

FINANCIAL STATEMENTS

**THE KERRISDALE
COMMUNITY CENTRE SOCIETY**

August 31, 2025

INDEPENDENT AUDITORS' REPORT

To the Members of
The Kerrisdale Community Centre Society

Opinion

We have audited the financial statements of The Kerrisdale Community Centre Society (the Society), which comprise the statement of financial position as at August 31, 2025, and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT (CONT'D)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
January 29, 2026

Chartered Professional Accountants

The Kerrisdale Community Centre Society

STATEMENT OF FINANCIAL POSITION

As at August 31

	2025		2024	
	General Fund \$	Restricted Fund \$	Total \$	Total \$
ASSETS	<i>[Note 10]</i>			
Current				
Cash and cash equivalents	384,966	191,983	576,949	596,772
Portfolio investments <i>[note 3]</i>	1,270,562	—	1,270,562	1,221,672
Guaranteed investment certificates <i>[note 4]</i>	440,000	—	440,000	—
Accounts receivable <i>[note 5]</i>	264,328	—	264,328	148,804
Prepaid expenses	30,078	—	30,078	28,791
Total current assets	2,389,934	191,983	2,581,917	1,996,039
Guaranteed investment certificates <i>[note 4]</i>	1,301,000	—	1,301,000	1,678,000
Interest receivable	153,957	—	153,957	123,308
Equipment <i>[note 6]</i>	163,637	—	163,637	125,741
	4,008,528	191,983	4,200,511	3,923,088
LIABILITIES AND FUND BALANCES				
Current liabilities				
Accounts payable and accruals <i>[note 7]</i>	407,002	—	407,002	416,098
Deferred revenue <i>[note 8]</i>	389,808	—	389,808	363,101
Due to other Community Centre Societies	10,742	—	10,742	10,412
	807,552	—	807,552	789,611
Fund balances				
Invested in capital assets	163,637	—	163,637	125,741
Internally restricted <i>[note 9]</i>	1,629,978	—	1,629,978	1,358,571
Externally restricted <i>[note 10]</i>	—	191,983	191,983	229,368
Unrestricted	1,407,361	—	1,407,361	1,419,797
Total fund balances	3,200,976	191,983	3,392,959	3,133,477
	4,008,528	191,983	4,200,511	3,923,088

Joint operating agreement *[note 13]*

See accompanying notes to the financial staten

On behalf of the Board:

Director

Director

The Kerrisdale Community Centre Society

STATEMENT OF CHANGES IN FUND BALANCES

Year ended August 31

	General Fund				Restricted Fund	
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Externally Restricted	Total
	\$	\$	\$	\$	\$	\$
2025	<i>[Note 9]</i>	<i>[Note 9]</i>			<i>[Note 10]</i>	
Balance, beginning of year	125,741	1,358,571	1,419,797	2,904,109	229,368	3,133,477
Acquisition of equipment	95,425	—	(58,040)	37,385	(37,385)	—
Revenue over (under) expenses for the year	(57,529)	271,407	45,604	259,482	—	259,482
Balance, end of year	163,637	1,629,978	1,407,361	3,200,976	191,983	3,392,959
2024						
Balance, beginning of year	100,254	1,046,796	1,514,994	2,662,044	9,500	2,671,544
Acquisition of equipment	62,302	—	(62,302)	—	—	—
Revenue over (under) expenses for the year	(36,815)	306,775	(27,895)	242,065	219,868	461,933
Interfund transfer	—	5,000	(5,000)	—	—	—
Balance, end of year	125,741	1,358,571	1,419,797	2,904,109	229,368	3,133,477

