
KERRISDALE COMMUNITY CENTRE SOCIETY

**FINANCIAL STATEMENTS
AUGUST 31, 2010**

KERRISDALE COMMUNITY CENTRE SOCIETY

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CHARTERED ACCOUNTANTS

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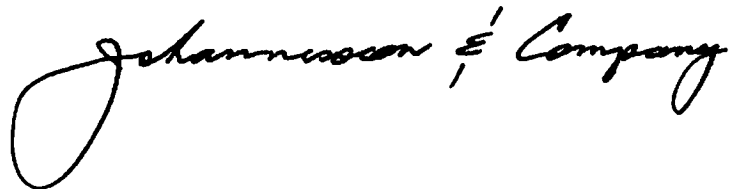
AUDITORS' REPORT

To the Members of:
Kerrisdale Community Centre Society

We have audited the statement of financial position of the Kerrisdale Community Centre Society as at August 31, 2010 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, 2010 and the results of its operations and the changes in its net assets 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.



October 14, 2010
Burnaby, B.C.

CHARTERED ACCOUNTANTS

KERRISDALE COMMUNITY CENTRE SOCIETY

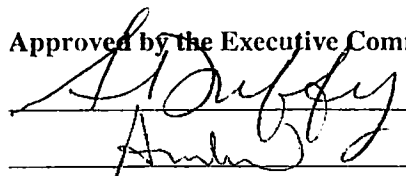
STATEMENT OF FINANCIAL POSITION
August 31, 2010

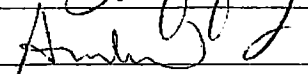
ASSETS	2010	2009
Current		
Cash	\$ 183,939	\$ 287,893
Temporary investments (Notes 2 & 5)	98,000	434,062
Accounts receivable	119,749	14,018
Accrued interest receivable	86,093	39,283
Prepaid expenses	17,545	17,964
	505,326	793,220
Investments (Notes 2 & 5)	1,412,146	1,098,424
Equipment (Notes 2 & 3)	228,897	222,602
	\$ 2,146,369	\$ 2,114,246

LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 239,484	\$ 259,206
Deferred revenue (Note 2)	297,400	318,880
	536,884	578,086
Deferred Contributions Related To Equipment (Notes 2 & 4)	-	5,000
	536,884	583,086
Commitments (Note 6)		

NET ASSETS		
Invested In Equipment	228,897	222,602
Unrestricted	1,380,588	1,308,558
Total Net Assets	1,609,485	1,531,160
	\$ 2,146,369	\$ 2,114,246

Approved by the Executive Committee

 President

 Secretary-Treasurer

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF CHANGES IN NET ASSETS
For the year ended August 31, 2010

	Invested in Equipment	Unrestricted	Total 2010	Total 2009
Net Assets, Beginning	\$ 222,602	\$ 1,308,558	\$ 1,531,160	\$ 1,341,286
Net income (loss) for the year*	(123,978)	202,303	78,325	189,874
<u>Acquisition of equipment</u>	<u>130,273</u>	<u>(130,273)</u>	<u>-</u>	<u>-</u>
Net Assets, Ending	\$ 228,897	\$ 1,380,588	\$ 1,609,485	\$ 1,531,160

*Footnote: \$(123,978) represents amortization of equipment.

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF OPERATIONS
For the year ended August 31, 2010

	2010	2009
Revenue		
Activities - Schedule 1	\$ 632,069	\$ 622,487
Membership dues	119,465	113,999
Interest and investment income	60,632	66,058
Building rentals	35,176	40,133
Amortization of deferred contributions related to equipment (Note 4)	5,000	11,096
Olympic Postcard grant	-	8,000
Donations and fundraising	-	106
Sundry income	6,934	3,445
	<hr/> 859,276	<hr/> 865,324
General And Administrative Expenses - Schedule 2	731,681	675,450
Other Expense		
Contribution to Park Board Budget Shortfall (Note 6)	49,270	-
	<hr/> \$ 78,325	<hr/> \$ 189,874
Net Income	<hr/> \$ 78,325	<hr/> \$ 189,874

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF CASH FLOWS
For the year ended August 31, 2010

Cash Provided By (Used In):	2010	2009
Operating Activities		
Net income	\$ 78,325	\$ 189,874
Items not involving cash:		
Amortization of equipment	123,978	110,075
Amortization of deferred contributions related to equipment	(5,000)	(11,096)
	197,303	288,853
Net change in non-cash working capital items:		
Temporary investments	336,062	336,852
Accounts receivable	(105,731)	2,023
Accrued interest receivable	(46,810)	(21,970)
Prepaid expenses	419	(1,243)
Accounts payable and accrued liabilities	(19,722)	(18,850)
Deferred revenue	(21,480)	83,448
Net cash provided by operating activities	340,041	669,113
Investing Activities		
Purchase of equipment	(130,273)	(125,900)
Acquisition of investments	(313,722)	(425,213)
Net cash used by investing activities	(443,995)	(551,113)
(Decrease) Increase In Cash And Cash Equivalents	(103,954)	118,000
Cash And Cash Equivalents, Beginning	287,893	169,893
Cash And Cash Equivalents, Ending	\$ 183,939	\$ 287,893

- Cash and cash equivalents includes cash on hand, bank balances and temporary investments with a maturity period of three months or less from the date of acquisition.
- Cash inflows and outflows from interest (Note 7).

