

**YORK CONDOMINIUM CORPORATION NO. 323**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**APRIL 30, 2011**

**YORK CONDOMINIUM CORPORATION NO. 323**

**APRIL 30, 2011**

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Arthur Elliott

Chartered Accountant

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**YORK CONDOMINIUM CORPORATION NO. 323**

I have audited the accompanying financial statements of York Condominium Corporation No. 323, which comprise the statement of financial position as at April 30, 2011, and the statements of operating fund and cash flows for the year 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 generally accepted accounting principles, 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**

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 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 judgement, 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 York Condominium Corporation No. 323's preparation and fair presentation of the financial statement 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 York Condominium Corporation No. 323'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of York Condominium Corporation No. 323 as at April 30, 2011, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



LICENCED PUBLIC ACCOUNTANT  
TORONTO, CANADA  
AUGUST 13, 2011


YORK CONDOMINIUM CORPORATION NO. 323

STATEMENT OF FINANCIAL POSITION

	2011	April 30 2010
	\$	\$
<b>ASSETS - RESERVE FUND</b>		
Cash	596,763	68,023
Investments (market value)	348,771	262,818
Due from operating fund	<u>5,701</u>	<u>27,699</u>
	<u>951,235</u>	<u>358,540</u>
<b>ASSETS - OPERATING FUND</b>		
Cash - operating fund	256,992	176,141
Accounts receivable	3,222	19,554
Prepaid expenses and sundry assets	5,045	49,120
Participating interest in High Park Green Recreation Centre (Note 3)	<u>15,275</u>	<u>12,377</u>
	<u>280,534</u>	<u>257,192</u>
	<u>1,231,769</u>	<u>615,732</u>
<b>LIABILITIES - RESERVE FUND</b>		
Accounts payable and accrued liabilities	<u>2,147</u>	<u>16,745</u>
<b>LIABILITIES - OPERATING FUND</b>		
Due to reserve fund	5,701	27,699
Accounts payable and accrued liabilities - operating fund	<u>73,177</u>	<u>66,534</u>
	<u>78,878</u>	<u>94,233</u>
	<u>81,025</u>	<u>110,978</u>
<b>FUND BALANCES</b>		
RESERVE FUND	949,088	341,795
OPERATING FUND	<u>201,656</u>	<u>162,959</u>
	<u>1,150,744</u>	<u>504,754</u>
	<u>1,231,769</u>	<u>615,732</u>

APPROVED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_ DIRECTOR

  
 \_\_\_\_\_ DIRECTOR  
 Sean P. Cummins

YORK CONDOMINIUM CORPORATION NO. 323

STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE

	April 30	
	<u>2011</u>	<u>2010</u>
	\$	\$
<b>REVENUE</b>		
Allocation of common element assessments	650,000	600,000
Transfer from operating fund		-
Interest earned	<u>11,870</u>	<u>23,052</u>
	<u>661,870</u>	<u>623,052</u>
<b>EXPENDITURES</b>		
Balcony repairs	1,590	1,047,710
Consulting	-	32,130
Cladding	-	2,481
Fire safety	1,102	3,337
Interior finishes	11,676	3,627
Heating, ventilation and air conditioning	28,741	12,443
Electrical mechanical	-	4,514
Window caulking and patio door	1,543	-
Outdoor site costs	3,111	-
Mechanical penthouse	610	-
Garbage chute	5,412	-
Roof related repairs	<u>792</u>	<u>-</u>
	<u>54,577</u>	<u>1,106,242</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<b>607,293</b>	<b>(483,190)</b>
<b>FUND BALANCE, BEGINNING OF THE YEAR</b>	<b><u>341,795</u></b>	<b><u>824,985</u></b>
<b>FUND BALANCE, END OF THE YEAR (Note 4)</b>	<b><u>949,088</u></b>	<b><u>341,795</u></b>

