
KERRISDALE COMMUNITY CENTRE SOCIETY

**FINANCIAL STATEMENTS
AUGUST 31, 2011**

KERRISDALE COMMUNITY CENTRE SOCIETY

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
Schedule of Activities	10
Schedule of General and Administrative Expenses	11

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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of the Kerrisdale Community Centre Society:

Report on the Financial Statements

We have audited the accompanying financial statements of the Kerrisdale Community Centre Society, which comprise the statement of financial position as at August 31, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

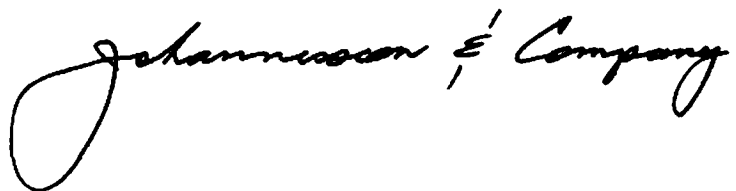
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Kerrisdale Community Centre Society as at August 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding period.



December 5, 2011
Burnaby, B.C.

CHARTERED ACCOUNTANTS

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF FINANCIAL POSITION
August 31, 2011

	2011	2010
ASSETS		
<hr/>		
Current		
Cash and cash equivalents	\$ 241,267	\$ 183,939
Temporary investments (Notes 2 & 5)	191,800	98,000
Accounts receivable	117,732	119,749
Accrued interest receivable	127,433	86,093
Prepaid expenses	16,960	17,545
	<hr/>	<hr/>
	695,192	505,326
Investments (Notes 2 & 5)	1,337,068	1,412,146
Equipment (Notes 2 & 3)	200,099	228,897
	<hr/>	<hr/>
	\$ 2,232,359	\$ 2,146,369

LIABILITIES		
<hr/>		
Current		
Accounts payable and accrued liabilities	\$ 286,573	\$ 239,484
Deferred revenue (Note 2)	273,986	297,400
	<hr/>	<hr/>
	560,559	536,884

Commitments (Note 7)

NET ASSETS		
Invested In Equipment	200,099	228,897
Unrestricted	1,471,701	1,380,588
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Total Net Assets	1,671,800	1,609,485
	<hr/>	<hr/>
	\$ 2,232,359	\$ 2,146,369

Approved by the Executive Committee

 Cocan Thomas President
 Arthur Secretary-Treasurer

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF CHANGES IN NET ASSETS
For the year ended August 31, 2011

	Invested in		Total	Total
	Equipment	Unrestricted	2011	2010
Net Assets, Beginning	\$ 228,897	\$ 1,380,588	\$ 1,609,485	\$ 1,531,160
Net income for the year*	(93,846)	156,161	62,315	78,325
Acquisition of equipment	65,048	(65,048)	-	-
Net Assets, Ending	\$ 200,099	\$ 1,471,701	\$ 1,671,800	\$ 1,609,485

*Footnote: \$(93,846) represents amortization of equipment.

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF OPERATIONS For the year ended August 31, 2011

	2011	2010
Revenue		
Activities - Schedule 1	\$ 639,520	\$ 632,069
Membership dues	107,997	119,465
Interest and investment income	60,718	60,632
Building rentals	34,666	35,176
Amortization of deferred contributions related to equipment (Note 4)	-	5,000
Sundry income	8,317	6,934
	851,218	859,276
General And Administrative Expenses - Schedule 2	748,918	731,681
Income Before Other Expense	102,300	127,595
Other Expense		
Contribution to Park Board Budget Shortfall (Note 7)	24,635	49,270
Facilities expansion planning	15,350	-
	39,985	49,270
Net Income	\$ 62,315	\$ 78,325

KERRISDALE COMMUNITY CENTRE SOCIETY

STATEMENT OF CASH FLOWS For the year ended August 31, 2011

	2011	2010
Cash Flows From Operating Activities		
Net income	\$ 62,315	\$ 78,325
Items not involving cash:		
Amortization of equipment	93,846	123,978
Amortization of deferred contributions related to equipment	-	(5,000)
	156,161	197,303
Changes in non-cash working capital items:		
Temporary investments	(93,800)	336,062
Accounts receivable	2,017	(105,731)
Accrued interest receivable	(41,340)	(46,810)
Prepaid expenses	585	419
Accounts payable and accrued liabilities	47,089	(19,722)
Deferred revenue	(23,414)	(21,480)
Net cash provided by operating activities	47,298	340,041
Cash Flows From Investing Activities		
Purchase of equipment	(65,048)	(130,273)
Acquisition of investments	75,078	(313,722)
Net cash used by investing activities	10,030	(443,995)
Increase (Decrease) In Cash And Cash Equivalents	57,328	(103,954)
Cash And Cash Equivalents, Beginning	183,939	287,893
Cash And Cash Equivalents, Ending	\$ 241,267	\$ 183,939

KERRISDALE COMMUNITY CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2011

1. Purpose of the Organization

The Kerrisdale Community Centre Society (the "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. Summary of Significant Accounting Policies

The financial statements of the Society have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for not-for-profit organizations and include the following significant accounting policies:

- Cash and cash equivalents

Cash and cash equivalents consists of cash and highly liquid investments with terms to maturity period of three months or less from the date of acquisition.

- Financial instruments

All financial assets and financial liabilities are initially recognized at fair value. Measurement in subsequent periods is dependent upon the classification of each instrument. All financial assets are classified as either held for trading, available-for-sale, held-to-maturity or loans and receivables. Financial liabilities are classified as either held for trading or other liabilities.

