

HALTON CONDOMINIUM CORPORATION NO. 372

Financial Statements

Year Ended December 31, 2023

Index to Financial Statements
Year Ended December 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Common Revenues and Common Expenses	2
Statement of Reserve Fund	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7

Les Lucyk Professional Corporation

Licensed Public Accountant

Chartered Professional Accountant, Chartered Accountant



Member of the Institute of
Chartered Professional Accountants of Ontario

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of Halton Condominium Corporation No. 372, (the Corporation) which comprise the statement of financial position as at December 31, 2023, the statement of common revenues and common expenses, the statement of reserve fund, the statement of changes in cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, these financial statements present fairly, in all material respects, the statement of financial position of the Corporation as at December 31, 2023, the statement of common revenues and commons expenses, the statement of reserve fund, and the statement of changes in cash flow for the year then ended, in accordance with Canadian Accounting Standards for Non-Profit Organizations. (ASNPO)

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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 a going concern and using a going concern basis of accounting unless management either intends to liquidate the Corporation or to cease its operations. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 report that includes my opinion. Reasonable assurance is a high level of assurance, but it 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.

Independent Auditor's Report to the Members of Halton Condominium Corporation No. 372 (continued)

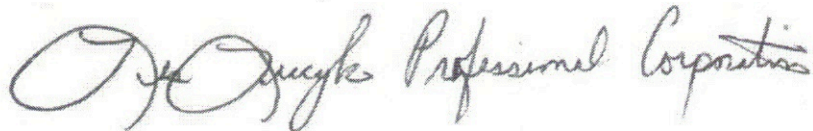
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

Lastly, I determined there were no material matters of significance that needed to be communicated to those charged with governance.



Corbyville, ON
March 12, 2024

LES LUCYK PROFESSIONAL CORPORATION
LES LUCYK, CPA, CA
LICENSED PUBLIC ACCOUNTANT

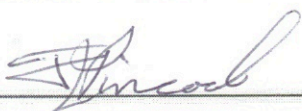
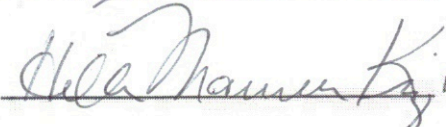
HALTON CONDOMINIUM CORPORATION No. 372

Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Operating cash	\$ 9,793	\$ 12,790
Accounts receivable	-	1,200
Reserve cash and investments (Note 4)	391,667	330,766
Accrued interest receivable	9,045	5,097
Prepaid expenses	26,109	90
	<u>\$ 436,614</u>	<u>\$ 349,943</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,586	\$ 4,112
RESERVE AND OPERATING FUNDS		
Reserve Fund	400,712	335,963
Operating fund	9,316	9,868
Total Reserve and Operating Funds	<u>410,028</u>	<u>345,831</u>
	<u>\$ 436,614</u>	<u>\$ 349,943</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See notes to financial statements

HALTON CONDOMINIUM CORPORATION No. 372
Statement of Common Revenues and Common Expenditures
Year Ended December 31, 2023

	Budget 2023	Actual 2023	Actual 2022
REVENUE			
Common element assessment	\$ 153,000	\$ 153,000	\$ 144,000
Contribution to reserve fund	(77,277)	(77,277)	(75,387)
Transfer from operating fund	1,927	1,927	-
Interest and other income	-	1,198	4,212
AVAILABLE FOR OPERATING EXPENSES	77,650	78,848	72,825
OPERATING EXPENSES			
ADMINISTRATIVE AND GENERAL			
Property management fees	13,170	12,800	12,543
Insurance	25,120	25,004	22,017
Audit and legal	2,500	2,292	2,000
Office and miscellaneous	1,360	1,727	1,539
Total Administrative and General	42,150	41,823	38,099
MAINTENANCE AND REPAIRS			
Lawn maintenance and snow removal	21,000	20,598	16,251
General maintenance	11,100	11,227	12,847
Landscaping	2,000	4,089	4,674
Total Maintenance and Repairs	34,100	35,914	33,772
UTILITIES			
Hydro	1,400	1,663	1,334
Total Utilities	1,400	1,663	1,334
TOTAL EXPENSES	77,650	79,400	73,205
NET UNDER(OVER) EXPENDITURE FROM OPERATIONS	-	(552)	(380)
OPERATING FUND, beginning of year		9,868	10,248
OPERATING FUND, end of year		\$ 9,316	\$ 9,868

See notes to financial statements

HALTON CONDOMINIUM CORPORATION No. 372

Statement of Reserve Fund Year Ended December 31, 2023

	2023	2022
RESERVE FUND		
Owners' assessment	\$ 77,277	\$ 75,387
Interest earned on reserve funds	13,116	5,377
Fences	-	(1,866)
Roof and related repairs	(3,209)	(15,447)
Insurance deductible and related bank charge	(10,007)	
Engraving on entrance sign	(1,866)	-
Masonry	(2,011)	
Windows, doors	(3,768)	(6,041)
New mailbox	(4,783)	
Sewer repair and replacement		(8,984)
Reserve Fund Study		(1,978)
Increase in Reserve for the year	64,749	46,448
RESERVE FUND BALANCE, beginning of year	335,963	289,515
RESERVE FUND BALANCE, end of year	\$ 400,712	\$ 335,963

