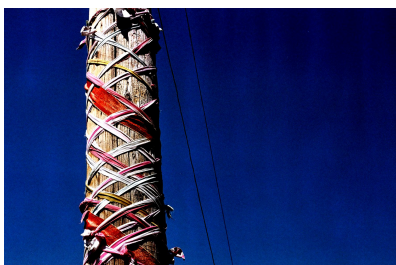




people. planning. positive change.



Annual Report

2010-2011

About SPARC BC

Mission

The Social Planning and Research Council of BC works with communities in building a just and healthy society for all

Key Principles:

The definition of “just and healthy” is further reflected in the four key principles as adopted by the Board:

Equity

The recognition that some individuals or groups require more or less than others to flourish, and that some individuals or groups are capable of contributing more to address deficiencies and promote fairness of distribution.

Social Inclusion

The recognition that both the rights and the opportunity to participate in and enjoy all aspects of human life enables individuals and communities to celebrate their diversity, and recognize and act on their responsibilities.

Security

The recognition that individuals and communities flourish when they have confidence in their surroundings as safe, supportive and stable environments.

Adaptability

The recognition that sustainability requires resilience for both individuals and communities, and the ability to respond creatively.

Agenda

Annual General Meeting 2011

- 1.0 Call to Order
- 2.0 Minutes of the Annual General Meeting June 2010
- 3.0 President's Report
- 4.0 Treasurer's Report
- 5.0 Presentation of the Audited Financial Statements 2010/2011
- 6.0 Appointment of the Auditors for 2011/2012
- 7.0 Election of Directors
- 8.0 Executive Director's Message
- 9.0 Adjournment

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President's Message

SPARC BC is going into its 45th year, serving British Columbians and pursuing its mission, of working with communities to build a more just and healthy society for all. The organization also continues with necessary internal renewal, negotiating and agreeing to a new three-year contract with its union employees that is reflective of its values of equity, inclusion, security and adaptability.

SPARC BC's Board is made up of volunteer members who share the mission and values of the Society, (also a registered charity), while broadly representing the geographic, demographic and occupational diversity of the province. In addition to generally thanking the members for their service over the past year, I wish to specifically thank outgoing Past-President Derek Gent from the Greater Vancouver area for his wise stewardship, collegiality and outstanding contribution to the Board for the full eight-year term-limit.

Today, we also wish to recognize the contribution of Aleem Bharmal who stepped down earlier this year because of work related demands but who had served on the SPARC BC Board since 2004. We will also be saying good-bye to Loraine Lundquist - a dedicated Board member since 2007 and who more recently served as the Treasurer. The dedication and commitment of our Board members represents an important asset for our organization.

For 2010-2011, the Board again focused its efforts on building up the Society's financial sustainability and operational effectiveness in delivering the Parking Permit Program for People with Disabilities as well as enhancing the capacity of communities to be more self-sufficient and resilient in these challenging economic times.

We are pleased to report a small surplus for this year which will be reinvested in our organization and in communities across British Columbia. We are also pleased to highlight some of our key accomplishments. Among those that we are particularly proud of are:

- Our annual Access Awareness Day and the promotion of our Accessible Communities' Bylaws. More than 20 different communities across British Columbia as well as the Union of B.C. Municipalities (UBCM) joined us in our efforts by proclaiming the importance of working to be "all inclusive".
- Our highly acclaimed and sold-out Community Developers' Conference which was delivered in partnership with the Canadian Cancer Society and which was held on Musqueam territory at UBC. This initiative resulted in participation from more than 250 individuals engaged in community social planning and community development from 64 different communities in British Columbia.

We also added three (3) more publications to our valued Sprout Resource Guides series. This information can be found on our website and includes a resource guide on understanding the cost of living in your community, a resource guide on building bridges together and supporting inter-cultural dialogue and a guide to different programs and resources available for creating a digital story.

SPARC's reputation for good work in the areas of poverty reduction, accessibility and inclusion, affordable housing and homelessness continues to build.

