

**TORONTO STANDARD CONDOMINIUM
CORPORATION NO. 2300
FINANCIAL STATEMENTS
MARCH 31, 2023**

INDEPENDENT AUDITOR'S REPORT

**TO: The Owners of
Toronto Standard Condominium Corporation No. 2300**

Opinion

We have audited the financial statements of **Toronto Standard Condominium Corporation No. 2300** which comprise the statement of financial position as at March 31, 2023, and the statements of operating fund, reserve fund, capital assets fund, energy management lease fund, cash flows and schedule to the financial statements 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. 2300** as at March 31, 2023, 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.

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 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 these financial statements, management is responsible for assessing **Toronto Standard Condominium Corporation No. 2300's** ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate **Toronto Standard Condominium Corporation No. 2300** or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing **Toronto Standard Condominium Corporation No. 2300's** financial reporting process.

INDEPENDENT AUDITOR'S REPORT - cont'd

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 our 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 corporation'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 **Toronto Standard Condominium Corporation No. 2300'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 **Toronto Standard Condominium Corporation No. 2300** 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 the Board of Directors 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.



Furlong and Company LLP
Chartered Professional Accountants
Licensed Public Accountants

September 6, 2023
Toronto, Ontario

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

| | 2023 | 2022 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash and investments - operating (Note 6) | 145,756 | 173,263 |
| Accounts receivable (Note 7) | 37,509 | 50,821 |
| Prepaid expenses | <u>36,965</u> | <u>31,948</u> |
| | 220,230 | 256,032 |
| Long term | | |
| Cash and investments - reserve (Note 6) | 1,604,923 | 1,511,468 |
| Capital assets (Note 11) | | |
| | <u>480,000</u> | <u>480,000</u> |
| | <u>2,305,153</u> | <u>2,247,500</u> |
| Liabilities and Fund Balances | | |
| Current | | |
| Bank indebtedness | 1,687 | - |
| Accounts payable and accruals | 146,421 | 141,373 |
| Mortgage payable - current portion (Note 11) | 49,195 | 47,200 |
| Capital lease obligation - current portion (Note 12) | <u>13,600</u> | <u>26,914</u> |
| | 210,903 | 215,487 |
| Long term debt | | |
| Mortgage payable (Note 11) | 21,487 | 70,682 |
| Capital lease obligation (Note 12) | <u>-</u> | <u>5,330</u> |
| | <u>21,487</u> | <u>76,012</u> |
| | <u>232,390</u> | <u>291,499</u> |
| Fund balances | | |
| Reserve fund (Page 7) | 1,656,200 | 1,523,726 |
| Energy management lease fund (Page 8) | (13,600) | (18,956) |
| Capital assets fund (Page 8) | 435,460 | 379,139 |
| Operating fund (Page 5) | <u>(5,297)</u> | <u>72,092</u> |
| | <u>2,072,763</u> | <u>1,956,001</u> |
| | <u>2,305,153</u> | <u>2,247,500</u> |

On behalf of the Board:


 _____ Director


 _____ Director

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
STATEMENT OF OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2023

| | BUDGET 2023 \$ (Note 10) | ACTUAL 2023 \$ | ACTUAL 2022 \$ |
|---|-----------------------------------|------------------------------|----------------------|
| Revenue | | | |
| Owners' assessment | 1,297,664 | 1,297,665 | 1,224,156 |
| Less: Assessment to reserve fund | (274,244) | (277,244) | (254,504) |
| Less: Assessment to capital assets fund - suites/park | (60,000) | (51,211) | (51,211) |
| Less: Assessment to capital assets fund - automation | - | (9,121) | (11,964) |
| Less: Assessment to energy management lease fund | <u>(32,600)</u> | <u>(22,358)</u> | <u>(22,358)</u> |
| | 930,820 | 937,731 | 884,119 |
| Other income (Schedule 1) | <u>66,820</u> | <u>61,485</u> | <u>15,997</u> |
| | <u>997,640</u> | <u>999,216</u> | <u>900,116</u> |
| Common expenses (Schedule 1) | | | |
| Utilities | 231,700 | 289,772 | 229,480 |
| Contracts | 554,795 | 574,339 | 518,779 |
| Repairs and maintenance | 138,700 | 133,062 | 139,981 |
| General and administrative | <u>72,445</u> | <u>79,432</u> | <u>65,953</u> |
| | <u>997,640</u> | <u>1,076,605</u> | <u>954,193</u> |
| (Deficiency) for the year | <u>-</u> | <u>(77,389)</u> | <u>(54,077)</u> |
| Fund balance, beginning of year | | <u>72,092</u> | <u>126,169</u> |
| Fund balance, end of year | | <u><u>(5,297)</u></u> | <u>72,092</u> |

See accompanying notes.

**TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
FOR THE YEAR ENDED MARCH 31, 2023**

| | BUDGET 2023 \$ (Note 10) | ACTUAL 2023 \$ | ACTUAL 2022 \$ |
|-----------------------------------|-----------------------------------|-----------------------|----------------------|
| OTHER INCOME | | | |
| Shared Facilities (Note 4) | 46,120 | - | - |
| Guest suites | 9,000 | 38,783 | 5,000 |
| Other income | <u>11,700</u> | <u>22,702</u> | <u>10,997</u> |
| | <u>66,820</u> | <u>61,485</u> | <u>15,997</u> |
| UTILITIES | | | |
| Gas | 55,000 | 133,821 | 69,106 |
| Hydro | 75,000 | 59,893 | 63,343 |
| Water and sewage | 98,000 | 89,378 | 92,772 |
| Telephones | <u>3,700</u> | <u>6,680</u> | <u>4,259</u> |
| | <u>231,700</u> | <u>289,772</u> | <u>229,480</u> |
| CONTRACTS | | | |
| Elevators | 22,600 | 22,549 | 20,576 |
| Cleaning | 147,500 | 138,467 | 135,310 |
| Concierge | 160,000 | 192,830 | 149,903 |
| Waste removal | 28,000 | 31,302 | 31,556 |
| Snow removal | 8,500 | 8,900 | 7,831 |
| Management | 137,445 | 129,277 | 127,750 |
| Preventive maintenance | 28,600 | 25,119 | 23,406 |
| Other contracts | <u>22,150</u> | <u>25,895</u> | <u>22,447</u> |
| | <u>554,795</u> | <u>574,339</u> | <u>518,779</u> |
| REPAIRS AND MAINTENANCE | | | |
| General repairs and maintenance | 98,700 | 104,686 | 107,894 |
| Window cleaning | 30,000 | 26,340 | 29,186 |
| Supplies | <u>10,000</u> | <u>2,036</u> | <u>2,901</u> |
| | <u>138,700</u> | <u>133,062</u> | <u>139,981</u> |
| GENERAL AND ADMINISTRATIVE | | | |
| Insurance | 54,000 | 49,310 | 41,078 |
| Office expenses | 11,145 | 22,550 | 13,768 |
| Legal and audit | 7,300 | 7,572 | 9,476 |
| Website | <u>-</u> | <u>-</u> | <u>1,631</u> |
| | <u>72,445</u> | <u>79,432</u> | <u>65,953</u> |

See accompanying notes.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
STATEMENT OF FUNDS
FOR THE YEAR ENDED MARCH 31, 2023

| | 2023 | 2022 |
|--|-------------------------|------------------|
| | \$ | \$ |
| RESERVE FUND | | |
| Revenue | | |
| Owners' assessment (Note 9) | 277,244 | 254,504 |
| Interest | <u>33,163</u> | <u>21,764</u> |
| | <u>310,407</u> | <u>276,268</u> |
| Major repairs and replacements | | |
| Reserve fund study | 4,407 | - |
| Leak repairs | 4,294 | - |
| Waste management | 3,745 | - |
| Balcony | 13,012 | - |
| Front entrance and gate | 5,933 | - |
| Windows and doors | 10,017 | 1,526 |
| Ceiling repairs | 7,628 | 2,034 |
| Garage and foundation | 36,000 | 13,004 |
| Plumbing | 20,615 | 26,624 |
| Mechanical and electrical | 31,596 | 67,947 |
| Fire protection and security | 40,686 | 37,643 |
| Elevators | - | 10,110 |
| Flood repairs | - | 3,087 |
| Computer | - | <u>1,130</u> |
| | <u>177,933</u> | <u>163,105</u> |
| Excess for the year | 132,474 | 113,163 |
| Fund balance, beginning of year | <u>1,523,726</u> | <u>1,410,563</u> |
| Fund balance, end of year | <u>1,656,200</u> | <u>1,523,726</u> |

