

FINANCIAL STATEMENTS

RENFREW PARK

COMMUNITY ASSOCIATION

August 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
Renfrew Park Community Association

Opinion

We have audited the financial statements of Renfrew Park Community Association (the Association), which comprise the statement of financial position as at August 31, 2022, and the statements of changes in net assets, operations 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 the Association as at August 31, 2022, 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 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 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 audit 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 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 the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S 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 the 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 the 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 British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
November 11, 2022

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at August 31

	2022 \$	2021 \$
ASSETS		
Current		
Cash - operating	325,183	157,012
- gaming	85,772	102,855
Guaranteed investment certificates [note 4]	370,025	310,000
Accounts and grants receivable [note 5]	19,349	59,353
Prepaid expenses	10,374	734
Total current assets	810,703	629,954
Capital assets [note 6]	8,088	2,364
	818,791	632,318
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals [note 7]	159,815	34,205
Deferred revenue [note 8]	181,750	152,328
Total current liabilities	341,565	186,533
Canada Emergency Business Account loan [note 17]	40,000	40,000
Total liabilities	381,565	226,533
Net assets		
Invested in capital assets [note 11]	8,088	2,364
Internally restricted [note 11]	165,000	95,000
Unrestricted	264,138	308,421
Total net assets	437,226	405,785
	818,791	632,318

Joint operating agreement [note 15]

COVID-19 [note 16]

See accompanying notes to the financial statements

On behalf of the Board:

Albert Lee
Director

Chao Cheng
Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended August 31

	Invested in Capital Assets \$ [note 11]	Internally Restricted \$ [note 11]	Unrestricted \$	Total \$
2022				
Balance, beginning of year	2,364	95,000	308,421	405,785
Revenues over (under) expenses for the year	(3,982)	—	35,423	31,441
Acquisition of capital assets	9,706		(9,706)	—
Interfund transfers	—	70,000	(70,000)	—
Balance, end of year	8,088	165,000	264,138	437,226
2021				
Balance, beginning of year	5,102	—	334,211	339,313
Revenues over (under) expenses for the year	(2,738)	—	69,210	66,472
Interfund transfers	—	95,000	(95,000)	—
Balance, end of year	2,364	95,000	308,421	405,785

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year end August 31

	2022	2021
	\$	\$
REVENUE		
Program operations <i>[schedule]</i>	494,583	177,678
Grants <i>[note 9]</i>	126,304	101,327
Government assistance - wage subsidy <i>[note 16]</i>	9,186	174,142
- loan forgiveness <i>[note 17]</i>	—	20,000
Direct access gaming <i>[note 10]</i>	78,758	32,271
Facility rentals	52,788	1,000
Vending	4,603	—
Other	5,393	3,841
Interest	1,599	752
	773,214	511,011
EXPENSES		
Program operations <i>[schedule]</i>	382,349	185,631
Grants expense <i>[notes 9 and 14]</i>	126,304	101,327
Direct access gaming <i>[notes 10 and 14]</i>	78,758	32,271
Bookkeeping and business administration	42,900	42,900
Employment costs	29,838	25,320
Repairs and maintenance	23,119	24,244
Facility rentals <i>[note 14]</i>	13,971	—
Bank, credit card charges and online charges	12,249	4,203
Professional	7,080	6,980
Subscription fee <i>[note 15]</i>	6,495	2,047
Advertising and brochures	5,937	2,022
Meetings and development	4,513	2,640
Office, supplies and other <i>[note 14]</i>	4,278	10,510
Amortization of capital assets	3,982	2,738
Group I wages - Park Board <i>[note 14]</i>	—	1,379
Operation fee <i>[note 15]</i>	—	327
	741,773	444,539
Revenues over expenses for the year	31,441	66,472

Joint operating agreement *[note 15]*

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended August 31

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Revenues over expenses for the year	31,441	66,472
Item not affecting cash		
Amortization of capital assets	3,982	2,738
Changes in non-cash working capital items		
Accounts and grants receivable	40,004	3,395
Prepaid expenses	(9,640)	2,238
Accounts payable and accruals	125,610	(1,810)
Deferred revenue	29,422	63,757
Cash provided by operating activities	220,819	136,790
INVESTING ACTIVITIES		
Redemption (purchase) of guaranteed investment certificates	(60,025)	50,000
Acquisition of capital assets	(9,706)	—
Cash provided by (used in) investing activities	(69,731)	50,000
FINANCING ACTIVITIES		
Proceeds from Canada Emergency Business Account loan	—	20,000
Forgiveness of debt - Canada Emergency Business Account loan	—	(20,000)
Cash provided by financing activities	—	—
Increase in cash during the year	151,088	186,790
Cash, beginning of year	259,867	73,077
Cash, end of year	410,955	259,867
Cash consists of:		
Operating	325,183	157,012
Gaming	85,772	102,855
Totals	410,955	259,867

