

EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
SEPTEMBER 30, 2020

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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, 2020** 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, 2020** 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
September 14, 2021


Hyde & Hull LLP
Chartered Professional Accountants

EVERSYDE ON THE PARK
 CONDOMINIUM CORPORATION NO.0512392
 STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

	<u>Operating</u> <u>Fund</u> \$	<u>Reserve</u> <u>Fund</u> \$	<u>Total</u>	
			<u>2020</u> \$	<u>2019</u> \$
<u>ASSETS</u>				
Current				
Cash	42,205	199,285	241,490	241,874
Investments (Note 3)	-	203,348	203,348	100,000
Accounts Receivable	918	14,815	15,733	13,382
Prepaid Expenses	<u>1,765</u>	<u>-</u>	<u>1,765</u>	<u>1,444</u>
	44,888	417,448	462,336	356,700
Long-Term				
Investments (Note 3)	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>203,348</u>
	<u>44,888</u>	<u>517,448</u>	<u>562,336</u>	<u>560,048</u>
<u>LIABILITIES</u>				
Current				
Accounts Payable And Accrued Liabilities	<u>18,185</u>	<u>24,098</u>	<u>42,283</u>	<u>132,856</u>
NET ASSETS	<u>26,703</u>	<u>493,350</u>	<u>520,053</u>	<u>427,192</u>

NET ASSETS REPRESENTED BY:

Operating Fund Surplus	26,703	-	26,703	28,218
Reserve Fund	<u>-</u>	<u>493,350</u>	<u>493,350</u>	<u>398,974</u>
	<u>26,703</u>	<u>493,350</u>	<u>520,053</u>	<u>427,192</u>

APPROVED BY THE BOARD:



Resident Sept 15, 2021

**EVERSYDE ON THE PARK
 CONDOMINIUM CORPORATION NO.0512392
 STATEMENT OF OPERATIONS AND OPERATING FUND SURPLUS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>2020</u> <u>Budget</u> \$	<u>2020</u> <u>Actual</u> \$	<u>2019</u> <u>Actual</u> \$
REVENUE			
Owners' Annual Assessment	386,991	386,992	379,404
Less: Reserve Contribution	<u>124,270</u>	<u>124,270</u>	<u>116,901</u>
	262,721	262,722	262,503
Interest And Other Income	<u>2,100</u>	<u>4,500</u>	<u>6,297</u>
	<u>264,821</u>	<u>267,222</u>	<u>268,800</u>
EXPENSES			
Administrative			
Management Fees	30,500	28,489	28,489
Office And Miscellaneous	9,300	5,399	4,920
Professional Fees	<u>3,000</u>	<u>7,249</u>	<u>2,469</u>
	<u>42,800</u>	<u>41,137</u>	<u>35,878</u>
Operating			
Electricity And Water And Sewer	12,650	7,374	14,742
Insurance And Appraisal	43,750	42,363	34,910
Waste Removal And Recycling	<u>19,100</u>	<u>13,188</u>	<u>15,879</u>
	<u>75,500</u>	<u>62,925</u>	<u>65,531</u>
Maintenance			
General Maintenance	54,700	34,752	61,488
Landscaping And Snow Removal	88,440	104,165	90,568
Plumbing And Electrical	1,000	758	236
Window Washing	<u>2,500</u>	<u>-</u>	<u>5,250</u>
	<u>146,640</u>	<u>139,675</u>	<u>157,542</u>
	<u>264,940</u>	<u>243,737</u>	<u>258,951</u>
EXCESS OF REVENUE OVER EXPENSES, for the year	<u>(119)</u>	23,485	9,849
OPERATING FUND SURPLUS, beginning of year		28,218	40,369
ADDITIONAL TRANSFER TO RESERVE FUND		<u>(25,000)</u>	<u>(22,000)</u>
OPERATING FUND SURPLUS, end of year		<u>26,703</u>	<u>28,218</u>

EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
STATEMENT OF RESERVE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
REVENUE		
Reserve Contribution	124,270	116,901
Interest Income	<u>9,973</u>	<u>11,058</u>
	<u>134,243</u>	<u>127,959</u>
EXPENDITURES		
Building Envelope	-	32,030
Deck Replacements And Painting	6,812	3,246
Eaves Replacement	36,857	-
Garage Door Replacements	-	129,063
Reserve Fund Study	3,710	-
Screen Door Replacements	<u>17,488</u>	<u>-</u>
	<u>64,867</u>	<u>164,339</u>
INCREASE (DECREASE) DURING THE YEAR	69,376	(36,380)
BALANCE, beginning of year	398,974	413,354
ADDITIONAL TRANSFER FROM OPERATING	<u>25,000</u>	<u>22,000</u>
BALANCE, end of year	<u>493,350</u>	<u>398,974</u>

EVERSYDE ON THE PARK
 CONDOMINIUM CORPORATION NO.0512392
 STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
CASH PROVIDED BY (USED IN):		
Operating Activities:		
Operating Fund		
Excess Of Revenue Over Expenses	23,485	9,849
Changes In Non-Cash Working Capital Items:		
Accounts Receivable	(2,351)	(763)
Prepaid Expenses	(321)	249
Accounts Payable And Accrued Liabilities	<u>(90,573)</u>	<u>94,988</u>
	<u>(69,760)</u>	<u>104,323</u>
Reserve Fund		
Reserve Contribution	124,270	116,901
Interest Income	9,973	11,058
Expenditures	<u>(64,867)</u>	<u>(164,339)</u>
	<u>69,376</u>	<u>(36,380)</u>
Investing Activities:		
Acquisition Of Investments	<u> -</u>	<u>(3,348)</u>
NET CASH (DECREASE) INCREASE DURING THE YEAR	(384)	64,595
CASH, beginning of year	<u>241,874</u>	<u>177,279</u>
CASH, end of year	<u>241,490</u>	<u>241,874</u>

EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020

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, 2020

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, 2020

3. INVESTMENTS

Investments consist of the following Guaranteed Certificates:

	\$
<u>Current</u>	
-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>
<u>Long-Term</u>	
-2.21% CCSU, Due December 20, 2021	<u>100,000</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.

In 2020 the Corporation commissioned the services of Reliance Asset Consulting to prepare a reserve fund study. The Board of Directors will utilize this study to develop a reserve fund plan.

**EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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.
- 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 30 years and makes recommendations for the funding of these repairs. The Board utilized this study in preparing the reserve fund plan.

**EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

6. CONTINUED

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.

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 \$2,310.00 for a term ending September 30, 2023.

8. BUDGET

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

9. INSURANCE COVERAGE

The Corporation currently has insurance coverage for the period ending October 31, 2021. A summary of the Corporation's insurance deductibles, per occurrence, are as follows:

Flood -	\$25,000
Wind & Hail -	25,000
Water -	10,000
Sewer Back-Up -	10,000
All Other Losses -	10,000

**EVERSYDE ON THE PARK
CONDOMINIUM CORPORATION NO.0512392
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

10. COVID-19

In March 2020 the COVID-19 virus was declared a global pandemic, and it unfortunately continues to spread rapidly. The COVID-19 outbreak is disrupting employment, supply chains and consumer demand across a broad range of industries and countries. The extent of the impact of COVID-19 on the Corporations operation and financial performance will depend on certain developments, including the duration and spread of the outbreak and the financial impact on the members, employees and vendors, all of which are uncertain and cannot be predicted. Management is carefully monitoring the situation and evaluating its options during this time. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

11. CONTINGENT LIABILITY

During the 2020 year the Corporation was notified of a slip and fall accident that occurred on the property. The Corporation insurance company has been notified of a possible claim from this occurrence. At this time any possible cost to the Corporation is undeterminable. Should there be any cost to the Corporation it will be recorded in the year it is determinable.

12. SUBSEQUENT EVENT

Subsequent to the year-end, the Corporation sustained hail damages to the common property. The Corporation's insurance deductible for hail loss is \$25,000. At this time, the cost to the Corporation is undeterminable. Any costs relating to this matter will be recorded in the year in which it is determinable.