

**YORK CONDOMINIUM CORPORATION NO. 323**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2018**

**YORK CONDOMINIUM CORPORATION NO. 323**

**FINANCIAL STATEMENTS**

**YEAR ENDED APRIL 30, 2018**

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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, 2018, 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 Directors determine 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 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, 2018, 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.



Toronto, Ontario  
July 30, 2018

Chartered Professional Accountants  
Licensed Public Accountants

# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2018


### ASSETS

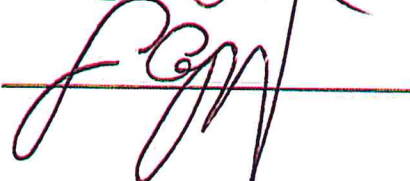
	<u>2018</u>	<u>2017</u>
Current		
Operating fund cash	\$ 226,358	\$ 177,953
Due from High Park Green Recreation Centre	17,014	17,415
Prepaid expenses	<u>2,424</u>	<u>-</u>
	245,796	195,368
Reserve fund cash and investments (Note 2)	<u>2,072,298</u>	<u>1,819,596</u>
	<u>\$2,318,094</u>	<u>\$2,014,964</u>

### LIABILITIES AND FUND BALANCES

Current		
Accounts payable and accrued liabilities		
Operating fund	\$ 71,850	\$ 66,591
Reserve fund	<u>3,384</u>	<u>63,579</u>
	75,234	130,170
Fund balances		
Reserve fund (Note 3)	2,081,529	1,762,612
Operating fund	<u>161,331</u>	<u>122,182</u>
	<u>2,242,860</u>	<u>1,884,794</u>
	<u>\$2,318,094</u>	<u>\$2,014,964</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, 2018

	<u>2018</u>	<u>2017</u>
<b>Revenue</b>		
Allocation from operating fund	\$ 724,716	\$ 712,500
Interest earned	<u>39,117</u>	<u>32,225</u>
	<u>763,833</u>	<u>744,725</u>
<b>Expenses</b>		
Amenity room renovation	300,936	3,616
Balcony drainage system	82,870	61,610
Building envelope repairs	791	-
Elevator repair	1,947	1,107
Emergency generator replacement	-	1,807
Exercise room renovation	-	79,388
Fire system repairs	16,798	2,048
Garage door repair	3,390	-
Garage roof repairs	-	2,938
HVAC repairs	11,893	19,798
Landscaping project	5,667	30,770
Lobby refurbishment	-	27,543
Plumbing repairs	17,537	10,118
Reserve fund study	1,130	-
Roof repairs	-	3,390
Security equipment	1,520	-
Sump pump replacement	-	13,560
Windows and doors	<u>437</u>	<u>12,403</u>
	<u>444,916</u>	<u>270,096</u>
<b>Excess of revenue over expenses</b>	<b>318,917</b>	<b>474,629</b>
<b>Fund Balance, beginning of year</b>	<u><b>1,762,612</b></u>	<u><b>1,287,983</b></u>
<b>Fund Balance, end of year</b>	<u><b>\$2,081,529</b></u>	<u><b>\$1,762,612</b></u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF OPERATING FUND

YEAR ENDED APRIL 30, 2018

	2018 <u>Budget</u> (Note 8)	2018 <u>Actual</u>	2017 <u>Actual</u>
<b>Revenue</b>			
Owners' assessment	\$1,869,701	\$1,869,701	\$1,842,069
Less allocation to reserve fund	<u>(724,716)</u>	<u>(724,716)</u>	<u>(712,500)</u>
	1,144,985	1,144,985	1,129,569
Interest and sundry income	<u>17,382</u>	<u>19,833</u>	<u>22,261</u>
	<u>1,162,367</u>	<u>1,164,818</u>	<u>1,151,830</u>
<b>Expenses (Pages 5 and 6)</b>			
Administration	83,300	76,245	74,319
Contract services	319,192	320,267	313,066
Recreation Centre	42,000	42,401	39,870
Repairs and maintenance	122,975	181,225	135,032
Utilities	492,841	402,861	477,151
Wages and benefits	<u>102,059</u>	<u>102,670</u>	<u>105,917</u>
	<u>1,162,367</u>	<u>1,125,669</u>	<u>1,145,355</u>
Excess of revenue over expenses	<u>\$ -</u>	39,149	6,475
Fund Balance, beginning of year		<u>122,182</u>	<u>115,707</u>
Fund Balance, end of year		<u>\$ 161,331</u>	<u>\$ 122,182</u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## SCHEDULE OF EXPENSES