While celebrating a good year in tough times, we wish to acknowledge and thank our staff, led by our Executive Director Ms. Lorraine Copas, for their professionalism, dedication and hard work. The Society continues to be fortunate in this regard.

As we look forward to the new year, our key objectives include being more visible in the province, investing in and promoting social justice and community social planning and action. At the same time, we will continue striving towards organizational excellence, efficiency and economy.

And last, thank you to our members for your support. Including Parking Permit holders, we have grown to more than 15,500 members - a number with formidable potential. With your generous donations and a growing membership base, we can expect more great things from SPARC BC in the years to come.

Dr. Hal Gerein
President of SPARC BC's Board of Directors

Executive Director's Message

It is an honor and a privilege to serve as the Executive Director of SPARC BC. This Annual Report highlights some of the key accomplishments of the Board, management and staff over the past year as well as highlights some of the key strategic directions that we hope to pursue in 2011 -2012.

2010-2011 represented an exciting year of learning and growth for me as I learned about the history of SPARC BC and the depth of relationships at all levels from individual members through to partnerships with civil society organizations and all levels of government: municipal, regional provincial, federal and First Nations.

This year we delivered an exciting research program that included community-based research, and partnerships on a diverse range of social policy issues including: cultural diversity, housing affordability, food security, homelessness including 'hidden homelessness', as well as our on-going work in the area of accessibility and inclusion.

We also worked to build and strengthen our relationships with key partners including the Union of BC Municipalities (UBCM) which continues to be an important sponsor of the work that we do, especially our work on issues of accessibility and inclusion. This year we were also successful in building and strengthening our relationships with First Nations and the Aboriginal community. This includes our work with the Gitksan Government Commission to support their community planning efforts as well as our work with the Centre for Native Policy and Research where we partnered on a research project focused on culturally responsive approaches to Aboriginal homelessness.

Our partnership with Learning Initiatives for Rural and Northern BC (LIRN) was very active this year and resulted in the delivery of thirteen (13) community-based workshops to more than 400 participants Province-wide. This partnership took us to communities across the Province including Burns Lake, Duncan, Prince George, Golden and Salmon Arm. In addition, working in partnership with the Canadian Cancer Society and the Community Social Planning Network (CSPN), we were successful in hosting a 3 day Community Developers' Conference on Musqueam territory at UBC, which was attended by more than 250 individuals from across the Province.

In June 2010, we also entered into a partnership agreement with the Province under 2010 Legacies Now to transfer the administrative responsibility for managing the accessibility-related resources and materials established under the Measuring Up program. This partnership came about through the work that we have done in the area of accessibility and inclusion and was a way to ensure that communities across British Columbia continue to benefit from the work and investments that were made under the Measuring Up program. The resources and materials generated through the Measuring Up program are available on our website.

As we focus on priorities for 2011-2012, we will be looking to further build and strengthen our networks and relationships across the Province. This includes the planning and delivery of regional workshops in partnership with our Community Social Planning (CSPN) partners. Working in partnerships with groups and organizations across the Province we will also continue to work to identify new opportunities to invest in and promote social justice and health, and equity in B.C. communities.

The recession and the slow economic recovery has helped to draw attention to the critical importance of social planning in communities across B.C. We recognize that our work reaches far beyond the day to day activities that we undertake as an organization. It is about working with others to build partnerships and to foster healthy, active and inclusive communities. We do this through our community development education program (CDE) which builds the capacities of local leaders to drive positive change as well as through our broad-based campaigns including the work that we have done to build increased awareness and support around accessibility and inclusion. Our *Access Awareness Day* campaign is currently in its 14th year!

