

**ESTATES VILLAGE CONDOMINIUM CORPORATION**

**Financial Statements**

**Year Ended May 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Estates Village Condominium Corporation

### *Opinion*

We have audited the financial statements of Estates Village Condominium Corporation (the Organization), which comprise the statement of financial position as at May 31, 2023, and the statements of changes in net assets, revenues and expenditures 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 Organization as at May 31, 2023, and its results of 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 Organization in accordance with the ethical requirements that are relevant to our audit 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 opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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. 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:

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Independent Auditor's Report to the Members of Estates Village Condominium Corporation *(continued)*

- 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 Organization'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 Organization'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 Organization 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.

Edmonton, Alberta  
October 6, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

# ESTATES VILLAGE CONDOMINIUM CORPORATION

## Statement of Financial Position

May 31, 2023

	Operating Fund 2023	Reserve Fund 2023	Total 2023	2022
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ 25,071	\$ 42,156	\$ 67,227	\$ 195,176
Short term investments (Note 3)	-	69,993	69,993	150,000
Accounts receivable	907	-	907	-
Accrued interest receivable	-	5,953	5,953	1,913
Prepaid expenses	37,114	-	37,114	38,065
Interfund receivable	503	(503)	-	-
	63,595	117,599	181,194	385,154
<b>LONG TERM INVESTMENTS</b>				
(Note 4)	-	582,590	582,590	283,242
	\$ 63,595	\$ 700,189	\$ 763,784	\$ 668,396
<b>LIABILITIES AND OWNERS' EQUITY</b>				
<b>CURRENT</b>				
Accounts payable	\$ 9,739	\$ 2,057	\$ 11,796	\$ 4,046
<b>NET ASSETS</b>				
Capital replacement reserve	-	698,132	698,132	605,531
General fund	53,856	-	53,856	58,819
	53,856	698,132	751,988	664,350
	\$ 63,595	\$ 700,189	\$ 763,784	\$ 668,396

ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**ESTATES VILLAGE CONDOMINIUM CORPORATION**

**Statement of Changes in Net Assets**

**Year Ended May 31, 2023**

	General Fund		Restricted Fund		2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$	58,819	\$	605,531	\$ 664,350	\$ 581,375
Excess (deficiency) of revenues over expenditures		(4,963)		92,601	<b>87,638</b>	82,975
<b>NET ASSETS - END OF YEAR</b>	\$	53,856	\$	698,132	\$ <b>751,988</b>	\$ 664,350

**ESTATES VILLAGE CONDOMINIUM CORPORATION****Statement of Revenues and Expenditures Operating Fund****Year Ended May 31, 2023**

	Budget 2023	2023	2022
<b>REVENUES</b>			
Condominium fees	\$ 266,696	\$ 151,589	\$ 151,742
Other	50	-	-
	<u>266,746</u>	<u>151,589</u>	<u>151,742</u>
<b>EXPENSES</b>			
<b>Administration</b>			
Management fees	17,575	18,636	16,738
Legal, accounting and audit	3,900	3,965	3,913
Office	2,600	2,386	2,036
Interest and bank charges	420	381	321
<b>Utilities</b>			
Waste removal	15,400	14,213	14,213
Electric	3,500	3,533	3,239
Water, sewer and fireline	2,700	2,176	2,435
<b>Maintenance</b>			
Grounds and landscaping	19,700	24,628	22,559
Snow removal	31,100	22,482	27,843
General exterior	25,700	17,890	12,986
Locks, windows and doors	1,000	1,873	2,283
Plumbing, HVAC	3,000	330	987
<b>Other</b>			
Insurance	44,268	44,059	45,393
Insurance Deductible	25,000	-	-
	<u>195,863</u>	<u>156,552</u>	<u>154,946</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 70,883</u>	<u>\$ (4,963)</u>	<u>\$ (3,204)</u>

**ESTATES VILLAGE CONDOMINIUM CORPORATION****Statement of Operations Capital Replacement Reserve****Year Ended May 31, 2023**

