



F & W Property Management (Kitchener) Ltd.
Management Consultants

June 9, 2014

Ontario Energy Board
2300 Yonge Street,
27th Floor,
Toronto, ON
M4P 1E4

Attention: Batul Rahimtoola

Dear Batul:

RE: W.N.C.C. #196
15 Hofstetter Avenue, Kitchener

Please find attached a revised application form for the above mentioned Condominium Corporation.

Should you require any further clarification or additional information, please feel free to contact our office or email me at Laurie@fandw.on.ca

Yours truly,

F & W Property Management

Laurie Brown
Agent for W.N.C.C. #196

Ontario Energy
Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: 1-888-832-8273
Facsimile: (416) 440-7656

Commission de l'énergie
l'Ontario
C.P. 2319
2300, rue Yonge
27^e étage
Toronto ON M4P 1E4
Téléphone: 1-888-832-8273
Télécopieur: (416) 440-7656



Application for a Unit Sub-Metering Licence

For Office Use Only	
Application Number	EB -
Date Received	

1. The Applicant

Legal Name of the Applicant :

Waterloo North Condominium Corporation #196

Name to Appear on Licence:

Waterloo North Condominium Corporation #196

☒ Indicate if same as above

If not the same as above, the name must include the legal name of the applicant and the legal name must appear first. The "Name to Appear on Licence" will appear on the notice and on the licence.

Date of formation or incorporation: November 27, 1991

2. Licence Primary Contact

As a condition of licensing, the licensee shall designate a person who will act as primary contact with the Board on matters related to the licence.

Mr. <input type="radio"/>	Mrs. <input checked="" type="radio"/>	Last Name	First Name	Initial
		Brown	Laurie	L
Miss <input type="radio"/>	Ms. <input type="radio"/>	Title/Position		
Other <input type="radio"/>		Property Manager		
Company Name if different from Name to Appear on Licence				
F & W Property Management (Kitchener) Ltd				
Licence Primary Contact Address:				
1487 Ottawa Street South				
City	Province/State	Country	Postal/Zip Code	
Kitchener	Ontario	Canada	N2E 3P2	
Phone Number	Toll Free (if available)	Fax Number	E-mail Address	
519-749-8407		519-749-0189	laurie@fandw.on.ca	

3. Application Primary Contact

☒ Indicate if same as above. If yes, proceed to section 4.

The primary contact for the licence application may be a person within the applicant's organization other than the licence primary contact noted above. An applicant may also choose to designate a consultant, lawyer, etc. to be the primary contact for the licence application. The Board will communicate with this person during the course of the application but with the licence primary contact after a licence is issued.

Mr. <input type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other <input type="radio"/>	<input type="text"/>	Title/Position		
		<input type="text"/>		
		Company Name if different from Name to Appear on Licence		
		<input type="text"/>		

Application Primary Contact Address:

City	Province/State	Country	Postal/Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Phone Number	Toll Free (if available)	Fax Number	E-mail Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. Trade Names

The unit sub-metering licence authorizes the licensee to conduct business using the name under which the licence is held. It also provides for the use of trade names by the licensed unit sub-meter provider.

Does the applicant intend to use trade names?

☐ Yes, provide a list of trade names the applicant intends to use in the space provided below.

☒ No, proceed to 5

<input type="text"/>
<input type="text"/>
<input type="text"/>

5. Applicant's Licensing Status and History

- (a) Has the applicant or an affiliate of the applicant ever been licensed by the Ontario Energy Board? (the *Business Corporations Act* definition for affiliate can be found at www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90b16_e.htm)

- ☐ Yes, provide details of current and expired licences in the table below
- ☒ No, proceed to 5(b)

Licensee Name	Licence Number

- (b) Has the applicant or an affiliate of the applicant ever undertaken electricity sector activity in another jurisdiction within North America?

