Kerrisdale Business Association

Financial Statements

March 31, 2026

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CHARTERED PROFESSIONAL ACCOUNTANT GROUP

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Independent Auditor's Report

To: The Members of
Kerrisdale Business Association

Qualified Opinion

We have audited the accompanying financial statements of **Kerrisdale Business Association**, which comprise the statement of financial position as at March 31, 2026 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Kerrisdale Business Association as at March 31, 2026 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 Qualified Opinion

In common with many non-profit organizations, Kerrisdale Business Association derives revenue from fundraising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Kerrisdale Business Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, donations, excess of revenues over expenses, cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years.

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 Kerrisdale Business Association 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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.

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In preparing the financial statements, management is responsible for assessing Kerrisdale Business Association’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 Kerrisdale Business Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Kerrisdale Business Association's financial reporting process.

Auditors' 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:

- 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 Kerrisdale Business Association'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 Kerrisdale Business Association'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

Independent Auditor's Report

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Kerrisdale Business Association 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 Societies 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.

R N Hill

Chartered Professional Accountant

Vancouver, BC
August 14, 2026

Kerrisdale Business Association

Statement of Financial Position

March 31, 2026

	Note	General Fund	BIA Fund	2026	2025
Assets					
Current Assets					
Cash		$ -	$ 110,602	$ **110,602**	$ 172,882
Government remittances		-	3,512	**3,512**	3,662
Prepaid expenses		-	13,442	**13,442**	8,874
Due from BIA Fund		48,966	-	**48,966**	38,966
Total Current Assets		48,966	127,556	**176,522**	224,384
Capital Work in Progress (NOTE 5)		-	39,166	**39,166**	-
		48,966	166,722	**215,688**	224,384
Current Liabilities					
Accounts payable and accrued liabilities		-	13,966	**13,966**	29,918
Due to General Fund		-	48,966	**48,966**	38,966
		-	62,932	**62,932**	68,884
Net assets		48,966	103,790	**152,756**	155,500
		$ 48,966	$ 166,722	$ **215,688**	$ 224,384

Approved by the Board

Director

Director

The accompanying notes are an integral part of these financial statements.

Kerrisdale Business Association

Statement of Changes in Net Assets

For the Year Ended March 31, 2026

	General Fund	BIA Fund	2026	2025
Net Assets-Beginning of year	$ 38,966	$ 116,534	$ 155,500	$ 157,376
(Deficit) excess of revenue over expenses for the year	10,000	(12,744)	(2,744)	(1,876)
Net Assets-End of Year	$ 48,966	$ 103,790	$ 152,756	$ 155,500

The accompanying notes are an integral part of these financial statements.

Kerrisdale Business Association

Statement of Operations

For the Year Ended March 31, 2026

	Note	General Fund	BIA Fund	2026	2025
Revenue					
Business Improvement Association Levy		$ -	$ 365,000	**$ 365,000**	$ 365,000
Graffiti Abatement Grant		10,000	-	**10,000**	10,000
		10,000	365,000	**375,000**	375,000
Expenses					
Promotion		-	185,028	**185,028**	166,993
Place Making		-	21,437	**21,437**	40,920
Community Safety		-	86,798	**86,798**	96,432
Governance and Administration		-	78,710	**78,710**	72,202
		-	371,973	**371,973**	376,547
Net income before Capital Projects		10,000	(6,973)	**3,027**	(1,547)
Capital Projects					
Teak Bench		-	5,771	**5,771**	329
(Deficiency) Surplus of revenue over expenses for the year		$ 10,000	$ (12,744)	**$ (2,744)**	$ (1,876)

The accompanying notes are an integral part of these financial statements.

Kerrisdale Business Association

Statement of Cash Flows

For the Year Ended March 31, 2026

	Note	General Fund	BIA Fund	2026	2025
Cash from operating activities					
(Deficiency) Surplus of revenue over expenses		$ 10,000	$ (12,744)	**$ (2,744)**	$ (1,876)
Changes in non-cash working capital items					
Government remittances		-	150	**150**	421
Prepaid expenses		-	(4,568)	**(4,568)**	1,483
Interfund balances		(10,000)	10,000	**-**	-
Accounts payable and accrued liabilities		-	(15,952)	**(15,952)**	(832)
Investing activities					
Acquisition of tangible capital assets		-	(39,166)	**(39,166)**	-
Change in cash during the year		-	(62,280)	**(62,280)**	(804)
Cash - Beginning of year		-	172,882	172,882	173,686
Cash - End of Year		$ -	$ 110,602	**$ 110,602**	$ 172,882

The accompanying notes are an integral part of these financial statements.

Kerrisdale Business Association

Notes to the Financial Statements

For the Year Ended March 31, 2026

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 Societies Act on March 25, 1991. It is a tax exempt body under the Income Tax Act.

Note 2 - Summary of significant accounting policies

These financial statements have been prepared in accordance with Canada Accounting standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

Fund Accounting

The Association follows the restricted fund method of accounting.

The BIA Fund reports Revenues and Expenses relating to the levy received from City of Vancouver referred to in Note 3.

The General Fund reports Revenues and Expenses relating to any other activities of the Association

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.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Financial assets and financial liabilities are subsequently measured at amortized cost, except for investments in equity instruments quoted in an active market and derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are included in the initial measurement of the instrument.

Note 2 - Summary of significant accounting policies

Capital assets

Capital expenditures below the capitalization threshold established by the Association are recorded as expenditures at the time of purchase. Capital expenditures above the established capitalization threshold are recorded at cost.

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 effect 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

On 10th March 2026, the Council of the City of Vancouver enacted "The Kerrisdale BIA Designation By-Law" (By-Law No. 14632), which is granted to an applicant for the planning and implementation of a business promotion scheme for an amount not to exceed in aggregate $1,991,500.00 covering the period from April 1, 2026 to March 31, 2031 inclusive.

Note 4 - Financial instruments and financial risk

a) Fair Value

The carrying amounts of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these financial instruments.

b) Financial risk

The Association is not exposed to significant interest rate risk.

Note 5 - Capital Work in Progress

The Organization capitalizes tangible capital assets at cost. Capital work in progress represents costs incurred on tangible capital assets that are not yet completed or available for use.

The Organization is currently commissioning a localized outdoor community Welcome Figure artwork project. As of the year-end date, cumulative development costs of $39,166 (2025 – $0) have been capitalized as capital work in progress.

The project is estimated by management to be approximately 80% complete at year-end, with final delivery, structural placement, and formal unveiling anticipated to occur in August or September 2026. Remaining contractual commitments to finalize construction total approximately $6,333.