

Notice of Annual General Meeting

TO: All Unit Owners – Summer Gardens - H.C.C.C. #130

DATE: November 12, 2021

RE: **Annual Meeting**

The Annual Meeting of Halifax County Condominium Corporation #130 will be held on

Tuesday November 23, 2021 at 7:00 pm

in the lobby of Summer Gardens, 1470 Summer Street, Halifax. Owners will have the option to attend the meeting virtually via the online platform Zoom.

In Person Attendance

If you attend the meeting in person, you should be aware that masks must be worn at all times except when speaking to the meeting or asking a question. Owners attending in person must be double vaccinated unless they present a medical note that they cannot be.

Virtually via Zoom

If you choose to attend the meeting virtually via Zoom, YOU MUST REGISTER IN ADVANCE OF THE MEETING AT THE FOLLOWING LINK. Once registered you will receive an email containing the log-in information for the meeting and the ability to add it directly to your calendar for easy log-in to the meeting. OWNERS ARE ENCOURAGED TO REGISTER NOW.

<https://us02web.zoom.us/meeting/register/tZllcOioqj8pE9Wunjv9MA4cD6p3z1ZAbpmD>

In preparation for the meeting, we enclose the following:

- Agenda for Annual General Meeting
- Zoom Meeting Information (should you choose to use zoom to attend)
- Proxy
- Nominating Committee Report
- Minutes of the Annual General Meeting – March 23, 2021
- Audited Financial Statement – year ended June 30, 2021

All Owners are urged to attend. However, if you cannot attend, please appoint a proxy to act and vote in your absence by completing the enclosed proxy form.

Please note:

- **Any owner whose condominium fees are in arrears does not have the right to vote.**
- **Only registered owners or their appointed proxies may vote at this meeting.**

We look forward to seeing you on November 23!

Summer Gardens

Halifax County Condominium Corporation No. 130 Annual General Meeting for the year ended June 30, 2021

Tuesday, November 23 – 7:00 pm

Summer Gardens Lobby and by ZOOM

See participation instructions attached.

Agenda

1. Call to Order - Confirm Quorum
2. Minutes of last AGM held March 23, 2021
3. President's Report
4. Presentation of Audited Financial Statements –Treasurer
5. Appointment of Auditor
6. Report of the Nominating Committee and Election of Directors and Officers
7. Other Business –
 - a. Report on status of building projects, including window replacement
 - b. Approval of Revised Common Element Rules circulated with Notice
 - c. *Advance notice of any proposed agenda addition is required - see below.*
8. Adjournment

Following adjournment, we will open the floor for questions to the Board and Management.

Anyone wishing to add an agenda item must notify the Board at sumnergardens@bellaliant.net by 7:00 pm, Sunday, November 21, 2021.

Annual General Meeting Participation Instructions

Members of the Corporation (unit owners) can participate in person or by ZOOM

If you choose to participate in person in the Lobby:

The meeting will be held in accordance with Nova Scotia's Phase V Covid public health guidelines.

- Everyone in attendance must be fully vaccinated. Be prepared to present your certificate of vaccination.
- Masks must be worn except when speaking to the meeting.
- Social distancing is not required.
- Please arrive in time to register before the meeting.
- Only owners or holders of proxies from owners may vote. Each unit votes the percentage associated with their unit.

If you choose to participate by ZOOM:

- You must register before the meeting by following the link below:

<https://us02web.zoom.us/meeting/register/tZIlcOioqj8pE9Wunjv9MA4cD6p3z1ZAbpmD>

- This is the link for registration – not for the meeting. After registering, you will receive a link to connect to the meeting.
- We will vote by show of hands, both in the meeting room and on the internet. If a formal vote is needed, we will use the voting system in Zoom for virtual participants.
- You can ask questions or make comments through the Zoom; there will be a monitor in the meeting room.

Complete either Part I or Part II

Name(s): _____

Unit #: _____

Part I: Registration

I/we will attend the Annual General Meeting of H.C.C.C. #130 on November 23 at 7:00
pm. November __, 2021

Signature of Unit Owner(s)

Part II - Proxy

I/we will not attend and I/we appoint _____ as
my/our proxy to attend, act, and vote on my/our behalf at the Annual General Meeting
called for November 23, 2021, and at any adjournment of that meeting.

