

**OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994**

**FINANCIAL STATEMENTS**

**MAY 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Owners,  
**Ottawa-Carleton Standard Condominium Corporation No. 994:**

We have audited the accompanying financial statements of Ottawa-Carleton Standard Condominium Corporation No. 994, which comprise the statement of financial position as at May 31, 2018 and the statements of general fund and reserve fund operations and fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility 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.

### 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 Ottawa-Carleton Standard Condominium Corporation No. 994 as at May 31, 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.



### OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants  
Ottawa, Ontario  
October 23, 2018

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

## STATEMENT OF FINANCIAL POSITION AS AT MAY 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
General fund		
Cash	\$ 49,566	\$ 63,593
Accounts receivable	5,530	4,177
Hydro recoverable	1,866	1,866
Due from declarant	4,715	14,359
Due from reserve fund	115	-
Prepaid expenses	4,662	2,816
	<u>66,454</u>	<u>86,811</u>
Reserve fund		
Cash	62,224	31,111
Investments (note 4)	75,281	-
Accrued interest receivable	165	-
Due from general fund	-	6,188
	<u>137,670</u>	<u>37,299</u>
	<u>\$ 204,124</u>	<u>\$ 124,110</u>
<b>Liabilities</b>		
General fund		
Accounts payable	\$ 56,914	\$ 67,113
Due to reserve fund	-	6,188
	<u>56,914</u>	<u>73,301</u>
Reserve fund		
Due to general fund	115	-
	<u>57,029</u>	<u>73,301</u>
<b>Fund balances</b>		
General fund	9,540	13,510
Reserve fund	137,555	37,299
	<u>147,095</u>	<u>50,809</u>
	<u>\$ 204,124</u>	<u>\$ 124,110</u>

Approved on behalf of the Board:

  
Director

  
Director

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

## STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE FOR THE YEAR ENDED MAY 31, 2018

	Budget (note 8)	2018	2017
<b>Revenue</b>			
Owners' contribution	\$ 317,731	\$ 312,493	\$ 287,229
Less allocation to reserve fund	99,371	99,371	37,296
	218,360	213,122	249,933
Miscellaneous	-	565	1,280
	218,360	213,687	251,213
<b>Expenses</b>			
Utilities			
Gas	27,000	22,426	23,729
Hydro (note 9)	28,500	18,083	27,081
Water	12,000	21,854	12,551
Telecommunications	4,300	4,133	3,731
Maintenance			
Cleaning and supplies	21,200	19,585	19,176
Elevator	6,200	4,413	6,100
General	24,400	31,920	32,320
Landscaping	3,400	4,793	3,108
Security	11,525	6,758	15,711
Snow removal	12,500	13,357	13,560
Administration			
Condominium Authority fees	-	718	-
Insurance	26,000	23,482	25,396
Management fees	33,000	36,896	31,459
Office	2,700	2,533	2,631
Professional fees	5,000	6,726	21,150
	217,725	217,657	237,703
Net revenue (expenses) for the year	\$ 635	(3,970)	13,510
Fund balance - beginning of year		13,510	-
Fund balance - end of year		\$ 9,540	\$ 13,510

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

## STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE FOR THE YEAR ENDED MAY 31, 2018

	<u>Plan</u> (notes 5 and 8)	<u>2018</u>	<u>2017</u>
<b>Revenue</b>			
Owners' contribution	\$ 99,371	\$ 99,371	\$ 37,296
Interest	<u>3,320</u>	<u>885</u>	<u>3</u>
Increase for the year	102,691	100,256	37,299
Fund balance - beginning of year	<u>33,423</u>	<u>37,299</u>	<u>-</u>
Fund balance - end of year	<u>\$ 136,114</u>	<u>\$ 137,555</u>	<u>\$ 37,299</u>

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2018

### 8. Budget and plan

The budget and plan figures have not been audited.

### 9. Hydro expense

The hydro expense is a net figure consisting of:

	<u>2018</u>	<u>2017</u>
Hydro Ottawa expense	\$ 46,314	\$ 60,822
Billed to owners	<u>28,251</u>	<u>33,741</u>
	<u>\$ 18,063</u>	<u>\$ 27,081</u>

## OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

### NOTES TO FINANCIAL STATEMENTS MAY 31, 2018

#### 3. Financial instruments

Financial instruments of the Corporation consist of cash, accounts receivable, hydro recoverable, investments, accrued interest receivable and accounts payable.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the risks have not changed from last year.

#### 4. Investments

The Corporation has investment certificates that earn interest at annual rates that range from 2.7% to 3.13% and mature between May 2020 and 2023 and a provincial bond that yields at 1.76% and is due September 2019.

#### 5. Reserve fund

The Corporation, as required by the Condominium Act, has established a reserve fund for financing future major repairs and replacements of the common elements and assets.

The Board of Directors proposed a plan for the future funding of the reserve fund based on the reserve fund study prepared by exp Services Inc. dated July 2017 and such other information as was available to them.

The reserve fund study was based on numerous assumptions as to future events including: repair and replacement costs; life expectancy of the common elements and assets; annual inflation rates; and the interest to be earned on the reserve fund investments.

The statement of reserve fund operations and fund balance provides a comparison between the planned and actual revenue and expenses of the reserve fund for the year and the accumulated balance thereof at the end of the year.

#### 6. Related party transactions

No remuneration was paid to Directors and Officers during the year and they had no interest in any transactions of the Corporation. The management company, in addition to fees, was paid \$12,056 for maintenance services and \$995 for administrative costs and collects fees from owners, purchasers and others for issuing status certificates. These transactions were in the normal course of operations and were measured at the exchange amount.

#### 7. Major commitments

The Corporation has engaged the services of a company to provide management and accounting services for a term ending October 31, 2019 at an annual cost of approximately \$40,000.

The Corporation has engaged the services of a company to provide snow removal services for a term ending April 30, 2019 at an annual minimum cost of approximately \$10,000.

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MAY 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>		
Owners' contribution revenue	\$ 320,784	\$ 283,052
Miscellaneous revenue	565	1,280
Interest revenue	720	3
General fund expenses	<u>(229,702)</u>	<u>(189,631)</u>
	92,367	94,704
<b>Cash flows from investing activities</b>		
Purchase of investments	<u>(75,281)</u>	<u>-</u>
Increase in cash for the year	17,086	94,704
Cash - beginning of year	<u>94,704</u>	<u>-</u>
Cash - end of year	<u>\$ 111,790</u>	<u>\$ 94,704</u>
<b>Cash</b>		
General fund	\$ 49,566	\$ 63,593
Reserve fund	<u>62,224</u>	<u>31,111</u>
	<u>\$ 111,790</u>	<u>\$ 94,704</u>



## OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 994

### NOTES TO FINANCIAL STATEMENTS MAY 31, 2018

#### 1. Purpose of the organization

The Corporation was registered without share capital on May 31, 2016 under the laws of the Condominium Act of Ontario. The Corporation was formed to manage and maintain, on behalf of the owners, the common elements of the 80 residential units in phase 1 of 3 phases. 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.

#### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

##### a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

##### b) 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 operation and administration of the common elements.

The reserve fund reports the contributions from owners and expenses for major repair and replacement costs of the common elements and assets. The basis for determining the reserve fund's requirements is explained in note 5. Only major repairs and replacements of the common elements and assets and the cost of the reserve fund study may be charged to the reserve fund. Minor repairs and replacements are charged to the general fund. The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in special accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the reserve fund.

##### c) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

##### d) Revenue recognition

Owners' contributions are recognized as revenue monthly based upon 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 when earned.