

**YORK CONDOMINIUM CORPORATION NO. 323**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2012**

**YORK CONDOMINIUM CORPORATION NO. 323**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2012**

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**TAPP & COMPANY**  
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## INDEPENDENT AUDITOR'S REPORT

### To the Owners of York Condominium Corporation No. 323

We have audited the accompanying financial statements of York Condominium Corporation No. 323, which comprise the statement of financial position as at April 30, 2012, and the statements of reserve fund, operating fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management and Directors Responsibility for the Financial Statements

Management and Directors are 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 and the Directors 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 corporation'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 corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Directors, 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 York Condominium Corporation No. 323 as at April 30, 2012, 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.



Tapp & Company

Toronto, Ontario  
July 23, 2012

Chartered Accountants  
Licensed Public Accountants

# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2012

### ASSETS

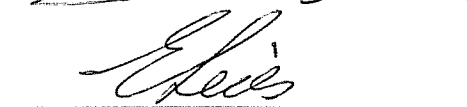
	<u>2012</u>	<u>2011</u>
Current		
Cash – operating fund	\$ 288,750	\$ 256,992
Accounts receivable	-	3,222
Due from High Park Green Recreation Centre	19,362	15,275
Prepaid expenses and sundry receivable	<u>37,607</u>	<u>5,045</u>
	345,719	280,534
Reserve cash and investments (Note 3)	<u>1,585,837</u>	<u>951,235</u>
	<u>\$1,931,556</u>	<u>\$1,231,769</u>

### LIABILITIES AND FUND BALANCES

Current		
Accounts payable and accrued liabilities:		
Operating fund	\$ 68,167	\$ 73,177
Reserve fund	12,368	2,147
Due to reserve fund	<u>150,000</u>	<u>5,701</u>
	<u>230,535</u>	<u>81,025</u>
Fund balances		
Reserve fund (Note 5)	1,573,469	949,088
Operating fund	<u>127,552</u>	<u>201,656</u>
	<u>1,701,021</u>	<u>1,150,744</u>
	<u>\$1,931,556</u>	<u>\$1,231,769</u>

Approved on behalf of the Board:

 Director

 Director

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF RESERVE FUND

YEAR ENDED APRIL 30, 2012

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ <u>949,088</u>	<u>\$341,795</u>
Add:		
Allocation from owners' assessments	672,750	650,000
Interest income	22,091	11,870
Transfer from operating fund	<u>150,000</u>	<u>-</u>
	<u>844,841</u>	<u>661,870</u>
Deduct:		
Balcony repairs	-	1,590
Boiler replacement	131,238	-
Exercise equipment	5,820	-
Fence replacement – Gothic Avenue	15,370	-
Fire safety	-	1,102
Garage/concrete leak repairs	47,291	-
Garbage chute	-	5,412
HVAC	4,643	29,351
Interior finishes	-	11,676
Outdoor site costs	-	3,111
Plumbing repairs	4,350	-
Roof related repairs	-	792
Security equipment	6,464	-
Windows and doors	<u>5,284</u>	<u>1,543</u>
	<u>220,460</u>	<u>54,577</u>
Balance, end of year	<u>\$1,573,469</u>	<u>\$949,088</u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF OPERATING FUND

YEAR ENDED APRIL 30, 2012

	<u>2012</u> <u>Budget</u> (Note 9)	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenue			
Owners' assessment	\$1,663,969	\$1,663,969	\$1,663,969
Interest and sundry income	<u>15,954</u>	<u>20,004</u>	<u>18,813</u>
	1,679,923	1,683,973	1,682,782
Less allocation to reserve fund	<u>(672,750)</u>	<u>(672,750)</u>	<u>(650,000)</u>
	<u>1,007,173</u>	<u>1,011,223</u>	<u>1,032,782</u>
 Expenses (Pages 5 and 6)			
Administration	74,846	57,828	72,333
Contract services	266,705	258,985	250,977
Recreation Centre	38,220	34,883	34,572
Repairs and maintenance	113,380	94,031	139,077
Utilities	481,147	404,358	412,906
Wages and benefits	<u>84,902</u>	<u>85,242</u>	<u>84,220</u>
	<u>1,059,200</u>	<u>935,327</u>	<u>994,085</u>
 Excess (deficiency) of revenue over expenses	<u>\$ (52,027)</u>	75,896	38,697
 Balance, beginning of year		<u>201,656</u>	<u>162,959</u>
		277,552	201,656
Less: Transfer to reserve fund		<u>(150,000)</u>	<u>-</u>
 Balance, end of year		<u>\$ 127,552</u>	<u>\$ 201,656</u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## SCHEDULE OF EXPENSES

