

YORK CONDOMINIUM CORPORATION NO. 529

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

To The Owners of
York Condominium Corporation No. 529

We have audited the accompanying financial statements of York Condominium Corporation No. 529, which comprise the statement of financial position as at December 31, 2022 and the statement of operations and changes in fund balances of the Reserve and Operating funds and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of York Condominium Corporation No. 529 as at December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management and the Board of 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statement management and the board of directors are responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the corporation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lee & Souter LLP

**Chartered Professional Accountants and Chartered Accountants
Licensed Public Accountants**

RICHMOND HILL, Canada
May 22, 2023

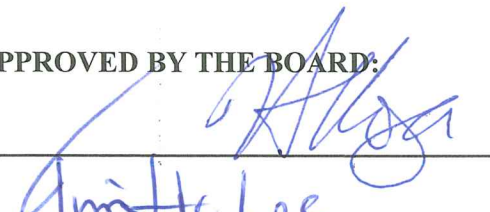
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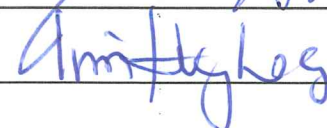
YORK CONDOMINIUM CORPORATION NO. 529
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Reserve Fund	Operating Fund	Total 2022	Total 2021
ASSETS				
Current				
Cash	\$ 618,041	\$ 117,986	\$ 736,027	\$ 725,507
Investments, Note 7	100,134	-	100,134	-
Accounts Receivable, Owners	-	390	390	-
Accounts Receivable, Others	-	706	706	-
Prepaid Expenses	-	17,973	17,973	13,788
	<u>\$ 718,175</u>	<u>\$ 137,055</u>	<u>\$ 855,230</u>	<u>\$ 739,295</u>
LIABILITIES				
Current				
Accounts Payable and Accrued	\$ 225,302	\$ 44,774	\$ 270,076	\$ 32,090
Contingent Liability, Note 8				
FUND BALANCES				
	<u>492,873</u>	<u>92,281</u>	<u>585,154</u>	<u>707,205</u>
	<u>\$ 718,175</u>	<u>\$ 137,055</u>	<u>\$ 855,230</u>	<u>\$ 739,295</u>

See the accompanying Notes

APPROVED BY THE BOARD:

 Director

 Director

YORK CONDOMINIUM CORPORATION NO. 529
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Revenue		
Owners Assessment, Note 2	\$ 226,368	\$ 211,068
Interest	12,787	2,410
	<u>239,155</u>	<u>213,478</u>
Expenditures		
Parking Garage Repairs	-	-
-Contractor	182,015	-
-Engineer	12,006	-
-Other	650	-
Window Replacement Project		
-Contractor	68,252	-
-Engineer	6,667	-
Generator Repair	27,042	4,294
Caulking	19,565	-
Doors	13,447	-
Reserve Fund Study	4,461	-
Painting	2,542	-
Fire Safety	2,284	-
Consulting	7,006	51,821
Metal Railing/Handrails	-	-
Garbage Compactor and Sorter System	-	4,859
General Electrical and Lighting	-	2,260
HVAC	-	2,254
Furniture	-	401
	<u>345,937</u>	<u>65,889</u>
Excess of Revenue (Deficit) over Expenditure	<u>(106,782)</u>	<u>147,589</u>
Fund Balance, beginning of year	<u>599,655</u>	<u>452,066</u>
Fund Balance, end of year	<u><u>\$ 492,873</u></u>	<u><u>\$ 599,655</u></u>

See the accompanying Notes

YORK CONDOMINIUM CORPORATION NO. 529
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
Revenue			
Owners' Assessment	\$ 538,032	\$ 538,032	\$ 522,468
Contribution to Reserve Fund, Note 2	(226,368)	(226,368)	(211,068)
	<u>311,664</u>	<u>311,664</u>	<u>311,400</u>
Other Income	5,600	6,749	4,877
	<u>317,264</u>	<u>318,413</u>	<u>316,277</u>
Expenditures			
Cable	14,000	13,780	13,899
Cleaning	27,120	28,145	26,838
Elevators	9,200	9,325	8,490
Garage Maintenance	1,200	395	1,130
Insurance	23,000	25,075	14,651
Landscaping and Snow Removal	13,440	14,073	12,025
Management Fees	31,900	31,846	28,391
Office	3,004	4,312	4,288
Pest Control	3,600	2,040	3,936
Plumbing	3,000	6,620	4,789
Preventative Maintenance	13,700	15,238	14,131
Professional Fees	10,800	11,109	9,035
Repairs and Maintenance	28,500	46,281	40,802
Supplies	1,200	-	1,358
Telephone	1,300	1,462	1,193
Utilities	125,000	112,306	89,481
Superintendent Services	8,100	7,150	8,400
Waste Removal	5,200	4,525	4,138
	<u>323,264</u>	<u>333,682</u>	<u>286,975</u>
Excess (Deficit) of Revenue over Expenditure	<u>\$ (6,000)</u>	<u>(15,269)</u>	<u>29,302</u>
Fund Balance, beginning of year		107,550	78,248
Fund Balance, end of year, to Exhibit A		<u>\$ 92,281</u>	<u>\$ 107,550</u>

