



## ***EVERSYDE ON THE PARK***

*Condominium Corporation Number 0512392*

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To: All Home Owners

From: Board of Directors

Date: January 23, 2020

Subject: Audit Report

Dear Owner:

For your file copy, please see attached Audit Report.

The audit report covers the fiscal year from October 1, 2018 to September 30, 2019.

The Board will discuss the financial statement at the upcoming Annual General Meeting on February 11, 2020. Please consider to attend.

If you have not yet received your AGM package or if you have any question, please contact the property manager via email at [nmendoza@cerapm.com](mailto:nmendoza@cerapm.com).

Thank you.

Board Members  
Eversyde on the Park

For By-Laws, Occupancy Guidelines, Forms or general information about Eversyde on the Park, please visit the community website at [www.eversydeonthepark.com](http://www.eversydeonthepark.com)

**EVERSYDE ON THE PARK**  
**CONDOMINIUM CORPORATION NO.0512392**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**EVERSYDE ON THE PARK  
CONDOMINIUM CORPORATION NO.0512392  
SEPTEMBER 30, 2019**

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# ***H. Donald Hyde***

**Chartered Accountant**

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## **INDEPENDENT AUDITOR'S REPORT**

**To The Members:**

**EVERSYDE ON THE PARK**

**CONDOMINIUM CORPORATION NO. 0512392**

### **Opinion:**

We have audited the accompanying financial statements of **Eversyde On The Park Condominium Corporation No.0512392**, which comprise the statement of financial position as at **September 30, 2019** and the statements of operations and operating fund surplus, reserve fund 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 **Eversyde On The Park Condominium Corporation No.0512392** as at **September 30, 2019** and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for a Not-For-Profit Organization.

### **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 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.

**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 a Not-For-Profit Organization, 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 Responsibility 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.

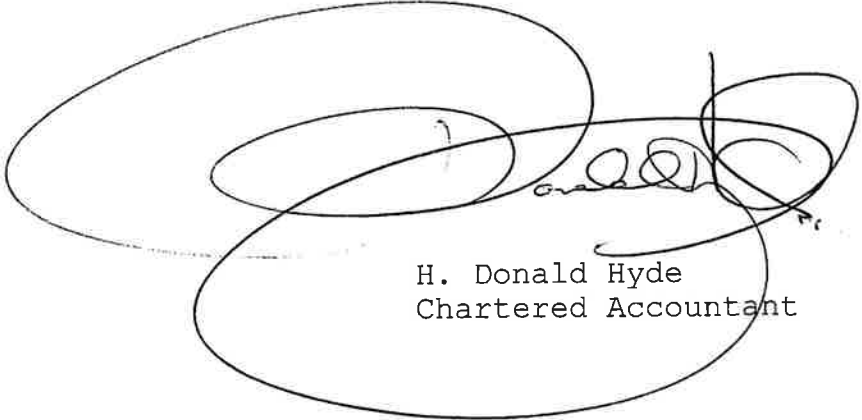
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 controls.

- 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 managements'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 financials, including the disclosures, and whether the financials 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.

Calgary, Alberta  
January 19, 2020

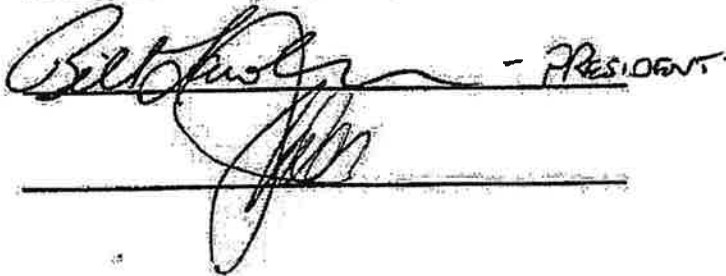


H. Donald Hyde  
Chartered Accountant

EVERSYDE ON THE PARK  
 CONDOMINIUM CORPORATION NO.0512392  
 STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2019

