

October 30, 2020

Unit Owners of Chaparral Adult Village  
Condominium Corporation No. 9810287  
2 – 137 Chaparral Pointe SE  
Calgary, Alberta

Dear Owners:

**Re: Notice of 2020 Annual General Meeting of Chaparral Adult Village**

On behalf of the Board of Directors, we wish to advise that the Annual General Meeting of Condominium Corporation No. 9810287 (Chaparral Adult Village) will be held on **Friday, November 20, 2020 at 1:30 p.m.** at the Lake House located at 225 Lake Chaparral Drive, Calgary, Alberta, as set out in the enclosed Notice of Meeting and Agenda.

Enclosed are:

- Minutes of the Annual General Meeting held November 15, 2019.
- Audited year-end financial statement as of August 31, 2020.
- Proxy in the event you are unable to attend. Please give it to an attending neighbour, or return it to our office to ensure your vote.

All condominium fees are required to be paid prior to the meeting date in order that voting rights will not be affected.

We look forward to your attendance.

Yours truly,

Condominium Corporation No. 9810287  
By its authorized agent,  
GO SMART Property Managers Inc.



KATELYN JACOBSON  
Condominium Consultant  
Enclosures

**CHAPARRAL ADULT VILLAGE  
2020 ANNUAL GENERAL MEETING  
CONDOMINIUM CORPORATION NO. 9810287  
CALGARY, ALBERTA**

Notice is hereby given that the Annual General Meeting will be held at the time, date and place as stated hereunder:

**DATE:**           **Friday, November 20, 2020**

**PLACE:**       **Lake House  
225 Lake Chaparral Drive S.E.  
Calgary, Alberta**

**TIME:**         **1:30 P. M.**

**AGENDA**

1. If the President or the Secretary of the Board shall be absent, or elects to vacate the chair or refuses to act, the election of the Chairman of the Meeting;
2. Calling of the roll and certifying the proxies;
3. Proof of notice of meeting or waiver of notice;
4. Reading and disposal of any unapproved minutes;
5. Reports of officers;
6. Reports of committees;
7. Financial report;
8. Appointment of Auditors;
9. Resignation of Board;
10. Election of Board;
11. Old Business;
12. New Business;
13. Adjournment.

MINUTES OF THE ANNUAL GENERAL MEETING OF  
CONDOMINIUM CORPORATION NO. 9810287  
NOVEMBER 15, 2019

CALL TO ORDER

Sharon Johnson, Board Chair, called the meeting to order at 1:30 P.M.

CALLING OF ROLL AND CERTIFYING PROXIES:

The Manager reported to the Chairman that a quorum of persons entitled to vote at the meeting appeared to be present by virtue that:  
22 Units were represented by the personal appearance thereof  
4 Units were represented by proxy  
A total of 26 Units were represented. Quorum is 12 Units per the Condominium Act of 2018.

NOTICE OF MEETING:

The Chairman waived the reading of the following Notice of the Annual Meeting, as it had been mailed /circulated to each Unit Owner on the 31st day of October, 2019 in compliance with the requirement of and the time specified in the By-Laws of the Corporation:

CHAPARRAL ADULT VILLAGE  
2019 ANNUAL GENERAL MEETING  
CONDOMINIUM CORPORATION NO. 9810287

Notice is hereby given that the Annual General Meeting will be held at the time, date and place as stated hereunder.

DATE: Friday, November 15, 2019

PLACE: Lake House  
225 Lake Chaparral Drive, S.E.  
Calgary, Alberta

TIME: 1:30 P.M.

READING AND DISPOSAL OF MINUTES OF LAST AGM

Reading of the minutes was waived by the Chairman as the November 14, 2018 AGM minutes accompanied the AGM notice. Moved by Sharon Johnson, Unit 31, Seconded by Norma Schultz, Unit 43, that the minutes of the last Annual General Meeting be adopted as circulated. Motion passed.

## REPORT OF OFFICERS AND COMMITTEES

### Overview of the Board

Sharon Johnson, Board Chair, thanked the Board members for their time and hard work in the past year. She told of another busy year, with more ice damming/moisture damage, a change in management companies requiring interviews with several prospects, and attic issues being studied and getting that work started. While this work is costly, it is necessary for safety, the value and integrity of the buildings, and purposes of insurance coverage and keeping premiums from rising more than the already high costs.