- ☐ Yes, provide details of current and expired licences in the table below
- ☒ No

Licensee Name	Jurisdiction	Business Activity

6. Officers, Directors and Key Individuals

- (a) Provide as a separate attachment a list of all officers and directors, including name and title.
- (b) Provide a list of key individuals below. The individuals listed must be the individuals that are responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the Chief Executive Officer, the Chief Financial Officer, other officers, directors and proprietors.

Name of Key Individual	Title/Position within Applicant's Business (or identify company if not the Applicant's Business)
Steven Trepanier	President
Don Hannon	Vice-President
Andrew Butler	Secretary
Mike Moogk	Treasurer

7. Intended Services

Please describe the applicant's intended services with respect to unit sub-metering:

The Condominium Corporation currently has a sub-metering program which Carma Industries has updated. In order to save costs, the Condominium Corporation wishes to obtain a license to produce the billings directly to the owners rather than going through a 3rd party.

Is the applicant currently providing these services?



Yes



No, indicate when the applicant intends to provide these services _____

If the applicant objects to public disclosure of any of the information in the preceding sections, the applicant must notify the Board and follow the Board's Practice Direction on Confidential Filings.

CONFIDENTIAL

The following sections of information (8 to 12) will be maintained in **confidence**.

8. Corporate Organization

Please describe the applicant's corporate organization and the applicant's relationship with its energy sector affiliates. Provide a corporate organization chart if possible.

☒ Please indicate if corporate organization chart is attached.

9. Finance

Note - it is preferable to receive financial information for the applicant and not an affiliate of the applicant.

Please provide audited financial statements for the last two years.

If audited financial statements are not available, identify which of the following has been attached in support of this application for a unit sub-metering licence. Please identify a minimum of one item:

- ☐ Most recent prospectus and quarterly report
 - ☐ Unaudited financial statements for the last two years. Documents must be signed by one key individual
 - ☐ Pro forma statements if applicant is anew company. Documents must be signed by one key individual
 - ☐ Parental guarantee and the financial statements of the parent company
 - ☐ Letter of reference from the applicant's bank
 - ☒ Other, please specify
Audited financial statement for the past 2 years
-

Will the applicant manage all financial aspects of its business with its own staff?

- ☒ Yes
 - ☐ No, identify contractors who will provide this service
-

10. Technical Resources

Does the applicant employ technical resource staff or contractors with appropriate qualifications and experience in unit sub-metering?

- ☐ Yes, briefly describe the technical qualifications of at least one person employed by the applicant
-

- ☒ No, identify plans to acquire the necessary technical resources for technical matters related to unit sub-metering
The condominium corporation does not have employees. The condominium corporation does contract services necessary for technical services/resources such as; carma industries. The Condominium Corporation has ran the billing program and has been trained by Carma Industries. Carma Industries will verify the system every 5 years.
-

CONFIDENTIAL**12. Key Individual Information**

Please make a copy of section 12 and provide the information required in this section for each key individual identified in section 6. Please ensure that all key individuals read section 13. The Board may request information for other officers and directors at a later date.

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Trepanier	Steven	
Other <input type="radio"/>		Title/Position		
		President		
		Company Name		
		Waterloo North Condominium Corporation #196		

Has this person been a proprietor, officer or director with an entity that was granted a licence under the *Ontario Energy Board Act, 1998*?

☐ Yes, provide licence number and name of licensee _____

☒ No

Has this person been a proprietor, officer or director of an entity that was registered or licensed under any other statute of Canada or the United States in relation to the energy sector?

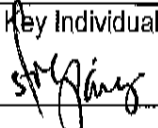
☐ Yes, provide jurisdiction, name of business and business activity _____

☒ No

Has this person been a proprietor, officer or director of an entity that had a registration or licence of any kind refused, suspended, revoked or cancelled?

☐ Yes, provide name of business, jurisdiction and describe situation _____

☒ No

Signature of Key Individual 	Date June 2, 2014
--	----------------------

CONFIDENTIAL**12. Key Individual Information**

Please make a copy of section 12 and provide the information required in this section for each key individual identified in section 6. Please ensure that all key individuals read section 13. The Board may request information for other officers and directors at a later date.

