



FRIENDS OF HIGH PARK ZOO

FINANCIAL STATEMENTS

DECEMBER 31, 2013

FRIENDS OF HIGH PARK ZOO

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DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Friends of High Park Zoo

We have audited the accompanying financial statements of Friends of High Park Zoo, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion of 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 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Friends of High Park Zoo derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Friends of High Park Zoo. Therefore, we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses, and cash flows from operations for the year ending December 31, 2013, and current assets, and net assets as at December 31, 2013.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Friends of High Park Zoo as at December 31, 2013, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



February 18, 2014

Chartered Professional Accountants
Licensed Public Accountants

FRIENDS OF HIGH PARK ZOO
STATEMENT OF FINANCIAL POSITION

As at December 31	2013	2012
ASSETS		
Current		
Cash	\$ 46,096	\$ 45,938
Short-term investments (Note 3)	100,000	85,000
Accounts receivable	17,555	28,889
Prepaid expenses (Note 5)	1,548	57,000
	<u>\$ 165,199</u>	<u>\$ 216,827</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,500	\$ 2,260
Deferred revenue (Note 6)	-	40,000
	<u>2,500</u>	<u>42,260</u>
NET ASSETS		
Unrestricted	<u>162,699</u>	<u>174,567</u>
	<u>162,699</u>	<u>174,567</u>
	<u>\$ 165,199</u>	<u>\$ 216,827</u>

Approved by:

Director: _____

Director: _____

See accompanying notes to the financial statements

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FRIENDS OF HIGH PARK ZOO
STATEMENT OF OPERATIONS

	Year ending December 31, 2013	February 1 to December 31, 2012
REVENUE	<u>\$ 229,592</u>	<u>\$ 303,697</u>
EXPENSES		
Program expenses	228,000	114,000
Fundraising expenses	9,725	11,685
Professional fees	2,631	2,260
Insurance	774	-
Office and general	<u>330</u>	<u>1,185</u>
	<u>241,460</u>	<u>129,130</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u><u>\$ (11,868)</u></u>	<u><u>\$ 174,567</u></u>

FRIENDS OF HIGH PARK ZOO
STATEMENT OF CHANGES IN NET ASSETS

	Year ending December 31, 2013	February 1 to December 31, 2012
<hr/>		
NET ASSETS CONSIST OF:		
Unrestricted net assets		
Balance, beginning of the year	\$ 174,567	\$ -
Excess (deficiency) of revenue over expenses	(11,868)	174,567
	<hr/>	<hr/>
Balance, end of the year	162,699	174,567
	<hr/>	<hr/>
NET ASSETS, end of the year	\$ 162,699	\$ 174,567
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FRIENDS OF HIGH PARK ZOO
STATEMENT OF CASH FLOWS

	Year ending December 31, 2013	February 1 to December 31, 2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (11,868)	\$ 174,567
Changes in non-cash working capital:		
Short-term investments	(15,000)	(85,000)
Accounts receivable	11,334	(28,889)
Prepaid expenses	55,452	(57,000)
Accounts payable and accrued liabilities	240	2,260
Deferred revenue	(40,000)	40,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>158</u>	<u>45,938</u>
NET INCREASE IN CASH	158	45,938
CASH, beginning of the year	<u>45,938</u>	-
CASH, end of the year	<u><u>\$ 46,096</u></u>	<u><u>\$ 45,938</u></u>

**FRIENDS OF HIGH PARK ZOO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

1. PURPOSE OF THE ORGANIZATION

Friends of High Park Zoo (the "Organization") is a non-profit organization dedicated to the ongoing operation and the enhancement of programs and facilities for educational and recreational projects at High Park Zoo. The Organization was formed to raise the necessary funds to ensure that High Park Zoo, which was founded in 1893, could continue its operations. On January 30, 2014, the City of Toronto approved the restoration of operating funding effective January 1, 2014.

The Organization was incorporated without share capital under the laws of the Province of Ontario on March 15, 2012 and is exempt from income tax under section 149 of the Income Tax Act, however the Organization commenced its activities from February 1, 2012. The Organization is not a registered charity.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations applied in Part III of the Chartered Professional Accountants of Canada Handbook.

Revenue Recognition

The Organization follows the deferral method of accounting for revenue. Restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized. Restricted contributions for expenses of the current period are recognized as revenue in the current period. Unrestricted contributions are recognized as revenue in the current period.

Contributions receivable (including grants and pledged donations) are recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured over the term specified by the donor.

FRIENDS OF HIGH PARK ZOO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

Donated goods and services and all other in-kind donations are recognized only when the fair market value of such services or materials can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. Services provided by volunteers are not recorded in these financial statements as the value of these services cannot be readily determined. Because of the difficulty of determining the fair value, donated goods for fundraising events are not recognized in the financial statements.

Financial instruments

The Organization's financial instruments consist of short-term investments, account receivable, and accounts payable and accrued liabilities. Management has elected to carry these financial instruments at fair value.

Use of Estimates

The preparation of financial statements 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 reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. SHORT-TERM INVESTMENTS

	2013	2012
Guaranteed investment certificates	\$ 100,000	\$ 85,000

The guaranteed investment certificate bears interest at 0.8% with a maturity date of December 31, 2013. Short-term investment income is recorded as earned and is included in the revenues.

FRIENDS OF HIGH PARK ZOO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

4. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Organization is exposed to the following risks through its financial instruments at the balance sheet date:

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to donations receivable from Toronto Parks and Trees Foundation.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's liquidity risk relates to its accounts payable and accrued liabilities. The amounts and exposure to this risk are minimal as the liabilities are small in comparison to the cash available.

5. PREPAID EXPENSES

Prepaid expenses for fiscal 2013 consist of prepaid insurance. During fiscal 2012, an amount of \$57,000 was paid to the City of Toronto by Toronto Parks and Trees Foundation (on behalf of Friends of High Park Zoo) related to program expenses for fiscal 2013. These amounts have been recognized as program expenses in the statement of operations during the current year.

6. DEFERRED REVENUE

In the prior year, deferred revenue of \$40,000 consisted of donations received with a restriction specified by donors that these funds will be used in fiscal 2013. These restricted contributions have been recognized as revenue in the current year as the related expenses were incurred. There is no deferred revenue for fiscal 2013.