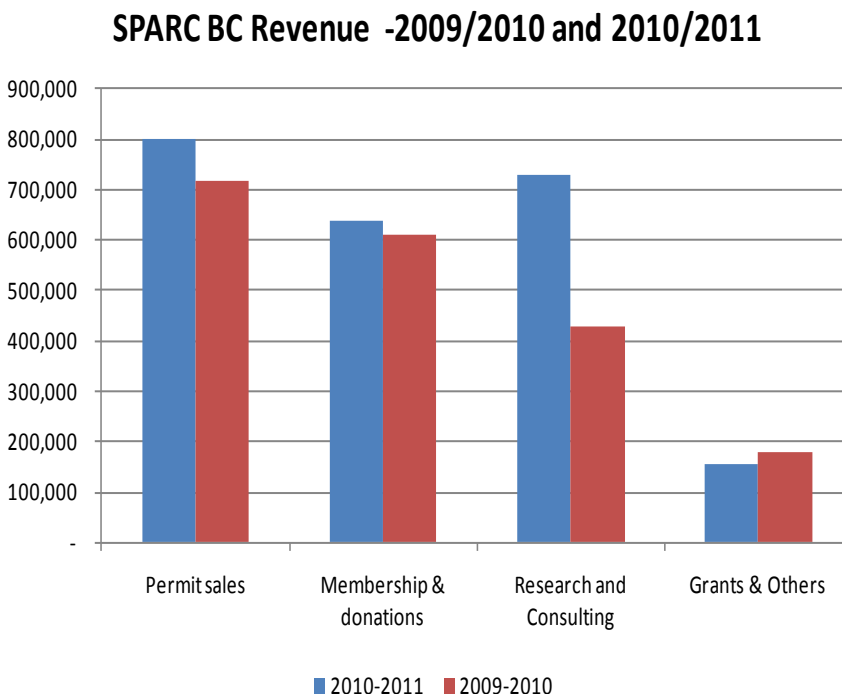
The support of our more than 15,500 members is also critical to our success as an organization. In 2009/2010, our members continued to step up and to support the work that we do. Not only did they show their generosity and support through our various fund-raising campaigns but they made it clear that they support our efforts to work with communities to build a just and healthy society for all.

Over the months and years ahead, I am looking forward to continuing to build our profile in the province as well as working to identify new partnerships and new relationships that will help us to continue to realize our vision of working with communities to build a just and healthy society for all – together, I know that we can make this happen.

Lorraine Copas
Executive Director

Treasurer's Report

I am pleased to announce that SPARC BC had a strong financial year. This year, the organization recorded an operating surplus of \$285,083 – funding that will be reinvested in strengthening the overall sustainability of the organization as well as reinvested in communities. This is reflected in our 2011-2012 operating budget which includes provisions for increased investments in community partnerships and other initiatives that are aligned with our mission.



Our success was the result of increased revenues across all three (3) priority areas –research and consulting, memberships and donations and the sale of parking permits for people with disabilities.

In addition, we were successful in controlling expenditures with recorded expenditures for the organization coming in under the budgeted amount by approximately 4%.

The organization was also successful in offsetting the pressure created through the loss of the funding provided by United Way. This reduction in funding was the result of changes in the funding priorities introduced by United Way and resulted in a reduction of \$29,379 in our core operating budget in 2010 - 2011. In addition we will have to continue to absorb further cuts in 2011-2012 and 2012-2013. The organization has responded well to this challenge by working hard to identify alternative sources of funding including contracted research with United Way. Over the next year we will continue to work to identify new opportunities for partnerships including new opportunities to work with the United Way.

We were also successful in negotiating a three (3) year collective agreement with the BC GEU. We know that our staff and volunteers are committed to the work that we do and are pleased to be in a position where we are able to live our values both in terms of our hiring and employment practices as an organization and in the services that we provide. We are also pleased to be in a position where we can report that we have had a successful year both in terms of the projects and partnerships that we have been able to establish.

In closing, we would also like to take this opportunity to thank all of our members and partners who share in our vision of working with communities to build a just and healthy society for all. We look forward to another active year in 2011-2012.

Loraine Lundquist
Treasurer

Nominations and Governance

The Nominations and Governance Committee, by policy of the Board of Directors, recruits members to serve on the Board, working to meet the goal of recruiting applicants from across the Province of B.C. and in ensuring that the diversity of backgrounds, experience and values which characterize the province is reflected in the structure and composition of the SPARC BC Board of Directors.