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Hannon	Don	
Other <input type="radio"/>		Title/Position		
		Vice-President		
		Company Name		
		Waterloo North Condominium Corporation #196		

Has this person been a proprietor, officer or director with an entity that was granted a licence under the *Ontario Energy Board Act, 1998*?

☐ Yes, provide licence number and name of licensee _____

☒ No

Has this person been a proprietor, officer or director of an entity that was registered or licensed under any other statute of Canada or the United States in relation to the energy sector?

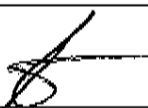
☐ Yes, provide jurisdiction, name of business and business activity _____

☒ No

Has this person been a proprietor, officer or director of an entity that had a registration or licence of any kind refused, suspended, revoked or cancelled?

☐ Yes, provide name of business, jurisdiction and describe situation _____

☒ No

Signature of Key Individual 	Date June 2-2014
--	---------------------

CONFIDENTIAL**12. Key Individual Information**

Please make a copy of section 12 and provide the information required in this section for each key individual identified in section 6. Please ensure that all key individuals read section 13. The Board may request information for other officers and directors at a later date.

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Butler	Andrew	
Other <input type="radio"/>		Title/Position		
		Secretary		
		Company Name		
		Waterloo North Condominium Corporation #196		

Has this person been a proprietor, officer or director with an entity that was granted a licence under the *Ontario Energy Board Act, 1998*?

☐ Yes, provide licence number and name of licensee _____

☒ No

Has this person been a proprietor, officer or director of an entity that was registered or licensed under any other statute of Canada or the United States in relation to the energy sector?

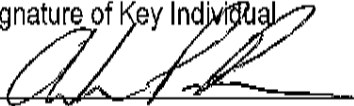
☐ Yes, provide jurisdiction, name of business and business activity _____

☒ No

Has this person been a proprietor, officer or director of an entity that had a registration or licence of any kind refused, suspended, revoked or cancelled?

☐ Yes, provide name of business, jurisdiction and describe situation _____

☒ No

Signature of Key Individual 	Date June 12/2014
--	----------------------

CONFIDENTIAL**12. Key Individual Information**

Please make a copy of section 12 and provide the information required in this section for each key individual identified in section 6. Please ensure that all key individuals read section 13. The Board may request information for other officers and directors at a later date.

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Moogk	Michael	
Other <input type="radio"/>		Title/Position		
		Treasurer		
		Company Name		
		Waterloo North Condominium Corporation #196		

Has this person been a proprietor, officer or director with an entity that was granted a licence under the *Ontario Energy Board Act, 1998*?

☐ Yes, provide licence number and name of licensee _____

☒ No

Has this person been a proprietor, officer or director of an entity that was registered or licensed under any other statute of Canada or the United States in relation to the energy sector?

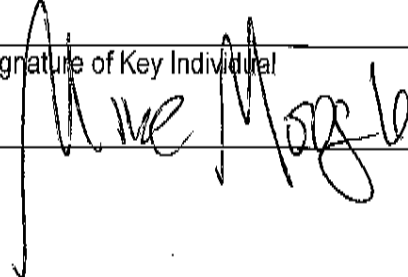
☐ Yes, provide jurisdiction, name of business and business activity _____

☒ No

Has this person been a proprietor, officer or director of an entity that had a registration or licence of any kind refused, suspended, revoked or cancelled?

☐ Yes, provide name of business, jurisdiction and describe situation _____

☒ No

Signature of Key Individual 	Date June 2/14
--	-------------------

13. Notice

The Board is authorized, under section 4.14 of the *Ontario Energy Act, 1998*, to collect personal information for the purpose of carrying out its duties and exercising its powers under the *Ontario Energy Board Act, 1998* or any other Act.

The information provided both on this form and attached to this form is being collected by the Board for the purpose of determining whether the applicant is qualified to receive the licence for which it is applying.

