

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

JANUARY 31, 2022

INDEPENDENT AUDITOR'S REPORT

To The Owners of
Toronto Standard Condominium Corporation No. 1918

We have audited the accompanying financial statements of Toronto Standard Condominium Corporation No. 1918, which comprise the statement of financial position as at January 31, 2022 and the statement of operations and changes in fund balances of the Reserve, Guest Suite and Operating funds and the statement of 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 financial statements present fairly, in all material respects, the financial position of Toronto Standard Condominium Corporation No. 1918 as at January 31, 2022, 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 Board of Directors for the Financial Statements

Management and the Board of Directors are 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 they determine 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 statement management and the board of directors are 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 and Board of Directors 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 over-seeing the corporation's financial reporting process.

PAGE 2.

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 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 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors' 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.

Lee & Souter LLP

**Chartered Professional Accountants and Chartered Accountants
Licensed Public Accountants**

RICHMOND HILL, Canada
June 24, 2022

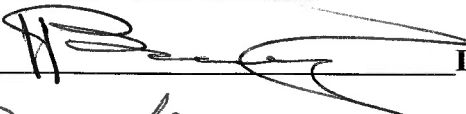

PAGE 3.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
STATEMENT OF FINANCIAL POSITION
AS AT JANUARY 31, 2022

	<u>Reserve Fund</u>	<u>Guest Suite Fund</u>	<u>Operating Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
ASSETS					
Current					
Cash, Note 3	\$ 1,538,914	\$ -	\$ 89,220	\$ 1,628,134	\$ 1,286,979
Investments, Note 4	1,408,329	-	-	1,408,329	1,515,350
Accounts Receivable					
- Owners	-	-	23,084	23,084	8,693
- Other	-	-	-	-	11,461
Prepaid Expenses	-	-	3,430	3,430	12,099
	2,947,243	-	115,734	3,062,977	2,834,582
Capital Assets					
Guest Suite	-	114,272	-	114,272	114,272
	\$ 2,947,243	\$ 114,272	\$ 115,734	\$ 3,177,249	\$ 2,948,854
LIABILITIES					
Current					
Accounts Payable and Accrued	\$ 2,036	\$ -	\$ 98,347	\$ 100,383	\$ 160,898
Contingent Liability, Note 9					
FUND BALANCES	2,945,207	114,272	17,387	3,076,866	2,787,956
	\$ 2,947,243	\$ 114,272	\$ 115,734	\$ 3,177,249	\$ 2,948,854

See the accompanying Notes.

APPROVED BY THE BOARD:


 _____ Director

 _____ Director

**TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
RESERVE FUND
FOR THE YEAR ENDED JANUARY 31, 2022**

	Actual <u>2022</u>	Actual <u>2021</u>
Revenue		
Owners' Assessment, Note 2	\$ 476,565	\$ 409,252
Energy Rebate	-	10,797
Interest	33,588	40,248
	<u>510,153</u>	<u>460,297</u>
Expenditure		
Plumbing	43,257	-
Lobby Renovations	26,406	-
Elevators	17,289	5,085
Insurance Deductible	10,000	-
Garage Investigation and Repairs - Engineer Fees	7,910	6,215
Waste Disposal	6,972	2,509
Drywall Repairs	6,836	3,616
Windows and Doors	5,165	5,243
HVAC Repairs	3,995	59,854
Caulking	2,260	-
Electrical Repairs	1,730	2,818
Consulting	1,356	2,260
Security Equipment	-	53,659
Fire Safety Equipment	-	14,555
Garage Repairs	-	12,312
Fence Repairs	-	7,345
Balcony Repairs	-	1,921
Pool Repairs	-	1,344
	<u>133,176</u>	<u>178,736</u>
Excess of Revenue over Expenditure	<u>376,977</u>	<u>281,561</u>
Fund Balance - at beginning of year	<u>2,568,230</u>	<u>2,286,669</u>
Fund Balance - at end of year, to Exhibit A, Note 2	<u><u>\$ 2,945,207</u></u>	<u><u>\$ 2,568,230</u></u>

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
GUEST SUITE FUND
FOR THE YEAR ENDED JANUARY 31, 2022**

	Actual <u>2022</u>	Actual <u>2021</u>
Fund Balance - at beginning and end of year, to Exhibit A	<u><u>\$ 114,272</u></u>	<u><u>\$ 114,272</u></u>

See the accompanying Notes.

**TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
OPERATING FUND
FOR THE YEAR ENDED JANUARY 31, 2022**

	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
Revenue			
Owners' Assessment	\$ 1,407,067	\$ 1,405,948	\$ 1,342,715
Contribution to Reserve Fund, Note 2	(476,565)	(476,565)	(409,252)
	930,502	929,383	933,463
Interest Income	6,300	6,049	8,922
	936,802	935,432	942,385
Expenditure			
Administration, Schedule 1	25,378	22,992	22,370
Repairs and Maintenance, Schedule 1	384,635	454,448	401,239
Utilities, Schedule 1	358,000	327,426	308,019
On-site Wages and Benefits	118,440	117,927	116,241
Management	62,349	63,549	62,153
Insurance	38,000	37,157	35,589
	986,802	1,023,499	945,611
Excess (Deficit) of Revenue over Expenditure	<u><u>\$(50,000)</u></u>	<u><u>(88,067)</u></u>	<u><u>(3,226)</u></u>
Fund Balance - at beginning of year		105,454	108,680
Fund Balance - at end of year, to Exhibit A		<u><u>\$ 17,387</u></u>	<u><u>\$ 105,454</u></u>

See the accompanying Notes.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 31, 2022

	<u>Reserve Fund</u>	<u>Guest Suite Fund</u>	<u>Operating Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
Operating Activities					
Source of Cash					
Excess (Deficit) of Revenue over Expenditure	\$ 376,977	\$ -	\$(88,067)	\$ 288,910	\$ 278,335
Change in Accounts Receivable, Owners	-	-	(14,391)	(14,391)	3,072
Change in Accounts Receivable, Others	10,797		664	11,461	(11,461)
Change in Prepaid Expenses	10,735	-	(2,066)	8,669	(9,945)
Change in Accounts Payable and Accrued	(38,317)	-	(22,198)	(60,515)	30,212
Increase in Cash	360,192	-	(126,058)	234,134	290,213
Cash – at beginning of year	2,587,051	-	215,278	2,802,329	2,512,116
Cash - at end of year	\$ 2,947,243	\$ -	\$ 89,220	\$ 3,036,463	\$ 2,802,329
Cash is comprised of:					
Cash	\$ 1,538,914	\$ -	\$ 89,220	\$ 1,628,134	\$ 1,286,979
Investments	1,408,329	-	-	1,408,329	1,515,350
	\$ 2,947,243	\$ -	\$ 89,220	\$ 3,036,463	\$ 2,802,329

See the accompanying Notes.

**TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JANUARY 31, 2022**

Nature of Operations

The corporation was incorporated without share capital, by the registration of a declaration, dated February 20, 2008, pursuant to the provisions of the Condominium Act of Ontario. The corporation is a not-for-profit organization and is exempt from corporation income taxes under the Income Tax Act.

The purpose of the corporation is to manage and maintain the common elements (as defined in the Corporation's Declaration and Bylaws) and to provide common services for the benefit of the owners of the 156 unit residential condominium community, located at 30 Canterbury Place in Toronto, Ontario.

1. Significant Accounting Policies

Basis of Presentation

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

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.

Fund Accounting

The corporation follows the restricted fund method of accounting.

Operating Fund - Unrestricted

The Operating Fund accounts for the corporation's repairs, maintenance, utilities, service contracts and administration activities.

Reserve Fund – Externally Restricted

The corporation, as required by the Condominium Act, 1998, has established a Reserve Fund for the major repairs and replacements of the common elements and assets of the corporation. A portion of the owners' assessment has been allocated to the Reserve Fund in accordance with the operating budget. Revenue generated from the investment of the funds becomes part of the fund.

Guest Suite Fund – Internally Restricted

The corporation established the Guest Suite Fund to account for the acquisition of the guest suite. The guest suite is recorded at cost and is not being amortized as the residual value is expected to be in excess of cost.

Continued...../

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JANUARY 31, 2022

1. Significant Accounting Policies (Continued)

Capital Assets

Units and any real property directly associated with the units, which were purchased by unit holders initially from the developer, are not recognized as capital assets of the corporation since they are owned by the unit owners.

Revenue Recognition

Owners' assessments are recognized as revenue based on the budget distributed to the owners each year. The corporation recognizes revenue at the first of each month when assessments are due and collection is reasonably assured. Interest and other revenue are recognized as revenue of the related fund when earned.

