

**OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the Owners,  
**Ottawa-Carleton Standard Condominium Corporation No. 975:**

We have audited the accompanying financial statements of Ottawa-Carleton Standard Condominium Corporation No. 975, which comprise the statement of financial position as at September 30, 2017 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. 975 as at September 30, 2017 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

February 1, 2018

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975

## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2017

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
General fund		
Cash	\$ 50,216	\$ 4,251
Accounts receivable	2,577	43,233
Rebate receivable	8,089	-
Shared costs receivable	-	16,738
Due from reserve fund	41,099	-
Prepaid expenses	-	2,034
	<u>101,981</u>	<u>66,256</u>
Reserve fund		
Cash	79,579	53,564
Investments (note 4)	100,000	-
Accrued interest receivable	138	-
Due from general fund	-	4,839
	<u>179,717</u>	<u>58,403</u>
	<u>\$ 281,698</u>	<u>\$ 124,659</u>
<b>Liabilities</b>		
General fund		
Accounts payable	\$ 97,752	\$ 91,270
Due to reserve fund	-	4,839
	<u>97,752</u>	<u>96,109</u>
Reserve fund		
Due to general fund	41,099	-
	<u>138,851</u>	<u>96,109</u>
<b>Fund balances</b>		
General fund	4,229	(29,853)
Reserve fund	<u>138,618</u>	<u>58,403</u>
	<u>142,847</u>	<u>28,550</u>
	<u>\$ 281,698</u>	<u>\$ 124,659</u>

Approved on behalf of the Board:

Director

Director



# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975

## STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budget (note 8)	2017	2016 (366 days)
<b>Revenue</b>			
Owners' contribution	\$ 555,820	\$ 555,955	\$ 447,220
Less allocation to reserve fund	<u>150,000</u>	<u>80,000</u>	<u>58,398</u>
	405,820	475,955	388,822
Miscellaneous	-	1,812	590
Contribution from declarant	<u>-</u>	<u>26,365</u>	<u>-</u>
	<u>405,820</u>	<u>504,132</u>	<u>389,412</u>
<b>Expenses</b>			
Utilities			
Gas	26,300	36,957	25,734
Hydro	70,400	88,642	85,391
Water	80,600	45,440	78,641
Telecommunications	6,700	9,099	6,766
Maintenance			
Cleaning and supplies	35,720	41,365	32,874
Elevator	13,200	20,589	14,469
Fire protection	6,700	4,942	6,601
General	33,000	50,403	43,867
Landscaping	5,000	1,910	2,404
Lighting retrofit	-	25,618	-
Mechanical	4,600	17,173	7,557
Snow removal	25,500	41,123	7,455
Superintendent	7,800	-	8,070
Waste removal	5,000	7,475	6,406
Administration			
Insurance	23,600	22,617	24,531
Management fees	43,800	43,744	42,470
Office	3,600	4,528	3,428
Professional fees	<u>14,300</u>	<u>8,425</u>	<u>22,601</u>
	<u>405,820</u>	<u>470,050</u>	<u>419,265</u>
Net revenue (expenses) for the year	\$ <u>-</u>	34,082	(29,853)
Fund balance - beginning of year		(29,853)	-
Fund balance - end of year		<u>\$ 4,229</u>	<u>\$ (29,853)</u>

## OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975

### STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Plan</u> (notes 5 and 8)	<u>2017</u>	<u>2016</u> (366 days)
<b>Revenue</b>			
Owners' contribution	\$ 73,403	\$ 80,000	\$ 58,398
Interest	<u>-</u>	<u>215</u>	<u>5</u>
	73,403	80,215	58,403
<b>Expenses</b>			
Reserve fund study	<u>2,712</u>	<u>-</u>	<u>-</u>
Increase for the year	70,691	80,215	58,403
Fund balance - beginning of year	<u>-</u>	<u>58,403</u>	<u>-</u>
Fund balance - end of year	<u>\$ 70,691</u>	<u>\$ 138,618</u>	<u>\$ 58,403</u>

# OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>2017</u>	<u>2016</u> (366 days)
<b>Cash flows from operating activities</b>		
Owners' contribution revenue	\$ 596,611	\$ 403,987
Miscellaneous revenue	1,812	590
Contribution from declarant	26,365	-
Interest revenue	77	5
General fund expenses	<u>(452,885)</u>	<u>(346,767)</u>
	171,980	57,815
<b>Cash flows from investing activities</b>		
Sale (purchase) of investments	<u>(100,000)</u>	<u>-</u>
Increase in cash for the year	71,980	57,815
Cash - beginning of year	<u>57,815</u>	<u>-</u>
Cash - end of year	<u>\$ 129,795</u>	<u>\$ 57,815</u>
<b>Cash</b>		
General fund	\$ 50,216	\$ 4,251
Reserve fund	<u>79,579</u>	<u>53,564</u>
	<u>\$ 129,795</u>	<u>\$ 57,815</u>

## OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

#### 1. Purpose of the organization

The Corporation was registered without share capital on September 30, 2015 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 116 residential units. 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.

## OTTAWA-CARLETON STANDARD CONDOMINIUM CORPORATION NO. 975

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2017

#### 3. Financial instruments

Financial instruments of the Corporation consist of cash, accounts receivable, rebate receivable, 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 carrying amount of the financial instruments approximate their fair value.

#### 4. Investments

The Corporation has investment certificates that earn interest at annual rates that range from 2.05% to 2.55% per annum and mature between September 2019 and September 2022.

#### 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 June 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 \$10,881 for maintenance services and \$3,746 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 elevator maintenance services for a term ending December 1, 2025 at an annual cost of approximately \$13,000.

The Corporation has engaged the services of a company to provide management and accounting services for a term ending June 14, 2018 at an annual cost of approximately \$55,500.

#### 8. Budget and plan

The budget and plan figures have not been audited.