The Committee reviews nominations and recommends to the membership at the Annual General Meeting a slate of nominees for election to the Board. Pursuant to SPARC BC's Bylaws, members can also make nominations, by giving notice of the nomination to the President at least 48 hours prior to the AGM. No nominations have been received.

The Bylaws of SPARC BC set the ideal number of directors at 12, between a minimum of 8 and a maximum of 15. The number of directors from year to year is determined by the financial capacity of the organization, the expected turnover within the Board and the composition within the Board in terms of the necessary skills and experience.

After consideration, the Nominations and Governance Committee is recommending 12 members for 2011-2012. The Board also appoints members during the year to serve with the Board until the next Annual General Meeting, and in the event that there is a resignation from the Board, may consider additional appointments.

The Nominations and Governance Committee recommends for election by the members as follows:

1. Two members currently serving on the Board of Directors and whose terms are expiring June 2011 are nominated for election for a further two-year term to June 2013;

Nate Bello	(Quesnel)	Director since 2009
Linda Locke	(Hazelton)	Director since 2009

2. The following seven (7) members currently serving on the Board of Directors are continuing their two year term to June 2012:

Heather McCain	(Vancouver)	Director since 2009
Jennifer Cliff Marks	(Nakusp)	Director since 2008
Charisse Daley	(Kelowna)	Director since 2008
Steve Harvard	(Victoria)	Director since 2008
Marcie Fofonoff	(Chetwynd)	Director since 2006
Hal Gerein	(Victoria)	Director since 2006
Irene Willsie	(Williams Lake)	Director since 2006

3. Through SPARC BC's application process, the Committee was pleased to receive three (3) applications for first time membership on the Board. All applications were excellent.

Based upon regional representation, board asset requirements and the recommended ideal of a total of twelve (12) members, the Committee is recommending the following candidates to be elected to serve on the Board of Directors for a two year term from June 2011 to June 2013:

Charley Beresford	(Victoria)
Cameron Gray	(Vancouver)
Jamie Maclaren	(Vancouver)

We are pleased to introduce our new candidates:

Charley Beresford brings a wealth of experience to the SPARC BC Board of Directors. As the Executive Director for the Columbia Institute, Ms Beresford is actively engaged in working to build inclusive and sustainable communities that value social justice, and that are healthier and happier places for people to live. Ms Beresford is also active in her community and has served on a number of local planning groups and advisory bodies including the City of Victoria's Social Planning and Housing Advisory Committee. Ms Beresford has also worked as a policy advisor on issues related to Health, Finance and Women's Equality and has helped to establish a code of conduct for public appointees.

Cameron Gray is the former managing director for the Department of Social Development and before that was the Director of the Housing Centre with the City of Vancouver. Cameron has a planning degree and a diploma in urban economics and is recognized for his skills and experience in championing the development and implementation of a diverse range of strategies to address issues related to housing affordability and homelessness for the City of Vancouver. Cameron's passion for his work and his tireless commitment to affordable housing has resulted in a significant legacy of social housing and affordable housing stock as well as significant innovation at the policy level. Cameron's municipal experience and his experience in housing and homelessness will make an important contribution to the work that we do.

Jamie Maclaren is a practicing lawyer and the Executive Director of the Access Pro Bono Society of BC. He has served as a Director of the Vancouver-based Community Legal Assistance Society, and as the Executive Director of both the UBC Law Students' Legal Advice Program (LSLAP) and Pro Bono Law of BC. Jamie volunteers as a supervising lawyer for LSLAP, conducts legal seminars for people overcoming homelessness and addiction through the Salvation Army, and provides pro bono legal advice in Vancouver's Downtown Eastside. He also provides pro bono legal representation at all levels of court to several indigent clients each year.

The Committee recommends the following motion to the Annual General Meeting:

Moved, that the current directors, Nate Bello (Quesnel) and Linda Locke (Hazelton) whose terms are expiring be re-elected to another two year term to June 2013; and, that Jamie Maclaren, Charley Beresford and Cameron Gray be elected to serve for a two year term to June 2013.

