

**Ottawa Carleton Standard
Condominium Corporation No. 934
Financial Statements
December 31, 2020**

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Independent Auditor's Report

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To the Owners of
Ottawa Carleton Standard Condominium Corporation No. 934

Opinion

We have audited the financial statements of Ottawa Carleton Standard Condominium Corporation No. 934 (hereafter "the Corporation"), which comprise the statement of financial position as at December 31, 2020, and the statements of General Fund operations and fund balance, Reserve Fund operations and fund balance, Aging Fund operations and fund balance, Social Fund operations and fund balance and cash flows for the year then ended, and notes to 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 the Corporation as at December 31, 2020, 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.

Other matter – Budget information

The budget information included in the statement of General Fund operations and fund balance is not an integral part of the financial statements. We have not audited or reviewed this budget information and, accordingly, we do not express an audit opinion, a review conclusion or any other form of assurance on the budget information.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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 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 the Corporation'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 Corporation 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.

Raymond Chabot Grant Thornton LLP

Chartered Professional Accountants,
Licensed Public Accountants

Ottawa, Canada
May 19, 2021

Ottawa Carleton Standard Condominium Corporation No. 934

General Fund Operations and Fund Balance

Year ended December 31, 2020

	<u>2020</u>		<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	
	<u>(Unaudited)</u>		
	\$	\$	\$
Revenue			
Common charges	488,253	488,254	397,985
Other revenues		156	389
	<u>488,253</u>	<u>488,410</u>	<u>398,374</u>
Reserve Fund allocation	<u>(111,989)</u>	<u>(111,989)</u>	<u>(113,666)</u>
	<u>376,264</u>	<u>376,421</u>	<u>284,708</u>
Expenses			
Maintenance and repairs	61,358	69,252	56,512
Insurance	120,960	114,550	46,259
Electricity	28,403	18,692	18,907
Heat	19,986	15,136	14,063
Water	34,272	34,943	28,888
Elevators	10,933	10,133	9,749
Ground maintenance	25,503	20,123	25,348
Snow removal	9,436	8,778	15,170
Heating and plumbing	10,143	10,503	13,640
Waste removal	1,153	1,032	1,014
Office	6,871	6,063	5,513
Professional fees	9,040	8,745	13,958
Management fees	38,206	36,905	37,289
	<u>376,264</u>	<u>354,855</u>	<u>286,310</u>
Excess (deficiency) of revenue over expenses	<u>-</u>	<u>21,566</u>	<u>(1,602)</u>
Fund balance, beginning of year		<u>64,558</u>	<u>66,160</u>
Fund balance, end of year		<u>86,124</u>	<u>64,558</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Carleton Standard Condominium Corporation No. 934

Reserve Fund Operations and Fund Balance

Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
General Fund allocation	111,989	113,666
Transfer from Aging Fund		2,500
Special assessment		437,063
Interest income	20,304	26,264
	<u>132,293</u>	<u>579,493</u>
Expenses		
HVAC motor garage	9,123	
Roof repairs	274,993	4,492
Plumbing repairs		447,945
Reserve fund study		3,842
	<u>284,116</u>	<u>456,279</u>
Excess (deficiency) of revenue over expenses before fire damage costs	<u>(151,823)</u>	123,214
Fire damage costs net of insurance recovery (Note 8)	16,120	(41,202)
Excess (deficiency) of revenue over expenses	<u>(167,943)</u>	164,416
Fund balance, beginning of year	<u>1,195,766</u>	1,031,350
Fund balance, end of year	<u>1,027,823</u>	<u>1,195,766</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Carleton Standard Condominium Corporation No. 934

Aging Fund Operations and Fund Balance

Year ended December 31, 2020

	2020	2019
	\$	\$
Expenses		
Reserve Fund allocation		2,500
General repairs		
		2,500
Deficiency of revenue over expenses		(2,500)
Fund balance, beginning of year		2,500
Fund balance, end of year	-	-

The accompanying notes are an integral part of the financial statements.

Ottawa Carleton Standard Condominium Corporation No. 934

Social Fund Operations and Fund Balance

Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
Revenue		
Social events		
Suite rentals	318	2,459
Insurance proceeds		2,180
Other income	<u>71</u>	<u>240</u>
	<u>389</u>	<u>4,879</u>
Expenses		
Social events	<u>774</u>	<u>2,071</u>
Excess (deficiency) of revenue over expenses	<u>(385)</u>	<u>2,808</u>
Fund balance, beginning of year	<u>5,511</u>	<u>2,703</u>
Fund balance, end of year	<u><u>5,126</u></u>	<u><u>5,511</u></u>

The accompanying notes are an integral part of the financial statements.

