

CAMPBELL, SAUNDERS & CO.

Chartered Professional Accountants

August 28, 2020

The Board of Directors
Kerrisdale Business Association
PO Box 18068
Vancouver, BC
V6M 4L3

Dear Board of Directors:

We are pleased to attach the audited financial statements for the Association for the year ended March 31, 2020 for your consideration. These statements have been discussed with Janet Livingstone and Teri Clark.

Responsibility of External Auditors Management and Board of Directors

Our responsibility as Auditors is to give an audit opinion on the financial statements of the Association. Management is responsible for preparing the financial statements and related notes in accordance with Canadian Accounting Standards for Not-For-Profit-Organizations and to design, implement and maintain an effective internal control over the financial reporting process. Your responsibility as Board of Directors is to review and approve the financial statements as well as having oversight responsibility for the preparation and presentation of the financial statements, maintenance of appropriate internal controls and the assessment of significant related party transactions.

Independence

We confirm that we are independent of the Association within the meaning of the applicable rules of professional conduct/code of ethics of the Institute of Chartered Accountants of British Columbia for the year ended March 31, 2020. There are no relationships that in our professional judgment may reasonably be thought to bear on our independence as auditors. We provided an independence letter to the management which addresses all of these factors.

Significant or Unusual Transactions

We are not aware of any significant or unusual transactions entered into by Kerrisdale Business Association that you should be informed about.

Audit Differences

There were no significant unadjusted audit differences.

Other Matters Arising from the Audit

Accounting Policies, Judgments and Estimates

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by Kerrisdale Business Association are described in Note 2, Summary of Significant Accounting policies, in the financial statements.

Operations

The results for the current year show a surplus of revenue over expenses of \$7,637 (2018-surplus \$29,809). At March 31, 2020, the financial statements show an accumulated surplus of \$50,396 (2018 Surplus of \$42,759).

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.

Weakness and Internal Controls over Financial Reporting

Our audit was not designed to determine the adequacy of internal control over financial reporting for management purposes. Our review of internal control was intended to determine the nature, timing and extent of auditing procedures necessary for expressing our opinion on the financial statements. During our audit we did not become aware of any significant weaknesses in internal controls.

Legal and Fraudulent Activities

Our inquiries of management and our testing of financial statements records did not reveal any fraudulent or illegal acts. Management has also provided us with written representation that they are not aware of any fraudulent acts, suspected fraudulent acts, illegal acts or possible illegal acts.

Dealings with Management

We received the full cooperation of management and employees of the Association during our audit and to our knowledge, we have had complete access to the accounting records and any other documents that we needed in order to carry our audit. We had no disagreements of management and we have resolved all auditing, accounting and presentation issues to our satisfaction.

We would be pleased to discuss this letter and the financial statements with you at your convenience.

Yours very truly,

Campbell, Saunders & Co.

A handwritten signature in black ink, appearing to read "R. Farrier", written in a cursive style.

Roger N. Farrier, CPA, CA

RNF/kd
Encl.