

**YORK CONDOMINIUM CORPORATION NO. 323**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**APRIL 30, 2010**

YORK CONDOMINIUM CORPORATION NO. 323

APRIL 30, 2010

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**Arthur Elliott**

Chartered  
Accountant

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## AUDITOR'S REPORT

To the Members of  
York Condominium Corporation No. 323

I have audited the statement of financial position of York Condominium Corporation No. 323 as at April 30, 2010 and the statements of operations and fund balance, reserve fund operations and fund balance and cash flows for the year then ended. These financial statements are the responsibility of the corporation's board of directors. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at April 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



LICENCED PUBLIC ACCOUNTANT

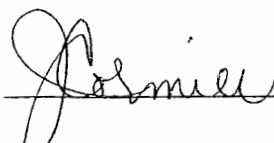
TORONTO, CANADA

AUGUST 26, 2010

	<u>2010</u>	April 30 <u>2009</u>
	\$	\$
<b>ASSETS - RESERVE FUND</b>		
Cash	68,023	313,474
Investments (market value)	262,818	737,888
Due from operating fund	<u>27,699</u>	<u>-</u>
	<u>358,540</u>	<u>1,051,362</u>
<b>ASSETS - OPERATING FUND</b>		
Cash - operating fund	176,141	176,370
Accounts receivable	19,554	-
Prepaid expenses and sundry assets	49,120	30,383
Participating interest in High Park Green Recreation Centre	<u>12,377</u>	<u>8,555</u>
	<u>257,192</u>	<u>215,308</u>
	<u>615,732</u>	<u>1,266,670</u>
<b>LIABILITIES - RESERVE FUND</b>		
Accounts payable and accrued liabilities	<u>16,745</u>	<u>273,067</u>
<b>LIABILITIES - OPERATING FUND</b>		
Due to reserve fund	27,699	-
Accounts payable and accrued liabilities - operating fund	<u>66,534</u>	<u>103,073</u>
	<u>94,233</u>	<u>103,073</u>
	<u>110,978</u>	<u>376,140</u>
<b>FUND BALANCES</b>		
RESERVE FUND	341,795	824,985
OPERATING FUND	<u>162,959</u>	<u>65,545</u>
	<u>504,754</u>	<u>890,530</u>
	<u>615,732</u>	<u>1,266,670</u>

APPROVED ON BEHALF OF THE BOARD:

 \_\_\_\_\_ DIRECTOR

 \_\_\_\_\_ DIRECTOR

**YORK CONDOMINIUM CORPORATION NO. 323**

**STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE**

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	<u>2010</u>	April 30	<u>2009</u>
	\$		\$
<b>REVENUE</b>			
Allocation of common element assessments	600,000		600,000
Transfer from operating fund	-		38,522
Interest earned	<u>23,052</u>		<u>29,681</u>
	<u>623,052</u>		<u>668,203</u>
<b>EXPENDITURES</b>			
Garage roof slab repairs	-		82,681
Balcony repairs	1,047,710		224,222
Consulting	32,130		-
Cladding	2,481		-
Fire safety	3,337		-
Interior finishes	3,627		-
Heating, ventilation and air conditioning	12,443		-
Electrical mechanical	4,514		-
Windows	-		19,954
Landscape	-		21,532
Mechanical penthouse	-		33,023
Roof repair	-		200,557
Roof flood repairs	-		25,437
Fence and railings	-		7,832
Automatic emergency power switch	-		46,200
Equipment and appliances	-		16,593
Security equipment	-		10,348
West stairs repair	-		4,053
Heating riser	<u>-</u>		<u>1,401</u>
	<u>1,106,242</u>		<u>693,833</u>
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<b>(483,190)</b>		<b>(25,630)</b>
<b>FUND BALANCE, BEGINNING OF THE YEAR</b>	<u>824,985</u>		<u>850,615</u>
<b>FUND BALANCE, END OF THE YEAR (Note 4)</b>	<u>341,795</u>		<u>824,985</u>

