

CAMPBELL, SAUNDERS & CO.

**KERRISDALE BUSINESS ASSOCIATION  
FINANCIAL STATEMENTS  
MARCH 31, 2010**

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# CAMPBELL, SAUNDERS & CO.

Chartered Accountants

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## AUDITORS' REPORT

To: The Members of  
**Kerrisdale Business Association**

We have audited the statement of financial position of **Kerrisdale Business Association** as at March 31, 2010 and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association'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 common with many non-profit organizations, the association derives revenues from fund raising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association, and we were unable to determine whether any adjustments might be necessary to revenues, excess of expenses over revenue, assets and surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the matters referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2010 and the results of its operations and the changes in net assets (deficiency) 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 preceding year.




CHARTERED ACCOUNTANTS

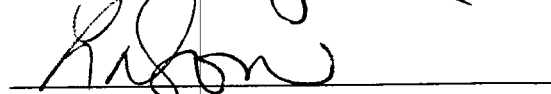
Vancouver, B.C.  
June 30, 2010

**KERRISDALE BUSINESS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2010**

	2010	2009
<b>CURRENT ASSETS</b>		
Cash	\$ 3,951	\$44,660
Accounts receivable	<u>9,730</u>	<u>5,336</u>
	<u>\$13,681</u>	<u>\$49,996</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$14,121</u>	<u>\$ 6,931</u>
<b>COMMITMENTS</b> (Note 4)		
<b>NET ASSETS</b>		
Unrestricted	<u>(440)</u>	<u>43,065</u>
	<u>\$13,681</u>	<u>\$49,996</u>

APPROVED BY THE BOARD:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**KERRISDALE BUSINESS ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS (DEFICIENCY)**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010	2009
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 43,065	\$ 56,729
Excess of expenses over revenue	<u>(43,505)</u>	<u>(13,664)</u>
<b>NET (DEFICIENCY) ASSETS - END OF YEAR</b>	<u>\$ (440)</u>	<u>\$ 43,065</u>

**KERRISDALE BUSINESS ASSOCIATION**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010	2009
<b>REVENUE</b>		
City of Vancouver grant	<u>\$300,000</u>	<u>\$291,000</u>
<b>EXPENSES</b>		
Administration	47,309	43,823
Beautification	31,717	37,350
Events	72,725	81,310
Promotion	123,287	79,812
Security	<u>74,785</u>	<u>72,484</u>
	<u>349,823</u>	<u>314,779</u>
<b>OPERATING DEFICIT</b>	<u>(49,823)</u>	<u>(23,779)</u>
<b>AREA IMPROVEMENT PROJECTS:</b>		
Newspaper boxes, garbage can surrounds and railings	<u>7,739</u>	<u>11,732</u>
	<u>(57,562)</u>	<u>(35,511)</u>
<b>OTHER INCOME</b>		
Kerrisdale Collective Parking - Management Fee (Note 4)	6,000	6,000
Fundraising Income and Other Donations	7,550	13,720
Interest	<u>507</u>	<u>2,127</u>
	<u>14,057</u>	<u>21,847</u>
<b>EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR</b>	<u>\$ (43,505)</u>	<u>\$ (13,664)</u>

**KERRISDALE BUSINESS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

	2010	2009
<b>CASH FROM OPERATING ACTIVITIES</b>		
Excess of expenses over revenue	<u>\$ (43,505)</u>	<u>\$ (13,664)</u>
Changes in non-cash working capital items		
Accounts receivable	(4,394)	2,732
Prepaid expenses	-	2,918
Accounts payable and accrued liabilities	7,190	(10,711)
Deferred revenue	<u>-</u>	<u>(145,500)</u>
<b>CHANGE IN CASH DURING THE YEAR</b>	<u>(40,709)</u>	<u>(164,225)</u>
Cash - beginning of year	<u>44,660</u>	<u>208,885</u>
<b>CASH - END OF YEAR</b>	<u>\$ 3,951</u>	<u>\$ 44,660</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest received	<u>\$ 507</u>	<u>\$ 2,127</u>

**KERRISDALE BUSINESS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2010**

**NOTE 1 - PURPOSE OF THE ORGANIZATION**

The purpose of the Association is to develop, encourage and promote business in the Kerrisdale Business Improvement Area. The Association was incorporated under the British Columbia Society Act on March 25, 1991. It is a tax exempt body under the Income Tax Act.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Revenue recognition

Grants are recorded when notice of approval is received or conditions for receipt are fulfilled. Where grants are to be applied over given periods, portions relating to periods beyond the fiscal year are recorded as deferred revenue.

Capital assets

Purchases of capital assets are recorded as expenditures at the time of purchase.

Contributed services

The work of the Association is dependent on the efforts of many volunteers. Because these services are not normally purchased by the Association and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

**NOTE 3 - ECONOMIC DEPENDENCE**

The Association is economically dependent on the continued funding provided in accordance with a Business Improvement Area by-law enacted by the City of Vancouver.

**KERRISDALE BUSINESS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2010**

**NOTE 4 - COMMITMENTS**

The Kerrisdale Business Association is a party to a verbal agreement with the City of Vancouver regarding the operations of a Parkade located at 42<sup>nd</sup> and Yew Street, Vancouver, B.C. Under this verbal agreement, the City undertakes to fund the net cost of operations and the Association undertakes to manage the day to day operations of the parkade. The Association receives a management fee of \$6,000 under this verbal agreement.

**NOTE 5 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

The Association classifies its cash as held for trading, accounts receivable as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

a) Fair Value

Cash, accounts receivable and accounts payable and accrued liabilities are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

b) Financial Risk

The Association is not exposed to interest rate risk.