YEAR ENDED APRIL 30, 2012

	2012 <u>Budget</u> (Note 9)	2012 <u>Actual</u>	2011 <u>Actual</u>
Administration			
Bank charges	\$ 396	\$ 295	\$ 298
Insurance	40,400	32,844	34,657
Meetings	2,500	2,571	2,490
Office and general	9,450	7,849	8,856
Professional fees	16,100	8,617	20,294
Telephones	<u>6,000</u>	<u>5,652</u>	<u>5,738</u>
	<u>74,846</u>	<u>57,828</u>	<u>72,333</u>
Contract Services			
Access control	1,020	926	1,235
Cable TV	64,864	64,871	59,663
Carpet cleaning	3,450	3,434	3,270
Elevators	11,760	11,605	11,113
Fire protection	7,345	4,365	4,473
Garage cleaning	4,600	1,580	3,164
Garage doors	600	563	-
Grounds maintenance	25,820	25,769	24,978
HVAC	31,026	31,158	29,333
Management fees	104,700	104,697	100,446
Pest control	1,320	1,309	1,463
Waste disposal	6,000	4,482	7,418
Window washing	<u>4,200</u>	<u>4,226</u>	<u>4,421</u>
	<u>266,705</u>	<u>258,985</u>	<u>250,977</u>
Recreation Centre (Note 4)	<u>38,220</u>	<u>34,883</u>	<u>34,572</u>
Repairs and Maintenance			
Building safety	8,050	6,836	9,462
Common area housekeeping	32,100	25,103	38,113
Electrical	12,360	8,049	11,096
Exterior	7,550	6,622	6,377
General	20,520	17,180	34,938
Mechanical	<u>32,800</u>	<u>30,241</u>	<u>39,091</u>
	<u>113,380</u>	<u>94,031</u>	<u>139,077</u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## SCHEDULE OF EXPENSES (CONTINUED)

YEAR ENDED APRIL 30, 2012

	2012 <u>Budget</u> (Note 9)	2012 <u>Actual</u>	2011 <u>Actual</u>
Utilities			
Gas	\$177,353	\$127,341	\$138,824
Hydro	218,309	201,949	205,433
Water	<u>85,485</u>	<u>75,068</u>	<u>68,649</u>
	<u>481,147</u>	<u>404,358</u>	<u>412,906</u>
Wages and Benefits			
Employee benefits	10,604	11,579	10,844
Superintendents	<u>74,298</u>	<u>73,663</u>	<u>73,376</u>
	<u>84,902</u>	<u>85,242</u>	<u>84,220</u>

See Notes to Financial Statements



# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2012

	<u>2012</u>	<u>2011</u>
Cash flows from (used in) operating activities		
Owners' assessments	\$1,663,969	\$1,663,969
Interest and sundry	<u>42,095</u>	<u>30,683</u>
	1,706,064	1,694,652
Operating fund expenses	(935,327)	(994,085)
Reserve fund expenses	<u>(220,460)</u>	<u>(54,577)</u>
	550,277	645,990
Change in other non-cash operating accounts:		
Decrease in accounts receivable	3,222	16,332
Increase in due from recreation centre	(4,087)	(2,898)
Decrease (increase) in prepaid expense and sundry receivable	(32,562)	44,075
Increase (decrease) in accounts payable and accrued liabilities	5,211	(7,955)
Increase in due to reserve fund	<u>144,299</u>	<u>5,701</u>
Increase in cash resources during the year	666,360	701,245
Cash resources, beginning of year	<u>1,208,227</u>	<u>506,982</u>
Cash resources, end of year	<u>\$1,874,587</u>	<u>\$1,208,227</u>
Comprised of:		
Cash – operating fund	\$ 288,750	\$ 256,992
Reserve cash and investments	<u>1,585,837</u>	<u>951,235</u>
	<u>\$1,874,587</u>	<u>\$1,208,227</u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2012

### 1. NATURE OF OPERATIONS

York Condominium Corporation No. 323 was registered without share capital on April 14, 1977 under the laws of the Condominium Act of Ontario. The Corporation was formed to manage and maintain, on behalf of the owners, the common elements of 193 residential units in one high rise building and 9 townhouses located in the City of Toronto. The Corporation qualifies as a non-profit organization which is exempt from income taxes under the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Fund Accounting

The statement of reserve fund reports the portion of owners' assessments allocated to it and expenses for the major repair and replacement of the common elements and assets of the Corporation. The basis for determining reserve fund requirements is explained in Note 5. All major repairs and replacements must be charged to the reserve fund; minor repairs and replacements must be charged to expenses in the statement of operating fund. The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in bank and investment accounts that must be used only to finance such charges. Interest earned on these amounts is included in the reserve fund.

The statement of operating fund reports all owners' assessments, budgeted allocations of those assessments to other funds and expenses related to the operation and maintenance of the common elements of the Corporation.