See accompanying notes.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
STATEMENT OF FUNDS
FOR THE YEAR ENDED MARCH 31, 2023

| | 2023 | 2022 |
|--|-------------------------------|------------------------|
| | \$ | \$ |
| CAPITAL ASSETS FUND | | |
| Revenue | | |
| Owners' allocation - guest suites and parking unit (Note 11) | 51,211 | 51,211 |
| Owners' allocation - building automation system (Note 12(a)) | 9,121 | 11,964 |
| | <u>60,332</u> | <u>63,175</u> |
| Common expenses | | |
| Mortgage interest and fees (Note 11) | 4,011 | 5,928 |
| Amortization (Note 11) | - | 13,786 |
| | <u>4,011</u> | <u>19,714</u> |
| Excess for the year | 56,321 | 43,461 |
| Fund balance, beginning of year | <u>379,139</u> | <u>335,678</u> |
| Fund balance, end of year | <u><u>435,460</u></u> | <u><u>379,139</u></u> |
| ENERGY MANAGEMENT LEASE FUND | | |
| Revenue | | |
| Owners' assessment (Note 12(b)) | 22,358 | 22,358 |
| Expenses | | |
| Lease payment amendments | <u>17,002</u> | <u>-</u> |
| | 5,356 | 22,358 |
| Fund balance, beginning of year | <u>(18,956)</u> | <u>(41,314)</u> |
| Fund balance, end of year | <u><u>(13,600)</u></u> | <u><u>(18,956)</u></u> |

See accompanying notes.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

| | 2023 | 2022 |
|---|--------------------|-----------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Owners' assessment | 1,297,665 | 1,224,156 |
| Interest | 33,163 | 21,764 |
| Other income | 61,485 | 15,997 |
| Common expenses - operating fund | (1,076,605) | (954,193) |
| Common expenses - energy management lease fund | (17,002) | - |
| Common expenses - capital assets fund | (4,011) | (5,928) |
| Major repairs and replacements | (177,933) | (163,105) |
| | 116,762 | 138,691 |
| Changes in other non-cash operating accounts | 13,343 | (11,496) |
| | 130,105 | 127,195 |
| Cash flows from investing activities | | |
| (Purchase) sale of investments | (148,083) | (25,826) |
| Cash flows from financing activities | | |
| Mortgage - payments (Note 13) | (47,200) | (45,282) |
| Equipment leases (Note 12) | (18,644) | (26,914) |
| | (65,844) | (72,196) |
| (Decrease) increase in cash for the year | (83,822) | 29,173 |
| Cash, beginning of year | 237,895 | 208,722 |
| Cash, end of year | 154,073 | 237,895 |
| Comprised of : | | |
| Bank indebtedness | (1,687) | - |
| Cash - operating bank | - | 31,244 |
| Cash - reserve bank | 155,760 | 206,651 |
| | 154,073 | 237,895 |

See accompanying notes.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

1. OPERATIONS

The corporation was incorporated without share capital in March 2013 under 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 By-laws) and to provide common services for the benefit of the owners of the 215 units located in the Municipality of Metropolitan Toronto. 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. The significant accounting policies are as follows:

(a) FUND ACCOUNTING

The operating fund reports the assessments from owners and expenses related to the operations and administration of the common elements.

The reserve fund reports the assessments from the owners and the 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 9. Only major repairs and replacements of the common elements are charged directly to this reserve fund. 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 fund in special accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the reserve fund.

The capital assets fund and energy management lease funds report the corporation's net equity in the guest suites, parking unit, the building automation system and the energy management system.

(b) 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 have been finally settled by the receipt or payment of money.

(c) 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 with the exception of the guest suites, parking unit, the building automation system and the energy management system (Note 11).

(d) MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions 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 could differ from management's best estimates as additional information becomes available in the future.

The COVID-19 pandemic and its impact on the economy are constantly evolving in an unpredictable manner and present many variables and contingencies for modelling. In future periods, the effects of the pandemic may have material impacts on the corporation's anticipated revenues and expenses.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) FINANCIAL INSTRUMENTS

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

(f) REVENUE RECOGNITION

Revenue is recognized on a monthly basis by way of a common element assessment, based on the annual budget. Investment and other revenues are recognized as income of the related fund when earned.

