

**CONDOMINIUM CORPORATION NO. 9810287**  
***(Operating as Chaparral Adult Village)***  
**Financial Statements**  
**Year Ended August 31, 2019**

CONDOMINIUM CORPORATION NO. 9810287

*(Operating as Chaparral Adult Village)*

Index to Financial Statements

Year Ended August 31, 2019

---

	Page
AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Expenses <i>(Schedule 1)</i>	11

# CREMERS & ELLIOTT

---

## CHARTERED ACCOUNTANTS

---

### INDEPENDENT AUDITOR'S REPORT

---

To the Owners of Condominium Corporation No. 9810287 (Operating as Chaparral Adult Village)

#### *Opinion*

We have audited the financial statements of Condominium Corporation No. 9810287 (the Condominium Corporation), which comprise the statement of financial position as at August 31, 2019, and the statements of revenues and expenditures and changes in net assets 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 Condominium Corporation as at August 31, 2019, and the results of its 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 Condominium 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 ethical responsibilities in accordance with those 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 Condominium Corporation'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 Condominium Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Condominium Corporation's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

(continues)

Independent Auditor's Report to the Owners of Condominium Corporation No. 9810287 (continued)

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 Condominium 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 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 Condominium 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 Condominium Corporation 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.

Calgary, Alberta  
October 23, 2019



Cremers & Co. Chartered Accountants LLP

CONDOMINIUM CORPORATION NO. 9810287

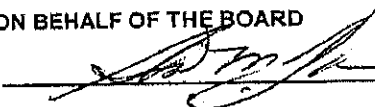
(Operating as Chaparral Adult Village)

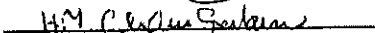
Statement of Financial Position

August 31, 2019

	Capital Replacement Reserve Fund	Operating Fund	Total	Total
	2019	2019	2019	2018
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ -	\$ 28,297	\$ 28,297	\$ 20,810
Accounts receivable	-	50	50	521
Insurance claim receivable	-	-	-	18,433
Prepaid expenses	-	3,117	3,117	-
Total Current Assets	-	31,464	31,464	39,764
INVESTMENTS (Note 3)	533,887	-	533,887	520,281
	<u>\$ 533,887</u>	<u>\$ 31,464</u>	<u>\$ 565,351</u>	<u>\$ 560,045</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT</b>				
Accounts payable	\$ -	\$ 8,122	\$ 8,122	\$ 18,902
Insurance claim payable	-	-	-	23,433
	-	8,122	8,122	42,335
NET ASSETS (Notes 2, 4)	533,887	23,342	557,229	517,710
	<u>\$ 533,887</u>	<u>\$ 31,464</u>	<u>\$ 565,351</u>	<u>\$ 560,045</u>

ON BEHALF OF THE BOARD

 Director

 Director

**CONDOMINIUM CORPORATION NO. 9810287**  
**(Operating as Chaparral Adult Village)**

**Statement of Revenues and Expenditures and Changes in Net Assets**  
**Year Ended August 31, 2019**

	Budget	Capital Replacement Reserve Fund	Operating Fund	Total	Total
	2019	2019	2019	2019	2018
<b>REVENUE</b>					
Condominium fees	\$ 183,232	\$ -	\$ 183,231	\$ 183,231	\$ 183,231
Interest	-	10,185	217	10,402	8,241
Insurance proceeds	-	-	5,000	5,000	-
Reserve contributions	(56,700)	56,700	(56,700)	-	-
	126,532	66,885	131,748	198,633	191,472
	126,532	53,279	105,835	159,114	146,112
<b>EXPENSES (Schedule 1)</b>					
<b>NET EXCESS OF REVENUE OVER EXPENSES</b>	-	13,606	25,913	39,519	45,360
<b>NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR</b>	-	520,281	(2,571)	517,710	472,350
<b>NET ASSETS - END OF YEAR</b>	\$ -	\$ 533,887	\$ 23,342	\$ 557,229	\$ 517,710

CONDOMINIUM CORPORATION NO. 9810287

(Operating as Chaparral Adult Village)

