

**KERRISDALE COMMUNITY CENTRE SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2007**

# JOHANNESSON McWILLIAMS

CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

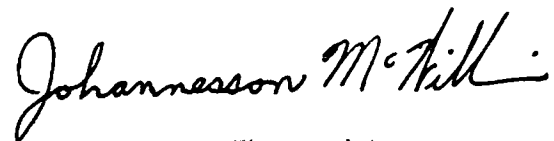
To the Directors of  
Kerrisdale Community Centre Society

We have audited the statement of financial position of Kerrisdale Community Centre Society as at August 31, 2007 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, 2007 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 7, 2007

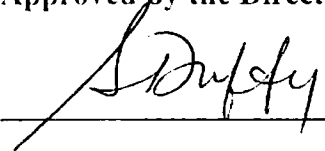


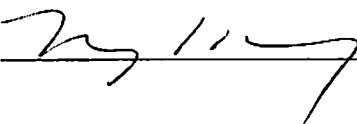
Chartered Accountants

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2007**

|   | <u>2007</u>  | <u>2006</u>  |
|---|--------------|--------------|
| <b>ASSETS</b>   |              |              |
| <b>Current Assets</b>   |              |              |
| Cash  | \$ 120,479   | \$ 155,654   |
| Investments (Note 2)  | 1,346,589    | 1,123,054    |
| Accounts receivable   | 15,806       | 14,391       |
| Interest receivable   | 11,735       | 13,094       |
| Prepaid expenses  | 446          | 15,089       |
|   | 1,495,055    | 1,321,282    |
| <b>Property and Equipment (Notes 2 &amp; 3)</b>                                     | 180,689      | 286,721      |
|   | \$ 1,675,744 | \$ 1,608,003 |
| <b>LIABILITIES</b>  |              |              |
| <b>Current Liabilities</b>  |              |              |
| Accounts payable and accruals   | \$ 337,708   | \$ 135,299   |
| Deferred revenue (Note 2)   | 19,113       | 252,070      |
|   | 356,821      | 387,369      |
| <b>Deferred Contributions Related to Property &amp; Equipment (Notes 2 &amp; 4)</b> | 27,192       | 95,068       |
|   | 384,013      | 482,437      |
| <b>Commitments (Note 6)</b>   |              |              |
| <b>NET ASSETS</b>   |              |              |
| <b>Invested in Property and Equipment Restricted (Note 5)</b>                       | 180,689      | 286,721      |
| <b>Unrestricted</b>   | 275,000      | 275,000      |
|   | 836,042      | 563,845      |
|   | 1,291,731    | 1,125,566    |
|   | \$ 1,675,744 | \$ 1,608,003 |

Approved by the Directors

 Director

 Director

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF OPERATIONS  
YEAR ENDED AUGUST 31, 2007**

|  | <u>2007</u>       | <u>2006</u>       |
|--|-------------------|-------------------|
| <b>Revenue</b>   |                   |                   |
| Activities - net (Schedule 1)  | \$ 487,573        | \$ 485,074        |
| Amortization of deferred contributions related to property and<br>equipment (Note 4) | 67,876            | 67,876            |
| Membership dues  | 114,145           | 125,067           |
| Building rentals   | 38,750            | 42,186            |
| Donations and fundraising  | 5,638             | 6,021             |
| Interest and investment income   | 53,807            | 44,370            |
| Sundry income  | 6,730             | 1,729             |
|  | <hr/> 774,519     | <hr/> 772,323     |
| <b>General and Administrative Expenses (Schedule 2)</b>                              | 608,354           | 627,934           |
|  | <hr/>             | <hr/>             |
| <b>Net Income</b>  | <b>\$ 166,165</b> | <b>\$ 144,389</b> |
|  | <hr/> <hr/>       | <hr/> <hr/>       |

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
AUGUST 31, 2007**

|                             | Invested<br>in Property<br>and Equipment | Restricted<br>(Note 5) | Unrestricted      | Total<br>2007       | Total<br>2006       |
|-----------------------------|--|------------------------|-------------------|---------------------|---------------------|
| Balance,<br>August 31, 2006 | \$ 286,721                               | \$ 275,000             | \$ 563,845        | \$ 1,125,566        | \$ 981,177          |
| Net income (loss)*          | (151,628)                                | -                      | 317,793           | 166,165             | 144,389             |
| Net equipment purchased     | 45,596                                   | -                      | (45,596)          | -                   | -                   |
| Balance,<br>August 31, 2007 | <u>\$ 180,689</u>                        | <u>\$ 275,000</u>      | <u>\$ 836,042</u> | <u>\$ 1,291,731</u> | <u>\$ 1,125,566</u> |

\*Footnote: \$(151,628) represents depreciation of property and equipment.

