

**HIGH PARK GREEN RECREATION CENTRE
FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Recreation Centre Committee of High Park Green Recreation Centre

Opinion

We have audited the financial statements of High Park Green Recreation Centre, which comprise the statement of financial position as at April 30, 2021, and the statements of operating fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of High Park Green Recreation Centre as at April 30, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 the Corporation 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 opinion.

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

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

In preparing the financial statements, management is responsible for assessing the entity'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 the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 the entity'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 the entity'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 the entity 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.

Tapp & Company LLP

Toronto, Ontario
September 1, 2021

Chartered Professional Accountants
Licensed Public Accountants

HIGH PARK GREEN RECREATION CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2021

ASSETS

	<u>2021</u>	<u>2020</u>
Current		
Operating fund cash	<u>\$ 37,527</u>	<u>\$ 28,536</u>

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 10,150	\$ 4,479
Due to Y.C.C. No. 323	21,563	15,063
Due to Y.C.C. No. 435	<u>5,814</u>	<u>8,994</u>
	<u>37,527</u>	<u>28,536</u>

FUND BALANCE

Operating fund	<u>-</u>	<u>-</u>
	<u>\$ 37,527</u>	<u>\$ 28,536</u>

Approved on behalf of the Recreation Centre Committee:



Y.C.C. No. 323



Y.C.C. No. 435

See Notes to Financial Statements

HIGH PARK GREEN RECREATION CENTRE

STATEMENT OF OPERATING FUND

YEAR ENDED APRIL 30, 2021

	<u>2021</u> <u>Budget</u> (Note 5)	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenue			
Y.C.C. No. 323	\$ 45,156	\$ 45,156	\$ 45,180
Y.C.C. No. 435	78,552	78,552	78,720
Interest income	<u>492</u>	<u>110</u>	<u>587</u>
	<u>124,200</u>	<u>123,818</u>	<u>124,487</u>
Expenses (Note 3(b))			
Landscaping and snow removal	25,216	25,176	25,140
Landscaping extras	1,000	446	1,580
Management services	12,240	12,240	12,000
Office and general	1,008	878	936
Professional fees	1,920	1,896	1,848
Property management fees	6,564	6,563	6,428
Recreation facilities			
Repairs and maintenance	19,300	12,073	24,962
Staff	37,575	30,980	44,593
Salt and ice melter	9,735	7,642	10,811
Utilities	<u>9,642</u>	<u>10,314</u>	<u>9,451</u>
	<u>124,200</u>	<u>108,208</u>	<u>137,749</u>
Excess (deficiency) of revenue over expenses	<u>\$ -</u>	<u>15,610</u>	<u>(13,262)</u>
Recovered from (due to) member corporations as follows:			
Y.C.C. No. 323		(5,698)	4,841
Y.C.C. No. 435		<u>(9,912)</u>	<u>8,421</u>
		<u>(15,610)</u>	<u>13,262</u>
Fund Balance, end of year		<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

HIGH PARK GREEN RECREATION CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
Cash provided by (used in) operating activities		
Excess of revenue over expenses, net	\$ -	\$ -
Changes in working capital		
Accounts payable and accrued liabilities	5,671	(876)
Due to Y.C.C. No. 323	6,500	(2,387)
Due to Y.C.C. No. 435	<u>(3,180)</u>	<u>(8,421)</u>
Increase (decrease) in cash	8,991	(11,684)
Cash, beginning of year	<u>28,536</u>	<u>40,220</u>
Cash, end of year	<u>\$ 37,527</u>	<u>\$ 28,536</u>
Comprised of:		
Operating fund cash	<u>\$ 37,527</u>	<u>\$ 28,536</u>

See Notes to Financial Statements

HIGH PARK GREEN RECREATION CENTRE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

NATURE OF OPERATIONS

High Park Green Recreation Centre ("Recreation Centre") was created pursuant to an agreement between York Condominium Corporation No. 323 and York Condominium Corporation No. 435 for the purpose of maintaining the recreational facilities and lands in and around High Park Green.

These corporations are obliged to operate the Recreation Centre and to fund the annual budgeted expenditures. The shared percentages are as follows:

York Condominium Corporation No. 323	36.50%
York Condominium Corporation No. 435	<u>63.50%</u>
	<u>100.00%</u>

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are as follows:

Common Elements

The common elements administered under the Recreation Centre agreement are owned by York Condominium Corporation No. 323 and York Condominium Corporation No. 435 and consequently are not reflected as assets in these financial statements.

Reserve fund

Provision for the major repair and replacement of the common elements of the High Park Green Recreation Centre is included in the reserve fund of each member Corporation in the percentages as noted above.

Operating fund

Revenue and expenses for the general operations of the Recreation Centre are reported in the Statement of Operating Fund.

Revenue Recognition

Assessments are recognized as revenue based on the budget distributed to each member corporation. Interest and other revenue are recognized as revenue when earned.

Financial instruments

The Recreation Centre initially measures its financial assets and liabilities at fair value. The Recreation Centre subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value and the resultant impairment loss are recognized at each reporting date.

Financial assets measured at amortized cost include operating fund cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Y.C.C. No. 323 and Y.C.C. No. 435.

HIGH PARK GREEN RECREATION CENTRE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (cont'd)

The Recreation Centre has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management and the committee members to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the year. These estimates and assumptions are reviewed periodically and adjustments are reported in the year in which they become known.

Contributed Services

Committee members volunteer their time to assist in the activities of the entity. While these services benefit the entity considerably, a reasonable estimate of the time spent and its fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

2. COMMITMENTS

The Recreation Centre entered into the following contracts:

Type	Period	Annual Payment
Landscaping and snow removal	May 1, 2020 to April 30, 2023	\$ 25,216 *
Property management fees	May 1, 2021 to April 30, 2023	6,726
Recreational facilities staff	May 1, 2021 to October 31, 2023	37,576

* Subject to annual increases.

3. RELATED PARTY TRANSACTIONS

(a) No remuneration was paid to Committee members during the year.

(b) Certain expenses of the Recreation Centre were paid to York Condominium Corporation No. 323 as follows:

	2021	2020
Management services	\$ 12,240	\$ 12,000
Utilities	9,642	8,840

These transactions were in the normal course of operations and were measured at the exchange amount, being the amount agreed to by the transacting parties.

HIGH PARK GREEN RECREATION CENTRE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2021

4. FINANCIAL INSTRUMENTS AND RISK MANGEMENT

The Recreation Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposure and concentrations at the balance sheet date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Recreation Centre manages this risk by placing its operating cash and investments with high quality institutions. The Recreation Centre believes its financial exposure is not significant.

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its obligations as they become due. The Recreation Centre manages this risk by establishing budgets and funding plans and by levying sufficient member assessments to fund its operating expenses.

Interest rate risk

Interest rate risk is the risk of a potential financial loss caused by fluctuations in fair value of future cash flows of a financial instrument due to changes in market interest rates. The Recreation Centre is not exposed to this risk.

5. BUDGET INFORMATION

The 2021 budget amounts are presented for information purposes only. They were approved by the Recreation Centre's Committee and are unaudited.

6. UNCERTAINTY REGARDING COVID-19

The economy of the Province of Ontario has been significantly impacted by the world-wide coronavirus (COVID-19) pandemic. The duration of this pandemic and the related financial effect on the Recreation Centre's future operations, cash flows and financial position cannot be reasonably estimated at this time. The Committee members will continue to monitor the situation and will reflect any impact in the financial statements as appropriate.