



# CONDO CONNECTION NEWSLETTER



An **Associa**® Company

## [Q1 - 2020] IN THIS ISSUE:



### Message from the President

Bringing Education & Training To You

At Wilson Blanchard Management, An Associa Company, we truly want 2020 to be the best year yet for your community. We're proud to continue our focus on customer service and remain dedicated to proactive solutions and timely, professional responses. We'll also continue to provide your board with expert tools and training to keep you in the know on essential issues that communities across Ontario are facing.

Our most recent digital newsletter is here with all new tips to help set your board up for success in 2020 and beyond, including tips on lowering your energy bills, a guide to selecting the right vendors for your condo and advice on reviewing your monthly financial reports.

We thank you for your continued partnership and the trust that you have shown in allowing us to manage your most precious asset – your home.

**Sincerely,**

Brad Wells  
President – Wilson, Blanchard Management Inc.  
An Associa® Company



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# Selecting the Right Vendors FOR YOUR CONDO

A successfully run condominium is never a solo endeavor. It takes an engaged board, an experienced Condominium Manager and multiple vendors whom you can rely on for maintenance, landscaping, and more. If your board is struggling to find and keep the right contractors, check out these tips for choosing the right vendors so you can keep your community running smoothly no matter what comes your way.

## 1. CHOOSE BETWEEN AN EMPLOYEE AND AN INDEPENDENT CONTRACTOR.

Depending on your communities needs, you may consider hiring an employee or using an independent contractor. Each has advantages and disadvantages. Weigh your options carefully and consult with your Condo Manager for advice on best practices for each scenario to ensure you fully understand the implications of each choice.

## 2. DETERMINE YOUR BUDGET AND STICK TO IT.

When you serve on your Board, you have a fiduciary responsibility to do what's best for the community as a whole--including smart money management. Anytime there's something that requires outside help, you'll need to allocate funds to get it done. Set a budget, then do your best to stick to it. Work with your fellow board members, and make sure all required approvals happen before signing off on your budget.

## 3. INTERVIEW AND GET QUOTES FROM MULTIPLE VENDORS.

After your pre-planning work is complete, it's time to explore your options. Be sure to avoid going with the first bid you receive. Also, proceed with caution if you're interviewing anyone that has a personal relationship with a board member and make sure that doesn't influence your decision making. Interview multiple people and get several quotes so that you have all the information you and the board will need to make the right call when comparing multiple bids.

## 4. CHECK THE VENDOR'S REFERENCES.

Many vendors and service providers will promise you the world. Before jumping into a relationship, ask for two to three references. Take the time to call some of their past and current clients to ensure what they say they can do matches their track record. You may also want to explore their online ratings. There are several ways you can find honest reviews about potential vendors and their quality of service and work.

## 5. VERIFY CREDENTIALS, LICENSES, AND INSURANCE.

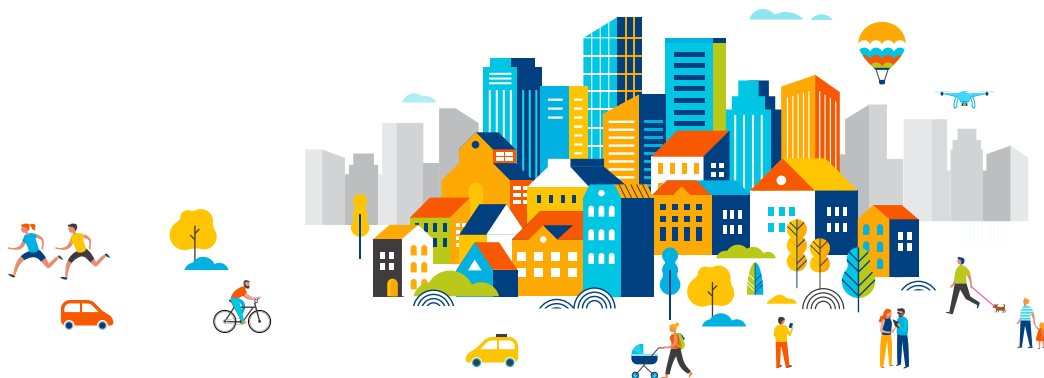
Without the proper paperwork, your corporation may be liable for potential accidents, injuries, and property damage that occurs. Mitigate your risk by working with pre-approved vendors that have been vetted by Wilson Blanchard, or by having your Condo Manager verify current credentials for new vendors that the Board is considering working with.

## 6. CONSIDER MORE THAN JUST THE PRICE.

While it may be tempting to select a potential vendor based on the lowest bid, it could end up costing you in the long run. Licenses, permits, insurance, and other fees for doing business are not cheap. If your vendor is quoting you a price that sounds too good to be true, it might be.

## 7. REVIEW YOUR CONTRACTS.

Typically, the final step in the process will be signing a contract or agreement with the vendor. Protect the interests of your condo by reading through the contract carefully before signing. If needed, have other members of your board, your Condo Manager and lawyer review before inking the deal to ensure there will be no surprises along the way.