She gave an update of the proposed Bylaws; the changes to the Alberta Condominium Act July 1, 2019 are included in them. The Alberta Government moved these changes to January 1, 2020 to reexamine for cuts to unnecessary red tape for Condo Boards. When these are finalized, the proposed Bylaws will reflect this and then they will be presented to owners for approval.

Sharon asked if an owner had a skill that could be used in an advisory capacity for the Board if required, could the Board be advised of this, e.g. a person with house painting background could give an opinion of what type of paint would stand up best to winter weather.

She urged owners to consider running for the Board; more Board members are urgently required, as only a few Board members have agreed to let their names stand for another term. She noted that while meetings are currently held in the mornings, they could be moved to other times to accommodate work hours, or Board members could Skype in to the meetings to accommodate mobility problems.

### Financial

Heather Chamberlain, Board Treasurer, gave insight to the financial position at the audited statements to August 31, 2019. She reported the following totals for the year (with figures rounded off for ease of reporting)

Condominium contributions were \$198,600.00

Amount of this total placed in the Reserve Fund was \$56,700.00

Amount of this total placed in operating funds was \$141,900.00

Actual operating costs were \$105,800.00, which was down from \$ 127,700.00 in the previous year - in large part because additional non-yearly items had been set up in the Reserve Fund in the 2018 Study.

Costs in the September 2018 to August 2019 fiscal year, compared to the previous year, showed

General repairs and maintenance - 48% lower (as stated, Reserve Fund funds were accessed per the 2018 Reserve Fund Study)

Utilities - 21% reduction (mainly due to reduced irrigation watering)

Landscaping and snow removal - 15% less

Insurance - 13% decrease - however, Heather cautioned that the policy amount for one year starting October 31, 2019 has increased by 50% to \$ 35,000.00. Two years of claims for our complex plus increased costs throughout all condo insurance carriers are causing this increase.

The average monthly condo contribution was expensed as:

\$98.00 to Reserve Fund

\$40.00 for property insurance

\$33.00 for administrative expense

\$27.00 for utilities

\$11.00 for building repairs and maintenance

\$74.00 for landscaping and snow removal

Reserve Fund expenditures were \$53,300.00 (\$92.00 per month per Unit) - costs incurred with further ice damming, removing and planting trees, replacing of parts of the north fence, capital expenditures on the irrigation system, and capital expenditures on the Units.

At August 31, 2019 - the Corporation's financial standing was as follows:

\$28,300.00 in operating account

\$355,500.00 in Investments in the Reserve Fund

\$178,400.00 Cash in the Reserve Fund

Totalling \$ 533,900.00

Heather thanked her fellow Board members for their work this year.

#### Repairs and maintenance

Eileen Bailey, Vice Chairman, reported on maintenance work during the year.

For a second year ice damming damage problems happened, with four units suffering damage. After reports from Stephen Potter, of Residential Roofing Consulting, having aerial roof photos taken, and much input from different roofing companies, The Board contracted to have attic venting improved, with the existing vents being given larger holes from the attic, vents replaced with higher, better vents, and more vents added. Ideal Insulation was contracted to do this venting, along with moisture barrier/specialized work on the loft units. Ideal had also done the insurance work on the attics of the 4 units. Stephen Potter, along with Carlos Fernandes and Jayson Grant attended

several Board meetings to explain the procedures, keep the Board members in the loop, and answered many, many questions.

Rain or Shine was contracted again this year to do required repair work in the complex. The Board had been pleased with their performance and pricing in the previous year. Joe Kjeldsen and the crew did a good job of repairs/painting of window frames, siding and wood repairs. They did a very good job on the repairs needed on the north fence. Eileen commented that she had learned more about insulation, venting, attics and roofing than she would have foreseen in her three years on the Board and regrets that health problems prevent her serving the next year on the Board.