Statement of Cash Flows

Year Ended August 31, 2019

	2019	2018
<b>FUND ACTIVITIES</b>		
Excess of revenue over expenses	\$ 39,519	\$ 45,360
Changes in non-cash working capital:		
Accounts receivable	471	(521)
Insurance claim receivable	18,433	(18,433)
Accounts payable	(10,780)	2,500
Prepaid expenses	(3,117)	-
Insurance claim payable	(23,433)	23,433
	<u>(18,426)</u>	<u>6,979</u>
<b>INCREASE IN CASH FLOW</b>	<b>21,093</b>	<b>52,339</b>
Cash - beginning of year	<u>541,091</u>	<u>488,752</u>
<b>CASH - END OF YEAR</b>	<b><u>562,184</u></b>	<b><u>541,091</u></b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 28,297	\$ 20,810
Reserve fund investments	<u>533,887</u>	<u>520,281</u>
	<b><u>\$ 562,184</u></b>	<b><u>\$ 541,091</u></b>

**CONDOMINIUM CORPORATION NO. 9810287**

***(Operating as Chaparral Adult Village)***

**Notes to Financial Statements**

**Year Ended August 31, 2019**

---

**1. BASIS OF PRESENTATION**

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

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Condominium Corporation is a non-profit organization and the common area assets of the condominium are owned proportionately by the owners of the units and as such are not reflected as assets in these financial statements. The purpose of the Condominium Corporation is to manage the common area assets and to maintain and provide services with respect to the day to day operations of the condominium.

The financial statements include only assets, liabilities, revenues and expenses relating to the operations of Condominium Corporation No. 9810287. The statements do not include the cost of land or buildings and the outstanding principal balances owing on mortgages, which are the responsibility of the owners.

The Condominium Corporation is a tax exempt organization for income tax purposes and has therefore made no provisions for income taxes on these financial statements.

Measurement uncertainty

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Condominium Corporation may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts and useful lives of capital assets.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in guaranteed certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than five years.

*(continues)*

---



CONDOMINIUM CORPORATION NO. 9810287

(Operating as Chaparral Adult Village)

Notes to Financial Statements

Year Ended August 31, 2019

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting

The Condominium Corporation follows the restricted method of accounting for contributions.

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

The capital replacement reserve fund reports the fee assessments from unit owners that are to be set aside and used for future costs or major repairs or replacements.

Revenue Recognition

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

The condominium fees related to the Capital Replacement Reserve Fund are recognized as revenue of the Capital Replacement Reserve Fund.

Investment income earned on the Reserve Fund Investments are recognized as revenue of the Capital Replacement Reserve Fund.

Contributed Services

Volunteer services contributed on behalf of the Condominium Corporation in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued, with the exception of any related party transactions that are measured at the carrying amount or exchange amount, as appropriate. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income of the appropriate fund. All other financial instruments are reported as amortized cost, and tested for impairment at each reporting date. Transaction costs are recognized as an expense in the period incurred for all financial instruments subsequently measured at fair value. Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs and financing fees that are directly attributed to their organization, issuance or assumption.

Financial assets measured at amortized cost include cash, and accounts receivable. Financial assets measured at fair value include reserve fund investments. Financial liabilities measured at amortized cost include accounts payable, and long-term debt.

(continues)

---

CONDOMINIUM CORPORATION NO. 9810287

(Operating as Chaparral Adult Village)

Notes to Financial Statements

Year Ended August 31, 2019

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Replacement Reserve Fund

The Capital Replacement Reserve Fund is a fund required under the By-laws of the Property Act (Alberta) to be established and maintained for the repair or replacement of any real and personal property owned by the Condominium Corporation and the common property where such repair or replacement does not occur annually. When expenditures of a capital nature or for a major repair are incurred, they are charged against the reserve. The amount to be allocated to the Reserve Fund from operations is determined by the Board of Directors of the Condominium Corporation.

Budget

The budget figures that appear on the statement of operating income are those approved by the Board of Directors and are presented for comparison purposes only. They have not been audited or reviewed but they have been reclassified to conform to the presentation in these financial statements.

---

3. INVESTMENTS HELD FOR THE CAPITAL REPLACEMENT RESERVE FUND ASSETS, AT FAIR VALUE

	<u>2019</u>
Manulife - reserve cash	\$ 178,397
CIBC - reserve cash	10,467
GIC @ 3.16% maturing December 14, 2020	78,731
GIC @ 3.09% maturing December 17, 2020	74,745
GIC @ 2.85% maturing December 18, 2019	36,919
GIC @ 2.18% maturing December 16, 2019	37,207
GIC @ 2.18% maturing December 16, 2019	91,873
GIC @ 3.09% maturing December 14, 2020	25,548
	<u>\$ 533,887</u>

CONDOMINIUM CORPORATION NO. 9810287

(Operating as Chaparral Adult Village)

Notes to Financial Statements

Year Ended August 31, 2019

4. ADEQUACY OF THE CAPITAL REPLACEMENT RESERVE FUND

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 judgment, 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 funds investments.