# WHAT EVERY BOARD MEMBER SHOULD KNOW ABOUT FINANCIAL REPORTS

Managing and overseeing a condominium corporation's finances is one of the Boards most important responsibilities. To successfully fulfill this duty and sustain the financial well-being of your community, you must understand financial reports and their importance to the success of your condo. Read on to learn what to look for when reviewing your financial reports.

## What's a financial report?

A condos financial report consists of the key economic information that will help board members manage operations and make good decisions. The monthly financial report will include a Balance Sheet, Income Statements for both your Operating and Reserve Fund, and a number of supporting schedules – reports containing details that support the amounts on the Balance Sheet and Income Statements.

Examples of supporting schedules may include:

- Bank Statements and Reconciliations
- Accounts Receivable Report
- Accounts Payable Report
- General Ledger

## Who prepares the financial report?

At Wilson Blanchard, each client has a dedicated Accounting Administrator assigned to their community. Your assigned Accounting Administrator works closely with your Condominium Manager on the day-to-day financial operations of your corporation and prepares the Financial Statements for your condo. Your Condominium Manager will then review and approve these Financial Statements prior to sending the reports to the Board.

## When do we receive the financial reports?

Financial reports are prepared monthly, typically by the 10th business day of the following month after all amounts received have been recorded. At year-end, this timing is delayed as a result of additional audit requirements that must be met. It's very important to monitor financials consistently on a monthly basis, as they indicate the financial health of your community and assist in ongoing decision making.

## What should I look for in the financial report?

Because condominium corporations are not-for-profit entities, the review of financial reports is somewhat different than most businesses who focus mainly on "the bottom line" – profit or loss. The following are some of the things you should look for to ensure your corporation is in good financial standing:

1. How healthy is the corporations cash flow – in short, does the corporation have enough money in the bank to pay its bills?
2. Is the Reserve Fund fully funded – are you following the requirements of your Form 15 (Notice of Future Funding)?
3. What position is the Operating Fund in? While the corporation certainly should not be operating in a deficit position, the surplus should also not be excessive.

Additional details from the supporting schedules should also be reviewed, such as whether any investments are coming due, the status of unit owner arrears and a review of budget variances. Specific items will vary from corporation to corporation – for example, your condo may or may not have investments – so each situation will be somewhat unique.

## Who can access the financial reports?

Due to the sensitive and personal data that can be included in the reports (unit owner arrears as an example), Boards should not share the full monthly financial package that they receive with homeowners. The balance sheet and income statements are usually appropriate for all homeowners to see, however in general supporting schedules should not be shared. At the very least, these schedules must be redacted to remove sensitive and personal information before being viewed by any non-Board member.

While financial reports may seem long and cumbersome, it's important they're thoroughly reviewed on a monthly basis. Doing this will ensure you're fulfilling your fiduciary duty and protecting your corporation, while helping you make sound decisions during Board meetings to prepare your community for a strong future.

**Want to learn more about how to read your monthly financial reports? Save the evening of April 23 in your calendar for Wilson Blanchard's upcoming Financial Statement seminar – more details will be sent in the coming week.**





# QUICK TIPS TO LOWER YOUR ENERGY BILLS

Let's face it, we could all use a little extra pocket change. While changing your home air filters on a regular schedule won't drop a couple thousand into your chequing account, there are several benefits to the practice – extending the life of your HVAC system while drastically improving the quality of the air in your home, it also saves money on your energy bill! In fact, changing your air filter on a regular schedule can save up to 15% on heating and cooling costs.

Here are some additional ideas to help lower your energy bills.

- Set your thermostat on a schedule. This ensures your system is only running when it needs to be... No need to keep the house at 70 degrees during the day, when the whole family is at work and school.
- Wrap your water heater with an insulating blanket and set the thermostat lower than 120 degrees Fahrenheit. The insulation will help keep its temperature constant and also ensure energy isn't wasted heating your water to a higher-than-necessary temperature.
- Seal off drafts coming from exterior doors, windows, and electrical outlets--even small amounts of cold air coming in from outside can make your system work harder in order to keep your house warm.
- (Do not however seal off interior doors in multi-unit condo buildings as this prevents building systems and air make-up units from functioning properly.)
- Add timers or motion sensors to your lights, along with dimmers. This ensures you don't use wasted energy when you are not at home. This can also be done in common element areas to save shared costs.
- Shield your interior living spaces from the sun. By using thick curtains, blinds, or even tinted window film, you can reduce your cooling costs since the sun won't be warming up your living space. These efforts can also help with insulating your home during the winter months!
- If you haven't already, make the switch to LED bulbs. LED light bulbs consume 90% less energy than incandescent bulbs and last much longer. Again, this can also be done in shared areas to save money for multi-unit buildings.
- Utilize off-peak times to run major appliances. "Time-of-use" rates allow you to save by using appliances like your dishwasher, washing machine, etc. outside of peak hours (after 7PM or on weekends).

## Let's Stay in Touch!



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