### Landscape

Madonna Hamm was the landscape liaison for the Board for the past year, and covered her objectives for the past summer

- grass to be hand mowed as much as possible
- clean out overgrown flowerbeds
- reseeding and trim trees to get more sun along south fence, put mulch in beds
- refresh mailbox and front entrance areas
- re-sod areas where needed
- trim trees through complex
- ensure irrigation system efficiency

Irrigation system monitoring at start up was done; heads were checked for performance. A map was kept showing heads replaced. The system was checked by an irrigation firm; they found the system is old but in reasonable shape. The cost to install a new system with new functions would be in the area of \$ 100,000.00. Reports of standing water in the central grassed area were investigated. It was found there was no leak by observing the water meter when the system was off. A change to lower flow heads (from the current 3 gallons per minute to a .3 gallons per minute) should be done in the spring. There are approximately 31 heads to be changed.

A push for hand mowing the front lawns was not appreciated by the landscaper, but those lawns have benefited. Future hand mowing of all grass areas should be implemented.

One tree bed was covered by mulch as a test case; it was not as nice as had been hoped. Any treatment of these beds should be addressed very early in the spring to ensure the availability of contractors. The quality of the flower bed cleanup by the landscape company was not as good as hoped, with constant supervision needed. Madonna thanked owners for their work in keeping their flower beds attractive.

An arborist was contracted to trim almost all trees. This was done in two rounds, with the second one happening around the time of the AGM. He will remain on call in the future for trimming and advice on the well being of the trees. Two trees needed removing due to disease, (behind Units 132 and 31), and will be replaced in the future.

Madonna had quotes on totally refreshing the plants at the front entrances and the mailbox area. The cost was prohibitive to proceed with their plan, but did give some ideas for future work there. She thanked those owners who assisted with watering these areas.

#### APPOINTMENT OF AUDITORS

Upon motion duly made by Heather Chamberlain, Unit 119, and seconded by Madonna Hamm, Unit 52, it was resolved that the appointment of Auditors be left to the discretion of the incoming Board of Directors. Motion passed.

#### ELECTION OF BOARD OF DIRECTORS

As per the Bylaws, all Board members resigned from the Board.

Volunteers for the upcoming term for the Board were:

Unit 31 - Sharon Johnson  
Unit 60 - Lorna Herdman  
Unit 71 - Alan Tanaka  
Unit 103 - Cheryl Hougesen  
Unit 119 - Heather Chamberlain

The following owners were declared elected to the Board of Directors:

Unit 119 - Heather Chamberlain  
Unit 103 - Cheryl Hougesen  
Unit 71 - Alan Tanaka  
Unit 60 - Lorna Herdman  
Unit 31 - Sharon Johnson

Garnett Hamm, Unit 52, volunteered to assist with contractors or repair progress reports if requested by the Board.

#### QUESTIONS FROM THE FLOOR RE UNFINISHED OR NEW BUSINESS

Question: A Unit has been for sale for quite a while, and this could give prospective buyers concern that the complex was not desirable; could the Board or owners do anything to assist the sale?

Answer: No, the complex Corporation has no part of the sale process.

Question: The landscape company often uses a truck plow to scrape snow off the driveways; sometimes this leaves unsightly scrape marks across the concrete. The driveways of Units 35, 39 and 107 were noted in this case

Answer: They will be contacted to do what they can to avoid these marks

Question: The resident phone list that is given out by the Board does not have numbers listed for some of the units.

Answer: All Unit residents have been given the information to be a part of the listing. Those residents not on the circulated listing have not provided the number or given permission for the number to appear. This is a privacy issue, and without permission they cannot be on the list.

Question: Why are notices still delivered to the doors, when permission has been given to deliver notices by emails.

Answer: This is tied in with the Alberta Condominium Act changes which were to be effective July 1, 2019. The Alberta Government has moved the date to January 1, 2020, so the Board will begin this when that comes into effect. The Condo Corporation email is in the process of getting ready for that.

There was general discussion about the information given via newsletter to the owners regarding attic insulation and moving of bathroom fan venting from the soffits to the roofs. The Board members confirmed that any residents who were interested in proceeding with this at their cost could advise the Board and their contact information would be given to Ideal Insulation, who could provide information to the owner on the procedure and the costs. The process and payment would be between the owner and either Ideal or whichever contractor that may be chosen. If within 5 years of the work being done the Condo Board should proceed with moving the vents for all units, the owner could present the invoice and be reimbursed up to the amount that the Corporation would be paying per unit at that time.