November __, 2021

Signature of Unit Owner(s)

You can register on-line or return this completed form to the Property Administrator

- *by email at kgerrior@realestate360.ca*
- *by fax at 902-466-9777; or*
- *by delivery to Charles Smith (Building Manager) or Commissionaires for delivery to Real Estate 360.*

Summer Gardens

Halifax County Condominium Corporation No 130

Report of the Nominating Committee

Annual General Meeting – November 23, 2021

The Nomination Committee nominates the following owners to be Directors of the Corporation:

Catherine Bent	Unit 1302
Dan Campbell	Unit 703
Penny Durnford	Unit 1301
Liz Parr-Johnston	Unit 202
Steve Lunn	Unit 1605
Terry Mounce	Unit 2103
Wendell Sanford	Unit 2001

The Nomination Committee nominates the following owners to be Officers fo the Corporation:

President:	Dan Campbell
Vice-president:	Liz Parr-Johnston
Treasurer:	Terry Mounce
Secretary:	Catherine Bent

Nominating Committee

Wes Campbell
Di Palmeter
Gary Landry

Summer Gardens

**Annual General Meeting
Tuesday March 23rd, 2021– 7:00 pm
Online Meeting via Zoom**

1. Call Meeting to Order

Dan Campbell, President called the Annual General Meeting for Halifax County Condominium Corporation #130 to order at 7:03 pm via zoom.

Dan Campbell, President welcomed everyone to the meeting, thanked them for coming and introduced the Board. Present via Zoom were Lisa Power, General Manager, Real Estate 360 Property Advisory and Property Manager, Gary Landry, Vice President, Terry Mounce, Treasurer, Diane Palmetter, Director, Charlotte MacKeigan, Secretary, and Elizabeth Parr-Johnston, Director and Paul Bradley, Director.

Voter Registration

Quorum was confirmed.

2. Approval of the Annual General Meeting minutes of November 26, 2019

Dan Campbell, President asked if everyone had the opportunity to review the revised Annual General Meeting minutes of November 26, 2019 and asked if there were no errors or omissions could he please have a motion to accept the minutes.

Unit 102 made a motion to accept the minutes. Unit 1801 seconded the motion. All in favor to accept the minutes as presented. MOTION CARRIED.

3. President's Report – Dan Campbell

Dan Campbell, President noted that most of the report deals with items at the end of the last fiscal year due to the pandemic as there have been no large changes in Summer Gardens this past year.

Dan gave an overview of the past year:

- Covid-19 has dominated since the last meeting and Dan gave thanks to all residents who have been very responsible and a great community since the arrival of the pandemic.
- Window Replacement, the major summer project planned for last summer was deferred largely due to the pandemic.
- That and solving the issue of the water leaking into the parking garage deferred to this coming summer.

- A new Reserve Fund Study was completed in 2020 and the Reserve Fund was found to be strong and the building in good shape. Annual contributions to the Reserve Fund have not changed much in past years but this year it has gone up a little bit.
- Improvements were made to the flower beds in the gardens this past year. The Board invested in perennials and other improvements last year which will have impact on the grounds this year.
- An electrician was engaged to assess the buildings electrical since it is now 30 years old. A few minor issues were corrected but otherwise it was found to be in good shape.
- Energy efficient lighting and controls were installed in the common areas which will have significant electrical savings.
- The Board has begun working with Nova Scotia Power regarding setting up infrastructure for electric vehicles. They hope to have this in place by the time electrical cars arrive.
- Many owners were alerted to the risk of their aging hot water heaters this year by the Board, and several have been replaced over the past month.

Dan gave his thanks to the retiring Board members for their invaluable knowledge and efforts, as well as to the volunteers in the building who take care of the library and artwork. Dan also thanked Lisa Power, Property Manager for her tough negotiations and tireless efforts on behalf of the Corporation as well as Charles Smith, Building Manager for his dedication to the building 24/7. He noted that the management, staff, and residents are what make Summer Gardens the best place in the city to live.

4. Financial Report

a. Presentation of 2019/2020 Audited Financial Statement

Terry Mounce, Treasurer, presented the Audited Financial Statement for the period ending June 30th, 2020, noting that the audit was completed by auditors, Levy Casey Carter MacLean, who were appointed as the Corporation's auditors at the last Annual General Meeting. Terry advised that the auditors had reported their opinion that the Corporation's financial records fairly represented.

Revenue:	\$1,0478,887
Expenses:	<u>\$746,455</u>
Excess of Revenue over Expenditures before other items	332,432
Unrealized gain/(loss) on investments	<u>10,000</u>
Excess of Revenue over Expenditures	\$47,369

Reserve fund expenditures for the period July 1st, 2019 to June 30th, 2020 included the following:

- Electrical assessment
- Leak repairs

- Parking garage door opener
- Patio pavers
- Windows and patio doors
- Window planning project

Total expenditures funded through the Reserve fund: \$83,647

Dan noted that the Reserve Fund Statement shows an unrealized gain in legacy portfolio of blue-chip stocks. He noted this was due to the stocks being down in June 2020 when audit completed, but they are currently back up and over \$40,000.

