

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Financial Statements
Year Ended December 31, 2022

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Index to Financial Statements
Year Ended December 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Owners of Condominium Plan No. 0311515 operating as Country Lane Estates

I have reviewed the accompanying financial statements of Condominium Plan No. 0311515, operating as Country Lane Estates, (the Corporation) that comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Condominium Plan No. 0311515 as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Calgary, AB
May 12, 2023



Antonio Masone Professional Corporation
Chartered Professional Accountant

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Financial Position
December 31, 2022

| | Operating Fund 2022 | Capital Replacement Reserve Fund 2022 | Asset Acquisition Fund 2022 | 2022 2022 | 2021 2021 |
|---|------------------------|--|--------------------------------------|----------------------|--------------|
| ASSETS | | | | | |
| CURRENT | | | | | |
| Cash | \$ 50,640 | \$ 135,935 | \$ - | \$ 186,575 | \$ 214,952 |
| Term deposits | - | 393,636 | - | 393,636 | 397,904 |
| Accounts receivable | 1,882 | - | - | 1,882 | 850 |
| Trade accounts receivable from related parties | 19,252 | - | - | 19,252 | - |
| Prepaid expenses | 5,329 | - | - | 5,329 | 5,955 |
| | 77,103 | 529,571 | - | 606,674 | 619,661 |
| PROPERTY, PLANT AND EQUIPMENT <i>(Net of accumulated amortization) (Note 6)</i> | - | - | 6,761 | 6,761 | - |
| | \$ 77,103 | \$ 529,571 | \$ 6,761 | \$ 613,435 | \$ 619,661 |
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT | | | | | |
| Accounts payable and accrued liabilities | \$ 25,140 | \$ - | \$ - | \$ 25,140 | \$ 13,381 |
| Trade payables to related parties | - | 12,492 | 6,761 | 19,253 | - |
| Employee deductions payable | (83) | - | - | (83) | - |
| Deferred income | - | - | - | - | 8,779 |
| | 25,057 | 12,492 | 6,761 | 44,310 | 22,160 |
| NET ASSETS | 52,046 | 517,079 | - | 569,125 | 597,501 |
| | \$ 77,103 | \$ 529,571 | \$ 6,761 | \$ 613,435 | \$ 619,661 |

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2022

| | Budget 2022 | Operating Fund 2022 | Capital Replacement Reserve Fund 2022 | 2022 2022 | 2021 2021 |
|---------------------------------|----------------|------------------------|--|----------------------|----------------|
| REVENUES | | | | | |
| Condominium fees | \$ 712,170 | \$ 634,140 | \$ - | \$ 634,140 | \$ 634,140 |
| Reserve contributions | (78,030) | - | 78,030 | 78,030 | 78,030 |
| Winter usage fee | 29,000 | 24,355 | - | 24,355 | 32,085 |
| Laundry income | 12,105 | 14,486 | - | 14,486 | 12,430 |
| Clubhouse Rental | 400 | 1,100 | - | 1,100 | - |
| Estoppel Income | 1,275 | 2,100 | - | 2,100 | 1,275 |
| Finance charges income | 60 | 39 | - | 39 | 113 |
| Key fob income | 2,550 | 900 | - | 900 | 2,245 |
| Maintenance income | 650 | 300 | - | 300 | 325 |
| Bylaw infraction fines | - | 300 | - | 300 | - |
| Interest income | - | 496 | 8,627 | 9,123 | 9,812 |
| Excess social club fund raising | - | 1,000 | - | 1,000 | - |
| COVID-19 income | - | - | - | - | (80) |
| | 680,180 | 679,216 | 86,657 | 765,873 | 770,375 |
| EXPENSES | | | | | |
| Utilities | 375,385 | 422,089 | - | 422,089 | 361,213 |
| Salaries and wages | 134,298 | 127,686 | - | 127,686 | 128,623 |
| Park maintenance and functions | 45,986 | 61,219 | - | 61,219 | 50,291 |
| Pool maintenance | 9,000 | 27,736 | - | 27,736 | 7,709 |
| Insurance | 32,997 | 29,754 | - | 29,754 | 28,725 |
| Garbage removal | 15,370 | 18,653 | - | 18,653 | 19,119 |
| Repairs and maintenance | 10,360 | 10,989 | - | 10,989 | 13,743 |
| Office | 7,946 | 10,581 | - | 10,581 | 7,506 |
| Telephone | 7,518 | 9,649 | - | 9,649 | 32,729 |
| Professional fees | 15,290 | 6,954 | - | 6,954 | 8,366 |
| Supplies | 1,500 | 2,611 | - | 2,611 | 1,458 |
| Interest and bank charges | 1,650 | 2,149 | - | 2,149 | 2,156 |
| Amortization | - | 2,898 | - | 2,898 | - |
| Bad debts | 1,230 | 410 | - | 410 | 1,310 |

(continues)