See accompanying notes to the financial statements

The Kerrisdale Community Centre Society

STATEMENT OF CASH FLOWS

Year ended August 31

	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenses for the year	259,482	461,933
Item not affecting cash		
Amortization of equipment	57,529	36,815
Change in market value of portfolio investments	(82,945)	(178,807)
Changes in non-cash working capital items		
Accounts receivable	(146,173)	(77,472)
Prepaid expenses	(1,287)	(17,425)
Accounts payable and accruals	(9,096)	(11,003)
Due to other Community Centre Societies	330	(3,064)
Deferred revenue	26,707	23,471
Cash provided by operating activities	104,547	234,448
INVESTING ACTIVITIES		
Purchase of equipment	(95,425)	(62,302)
Portfolio investments, net sales (purchases)	34,055	(7,927)
Guaranteed investment certificates, net redemptions (purchases)	(63,000)	163,000
Cash provided by (used in) investing activities	(124,370)	92,771
FINANCING ACTIVITIES		
Repayment of Canada Emergency Business Account loan	—	(40,000)
Cash used in financing activities	—	(40,000)
Increase (decrease) in cash during the year	(19,823)	287,219
Cash and equivalents, beginning of year	596,772	309,553
Cash and equivalents, end of year	576,949	596,772

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

1. PURPOSE OF THE SOCIETY

The Kerrisdale Community Centre Society (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia in 1942, and continued under the Societies Act of British Columbia. The Society is a registered charity and as such, is exempt from income taxes under the Income Tax Act (Canada).

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 (the "Park Board").

The Park Board has the control, care and maintenance of the building situated at 5851 West Boulevard, Vancouver, British Columbia and has 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 Park Board. The value of the use of the Kerrisdale Community Centre facilities has not been reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

Fund Accounting

The Society follows the restricted fund method of accounting for contributions and presents the following funds:

General Fund

This unrestricted fund represents the Society's program and administrative activities.

The invested in capital assets accounts for the Society's equipment.

The internally restricted funds represent amounts which have been designated for specific purposes by the Society. Annual investment income is also transferred to the internally restricted funds.

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Accounting (Cont'd)

Restricted Fund

The externally restricted fund represents donations received, which has been designated for specific purposes by the donor.

Equipment

Equipment is stated at cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

- Computer equipment 3 years
- Furniture, fixtures and equipment 5 years

Revenue Recognition

The Society follows the restricted fund method of accounting for restricted contributions, which include donations.

Under the restricted fund method, contributions designated for specific purposes or that are to be maintained are recorded as revenue when received. Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenues from programs, rentals, and other activities are recognized as revenue proportionately over the session period to which they relate.

Investment income includes interest, dividends, and gain (loss) on disposition of the Society’s portfolio investments. Interest income is recognized in accordance with the terms of the underlying investment, which is generally the passage of time and dividends are recorded as revenue when received.

The change in market value of the portfolio investments is recorded as income or expense, as applicable.

Contributed Services and Materials

The Society benefits from both the contribution of time by volunteers and donated materials. The fair value of donated materials and services is not reflected in these financial statements.

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocation of Expenses

The Society reports its expenditures by nature and provides supplementary information about the allocation of expenditures in the Schedule of Program Activities. Allocations in this Schedule are based on a direct assignment of costs attributable to each program.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Management believes that such estimates are reasonable and prudent, however actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the useful lives of assets for amortization.

Financial Instruments

Measurement:

The Society's financial instruments consist of cash and cash equivalents, portfolio investments, guaranteed investment certificates, accounts receivable, accounts payable and due to other Community Centre Societies. The Society initially measures its financial assets and liabilities issued or assumed in an arm's length transaction at fair value. The Society subsequently measures all of its financial assets and liabilities at amortized cost except for portfolio investments, which are quoted in an active market, and are therefore accounted at fair value.

Impairment:

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

The Kerrisdale Community Centre Society

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

3. PORTFOLIO INVESTMENTS, AT MARKET

	Cost \$	Market \$
2025		
Common shares and mutual funds	917,516	1,270,562
2024		
Common shares and mutual funds	951,571	1,221,672

The portfolio investments includes US investments at cost of \$379,971 [2024 - \$359,891]. The market value of these investments is \$597,714 [2024 - \$503,721]

4. GUARANTEED INVESTMENT CERTIFICATES

	2025 \$	2024 \$
Guaranteed investment certificates	1,741,000	1,678,000
Less: Guaranteed investment certificates maturing within one year	(440,000)	—
	1,301,000	1,678,000

Guaranteed investment certificates have interest rates varying from 3.31% to 5.10% and maturity dates ranging from November 2025 to January 2028.