YEAR ENDED APRIL 30, 2018

	2018 <u>Budget</u> (Note 8)	2018 <u>Actual</u>	2017 <u>Actual</u>
<b>Administration</b>			
CAO fee	\$ 2,020	\$ 1,408	\$ -
Insurance	52,420	47,413	45,464
Meetings	2,600	3,023	3,207
Office and general	12,060	14,651	12,751
Professional fees	9,400	5,798	9,069
Telephones	<u>4,800</u>	<u>3,952</u>	<u>3,828</u>
	<u>83,300</u>	<u>76,245</u>	<u>74,319</u>
<b>Contract Services</b>			
Cable TV	99,280	99,266	96,362
Carpet cleaning	3,100	3,100	3,100
Elevators	13,700	13,444	13,129
Fire protection	3,550	3,155	3,172
Garage cleaning	3,200	3,164	3,164
Garage doors	610	-	610
Grounds maintenance	30,240	30,239	29,348
HVAC	29,412	29,413	28,913
Management fees	120,300	120,236	117,877
Pest control	2,400	2,649	2,611
Waste disposal	10,000	12,494	11,929
Window washing	<u>3,400</u>	<u>3,107</u>	<u>2,851</u>
	<u>319,192</u>	<u>320,267</u>	<u>313,066</u>
<b>Recreation Centre (Note 4)</b>	<u>42,000</u>	<u>42,401</u>	<u>39,870</u>
<b>Repairs and Maintenance</b>			
Building safety	4,210	12,027	3,347
Common area housekeeping	33,960	32,446	47,408
Electrical	12,500	9,203	11,349
Exterior	8,635	8,582	8,623
General	22,420	66,406	32,356
Mechanical	<u>41,250</u>	<u>52,561</u>	<u>31,949</u>
	<u>122,975</u>	<u>181,225</u>	<u>135,032</u>

See Notes to Financial Statements

**YORK CONDOMINIUM CORPORATION NO. 323**

**SCHEDULE OF EXPENSES (CONTINUED)**

**YEAR ENDED APRIL 30, 2018**

	<u>2018</u> <u>Budget</u> <u>(Note 8)</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Utilities</b>			
Gas	\$ 93,493	\$ 82,180	\$ 75,009
Hydro	280,388	215,695	295,549
Water	<u>118,960</u>	<u>104,986</u>	<u>106,593</u>
	<u>492,841</u>	<u>402,861</u>	<u>477,151</u>
<b>Wages and Benefits</b>			
Employee benefits	18,893	20,354	21,047
Superintendents	<u>83,166</u>	<u>82,316</u>	<u>84,870</u>
	<u>102,059</u>	<u>102,670</u>	<u>105,917</u>

See Notes to Financial Statements



# YORK CONDOMINIUM CORPORATION NO. 323

## STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2018

	<u>2018</u>	<u>2017</u>
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses		
Operating fund	\$318,917	\$ 6,475
Reserve fund	<u>39,149</u>	<u>474,629</u>
	358,066	481,104
Changes in working capital		
Owners' assessments receivable	-	138
Prepaid expenses	(2,424)	-
Due from High Park Green Recreation Centre	401	(6,130)
Due from Y.C.C. No. 435	-	4,179
Accounts payable and accrued liabilities	<u>(54,936)</u>	<u>24,947</u>
	301,107	504,238
Investing activity		
Reserve fund investments, net	<u>(94,216)</u>	<u>(506,740)</u>
Increase (decrease) in cash	206,891	(2,502)
Cash, beginning of year	<u>374,392</u>	<u>376,894</u>
Cash, end of year	<u>\$581,283</u>	<u>\$374,392</u>
Comprised of:		
Operating fund cash	\$226,358	\$177,953
Reserve fund cash	<u>354,925</u>	<u>196,439</u>
	<u>\$581,283</u>	<u>\$374,392</u>

See Notes to Financial Statements

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

### NATURE OF OPERATIONS

York Condominium Corporation No. 323 was registered without share capital on April 14, 1977 under the Condominium Act of Ontario and is a non-profit organization that is exempt from income taxes under the Income Tax Act.

The purpose of the Corporation is to manage and maintain the common elements (as defined in the Corporation's Declaration and By-laws) and to provide common services for the benefits of 193 residential units in a high rise building and 9 townhouses, located in the City of Toronto.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are as follows:

#### Common elements

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

#### Fund accounting

##### Reserve fund

The Corporation is required by the Condominium Act of Ontario to establish a reserve fund to be used solely for the purpose of major repair and replacement of common elements and assets of the Corporation.

The Corporation allocates to the reserve fund amounts that, calculated from expected repair and replacement costs and life expectancies of the common elements and assets of the Corporation, are reasonably expected to provide sufficient funds to repair and replace the common elements and assets. Revenue and costs related to such major repairs and replacements are accounted for in the Statement of Reserve Fund.

##### Operating fund

Revenue and expenses for the general operations of the Corporation are reported in the Statement of Operating Fund.

#### Common elements – recreation centre

The recreational facilities are owned jointly by the unit owners of the Corporation in conjunction with the unit owners of York Condominium Corporation No. 435. As such, the assets of the recreation centre are not reflected in these financial statements.

The operations of the recreation centre are governed by a committee comprised of members representing both Corporations and are accounted for as a separate entity. The Corporation's payments to the recreation centre are budgeted and accounted for in the Statement of Operating Fund and are adjusted to reflect the Corporation's share of the recreation centre's surplus or deficit.

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Financial instruments**

The Corporation initially measures its financial assets and liabilities at fair value. The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value and the resultant impairment loss are recognized at each reporting date.