Norma Schultz, Unit 43, extended thanks, on the behalf of all the owners, to the Board members for the work they had done during the year.

#### ADJOURNMENT

Upon motion duly made by Norma Schultz, Unit 43, and seconded by Joanne Lavalley, Unit 134, it was unanimously resolved that the Meeting be adjourned.



The meeting was adjourned at 2:40 P.M.

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Chairman

Secretary

# Chaparral Point Adult Village

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FINANCIAL STATEMENTS

AUGUST 31, 2020

# Chaparral Point Adult Village

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AUGUST 31, 2020

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## Condominium Audit Services

Chartered Professional Accountant

Associated with Cass & Fraser Chartered Professional Accountants

612-500 Country Hills Blvd NE, Unit#168  
Calgary, Alberta T3K 5K3

Phone: (403) 903-8196  
Email: admin@cascpa.ca

### INDEPENDENT AUDITORS' REPORT

To the Owners of Chaparral Point Adult Village Condominium Corporation No.981 0287:

#### **Opinion**

We have audited the accompanying financial statements of the Chaparral Point Adult Village Condominium Corporation No.981 0287, which comprise the statement of financial position as at August 31, 2020, and the statements of operations and changes in fund balances for the operating fund and capital replacement reserve fund, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2020, and the results of its operations and 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 audit of the financial statements in Canada, and we have fulfilled our other 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.

#### **Other Matter**

In order to obtain a more complete understanding of the financial position of the Corporation, we recommend that the reader review the expected future maintenance costs detailed in the reserve fund study.

The financial statements of Chaparral Point Adult Village Condominium Corporation No.981 0287 for the year ended August 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on October 23, 2019.

#### **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 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.

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 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 Company'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 Company'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 Company 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.

*Condominium Audit Services*

Chartered Professional Accountant

Calgary, Alberta  
October 29, 2020

# Chaparral Point Adult Village

## STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 2020

	2020			2019	
	Operating Fund	Reserve Fund	Total	Total	
Current Assets					
Cash	\$ 21,958	\$ 134,746	\$ 156,704	\$ 217,161	
Accounts receivable	2,149	-	2,149	50	
Prepaid insurance	2,380	-	2,380	3,117	
Short-term investments	-	311,579	311,579	345,023	
	\$ 26,487	\$ 446,325	\$ 472,812	\$ 565,351	
Current Liabilities					
Accounts payable	\$ 11,352	\$ -	\$ 11,352	\$ 16,307	
	11,352	-	11,352	16,307	
Net Assets					
Capital replacement reserve fund (note 7)	-	446,325	446,325	532,204	
Operating fund	15,135	-	15,135	16,840	
	15,135	446,325	461,460	549,044	
	\$ 26,487	\$ 446,325	\$ 472,812	\$ 565,351	

# Chaparral Point Adult Village

## STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE OPERATING FUND

FOR THE YEAR ENDED AUGUST 31, 2020

	2020 Budget <i>(note 4)</i>	2020 Actual	2019 Actual
<b>Revenues</b>			
Condominium fees	\$ 190,867	\$ 190,867	\$ 183,231
Insurance proceeds	-	-	5,000
Interest	-	125	217
	190,867	190,992	188,448
<b>Administration</b>			
Bank charges	-	4	-
Management fees	16,947	16,947	15,030
Office	1,500	1,485	1,260
Professional fees	2,252	3,410	2,094
<b>Utilities</b>			
Organics	3,120	2,500	2,409
Power	1,050	1,009	1,070
Recycling	5,040	4,340	4,620
Waste management	2,880	3,027	2,386
Water and sewer	8,000	7,864	4,972
<b>Maintenance</b>			
General building maintenance	6,850	5,618	9,610
Landscaping	28,534	28,224	27,876
Pest control	1,000	940	903
Snow removal	20,034	22,145	17,252
<b>Other</b>			
Insurance	34,125	35,649	22,855
	131,332	133,162	112,337
Revenues over expenses	59,535	57,830	76,111
Transfer to reserve fund	\$ (59,535)	(59,535)	(56,700)
Operating fund balance at beginning of year		16,840	(2,571)
Operating fund balance at end of year		\$ 15,135	\$ 16,840