Ottawa Carleton Standard Condominium Corporation No. 934

Cash Flows

Year ended December 31, 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses - General Fund	21,566	(1,602)
Excess (deficiency) of revenues over expenses - Reserve Fund	(167,943)	215,048
Excess (deficiency) of revenue over expenses - Aging Fund and Social Fund	(385)	308
Non-cash items		
Changes in working capital items		
Trade accounts receivable - General Fund	98	(275)
Trade accounts receivable - Reserve Fund	317,591	(348,927)
Prepaid expenses	(8,838)	(3,705)
Trade payables and accrued liabilities - General Fund	(4,341)	5,454
Trade payables and accrued liabilities - Reserve Fund	(149,420)	243,604
Owners' deposits	63,000	
Cash flows from operating activities	71,328	109,905
INVESTING ACTIVITIES		
Acquisition of investments	(387,477)	(981,216)
Disposition of investments	908,400	841,432
Cash flows from investing activities	520,923	(139,784)
Increase (decrease) in cash	592,251	(29,879)
Cash, beginning of year	154,217	184,096
Cash, end of year	746,468	154,217
CASH		
Cash - General Fund	188,391	78,722
Cash - Reserve Fund	558,077	75,495
	746,468	154,217

The accompanying notes are an integral part of the financial statements.

Ottawa Carleton Standard Condominium Corporation No. 934

Financial Position

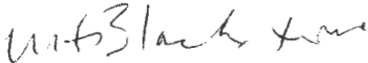
December 31, 2020

	2020	2019
	\$	\$
ASSETS		
General Fund		
Current assets		
Cash	188,391	78,722
Trade accounts receivable	1,247	1,345
Prepaid expenses	13,552	4,714
	<u>203,190</u>	<u>84,781</u>
Reserve Fund		
Current assets		
Cash	558,077	75,495
Trade accounts receivable		317,591
Due from General Fund, without interest	42,138	3,569
	<u>600,215</u>	<u>396,655</u>
Long-term assets		
Investments (Note 4)	541,088	1,062,011
	<u>1,141,303</u>	<u>1,458,666</u>
Social Fund		
Current assets		
Due from General Fund, without interest	5,126	5,511
TOTAL ASSETS	<u>1,349,619</u>	<u>1,548,958</u>
LIABILITIES AND FUND BALANCES		
General Fund		
Current liabilities		
Trade payables and accrued liabilities	6,802	11,143
Owners' deposits	63,000	
Due to Reserve Fund, without interest	42,138	3,569
Due to Social Fund, without interest	5,126	5,511
	<u>117,066</u>	<u>20,223</u>
Fund balance	86,124	64,558
	<u>203,190</u>	<u>84,781</u>
Reserve Fund		
Current liabilities		
Trade payables and accrued liabilities	113,480	262,900
Fund balance	1,027,823	1,195,766
	<u>1,141,303</u>	<u>1,458,666</u>
Social Fund		
Fund balance	5,126	5,511
TOTAL LIABILITIES AND FUND BALANCES	<u>1,349,619</u>	<u>1,548,958</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,


 Director


 Director

Ottawa Carleton Standard Condominium Corporation No. 934

Notes to Financial Statements

December 31, 2020

1 - GOVERNING STATUTES AND NATURE OF ACTIVITIES

Ottawa Carleton Standard Condominium Corporation No. 934 (hereafter, "the Corporation") was incorporated without share capital on November 22, 2013 under the provisions of the Ontario Corporations Act. Its primary activity is to manage and maintain the common elements (as defined in the Corporation's Declarations and By-laws), and to provide common services for the benefit of the owners of the 66 condominium units located at 1 and 3 Meridian Place in Nepean, Ontario. For tax purposes, the Corporation qualifies as a not-for-profit organization and is exempt from income tax under the Income Tax Act (Canada).

2- SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Corporation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future. Actual results may differ from these estimates.

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.

