
YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 31, 2021

YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082

FINANCIAL STATEMENTS - TABLE OF CONTENTS

FOR THE YEAR ENDED JANUARY 31, 2021

INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenue and Expenses	5
Schedule of Expenses	6
Statements of Operating Fund and Reserve Fund for Major Repairs and Replacements	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 12

INDEPENDENT AUDITOR'S REPORT

To the Owners of
York Region Standard Condominium Corporation No. 1082

Opinion

We have audited the accompanying financial statements of York Region Standard Condominium Corporation No. 1082 which comprise the statement of financial position as at January 31, 2021, and the statements of revenue and expenses, operating fund, reserve fund for major repairs and replacements and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of York Region Standard Condominium Corporation No. 1082 as at January 31, 2021 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.

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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is 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 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 overseeing 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 misstatements 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 the 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.
- Conclude on the appropriateness of management's 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.

April 26, 2021

Richmond Hill, Ontario

YalePGC, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082


STATEMENT OF FINANCIAL POSITION


AS AT JANUARY 31, 2021



	2021	2020
ASSETS		
OPERATING		
Cash	\$ 66,638	\$ 59,994
Accounts receivable - unit owners	84	2,590
Prepaid expenses	<u>144</u>	<u>144</u>
	<u>66,866</u>	<u>62,728</u>
RESERVE		
Cash	<u>383,434</u>	<u>324,589</u>
	<u>\$ 450,300</u>	<u>\$ 387,317</u>
LIABILITIES		
OPERATING		
Accounts payable and accrued liabilities	<u>\$ 27,694</u>	<u>\$ 17,785</u>
FUND BALANCES		
OPERATING FUND	39,171	37,455
RESERVE FUND FOR MAJOR REPAIRS AND REPLACEMENTS	<u>383,435</u>	<u>332,077</u>
	<u>422,606</u>	<u>369,532</u>
	<u>\$ 450,300</u>	<u>\$ 387,317</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

See accompanying notes.

YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED JANUARY 31, 2021

	2021 BUDGET	2021 ACTUAL	2020 ACTUAL
REVENUE			
Common element assessments	\$ 322,159	\$ 322,157	\$ 312,918
Less: Budgeted transfer to reserve fund for major repairs and replacements	<u>(54,129)</u>	<u>(54,129)</u>	<u>(49,705)</u>
	268,030	268,028	263,213
Other income	<u>-</u>	<u>970</u>	<u>1,619</u>
	<u>268,030</u>	<u>268,998</u>	<u>264,832</u>
EXPENSES - see Schedule			
Service and maintenance contracts	111,112	109,570	101,742
Repairs and maintenance	21,200	4,542	20,791
Shared Facilities (note 6)	18,236	18,742	18,303
Utilities	87,000	90,592	71,471
Administration	<u>28,482</u>	<u>43,836</u>	<u>34,007</u>
	<u>266,030</u>	<u>267,282</u>	<u>246,314</u>
EXCESS OF REVENUE OVER EXPENSES	<u><u>\$ 2,000</u></u>	<u><u>\$ 1,716</u></u>	<u><u>\$ 18,518</u></u>

See accompanying notes.

YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED JANUARY 31, 2021

	2021 BUDGET	2021 ACTUAL	2020 ACTUAL
SERVICE AND MAINTENANCE CONTRACTS			
Grounds maintenance	\$ 61,150	\$ 59,608	\$ 54,608
Management fees	<u>49,962</u>	<u>49,962</u>	<u>47,134</u>
	<u><u>111,112</u></u>	<u><u>109,570</u></u>	<u><u>101,742</u></u>
REPAIRS AND MAINTENANCE			
General building	20,000	4,061	20,344
Parking control	<u>1,200</u>	<u>481</u>	<u>447</u>
	<u><u>21,200</u></u>	<u><u>4,542</u></u>	<u><u>20,791</u></u>
UTILITIES			
Hydro	4,000	2,421	1,879
Water	<u>83,000</u>	<u>88,171</u>	<u>69,592</u>
	<u><u>87,000</u></u>	<u><u>90,592</u></u>	<u><u>71,471</u></u>
ADMINISTRATION			
Audit fees	2,600	3,277	2,938
Bank charges	-	871	824
General office	2,652	2,684	3,473
Insurance	23,230	37,004	26,348
Legal	<u>-</u>	<u>-</u>	<u>424</u>
	<u><u>\$ 28,482</u></u>	<u><u>\$ 43,836</u></u>	<u><u>\$ 34,007</u></u>

See accompanying notes.

YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082

STATEMENT OF OPERATING FUND

FOR THE YEAR ENDED JANUARY 31, 2021

	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 37,455	\$ 18,937
EXCESS OF REVENUE OVER EXPENSES	<u>1,716</u>	<u>18,518</u>
BALANCE, END OF YEAR	<u>\$ 39,171</u>	<u>\$ 37,455</u>

STATEMENT OF RESERVE FUND FOR MAJOR REPAIRS AND REPLACEMENTS

FOR THE YEAR ENDED JANUARY 31, 2021

	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 332,077	\$ 276,165
BUDGETED TRANSFER FROM OPERATING FUND	54,129	49,705
INSURANCE PROCEEDS FOR EMERGENCY REPAIRS	-	9,180
INTEREST EARNED	<u>2,648</u>	<u>5,762</u>
	<u>388,854</u>	<u>340,812</u>
CHARGES TO THE FUND		
Sliding door replacements	5,419	-
Emergency storm damage repairs	-	8,029
Roof repairs	<u>-</u>	<u>706</u>
	<u>5,419</u>	<u>8,735</u>
BALANCE, END OF YEAR	<u>\$ 383,435</u>	<u>\$ 332,077</u>

See accompanying notes.

YORK REGION STANDARD CONDOMINIUM CORPORATION NO. 1082

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING AND RESERVE ACTIVITIES		
Excess of revenue over expenses	\$ 1,716	\$ 18,518
Net change in non-cash working capital		
Accounts receivable	2,506	(1,348)
Prepaid expenses	-	48
Accounts payable and accrued liabilities	<u>9,909</u>	<u>(5,468)</u>
Cash flows provided by operating and reserve activities	<u>14,131</u>	<u>11,750</u>
CASH FLOWS FROM RESERVE FUND ACTIVITIES		
Budgeted transfer from operating fund	54,129	49,705
Insurance proceeds	-	9,180
Interest earned on reserve funds	2,648	5,762
Charges to the reserve fund	<u>(5,419)</u>	<u>(8,735)</u>
Cash flows provided by reserve fund activities	<u>51,358</u>	<u>55,912</u>
NET INCREASE IN CASH RESOURCES	65,489	67,662
CASH RESOURCES, BEGINNING OF YEAR	<u>384,583</u>	<u>316,921</u>
CASH RESOURCES, END OF YEAR	<u>\$ 450,072</u>	<u>\$ 384,583</u>
Represented by:		
Cash		
Operating fund	\$ 66,638	\$ 59,994
Reserve fund	<u>383,434</u>	<u>324,589</u>
	<u>\$ 450,072</u>	<u>\$ 384,583</u>

See accompanying notes.

NOTE 1 OPERATIONS

The corporation was incorporated on February 8, 2007 without share capital under the Condominium Act of Ontario.

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 benefit of the owners of the 5 buildings containing 96 dwelling units located at 150 Chancery Road and 2265 Bur Oak Avenue, Markham, Ontario.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

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

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.

Operating fund

The 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.

Reserve fund for major repairs and replacements

The corporation, as required by the Condominium Act of Ontario, has established a reserve fund for financing major repairs and replacements of the common elements. Charges to the fund require approval by the Board of Directors. Only major repairs and replacements of the common elements are charged directly to this reserve.

Minor repairs and replacements are charged to repairs and maintenance in the general operations.

Revenue recognition

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 conformity with Canadian accounting standards for not-for-profit organizations, requires management and directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of asset increases and decreases during the reporting period. Actual results could differ from those estimates.

NOTE 3 FINANCIAL INSTRUMENTS

The corporation's financial instruments primarily consist of cash, receivables and accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk of potential loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The corporation is exposed to this risk when it invests in interest bearing securities. The corporation manages this risk by investing in fixed-rate securities of short and medium term maturity and plans to hold the securities to maturity.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The corporation places its operating and reserve cash and investments with high quality institutions and believes its exposure is not significant. The corporation's credit risk from owners' assessments receivable is also not significant given the ability of the corporation to place a lien on a unit for outstanding fees and limited financial exposure in a multi-unit condominium.

NOTE 3 FINANCIAL INSTRUMENTS (continued)

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, debt payments and necessary contributions to the reserve and other funds.

NOTE 4 BUDGET FIGURES

The 2021 budget figures as presented are for information purposes only and are not covered by the audit report of Yale PGC, LLP dated April 26, 2021.

NOTE 5 RESERVE FUND STUDY

The directors of the corporation have used a reserve fund study update (class 3) from EXP Services Inc. dated November 20, 2018 and such other information available to them in evaluating the adequacy of the annual contributions to the reserve fund. The corporation's plan for contribution to the reserve fund for 2021 was \$54,129 and the plan for expenditures for 2021 was \$28,216. The study projected a reserve fund balance on January 31, 2021 of \$339,500.

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

NOTE 6 SHARED FACILITIES

The corporation has contributed \$1,542 per month from February 2020 to June 2020 and \$1,576 per month from July 2020 to January 2021 (totalling \$18,742) to Swan Lake Village Amenities Committee (VAC). These contributions are in accordance with the Shared Facilities agreement and are primarily for the corporation's sewage system. These amounts were invoiced to the corporation and have been agreed upon by the Board of Directors.

NOTE 7 CORONAVIRUS

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

NOTE 8 COMMITMENT

The corporation has entered into a contract with DH Roofing and Renovation Inc. for fence painting, exterior renovations, and lighting replacements for a total contract price of \$43,477 (incl. H.S.T.). As at January 31, 2021, no charges had been invoiced for the contract as the work had not yet begun.