In order to verify the information on this form and/or determine whether the applicant is qualified to receive the licence for which it is applying, it may be necessary for the Board to collect additional information from some or all of the following sources: federal, provincial/state, or municipal governments; licensing bodies; law enforcement agencies; credit bureaus; and banks. Only information relevant to the application or the Board's determination of the application will be collected by the Board.

The public official who can answer questions about the collection of the information is:

Board Secretary
Ontario Energy Board
P.O Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

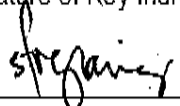
Tel: 416-481-1967 or 1-888-632-6273

Applicants are reminded that the Board is subject to the *Freedom of Information and Protection of Privacy Act* ("FIPPA"). FIPPA addresses circumstances in which the Board may, upon request, be required to release information that is in its custody or under its control, and generally prohibits the Board from releasing personal information. "Personal Information" has the meaning given to it under FIPPA.

14. Certification and Acknowledgement

I certify that the information contained in this application and in documents provided are true and accurate.

I understand and acknowledge that, as a licensed unit sub-meter provider, I must provide information as the Board may require from time to time.

Print Name of Key Individual STEVEN TREPANIER	Signature of Key Individual 	Date June 2, 2014
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(Must be signed by one of the key individuals identified in section 6)

Waterloo North Condominium Corporation #196

Flow Chart of Authority

BOARD OF DIRECTORS

PROPERTY MANAGER

UNIT OWNERS

CONTRACTORS

TENANTS

**WATERLOO NORTH CONDOMINIUM
CORPORATION NO 196
FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012**

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DAVID W. GRAY
Chartered Accountant

6556 E/W Garafraxa Town Line
RR #4, Belwood
Ontario N0B 1J0
Tel: 519-837-0485
Fax: 519-837-0438
Email: david@dwgray.com

INDEPENDENT AUDITOR'S REPORT

To The Owners of Waterloo North Condominium Corporation No 196

I have audited the accompanying financial statements of **WATERLOO NORTH CONDOMINIUM CORPORATION NO 196**, which comprised the statement of financial position as at **NOVEMBER 30, 2012**, the statements of general fund operations and fund balance, 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 generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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 Corporation'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 Corporation'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.

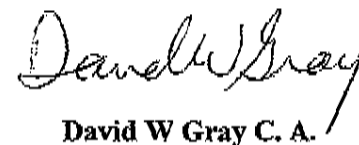
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Waterloo North Condominium Corporation No 196 as at November 30, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Guelph, Ontario

January 29, 2013



David W Gray C. A.

Licensed Public Accountant

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2012

A S S E T S

	2012	2011
CURRENT		
Cash	\$ 48,037	\$ 64,610
Cash - reserve fund	186,340	126,898
Accounts receivable	<u>17,418</u>	<u>5,376</u>
	<u><u>\$ 251,795</u></u>	<u><u>\$ 196,884</u></u>

LIABILITIES AND FUND BALANCES

CURRENT		
Accounts payable and accrued liabilities	<u>\$ 23,934</u>	<u>\$ 28,569</u>
FUND BALANCES		
Reserve fund	186,340	126,898
General fund	<u>41,521</u>	<u>41,417</u>
	<u>227,861</u>	<u>168,315</u>
	<u><u>\$ 251,795</u></u>	<u><u>\$ 196,884</u></u>

see accompanying notes

APPROVED BY:

