

**Ottawa-Carleton Standard Condominium Corporation No.  
1020**

**Financial Statements**

For the year ended May 31, 2020

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## Independent Auditor's Report

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### To the Condominium Owners of Ottawa-Carleton Standard Condominium Corporation No. 1020

#### Opinion

We have audited the accompanying financial statements of Ottawa-Carleton Standard Condominium Corporation No. 1020 (the "Corporation"), which comprise the statement of financial position as at May 31, 2020, and the statements of operating fund operations and changes in fund balance, reserve fund operations and changes in fund balance and 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 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.

#### Other Matters

We were engaged to conduct an audit, in accordance with Canadian generally accepted auditing standards, on the financial statements prepared by the Corporation's management in accordance with Canadian accounting standards for not-for-profit organizations. We were not engaged to, nor do we, provide any assurance as to whether the Corporation is in compliance with all aspects of the The Condominium Act of Ontario, (as proclaimed on May 5, 2001) and we were not engaged to, nor do we, provide any assurance as to the adequacy of the reserve fund to cover future major repairs and replacements.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is 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 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.

## **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 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
November 20, 2020

**Ottawa-Carleton Standard Condominium Corporation No. 1020**  
**Statement of Financial Position**

May 31	Operating Fund	Reserve Fund	2020	2019
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 93,322	\$ 50,310	\$ 143,632	\$ 218,967
Accounts receivable	20,263	-	20,263	6,761
Prepaid expenses	24,921	-	24,921	18,277
	138,506	50,310	188,816	244,005
<b>Investments (Note 3)</b>	-	181,069	181,069	-
	\$ 138,506	\$ 231,379	\$ 369,885	\$ 244,005
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 37,409	\$ -	\$ 37,409	23,885
Prepaid condominium fees	1,020	-	1,020	948
Due to reserve fund (Due from operating fund)	24,662	(24,662)	-	
	63,091	(24,662)	38,429	24,833
<b>Contractual obligations (Note 4)</b>				
<b>Uncertainty due to COVID-19 (Note 5)</b>				
<b>Fund balances</b>				
Operating fund	75,415	-	75,415	106,030
Reserve fund (Note 2)	-	256,041	256,041	113,142
	75,415	256,041	331,456	219,172
	\$ 138,506	\$ 231,379	\$ 369,885	\$ 244,005

On behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Ottawa-Carleton Standard Condominium Corporation No. 1020**  
**Statement of Operating Fund Operations and**  
**Changes in Fund Balance**

For the year ended	Budget	2020	2019
	(Unaudited)		
<b>Revenues</b>			
Condominium fees	\$ 382,192	\$ 382,524	\$ 343,559
Miscellaneous	-	536	2,511
Rental income	200	50	200
	<u>382,392</u>	<u>383,110</u>	<u>346,270</u>
<b>Expenses</b>			
Cleaning	30,052	35,688	11,225
Elevator	14,000	10,769	14,096
Fire and security	4,850	4,587	3,187
Gas	20,000	18,807	18,073
Hydro	35,000	30,129	29,729
Insurance	14,815	15,375	13,502
Landscaping	2,000	3,419	1,496
Management fees	22,255	20,472	21,605
Office	3,284	4,665	1,999
Professional fees	5,250	19,605	10,780
Repairs and maintenance	45,820	58,360	44,423
Snow removal	10,000	6,239	10,509
Telecommunications	1,000	3,465	349
Waste removal	6,500	6,522	5,799
Water	20,000	28,057	18,384
	<u>234,826</u>	<u>266,159</u>	<u>205,156</u>
<b>Excess of revenues over expenses before transfer</b>	147,566	116,951	141,114
<b>Transfer to reserve fund (Note 2)</b>	<u>147,566</u>	<u>147,566</u>	<u>83,566</u>
<b>Excess (deficiency) of revenues over expenses</b>	\$ -	(30,615)	57,548
<b>Operating fund balance, beginning of the year</b>		<u>106,030</u>	48,482
<b>Operating fund balance, end of the year</b>		<u>\$ 75,415</u>	<u>\$ 106,030</u>

**Ottawa-Carleton Standard Condominium Corporation No. 1020**  
**Statement of Reserve Fund Operations and**  
**Changes in Fund Balance**

<b>For the year ended</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Interest income	\$ 3,110	\$ 738
<b>Expenses</b>		
Bank fees	8	-
Reserve fund study	-	6,791
Surge protectors	7,769	-
	<u>7,777</u>	<u>6,791</u>
<b>Excess of expenses over revenues before transfer</b>	<b>(4,667)</b>	<b>(6,053)</b>
<b>Transfer from operating fund (Note 2)</b>	<b>147,566</b>	<b>83,566</b>
<b>Excess of revenues over expenses</b>	<b>142,899</b>	<b>77,513</b>
<b>Reserve fund balance, beginning of the year</b>	<b>113,142</b>	<b>35,629</b>
<b>Reserve fund balance, end of the year</b>	<b>\$ 256,041</b>	<b>\$ 113,142</b>

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**Ottawa-Carleton Standard Condominium Corporation No. 1020**  
**Statement of Cash Flows**