See the accompanying Notes

YORK CONDOMINIUM CORPORATION NO. 529
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Reserve Fund <u>2022</u>	Operating Fund <u>2022</u>	Total <u>2022</u>	Total <u>2021</u>
Operating Activities				
Source of Cash				
Excess (Deficit) of Revenue over Expenditure	\$ (106,782)	\$ (15,269)	\$ (122,051)	\$ 176,891
Change in Accounts Receivable	-	(1,096)	(1,096)	-
Change in Prepaid Expenses	-	(4,185)	(4,185)	(8,646)
Change in Accounts Payable and Accrued	225,302	12,684	237,986	(12,353)
Increase (Decrease) in Cash	118,520	(7,866)	110,654	155,892
Cash - at beginning of year	599,655	125,852	725,507	569,615
Cash - at end of year	<u>\$ 718,175</u>	<u>\$ 117,986</u>	<u>\$ 836,161</u>	<u>\$ 725,507</u>
Cash is comprised of:				
Cash	\$ 618,041	\$ 117,986	\$ 736,027	\$ 725,507
Investments	100,134	-	100,134	-
	<u>\$ 718,175</u>	<u>\$ 117,986</u>	<u>\$ 836,161</u>	<u>\$ 725,507</u>

See the accompanying Notes

YORK CONDOMINIUM CORPORATION NO. 529
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Nature of Operations

The corporation was incorporated without share capital, by the registration of a declaration, dated September 11, 1980, pursuant to the provisions of the Condominium Act of Ontario. The corporation is a not-for-profit organization and is exempt from corporation 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 Bylaws) and to provide common services for the benefit of the owners of the 41 residential units, located at 212 St. George Street, Toronto.

1. Significant Accounting Policies

Basis of Presentation

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

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.

Fund Accounting

The corporation follows the restricted fund method of accounting.

Operating Fund - Unrestricted

The Operating Fund accounts for the corporation's repairs, maintenance, utilities, service contracts and administration activities.

Reserve Fund – Externally Restricted

The corporation, as required by the Condominium Act, 1998, has established a Reserve Fund for the major repairs and replacements of the common elements and assets of the corporation. A portion of the owners' assessment has been allocated to the Reserve Fund in accordance with the operating budget. Revenue generated from the investment of the funds becomes part of the fund.

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YORK CONDOMINIUM CORPORATION NO. 529
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. Significant Accounting Policies (Continued)

Capital Assets

Units and any real property directly associated with the units, which were purchased by unit holders initially from the developer, are not recognized as capital assets of the corporation since they are owned by the unit owners.

Revenue Recognition

Owners' assessments are recognized as revenue based on the budget distributed to the owners each year. The corporation recognizes revenue at the first of each month when assessments are due and collection is reasonably assured. 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. These services materially benefit the corporation, however 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 organizations requires the corporation's management and board of directors to make estimates and assumptions that affect the reported amounts 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 estimates and assumptions are reviewed periodically and adjustments are reported in the year in which they become known.

Financial Instruments

The corporation initially measures its financial assets and financial liabilities at fair value. The corporation subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets include cash and amounts receivable. Financial liabilities include accounts payable and accrued liabilities.

YORK CONDOMINIUM CORPORATION NO. 529
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

2. Reserve Fund

The Directors have used the Class 2 Reserve Fund Study prepared by Building Sciences Inc., dated November 8, 2019, and such other information as was available to them in evaluating the adequacy of annual contributions to the Reserve Fund for major repairs and replacements. There are no differences between the Reserve Fund Study and the annual contributions in the proposed plan for future funding of the Reserve Fund. The corporation's plan for contribution to the Reserve Fund for 2022 was \$226,366 (actual - \$226,368) and the plan for estimated expenditures from the Reserve Fund for 2022 was \$191,121 (actual - \$345,937). The Study projected a Reserve Fund balance on December 31, 2022 of \$283,318 (actual - \$492,873).

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.

The directors have approved the Class 2 Reserve Fund Study Update (with site visit) of Building Sciences Inc., dated November 22, 2022. Its funding plan was implemented effective January 1, 2023.

3. Budget

The budget figures as presented for comparison purposes are unaudited and are those approved by the Board of Directors.

4. Remuneration of Directors and Officers

No remuneration was paid to Directors and Officers during the year.

5. Major Commitment

Bulk Cable Television

The corporation has entered into a five year agreement with Rogers Cable Communications Inc. for bulk cable services for the period ending December 31, 2024 at an annual cost of \$13,899, including H.S.T.

Window Replacement

The corporation entered into an agreement with a contractor to replace windows at a cost of \$73,902, including H.S.T. As at December 31, 2022, the completed portion of \$68,252 was charged to the Reserve Fund. The balance will be similarly charged as the work is completed.

Heat Pump Replacement

The corporation entered into an agreement with a contractor to replace heat pumps at a cost of \$240,045, including H.S.T. The amount of the contract will be charged to the Reserve Fund as the work is completed.

YORK CONDOMINIUM CORPORATION NO. 529
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

6. COVID-19

Events have occurred as a result of the COVID-19 pandemic that have caused economic uncertainty. The related financial impact and duration of this disruption cannot be reasonably estimated at this time.

7. Investments

Reserve investments consist of a term deposit maturing on December 21, 2023, earning interest at a rate of 4.88%.

8. Contingent Liability

The corporation has been made a respondent to a human rights claim commenced with the Human Rights Tribunal of Ontario by the owner of a unit.

The owner is seeking damages in the amount of \$35,000 as well as certain non-monetary remedies.

The action has been referred to the corporation's insurer for a determination as to whether it is an insured loss. The corporation intends to defend the action. At present, the action has not been settled nor disposed of by an order of the tribunal.

The result of the proceeding is not presently determinable and no provision for loss has been recorded in the accounts. Costs incurred, if any, will be charged to the Operating Fund.

9. Financial Instruments

Risk management

The corporation manages its exposure to the credit, liquidity and interest rate risks associated with financial instruments by maintaining financial instruments that may be promptly liquidated. The corporation's cash is on deposit with a bank that is a member of Canada Deposit Insurance Corporation.

The corporation believes its exposure to credit, liquidity and interest rates risks is not significant.