(g) INVESTMENTS

Investments are purchased to be held to maturity and accordingly are recorded at cost plus accrued interest.

(h) CONTRIBUTED SERVICES

Directors 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.

(i) CAPITAL ASSETS

The guest suites and the parking unit are recorded at cost and are not amortized as the estimated residual value is in excess of cost. Amortization of the building automation system and the energy management system are calculated on a straight line basis over five years.

3. COMMITMENTS / FUTURE PROJECTS

(a) The corporation has engaged the services of companies to provide services such as management, cleaning and preventive maintenance at annual costs of about \$550,000.

(b) The corporation has entered into a contract for "smart meter" hydro billing services. Hydro charges for each unit are the responsibility of each unit owner while the corporation pays the hydro charge for the common elements only.

(c) For the 2024 fiscal year, the corporation has contracted for BAS retrofit in the approximate amount of \$55,000 including HST.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

4. RECIPROCAL AGREEMENT

The corporation has entered into a shared facilities agreement with the declarant (330 King East Inc.) who is also the owner of the three commercial units. It provides for the mutual use, maintenance, repairs, replacements, governance and cost-sharing of various facilities and shared servicing of systems which benefit the corporation and the commercial owner. Costs are apportioned on the basis of usage as follows:

| | |
|------------|-----------------|
| TSCC 2300 | 94.61 % |
| Commercial | <u>5.39</u> % |
| | <u>100.00</u> % |

Amounts received have been netted against the appropriate shared individual expense accounts. For the 2022 fiscal year \$33,998 was billed (2022 = \$32,600).

5. FINANCIAL INSTRUMENTS

The corporation's financial instruments primarily consist of cash, investments, receivables and accounts payable, lease obligation and mortgage payable.

Interest rate risk

Interest rates risk is the risk of potential loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The corporation is exposed to this risk through its interest bearing investments. The corporation manages this risk by investing in fixed-rate securities of short and medium term maturity and plans to hold the securities to maturity.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The corporation places its operating and reserve cash and investments with high quality institutions and believes its exposure is not significant. The corporation's credit risk from owners' assessments receivable is also not significant given the ability of the corporation to place a lien on a unit for outstanding fees and limited financial exposure in a multi-unit condominium.

Liquidity risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations as they become due. The corporation manages this risk by establishing budgets and funding plans and by levying sufficient owners' assessments to fund its operating expenses, debt payments and necessary contributions to the reserve and any other funds.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

| 6. CASH AND INVESTMENTS | Rate | Amount |
|--------------------------------|--------------|-------------------------|
| | % | \$ |
| RESERVE | | |
| Cash - reserve bank | 6.00 | 155,760 |
| RBC investment savings account | 4.05 | 176,093 |
| GICs maturing in 2023 | 2.30 to 5.20 | 342,000 |
| GICs maturing in 2024 | 2.31 to 5.15 | 376,000 |
| GICs maturing in 2025 | 1.45 to 5.10 | 175,000 |
| GICs maturing in 2026 | 4.35 to 4.60 | 200,000 |
| GIC maturing in 2027 | 5.05 | 150,000 |
| Interest receivable | | <u>30,070</u> |
| | | <u><u>1,604,923</u></u> |
| OPERATING | | |
| RBC investment savings account | 4.05 | 145,256 |
| Interest receivable | | <u>500</u> |
| | | <u><u>145,756</u></u> |

The cost of the above investments plus interest receivable approximates their fair market value.

| 7. ACCOUNTS RECEIVABLE | 2023 | 2022 |
|-------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Common element assessments | 7,179 | 2,622 |
| Insurance claims | <u>30,330</u> | <u>48,199</u> |
| | <u><u>37,509</u></u> | <u><u>50,821</u></u> |

8. AUTO SHARING PROGRAM

The corporation's declaration (Section 4.3(f)) required it to purchase a parking unit from the declarant for \$30,000 plus HST. The corporation is to lease this spot to an automobile sharing company to create a program to enable owners to rent an automobile with the pickup and drop off location in the corporation's garage.

The declarant gave a \$30,000 mortgage to the corporation with the balance due June 1, 2014. Interest only, at a rate of 6%, was payable monthly, commencing July 1, 2013. It was refinanced in August 2014 (See Note 12).