Unit 1903 asked why landscaping expenses increased by 50% compared to 2019. Terry noted that it was partly due to the timing of the contract as half of the cost should have been on the last statement. He also stated that there were several additional costs this year such as tree removal and redoing the south garden lawn which the crows ruined. These additional costs and improvements items totaled almost \$12,000.

Unit 606 asked about the window replacement project and what it includes. Dan stated that originally the Board planned to replace all windows in the building, however after engaging architects and engineers who stated that it was not necessary to replace every window and the cost would not be justified, it was decided only some of the windows require replacement. As the slider windows are known to have issues with leaking, the architect recommended replacement of all slider windows in the bays. Dan noted that they were working towards scheduling the project for last year but there was not much interest from contractors due to construction boom and Covid-19. He commented that the board hopes to perhaps complete it this summer.

Unit 606 inquired about balcony doors. Dan noted that the balcony door replacement project is underway with 5-6 doors replaced annually based on need. He commented that about half are now replaced and any owners who require a new balcony door should contact Charles to get added to the list.

There being no further questions, a motion to accept the Audited Financial Statements for the period ending June 30th, 2020 as presented was made via a zoom poll. All were in favour. MOTION CARRIED.

b. Appointment of Auditors

The President advised that the meeting should appoint an auditor for 2020-2021. Moved by Terry Mounce, Treasurer, and seconded by Unit 1803 to appoint, Levy Casey Carter MacLean, as auditors for the ensuing year. All were in favour. MOTION CARRIED.

5. Board Election

a. Nominating Committee Report

The Nominating Committee Report was presented. It was reported that there were two vacancies to fill. It was reported that the nominating committee proposes the following owners to the Board of Directors.

The Board of Directors for 2020-2021 would therefore be:

Dan Campbell, President	Paul Bradley, Director
Liz Parr-Johnston, Vice President	Wendell Sanford, Director
Terry Mounce, Treasurer	Penny Durnford, Director
Charlotte MacKeigan, Secretary	

There being no further nominations from the floor, the Directors and officers were declared elected.

6. Other Business

a. Approval of Revised By-Laws

Dan stated that typically By-Laws are approved at a Board level, so it was decided that they would publish the revised By-Laws for owners to review and if no objections were brought forward approve them here at the Annual General Meeting, however; several comments were brought forward since the By-Laws were published. Dan advised that owners should consider the By-Laws published and ready for owner comments should they have any.

No other business was brought forward.

The Board noted that they have two emails available for owners to use to contact the Board:

SummerGardens@bellaliant.net
SGBoard@bellaliant.net

7. Adjournment

With no further questions the meeting was adjourned at 7:40 pm.

Respectfully Submitted,

Lacey MacDonald,
Recording Secretary

DRAFT

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

FINANCIAL STATEMENTS
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HALIFAX COUNTY CONDOMINIUM CORPORATION #130:

Opinion

We have audited the financial statements of Halifax County Condominium Corporation #130 (the "Corporation"), which comprise the statement of financial position as at June 30, 2021, and the statement of general fund revenue, expenditures and fund balance, reserve fund revenue, expenditures and fund balance and contingency fund revenue, expenditures and fund balance and cash flows for the year then ended, and notes to the 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 June 30, 2021, 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 audits 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 audit 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 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.

**Levy
Casey
Carter
MacLean**

Chartered Professional
Accountants

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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.

Halifax, Nova Scotia
October 26, 2021



Chartered Professional Accountants

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

	General Fund	Reserve Fund	Contingency Fund	Total 2021	Total 2020
Current					
Cash	\$ 56,090	\$ 250,108	\$ 87,125	\$ 393,323	\$ 796,053
Receivables	17,970	-	-	17,970	9,219
Interfund balance	37,602	(31,190)	(6,412)	-	-
Short term investments (note 3)	50,070	544,553	-	594,623	481,085
Prepaid expenses	<u>2,308</u>	<u>-</u>	<u>-</u>	<u>2,308</u>	<u>3,651</u>
	164,040	763,471	80,713	1,008,224	1,290,008
Long term investments (note 3)	<u>-</u>	<u>399,025</u>	<u>-</u>	<u>399,025</u>	<u>102,330</u>
	<u>\$ 164,040</u>	<u>\$ 1,162,496</u>	<u>\$ 80,713</u>	<u>\$ 1,407,249</u>	<u>\$ 1,392,338</u>