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Revenues and Expenditures and Changes in Net Assets (continued)
Year Ended December 31, 2022

| | Budget 2022 | Operating Fund 2022 | Capital Replacement Reserve Fund 2022 | 2022 2022 | 2021 2021 |
|--|------------------|------------------------|--|----------------------|-------------------|
| Memberships | 289 | 289 | - | 289 | 289 |
| Advertising and promotion | 500 | 265 | - | 265 | 491 |
| COVID-19 expenses | - | - | - | - | 32 |
| Reserve fund expenditure | - | - | 60,313 | 60,313 | 45,571 |
| | 659,319 | 733,932 | 60,313 | 794,245 | 709,331 |
| NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | 20,861 | (54,716) | 26,344 | (28,372) | 61,044 |
| NET ASSETS - BEGINNING OF YEAR | - | 106,762 | 490,735 | 597,497 | 536,455 |
| NET ASSETS - END OF YEAR | \$ 20,861 | \$ 52,046 | \$ 517,079 | \$ 569,125 | \$ 597,499 |

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Cash Flows
Year Ended December 31, 2022

| | Operating Fund 2022 | Capital Replacement Reserve Fund 2022 | Asset Acquisition Fund 2022 | 2022 2022 | 2021 2021 |
|---|------------------------|--|--------------------------------------|----------------------------|--------------|
| OPERATING ACTIVITIES | | | | | |
| Excess (deficiency) of revenues over expenses | \$ (54,716) | \$ 26,344 | \$ - | \$ (28,372) | \$ 61,044 |
| Item not affecting cash: | | | | | |
| Amortization of capital assets | - | - | 2,897 | 2,898 | - |
| | (54,716) | 26,344 | 2,897 | (25,474) | 61,044 |
| Changes in non-cash working capital: | | | | | |
| Accounts receivable | (1,032) | - | - | (1,032) | 5,405 |
| Accounts payable and accrued liabilities | 11,755 | - | - | 11,755 | (22,031) |
| Deferred income | (8,779) | - | - | (8,779) | 8,779 |
| Prepaid expenses | 626 | - | - | 626 | (1,040) |
| Due to operating fund | - | 12,491 | 6,761 | 19,252 | - |
| Due from reserve fund | (19,252) | - | - | (19,252) | - |
| Employee deductions payable | (83) | - | - | (83) | - |
| | (16,765) | 12,491 | 6,761 | 2,487 | (8,887) |
| Cash flow from (used by) operating activities | (71,481) | 38,835 | 9,658 | (22,987) | 52,157 |
| INVESTING ACTIVITIES | | | | | |
| Term deposits | - | 4,269 | - | 4,269 | (34,010) |
| Equipment | - | - | (9,658) | (9,658) | - |
| Cash flow from (used by) investing activities | - | 4,269 | (9,658) | (5,389) | (34,010) |
| INCREASE (DECREASE) IN CASH FLOW | (71,481) | 43,104 | - | (28,376) | 18,147 |
| Cash - beginning of year | 122,121 | 92,831 | - | 214,952 | 196,805 |
| CASH - END OF YEAR | \$ 50,640 | \$ 135,935 | \$ - | \$ 186,576 | \$ 214,952 |

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2022

1. NATURE OF OPERATIONS

Condominium Corporation Plan No. 0311515 (the "Corporation") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta, primarily under the Condominium Property Act.

The purpose of the Corporation is to manage and maintain the common Property (as defined in the condominium corporation's By-Laws) and to provide common services for the benefit of the owners of the units comprising the "bare land condominium" complex known as Country Lane Estates located at Aldersyde, Alberta. The condominium units are used for recreational vehicles.

The Corporation acts as the legal nominee of the unit owners with respect to the ownership and usage of the common property that is shared by the unit owners as tenants-in-common.

These financial statements include only those assets, liabilities, revenues and expenses relating to the Corporation. The Corporation does not own common property, but is responsible for its management and maintenance. The common property is owned proportionately by individual unit holders and includes the clubhouse, swimming pool, access roads, guest amenities, and recreational vehicle pads.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). Canadian Accounting Standards for Not-for-Profit Organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Revenue recognition

Revenues primarily comprise assessments for the cost for common services provided to owners and are charged in monthly installments 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.

Investment income is recognized as revenue in the year in which the related expenses are incurred.

Fund accounting

The Corporation follows the restricted fund method of accounting. Revenues from assessments to unit owners and investment income are recognized as revenue in the appropriate fund when received or receivable.

The Corporation maintains the following funds:

(continues)

CONDOMINIUM PLAN NO. 0311515
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Notes to Financial Statements
Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Operating fund

The statement of operating fund reports all owners' assessments, budgeted allocation of those assessments to other funds and expenses related to the operation and maintenance of the common elements of the Corporation.

Capital Replacement Reserve Fund

The statement of reserve fund reports the portion of owners' assessments allocated to it and expenses for the major repair and replacement of the common elements and assets of the Corporation. The basis of determining reserve fund requirements is explained in Note 5. All major repairs and replacement of the common elements are charged directly to this reserve. This reserve is required by the Condominium Act of Alberta for financing future major repairs and replacements of the common elements.

