

**OXFORD STANDARD CONDOMINIUM
CORPORATION NO. 111**

**FINANCIAL STATEMENTS
(Audited)**

YEAR ENDED MARCH 31, 2017

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
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YEAR ENDED MARCH 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Unit Owners
Oxford Standard Condominium Corporation No 111

We have audited the accompanying financial statements of Oxford Standard Condominium Corporation No 111, which comprise the statements of financial position as at March 31, 2017, the statements of operations and changes in fund balances, reserve fund and changes in fund balances 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.

Auditors' 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 auditors' 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 evaluation of 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 the organization as at March 31, 2017, and its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Micacchi Warnick & Company

MICACCHI WARNICK & COMPANY

Professional Corporation | Chartered Professional Accountants

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

Woodstock, Ontario

July 25, 2017

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017
(Audited)

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total 2017</u>	<u>Total 2016</u>
ASSETS				
Current				
Cash and bank (note 3)	\$ -	\$ 7,446	\$ 7,446	\$ 121,430
Accounts receivable	-	-	-	10,398
Prepaid expenses	<u>14,873</u>	<u>-</u>	<u>14,873</u>	<u>-</u>
	<u>14,873</u>	<u>7,446</u>	<u>22,319</u>	<u>131,828</u>
Long-term				
Reserve investments (note 4)	<u>-</u>	<u>40,397</u>	<u>40,397</u>	<u>40,176</u>
	<u>\$ 14,873</u>	<u>\$ 47,843</u>	<u>\$ 62,716</u>	<u>\$ 172,004</u>
LIABILITIES AND FUND BALANCES				
Current				
Bank indebtedness	1,794	-	1,794	-
Accounts payable and accrued liabilities	<u>\$ 4,624</u>	<u>\$ -</u>	<u>\$ 4,624</u>	<u>\$ 42,079</u>
	<u>6,418</u>	<u>-</u>	<u>6,418</u>	<u>42,079</u>
Fund balances				
Unrestricted	8,455	-	8,455	4,225
Restricted	<u>-</u>	<u>47,843</u>	<u>47,843</u>	<u>125,700</u>
	<u>8,455</u>	<u>47,843</u>	<u>56,298</u>	<u>129,925</u>
	<u>\$ 14,873</u>	<u>\$ 47,843</u>	<u>\$ 62,716</u>	<u>\$ 172,004</u>

Approved on Behalf of the Board

_____ Director

_____ Director

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2017
(Audited)

	Budget <u>2017</u> (unaudited)	Total <u>2017</u>	Total <u>2016</u>
Revenues			
Condominium fees	\$ 184,800	\$ 184,800	\$ 184,800
Surplus	4,939	-	-
Interest income	100	78	78
Less: allocation to reserve fund (page 5)	<u>(60,500)</u>	<u>(60,500)</u>	<u>(60,500)</u>
	<u>129,339</u>	<u>124,378</u>	<u>124,378</u>
Expenses			
Administration	1,200	1,416	1,112
Audit fees	3,000	3,150	2,654
Bank charges and interest	770	752	780
Insurance	13,843	13,993	14,456
Lawn and landscaping	37,886	36,608	40,155
Legal fees	4,300	-	13,325
Management fees	11,340	11,340	11,340
Pool expenses	5,000	4,181	6,185
Repairs and maintenance	26,300	26,714	21,236
Snow removal	21,000	17,789	15,326
Telephone	500	187	523
Utilities	<u>4,200</u>	<u>4,018</u>	<u>3,638</u>
	<u>129,339</u>	<u>120,148</u>	<u>130,730</u>
Excess (deficiency) of revenue over expenses	<u>\$ -</u>	4,230	(6,352)
Fund balance, beginning of year		4,225	16,470
Transfer to reserve fund		<u>-</u>	<u>(5,893)</u>
Fund balance, end of year		<u>\$ 8,455</u>	<u>\$ 4,225</u>