	<u>Operating</u> <u>Fund</u> \$	<u>Reserve</u> <u>Fund</u> \$	<u>Total</u>	
			<u>2019</u> \$	<u>2018</u> \$
<b><u>ASSETS</u></b>				
<b>Current</b>				
Cash	80,805	161,069	241,874	177,279
Investments (Note 3)	-	100,000	100,000	100,000
Accounts Receivable	2,206	11,176	13,382	12,619
Prepaid Expenses	<u>1,444</u>	<u>-</u>	<u>1,444</u>	<u>1,693</u>
	84,455	272,245	356,700	291,591
<b>Long-Term</b>				
Investments (Note 3)	<u>-</u>	<u>203,348</u>	<u>203,348</u>	<u>200,000</u>
	<u>84,455</u>	<u>475,593</u>	<u>560,048</u>	<u>491,591</u>
<b><u>LIABILITIES</u></b>				
<b>Current</b>				
Accounts Payable And Accrued Liabilities	<u>56,237</u>	<u>76,619</u>	<u>132,856</u>	<u>37,868</u>
<b>NET ASSETS</b>	<u>28,218</u>	<u>398,974</u>	<u>427,192</u>	<u>453,723</u>
 <b><u>NET ASSETS REPRESENTED BY:</u></b>				
Operating Fund Surplus	28,218	-	28,218	40,369
Reserve Fund	<u>-</u>	<u>398,974</u>	<u>398,974</u>	<u>413,354</u>
	<u>28,218</u>	<u>398,974</u>	<u>427,192</u>	<u>453,723</u>

APPROVED BY THE BOARD:

 - PRESIDENT

**EVERSYDE ON THE PARK  
 CONDOMINIUM CORPORATION NO.0512392  
 STATEMENT OF OPERATIONS AND OPERATING FUND SURPLUS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u> <u>Budget</u> \$	<u>2019</u> <u>Actual</u> \$	<u>2018</u> <u>Actual</u> \$
<b>REVENUE</b>			
Owners' Annual Assessment	379,403	379,404	372,150
Less: Reserve Contribution	<u>116,901</u>	<u>116,901</u>	<u>112,480</u>
	262,502	262,503	259,670
Special Assessment	-	-	35,700
Interest And Other Income	<u>1,800</u>	<u>6,297</u>	<u>5,406</u>
	<u>264,302</u>	<u>268,800</u>	<u>300,776</u>
<b>EXPENSES</b>			
<b>Administrative</b>			
Management Fees	28,500	28,489	28,489
Office And Miscellaneous	8,500	4,920	7,023
Professional Fees	<u>3,000</u>	<u>2,469</u>	<u>2,608</u>
	<u>40,000</u>	<u>35,878</u>	<u>38,120</u>
<b>Operating</b>			
Electricity And Water And Sewer	12,650	14,742	11,117
Insurance And Appraisal	42,250	34,910	41,824
Waste Removal	<u>16,800</u>	<u>15,879</u>	<u>14,426</u>
	<u>71,700</u>	<u>65,531</u>	<u>67,367</u>
<b>Maintenance</b>			
General Maintenance	71,700	61,488	52,248
Landscaping And Snow Removal	76,602	90,568	79,197
Plumbing And Electrical	1,800	236	614
Window Washing	<u>2,500</u>	<u>5,250</u>	<u>-</u>
	<u>152,602</u>	<u>157,542</u>	<u>132,059</u>
	<u>264,302</u>	<u>258,951</u>	<u>237,546</u>
<b>EXCESS OF REVENUE OVER EXPENSES,</b> for the year		9,849	63,230
<b>OPERATING FUND SURPLUS,</b> beginning of year		40,369	(22,861)
<b>ADDITIONAL TRANSFER TO RESERVE FUND</b>		<u>(22,000)</u>	<u>-</u>
<b>OPERATING FUND SURPLUS,</b> end of year		<u>28,218</u>	<u>40,369</u>



**EVERSYDE ON THE PARK**  
**CONDOMINIUM CORPORATION NO.0512392**  
**STATEMENT OF RESERVE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>REVENUE</b>		
Reserve Contribution	116,901	112,480
Interest Income	<u>11,058</u>	<u>9,199</u>
	<u>127,959</u>	<u>121,679</u>
 <b>EXPENDITURES</b>		
Building Envelope	32,030	-
Deck Replacements	3,246	112,122
Garage Door Replacements	129,063	74,117
Irrigation Installation	-	24,029
Storm Door Replacements	<u>-</u>	<u>18,116</u>
	<u>164,339</u>	<u>228,384</u>
 <b>(DECREASE) DURING THE YEAR</b>	 (36,380)	 (106,705)
 <b>BALANCE, beginning of year</b>	 413,354	 520,059
 <b>ADDITIONAL TRANSFER FROM OPERATING</b>	 <u>22,000</u>	 <u>-</u>
 <b>BALANCE, end of year</b>	 <u>398,974</u>	 <u>413,354</u>