	Budget 2023	2023	2022
<b>REVENUES</b>			
Assessments	\$ -	\$ 115,000	\$ 100,000
Interest	5,000	15,640	6,703
	5,000	130,640	106,703
<b>EXPENSES</b>			
Foundation	6,079	28,177	-
Eavestroughs	10,000	9,723	5,749
Sumps	200	125	168
Bank Charges	-	14	50
Sidewalks/steps	8,000	-	-
Concrete	5,000	-	-
Garage Doors	5,000	-	-
Signage	2,000	-	-
Landscaping	500	-	-
Reserve fund study	-	-	3,570
Fence	-	-	2,440
Decks	-	-	8,547
	36,779	38,039	20,524
<b>NET INCOME (LOSS)</b>	\$ (31,779)	\$ 92,601	\$ 86,179

**ESTATES VILLAGE CONDOMINIUM CORPORATION****Statement of Cash Flows****Year Ended May 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	<b>\$ 87,638</b>	<b>\$ 82,975</b>
Changes in non-cash working capital:		
Accounts receivable	<b>(907)</b>	<b>-</b>
Interest receivable	<b>(4,038)</b>	<b>1,128</b>
Accounts payable	<b>5,695</b>	<b>500</b>
Prepaid expenses	<b>951</b>	<b>(371)</b>
Accounts Payable - Reserve	<b>2,053</b>	<b>-</b>
	<b>3,754</b>	<b>1,257</b>
Cash flow from operating activities	<b>91,392</b>	<b>84,232</b>
<b>INVESTING ACTIVITY</b>		
Long term Investments (purchase) maturity	<b>(219,341)</b>	<b>(99,752)</b>
<b>DECREASE IN CASH FLOW</b>	<b>(127,949)</b>	<b>(15,520)</b>
Cash - beginning of year	<b>195,176</b>	<b>210,696</b>
<b>CASH - END OF YEAR</b>	<b>\$ 67,227</b>	<b>\$ 195,176</b>
<b>CASH CONSISTS OF:</b>		
Cash - operating fund	<b>\$ 25,071</b>	<b>\$ 122,970</b>
Cash - reserve fund	<b>42,156</b>	<b>72,206</b>
	<b>\$ 67,227</b>	<b>\$ 195,176</b>

# ESTATES VILLAGE CONDOMINIUM CORPORATION

## Notes to Financial Statements

Year Ended May 31, 2023

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### 1. DESCRIPTION OF OPERATIONS

The Condominium Association, formed under the Condominium Property Act of Alberta, is a non-profit organization that was created to regulate the use of the property and to provide repairs, maintenance and other services to the common area of Estates Village Condominium No 942 3847, located in Sherwood Park, Alberta.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

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

#### Cash and short term investments

The corporation considers short-term debt securities purchased with maturity of one year or less to be cash equivalents.

#### Long term investments

Long term investments include guaranteed investment certificates with a maturity date of greater than one year and are carried at cost.

#### Fund accounting

The corporation follows the restricted fund method of accounting for contributions.

The Operating fund accounts for the corporation's operating and administrative activities.

The Capital replacement reserve fund reports the amounts that are set aside and used for future costs of major repairs and replacements. The Condominium Property Act of Alberta restricts the ending balance of the reserve fund to use on major capital repairs and replacements. The fund balance that is excess to requirements, as determined by the reserve report and the board approved plan for funding the reserve fund, may be spent on capital improvements. Receivables of the fund may not be considered in the determination of "funds held" for purposes of the Act.

#### Capital assets

Condominium units and real property directly associated with those units are not considered to be capital assets of the corporation.

Assets purchased by the corporation are expensed when purchased.