See notes to financial statements

HALTON CONDOMINIUM CORPORATION No. 372

Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
(Over)under expenditure from operations	\$ (552)	\$ (380)
Due to owners	-	(380)
Accounts receivable	1,200	(1,200)
Accounts payable	22,474	478
Accrued interest receivable	(3,948)	(3,988)
Prepaid expense	(26,019)	(22)
	<u>(6,845)</u>	<u>(5,492)</u>
Cash flow from operating activities	<u>(6,845)</u>	<u>(5,492)</u>
RESERVE ACTIVITY		
Reserve expenditures	(25,644)	(34,316)
Interest	13,116	5,377
Owners' contribution	<u>77,277</u>	<u>75,387</u>
Cash flow from reserve activity	<u>64,749</u>	<u>46,448</u>
INCREASE IN CASH FLOW	<u>57,904</u>	<u>40,956</u>
CASH - BEGINNING OF YEAR	<u>343,556</u>	<u>302,600</u>
CASH - END OF YEAR	<u>\$ 401,460</u>	<u>\$ 343,556</u>
CASH CONSISTS OF:		
Operating cash	\$ 9,793	\$ 12,790
Reserve cash and investments	<u>391,667</u>	<u>330,766</u>
	<u>\$ 401,460</u>	<u>\$ 343,556</u>

See notes to financial statements

HALTON CONDOMINIUM CORPORATION NO. 372

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE CORPORATION

The Corporation was incorporated without share capital on January 8th, 2001 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 30 condominium units. Each unit owner is assessed for a proportionate share of common element expenses. The Corporation qualifies as a non-profit organization which is exempt from income taxes under the Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The statement of reserve fund reports the portion of owners' assessments allocated to it and expenses for the major repair and replacement of the common elements of the Corporation. The basis for determining reserve fund requirements is explained in Note 5. All major repairs and replacements must be charged to the reserve fund; minor repairs and replacements must be charged to expenses in the statement of operations. The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in bank and investment accounts that must be used solely to finance such charges. Interest earned on these amounts is included in the reserve fund. The statement of operating fund reports all owners' assessments, budgeted allocation of those assessments to the reserve fund and expenses related to the common elements of the Corporation.

Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are considered to be cash equivalents.

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.

Revenue Recognition

Owners' assessments are recognized as revenue in the statement of operations monthly based on the budget distributed to owners each year. Special assessments, if any, are recognized as revenue when they become payable by the owners to the Corporation. Interest and other revenue are recognized as revenue when earned.

Contributed Services

Directors volunteer their time to assist in the Corporation's activities. While these services benefit the Corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

HALTON CONDOMINIUM CORPORATION NO. 372

Notes to Financial Statements

Year Ended December 31, 2023

4. RESERVE CASH AND INVESTMENTS

	2023	2022
Cash	\$ 71,667	\$ 60,766
Short-term investments	320,000	270,000
	<u>\$ 391,667</u>	<u>\$ 330,766</u>

5. RESERVE FUND

The Corporation, as required by the Condominium Act, 1998 has established a reserve fund to finance future major repair and replacement of the common elements of the Corporation. The adequacy of the Reserve is based on numerous assumptions as to future events such as changes in interest rates, inflation and physical deterioration rates and therefore cannot be relied upon for accuracy. This uncertainty is partially offset by having a Reserve Fund Study completed on a regular basis as required by the Ontario Condominium Act.

The reserve fund study used for the F2023 year was a Class 2 Reserve Fund Study of December 7, 2022 and the Board advised the unit owners of their planned future funding through Form 15 of the Ontario Condominium Act on December 7, 2022. The Reserve Fund Study suggested a Fiscal 2023 contribution of \$77,277, expenditures of \$9,618, interest income of \$9,197 and an ending balance of \$400,443 to December 31, 2023. The actual reserve balance at December 31, 2023 was \$400,712 after contributions of \$77,277, expenditures of \$25,644 and interest of \$13,116. The Board of Directors has discretion to implement timing of Reserve expenditures prescribed by Reserve Fund studies.

6. DIRECTOR REMUNERATION

No remuneration was paid to directors and officers during the year and they had no interest in any Corporate transactions.

7. BUDGET

The unaudited budget figures presented for comparison purposes are those approved by the Board in 2022 reclassified to conform with the presentation in these financials statements.

HALTON CONDOMINIUM CORPORATION NO. 372

Notes to Financial Statements

Year Ended December 31, 2023

8. CONTRACTS

Property Management

The Corporation has a 24 month contract with Orion Property Management which expires December 31, 2024 at the following rates:

January 1 to December 31, 2023 of \$943.92 monthly (plus HST);

January 1 to December 31, 2024 of \$972.24 monthly (plus HST).

Grounds Maintenance

The Corporation has a contract with Cedar Grounds for the period November 1, 2023 through October 31, 2024 in the amount of \$1,600 monthly (plus HST).
