

**YORK CONDOMINIUM CORPORATION NO. 84**

**FINANCIAL STATEMENTS**

**YEAR ENDED MAY 31, 2020**

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**Ahmed Professional Corporation**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

TO THE OWNERS OF YORK CONDOMINIUM CORPORATION NO. 84

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of York Condominium Corporation No. 84 (the "Corporation") which comprise the statement of financial position as at May 31, 2020, and the statements of general fund operations and fund balance, reserve fund operations and fund balance, operating reserve fund operations and fund balance 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 the Corporation as at May 31, 2020, 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 ability of the Corporation 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 financial reporting process of the Corporation.

**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 the financial statements.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 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 internal control of the Corporation.
- 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 ability of the Corporation 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Ahmed Professional Corporation*

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

Toronto, Ontario

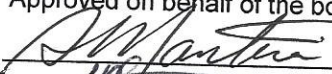
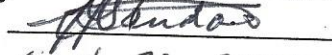
Authorized to practise public accounting by the Chartered Professional Accountants of Ontario



**YORK CONDOMINIUM CORPORATION NO. 84**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MAY 31**

	2020	2019
<b>ASSETS</b>		
Current		
Cash		
General fund		
Operating Reserve Fund	\$ 47,559	\$ 28,403
Reserve fund	29,175	29,175
Total cash	(9,352)	(45,673)
	67,382	11,905
Term deposit - reserve fund investments (Notes 2, 3 & 7)	950,474	719,635
Interest receivable - reserves (Notes 3 & 7)	13,520	15,986
Owner assessment receivable - general fund (Note 7)	2,133	3,267
Patio repair receivable - general fund (Note 7)	1,960	-
Prepaid insurance - general fund	16,950	16,053
	1,052,419	766,846
Long term		
Term deposit - reserve fund investments (Notes 2, 3 & 7)	-	188,802
Interest receivable - reserves (Notes 3 & 7)	-	523
	-	189,325
	\$ 1,052,419	\$ 956,171
<b>LIABILITIES AND FUND BALANCES</b>		
Current liabilities:		
Accounts payable - general fund (Note 7)	\$ 11,717	\$ 9,689
Fund balances (Note 7)		
Reserve fund short-term (Note 3)	954,642	689,948
Reserve fund long-term (Note 3)	-	189,325
Operating Reserve fund	29,175	29,175
General fund	56,885	38,034
	1,040,702	946,482
	\$ 1,052,419	\$ 956,171

Approved on behalf of the board:

 Director  
 Director  
 Sept. 30, 2020

**YORK CONDOMINIUM CORPORATION NO. 84**  
**STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE**  
**FOR THE YEAR ENDED MAY 31**

	Budget 2020 (Note 4)	2020	2019
<u>Revenue:</u>			
Owners' contribution (Note 1e)	\$ 329,040	\$ 329,040	\$ 295,860
Miscellaneous income (Note 1e)	-	826	496
	\$ 329,040	\$ 329,866	\$ 296,356
Less: contribution to reserve fund	65,000	65,000	60,000
Owners' contribution to the general fund	\$ 264,040	\$ 264,866	\$ 236,356
<u>Common expenses:</u>			
Hydro	3,000	1,251	1,538
Electrical repairs and light bulbs	500	1,726	-
Water	80,000	63,352	68,684
Management fees (Note 5)	33,059	33,059	33,059
Repairs and maintenance	7,800	8,429	6,610
Landscaping and snow removal (Note 5)	81,000	77,980	51,460
Garbage disposal (Note 5)	20,340	20,340	20,340
Insurance	18,303	18,436	20,077
Audit	1,921	2,147	2,147
Condo Authority	900	675	675
Garbage tipping fees	6,400	7,215	6,154
Miscellaneous and projector	2,267	3,305	2,738
Topsoil and sod repairs	3,000	2,358	612
Grass seed and weed spray	3,000	1,893	1,850
Garden	300	602	372
Legal, General	-	3,247	4,993
Sprinkler system	700	-	-
Sewer	1,550	-	260
Salt	-	-	662
Legal, Unit (Note 8)	-	-	5,241
Repairs, Unit (Note 8)	-	-	-
	264,040	246,015	227,472
Excess of revenue over expenses	-	\$ 18,851	\$ 8,884
Fund balance, beginning of year	-	38,034	29,150
Fund balance, end of year	-	\$ 56,885	\$ 38,034