<b>For the year ended</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ (30,615)	\$ 57,548
Changes in non-cash working capital:		
Accounts receivable	(13,501)	35,836
Prepaid expenses	(6,644)	(1,450)
Accounts payable and accrued liabilities	13,525	(6,091)
Prepaid condominium fees	72	(14,263)
Due to/from reserve fund	2,167	(6,770)
	<hr/>	<hr/>
<b>Net (decrease) increase in cash</b>	<b>(34,996)</b>	<b>64,810</b>
<b>Cash, beginning of the year</b>	<b>128,318</b>	<b>63,508</b>
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<b>Cash, end of the year</b>	<b>\$ 93,322</b>	<b>\$ 128,318</b>

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# Ottawa-Carleton Standard Condominium Corporation No. 1020

## Notes to Financial Statements

May 31, 2020

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### 1. Accounting Policies

**Purpose of Organization** Ottawa-Carleton Standard Condominium Corporation No. 1020 (the "Corporation") is a not-for-profit organization incorporated without share capital on June 12, 2017 under the Condominium Act of Ontario.

The purpose of the Corporation is to manage and maintain the common elements of the condominium (as detailed in the Corporation's Declaration and By-Laws) and to provide common services for the benefit of the owners of the 42 dwelling units and 66 parking units of the condominium in the city of Ottawa.

The Corporation is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

**Basis of Accounting** The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Fund Accounting** The Corporation follows the restricted fund method of accounting for contributions.

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

The reserve fund reports the contributions from owners and expenses for major repairs and replacement costs of the common elements. The basis for determining the reserve fund's requirements is explained in note 2. Only major repairs and replacements of the common elements are charged to the reserve, 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 operating fund.

The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in special accounts. Interest earned on these amounts is credited directly to the reserve.

**Revenue Recognition** Owners assessments are recognized as revenue in the statement of operations monthly based on the budget distributed to owners each year. Special assessments are recognized as revenue when they become payable by the owners to the Corporation. Interest and other revenue are recognized as revenue of the related fund when earned.

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

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# Ottawa-Carleton Standard Condominium Corporation No. 1020

## Notes to Financial Statements

May 31, 2020

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### 1. Accounting Policies (cont'd)

#### Financial Instruments

##### Initial and subsequent measurement

The Corporation initially measures its financial assets and liabilities at fair value. The Corporation subsequently measures all its financial assets and liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

##### Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations of the appropriate fund over the life of the instrument using the straight-line method.

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### 2. Reserve for Major Repairs and Replacements

The evaluation of the adequacy of the reserve fund is based on numerous assumptions as to future events. The directors' evaluation is that the reserve should provide sufficient funds to finance such major repairs and replacements as may be necessary based on a comprehensive reserve fund study by Keller Engineering dated November 5, 2018. The Corporation's plan for contribution to the reserve fund for 2020 was \$147,566 and plan for expenses from the reserve fund for 2020 was \$NIL. The study projected a reserve fund balance on May 31, 2020 of \$262,828. The actual reserve fund balance on May 31, 2020 is \$256,041. The funding plan adopted requires an increase in the contribution to the reserve fund from the condominium fees to \$187,566 in fiscal 2021 and \$196,223 in fiscal 2022.

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### 3. Investments

	2020	2019
Laurentian Bank GIC, 2.24%, maturing January 16, 2023	\$ 35,290	\$ -
ICICI Bank Canada GIC, 2.28%, maturing January 15, 2024	35,295	-
Canadian Tire Bank GIC, 2.42%, maturing January 15, 2025	50,448	-
Canadian Tire Bank GIC, 2.17%, maturing May 20, 2025	60,036	-
	\$ 181,069	\$ -

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## Ottawa-Carleton Standard Condominium Corporation No. 1020 Notes to Financial Statements

**May 31, 2020**

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#### 4. Contractual Obligations

The Corporation has entered into contracts for snow removal services ending March 31, 2022, grounds maintenance services ending October 31, 2022, HVAC maintenance services ending February 28, 2023, and generator maintenance services ending July 31, 2023. Minimum payments under the contracts including HST are as follows:

	Snow	Grounds	HVAC	Generator	Total
2021	\$ 6,102	\$ 7,505	\$ 16,967	\$ 13,603	\$ 44,177
2022	6,385	7,786	16,967	13,603	44,741
2023	-	6,686	12,725	13,603	33,014
2024	-	-	-	2,267	2,267
	<u>\$ 12,487</u>	<u>\$ 21,977</u>	<u>\$ 46,659</u>	<u>\$ 43,076</u>	<u>\$ 124,199</u>

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#### 5. Uncertainty Due to COVID-19

The global pandemic, as a result of COVID-19, has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruptions and the related financial impact cannot be reasonably estimated at this time. The Corporation's ability to continue to meet obligations as they come due is dependent on the continued ability to generate revenues and cash flows.

In addition, if the impacts of COVID-19 continue, there could be a further impact on the Corporation and its major suppliers and other third party business associates that could impact the financial statements. At this time, the full potential impact of COVID-19 on the entity is not known.

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#### 6. Budget Information

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

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#### 7. Remuneration of Directors and Officers

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