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

1. ORGANIZATION

The Association is incorporated pursuant to the British Columbia Societies Act, is a not-for-profit organization and is exempt from income taxes. The objectives of the Association are to provide affordable and quality facilities and programming to meet the diverse needs of the people of the Renfrew Park Community and to encourage use and participation of the Renfrew Park Community

2. GOVERNANCE AND OPERATIONS

The Association carries out these objectives through the operations of the Renfrew Park Community Centre pursuant to a Joint Operating Agreement ("JOA") with the City of Vancouver Board of Parks and Recreation ("Park Board").

The Association signed a new JOA effective January 1, 2018 *[note 15]*.

Use of the Renfrew Park Community Centre premises as well as the providing of certain operating expenses, such as various staff costs, are provided to the Association pursuant to the JOA with the Park Board. The value of the use of the facilities as well as these additional operating expenses has not been reflected in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. The most significant area requiring the use of management estimates include the estimated useful lives of capital assets. Actual results could differ from these estimates.

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (cont'd)

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Licensed preschool fee revenue is recognized in the month to which the services relate based on enrollment rates.

General program revenue is recognized over the period the related program operates.

Facility rentals revenue is recognized on the date the space is rented or over the period the space is rented out, if applicable.

Interest income is recognized as revenue in accordance with the terms of the underlying investment, which is generally with the passage of time.

Canadian Emergency Wage Subsidies are recognized as income when the Association meets the conditions of the program and when the Association is reasonably assured of collection of the respective claims.

Revenue from all other sources, except direct access gaming, is recognized when the respective program or service is provided.

Direct Access Gaming

Proceeds received from direct access gaming are recorded as revenue or deferred contributions related to capital assets, if applicable, in the year the related expenditures are incurred.

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, guaranteed investment certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and the Canada Emergency Business Account loan.

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement of Financial Instruments (cont'd)**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Amortization of furniture and equipment is recorded on a straight-line basis at a rate of 20% to 33% per year.

Donated Services

The Association and its members benefit greatly from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, the value of donated services is not recognized in these financial statements.

4. GUARANTEED INVESTMENT CERTIFICATES ("GIC")

The Association holds a GIC in the amount of \$350,000 with an interest rate of 0.52% and a maturity date of December 2022. The Association also holds GIC's in the amount of \$20,025 with interest rates of prime less 2.4% and maturity dates of January 2023.

\$20,000 of the GIC's are pledged as collateral for the Association's two credit cards.

5. ACCOUNTS AND GRANTS RECEIVABLE

	2022	2021
	\$	\$
Grants and other	18,001	14,925
Government receivable - Wage subsidy	—	43,029
- GST	—	910
Interest	1,348	489
	19,349	59,353
Allowance for doubtful accounts	—	—
	19,349	59,353

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

6. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2022			
Furniture and equipment	17,919	9,831	8,088
2021			
Furniture and equipment	8,213	5,849	2,364

7. ACCOUNTS PAYABLE AND ACCRUALS

	2022 \$	2021 \$
Trade and accruals	34,774	18,869
Government remittances - payroll	87,408	4,003
- GST	1,160	—
- WorkSafe BC	1,317	950
Park Board	35,156	10,383
	159,815	34,205

8. DEFERRED REVENUE

	2022 \$	2021 \$
Programs - pre-registration	64,979	—
Gaming	85,772	102,855
Licensed preschool fees	13,926	14,477
Various grants	15,276	32,836
Rentals	1,497	1,940
Other	300	220
	181,750	152,328

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

9. GRANTS

	2022	2021
	\$	\$
Summer camp	65,562	61,050
Health & Safety	10,777	13,000
Childcare operating	5,610	11,322
Wage Enhancement	18,001	9,928
New Horizons	20,023	4,977
BCRPA Family Day	1,404	786
BC Centre for Ability Association	4,927	264
	126,304	101,327

10. DIRECT ACCESS GAMING EXPENSES

	2022	2021
	\$	\$
Renfrew Youth Development		
- Wages and benefits	28,046	7,928
- Supplies and other	9,929	4,093
Renfrew Ravine Moon Festival		
- Wages and benefits	14,142	13,632
- Supplies and other	—	406
Renfrew Lunch program		
- Wages and benefits	9,504	2,077
- Supplies and other	1,255	2,747
Seniors Multicultural		
- Wages and benefits	15,183	651
- Supplies and other	699	737
Total	78,758	32,271

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

11. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT

The Associations' main objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial commitments and unforeseen external events. To assist with this objective, the Association has made the following internal restriction:

	2022	2021
	\$	\$
Capital projects:		
Audio/video upgrades	—	20,000
Air conditioning	135,000	75,000
Flooring upgrades	30,000	—
	165,000	95,000

Capital Projects

In 2021, the Association internally restricted \$95,000 for capital projects. \$20,000 was internally restricted to be used for audio/video upgrades and \$75,000 was internally restricted to be used for installation of air conditioning.

