

HIGH PARK GREEN RECREATION CENTRE

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 2018

Tapp & Company LLP

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INDEPENDENT AUDITOR'S REPORT

To the Recreation Centre Committee of High Park Green Recreation Centre

We have audited the accompanying financial statements of High Park Green Recreation Centre, which comprise the statement of financial position as at April 30, 2018, and the statements of operating fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of High Park Green Recreation Centre as at April 30, 2018, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in dark ink that reads "Tapp & Company LLP". The signature is written in a cursive, flowing style.

Toronto, Ontario
July 27, 2018

Chartered Professional Accountants
Licensed Public Accountants

HIGH PARK GREEN RECREATION CENTRE

STATEMENT OF OPERATING FUND

YEAR ENDED APRIL 30, 2018

	2018 <u>Budget</u> (Note 5)	2018 <u>Actual</u>	2017 <u>Actual</u>
Revenue			
Y.C.C. No. 323	\$ 42,000	\$ 42,000	\$ 42,000
Y.C.C. No. 435	72,000	72,000	72,000
Interest income	<u>178</u>	<u>500</u>	<u>287</u>
	<u>114,178</u>	<u>114,500</u>	<u>114,287</u>
Expenses (Notes 3(b) and (c))			
Landscaping and snow removal	23,712	23,712	24,486
Management services	11,300	11,300	11,100
Office and general	700	635	549
Professional fees	1,848	1,812	1,812
Property management fees	6,183	6,183	6,061
Recreation facilities:			
Repairs and maintenance	11,700	15,981	9,287
Staff	36,725	36,725	36,284
Salt and ice melter	12,145	10,400	8,143
Utilities	<u>9,865</u>	<u>8,850</u>	<u>10,729</u>
	<u>114,178</u>	<u>115,598</u>	<u>108,451</u>
Excess (deficiency) of revenue over expenses	<u>\$ -</u>	<u>(1,098)</u>	<u>5,836</u>
Recovered from (due to) member corporations as follows:			
Y.C.C. No. 323		401	(2,130)
Y.C.C. No. 435		<u>697</u>	<u>(3,706)</u>
		<u>1,098</u>	<u>(5,836)</u>
Fund Balance, end of year		<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements

HIGH PARK GREEN RECREATION CENTRE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

NATURE OF OPERATIONS

High Park Green 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 entity 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 entity initially measures its financial assets and liabilities at fair value. The entity 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, 2018

3. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Certain expenses of the entity were paid by York Condominium Corporation No.323 as follows:

	<u>2018</u>	<u>2017</u>
Management services	\$ 11,300	\$ 11,100
Utilities	8,165	9,949

(c) Certain expenses of the entity were paid by York Condominium Corporation No.435 as follows:

Utilities	\$ 684	\$ 780
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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.

4. FINANCIAL INSTRUMENTS AND RISK MANGEMENT

The entity 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 entity manages this risk by placing its operating cash and investments with high quality institutions. The entity 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 entity 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 entity is not exposed to this risk.

5. BUDGET INFORMATION

The 2018 budget amounts are presented for information purposes only. They were approved by the Recreation Centre's Committee and are unaudited.