KERRISDALE COMMUNITY CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2010

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:

- Cash and cash equivalents

The Society's policy is to disclose bank balances under cash and cash equivalents and temporary investments with a maturity period of three months or less from the date of acquisition.

- Financial instruments

The Society's financial instruments consist of cash, temporary 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 risk arising from these financial instruments. The fair values of the financial instruments approximate their carrying values, unless otherwise noted.

- Investments

Investments held to maturity are carried at amortized cost using the effective interest method. Temporary investments are investments with a maturity date of less than one year. Interest is included in income for the year.

- Equipment

Purchased 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, fixture and equipment	- 5 years
Passenger vehicle	- 5 years

Full amortization is taken in the year of acquisition.

- 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.

KERRISDALE COMMUNITY CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2010

2. Significant Accounting Policies, Continued

- 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 related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. Membership dues are taken into income on pro rata basis over the term of the membership. All memberships expire on August 31 each year.

- Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of differences from actual results or changes in such estimates in future periods could be significant.

- 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. Equipment

	Cost	Accumulated Amortization	Net Book Value	
			2010	2009
Computer software and equipment	\$ 134,324	\$ 129,979	\$ 4,345	\$ 4,544
Furniture, fixtures and equipment	919,653	695,101	224,552	202,123
Passenger vehicle	116,907	116,907	-	15,935
	\$ 1,170,884	\$ 941,987	\$ 228,897	\$ 222,602

KERRISDALE COMMUNITY CENTRE SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010**

4. Deferred Contributions Related To Equipment

	2010	2009
Balance, beginning	\$ 5,000	\$ 16,096
Amount amortized to revenue during the year	(5,000)	(11,096)
Balance, ending	\$ -	\$ 5,000

5. Investments

	Amortized Cost	
	2010	2009
Bonds	\$ 100,000	\$ 481,700
Guaranteed Investment Certificates	1,409,200	1,054,384
Unamortized bond premium (discount)	946	(3,598)
	1,510,146	1,532,486
Less: Temporary investments	(98,000)	(434,062)
	\$ 1,412,146	\$ 1,098,424

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 that were incurred on behalf of the Society.

During the year, the Society has committed to make an one-time contribution of \$134,805 to the Board of Parks and Recreation to assist the city in reducing its budget shortfall. This contribution will be settled by a \$73,905 cash payment and by the cancellation of the Board of Parks and Recreation's subsidy of \$60,900 on the Society's administrative staff wages for the year 2010. The Society has included an amount of \$89,870 for the year ended August 31, 2010 with the balance of \$44,935 to be paid for during the remainder of the calendar year.

7. Cash Inflows And Outflows From Interest

	2010	2009
Cash Inflows		
Interest income	\$ 13,822	\$ 44,088

8. Comparative Figures

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

KERRISDALE COMMUNITY CENTRE SOCIETY

**SCHEDULE OF ACTIVITIES
For the year ended August 31, 2010**

SCHEDULE 1

	2010	2009
Revenue		
Preschool programs	\$ 312,623	\$ 305,437
Childrens' programs	523,802	530,958
Youth programs	152,700	112,027
Adult programs	430,256	392,616
Fitness programs	76,706	81,561
Exercise room	178,211	176,734
Seniors' programs	154,792	140,501
Seniors' kitchen	144,026	144,587
Play Palace	36,331	39,981
Special events	2,817	1,395
	2,012,264	1,925,797
Expenditure		
Preschool programs	195,884	196,578
Childrens' programs	366,251	357,899
Youth programs	108,819	80,634
Adult programs	272,686	250,029
Fitness programs	48,142	47,704
Exercise room	11,633	14,522
Seniors' programs	112,494	101,487
Seniors' kitchen	185,029	175,162
Play Palace	18,568	21,401
Special events	6,293	4,356
Programming wages	54,396	53,538
	1,380,195	1,303,310
Net Income From Activities	\$ 632,069	\$ 622,487

KERRISDALE COMMUNITY CENTRE SOCIETY

SCHEDULE 2

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
For the year ended August 31, 2010

	2010	2009
Amortization of equipment	\$ 123,978	\$ 110,075
Bank and finance charges	58,549	57,517
Board activities	27,004	24,035
Conference expenses	6,769	9,299
Olympic special event	8,325	14,812
Postage, printing and stationery	11,931	19,477
Programs and newsletters	68,716	71,986
Promotional events	10,414	8,824
Repairs and maintenance	13,309	13,316
Sundries	6,035	7,657
Wages and employee benefits	396,651	338,452
	\$ 731,681	\$ 675,450