Financial assets and financial liabilities held for trading are measured at fair value, with the changes in fair value reported in the statement of operations. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held for trading are measured at amortized cost using the effective interest method. Available-for-sale financial assets are measured at fair value with unrealized gains and losses, recognized as changes in net assets until the financial asset is disposed of or becomes impaired.

The Society has elected to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

The categories of the Society's financial assets and liabilities are as follows:

Financial Assets

(i) Held for trading:

Cash and cash equivalents are designated as held for trading and recorded at fair value.

(ii) Held-to-maturity:

Investment in deposit notes and guaranteed investment certificates are designated as held-to-maturity and measured at amortized cost using the effective interest method.

KERRISDALE COMMUNITY CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2011

2. Summary of Significant Accounting Policies (Continued)

(iii) Loans and receivables:

Amounts receivable are recorded at amortized cost less any impairment losses recognized and approximate their fair values due to the relatively short periods to maturity.

Financial Liabilities

(iv) Other financial liabilities:

Accounts payable and accrued liabilities and deferred revenue are recorded at amortized cost and approximate their fair value due to relatively short periods to maturity.

- Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided on a straight line basis over the estimated useful life of the asset 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.

- 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.

KERRISDALE COMMUNITY CENTRE SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2011**

2. Summary of Significant Accounting Policies (Continued)

- 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.

- Future changes in accounting framework:

The Society is classified as a not-for-profit organization. In December 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("AcSB") released the accounting standards impacting the future financial reporting framework for not-for-profit organizations. These standards are effective for years beginning on or after January 1, 2012. Organizations have an option to early adopt these new standards.

Under the new accounting standards issued by the AcSB, not-for-profit organizations will apply the Accounting Standards for Not-for-Profit Organizations contained in Part III of the CICA Handbook Accounting. For topics not specifically addressed in Part III, not-for-profit organizations will use Part II: Accounting Standards for Private Enterprises of the CICA Handbook-Accounting.

Not-for-Profit organizations also have the option of adopting International Financial Reporting Standards. The Society has elected to adopt the Accounting Standards for Not-for-Profit Organizations and is in the process of reviewing the potential impact of the new standards.

3. Equipment

	Cost	Accumulated Amortization	Net Book Value	
			2011	2010
Computer software and equipment	\$ 137,321	\$ 134,177	\$ 3,144	\$ 4,345
Furniture, fixtures and equipment	981,704	784,749	196,955	224,552
Passenger vehicle	116,907	116,907	-	-
	\$ 1,235,932	\$ 1,035,833	\$ 200,099	\$ 228,897

4. Deferred Contributions Related To Equipment

	2011	2010
Balance, beginning	\$ -	\$ 5,000
Amount amortized to revenue during the year	-	(5,000)
Balance, ending	\$ -	\$ -

KERRISDALE COMMUNITY CENTRE SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2011**

5. Investments

	<u>Amortized Cost</u>	
	2011	2010
Deposit Notes	\$ 100,000	\$ 100,000
Guaranteed Investment Certificates	1,428,200	1,409,200
Unamortized bond premium	668	946
	<u>1,528,868</u>	<u>1,510,146</u>
Less: Temporary Investment	(191,800)	(98,000)
	<u>\$ 1,337,068</u>	<u>\$ 1,412,146</u>

6. Financial Instruments

The Society's financial instruments consist of cash and cash equivalents, investments, accounts receivable and payable and deferred revenue. 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.

7. 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 2010, the Society 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 was 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.

8. Cash Inflows And Outflows From Interest

	2011	2010
Cash Inflows		
Interest income	\$ 19,378	\$ 13,822

9. Comparative Figures

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

KERRISDALE COMMUNITY CENTRE SOCIETY

SCHEDULE 1

**SCHEDULE OF ACTIVITIES
For the year ended August 31, 2011**

	2011	2010
Revenue		
Preschool programs	\$ 343,296	\$ 312,623
Childrens' programs	567,470	523,802
Youth programs	124,169	152,700
Adult programs	390,703	430,256
Fitness programs	65,333	76,706
Exercise room	191,369	178,211
Seniors' programs	159,645	154,792
Seniors' kitchen	151,415	144,026
Play Palace	31,424	36,331
Special events	9,995	2,817
	<hr/> 2,034,819	<hr/> 2,012,264
Expenditures		
Preschool programs	225,567	195,884
Childrens' programs	370,469	366,251
Youth programs	110,677	108,819
Adult programs	260,109	272,686
Fitness programs	44,051	48,142
Exercise room	19,076	11,633
Seniors' programs	107,813	112,494
Seniors' kitchen	190,593	185,029
Play Palace	21,030	18,568
Special events	16,086	6,293
Programming wages	29,828	54,396
	<hr/> 1,395,299	<hr/> 1,380,195
Net Income From Activities	<hr/> \$ 639,520	<hr/> \$ 632,069

KERRISDALE COMMUNITY CENTRE SOCIETY

SCHEDULE 2

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
For the year ended August 31, 2011

	2011	2010
Amortization of equipment	\$ 93,846	\$ 123,978
Bank and finance charges	63,286	58,549
Board activities	43,963	27,004
Conference expenses	3,045	6,769
Olympic special event	4,290	8,325
Postage, printing and stationery	13,838	11,931
Programs and newsletters	65,762	68,716
Promotional events	7,277	10,414
Repairs and maintenance	11,387	13,309
Sundries	7,112	6,035
Wages and employee benefits	435,112	396,651
	\$ 748,918	\$ 731,681
