275,000	350,000
	563,845	384,564
	1,125,566	981,177
	\$ 1,608,003	\$ 1,497,721

Approved by the Directors

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED AUGUST 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>Revenue</b>		
Activities - net (Schedule 1)	\$ 485,074	\$ 510,186
Amortization of deferred contributions related to property and equipment (Note 4)	67,876	68,873
Membership dues	125,067	59,909
Building rentals	42,186	40,065
Donations and fundraising	6,021	8,566
Interest and investment income	44,370	43,227
Sundry income	1,729	11,315
	<hr/> 772,323	<hr/> 742,141
<b>General and Administrative Expenses (Schedule 2)</b>	627,934	616,574
	<hr/>	<hr/>
<b>Net Income</b>	<b>\$ 144,389</b>	<b>\$ 125,567</b>
	<hr/>	<hr/>

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**AUGUST 31, 2006**

	Invested in Property and Equipment	Restricted (Note 5)	Unrestricted	Total 2006	Total 2005
Balance, August 31, 2005	\$ 246,613	\$ 350,000	\$ 384,564	\$ 981,177	\$ 855,610
Net income (loss)	(159,604)	-	303,993	144,389	125,567
Net property and equipment purchased	199,712	(75,000)	(124,712)	-	-
Balance, August 31, 2006	\$ 286,721	\$ 275,000	\$ 563,845	\$ 1,125,566	\$ 981,177

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>Cash Provided By (Used For):</b>		
<b>Operating Activities</b>		
Net income	\$ 144,389	\$ 125,567
Items not involving cash		
Amortization of property and equipment	159,604	129,274
Amortization of deferred contributions related to property and equipment	(67,876)	(68,873)
	236,117	185,968
Net change in non-cash working capital items:		
Accounts receivable	(1,653)	(3,948)
Interest receivable	(4,028)	5,478
Prepaid expenses	(478)	(13,640)
Accounts payable and accruals	(9,782)	(171,039)
Deferred revenue	18,551	30,189
	2,610	(152,960)
Net cash provided by operating activities	238,727	33,008
<b>Financing and Investing Activities</b>		
Purchase of property and equipment	(199,712)	(53,865)
Cash contributions related to property and equipment (Note 4)	25,000	41,499
Net cash used for financing and investing activities	(174,712)	(12,366)
<b>Increase in Cash</b>	64,015	20,642
<b>Cash, beginning</b>	1,214,693	1,194,051
<b>Cash, ending</b>	\$ 1,278,708	\$1,214,693
<b>Cash Represented by:</b>		
Cash	\$ 155,654	\$ 127,487
Investments	1,123,054	1,087,206
	\$ 1,278,708	\$1,214,693

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2006**

**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 and accounts receivable and payable. 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.

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
Automotive	- 5 years

Full amortization is taken in the year of acquisition.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2006**

**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>2006</u>	<u>2005</u>
Building improvements	\$ 602,569	\$ 545,789	\$ 56,780	\$ 113,560
Computer software and equipment	117,636	113,144	4,492	9,427
Furniture, fixtures and equipment	516,711	355,005	161,706	123,626
Automotive	79,679	15,936	63,743	-
	<u>\$ 1,316,595</u>	<u>\$ 1,029,874</u>	<u>\$ 286,721</u>	<u>\$ 246,613</u>



**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2006**

**4. 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>2006</u>	<u>2005</u>
Balance, beginning	\$ 137,944	\$ 165,318
Contributions received during the year	25,000	41,499
Amount amortized to revenue during the year	(67,876)	(68,873)
Balance, ending	<u>\$ 95,068</u>	<u>\$ 137,944</u>

**5. Restricted Use Funds**

In May 2006, the Society's Board of Directors extended the internally restricted funds in the amounts of \$150,000 for paying costs of programs and \$125,000 for paying wages. The extension is for a period of not more than three years. These internally restricted amounts are not available for unrestricted purposes without approval of the Board of Directors. During the year the Society spent all of the Senior Centre's internally restricted funds.

**6. Commitments**

The Society has entered into an arrangement with the Board of Parks and Recreation, City of Vancouver to pay a portion of the Board of Parks and Recreation's labour costs.

**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, 2006**

**SCHEDULE 1**

	<u>2006</u>	<u>2005</u>
<b>Revenue</b>		
Preschool Programs	\$ 237,488	\$ 202,101
Childrens Programs	560,699	557,262
Youth Programs	105,094	107,857
Adult Programs	364,110	334,189
Fitness Programs	72,334	70,325
Exercise Room	141,852	137,541
Seniors Programs	85,797	94,117
Seniors Kitchen	99,318	86,538
Play Palace	27,540	26,879
Special Events	4,522	7,608
	<hr/> 1,698,754	<hr/> 1,624,417
<b>Expenses</b>		
Preschool Programs	167,867	129,169
Childrens Programs	430,168	423,723
Youth Programs	105,752	94,610
Adult Programs	234,112	214,581
Fitness Programs	42,206	41,822
Exercise Room	14,761	9,720
Seniors Programs	66,084	73,499
Seniors Kitchen	115,938	98,748
Play Palace	13,676	13,414
Special Events	23,116	14,945
	<hr/> 1,213,680	<hr/> 1,114,231
<b>Net Income</b>	<hr/> <b>\$ 485,074</b>	<hr/> <b>\$ 510,186</b>

**KERRISDALE COMMUNITY CENTRE SOCIETY                      SCHEDULE 2**  
**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**YEAR ENDED AUGUST 31, 2006**

	<u>2006</u>	<u>2005</u>
Amortization of property and equipment	\$ 159,604	\$ 129,274
Bank and finance charges	34,750	35,138
Board activities	19,142	22,155
Consulting and Needs Assessment fees	195	37,115
Postage, printing and stationery	15,848	13,115
Programs and newsletters	58,559	54,827
Promotional events	7,684	19,897
Repairs and maintenance	7,367	4,001
Sundries	17,623	9,964
Wages and employee benefits	307,162	291,088
	<hr/> <b>\$ 627,934</b>	<hr/> <b>\$ 616,574</b>