Revenue recognition

Common charges

The revenue from common charges are determined on the basis of the annual budget and are recognized on a monthly basis as they become due and collection is reasonably assured. Special assessment revenue is recognized on the date it is approved by the Board of Directors.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized under the accrual method of accounting.

Interest income is recognized on a time apportionment basis.

Ottawa Carleton Standard Condominium Corporation No. 934

Notes to Financial Statements

December 31, 2020

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenses for major repairs and replacements of the common elements. The basis for determining the Reserve Fund's requirements is explained in Note 3. Only major repairs and replacements are charged to the Reserve Fund, while minor repairs and replacements are charged to the General Fund. The Corporation segregates the assets of the Reserve Fund for use only to finance such charges. Income earned on the segregated assets is credited directly to the Reserve Fund.

The Aging Fund consists of funds provided for future minor repairs and replacements of equipment and furniture and other expenses at the discretion of the Board of Directors. The Board of Directors took the decision to close down the fund at the end of 2019.

The Social Fund consists of funds provided for social events, organized for the owners of the Corporation.

Financial assets and liabilities

Initial measurement

On initial measurement, the Corporation's financial assets and liabilities from are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

Subsequent measurement

At each reporting date, the Corporation measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost, the Corporation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Corporation determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in the statement of operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in the statement of operations in the year the reversal occurs.

Ottawa Carleton Standard Condominium Corporation No. 934

Notes to Financial Statements

December 31, 2020

3 - RESERVE FUND

The Corporation, as required by the Condominium Act 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 Reserve Fund study prepared by IRC Building Sciences Group Engineers and Consultants dated January 27, 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 maintenance. The Corporation's plan for contribution to the Reserve Fund for 2020 was \$111,989 (\$116,166 in 2019) and the plan for expenditures from the Reserve Fund for 2020 was \$30,894 (\$401,594 in 2019). The study projected a Reserve Fund balance on December 31, 2020 of \$1,247,746 (\$718,822 in 2019).

Any evaluation of the adequacy of the Reserve Fund which covers a period of thirty years is based upon assumptions as to the future interest and inflation rates and estimates of the life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes may be material; accordingly, the Condominium Act requires that Reserve Fund studies be updated every three years.

4 - INVESTMENTS

	2020	2019
	\$	\$
Guaranteed investment certificates, bearing interest from 2% to 3.01%, maturing on various dates between January 2021 and June 2021	<u>541,088</u>	<u>1,062,011</u>

5 - COMMITMENTS

The Corporation has contracted with a company to provide snow removal services for 2021 requiring minimum payments of \$5,970.

The Corporation has contracted with a company to provide cleaning services for 2021 requiring minimum payments of \$27,226.

The Corporation has contracted with a company to provide elevator maintenance services for 2021 requiring minimum payments of \$9,777.

The Corporation has contracted with a company to provide property management services for 2021 requiring minimum payments of \$32,362.

The Corporation has contracted with a company to provide HVAC maintenance services for 2021 requiring minimum payments of \$1,862.

Ottawa Carleton Standard Condominium Corporation No. 934
Notes to Financial Statements
 December 31, 2020

6 - RELATED PARTY TRANSACTIONS

The property manager is related to the Corporation due to the management contract that is binding on both parties.

	<u>2020</u>	<u>2019</u>
	\$	\$
Expenses		
Management fees	32,514	31,473

These transactions were concluded in the normal course of operations and are measured at the exchange amount, which is the amount established and accepted by the parties.

7 - FINANCIAL RISKS

Credit risk

The Corporation is exposed to credit risk regarding the financial assets recognized on the balance sheet. The Corporation has determined that the financial assets with more credit risk exposure were the trade accounts receivable.

Market risk

The Corporation's financial instruments expose it to market risk, in particular, interest rate risk resulting from its investing activities:

Interest rate risk

The Corporation is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed interest rates.

Investments in guaranteed investment certificates bear interest at fixed interest rates and the Corporation is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Liquidity risk

The Corporation's liquidity risk represented the risk that the Corporation could encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation was, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

8 - FIRE DAMAGES

On May 27, 2018, the Corporation suffered property damages caused by a fire in the building. During the year ended December 31, 2020, the repair costs related to this incident amount to \$189,138 (\$2,048,281 in 2019) of which \$173,018 (\$2,089,483 in 2019) has been recovered from insurance coverage. The net cost of the fire is \$16,120 in 2020 (net recovery of \$41,202 in 2019).