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012 Unaudited BUDGET (Note 7)	2012 ACTUAL	2011 ACTUAL
REVENUE			
Common element charges	\$ 259,385	\$ 259,385	\$ 245,244
Interest and other income	<u>0</u>	<u>7,407</u>	<u>6,708</u>
	<u>259,385</u>	<u>266,792</u>	<u>251,952</u>
COMMON EXPENSES			
Utilities	100,000	79,164	87,310
Repairs and maintenance	51,550	76,495	39,512
Cleaning	23,500	23,730	23,188
Management fees	20,700	20,700	20,673
Landscaping and snow removal	21,000	14,450	20,432
Garbage removal	16,000	22,836	17,825
Insurance	9,315	10,158	10,146
Elevator service	4,500	4,081	4,782
Telephone and access	2,400	3,091	2,863
Fire alarm service	2,500	4,790	2,340
Water softner	2,500	2,151	3,334
Office supplies	3,020	3,008	2,100
Professional fees	<u>2,400</u>	<u>2,034</u>	<u>2,071</u>
	<u>259,385</u>	<u>266,688</u>	<u>236,576</u>
NET (OVER) UNDER EXPENDITURE ON GENERAL OPERATIONS FOR THE YEAR	<u><u>0</u></u>	104	15,376
Fund balance - beginning of year		<u>41,417</u>	<u>26,041</u>
Fund balance - end of year		<u><u>\$ 41,521</u></u>	<u><u>\$ 41,417</u></u>

see accompanying notes

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012	2011
Revenue		
Owners' assessments - fees (Note 3)	\$ 57,427	\$ 71,568
Interest	<u>2,015</u>	<u>928</u>
	59,442	72,496
Major repairs and replacements (Note 3)		
Flooring replacement	<u>0</u>	<u>2,648</u>
Excess (deficiency) of revenue over expenses for the year	59,442	69,848
Fund balance, beginning of year	<u>126,898</u>	<u>57,050</u>
Fund balance, end of year	<u><u>\$ 186,340</u></u>	<u><u>\$ 126,898</u></u>

see accompanying notes

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED NOVEMBER 30, 2012

	2012	2011
Cash flows from operating activities		
Owners, contributions for:		
General operations	\$ 259,385	\$ 245,244
Reserve fund	<u>57,427</u>	<u>71,568</u>
	316,812	316,812
Other receipts	9,422	7,636
Common expenses	(266,688)	(236,576)
Major repairs and replacements	<u>0</u>	<u>(2,648)</u>
	59,546	85,224
Net change in non-cash working capital components (note 5)	<u>(16,677)</u>	<u>17,693</u>
INCREASE IN CASH FOR THE YEAR	42,869	102,917
CASH, BEGINNING OF THE YEAR	<u>191,508</u>	<u>88,591</u>
CASH, END OF THE YEAR	<u><u>\$ 234,377</u></u>	<u><u>\$ 191,508</u></u>
REPRESENTED BY:		
Cash	\$ 48,037	\$ 64,610
Cash - reserve fund	<u>186,340</u>	<u>126,898</u>
	<u><u>\$ 234,377</u></u>	<u><u>\$ 191,508</u></u>

see accompanying notes

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012

1. NATURE OF BUSINESS

Waterloo North Condominium Corporation No 196 (the "Corporation") was registered without share capital on November 27, 1991 under the laws of the Condominium Act of Ontario, the "Act". The Corporation was formed to manage and maintain, on behalf of the owners, the common elements of 85 residential units located on Hoffstetter Drive, in the city of Kitchener. 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 are prepared in accordance with Canadian generally accepted accounting principles for Ontario Condominiums. The significant policies are detailed as follows:

(a) 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 operations and administration of the 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 3. Only major repair and replacements of the common elements are charged directly to this reserve fund with the exception of the cost of the reserve fund study which may be charged to the reserve fund. Minor repairs and replacements are charged to repairs and maintenance of 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.

(b) Capital Assets

Capital assets are treated as a charge to operations as acquired.

(c) Use of estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012****3. RESERVE FUND**

The Corporation, as required by the Condominium Act 1998 of Ontario, has established a reserve fund for financing future major repairs and replacements of the common elements and assets.

The directors have used the comprehensive reserve fund study of IRC Building Sciences Group Inc. dated March 2012 and such other information as was available to them in evaluating the adequacy of annual contributions to the reserve fund for major repairs and maintenance. The corporation's plan for contribution to the reserve fund for 2012 was \$57,174 and the plan for expenditures from the reserve fund for 2012 was \$ 7,910. The study projected a reserve fund balance on November 30, 2012 of \$ 164,846.