Social Planning and Research Council of British Columbia
SPARC BC Society
Minutes of Annual General Meeting

Friday, June 11, 2010
SPARC BC Offices, Lobby, Burnaby, 7pm

Derek Gent, SPARC BC Board President called the meeting to order and welcomed everyone.

Introductions were made and the Annual Reports were distributed.

1. Minutes

Minutes from the June 2009 Annual General Meeting were introduced.

Motion:

That the minutes from the June 2009 Annual General Meeting be adopted.

Moved by Irene Willsie, seconded by Linda Locke, CARRIED.

2. President's report

The President's written report, contained in the package, was referenced. Derek Gent spoke of his time on the SPARC BC Board of Directors and the importance of the work of the organization. Derek noted a sense of pride for the accomplishments of the organization in the past year and that he looks forward to the on-going work of the organization. Derek indicated that it has been a year of transition with the departure of the previous Executive Director (Nancy Henderson) and the appointment of a new Executive Director (Lorraine Copas). In closing, Derek commented on the uncertain economic and funding environment but observed that these types of circumstances make the work of the organization more important than ever.

Motion:

That the President's Report be adopted.

Moved by Steve Harvard, seconded by Aleem Bharmal, CARRIED.

3. Treasurer's Report

Lorraine Lundquist the Society's Treasurer referenced the written report for the Treasurer. In the Treasurer's report Lorraine noted that the organization had been successful in posting a small surplus in 2009/2010 resulting from the revenues generated through memberships and donations as well as through the sale of parking permits. Lorraine also noted that the work of research and consulting was below the expected budget target but indicated that she was hopeful that the research and consulting team would be in a stronger position in 2010/2011.

Motion:

That the Treasurer's Report be adopted.

Moved by Lorraine Lundquist, seconded by Irene Willsie, CARRIED.

4. Presentation of the Audited Financial Statements

Loraine referenced the audited financial statements as set out in the Annual Report.

Motion:

That the Audited Financial Statements for 2009/2010 and the Annual Report as presented be approved. *Moved by Loraine Lundquist, seconded by Dr Hal Gerein, CARRIED.*

Motion:

- (a) That the amount of \$452,500 be internally restricted according to the Board's policy of maintaining a reserve fund of at least 25 per cent of the annual operating budget in order to maintain operations and support staff in the event of uncertainty of revenues and/or the potential of an interruption or cut to funding; and,
- (b) That \$20,000 be approved for upgrades to the technological infrastructure.

Moved by Loraine Lundquist, seconded by Pat Lindskey, CARRIED.

5. Appointment of the Auditor for 2010/2011

Loraine also noted that Loewen, Stronach & Company provided auditing services for SPARC BC for 2009/2010 and recommended that Loewen, Stronach & Company be appointed as SPARC BC's auditors for 2010/2011.

Motion:

That Loewen, Stronach & Company be appointed as SPARC BC's auditors for 2010/2011.

Moved by Loraine Lundquist, seconded by Dr. Hal Gerein, CARRIED.

6. Nominations Report

Nate Bello presented the report from the Nominations and Governance Committee and noted that the nomination process is set out in SPARC BC's Bylaws. Nate also noted that pursuant to SPARC BC's bylaws, members can make nominations by giving notice of the nomination to the President at least 48 hours prior to the AGM. At this time, no nominations had been received.

In terms of the election of officers for 2010/2011, Nate observed that:

Seven (7) members currently serving on the Board of Directors are nominated for election to serve a further two-year term to June 2012.

Jennifer Cliff Marks	(Nakusp)	Director since 2008
Charisse Daley	(Kelowna)	Director since 2008
Steve Harvard	(Victoria)	Director since 2008
Marcie Fofonoff	(Chetwynd)	Director since 2006
Dr Hal Gerein	(Victoria)	Director since 2006
Irene Willsie	(Williams Lake)	Director since 2006
Aleem Bharmal	(Vancouver)	Director since 2004

In addition, the following four members are continuing their two-year term to June 2011:

Nate Bello	(Quesnel)	Director since 2009
Linda Locke	(Hazelton)	Director since 2009
Lorraine Lundquist	(Vancouver)	Director since 2007
Derek Gent	(Vancouver)	Director since 2003

Further, Nate introduced Heather McCain (Vancouver) who was appointed to the Board in November 2009 and who is nominated to serve a two-year term to June 2012.