LIABILITIES

Current					
Payables and accruals	\$ <u>102,258</u>	\$ <u>-</u>	\$ <u>1,801</u>	\$ <u>104,059</u>	\$ <u>126,308</u>

FUND BALANCES

Unrestricted	61,782	-	-	61,782	47,370
Internally restricted (note 3)	<u>-</u>	<u>1,162,496</u>	<u>78,912</u>	<u>1,241,408</u>	<u>1,218,660</u>
	<u>61,782</u>	<u>1,162,496</u>	<u>78,912</u>	<u>1,303,190</u>	<u>1,266,030</u>
	<u>\$ 164,040</u>	<u>\$ 1,162,496</u>	<u>\$ 80,713</u>	<u>\$ 1,407,249</u>	<u>\$ 1,392,338</u>

On Behalf of the Board

Director

28 October 2021

Date

Director

28 October 2021

Date

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES AND FUND BALANCE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
Revenue			
Condominium fees	\$ 1,071,800	\$ 1,071,588	\$ 1,071,588
Parking and sundry	<u>12,000</u>	<u>9,268</u>	<u>7,299</u>
	<u>1,083,800</u>	<u>1,080,856</u>	<u>1,078,887</u>
Expenditures			
Administration	22,950	15,092	20,687
Cleaning and supplies	17,600	16,487	14,825
Equipment maintenance	35,700	27,627	35,297
Garage repairs	8,000	6,737	11,266
Heat, light and power	135,000	122,949	133,107
Insurance	45,000	46,963	41,353
Landscaping and grounds	27,900	47,146	36,311
Management fees	40,387	40,387	40,387
Painting and decorating	8,100	10,789	3,264
Professional fees	3,250	2,439	1,309
Repairs and maintenance	57,500	61,054	55,165
Repairs - HVAC	13,000	8,500	8,151
Salaries, benefits and security	288,642	292,942	284,538
Snow removal	19,000	11,532	17,675
Water	<u>49,000</u>	<u>45,803</u>	<u>43,119</u>
	<u>771,029</u>	<u>756,447</u>	<u>746,454</u>
Excess of revenue over expenditures	312,771	324,409	332,433
General fund balance, beginning of year	-	47,370	24,937
Transfers to contingency fund	(10,000)	(9,997)	(10,000)
Transfers to reserve fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>
General fund balance, end of year	<u>\$ 2,772</u>	<u>\$ 61,782</u>	<u>\$ 47,370</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

**STATEMENT OF RESERVE FUND REVENUE, EXPENDITURES AND FUND BALANCE
YEAR ENDED JUNE 30, 2021**

	<u>2021</u>	<u>2020</u>
Investment income	\$ <u>20,085</u>	\$ <u>25,549</u>
Expenditures		
Bank charges	76	67
Contract repairs and equipment (note 3)	364,476	83,647
Reserve fund study	<u>-</u>	<u>5,520</u>
	<u>364,552</u>	<u>89,234</u>
Deficiency of revenue over expenditures before other items	(344,467)	(63,685)
Unrealized gain (loss) on investments	<u>64,976</u>	<u>(31,428)</u>
Deficiency of revenues over expenditures	(279,491)	(95,113)
Reserve fund, beginning of year	1,141,987	937,100
Transfers from general fund	<u>300,000</u>	<u>300,000</u>
Reserve fund, end of year	\$ <u><u>1,162,496</u></u>	\$ <u><u>1,141,987</u></u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