A new rental contract is under negotiation.

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

9. ADEQUACY OF RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS

The Board of Directors has reviewed the reserve fund study update (not based on a site visit) prepared in February 2023 by WSP Canada Inc. The study was based on information available at the time of preparation, and include estimates relating to future reserve fund expenditures, interest rates, and inflation rates. Actual figures will vary from the estimates.

The Board of Directors has proposed and implemented a plan for the future funding of the reserve fund to ensure that the reserve will be adequate to fund the major repairs and replacements of the common elements and assets of the corporation, in accordance with the *Condominium Act, 1998*. This study and plan must also be updated at a minimum of every three years.

Based on the estimates of future reserve fund expenditures, interest rates, and inflation rates, the plan states that an assessment of \$277,244 for 2023 and \$302,196 for 2024 plus interest earned on reserve fund investments appears adequate to provide sufficient funds to cover the calculated reserve fund requirements. The corporation's assessments are \$277,244 and will be \$302,196 respectively. The funding plan projects that annual assessments to the corporation's reserve fund will increase between 9% and 10.8% until 2029 and by 3.2% thereafter. (Note that these stated increases reflect only increases in the annual contribution to the reserve fund; they do not reflect the increase in the overall monthly common element fees paid by owners.)

The plan estimated that the corporation would spend 59,000 in reserve fund monies in 2023 (actual = \$177,933) and \$140,000 in 2024.

The plan projected a March 31, 2023 year end balance of \$1,773,000 (actual = \$1,656,200).

10. 2023 BUDGET

The 2023 budget amounts are presented for information purposes only. They were approved by the Board of Directors and are unaudited.

11. CAPITAL ASSETS

The capital assets of the corporation consist of the two guest suites, a parking unit, the building automation system and the energy management system. No amortization is taken on the guest suites or the parking unit as the residual value of these assets would not be less than the original costs. Amortization on the building automation system and the energy management system are calculated on a straight line basis over five years.

| | Cost | Amort. | Accum Amort. | Net 2023 |
|---------------------------------|----------------|----------|-----------------|----------------|
| | \$ | \$ | \$ | \$ |
| Guest suites | 450,000 | - | - | 450,000 |
| Parking unit | 30,000 | - | - | 30,000 |
| Automation and energy (Note 12) | <u>68,922</u> | <u>-</u> | <u>68,922</u> | <u>-</u> |
| | <u>548,922</u> | <u>-</u> | <u>68,922</u> | <u>480,000</u> |

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 2300
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

12. LEASE OBLIGATIONS

(a) The corporation entered into a building automation system lease agreement in February 2018 for a five year term. It was paid off during 2023 fiscal year.

(b) The corporation entered into a energy management system lease agreement in January 2019 for a five year term. Monthly payments are \$1,360 for 60 months with an additional balloon payment of \$9,040 in months nine and fourteen. The monthly payments are accounted for on a straight line basis, without a separate interest component.

Future lease payments by fiscal year are:

| | | |
|----------------------|----|-----------------|
| | \$ | |
| 2024 | | <u>13,600</u> |
| | | 13,600 |
| less current portion | | <u>(13,600)</u> |
| | | <u><u>-</u></u> |

13. MORTGAGE PAYABLE

As payment for two guest suites and a parking unit (Notes 8 and 11), the declarant took back a mortgage in the amount of \$480,000 at an interest rate of 6%. Interest only was payable for a term of two years at which time the mortgage was due and payable. The mortgage was secured by the suites and parking unit.

The mortgage was refinanced at \$490,000 in August 2014 with an interest rate of 3.642%, and a term of five years, amortized over 10 years. Payments from September 2014 are \$5,400 per month including principal and interest. The mortgage was refinanced in August 2019 at an interest rate of prime plus 1.25% with payments of \$5,400 per month including principal and interest. The mortgage was refinanced in December 2019 at an interest rate of 4.154% with payments of \$4,267 per month including principal and interest.

Future principal payments by fiscal year are:

| | | |
|----------------------|----|----------------------|
| | \$ | |
| 2024 | | 49,195 |
| 2025 | | <u>21,487</u> |
| | | 70,682 |
| less current portion | | <u>(49,195)</u> |
| | | <u><u>21,487</u></u> |