TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2743

(Incorporated without share capital under the
Condominium Act of Ontario)

FINANCIAL STATEMENTS

OCTOBER 31, 2023

ALLWORTH & ASSOCIATES
Chartered Professional Accountants

2401 Bristol Circle, Suite C200
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Phone: 905-820-5566
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INDEPENDENT AUDITOR'S REPORT

To the Owners of Toronto Standard Condominium Corporation No. 2743:

Opinion

We have audited the financial statements of Toronto Standard Condominium Corporation No. 2743 (the Entity), which comprise the balance sheet as at October 31, 2023, and the statement of operations, statement of replacement reserve and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Standard Condominium Corporation No. 2743 as at October 31, 2023, and the results of its operations and cash flows for the period 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 Entity in accordance with the ethical requirements that are relevant to our audit of 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

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INDEPENDENT AUDITOR'S REPORT - continued

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 Entity'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 Entity'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 Entity 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.

Allworth + Associates
ALLWORTH & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Oakville, Ontario
March 16, 2024

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2743
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BALANCE SHEET **OCTOBER 31, 2023**

	2023	2022
ASSETS		
Current		
Cash - general	$ 140,303	$ 89,659
- replacement reserve	292,566	279,937
Accounts receivable	1,563	12,489
Due from declarant	-	16,911
Prepaid expenses	14,588	19,571
	449,020	418,567
Investments - reserve - note 3	306,959	100,321
Property and equipment - note 4	16,695	20,869
	323,654	121,190
	772,674	539,757
LIABILITIES		
Current		
Accounts payable	$ 72,182	$ 98,945
Current portion of capital lease - note 5	1,667	9,276
	73,849	108,221
Capital lease - note 5	-	1,667
	73,849	109,888
Net assets	$ 698,825	$ 429,869
NET ASSETS REPRESENTED BY		
Replacement reserve - note 6	$ 599,525	$ 378,805
Accumulated under expended general assessment	99,300	51,064
	$ 698,825	$ 429,869

Approved on behalf of the Board of Directors:

Brian A Tangen _____ Director

Michael Kratts _____ Director

The accompanying notes are an integral part of these financial statements

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2743
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STATEMENT OF OPERATIONS

FOR THE YEAR ENDED OCTOBER 31, 2023

	2023	2022
Revenue		
Common element fees	$ 690,912	$ 611,287
Interest	2,483	207
Keys	457	965
Miscellaneous	12,506	4,581
Party room	300	800
	706,658	617,840
Expenses		
Amortization	4,174	5,217
Bad debts	4,411	-
Insurance	22,334	24,269
Interest on capital lease	894	2,017
Janitorial services	51,020	56,239
Landscaping and snow removal	10,812	10,251
Maintenance and repairs	155,850	144,662
Management fee	46,890	46,890
Office expenses	10,514	6,268
Professional fees	5,010	20,569
Security	48,698	47,841
Utilities	96,715	113,266
	457,322	477,489
Excess of revenue over expenses before the following:	249,336	140,351
Transfer to replacement reserve	201,100	150,000
Under (over) expended general assessment	48,236	(9,649)
Accumulated under expended general assessment - beginning	51,064	60,713
Accumulated under expended general assessment	$ 99,300	$ 51,064

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2743
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STATEMENT OF REPLACEMENT RESERVE

FOR THE YEAR ENDED OCTOBER 31, 2023

	2023	2022
Revenue		
Transfer from operations	$ 201,100	$ 150,000
Interest	22,873	4,548
	223,973	154,548
Expenses		
Electrical	3,253	-
Reserve fund study	-	1,413
	3,253	1,413
Excess of revenue over expenses	220,720	153,135
Reserve - beginning	378,805	225,670
Replacement reserve	$ 599,525	$ 378,805

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2743
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED OCTOBER 31, 2023