Financial assets measured at amortized cost include operating fund cash, prepaid expenses, due from High Park Green Recreation Centre, and reserve fund cash and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Corporation has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

#### **Revenue Recognition**

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

#### **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 the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

#### **Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization requires the Corporation's management and Directors to make estimates and assumptions that affect the reported amount of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. These estimated and assumptions are reviewed periodically and adjustments are reported in the year in which they become known.

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

### 2. RESERVE FUND CASH AND INVESTMENTS

Description	Maturity	Interest Rate %	2018	2017
Cash		P-1.75	\$ 354,925	\$ 196,439
<b>G.I.C.'S</b>				
ICICI Bank Canada	June 21, 2017	2.16	-	100,000
Manulife Trust Company	July 26, 2017	2.35	-	100,000
Advisors Advantage Trust	September 5, 2017	2.55	-	100,000
Dundee Bank of Canada	June 18, 2018	2.40	100,000	100,000
Montreal Trust Company	June 23, 2018	2.40	100,000	100,000
HomeEquity Bank	July 5, 2018	2.56	100,000	100,000
Royal Bank of Canada	July 5, 2018	2.55	100,000	100,000
Zag Bank	March 25, 2019	1.90	100,000	100,000
B2B Bank	July 29, 2019	1.76	100,000	100,000
General Bank of Canada	July 29, 2020	1.86	100,000	100,000
Concentra Financial Services	August 27, 2020	2.25	100,000	100,000
Manulife Trust	November 27, 2020	1.90	97,000	-
Home Trust Company	May 26, 2021	2.40	100,000	100,000
Equitable Bank	September 30, 2021	1.80	100,000	100,000
Canadian Western Bank	October 19, 2021	1.88	100,000	100,000
Sun Life Financial Trust	January 4, 2022	2.00	100,000	100,000
Canadian Tire Bank	March 22, 2022	2.00	100,000	100,000
VersaBank	June 9, 2022	2.15	100,000	-
ICICI Bank Canada	June 27, 2022	2.15	100,000	-
Manulife Trust	November 28, 2022	2.50	97,000	-
Interest receivable			<u>23,373</u>	<u>23,157</u>
			<u>\$2,072,298</u>	<u>\$1,819,596</u>

### 3. RESERVE FUND

The Directors have used the report of R and C Engineering Inc. dated July 26, 2017 and such other information as was available to them to evaluate the adequacy of the reserve fund. That report proposed allocations of \$724,716 for 2018, expenditures of \$618,110 and a year-end balance as at April 30, 2018 of \$1,899,369. Actual amounts were allocations of \$724,716, expenditures of \$444,916 and a year-end balance of \$2,081,529. Reserve fund allocations are proposed to increase annually by 1.75% thereafter.

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

### 3. RESERVE FUND (CONT'D)

Any evaluation of the adequacy of the reserve fund is based upon assumptions as to 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 of Ontario requires reserve fund studies to be updated every three years.

### 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%

The recreation centre does not have any accumulated surplus or deficit at April 30, 2018.

### 5. RELATED PARTY TRANSACTIONS

No remuneration was paid to Directors during the year.

### 6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations at the balance sheet date.

#### 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. The Corporation's credit risk relates to:

(a) Owners' assessments receivable

Under the Condominium Act of Ontario, the Corporation has the ability to place a lien on an owner's unit to recover an outstanding balance. The Corporation has limited financial exposure in a multi-unit condominium.

(b) Cash and Investments

The Corporation manages this risk by placing its operating and reserve cash and investments with high quality institutions. The Corporation believes its financial exposure is not significant.

# YORK CONDOMINIUM CORPORATION NO. 323

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

### 6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

#### Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they become due. The Corporation manages this risk by establishing budgets and funding plans and by levying sufficient owners' assessments to fund its operating expenses and the necessary contributions to the reserve fund.

#### Interest rate risk

Interest rate risk is the risk of a potential financial loss caused by fluctuations in fair value of future cash flow of a financial instrument due to changes in market interest rates. The Corporation is exposed to this risk on its interest bearing investments. To manage this risk, the Corporation intends to hold these investments to maturity.

### 7. COMMITMENTS

The Corporation has entered into the following long-term contracts:

Type	Period	Annual Rate (inclusive of HST)
Cable TV	January 1, 2016 to December 31, 2020	\$ 99,266 *
Elevators	April 1, 2009 to March 31, 2019	13,444 *
Grounds Maintenance	May 1, 2017 to April 30, 2020	30,239 *
HVAC	December 1, 2014 to April 30, 2019	29,413 *
Management fees	May 1, 2015 to April 30, 2019	120,236 *

\* Subject to annual increases.

The Corporation entered into a contract for window replacement at a cost of \$281,935, exclusive of consulting fees. At April 30, 2018, the Corporation had not incurred any expense relating to this contract. This amount will be reported in the Statement of Reserve Fund in the April 30, 2019 financial statements.

### 8. BUDGET INFORMATION

The 2018 budget amounts are presented for information purposes only. They were approved by the Board of Directors and are unaudited.