Motion

That the current directors, Jennifer Cliff-Marks, Charisse Daley, Steve Harvard, Marcie Fofonoff, Dr Hal Gerein, Irene Willsie, and Aleem Bharmal, whose terms are expiring, be re-elected to serve another 2 year term to June 2011, and that Heather McCain be elected to serve for a two-year term to June 2012. *Moved by Nate Bello, Seconded by Linda Locke, CARRIED.*

7. Executive Director's Report

Lorraine Copas, the new Executive Director for SPARC BC, spoke briefly about her report. Lorraine noted that she joined SPARC BC in December 2009 and that it is an honour to serve as the Executive Director for SPARC BC. Lorraine noted that over the coming year it is her desire to deepen her relationship with the Board and staff as well as with partner organizations and members. Lorraine noted that the work that is done by SPARC BC is important for so many reasons and that she knows that by working together we will be able to deliver on our vision and make a difference in people's lives. Lorraine also noted that our members which were 14,900 strong play a critical role in the success of the organization with their on-going generosity and support helping to advance the mission of the organization and to build a better, more equitable society for everyone.

8. Conclusion of the AGM

The business of the AGM was concluded.

Motion:

That the AGM be adjourned.

Moved by Dr. Hal Gerein, seconded by Linda Locke, CARRIED.

The Annual General meeting was adjourned

Audited Financial Statements

SPARC BC SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011


SPARC BC SOCIETY


BALANCE SHEET

MARCH 31, 2011

	2011 \$	2010 \$
ASSETS		
CURRENT ASSETS		
Cash	104,838	140,675
Term deposits	944,422	587,071
Accounts receivable	302,083	236,982
Prepaid expenses	33,753	50,841
	<u>1,385,096</u>	<u>1,015,569</u>
PROPERTY AND EQUIPMENT (Note 3)	<u>256,019</u>	<u>315,419</u>
	<u>1,641,115</u>	<u>1,330,988</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	58,897	79,334
Unearned revenue	70,150	35,000
Deposits on projects	243,347	212,444
Current portion of deferred lease inducement	20,572	20,572
	<u>392,966</u>	<u>347,350</u>
DEFERRED LEASE INDUCEMENT	<u>133,716</u>	<u>154,288</u>
	<u>526,682</u>	<u>501,638</u>
NET ASSETS		
NET ASSETS		
Internally restricted (Note 5)	643,813	472,500
Unrestricted	470,620	356,850
	<u>1,114,433</u>	<u>829,350</u>
	<u>1,641,115</u>	<u>1,330,988</u>
LEASE COMMITMENTS (Note 4)		

Approved by the Board:

 Director

 Director

See accompanying notes to financial statements

INDEPENDENT AUDITORS' REPORT

To The Members of the SPARC BC Society:

We have audited the accompanying financial statements of the SPARC BC Society, which comprise of the balance sheet as at March 31, 2011, and the statements of revenues and expenditures and net assets, 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.

Auditors' 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 auditors' 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 auditors consider internal controls 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, the financial statements present fairly, in all material respects, the financial position of the SPARC BC Society as at March 31, 2011 and its financial performance and its 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 basis consistent with that of the prior year.

Vancouver, BC
May 19, 2011

Chartered Accountants



Members of
Institute of Chartered Accountants of British Columbia

SPARC BC SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2011

	2011		2010	
	Internally Restricted (Note 5) \$	Unrestricted \$	Total \$	Total \$
BALANCE , beginning of year	472,500	356,850	829,350	751,510
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	285,083	285,083	77,840
	<u>472,500</u>	<u>641,933</u>	<u>1,114,433</u>	<u>829,350</u>
TRANSFERS				
Planning for financial stability	41,313	(41,313)	-	-
Upgrades to technological infrastructure	20,000	(20,000)	-	-
Organizational review for effectiveness and efficiency	35,000	(35,000)	-	-
Development and implementation of support partnerships	25,000	(25,000)	-	-
Implementation of outcome of organizational review	50,000	(50,000)	-	-
	<u>171,313</u>	<u>(171,313)</u>	<u>-</u>	<u>-</u>
BALANCE , end of year	<u>643,813</u>	<u>470,620</u>	<u>1,114,433</u>	<u>829,350</u>