In 2022, the audio/video upgrades were completed and the Association internally restricted \$30,000 for flooring upgrades and an additional \$60,000 for the installation of air conditioning.

Invested in Capital Assets

The Association has internally restricted an amount equal to the net assets invested in capital assets.

12. INTERFUND TRANSFERS

As described in the statement of changes in net assets, interfund transfers are made between internally restricted net assets and unrestricted net assets to fund capital assets purchased, expenditures on the community kitchen renovations, amortization of capital assets, and amortization of deferred contributions related to capital assets.

13. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at August 31, 2022.

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.

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

13. FINANCIAL INSTRUMENTS (CONT'D)

The Association is exposed to credit risk with respect to its cash, guaranteed investment certificates, and accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The Association's cash and guaranteed investment certificates are invested with a large financial institution.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate risk on its guaranteed investment certificates in so far that the initial rate may be higher than the current interest rate obtained on maturity and renewal. The Association is also subject to interest rate risk with respect to the Canada Emergency Business Account loan.

14. WAGES AND CONTRACTOR REMUNERATION

Pursuant to the British Columbia Societies Act, the Association is required to disclose wages and benefits and fees paid to employees and contractors who are paid \$75,000 or more during the fiscal year.

In 2022, contractors, wages and benefits include \$109,971 [2021 - \$24,350] of expense provided by a contractor for Group I wages. Of this amount, \$72,872 [2021 - \$13,766] is included in program operations - wages and contractors, \$Nil [2021 - \$14] is included in grant expense, \$Nil [2021 - \$1,379] is included in Group I wages - Park Board, \$31,602 [2021 - \$4,617] is included in direct access gaming, \$5,497 [2021 - \$Nil] is included in facility rentals, and \$Nil [2021 - \$4,574] is included in office, supplies and other. The Group I wages cover the cost of several employees.

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

15. JOINT OPERATING AGREEMENT ("JOA")

In 2018, the Association signed a new JOA with the Park Board effective January 1, 2018 for ten (10) years with one five (5) year renewal term. Under the agreement, the Association will pay an operation fee to the Vancouver Park Board starting in year 2 for 1% of prior year's gross facility-generated revenue and in years 3-10 for 2% per year of the previous year's gross facility-generated revenue. Effective January 1, 2018, the Association will pay a 1% subscription fee for the ActiveNet registration system.

Due to the COVID-19 pandemic, the Park Board has waived the operation fee based on prior years revenues for the calendar years ending December 31, 2020 and December 31, 2021. As a result, the August 31, 2021 operating fee was only subject to the 2% fee for four months, and the August 31, 2022 operating fee was completely waived.

16. COVID-19

The centre was open for the 2021/2022 year but it had to operate within Provincial Health Officer Orders regarding Proof of Vaccination, capacity limits in our program spaces and mandatory masks. The orders impacted the number of participants in our programs but in the spring of 2022 all restrictions were lifted and we have resumed close to pre-pandemic registration numbers.

During the year, the Association received Canada Emergency Wage Subsidies in the amount of \$9,186 [2021 - \$174,142].

17. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

During the 2020 fiscal year, the Association applied for and received a \$40,000 loan under the Canada Emergency Business Account. In 2021, the Association applied for and received an additional \$20,000 loan. The loan is non-interest bearing until December 31, 2023, and then interest accrues at the prime rate until December 31, 2025, when the loan is due. If the loan is repaid on or before December 31, 2023, \$20,000 of the loan will be forgiven.

As the Association has met and expects to continue to comply with the loan's terms and conditions and expects to repay the loan on or before December 31, 2023, the forgivable portion of the \$60,000 loan or \$20,000, has been taken into 2021 income.