**YORK CONDOMINIUM CORPORATION NO. 84**  
**STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE**  
**FOR THE YEAR ENDED MAY 31**

	Budget 2020 (Note 4)	2020	2019
<u>Revenue:</u>			
Owners' contribution to the reserve fund	\$ 65,000	\$ 65,000	\$ 60,000
Interest	-	20,938	18,526
	\$ 65,000	\$ 85,938	\$ 78,526
Major repairs and replacements: (Note 3)			
Lighting	-	6,073	3,589
Tree trimming/planting	-	2,260	4,300
Roofing	-	2,236	9,578
Basement repair/New Retaining Wall (Note 10)	-	-	11,099
Fence	-	-	1,410
Painting	-	-	1,019
Driveway and eaves repair	-	-	951
	-	10,569	31,946
Excess of revenue over expenses	-	75,369	46,580
Fund balance, beginning of year	-	879,273	861,893
		954,642	908,473
Add Transfer from / (Deduct) Transfer to Operating Reserve fund		-	(29,200)
Fund balance, end of year	\$	954,642	\$ 879,273
Of which:			
Short term	-	\$ 954,642	\$ 689,948
Long term	-	-	189,325
	-	\$ 954,642	\$ 879,273

**YORK CONDOMINIUM CORPORATION NO. 84**  
**STATEMENT OF OPERATING RESERVE FUND OPERATIONS AND FUND BALANCE**  
**FOR THE YEAR ENDED MAY 31**

	Budget 2020 (Note 4)	2020	2019
Expenditures			
Maintenance Fee		-	790
Ashphalt Recovery	-	-	(765)
		-	25
Excess (Deficit) of revenue over expenses	-	-	(25)
Fund balance, beginning of year	-	<b>29,175</b>	-
		<b>29,175</b>	(25)
Add Transfer from/ (Deduct) Transfer to Reserve Fund	-	-	29,200
Fund balance, end of year	-	<b>\$ 29,175</b>	<b>\$ 29,175</b>
Of which:			
Short term	-	<b>\$ 29,175</b>	<b>\$ 29,175</b>

**YORK CONDOMINIUM CORPORATION NO. 84**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MAY 31**

	2020	2019
Cash flows from operating activities:		
Owners' contribution for:		
General operations	\$ 264,040	\$ 238,889
Reserve fund	65,000	60,000
Interest	23,927	13,820
Expenses operating fund	-	(25)
Common expenses - general fund	(244,884)	(232,031)
Major repairs and replacements	(10,569)	(31,946)
	97,514	48,707
Cash flows from investing activities:		
(Increase) decrease in investments	(42,037)	(52,926)
Increase (decrease) in cash during the year	55,477	(4,219)
Cash, beginning of year	11,905	16,124
Cash, end of year	\$ 67,382	\$ 11,905
Comprised of:		
General fund	\$ 47,559	\$ 28,403
Operating reserve fund	\$ 29,175	\$ 29,175
Reserve fund	(9,352)	(45,673)
	\$ 67,382	\$ 11,905



**YORK CONDOMINIUM CORPORATION NO. 84**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MAY 31, 2020**

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Purpose of the Organization

The York Condominium Corporation No. 84 (the "Corporation") was registered without share capital in 1973 under the laws of the Condominium Act of Ontario, the "Act". The Corporation was formed to manage and maintain on behalf of the owners, the common elements of 75 residential units, located in the City of Toronto. For Canadian income tax purposes the Corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

**1** Summary of Significant Accounting Policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below:

**(a) Fund Accounting:**

The corporation follows the restricted fund method of accounting for contributions.

The general fund reports the contributions from owners and expenses related to the operations and administration of the common elements.

The reserve fund reports the contributions from owners and expenditures for major repairs and replacement costs of the common elements and assets. The basis for determining the reserve fund's requirements is explained in Note 3. Only major repairs and replacements of the common elements are charged directly to this reserve fund with the exception of the cost of the reserve fund study which may be charged to the reserve fund. Minor repairs and replacements are charged to repairs and maintenance of the general fund. The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in special designated accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the reserve fund.

At the direction of the board of directors, the operating reserve fund has been established to allow for unbudgeted expenses. Any withdrawals are subject to approval by the board.