**YORK CONDOMINIUM CORPORATION NO. 323**

**STATEMENT OF OPERATIONS AND FUND BALANCE**

	2010 Budget (Note 5) \$	2010 Actual \$	April 30 2009 Actual \$
<b>REVENUE</b>			
Total common element assessments.	1,663,970	1,663,969	1,629,738
Miscellaneous income	<u>21,500</u>	<u>24,226</u>	<u>19,498</u>
	1,685,470	1,688,195	1,649,236
Less: Allocation to Reserve for Major Replacement and Repairs	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
General operating assessments	<u>1,085,470</u>	<u>1,088,195</u>	<u>1,049,236</u>
<b>EXPENDITURES</b>			
Utilities (Schedule)	494,540	444,411	452,862
Building services (Schedule)	106,804	95,507	96,548
Building maintenance and repairs (Schedule)	170,769	168,277	147,876
Staff wages and fees (Schedule)	166,776	170,619	158,878
Administration (Schedule)	73,683	72,525	69,125
High Park Green Recreation Centre (Note 3)	42,900	34,441	37,574
Contingency	<u>30,000</u>	<u>5,001</u>	<u>29,076</u>
	<u>1,085,472</u>	<u>990,781</u>	<u>991,939</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<u>(2)</u>	97,414	57,297
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>65,545</u>	<u>46,770</u>
		162,959	104,067
Less: Transfer to reserve		<u>-</u>	<u>38,522</u>
<b>FUND BALANCE, END OF YEAR</b>		<u>162,959</u>	<u>65,545</u>

YORK CONDOMINIUM CORPORATION NO. 323

SCHEDULE OF EXPENSES

	2010 Budget (Note 5) \$	2010 Actual \$	April 30 2009 Actual \$
<b>UTILITIES</b>			
Natural gas	189,051	176,088	195,969
Electrical energy	215,762	195,988	188,708
Water	<u>89,727</u>	<u>72,335</u>	<u>68,185</u>
	<u>494,540</u>	<u>444,411</u>	<u>452,862</u>
<b>BUILDING SERVICES</b>			
Sports facility	1,200	800	914
Cable television	58,104	57,522	57,522
Refuse removal	25,900	16,072	16,830
Security	1,700	1,528	981
Parking garage cleaning	3,000	1,470	3,072
Building cleaning	<u>16,900</u>	<u>18,115</u>	<u>17,229</u>
	<u>106,804</u>	<u>95,507</u>	<u>96,548</u>
<b>BUILDING MAINTENANCE AND REPAIRS</b>			
Electrical	5,200	5,818	3,907
Elevator	13,208	11,045	12,481
Air conditioning	26,070	26,260	36,670
Plumbing	18,900	22,185	19,522
Doors, hardware and windows	9,304	9,841	9,203
Grounds	28,217	26,712	25,827
General mechanical	31,500	34,261	-
Garage	2,000	1,555	5,911
Fire protection	6,078	3,908	4,341
Concrete	750	-	-
General	<u>29,542</u>	<u>26,692</u>	<u>30,014</u>
	<u>170,769</u>	<u>168,277</u>	<u>147,876</u>
<b>STAFF WAGES AND FEES</b>			
Staff wages and benefits	80,856	84,700	78,377
Property management	<u>85,920</u>	<u>85,919</u>	<u>80,501</u>
	<u>166,776</u>	<u>170,619</u>	<u>158,878</u>
<b>ADMINISTRATION</b>			
Consulting fees	7,500	5,733	9,659
Insurance	35,120	29,802	28,049
Legal and audit	9,600	21,041	11,783
Administration expenses	<u>21,463</u>	<u>15,949</u>	<u>19,634</u>
	<u>73,683</u>	<u>72,525</u>	<u>69,125</u>

	April 30	
	<u>2010</u>	<u>2009</u>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operations</b>		
Excess of revenue over expenditures	97,414	18,775
<b>Reserve operations</b>		
Net (decrease) in reserve fund	<u>(483,190)</u>	<u>(25,630)</u>
	<u>(385,776)</u>	<u>(6,855)</u>
<b>Change in non-cash working capital</b>		
(Increase) decrease in accounts receivable	(19,554)	753
(Increase) in prepaid expenses and sundry assets	(18,737)	(2,416)
(Increase) in participating interest in High Park Green Recreation Centre	(3,822)	(3,864)
Increase (decrease) in accounts payable and accrued liabilities	<u>(292,861)</u>	<u>272,768</u>
	<u>(334,974)</u>	<u>267,241</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(720,750)	260,386
<b>CASH AT BEGINNING OF THE YEAR</b>	<u>1,227,732</u>	<u>967,346</u>
<b>CASH AT END OF THE YEAR</b>	<u><u>506,982</u></u>	<u><u>1,227,732</u></u>
<b>CASH CONSIST OF:</b>		
Reserve Fund	330,841	1,051,362
Operating Fund	<u>176,141</u>	<u>176,370</u>
	<u><u>506,982</u></u>	<u><u>1,227,732</u></u>



# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2010

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**Note 1:** The corporation created under the Condominium Act of Ontario, is a corporation without share capital whose purpose is to manage and maintain for its members, as owners, their common elements and interest in the 193 dwelling units of a high rise building and 9 townhouse units in the City of Toronto.