	2023	2022
Cash Flows from:		
Operating activities:		
Excess (deficiency) of revenues over expenses - operating fund	$ 48,236	$ (9,649)
Excess of revenues over expenses - reserve fund	220,720	153,135
	268,956	143,486
Amortization	4,174	5,217
	273,130	148,703
Changes in non-cash working capital:		
Decrease in accounts receivable	10,926	13,160
Decrease (increase) in prepaid expenses	4,983	(4,129)
Decrease (increase) in due from declarant	16,911	(12,500)
(Decrease) increase in accounts payable	(26,763)	21,438
	6,057	17,969
	279,187	166,672
Investing activities:		
(Increase) in investments	(206,638)	(100,321)
Financing activities:		
(Repayments of) capital lease	(9,276)	(8,153)
Change in cash and cash equivalents	63,273	58,198
Cash and cash equivalents - beginning	369,596	311,398
Cash	$ 432,869	$ 369,596
Cash consists of:		
Operating cash	$ 140,303	$ 89,659
Reserve cash	292,566	279,937
	$ 432,869	$ 369,596

The accompanying notes are an integral part of these financial statements

1. Operations

The corporation, known as Toronto Standard Condominium Corporation No. 2743, was incorporated without share capital on November 15, 2019 under the Condominium Act of Ontario.

The purpose of the corporation is to manage and maintain common elements, as defined in the Corporation's Declaration and By-Laws, and to provide common services for the benefit of the owners of the 52 units located at 2118 Bloor Street West in Toronto, Ontario.

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. Summary of significant accounting policies

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

Accrual basis of accounting

Revenues and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions are settled by the receipt or payment of money.

Common elements

The common elements of the corporation are owned proportionately by the unit holders and consequently are not reflected as assets in these financial statements.

Capital assets

Capital assets are recorded at cost. Amortization is provided at the following rates using the declining balance basis:

Equipment under capital lease	- 20%
Fitness Equipment	- 20%

In the year of acquisition of an asset, the above rates are reduced by 50%.

Summary of significant accounting policies - continued

Leases

Leases that, from the point of view of the lessee, transfer substantially all of the benefits and risks of ownership related to the leased property to the lessee are accounted for as capital leases. Assets held under capital leases are recognized as assets and a corresponding liability is recognized as an obligation under capital lease. Lease payments are apportioned between interest expense and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability.

Revenue recognition

Common element fees are recognized as revenue on a monthly basis with the calculation being made on a straight-line basis during the year that the related budgeted expenditures are expected to be incurred. Party room, keys, and other income is recognized as revenue when payment becomes due. Interest on investments is accrued as earned and interest on the operating and reserve fund bank accounts is recorded when credited to the bank accounts.

Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from management's best estimates as additional information becomes available in the future.

Reserve for major repairs and replacement of common elements

The reserve fund reports the contributions from owners and expenditures 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 6. Only major repairs and replacements of the common elements are charged directly to this reserve fund as well as the cost of the reserve fund study. 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 in special accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the reserve fund.

Summary of significant accounting policies - continued

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 measured at amortized cost include cash, accounts receivable, investments and due from declarant. Financial liabilities measured at amortized cost include accounts payable and capital lease.

3. Investments - replacement reserve

	Maturity Date	Interest Rate	Cost
RBC Non Redeemable GIC	August 10, 2025	4.76%	$ 100,000
RBC Non Redeemable GIC	August 10, 2025	4.76%	100,000
RBC Non Redeemable GIC	October 5, 2025	4.50%	100,000
			300,000
Accrued interest earned to date			6,959
Carrying value of investments at October 31, 2023			**$ 306,959**

4. Property and equipment

	Cost	Accumulated Amortization	2023	2022
Equipment under capital lease	$ 32,134	$ 17,326	$ 14,808	$ 18,510
Fitness Equipment	3,277	1,390	1,887	2,359
	$ 35,411	$ 18,716	$ 16,695	$ 20,869

5. Capital lease

	2023	2022
Canam Waste Products lease, repayable in monthly payments of $750 plus HST with an annual interest rate of 15% maturing on December 1, 2023	$ 1,695	$ 11,865
Less amount representing interest	(28)	(922)
	1,667	10,943
Less current portion	(1,667)	(9,276)
	$ -	$ 1,667

Future minimum lease payments are as follows:

2024	$ 1,695

6. Reserve Fund

In accordance with the Condominium Act of Ontario, the Corporation has established a reserve fund for financing future major repairs and replacements of the common elements and assets.