STATEMENT OF CONTINGENCY FUND REVENUE, EXPENDITURES AND FUND BALANCE
YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
Interest revenue	\$ <u>462</u>	\$ <u>939</u>
Expenditures		
Adirondack chairs	1,801	-
Contract repairs and art work	6,412	18,970
Bank charges	<u>7</u>	<u>18</u>
	<u>8,220</u>	<u>18,988</u>
Deficiency of revenue over expenditures	(7,758)	(18,049)
Contingency fund, beginning of year	76,673	84,722
Transfers from general fund	<u>9,997</u>	<u>10,000</u>
Contingency fund, end of year	\$ <u><u>78,912</u></u>	\$ <u><u>76,673</u></u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #130**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	<u>2021</u>	<u>2020</u>
Operating Activities		
Cash received for condominium fees	\$ 1,062,836	\$ 1,078,960
Cash received for parking	7,605	6,095
Cash received for sundry	1,121	996
Cash received for interest and investment income	21,090	26,696
Cash paid for operating expenses	(750,107)	(749,631)
Cash paid for reserve fund expenses	(400,012)	(69,246)
Cash paid for contingency fund expenses	<u>(7)</u>	<u>(5,792)</u>
Net cash inflow (outflow) from operating activities	<u>(57,474)</u>	<u>288,078</u>
Investing Activities		
Redemption (purchase) of investments	<u>(345,256)</u>	<u>340,878</u>
Net cash inflow (outflow) from investing activities	<u>(345,256)</u>	<u>340,878</u>
Increase (decrease) in cash during the year	(402,730)	628,956
Cash, beginning of year	<u>796,053</u>	<u>167,097</u>
Cash, end of year	<u>\$ 393,323</u>	<u>\$ 796,053</u>
Represented by:		
General fund cash	\$ 56,090	\$ 66,869
Reserve fund cash	250,108	640,148
Contingency fund cash	<u>87,125</u>	<u>89,036</u>
	<u>\$ 393,323</u>	<u>\$ 796,053</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

1. Purpose of the organization

The Corporation was registered without share capital on July 8, 1987 under the Nova Scotia Condominiums Act to administer the common areas of the development registered as Halifax County Condominium Corporation #130. 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) Capital assets

Minor capital assets are expensed in the year they are purchased.

(g) 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.

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

2. Significant accounting policies (continued)

(h) 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.

(i) Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. The Corporation subsequently measures all of its financial assets and financial liabilities at amortized cost except for equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in fund revenue and expenditures in the period of change. 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 of the Corporation.

The directors have used a comprehensive reserve fund study by BRK Engineering Inc. dated February 2021 and such other information as was available to them in evaluating the adequacy of annual contributions to the reserve fund for major repairs and replacements. The study recommended a reserve fund balance of \$673,227 on June 30, 2021. The balance at June 30, 2021 in the reserve fund is \$1,162,496, which is \$489,269 more than the recommended balance.

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

2022	\$	310,000
2023	\$	320,000
2024	\$	320,000
2025	\$	320,000
2026	\$	320,000

Any evaluation of the adequacy of the reserve fund is based upon assumptions as to the future interest and inflation rates and estimates of the life expectancy of the common elements and assets and their replacement costs. These factors are subject to change over time and the changes may be material; accordingly, the Condominium Act requires the reserve fund study 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.

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3. Internally restricted funds (continued)

Reserve Fund

The funds in the Reserve Fund are held with CIBC as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Interest bearing bank account			\$ 248,716
Accrued investment income			1,074
Investment cash account			1,392
High interest savings account			247,928
Principal protected note	Dec 19, 2025		101,430
Principal protected note	Dec 24, 2027		97,345
Principal protected note	Dec 29, 2025		100,250
Principal protected note	June 30, 2028		100,000
<u>Equity Investments</u>			
Bank of Nova Scotia			22,815
BCE Inc			75,007
Royal Bank of Canada			110,770
Toronto Dominion Bank			<u>86,957</u>
			1,193,684
Less: Amounts owing to the general fund			<u>(31,190)</u>
			<u>\$ 1,162,496</u>

The contract repairs of the Reserve Fund are comprised of the following:

	<u>2021</u>	<u>2020</u>
Hallway lighting	\$ 2,829	\$ -
Electrical assessment	-	8,625
Leak repairs	2,212	17,989
Parking garage door opener	-	2,198
Patio pavers	-	25,547
Storm drain maintenance	15,728	-
Windows and patio doors	48,869	5,554
Roof anchor inspection	3,450	-
Heat pump replacement	2,530	-
Parkade entrance repairs	15,950	-
Rear driveway and retaining wall	270,641	-
Window planning project	<u>2,267</u>	<u>23,734</u>
	<u>\$ 364,476</u>	<u>\$ 83,647</u>

HALIFAX COUNTY CONDOMINIUM CORPORATION #130

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3. Internally restricted funds (continued)

Contingency fund

Each year the Board may approve transfers between the General Fund and Contingency Fund which may be done as part of the budgeting process or a stand alone motion. The funds held in the Contingency Fund are to be used and applied from time to time toward meeting the deficits of the other funds and such other common purposes as the Corporation may deem necessary, but not for amounts to be expended from the reserve fund.

The funds in the Contingency Fund are held in an interest bearing bank account with CIBC.

4. 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) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market valuations. There is market risk associated with the Corporation's equity investments.

(c) 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.

5. Budget information

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