#### (b) Investments

Investments are purchased to be held to maturity and accordingly are recorded at cost plus accrued interest, calculated using the effective interest rate method.

#### (c) Revenue Recognition

Owners' assessments are recognized each month as revenue in the statement of operating fund based on the budget distributed to owners each year. Interest and other revenue are recognized as revenue of the related fund when earned.

## **YORK CONDOMINIUM CORPORATION NO. 323**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

APRIL 30, 2012

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires directors and management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from their best estimates as additional information becomes available in the future and adjustments, if any, are recorded as that information becomes known.

(e) 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.

(f) Common elements

The common elements of the Corporation are owned proportionately by the unit owners and consequently are not reflected as assets in these financial statements.

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

APRIL 30, 2012

### 3. RESERVE CASH AND INVESTMENTS

Description	Maturity	Interest Rate %	2012	2011
Cash			\$ 737,859	\$599,534
G.I.C.'S				
TD Mortgage Corporation	March 1, 2012	1.32	-	100,000
Montreal Trust Company	March 7, 2012	1.20	-	100,000
AGF Trust Company	March 13, 2012	4.21	-	46,000
Home Trust Company	July 3, 2012	1.30	99,000	-
Equitable Trust Company	July 11, 2012	1.25	99,000	-
HSBC Bank of Canada	August 13, 2012	2.15	100,000	100,000
Canadian Western Bank	April 30, 2013	2.07	99,000	-
Royal Bank of Canada	July 7, 2014	2.35	97,000	-
Montreal Trust Company	July 6, 2015	2.70	97,000	-
National Bank of Canada	July 5, 2016	3.00	97,000	-
Due from operating fund bank account			150,000	5,701
Interest receivable			<u>9,978</u>	<u>-</u>
			<u>\$1,585,837</u>	<u>\$951,235</u>

Market value at year end approximates cost plus accrued interest.

### 4. HIGH PARK GREEN RECREATION CENTRE

The Corporation is a party to a reciprocal agreement with York Condominium Corporation No. 435 to manage and maintain the recreational facilities. The costs involved in operating, maintaining, repairing and replacing these facilities are shared between the two condominium corporations based on the number of residential units as follows:

York Condominium Corporation No. 323	36.50%
York Condominium Corporation No. 435	63.50%

Separate financial statements are available for the recreation centre.

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

APRIL 30, 2012

### 5. RESERVE FUND

The Corporation, as required by the Condominium Act of Ontario, has established a reserve fund to finance future major repair and replacement of the common elements and assets of the Corporation.

The directors have used the 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 the reserve fund. The board has accepted the recommendations of the study which suggests an annual contribution of \$672,750 for 2012; expenditures of \$1,044,110 and an ending balance as at April 30, 2012 of \$307,147. Actual amounts were \$672,750, \$220,460 and \$1,573,469. Annual reserve allocations in the study increase by 3.50% per annum thereafter.

Any evaluation of the adequacy of the reserve fund is based upon assumptions as to the future interest and inflation rates and estimates of the life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes may be material; accordingly, the Condominium Act requires that reserve fund studies be updated every three years.

### 6. COMMITMENTS

Type	Period	Annual Rate (inclusive of HST)
Cable TV	January 1, 2011 to December 31, 2015	\$ 64,871 *
Elevators	April 1, 2009 to March 31, 2019	11,605 *
Gas	January 1, 2012 to December 31, 2014	127,341 **
Grounds Maintenance	May 1, 2011 to April 30, 2014	25,769 *
HVAC	December 1, 2008 to November 30, 2013	31,158 *
Management fees	May 1, 2010 to April 30, 2013	104,697 *

\* Subject to annual increases.

\*\* Annual cost estimated at \$ 137,554 based on 34.3 cents per cubic meter but the amount billed is based on actual usage

# **YORK CONDOMINIUM CORPORATION NO. 323**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

APRIL 30, 2012

### **7. RELATED PARTY TRANSACTIONS**

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the Corporation. Management, in addition to fees is reimbursed for certain administrative costs and collects fees from owners, purchasers and others for issuing lien notices and status certificates. 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.

### **8. FINANCIAL INSTRUMENTS**

The Corporation's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is the directors opinion that the Corporation is not exposed to significant interest rate or credit risks arising from its financial instruments and that the fair values of its financial instruments approximate their carrying value.

### **9. BUDGET INFORMATION**

The budget figures presented for comparison purposes are unaudited and are those approved by the directors on April 6, 2011.

### **10. COMPARATIVE FIGURES**

Certain comparative figures were reclassified to conform to the financial statement presentation adopted for the current year.

The prior year's comparative amounts were examined by another Chartered Accountant who expressed an unmodified opinion on those financial statements on August 13, 2011.