**(b) 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.

**(c) Use of Estimates:**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 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.

**(e) Revenue recognition:**

Owner's assessments are recognized as revenue in the statement of general fund operations and fund balance and are based on the budget distributed to the owners each year. The rules provide that when there is a deficit an additional assessment should be required from owners to cover this amount. This will be assessed in the next fiscal year. However, as owners' units have been sold, an additional assessment of \$826 was made on them (2019: \$496) and shown as miscellaneous income. Interest and other revenue are recognized as revenue of the reserve fund when earned.

**(f) Investment policy:**

The policy is to invest in Guaranteed Investment Certificates.

**(g) Financial Assets and Liabilities:**

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

Financial assets and liabilities measured at amortized cost include cash, tenant assessment receivable, interest receivable, deposit reserve fund investment, and accounts payable.

**YORK CONDOMINIUM CORPORATION NO. 84**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MAY 31, 2020**

**2 Term deposit reserve fund investments**

Investments are comprised of government debt securities which are divided into short-term and long-term. Short term investments mature on or before May 31, 2021 and conversely long-term investments mature after that date. These investments mature on various dates and are earning interest as described below:

**Short Term:**

Amount	Maturity	Interest
51,269	June 24, 2020	1.14%
120,000	July 6, 2020	2.10%
71,716	August 25, 2020	2.80%
119,407	October 19, 2020	2.25%
84,114	January 16, 2021	2.30%
90,504	January 16, 2021	2.30%
80,289	January 19, 2021	2.30%
60,000	February 24, 2021	1.14%
84,501	February 24, 2021	1.14%
94,337	April 21, 2021	2.30%
94,337	April 21, 2021	2.30%
<u>\$ 950,474</u>		

Interest income is recognized on an accrual basis. As at May 31, 2020, the market value of these investments approximates their carrying values.

**3 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. 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 of the general fund.

A total of \$65,000 was added to the reserve fund from the general fund to finance major repairs. Interest of \$20,938 was also added. The reserve fund now totals \$954,642 after deducting expenses of \$10,569. The entire amount is short term.

A reserve fund study was completed on May 8, 2018. The study showed that a contribution of \$48,352 is required for 2020 and increases 10% per year for the first 10 years, and 2% every year thereafter.

**4 Budget**

The budgeted figures as prepared for comparison purposes are unaudited and are those as approved by the board in April 2019 for the year ended May 31, 2020.

**5 Management Fees and Ground Maintenance**

Payments to K.R. Property Management and subcontractors. This amount was allocated to:

Management Fees	\$ 33,059
Subcontractors	
Landscaping and snow removal	\$ 58,520
Garbage disposal	\$ 20,340

**YORK CONDOMINIUM CORPORATION NO. 84**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MAY 31, 2020**

**6 Financial Instruments**

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure at the statement of financial position 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 main credit risks relate to tenant receivable. The Corporation is not exposed to significant credit risk.

**Liquidity Risk**

Liquidity risk is the risk that the Corporation cannot repay its obligations when they become due to its creditors. The Corporation is exposed to this risk mainly in respect of its current liabilities and commitments. The Corporation expects to meet these obligations as they come due by generating sufficient cash flow from operations.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is not exposed to currency risk or other price risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise. The Corporation is exposed to interest rate risk on its deposit reserve fund investments.

**Changes in Risk**

There have been no significant changes in the risk profile of the Corporation's financial instruments from that of the prior year.

**7 Fund Balances**

The fund balances are made up as follows:

	General	Reserve Fund Short-term	Operating Reserve Short-term
Cash	\$47,559	(\$9,352)	\$29,175
Owner assessment receivable	2,133	-	-
Patio repair receivable	1,960	-	-
Deposit investments	-	950,474	-
Interest receivable	-	13,520	-
Prepaid insurance	16,950	-	-
Accounts payable	(11,717)	-	-
	\$56,885	\$954,642	\$29,175

**8 Unit Dispute**

There has been an ongoing dispute with one owner. In Fiscal 2017, the repair work was completed by the corporation. The corporation believed the dispute was settled. However, the matter was not closed as an additional complaint was made that damage occurred during the repair. In Fiscal 2020 the corporation made its assessment and believes no further costs are to be incurred, and has asked the arbitrator to officially close the case. Based on this, no further costs have been accrued.