

CAMPBELL, SAUNDERS & CO.

KERRISDALE BUSINESS ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2020

CAMPBELL, SAUNDERS & CO.

Chartered Professional Accountants

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INDEPENDENT AUDITORS' 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, 2020 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 report, the accompanying financial statements present fairly, in all material respects, the financial position of Kerrisdale Business Association as at March 31, 2020 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, 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, excess of revenues over expenses, cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 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

INDEPENDENT AUDITORS' REPORT

financial statements that are free from material misstatement, whether due to fraud or error.

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.

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:

- 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 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.

INDEPENDENT AUDITORS' REPORT

- 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 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 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.

Campbell, Saunders & Co.

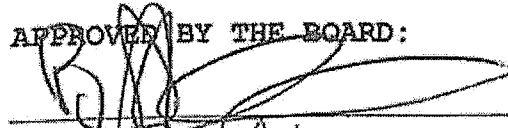
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
August 28, 2020


KERRISDALE BUSINESS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 51,913	\$222,001
Government remittances	3,566	6,117
Prepaid insurance	<u> -</u>	<u>2,443</u>
	<u>\$ 55,479</u>	<u>\$230,561</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,083	\$ 5,302
Revenue received in advance	<u> -</u>	<u>182,500</u>
	5,083	187,802
COMMITMENTS (Note 3)		
NET ASSETS		
Unrestricted	<u>50,396</u>	<u>42,759</u>
	<u>\$ 55,479</u>	<u>\$230,561</u>

APPROVED BY THE BOARD:



Director



Director

KERRISDALE BUSINESS ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 42,759	\$ 12,950
Surplus of revenue over expenses	<u>7,637</u>	<u>29,809</u>
NET ASSETS - END OF YEAR	<u>\$ 50,396</u>	<u>\$ 42,759</u>

KERRISDALE BUSINESS ASSOCIATION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
REVENUE		
Levy Revenue		
Business Improvement Association Levy	<u>\$365,000</u>	<u>\$359,000</u>
Non Levy Revenue		
Parkade management fee	5,500	6,000
Fundraising income	<u>3,700</u>	<u>3,500</u>
	<u>9,200</u>	<u>9,500</u>
	<u>374,200</u>	<u>368,500</u>
EXPENSES		
Promotion	174,268	163,597
Place Making	30,406	25,463
Community Safety	100,258	80,442
Governance and Administration	<u>52,965</u>	<u>51,900</u>
	<u>357,897</u>	<u>321,402</u>
NET INCOME BEFORE CAPITAL PROJECTS	<u>16,303</u>	<u>47,098</u>
CAPITAL PROJECTS		
Christmas lighting	5,444	14,865
Welcome sign refurbishment	-	2,424
Sequoia Mill	<u>3,222</u>	<u>-</u>
	<u>8,666</u>	<u>17,289</u>
SURPLUS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 7,637</u>	<u>\$ 29,809</u>

KERRISDALE BUSINESS ASSOCIATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH FROM OPERATING ACTIVITIES		
Surplus of revenue over expenses	\$ 7,637	\$ 29,809
Changes in non-cash working capital items		
Government remittances	2,551	(2,628)
Prepaid expenses	2,443	(71)
Accounts payable and accrued liabilities	(219)	(1,844)
Revenue received in advance	<u>(182,500)</u>	<u>182,500</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(170,088)	207,766
Cash and cash equivalents - beginning of year	<u>222,001</u>	<u>14,235</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 51,913</u>	<u>\$222,001</u>

KERRISDALE BUSINESS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020

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:

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.

Cash and cash equivalents

Cash and cash equivalents are highly liquid investments purchased with an original maturity of less than one year.

**KERRISDALE BUSINESS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

NOTE 3 - 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 42nd 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 an annual management fee under this verbal agreement. The agreement was terminated by the City of Vancouver effective February 29, 2020.

NOTE 4 - 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.

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.