**EVERSYDE ON THE PARK  
 CONDOMINIUM CORPORATION NO.0512392  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>CASH PROVIDED BY (USED IN) :</b>		
<b>Operating Activities:</b>		
<b>Operating Fund</b>		
Excess Of Revenue Over Expenses	9,849	63,230
 Changes In Non-Cash Working Capital Items:		
Accounts Receivable	(763)	(8,900)
Prepaid Expenses	249	27
Accounts Payable And Accrued Liabilities	<u>94,988</u>	<u>16,125</u>
	<u>104,323</u>	<u>70,482</u>
 <b>Reserve Fund</b>		
Reserve Contribution	116,901	112,480
Interest Income	11,058	9,199
Expenditures	<u>(164,339)</u>	<u>(228,384)</u>
	<u>(36,380)</u>	<u>(106,705)</u>
 <b>Investing Activities:</b>		
Acquisition Of Investments	<u>(3,348)</u>	<u>(100,000)</u>
 <b>NET CASH INCREASE (DECREASE) DURING THE YEAR</b>	64,595	(136,223)
 <b>CASH, beginning of year</b>	<u>177,279</u>	<u>313,502</u>
 <b>CASH, end of year</b>	<u>241,874</u>	<u>177,279</u>

**EVERSYDE ON THE PARK**  
**CONDOMINIUM CORPORATION NO.0512392**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**1. INCORPORATION**

The Corporation was established under the provisions of the Condominium Property Act of Alberta. The purpose of the Corporation is to control, manage and maintain the real, personal and common property and to provide common services for the benefit of the owners of the ninety-nine (99) residential units comprising the complex.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Corporation has elected to apply the Canadian Accounting Standards for a Not-For-Profit Organization in Part III of the CPA Accounting Handbook for Not-For-Profit Organizations.

a) **COMMON PROPERTY**

These financial statements include only those assets, liabilities, revenues and expenses relating to the operations of the Corporation. The common property comprised in the Corporation is owned proportionately by individual unit owners and consequently, it is not reflected as an asset in these financial statements.

b) **REVENUE AND EXPENSE RECOGNITION**

Revenues primarily comprise assessments for the cost for common services provided to owners and are charged in monthly instalments on the basis of an approved annual budget. All revenues and expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they are earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

**EVERSYDE ON THE PARK**  
**CONDOMINIUM CORPORATION NO.0512392**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**2. CONTINUED**

c) **FUND ACCOUNTING**

The Corporation maintains the following funds:

Operating Fund:

To account for all revenues, expenses, assets and liabilities related to the operation and administration of the Corporation.

Reserve Fund:

To maintain a capital replacement reserve fund to be used to provide financing for major repairs and replacements of the real and personal property owned and common property managed by the Corporation. Only major repairs and replacements (expenditures which do not normally occur annually) are charged to the reserve. Minor repairs and equipment purchases are charged to general operations.

d) **INCOME TAXES**

Canada Revenue Agency will regard the excess of revenue over expenses as a reduction of owners contributions rather than as taxable income. Accordingly, no provision for income taxes has been made in these financial statements.

e) **CONTRIBUTED SERVICES**

Volunteers carry out many activities for the Corporation. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) **MEASUREMENT UNCERTAINTY**

The preparation of financial statements in conformity with Canadian Accounting Standards for a Not-For-Profit Organization requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from these estimates.

**EVERSYDE ON THE PARK  
CONDOMINIUM CORPORATION NO.0512392  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**2. CONTINUED**

g) **FINANCIAL INSTRUMENTS**

Measurement Of The Financial Instruments

The Corporation initially values its financial assets and liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except when the Corporation has investments in equity instruments that are quoted in an active market, in which case these investments are measured at fair value. Changes in fair value are recognized in net income.

Financial assets valued at amortized cost include cash, investments and accounts receivable.

