
HALIFAX COUNTY CONDOMINIUM CORPORATION #27

FINANCIAL STATEMENTS
DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

**Levy
Casey
Carter
MacLean**
Chartered Professional
Accountants

**TO THE MEMBERS
OF HALIFAX COUNTY CONDOMINIUM CORPORATION #27:**

We have audited the accompanying financial statements, which comprise the statement of financial position of Halifax County Condominium Corporation #27 as at December 31, 2017 and the statements of general fund revenue, expenditures and fund balance and reserve fund revenue, expenditures 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Halifax County Condominium Corporation #27 as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Halifax, Nova Scotia
April 24, 2018


**Chartered Professional Accountants
Licensed Public Accountants**

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HALIFAX COUNTY CONDOMINIUM CORPORATION #27

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

	General Fund	Reserve Fund	Total 2017	Total 2016
Current				
Cash	\$ 48,273	\$ -	\$ 48,273	\$ 136,853
Short term investments (note 3)	-	346,749	346,749	195,554
Accounts receivable	446	-	446	-
Interfund balance	(45,048)	45,048	-	-
Prepaid expenses	<u>3,898</u>	<u>-</u>	<u>3,898</u>	<u>-</u>
	<u>\$ 7,569</u>	<u>\$ 391,797</u>	<u>\$ 399,366</u>	<u>\$ 332,407</u>

LIABILITIES

Current				
Payables and accruals, trade	\$ <u>7,569</u>	\$ <u>-</u>	\$ <u>7,569</u>	\$ <u>6,706</u>

FUND BALANCES

Unrestricted	-	-	-	686
Internally restricted (note 3)	<u>-</u>	<u>391,797</u>	<u>391,797</u>	<u>325,015</u>
	<u>-</u>	<u>391,797</u>	<u>391,797</u>	<u>325,701</u>
	<u>\$ 7,569</u>	<u>\$ 391,797</u>	<u>\$ 399,366</u>	<u>\$ 332,407</u>

On Behalf of the Board

James C. Lechola
Director

Alyson Hillier
Director

HALIFAX COUNTY CONDOMINIUM CORPORATION #27

STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES AND FUND BALANCE
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>2017</u>	<u>2016</u>
Revenue			
Condominium fees	\$ 239,757	\$ 239,758	\$ 236,637
Interest and parking	<u>1,280</u>	<u>1,133</u>	<u>410</u>
	<u>241,037</u>	<u>240,891</u>	<u>237,047</u>
Expenditures			
Administration	2,400	1,524	1,549
Cleaning and pest control	1,100	1,673	1,105
Heat, light and power	2,700	2,099	1,985
Insurance	11,500	11,203	10,766
Landscaping and grounds	29,000	23,502	25,034
Management fees	12,672	12,672	12,423
Professional fees	2,600	1,970	2,070
Repairs and maintenance	6,500	10,429	7,995
Snow removal	32,000	37,910	33,951
Water	<u>23,000</u>	<u>22,010</u>	<u>22,108</u>
	<u>123,472</u>	<u>124,992</u>	<u>118,986</u>
Excess of revenue over expenditures	117,565	115,899	118,061
General fund balance, beginning of year	-	686	-
Transfers to reserve fund	<u>(117,565)</u>	<u>(116,585)</u>	<u>(117,375)</u>
General fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 686</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #27
STATEMENT OF RESERVE FUND REVENUE, EXPENDITURES AND FUND BALANCE
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Interest revenue	\$ 2,208	\$ 1,096
Contract repairs	<u>(52,011)</u>	<u>(21,410)</u>
Deficiency of revenue over expenditures	(49,803)	(20,314)
Reserve fund, beginning of year	325,015	227,954
Transfers from general fund	<u>116,585</u>	<u>117,375</u>
Reserve fund, end of year	<u>\$ 391,797</u>	<u>\$ 325,015</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #27