The directors have used the class 1 comprehensive reserve fund study of Synergy Partners Consulting Limited dated November 11, 2020 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 2023 was $201,070. The plan for expenditures from the reserve fund for 2023 was $14,872. The study projected a reserve fund balance on October 31, 2023 of $546,755.

The reserve is evaluated on the basis of expected repair and replacement costs and life expectancy of the common elements and assets of the Corporation. Such evaluation is based on numerous assumptions as to future events.

7. Contractual obligations

The corporation has entered into a contract for landscaping and snow removal services. The future minimum payments required under this contract are $12,125 for 2024. The contract matures on October 31, 2024.

The corporation has entered into a contract for management services. The future minimum payments required under this contract are $3,908 per month. The contract has no expiry date and may be cancelled with 60 days notice.

The corporation has entered into a contract for HVAC services. The future minimum payments required under this contract are $13,506 for 2024. The contract matures on June 30, 2024.

The corporation has entered into a contract for security services. The future minimum payments required under this contract are $62,019 for 2024, and $63,248 for 2025. The contract matures on October 31, 2025.

The corporation has entered into a contract for elevator services. The future minimum payments required under this contract are $15,946 for 2024, $15,946 for 2025, $15,946 for 2026 and $5,315 for 2027. The contract matures on February 28, 2027.

The corporation has entered into a contract for generator maintenance. The future minimum payments required under this contract are $5,978 for 2024, $5,978 for 2025, $5,978 for 2026, $5,978 for 2027, $5,096 for 2028. The contract matures on July 31, 2028.

The corporation has entered into a contract for a condo control system subscription. The future minimum payments required under this contract are $2,164 for 2024. The contract matures on September 30, 2024.

8. Remuneration of Directors and Officers

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

9. Financial Instruments

The corporation's financial instruments consist of cash, investments, accounts receivable, due from declarant, accounts payable, and capital lease. The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short term to maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the corporation is a going concern and thus expects to fully repay the outstanding amount.

Liquidity risk

The corporation does have liquidity risk in the accounts payable and capital lease of $73,849 (2022 - $109,888). Liquidity risk is the risk that the corporation cannot repay its obligations when they become due to its creditors. The corporation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintaining a sufficient cash balance to repay trade creditors, and repaying capital lease interest and principal as it becomes due. In the opinion of management, the liquidity risk exposure to the corporation is low.

Credit risk

The corporation does have credit risk in the accounts receivable and due from declarant of $1,563 (2022 - $29,400). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The corporation reduces its exposure to credit risk by enforcing its lien rights within three months of the date on which assessments are due. In the opinion of management, the credit risk exposure to the organization is low.

The corporation also has a credit risk relating to cash and investments, which it manages by dealing with large chartered banks in Canada and investing in highly liquid investments. The corporation's objective is to minimize its exposure to credit risk in order to prevent losses on financial assets by placing its cash and investments in accounts that are insured by the Canada Deposit Insurance Corporation (CDIC) or the Canadian Investor Protection Fund (CIPF). The corporation's cash carrying value is $432,869 (2022 - $369,596) and investments carrying value is $306,959 (2022 - $100,321), representing the maximum exposure to credit risk of these financial assets.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the corporation's long-term debt is fixed rate debt. Therefore, changes in market interest rates do not impact interest payments on its capital lease and the corporation is not subject to interest rate risk.