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2007**

| <b>Cash Provided By (Used For):</b>   | <u>2007</u>         | <u>2006</u>         |
|---|---------------------|---------------------|
| <b>Operating Activities</b>   |                     |                     |
| Net income  | \$ 166,165          | \$ 144,389          |
| Items not involving cash  |                     |                     |
| Amortization of property and equipment                                      | 151,628             | 159,604             |
| Amortization of deferred contributions related to property<br>and equipment | (67,876)            | (67,876)            |
|   | <u>249,917</u>      | <u>236,117</u>      |
| Net change in non-cash working capital items:                               |                     |                     |
| Accounts receivable   | (1,415)             | (1,653)             |
| Interest receivable   | 1,359               | (4,028)             |
| Prepaid expenses  | 14,643              | (478)               |
| Accounts payable and accruals   | 202,409             | (9,782)             |
| Deferred revenue  | (232,957)           | 18,551              |
|   | <u>(15,961)</u>     | <u>2,610</u>        |
| Net cash provided by operating activities                                   | <u>233,956</u>      | <u>238,727</u>      |
| <b>Financing and Investing Activities</b>                                   |                     |                     |
| Purchase of property and equipment  | (45,596)            | (199,712)           |
| Cash contributions related to property and equipment (Note 4)               | -                   | 25,000              |
| Net cash used for financing and investing activities                        | <u>(45,596)</u>     | <u>(174,712)</u>    |
| <b>Increase in Cash</b>   | 188,360             | 64,015              |
| <b>Cash, beginning</b>  | 1,278,708           | 1,214,693           |
| <b>Cash, ending</b>   | <u>\$ 1,467,068</u> | <u>\$ 1,278,708</u> |
| <b>Cash Represented by:</b>   |                     |                     |
| Cash  | \$ 120,479          | \$ 155,654          |
| Investments   | 1,346,589           | 1,123,054           |
|   | <u>\$ 1,467,068</u> | <u>\$ 1,278,708</u> |

See accompanying notes.

**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2007**

**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, 2007**

**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<br/>Amortization</u> | <u>Net Book Value</u> |                   |
|-----------------------------------|---------------------|-------------------------------------|-----------------------|-------------------|
|                                   |                     |                                     | <u>2007</u>           | <u>2006</u>       |
| Building improvements             | \$ 602,569          | \$ 602,569                          | \$ -                  | \$ 56,780         |
| Computer software and equipment   | 123,436             | 117,404                             | 6,032                 | 4,492             |
| Furniture, fixtures and equipment | 556,506             | 429,657                             | 126,849               | 161,706           |
| Automotive                        | 116,908             | 69,100                              | 47,808                | 63,743            |
|                                   | <u>\$ 1,399,419</u> | <u>\$ 1,218,730</u>                 | <u>\$ 180,689</u>     | <u>\$ 286,721</u> |



**KERRISDALE COMMUNITY CENTRE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2007**

**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>2007</u>      | <u>2006</u>      |
|---|------------------|------------------|
| Balance, beginning                          | \$ 95,068        | \$ 137,944       |
| Contributions received during the year      | -                | 25,000           |
| Amount amortized to revenue during the year | (67,876)         | (67,876)         |
| Balance, ending                             | <u>\$ 27,192</u> | <u>\$ 95,068</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 the approval of the Board of Directors.

**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 ACTIVITIES  
YEAR ENDED AUGUST 31, 2007**

**SCHEDULE 1**

|                    | <u>2007</u>       | <u>2006</u>       |
|--------------------|-------------------|-------------------|
| <b>Revenue</b>     |                   |                   |
| Preschool Programs | \$ 253,484        | \$ 237,488        |
| Childrens Programs | 459,884           | 560,699           |
| Youth Programs     | 115,997           | 105,094           |
| Adult Programs     | 381,147           | 364,110           |
| Fitness Programs   | 64,185            | 72,334            |
| Exercise Room      | 141,179           | 141,852           |
| Seniors Programs   | 80,186            | 85,797            |
| Seniors Kitchen    | 101,688           | 99,318            |
| Play Palace        | 20,940            | 27,540            |
| Special Events     | 3,669             | 4,522             |
|                    | 1,622,359         | 1,698,754         |
| <b>Expenses</b>    |                   |                   |
| Preschool Programs | 170,499           | 164,567           |
| Childrens Programs | 295,247           | 406,068           |
| Youth Programs     | 78,761            | 78,352            |
| Adult Programs     | 282,799           | 234,112           |
| Fitness Programs   | 43,265            | 42,206            |
| Exercise Room      | 15,825            | 14,761            |
| Seniors Programs   | 54,674            | 66,084            |
| Seniors Kitchen    | 115,282           | 115,938           |
| Play Palace        | 11,512            | 13,676            |
| Special Events     | 6,499             | 9,916             |
| Programing Wages   | 60,423            | 68,000            |
|                    | 1,134,786         | 1,213,680         |
| <b>Net Income</b>  | <b>\$ 487,573</b> | <b>\$ 485,074</b> |

**KERRISDALE COMMUNITY CENTRE SOCIETY**                      **SCHEDULE 2**  
**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**YEAR ENDED AUGUST 31, 2007**

|  | <u>2007</u>             | <u>2006</u>             |
|--|-------------------------|-------------------------|
| Amortization of property and equipment | \$ 151,628              | \$ 159,604              |
| Bank and finance charges               | 38,747                  | 34,750                  |
| Board activities                       | 29,432                  | 19,142                  |
| Consulting and Needs Assessment fees   | -                       | 195                     |
| Postage, printing and stationery       | 18,148                  | 15,848                  |
| Programs and newsletters               | 59,256                  | 58,559                  |
| Promotional events                     | 3,587                   | 7,684                   |
| Repairs and maintenance                | 3,654                   | 7,367                   |
| Sundries                               | 11,589                  | 17,623                  |
| Wages and employee benefits            | 292,313                 | 307,162                 |
|  | <hr/> <b>\$ 608,354</b> | <hr/> <b>\$ 627,934</b> |