

CONDOMINIUM FACT SHEET:

FINANCIAL STATEMENTS

What is the applicable legislation?

The current Act is [The Condominium Property Act, 1993](#).

The current Regulations are [The Condominium Property Regulations, 2001](#).

Both the Act and the Regulations contain all recent amendments and are available on the Queen's Printer website at www.qp.gov.sk.ca.

Must a condominium corporation prepare a financial statement?

The condominium board must prepare financial statements each year for the annual general meeting with respect to all of the money of the corporation. This should include all of the money received and all of the money expended by the corporation.

Clause 39(2)(b) of the Act

Does the financial statement have to be audited?

Financial statements prepared for the annual general meeting have to be audited by a prescribed person.

Subsection 39(3) of the Act

What is the qualification of the auditor?

An auditor must be a member in good standing of a recognized accounting profession that is regulated by an act. Once proclamation of *The Accounting Profession Act* occurs, the only recognized accounting profession in Saskatchewan will be Chartered Professional Accountants.

Subsection 53.1(a) of the Regulations

Can a person connected to the condominium corporation complete an audit?

No person who is a:

- owner of a unit;
- director, officer or employee of the corporation;
- property manager of the corporation;
- has an interest in a contract with the corporation; or

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- is a partner, employer, or employee of the any of the above can be an auditor.

Subsection 53.1(d) of the Regulations

Can the condominium corporation opt out of auditing its financial statement?

Yes, depending on the scenario. The regulations allow for a condominium corporation to opt out of an audited financial statement until the next general meeting. If the condominium corporation has:

- fewer than 12 units:
 - an audit is automatically dispensed with; and
 - a review can be dispensed with by obtaining the consent of 80% of the owners of the units;
- 12 units to 50 units:
 - an audit, but not a review, can be dispensed with by consent of 80% of the owners of the units; and
 - both an audit and review can be dispensed with by unanimous consent of the owners of the units; and
- more than 50 units:
 - a condominium corporation cannot opt out of an audit.

The consents must be obtained on an annual basis. If 80% consent is obtained, those who did not consent must be served with a notice stating that the required 80% consent has been obtained and a non-consenting owner can apply to the court within 30 days to challenge the decision to dispense with the audit. If no applications to court are made during the 30 day period, dispensing with an audit can proceed.

Section 53.2 of the Regulations

What is the difference between an audit and a review?

Both an audit and review have to be completed by a member of a recognized accounting profession that is regulated by an act. Generally, an audit is more extensive than a review. You should obtain advice from your accounting professional to determine which is best for your condominium corporation.

My corporation has sectors. How does the audit requirement work with sectors?

As the obligation of the corporation is to prepare audited financial statements with respect to all of the moneys of the corporation and all of the sectors on the condominium plan form only one condominium corporation, you must audit a single financial statement for the corporation. You may opt to keep separate financial statements for your sectors throughout the year, but they must be rolled up and audited as a single corporate financial statement for the annual general meeting.

Clause 39(2)(b) and Subsection 39(3) of the Act

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