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# ESTATES VILLAGE CONDOMINIUM CORPORATION

## Notes to Financial Statements

Year Ended May 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Capital Replacement Reserve

The bylaws of the corporation provide for the creation and maintenance of the capital replacement reserve fund for the purpose of repair, replacement and refurbishment of common property. The board of directors must issue a Reserve Fund Plan each year detailing the years expenditures and anticipated Capital Reserve Fund Contributions and expenditures for the coming year. During the current year the association contributed \$115,000 (2022 - \$100,000) the capital replacement reserve.

#### Income taxes

A condominium corporation created under the Canadian provincial legislation is a taxable private corporation under the Income Tax act. Provided that substantially all the corporation's gross revenues is derived from the members, Revenue Canada is prepared to regard the excess members contributions as amounts required for the operations of the condominium property and not as income of the corporation or its members. Accordingly, no provision for income taxes has been recorded.

#### Revenue recognition

Condominium fee assessments related to general operations are recognized as revenue of the operating fund as billed to the owners by the corporation. Billings for the condominium fees consist of estimates of monthly charges based on approved budgets. All expenses are recognized as incurred.

Condominium fees related to the Capital replacement reserve fund are recognized as revenue of the reserve fund.

Investment income is recognized as revenue of the Capital replacement reserve fund.

#### Contributed services

Volunteer services contributed on behalf of the corporation are not recognized in these financial statements due to the difficulty in determining their fair value.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

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# ESTATES VILLAGE CONDOMINIUM CORPORATION

## Notes to Financial Statements

Year Ended May 31, 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Financial Instruments

The Association initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets and financial liabilities that are subsequently measured at amortized cost include cash, short term investments, interfund receivable, accrued interest receivable, long term investments, accounts payable and interfund payable.

In management's opinion, the Association is not exposed to significant interest rate, foreign exchange, liquidity or credit risk.

#### Statement of cash flows

A statement of cash flows has been prepared using the indirect method.

### 3. SHORT TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Canadian Western Bank GIC, bearing interest at 2.57%, maturing April 9, 2024	\$ 38,742	\$ -
Mcann Mortgage GIC, bearing interest at 3.25 per annum, maturing April 12, 2024	31,251	-
Canadian Western Bank GIC, bearing interest at 2.39% per annum, maturing August 12, 2022	-	100,000
Mcann Mortgage GIC, bearing interest at 1.15% per annum, maturing June 10, 2022	-	50,000
	<u>\$ 69,993</u>	<u>\$ 150,000</u>

# ESTATES VILLAGE CONDOMINIUM CORPORATION

## Notes to Financial Statements

Year Ended May 31, 2023

### 4. LONG TERM INVESTMENTS

	2023	2022
Canadian Western Bank GIC, bearing interest at 1.90% per annum, maturing May 22, 2025	\$ 116,390	\$ 114,220
DUCA Financial GIC, bearing interest at 4.10% per annum, maturing May 29, 2026	115,000	-
Home Trust GIC, bearing interest at 4.15% per annum, maturing June 25, 2025	100,000	-
DUCA Financial GIC, bearing interest at 4.50% per annum, maturing September 26, 2024	50,625	-
Mcann Mortgage GIC, bearing interest at 4.10% per annum, maturing June 10, 2024	50,575	-
Community Trust GIC, bearing interest at 1.22% per annum, maturing June 12, 2023	50,000	50,000
Home Bank GIC, bearing interest at 1.35% per annum, maturing August 21, 2023	50,000	50,000
B2B Bank GIC, bearing interest at 4.20% per annum, maturing August 26, 2024	50,000	-
Canadian Western Bank GIC, bearing interest at 2.57% per annum, maturing April 9, 2024	-	37,771
Mcann Mortgage GIC, bearing interest at 3.25% per annum, maturing April 12, 2024	-	31,251
	<u>\$ 582,590</u>	<u>\$ 283,242</u>

### 5. CAPITAL MANAGEMENT

The corporation defines capital as the sum of unrestricted net assets and internally restricted net assets. In managing capital, the corporation focuses on liquid resources available for operations. The corporation's objective is to have sufficient liquid resources to continue operating despite adverse events with financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget.

### 6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.