5. ACCOUNTS RECEIVABLE

	2025 \$	2024 \$
Grants and other	32,365	12,174
Park Board	177,217	136,630
Interest	54,746	—
	264,328	148,804
Allowance for doubtful accounts	—	—
	264,328	148,804

The Kerrisdale Community Centre Society

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

6. EQUIPMENT

	Cost	Accumulated	Net Book
	\$	Amortization	Value
		\$	\$
2025			
Computer equipment	148,158	148,158	—
Furniture, fixtures and equipment	1,605,155	1,441,518	163,637
	1,753,313	1,589,676	163,637
2024			
Computer equipment	148,158	148,158	—
Furniture, fixtures and equipment	1,509,730	1,383,989	125,741
	1,657,888	1,532,147	125,741

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	\$	\$
Accounts payable and accrued liabilities	371,836	393,259
Government remittances - payroll	23,735	18,155
- GST	8,600	1,112
- WorkSafeBC	2,831	3,572
	407,002	416,098

8. DEFERRED REVENUE

Deferred revenue represents program revenue received in advance for the 2026 year end. All of the preceding year deferred revenue was recognized as revenue during the 2025 year end.

9. INTERNALLY RESTRICTED FUND BALANCES

The Society's main objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial commitments and unforeseen external events. To assist with this objective, the Association has made the following internal restrictions:

The Kerrisdale Community Centre Society

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

9. INTERNALLY RESTRICTED FUND BALANCES (CONT'D)

	2025	2024
	\$	\$
Park Board maintenance fund	10,000	10,000
Community art project fund	3,840	3,840
Legal fund	—	4,416
Media fund	2,912	2,912
Seniors donation fund	13,033	13,033
Investment income & donation fund	1,600,193	1,324,370
	1,629,978	1,358,571

Invested in Capital Assets

The Society has internally restricted an amount equal to the net assets invested in capital assets in the amount of \$163,637 [2024 - \$125,741].

Park Board Maintenance Fund

The Society has internally restricted \$10,000 [2024 - \$10,000] for expenditure on maintenance.

Community Art Project Fund

The Society has internally restricted \$3,840 [2024 - \$3,840] for expenditure on community art projects.

Legal Fund

The Society has internally restricted \$Nil [2024 - \$4,416] for legal expenditures.

Media Fund

The Society has internally restricted \$2,912 [2024 - \$2,912] for media expenditures.

Seniors Donation Fund

The Society has internally restricted \$13,033 [2024 - \$13,033] for Seniors expenditures.

Investment Income & Donation Fund

The Society has internally restricted \$1,600,193 [2024 - \$1,324,370] for future capital expenditures and contingency.

10. EXTERNALLY RESTRICTED FUND

During the year ended August 31, 2019, \$9,500 in restricted contributions relating to the Cardiofit Program Fund were received.

During the year ended August 31, 2024, \$219,868 in restricted contributions relating to the Seniors' Kitchen Fund were received.

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

10. EXTERNALLY RESTRICTED FUND (CONT'D)

During the year, \$37,385 [2024 - \$Nil] of the Seniors' Kitchen Fund was spent on equipment.

11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of August 31, 2025:

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations resulting in a financial loss. The Society is exposed to credit risk with respect to its accounts receivable. The Society reduces its exposure to credit risk by ensuring that the Society does not rely on the inflows from a counter party, but manages its cash balances and cash flows generated internally to cover expected future cash outflows. In management's opinion, the credit risk exposure to the Society is low.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and monitors its cash balances and cash flows generated from operations against its anticipated outflows. In management's opinion, the liquidity risk exposure to the Society is low.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk and other price risk on its guaranteed investment certificates and portfolio investments.

Currency Risk

Currency risk is the risk to the Society's cash flows that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to currency risk on portfolio investments that include foreign holdings. The Society does not use derivative instruments to reduce its exposure to foreign currency risk. In management's opinion, the currency risk exposure to the Society is low and there has been no change in risk exposure from the prior year.

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

11. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Society is exposed to interest rate risk on its guaranteed investment certificates and portfolio investments. The fair value and related investment income stream from these investments will fluctuate according to change in interest rates, among other factors. In seeking to minimize the risks from interest fluctuations, the Society manages exposure through its normal operating and financing activities.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its portfolio investments recorded at fair value. The Society manages this risk through maintaining a diversified investment portfolio and regularly reviewing its investment structure and strategy.