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Operating Activities		
Cash received for condominium fees	\$ 239,758	\$ 236,637
Cash received for parking	1,044	410
Cash received for interest	2,297	1,099
Cash paid for operating expenses	(128,473)	(109,031)
Cash paid for contract repairs - reserve	<u>(52,011)</u>	<u>(21,410)</u>
Net cash inflow from operating activities	<u>62,615</u>	<u>107,705</u>
<hr/>		
Investing Activities		
Purchase of investments	<u>(151,195)</u>	<u>(1,099)</u>
<hr/>		
Increase (decrease) in cash during the year	(88,580)	106,606
Cash, beginning of year	<u>136,853</u>	<u>30,247</u>
Cash, end of year	<u>\$ 48,273</u>	<u>\$ 136,853</u>
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Represented by:		
General fund cash	<u>\$ 48,273</u>	<u>\$ 136,853</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #27

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

1. Purpose of the organization

The Corporation was registered without share capital on October 7, 1981 under the Nova Scotia Condominiums Act to administer the common areas of the development registered as Halifax County Condominium Corporation #27. Under the Income Tax Act of Canada, the Corporation qualifies as a not-for-profit organization and is exempt from income tax.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks.

(c) Common areas

The common areas managed by the Corporation are owned proportionately by the unit owners and consequently are not reflected as assets in these financial statements.

(d) Fund accounting

The Corporation follows the restricted fund method of accounting for contributions. The general fund reports the contributions from members and the expenses of the operations. The restricted funds are set up and used to report as per note 3. Any interfund balances are non-interest bearing with no set terms of repayment.

(e) Revenue recognition

Owners assessments are recognized as revenue in the statement of general fund revenue, expenditures and fund balance monthly based on the budget distributed to owners each year. Special assessments are recognized as revenue when they become payable by the owners to the Corporation. Interest and other revenue are recognized as revenue of the related fund when earned.

(f) Contributed services

Volunteer services contributed on behalf of the Corporation in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their value.

(g) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

HALIFAX COUNTY CONDOMINIUM CORPORATION #27

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. Significant accounting policies (continued)

(h) Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value, adjusted by the amount of transaction costs directly attributable to the instrument. The Corporation subsequently measures all of its financial assets and financial liabilities at amortized cost. Transaction costs are amortized on the straight line basis over the term of the instrument.

3. Internally restricted funds

Reserve Fund

The Corporation, as required by the Condominium Act, 1989, has established a reserve fund for financing future major repairs and replacements of the common elements and assets.

The directors have used a comprehensive reserve fund study by Bluenose Engineering dated June 2015 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 study recommended a reserve fund balance of \$414,210 on December 31, 2017. The balance at December 31, 2017 in the reserve fund is \$391,797, which is 95% of the recommended reserve fund balance.

Recommended annual contributions over the next five years per the study are as follows:

2018	\$	119,917
2019	\$	122,315
2020	\$	124,761
2021	\$	127,256
2022	\$	129,801

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. The Condominium Act requires that the reserve fund be reviewed by a qualified engineer after five years and a comprehensive study is to be completed after the study has been in place for ten years.

The funds in the Reserve Fund are held with TD Canada Trust as follows:

<u>Investment</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
GIC	24-Mar-18	0.40%	\$ 61,911
GIC	19-Jul-18	1.00%	100,455
GIC	16-Oct-18	1.56%	100,888
GIC	03-Dec-18	1.57%	26,104
GIC	03-Dec-18	1.57%	26,104
GIC	27-Dec-18	0.40%	31,287
Add: amount owing from general fund			<u>45,048</u>
			<u>\$ 391,797</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #27

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

4. Budget information

The budget figures presented are for comparison purposes and are unaudited.

5. Financial instruments

The Corporation is exposed to various financial risks as it relates to financial instruments:

(a) Credit risk

Credit risk is the risk that another party will fail to honour a financial obligation and will, as a result, cause a financial loss for the Corporation. The Corporation is exposed to credit risk relating to its accounts receivable balance. This risk is mitigated by the collection process afforded to the Corporation under the Nova Scotia Condominium Act.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis. The Corporation mitigates this risk by preparing budgets and cash forecasts in order to ensure that it has sufficient cash to fulfill its obligations.