Financial liabilities valued at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets valued at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be revised to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

h) **CASH AND CASH EQUIVALENTS**

The Corporation's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

**EVERSYDE ON THE PARK  
CONDOMINIUM CORPORATION NO.0512392  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**3. INVESTMENTS**

Investments consist of the following Guaranteed Certificates:

	<u>\$</u>
<b><u>Current</u></b>	
-2.21% B2B Bank Due December 20, 2019	<u>100,000</u>
<b><u>Long-Term</u></b>	
-2.45% Equitable Bank Due November 23, 2020	100,000
-3.16% Home Trust Due December 21, 2020	78,348
-3.08% Laurentian Bank Due December 21, 2020	<u>25,000</u>
	<u>203,348</u>

**4. ADEQUACY OF RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS**

These financial statements do not purport to show the adequacy of the capital replacement reserve fund. In determining the allocation to the Capital Replacement Reserve Fund and the adequacy of the fund balance the Board of Directors exercises judgement, principally, in the following areas:

- Obtaining an inventory of common property components that will require replacement;
- Determining the state of these components and their expected remaining useful life;
- Estimating the replacement cost at the expected time of replacement; and
- Forecasting the expected rate of return on the fund's investments.

Significant estimates and assumptions are involved and actual results may differ.

**EVERSYDE ON THE PARK  
 CONDOMINIUM CORPORATION NO.0512392  
 NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**4. CONTINUED**

In 2015 the Corporation commissioned the services of Westview Consulting Ltd to prepare a reserve fund study. The Board of Directors have utilized this study to develop the following reserve fund plan:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Opening Balance	189,700	280,134	379,737	485,492	597,688
Interest	3,794	5,603	7,595	9,710	11,954
Contributions	100,000	104,000	108,160	112,486	116,985
Expenditures	<u>(13,360)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(3,700)</u>
Ending Balance	<u>280,134</u>	<u>379,737</u>	<u>485,492</u>	<u>597,688</u>	<u>722,927</u>

A comparison to this plan is as follows:

	<u>Reserve Fund Plan</u>	<u>Actual Results</u>
	\$	\$
Opening Balance October 1, 2018	597,688	413,354
Contributions	116,985	138,901
Interest	11,954	11,058
Expenditures	<u>(3,700)</u>	<u>(164,339)</u>
Ending Balance September 30, 2019	<u>722,927</u>	<u>398,974</u>

**5. FINANCIAL INSTRUMENTS**

The Corporation's financial instruments are cash, investments, accounts receivable, accounts payable and accrued liabilities.

- a) Credit risk - Accounts receivable are due from the owners and various individuals and are subject to low credit risk.

**EVERSYDE ON THE PARK**  
**CONDOMINIUM CORPORATION NO.0512392**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**5. CONTINUED**

- b) Interest rate risk - Cash and investments bear interest at variable market rates. A change in interest would not have a significant effect on cash flow.
- c) Liquidity risk - The risk that the Corporation will not be able to meet its cash requirements as they come due or be able to liquidate its assets in a timely manner at reasonable prices.

Liquidity risk is managed by the preparation of annual budgets, raising fees sufficient to pay its annual expenses and to make the required reserve fund contributions on a timely basis, through the use of daily interest bank accounts, earning a return while maintaining liquidity.

**6. CAPITAL DISCLOSURES**

The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern with sufficient capital to pay monthly operating costs as they come due as well as to fund major repairs from time to time.

The Corporation's capital is comprised of its operating fund and its reserve fund. In managing its capital, the Corporation has a reserve fund study performed by a qualified person every five years as required by the Condominium Property Act. This reserve fund study outlines the major repairs that may be required within the next 25 years and makes recommendations for the funding of these repairs. The Board utilized this study in preparing the reserve fund plan.

The Corporation also prepares an annual budget of operating costs and repairs with expected funding sources. This budget is approved by the Board of Directors.

In order to maintain or adjust the capital structure, the Corporation may increase monthly assessments or may assess the owners special levies.



**EVERSYDE ON THE PARK  
CONDOMINIUM CORPORATION NO.0512392  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**7. MAJOR COMMITMENTS**

**Management**

The Corporation has engaged the services of a professional property manager to provide management and accounting services at a monthly fee of \$2,374.05 for a term ending September 30, 2019 and \$2,445.45 for a term ending September 30, 2020.

**Landscaping And Snow Removal**

The Corporation has engaged the services of an independent contractor to provide landscaping at a monthly fee of \$4,725.00 and snow removal services at a monthly fee of \$3,675.00 for a term ending April 30, 2020.

**8. BUDGET**

Budget figures are provided for comparison purposes only and are unaudited.