See accompanying notes to financial statements

SPARC BC SOCIETY

STATEMENT OF REVENUES AND EXPENDITURES AND NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2011

	2011 \$	2010 \$
REVENUES		
General		
Permit sales	801,284	717,813
Memberships and donations	639,172	609,398
United Way grant	102,824	132,203
Direct access gaming funds	35,000	35,000
Interest	11,719	7,308
Other grants	6,542	3,425
	<u>1,596,541</u>	<u>1,505,147</u>
Projects		
Consulting services	415,451	274,079
Disbursement recoveries	314,720	154,627
	<u>730,171</u>	<u>428,706</u>
TOTAL REVENUES	2,326,712	1,933,853
EXPENDITURES (Schedule 1)	2,041,629	1,856,013
EXCESS OF REVENUES OVER EXPENDITURES	285,083	77,840
NET ASSETS, beginning of year	829,350	751,510
NET ASSETS, end of year	1,114,433	829,350

See accompanying notes to financial statements

SPARC BC SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2011

	2011 \$	2010 \$
Cash derived from (applied to)		
OPERATING		
Excess of revenues over expenditures	285,083	77,840
Items not involving cash:		
Amortization of property and equipment	79,068	83,024
Amortization of deferred lease inducement	<u>(20,572)</u>	<u>(20,572)</u>
	343,579	140,292
Change in non-cash working capital items:		
Accounts receivable	(65,101)	34,739
Deposits on projects	30,903	236,657
Prepaid expenses	17,088	(16,222)
Accounts payable and accrued liabilities	(20,437)	(24,762)
Unearned revenue	<u>35,150</u>	<u>-</u>
	<u><u>341,182</u></u>	<u><u>370,704</u></u>
INVESTING		
Term deposits	(357,351)	(302,306)
Acquisition of property and equipment	<u>(19,668)</u>	<u>(3,980)</u>
	<u><u>(377,019)</u></u>	<u><u>(306,286)</u></u>
INCREASE (DECREASE) IN CASH	(35,837)	64,418
CASH, beginning of year	<u><u>140,675</u></u>	<u><u>76,257</u></u>
CASH, end of year	<u><u><u>104,838</u></u></u>	<u><u><u>140,675</u></u></u>

See accompanying notes to financial statements

SPARC BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

1. PURPOSE OF SOCIETY

SPARC BC Society is a provincially incorporated non-profit society and a federally registered charitable organization. Its mission is to work with communities in building a just and healthy society for all persons in British Columbia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, including those discussed below.

Use of estimates

In conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from those reported.

Financial instruments

The Society uses the recommendations of the CICA Handbook on the accounting, measurement and presentation of financial instruments issued in Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosures and presentation*.

Under these standards, all financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities and are measured in the balance sheet at fair value except for loans and receivables, held-for-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Society classifies its cash and term deposits as held-for-trading, which are measured at fair value, accounts receivable as loans and receivable and accounts payable and accrued liabilities as other financial liabilities, which are measured as amortized costs.

Revenue recognition

Permit sales, memberships and donations are recognized on a cash basis.

United Way and other grants are recognized on a cash basis.

Direct access gaming funds are recognized when the approved programs commence.

Consulting services are recognized on the basis of research project agreements.

Disbursement recoveries are recognized as incurred.

SPARC BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Property and equipment

Property and equipment are recorded at cost. Computers, furniture and other equipment are amortized on the straight-line method over three years. Leaseholds are amortized on the straight-line method over the remaining term of the lease.

Unearned revenue and deposits on projects

Project funding and other revenues received in advance are recognized as operating revenues when the related expenditure is incurred.