SCHEDULE OF REVENUES AND EXPENSES - PROGRAM OPERATIONS

Year ended August 31

		Expenses			
	Revenue	Wages and Contractors	Supplies and Other	Total	Net Income (Loss)
	\$	\$	\$	\$	\$
2022		<i>[note 14]</i>			
Licensed preschool	144,568	93,971	2,697	96,668	47,900
Preschoolers	35,020	22,739	1,478	24,217	10,803
Children	144,320	100,949	11,480	112,429	31,891
Adult	60,600	29,386	4,619	34,005	26,595
Senior	43,674	52,255	10,963	63,218	(19,544)
Chinese Seniors	1,034	—	2,151	2,151	(1,117)
Special events	1,868	12,967	3,648	16,615	(14,747)
Summer Day Camp	63,499	13,684	19,362	33,046	30,453
	494,583	325,951	56,398	382,349	112,234
2021					
Licensed preschool	84,654	103,520	2,799	106,319	(21,665)
Preschoolers	6,596	5,218	—	5,218	1,378
Children	40,083	29,145	4,124	33,269	6,814
Adult	7,259	1,144	—	1,144	6,115
Senior	7,154	16,518	1,203	17,721	(10,567)
Chinese Seniors	—	—	10	10	(10)
Special events	—	159	604	763	(763)
Summer Day Camp	31,932	15,598	5,589	21,187	10,745
	177,678	171,302	14,329	185,631	(7,953)



October 21, 2022

PRIVATE & CONFIDENTIAL

Renfrew Park Community Association
2929 East 22nd Avenue
Vancouver, BC
V5M 2Y3

Attention: Finance Committee (or equivalent)

Dear Committee Members:

Re: Audit Findings Letter

We have completed the audit of the financial statements of Renfrew Park Community Association for the year ending August 31, 2022. This letter has been prepared to assist you with your review of those financial statements.

Management is responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting. This includes the design and maintenance of accounting records, recording transactions, selecting and applying accounting policies, safeguarding of assets, and preventing and detecting fraud and error.

Our Responsibility as Auditors

As stated in the engagement letter, our responsibility as auditors of your Association is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the organization in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion) even though the audit is properly planned and performed.

It is important to understand that we review only internal control systems that could result in a material error on the financial statements if those systems were to fail. We review them with specific audit objectives, focusing only on certain assertions that apply to the financial statements. This means that an unqualified opinion on the financial statements does not necessarily mean that Renfrew Park Community Association's internal control systems are all operating as intended.

In our financial statement audit process, we have a unique opportunity to view certain financial systems and procedures and provide feedback. We consider this feedback to be an opportunity to assist you to improve the effectiveness of the Association's accounting and reporting systems. If recommendations



are made, it does not mean we consider the current internal controls and systems to be poor, nor are they a reflection on any person in the Association.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the audit committee.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by Renfrew Park Community Association are outlined in Note 3 to the financial statements.

- There were no significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- Estimated useful lives of capital assets

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that we believe should be specifically drawn to your attention, including any that are particularly significant or sensitive or that require significant judgments.

Uncorrected Misstatements

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current period have been corrected.

Evaluation of Internal Controls

A deficiency in internal control exists when a control is designed, implemented, or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

During the course of our audit, we encountered the following specific internal control matters that we wish to bring to your attention:



#	Internal Control	Implication for the Financial Statements	Recommendation
1	<i>The Board did not approve a motion to unrestrict the internal restrictions for audio/video upgrades.</i>	<i>Internally restricted net assets may be overstated.</i>	<i>We recommend that as expenditures are incurred for internal restrictions, a motion be passed by the Board to unrestrict the internally restricted net assets.</i>
	Management response:		
2	<i>The Board did not approve a motion to pay out scholarship awards for the recipients.</i>	<i>Expenses may be misstated.</i>	<i>We recommend that a motion be passed for all scholarship awards, including the names of the recipients.</i>
	Management response:		
3	<i>The Association has an inherent weakness in its internal controls due to the lack of segregation of duties with the bookkeeper also working as a cashier. The Association reduces this risk in a practical manner by review of the bank statements and bank reconciliations by the Treasurer, having cash sheets reviewed by the Recreation Facility Clerk, making use of an armored service for deposits, close review of management prepared financial statements, etc.</i>	<i>There is the potential for errors and fraud due to the inherent weakness in the internal controls.</i>	<i>We recommend that the Association always be aware of the inherent weakness in its internal controls due to the lack of segregation of duties.</i>
	Management response:		

Written Representations

In a separate communication we have requested and received a number of written representations from management with respect to their responsibility for the preparation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.



We would like to thank the board, management, and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss the contents of this letter with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Renfrew Park Community Association to assist them in carrying out and discharging their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

TOMPKINS WOZNY LLP

Acknowledgment of Finance Committee (or equivalent):

We have read and reviewed the above disclosures and understand and agree with the comments therein:

Name

Date

Name

Date