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 accordance with Canadian accounting standards for not-for-profit organizations requires the corporation's management and board of directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. These estimates and assumptions are reviewed periodically and adjustments are reported in the year in which they become known.

Financial Instruments

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

Financial assets include cash, investments and amounts receivable. Financial liabilities include accounts payable and accrued liabilities.

**TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JANUARY 31, 2022**

2. Reserve Fund

The Directors have used the Class 1 Reserve Fund Study prepared by Brown & Beattie Ltd., dated May 6, 2019, and such other information as was available to them in evaluating the adequacy of annual contributions to the Reserve Fund for major repairs and replacements. The corporation's plan for contribution to the Reserve Fund for 2022 was \$473,514 (actual - \$476,565) and the plan for estimated expenditures from the Reserve Fund for 2022 was \$491,069 (actual - \$133,176). The Study projected a Reserve Fund balance on January 31, 2022 of \$2,962,766 (actual - \$2,945,206). Reserve Fund contributions are proposed to increase by 15.70% annually to 2023 and by 2.00% annually thereafter.

Any evaluation of the adequacy of the Reserve Fund is based upon assumptions as to the future interest and inflation rates and estimates of the life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes may be material; accordingly, the Condominium Act requires that Reserve Fund studies be updated every three years.

3. Reserve Fund Cash

The Reserve Fund cash is held in a bank account with Scotiabank and TD Canada Trust earning interest at the bank's prime rate less 2.00% and 2.20% respectively per annum.

4. Investments

Investments of \$1,408,329 (2021 - \$1,515,350) are recorded at cost plus accrued interest which approximates the market value of these investments. Investments are comprised of GIC's that mature between February 1, 2022 and July 30, 2024 and earn interest at rates between 0.55% and 2.30%.

5. Remuneration of Directors and Officers

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

6. Budget

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

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JANUARY 31, 2022

7. Related Party Transaction

During the year the corporation paid \$20,140 (2021 - \$19,478) to Associa On Call for various repairs and maintenance work in the normal course of operations and were measured at the exchange amount. This company is related to Maple Ridge Community Management who provides management services to the corporation.

8. COVID-19

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

9. Contingent Liability

On March 1, 2021, the corporation was named as a respondent in a legal proceeding that claims damages of \$60,000 plus costs related to failure to address the transmission noise and vibrations into an owner's unit. The result of the legal proceeding is not presently determinable and no provision for loss has been recorded in the accounts. Costs, if any, will be charged to the Operating Funds.

10. Financial Instruments

Risk management

The corporation manages its exposure to the credit, liquidity and interest rate risks associated with financial instruments by maintaining financial instruments that may be promptly liquidated. The corporation's cash and investments are on deposit with financial institutions that are members of Canada Deposit Insurance Corporation.

The corporation believes its exposure to credit, liquidity and interest rates risks is not significant.

11. Major Commitment and Subsequent Event

Subsequent to the year end, the corporation entered into an agreement with a contractor to repair the parking garage at a cost of \$240,074. The amount of the contract will be charged to the Reserve Fund as the work is completed in the 2022/23 fiscal year.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1918
SCHEDULE OF OPERATING FUND EXPENDITURES
FOR THE YEAR ENDED JANUARY 31, 2022

	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
Administration			
Office	\$ 13,778	\$ 7,031	\$ 11,445
Meetings	5,600	8,446	2,104
Audit	4,000	4,475	4,520
Legal	2,000	3,040	4,301
	<u>\$ 25,378</u>	<u>\$ 22,992</u>	<u>\$ 22,370</u>
Repairs and Maintenance			
Mechanical	\$ 279,447	\$ 347,057	\$ 289,208
Common Area Housekeeping	41,165	47,646	46,693
Groundskeeping	29,000	35,739	23,533
Building Repairs	19,573	17,465	40,823
Spa and Amenities	15,450	6,541	982
	<u>\$ 384,635</u>	<u>\$ 454,448</u>	<u>\$ 401,239</u>
Utilities			
Electricity	\$ 149,000	\$ 112,085	\$ 117,833
Water and Sewer	122,000	124,469	122,097
Gas	85,000	86,049	65,129
Telephone	2,000	4,823	2,960
	<u>\$ 358,000</u>	<u>\$ 327,426</u>	<u>\$ 308,019</u>