Unearned revenue represents direct access gaming funds designated for expenditures for the 2012 fiscal year.

Deferred lease inducement

The deferred lease inducement is being amortized on a straight-line basis over ten years, the term of the related premise's lease.

3. PROPERTY AND EQUIPMENT

	2011		2010
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Computers	113,442	95,142	18,300
Furniture and other equipment	121,502	101,252	20,250
Leaseholds	289,959	72,490	217,469
	<u>524,903</u>	<u>268,884</u>	<u>256,019</u>
			<u>315,419</u>

4. LEASE COMMITMENTS

The Society entered into a ten-year lease agreement for its premises. Minimum rental payments for the period October 2008 to September 2013 are \$97,005 per annum and then \$110,385 to September 2018, plus operating expenses.

SPARC BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

5. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors of the Society has designated funding for internally restricted purposes as follows:

<u>Designated to:</u>	<u>2011</u> <u>\$</u>	<u>2010</u> <u>\$</u>
• Provide for the ongoing financial stability of the Society. It is the objective of the Board of Directors to maintain financial reserves of 25% of the annual operating budget due to the uncertainty of revenues and the potential for an interruption or cut in funding.	493,313	452,000
• Make enhancements to the existing IT infrastructure and technology	40,000	20,000
• Undertake an organizational effectiveness and efficiency review	35,000	-
• Engage in the development and implementation of partnerships in support of our mission	25,000	-
• Implement the outcomes arising from the organizational review	50,000	-
	<u>643,313</u>	<u>472,500</u>

These designated internally restricted amounts are not available for other purposes without approval of the Board of Directors.

6. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, term deposits, accounts receivables, and accounts payable and accrued liabilities. 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 value of these financial instruments approximates their carrying value, unless otherwise noted.

7. CAPITAL DISCLOSURE

The Society considers its capital to be the balance maintained in its Net Assets \$1,114,433 (2010 - \$829,350). The primary objective of the Society is to invest its Capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Society with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Society is not subject to any externally imposed requirements of its Capital.

8. COMPARATIVE FIGURES

The comparative figures have been reclassified where applicable in order to conform to the presentation used in the current year.

SPARC BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

9. NEW ACCOUNTING STANDARDS

The Society adopted the Canadian Institute of Chartered Accountants ("CICA") Accounting Standards – Section 1506 – *Accounting Changes* effective January 1, 2007, requiring the Society to disclose certain information related to recently issued but not yet effective accounting standards.

There are no recently issued accounting standards applicable to the Society which have not been adopted in these financial statements.

In December 2010, the CICA issued Part III of the CICA Handbook – Accounting to provide Canadian private sector not-for-profit organizations with a new financial reporting framework. The standards are effective for fiscal years beginning on or after January 1, 2012, earlier adoption is permitted. The Society does not expect that the changeover will have a material impact on its results from operations or financial position.

SPARC BC SOCIETY**Schedule 1****SCHEDULE OF EXPENDITURES****FOR THE YEAR ENDED MARCH 31, 2011**

	2011	2010
	\$	\$
<hr/>		
EXPENDITURES		
Salaries and benefits	1,041,465	997,372
Projects disbursements	314,720	154,627
Rent	164,551	153,532
Amortization	79,068	83,024
Postage and courier	73,460	68,616
Printing	65,565	58,344
Computer and website maintenance	51,951	38,692
Fundraising	47,434	46,379
Board and executive meetings	28,843	33,331
Travel and meetings	26,588	20,607
Professional and consulting services	23,302	22,604
Telephone	19,361	25,669
Office supplies	18,866	10,743
Other expenditures	17,537	14,035
SPARC contribution to projects	15,179	36,622
Audit and legal	12,871	19,703
Photocopying	10,312	8,805
Publicity and promotion	9,246	13,139
Repairs and maintenance	7,687	7,416
News letter /SPARC BC News	5,314	31,631
Partnership contribution	5,000	7,852
Staff training and development	3,309	3,270
	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>2,041,629</u>	<u>1,856,013</u>

See accompanying notes to financial statements



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