**Note 2:** Summary of Significant Accounting Policies

**(a) Fund Accounting**

The corporation follows the restricted fund method of accounting for contributions.

The Operating Fund reports the contributions from owners and expenses related to the operations and administration of the common elements.

The Corporation has accumulated Operating Fund balance of \$162,959 at April 30, 2010. It is planned to use this for future Operating costs, and future Operating Contingency, and thereby help to minimize future Common Element Assessments increases.

The reserve fund reports the contributions from owners and expenditures for major repairs and replacements costs of the common elements and assets. Only major repairs and replacements of common elements are charged directly to this reserve fund. Minor repairs and replacements are charged to repairs and maintenance of the operating fund. The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in special accounts, for use only to finance such charges. Interest earned on these amount is credited directly to the reserve fund.

**(b) Revenue Recognition**

Owners assessments are recognized as revenue in the statement of operations monthly based on the budget approved by the Directors.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(d) Contributed Services

Directors, committee members and owners volunteer their time to assist in the Corporation's activities. While these services benefit the Corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

Note 3: Major Commitments

(a) High Park Green Recreation Centre

The recreation centre is a common element to both York Condominium Corporation No. 323 and York Condominium Corporation No. 435. According to the agreements under the respective By-laws of these corporations the centre's costs are to be shared in the following portions:

York Condominium Corporation No. 323	36.5%
York Condominium Corporation No. 435	63.5%

The centre's net expenses for the year ended April 30, 2010 were \$ 94,354 (2009 - \$94,079). The corporation's share is \$34,441.

(b) Fixed Price Gas Contract

In November 2009, the 5 year Gas Contract for January 1<sup>st</sup>, 2007 to December 31, 2011 was cancelled and replaced with a new 2 year Gas Contract for January 1<sup>st</sup>, 2010 to December 31, 2011 valued at about \$208,000. This change will result in an estimated cost reduction of about \$118,000 over the two years. The penalty cost to cancel the Contract was \$34,584, which was expensed in this financial year as part of the utilities-natural gas expense.

## YORK CONDOMINIUM CORPORATION NO. 323

NOTES TO THE FINANCIAL STATEMENTS  
APRIL 30, 2010

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The corporation and directors believe there are amount which will reduce natural gas expense of past years as a result of an agreement related to a gas contract. The amounts are being verified and have not been included in these statements.

### Note 4: Reserve Fund

The Corporation, as required by the Condominium Act, 1998, has established a reserve fund for financing future major repairs and replacements of the common elements and assets.

The directors have used the updated comprehensive reserve fund study of Gillespie Building Consultants Inc. dated July 15, 2010 and such other information as was available to them in evaluating the adequacy of annual contributions to the reserve fund for major repairs and maintenance. The study projected a reserve fund balance on April 30, 2010 of \$250,000.

The reserve is evaluated on the basis of expected repairs and replacement costs and life expectancy of the common elements and assets on the Corporation. Such evaluation is based on numerous assumptions as to future events.

The balcony repair project was completed in December 2009 at final cost of \$1,304,062 over two financial years. There is two year warranty for this project until December 2011, and the Corporation has a Performance Bond of \$490,635 from Brook Restoration for the two years.

**Note 5: Budget**

The budgeted figures as presented for comparison purposes are those as approved by the Board, reclassified to conform with these financial statements. The budget information is unaudited and should not be considered as part of the financial statements on which an opinion has been rendered by the auditor.

**Note 6: Financial Instruments**

The financial instruments consist of cash, GIC's, accounts payable and accruals. Unless otherwise noted, it is the Directors opinion that the Corporation is not exposed to significant interest rate or credit risk arising from its financial instruments and that the fair value of its financial instruments approximate their carrying value

**Note 7: Related Party Transactions**

No remuneration was paid to directors and officers during the year and they had no interest in any transactions. Management, in addition to fees is reimbursed for certain administrative costs. These transactions were in the normal course of operations and were measured at the exchange amount.