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.

4. REMUNERATION OF DIRECTORS AND OFFICERS

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

5. NET CHANGE IN NON-CASH WORKING CAPITAL COMPONENTS

	2012	2011
Decrease (increase) in accounts receivable	\$ (12,042)	\$ 12,057
Increase (decrease) in accounts payable and accrued liabilities	<u>(4,635)</u>	<u>5,636</u>
	<u>\$ (16,677)</u>	<u>\$ 17,693</u>

6. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is the board's opinion that the Corporation is not exposed to significant interest, currency or credit risks. The stated value of financial assets and liabilities is materially equivalent to their fair value.

7. BUDGET

The budget figures as presented for comparison purposes are unaudited and are those as approved by the board, reclassified to conform with these financial statements.

**WATERLOO NORTH CONDOMINIUM
CORPORATION NO 196
FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2013**

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30 Edinburgh Road North • Unit B1 • Guelph • Ontario • N1H 7J1

INDEPENDENT AUDITOR'S REPORT

To The Owners of Waterloo North Condominium Corporation No 196

I have audited the accompanying financial statements of **WATERLOO NORTH CONDOMINIUM CORPORATION NO 196**, which comprised the statement of financial position as at **NOVEMBER 30, 2013**, the statements of general fund operations and fund balance, 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 generally accepted accounting principles 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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 Corporation'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 Corporation'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Waterloo North Condominium Corporation No 196 as at November 30, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Comparative financial information was audited by another Chartered Accountant

Ian M Smith, CPA, CA
Licensed Public Accountant

Guelph, Ontario
January 13, 2014

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2013

A S S E T S

	2013	2012
CURRENT		
Cash	\$ 70,291	\$ 48,037
Cash - reserve fund	255,008	186,340
Accounts receivable	<u>25,109</u>	<u>17,418</u>
	<u><u>\$ 350,408</u></u>	<u><u>\$ 251,795</u></u>

LIABILITIES AND FUND BALANCES

CURRENT		
Accounts payable and accrued liabilities	<u>\$ 28,592</u>	<u>\$ 23,934</u>
FUND BALANCES		
Reserve fund	255,008	186,340
General fund	<u>66,808</u>	<u>41,521</u>
	<u>321,816</u>	<u>227,861</u>
	<u><u>\$ 350,408</u></u>	<u><u>\$ 251,795</u></u>

see accompanying notes

APPROVED BY:

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF GENERAL FUND OPERATIONS AND FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2013

	2013 Unaudited BUDGET (Note 6)	2013 ACTUAL	2012 ACTUAL
REVENUE			
Common element charges	\$ 258,359	\$ 250,204	\$ 259,385
Interest and other income	<u>0</u>	<u>6,383</u>	<u>7,407</u>
	<u>258,359</u>	<u>256,587</u>	<u>266,792</u>
COMMON EXPENSES			
Utilities	93,500	66,631	79,164
Repairs and maintenance	47,150	51,160	76,495
Garbage removal	22,000	24,799	22,836
Cleaning	22,750	23,730	23,730
Management fees	21,114	21,114	20,700
Landscaping and snow removal	20,500	17,039	14,450
Insurance	13,000	9,736	10,158
Elevator service	4,600	4,295	4,081
Fire alarm service	3,500	3,403	4,790
Telephone and access	2,500	2,760	3,091
Office supplies	3,020	2,607	3,008
Professional fees	2,425	2,034	2,034
Water softner	<u>2,300</u>	<u>1,992</u>	<u>2,151</u>
	<u>258,359</u>	<u>231,300</u>	<u>266,688</u>
NET (OVER) UNDER EXPENDITURE ON GENERAL OPERATIONS FOR THE YEAR	<u><u>0</u></u>	25,287	104
Fund balance - beginning of year		<u>41,521</u>	<u>41,417</u>
Fund balance - end of year		<u><u>\$ 66,808</u></u>	<u><u>\$ 41,521</u></u>

see accompanying notes

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF RESERVE FUND OPERATIONS AND FUND BALANCE
FOR THE YEAR ENDED NOVEMBER 30, 2013