An independent reserve fund study was conducted in 2018. In the opinion of the professional reserve fund planners who completed the study, the Capital Replacement Reserve Fund should have a balance as summarized below.

	Balance		Expenses		
	Beginning of	Transfers from	Interest	Allocated to	Balance End
	Year	Operations	Earned	Reserve Fund	of Year
2019 Projected	\$ 439,902	\$ 56,700	\$ 6,599	\$ (36,414)	\$ 466,786
2019 Actual	\$ 520,281	\$ 56,700	\$ 10,185	\$ (53,279)	\$ 533,887
2019 Over(under)	\$ 80,379	\$ -	\$ 3,586	\$ (16,865)	\$ 67,101
2020 Projected	\$ 466,786	\$ 59,535	\$ 7,002	\$ -	\$ 533,323
2021 Projected	\$ 533,323	\$ 62,512	\$ 8,000	\$ -	\$ 603,834
2022 Projected	\$ 603,834	\$ 65,637	\$ 9,058	\$ (272,638)	\$ 405,891
2023 Projected	\$ 405,891	\$ 68,919	\$ 6,088	\$ (69,977)	\$ 410,922

The full study is available to the reader and should be examined to fully comprehend the purpose, the assumptions and the conclusions of the study.

5. FINANCIAL INSTRUMENTS

The Condominium Corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Condominium Corporation's risk exposure and concentration as of August 31, 2019.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Condominium Corporation is exposed to this risk mainly in respect of its accounts payable.

(continues)

CONDOMINIUM CORPORATION NO. 9810287

*(Operating as Chaparral Adult Village)*

Notes to Financial Statements

Year Ended August 31, 2019

---

5. FINANCIAL INSTRUMENTS *(continued)*

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Condominium Corporation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Condominium Corporation manages exposure through its normal operating and financing activities. The Condominium Corporation is exposed to interest rate risk primarily through its reserve fund investments.

---

6. COMPARATIVE FIGURES

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

---

**CONDOMINIUM CORPORATION NO. 9810287**  
**(Operating as Chaparral Adult Village)**

(Schedule 1)

**Expenses**

**Year Ended August 31, 2019**

	Budget	Capital Replacement Reserve Fund	Operating Fund	Total	Total
	2019	2019	2019	2019	2018
<b>OPERATING EXPENSES</b>					
Landscaping and snow removal	\$ 50,268	-	\$ 42,855	\$ 42,855	\$ 50,160
Insurance	26,250	-	22,855	22,855	24,920
Utilities	19,610	-	15,457	15,457	15,234
Management fees	15,030	-	15,030	15,030	14,597
General repairs and maintenance	11,859	-	6,169	6,169	12,597
Audit fees	2,015	-	2,094	2,094	3,133
Office	1,000	-	1,259	1,259	2,060
Road and parking	500	-	116	116	-
Insurance deductible	-	-	-	-	5,000
	<u>126,532</u>	<u>-</u>	<u>105,835</u>	<u>105,835</u>	<u>127,701</u>
<b>CAPITAL REPLACEMENT RESERVE EXPENSES</b>					
Common area	-	36,865	-	36,865	-
Roof	-	5,728	-	5,728	-
Fence	-	4,777	-	4,777	-
Building exterior	-	3,019	-	3,019	-
Sidewalks repairs and maintenance	-	1,969	-	1,969	-
Landscaping	-	921	-	921	7,149
Deck	-	-	-	-	8,831
Overhead door	-	-	-	-	1,706
Irrigation	-	-	-	-	725
	<u>-</u>	<u>53,279</u>	<u>-</u>	<u>53,279</u>	<u>18,411</u>
	<u>\$ 126,532</u>	<u>\$ 53,279</u>	<u>\$ 105,835</u>	<u>\$ 159,114</u>	<u>\$ 146,112</u>

**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 15, 2019 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 \_\_\_\_\_, 2019.

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

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Signature

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