YORK CONDOMINIUM CORPORATION NO. 323

STATEMENT OF OPERATIONS AND FUND BALANCE

	2011 Budget (Note 5) \$	2011 Actual \$	April 30 2010 Actual \$
<b>REVENUE</b>			
Total common element assessments.	1,663,969	1,663,969	1,663,969
Miscellaneous income	<u>20,385</u>	<u>18,813</u>	<u>24,226</u>
	1,684,354	1,682,782	1,688,195
Less: Allocation to Reserve for Major Replacement and Repairs	<u>650,000</u>	<u>650,000</u>	<u>600,000</u>
General operating assessments	<u>1,034,354</u>	<u>1,032,782</u>	<u>1,088,195</u>
<b>EXPENDITURES</b>			
Utilities (Schedule)	443,799	412,906	444,411
Building services (Schedule)	107,731	100,564	95,507
Building maintenance and repairs (Schedule)	172,148	157,903	168,277
Staff wages and fees (Schedule)	184,570	184,666	170,619
Administration (Schedule)	76,266	72,334	72,525
High Park Green Recreation Centre (Note 3)	38,220	34,572	34,441
Contingency	<u>30,000</u>	<u>31,140</u>	<u>5,001</u>
	<u>1,052,734</u>	<u>994,085</u>	<u>990,781</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<u>(18,380)</u>	38,697	97,414
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>162,959</u>	<u>65,545</u>
<b>FUND BALANCE, END OF YEAR</b>		<u>201,656</u>	<u>162,959</u>

	2011 Budget (Note 5) \$	2011 Actual \$	April 30 2010 Actual \$
<b>UTILITIES</b>			
Natural gas	143,589	138,824	176,088
Electrical energy	213,426	205,433	195,988
Water	<u>86,784</u>	<u>68,649</u>	<u>72,335</u>
	<u>443,799</u>	<u>412,906</u>	<u>444,411</u>
<b>BUILDING SERVICES</b>			
Sports facility	1,320	1,108	800
Cable television	61,080	59,663	57,522
Refuse removal	19,900	17,991	16,072
Security	2,160	2,160	1,528
Parking garage cleaning	4,540	3,164	1,470
Building cleaning	<u>18,731</u>	<u>16,478</u>	<u>18,115</u>
	<u>107,731</u>	<u>100,564</u>	<u>95,507</u>
<b>BUILDING MAINTENANCE AND REPAIRS</b>			
Electrical	5,800	4,244	5,818
Elevator	13,155	11,976	11,045
Air conditioning	28,812	29,333	26,260
Plumbing	21,300	9,826	22,185
Doors, hardware and windows	10,752	10,569	9,841
Grounds	32,974	31,072	26,712
General mechanical	16,800	25,960	34,261
Garage	2,000	2,712	1,555
Fire protection	8,995	8,740	3,908
Concrete	750	-	-
General	<u>30,810</u>	<u>23,471</u>	<u>26,692</u>
	<u>172,148</u>	<u>157,903</u>	<u>168,277</u>
<b>STAFF WAGES AND FEES</b>			
Staff wages and benefits	84,274	84,220	84,700
Property management	<u>100,296</u>	<u>100,446</u>	<u>85,919</u>
	<u>184,570</u>	<u>184,666</u>	<u>170,619</u>
<b>ADMINISTRATION</b>			
Consulting fees	7,200	6,623	5,733
Insurance	39,020	34,657	29,802
Legal and audit	9,800	13,671	21,041
Administration expenses	<u>20,246</u>	<u>17,383</u>	<u>15,949</u>
	<u>76,266</u>	<u>72,334</u>	<u>72,525</u>

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STATEMENT OF CASH FLOWS

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	April 30	
	2011	2010
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operations</b>		
Excess of revenue over expenditures	38,697	97,414
<b>Reserve operations</b>		
Net increase (decrease) in reserve fund	<u>607,293</u>	<u>(483,190)</u>
	<u>645,990</u>	<u>(385,776)</u>
<b>Change in non-cash working capital</b>		
(Increase) decrease in accounts receivable	19,404	(19,554)
(Increase) decrease in prepaid expenses and sundry assets	41,003	(18,737)
(Increase) in participating interest in High Park Green Recreation Centre	(2,898)	(3,822)
(Decrease) in accounts payable and accrued liabilities	<u>(7,955)</u>	<u>(292,861)</u>
	<u>49,554</u>	<u>(334,974)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	695,544	(720,750)
<b>CASH AT BEGINNING OF THE YEAR</b>	<u>506,982</u>	<u>1,227,732</u>
<b>CASH AT END OF THE YEAR</b>	<u><u>1,202,526</u></u>	<u><u>506,982</u></u>
<b>CASH CONSIST OF:</b>		
Reserve Fund	945,534	330,841
Operating Fund	<u>256,992</u>	<u>176,141</u>
	<u><u>1,202,526</u></u>	<u><u>506,982</u></u>



**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 \$201,656 at April 30, 2011. 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.

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NOTES TO THE FINANCIAL STATEMENTS  
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(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**

**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, 2011 were \$94,717 (2010 - \$94,354). The corporation's share is \$34,572.

The corporation has grouped its asset Participating interest of \$16,025 with a payable to the recreation centre of \$750. The presentation agrees to the format used in the audited statements of High Park Green Recreation Centre.

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**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, 2011 of \$649,426.

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.

**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.

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**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.