	2013	2012
Revenue		
Owners' assessments - fees (Note 2)	\$ 66,608	\$ 57,427
Interest	<u>2,060</u>	<u>2,015</u>
	68,668	59,442
 Major repairs and replacements (Note 2)	 <u>0</u>	 <u>0</u>
 Excess of revenue over expenses for the year	 68,668	 59,442
Fund balance, beginning of year	<u>186,340</u>	<u>126,898</u>
Fund balance, end of year	<u><u>\$ 255,008</u></u>	<u><u>\$ 186,340</u></u>

see accompanying notes

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED NOVEMBER 30, 2013

	2013	2012
Cash flows from operating activities		
Owners, contributions for:		
General operations	\$ 250,204	\$ 259,385
Reserve fund	<u>66,608</u>	<u>57,427</u>
	316,812	316,812
Other receipts	8,443	9,422
Common expenses	<u>(231,300)</u>	<u>(266,688)</u>
	93,955	59,546
Net change in non-cash working capital components (note 4)	<u>(3,033)</u>	<u>(16,677)</u>
INCREASE IN CASH FOR THE YEAR	90,922	42,869
CASH, BEGINNING OF THE YEAR	<u>234,377</u>	<u>191,508</u>
CASH, END OF THE YEAR	<u><u>\$ 325,299</u></u>	<u><u>\$ 234,377</u></u>
REPRESENTED BY:		
Cash	\$ 70,291	\$ 48,037
Cash - reserve fund	<u>255,008</u>	<u>186,340</u>
	<u><u>\$ 325,299</u></u>	<u><u>\$ 234,377</u></u>

see accompanying notes

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2013

NATURE OF BUSINESS

Waterloo North Condominium Corporation No 196 (the "Corporation") was registered without share capital on November 27, 1991 under the laws of the Condominium Act of Ontario, the "Act". The Corporation was formed to manage and maintain, on behalf of the owners, the common elements of 85 residential units located on Hoffstetter Drive, in the city of Kitchener. 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.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The significant policies are detailed as follows:

(a) 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 operations and administration of the 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 2. Only major repair and replacements of the common elements are charged directly to this reserve fund with the exception of the cost of the reserve fund study which may be charged to the reserve fund. Minor repairs and replacements are charged to repairs and maintenance of 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.

(b) Capital Assets

Capital assets are treated as a charge to operations as acquired.

(c) Use of estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

WATERLOO NORTH CONDOMINIUM CORPORATION NO 196
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2013

2. RESERVE FUND

The Corporation, as required by the Condominium Act 1998 of Ontario, has established a reserve fund for financing future major repairs and replacements of the common elements and assets.

The directors have used the comprehensive reserve fund study of IRC Building Sciences Group Inc. dated March 2012 and such other information as was available to them in evaluating the adequacy of annual contributions to the reserve fund for major repairs and maintenance. The corporation's plan for contribution to the reserve fund for 2013 was \$66,608 and the plan for expenditures from the reserve fund for 2013 was \$ 18,442. The study projected a reserve fund balance on November 30, 2013 of \$ 218,592.

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.

3. REMUNERATION OF DIRECTORS AND OFFICERS

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

4. NET CHANGE IN NON-CASH WORKING CAPITAL COMPONENTS

	2013	2012
Increase in accounts receivable	\$ (7,691)	\$ (12,042)
Increase (decrease) in accounts payable and accrued liabilities	<u>4,658</u>	<u>(4,635)</u>
	<u>\$ (3,033)</u>	<u>\$ (16,677)</u>

5. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is the board's opinion that the Corporation is not exposed to significant interest, currency or credit risks. The stated value of financial assets and liabilities is materially equivalent to their fair value.

6. BUDGET

The budget figures as presented for comparison purposes are unaudited and are those as approved by the board, reclassified to conform with these financial statements.