# Chaparral Point Adult Village

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
 CAPITAL REPLACEMENT RESERVE FUND  
 FOR THE YEAR ENDED AUGUST 31, 2020

	2020 Budget <i>(note 4)</i>	2020 Actual	2019 Actual
<b>Revenues</b>			
Interest	\$ -	\$ 10,719	\$ 10,184
<b>Expenses</b>			
Asphalt paving repairs	-	7,586	-
Building exterior	-	-	3,019
Common area	-	-	36,865
Door replacement	-	-	1,488
Eavestrough installation	-	3,379	-
Fence painting	-	1,838	4,777
Irrigation repairs	-	1,841	1,115
Roof repairs	-	141,174	5,728
Sidewalks repairs	-	-	1,969
Tree	-	315	-
	-	156,133	54,961
Revenues over expenses	-	(145,414)	(44,777)
Transfer from operating fund	\$ 59,535	59,535	56,700
Reserve fund balance at beginning of year		532,204	520,281
Reserve fund balance at end of year		\$ 446,325	\$ 532,204



# Chaparral Point Adult Village

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2020

	2020			2019
	Operating Fund	Reserve Fund	Total	Total
Cash flows from operating activities				
Condominium fees	\$ 190,917	\$ -	\$ 190,917	\$ 183,702
Interest and investment income	125	2,006	2,131	1,795
Other revenues	(2,149)	-	(2,149)	-
Cash paid to suppliers	(137,380)	(156,133)	(293,513)	(173,011)
Net cash provided by (used in) operating activities	51,513	(154,127)	(102,614)	12,486
Cash flows from investing activities				
Net redeem of GICS	-	42,157	42,157	-
Increase in cash	51,513	(111,970)	(60,457)	12,486
Interfund transfers	(59,535)	59,535	-	-
Cash, beginning of year	29,980	187,181	217,161	204,675
Cash, end of year	\$ 21,958	\$ 134,746	\$ 156,704	\$ 217,161
Cash and cash equivalents are comprised of:				
Cash	\$ 21,958	\$ 134,746	\$ 156,704	\$ 217,161

# Chaparral Point Adult Village

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NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

## 1 Purpose and Income Tax Status

Chaparral Point Adult Village Condominium Corporation No.981 0287 (The "Corporation") is a condominium corporation registered under the Condominium Property Act of Alberta. Its function is to regulate the use of the property and to provide repairs, maintenance and other services to the common areas of the condominium project, located in Edmonton, Alberta.

The Corporation is a not-for-profit corporation under the Income Tax Act, and is therefore exempt from income taxes.

## 2 Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are described below.

### (a) Fund Accounting

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.

### (b) Revenue Recognition and Transfers to the Reserve Fund

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 monthly charges based on the annual budget approved by the Board of Directors. All expenses are recognized as incurred.

Transfers to the reserve fund are made based on board approvals, to fund the cost of capital replacements and repairs.

### (c) 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.

### (d) Cash and Cash Equivalents on the Statement of Cash Flows

Cash and cash equivalents include bank balances and cash held. Short term money market funds are not included as these are considered to be investments.

# Chaparral Point Adult Village

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NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 those estimates.

3 Financial Instruments

(a) Financial Instrument Measurement

The Corporation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for marketable securities quoted in an active market, which are measured at fair value.

The financial assets subsequently measured at amortized cost include cash, and accounts receivable. The financial assets measured at fair value include Guaranteed Investment certificates. The financial liabilities measured at amortized cost include accounts payable.

(b) Credit Risk

The Corporation does not have a concentration of credit exposure with any one party. The Corporation does not consider that it is exposed to undue credit risk. Credit risk includes the risk that owners will fail to pay their condominium fees.

(c) Interest Rate Risk

The investments of the Corporation may be subject to interest rate risk because changing interest rates impact the market value of the fixed rate investments.