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017
(Audited)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses - operating fund	\$ 4,230	\$ (6,352)
Excess (deficiency) of income over expenses- reserve fund	<u>(77,856)</u>	<u>54,317</u>
	(73,626)	47,965
Changes in working capital components		
Accounts receivable	10,398	(2,148)
Prepaid expenses	(14,873)	-
Accounts payable and accrued liabilities	(37,456)	20,626
Deferred revenue	<u>-</u>	<u>(500)</u>
Cash flows from (provided to) operating activities	<u>(115,557)</u>	<u>65,943</u>
Cash flows from investing activities		
Net increase in reserve investments	<u>(221)</u>	<u>(195)</u>
Net increase (decrease) in cash	(115,778)	65,748
Cash beginning of year	<u>121,430</u>	<u>55,682</u>
Cash end of year	<u>\$ 5,652</u>	<u>\$ 121,430</u>
Cash consists of:		
Cash and bank	\$ -	\$ 35,907
Reserve cash and bank	7,446	85,523
Bank indebtedness	<u>(1,794)</u>	<u>-</u>
	<u>\$ 5,652</u>	<u>\$ 121,430</u>

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017
(Audited)

1. Organization

The corporation (known as Oxford Standard Condominium Corporation No. 111) was registered without share capital on November 4, 2014 pursuant to the Condominium Act, of Ontario.

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 44 units of the building located at 615 to 701 Lansdowne Ave, Woodstock, Ontario.

2. Significant accounting policies

The accounting policies of the corporation are in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Outlined below are those policies considered particularly significant:

Fund accounting

Operating fund

The purpose of the operating fund is to manage the day to day operations of the organization, including the maintenance of common elements and the provision of common services for the benefit of the owners of the condominium.

Reserve fund

The corporation, as required by the Condominium Act, of Ontario, has established a reserve fund for financing future major repairs and replacements of the common elements. The assessments to finance major repairs and replacements are determined by using the straight-line method. Only major repairs and replacements of the common elements are charged directly to this reserve. The corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in bank and investment accounts that must be used solely to finance such charges. Interest earned on these amounts is included in the reserve fund.

Financial instruments

The organization measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and bank.

Financial liabilities measured at amortized cost include bank indebtedness and accounts payable.

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017
(Audited)

2. Accounting policies - continued

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.

Capital expenditures

The cost of minor capital expenditures is written off in the year incurred.

Revenue recognition

The organization follows the restricted fund method of accounting for owners' assessments.

Owners' assessments are recognized as revenue in the statement of general fund operations monthly based on the budget distributed to owners each year. Interest and other revenue are recognized as revenue of the related fund when earned.

Use of estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the recognition and valuation of accounts receivable, accrued interest and investments. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

Cash and bank

Cash and bank consist of cash on hand and balances with banks.

Income taxes

No provision is made for income taxes as the organization qualifies as a non-profit organization which is exempt from income tax under the *Income Tax Act*.

3. Cash and bank

Cash and cash equivalents consists of a TD Canada Trust operating account and a TD Canada Trust reserve account both yielding interest at nominal rates.

4. Reserve Investments

Reserve investment consists of a CIBC Wood Gundy investment account with a balance of \$40,397 in a money market fund.

OXFORD STANDARD CONDOMINIUM CORPORATION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
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(Audited)

5. Reserve fund

Reserve for major repairs and replacements

The corporation, as required by the Condominium Act, of Ontario, has established a reserve fund for financing future major repairs and replacements of the common elements. The assessments to finance the major repairs and replacements are determined using a funding approach.

The most recent reserve fund study report prepared by Enerplan Building Consultants implemented April 10, 2014 recommended an annual contribution for the year ending March 31, 2017 of \$57,901 (March 31, 2016 - \$59,386). Actual contributions in the current year were \$60,500.

The reserve fund balance of \$47,843 is lower than the balance recommended by the reserve fund study of \$117,471 by \$69,628 as of March 31, 2017.

6. Budget

The budgeted figures are presented for comparison purposes only and are unaudited.