12. WAGES AND CONTRACTOR REMUNERATION

Pursuant to the British Columbia Societies Act, the Association is required to disclose wages and benefits and fees paid to contractors who are paid \$75,000 or more during the fiscal year.

Wages and benefits expense includes \$105,891 [2024 - \$115,538] paid to one [2024 - one] employee during the year [Schedule 2].

Expenses include \$186,732 [2024 - \$176,105] of expense provided by a contractor. Of this amount, \$13,781 [2024 - \$6,789] is included in Preschool programs expenses, \$97,506 [2024 - \$78,405] is included in Children's programs expenses, \$44,859 [2024 - \$61,691] is included in Youth programs expenses, and \$30,586 [2024 - \$29,220] is included in Adult programs expenses.

Expenses include \$583,668 [2024 - \$583,710] of expense provided by a contractor for Group I wages. Of this amount, \$33,752 [2024 - \$48,044] is included in play palace expenses, \$6,626 [2024 - \$15,810] is included in skate lessons expenses, and \$543,290 [2024 - \$519,856] is included in wages and benefits. The Group I wages cover the cost of several employees.

NOTES TO FINANCIAL STATEMENTS

August 31, 2025

13. JOINT OPERATING AGREEMENT ("JOA")

In 2018, the Society signed a new JOA with the Park Board effective January 1, 2018 for ten (10) years with one five (5) year renewal term. Under the agreement, the Society will pay an operation fee to the Vancouver Park Board starting in year 2 for 1% of prior year's gross facility-generated revenue and in years 3-10 for 2% per year of the previous year's gross facility-generated revenue. Effective January 1, 2018, the Society will pay a 1% subscription fee for the ActiveNet registration system.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

SCHEDULE OF REVENUES AND EXPENSES - PROGRAM ACTIVITIES

Year ended August 31

	Revenue	Expenses	Net Income (Loss)
	\$	\$	\$
2025			
Children's programs <i>[note 12]</i>	744,126	498,714	245,412
Adult programs <i>[note 12]</i>	557,241	353,100	204,141
Seniors' kitchen	191,099	233,873	(42,774)
Fitness and exercise programs	337,974	14,665	323,309
Preschool programs <i>[note 12]</i>	179,921	120,786	59,135
Seniors' programs	296,508	182,454	114,054
Youth programs <i>[note 12]</i>	166,070	105,170	60,900
Play palace <i>[note 12]</i>	63,656	33,752	29,904
Aerobics programs	101,997	53,585	48,412
Skate lessons <i>[note 12]</i>	10,021	6,626	3,395
Special events	4,430	12,608	(8,178)
	2,653,043	1,615,333	1,037,710
2024			
Children's programs <i>[note 12]</i>	760,289	460,801	299,488
Adult programs <i>[note 12]</i>	535,151	413,982	121,169
Seniors' kitchen	292,368	319,521	(27,153)
Fitness and exercise programs	298,827	14,178	284,649
Preschool programs <i>[note 12]</i>	178,971	84,317	94,654
Seniors' programs	246,004	156,125	89,879
Youth programs <i>[note 12]</i>	122,849	95,813	27,036
Play palace <i>[note 12]</i>	67,282	48,044	19,238
Aerobics programs	95,718	52,574	43,144
Skate lessons <i>[note 12]</i>	39,190	19,064	20,126
Special events	3,715	9,094	(5,379)
	2,640,364	1,673,513	966,851

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

Year ended August 31

	2025	2024
	\$	\$
Advertising and promotion	48,884	47,555
Amortization of capital assets	57,529	36,815
Board expenses	27,867	26,444
Conference expenses	900	867
Interest, bank charges, and ActiveNet fees	88,349	88,775
Office and other	19,926	20,595
Operation fee <i>[note 13]</i>	55,150	45,106
Professional fees	12,000	10,800
Programs and newsletters	78,883	127,204
Repairs and maintenance	538	1,223
Wages and benefits <i>[note 12]</i>	766,770	745,235
	1,156,796	1,150,619