(d) Liquidity Risk

Liquidity risk is the risk that the Corporation may not be able to meet its ongoing commitments to repair, replace and maintain the common property of the Corporation.

# Chaparral Point Adult Village

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

### (e) Risk Management

The Corporation manages its credit, liquidity and cash flow risk by restricting investments to a diverse range of government and corporate fixed income securities, and corporate shares with specified ratings and terms as prescribed by the Condominium Property Act. As it is the Corporation's expectation to hold its investments to maturity, its cash flows are exposed to minimal interest rate and liquidity risk. The Corporation has the power to place caveats on titles which significantly mitigates credit risk. The Corporation manages liquidity risk by preparing an annual budget in consideration of the results of its reserve fund study, and may increase condominium fees and assess special levies to ensure it has sufficient funds.

### 4 Budget Amounts

The 2020 budget amounts are presented for information purposes only. They were approved by the Board of Directors and are unaudited.

### 5 Short-term Investments

The investments are held for the purpose of financing the future costs of major repairs and replacements. The investments are comprised of five Guaranteed Investment Certificates held by Manulife Securities, at fair value:

	<b>2020</b>
EQUI GIC at 3.09%, maturing Dec14, 2020	\$ 26,340
HOME GIC at 3.16%, maturing Dec14, 2020	81,228
EQUI GIC at 3.09%, maturing Dec17, 2020	77,063
CCSU GIC at 2.25%, maturing Dec24, 2020	76,161
HMBK GIC at 2.26%, maturing Dec24, 2021	50,775
Cash	12
	<b>\$ 311,579</b>

### 6 Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation. Some expenses from prior year were recorded in current year by mistake. Correction of these transactions to appropriate period has resulted in a decrease of \$8,183 to expenses accounts and a increase of \$8,183 to account payable in 2019.

# Chaparral Point Adult Village

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

## 7 Adequacy of Capital Replacement Reserve Fund

These financial statements do not purport to show the adequacy of the capital replacement reserve fund. In determine the allocation to the Capital Replacement Reserve Fund and the adequacy of the fund balance the Board of Directors exercise judgemental, 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

An independent reserve fund study to determine the adequate amount of funds which should be retained in the capital replacement reserve fund for future costs of major repairs and replacement was conducted in 2018. The Board of Directors is utilizing this report together with such other information as is available in evaluating the Capital Replacement Reserve Fund requirements. Significant estimates and assumptions are involved and actual capital replacement reserve fund requirements could differ from those anticipated, and therefore future special assessments cannot be precluded.

a) The study projects the following reserve plan (5 years):

	2020	2021	2022	2023	2024
Begining balance	466,786	533,323	603,834	405,891	410,922
Reserve contribution	59,535	62,512	65,637	68,919	72,365
Interest	7,002	8,000	9,058	6,088	6,164
Expenditure	-	-	(272,638)	(69,977)	(43,650)
Ending Balance	\$533,323	\$603,834	\$405,891	\$410,922	\$445,801

b) A comparison of the actual reserve fund to the plan is as follows:

	Reserve Fund Plan	Actual	Over (Under)
2020 Begining balance	466,786	532,204	65,418
Contributions	59,535	59,535	-
Interest	7,002	10,719	3,717
Expenditure	-	(156,133)	(156,133)
2020 Ending balance	\$533,323	\$446,325	\$(86,998)

# Chaparral Point Adult Village

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NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2020

8 Approval of Financial Statements

These financial statements have been approved by the Board of Directors.

**PROXY**

**ANNUAL GENERAL MEETING OF  
CONDOMINIUM CORPORATION NO. 9810287**

The undersigned hereby makes, constitutes and appoints \_\_\_\_\_, or in the absence of a nominee, **Chairperson** as his (her) attorney to represent him (her) with the full authority to cast his (her) vote by proxy and with several powers of substitution and revocation for him (her) place and stead, at a general meeting of Condominium Corporation No. 9810287 to be held on November 20, 2020 and at any and all adjournments thereof, and he (she) hereby ratifies and confirms all that his (her) said attorney may do by virtue hereof.

DATED at Calgary, Alberta this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

Unit No. \_\_\_\_ - Chaparral Pointe SE  
Calgary, Alberta