The Corporation segregates amounts accumulated for the purpose of financing future charges to the reserve fund in bank and investment accounts that must be used solely to finance such charges. Interest earned on these amounts is included in the reserve fund.

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.

Contributed services

The operations of the Corporation depend on the voluntary services of certain unit owners who serve on the Board of Directors and its Committees. Because of the difficulty in determining fair value, these services are not reflected in the financial statements.

Cash and cash equivalents

The Corporation's policy is to present bank balances and highly liquid investments with maturities of three months or less at date of acquisition under cash.

Interfund transfers

Interfund transfers not included in the annual budget or that are in excess of the budgeted amount are not recorded in the statement of operations; they are recorded in the related fund statements as additions or deductions, as applicable.

Measurement uncertainty

When preparing financial statements according to ASNPO, 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.

(continues)

CONDOMINIUM PLAN NO. 0311515
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Notes to Financial Statements
Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Estimates are based on a number of factors including historical experience, current events, actions that the 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 reserve and revenues.

Financial instruments

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

Measurement of the financial instruments

The Corporation subsequently measures all its financial asset 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 and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred income.

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, 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.

Capital assets

Capital assets are recorded at cost. Amortization is calculated using the straight-line method at the following rates:

Maintenance equipment 20%

In the year of acquisition, one-half the normal rate is applied.

Common elements

The common elements of the Corporation are owned proportionately by the unit owners and consequently are not reflected as assets in these financial statements.

CONDOMINIUM PLAN NO. 0311515
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Notes to Financial Statements
Year Ended December 31, 2022

| 4. CASH | <u>2022</u> | <u>2021</u> |
|------------------------------|-------------------|-------------------|
| <u>Operating Fund</u> | | |
| Servus Patronage | \$ 795 | \$ 433 |
| Chequing 9661950 | 49,762 | 117,695 |
| Total cash & cheques on Hand | - | 3,943 |
| Petty Cash | 82 | 51 |
| | <u>50,639</u> | <u>122,122</u> |
| <u>Reserve Fund</u> | | |
| Capital Reserve | 90,976 | 59,975 |
| Credential Securities - Cash | 44,959 | 32,856 |
| | <u>135,935</u> | <u>92,831</u> |
| Grand total | <u>\$ 186,574</u> | <u>\$ 214,953</u> |

5. CAPITAL REPLACEMENT RESERVE FUND

The corporation, as required by the Condominium Property Act, is required to establish a reserve fund to finance future major repairs and replacement of the common elements and assets of the Corporation.

Any evaluation of the adequacy of the reserve fund is based upon assumptions as to the future interest and inflation rates and estimates of life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes maybe material; accordingly, the Condominium Property Act requires that reserve fund studies be updated every five years.

CONDOMINIUM PLAN NO. 0311515
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Notes to Financial Statements
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6. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2022 Net book value | 2021 Net book value |
|-----------|----------|-----------------------------|---------------------------|---------------------------|
| Equipment | \$ 9,658 | \$ 2,898 | \$ 6,760 | \$ - |

7. 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 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.

The Board has utilized the reserve fund study of Reliance Asset Consulting Inc. prepared on January 14, 2021 and other information available to them in developing the following reserve fund plan:

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

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Balance at January 1, | \$ 512,951 | \$ 581,981 | \$ 658,475 | \$ 724,270 | \$ 778,963 |
| Reserve contribution | 78,200 | 78,200 | 78,200 | 78,200 | 79,800 |
| Interest | 7,694 | 8,730 | 9,877 | 10,864 | 23,369 |
| Expenditure | (16,864) | (10,436) | (22,282) | (34,371) | (37,450) |
| Balance at December 31, | \$ 581,981 | \$ 658,475 | \$ 724,270 | \$ 778,963 | \$ 844,682 |

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

| | Reserve Fund Plan | Actual | Variance |
|--------------------------------|----------------------|-------------------|--------------------|
| Balance at January 1, | \$ 512,951 | \$ 490,735 | \$ (22,216) |
| Contributions | 78,200 | 78,165 | (35) |
| Interest | 7,694 | 8,627 | 933 |
| Expenditures | (16,864) | (49,437) | (32,573) |
| Balance at December 31, | \$ 581,981 | \$ 528,091 | \$ (53,890) |

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)

Notes to Financial Statements
Year Ended December 31, 2022

8. RESERVE FUND INVESTMENTS

| | 2022 | 2021 |
|--|-------------------|-------------------|
| SVCU GIC 2.7%, MATURITY MARCH 1, 2022 | \$ - | \$ 44,759 |
| SVCU GIC 2.75%, MATURITY MARCH 1, 2023 | 46,053 | 44,821 |
| SVCU GIC 3.15%, , MATURITY MARCH 1, 2024 | 46,745 | 45,318 |
| ATL HIGH INT SAVINGS ACC A-NL | 97,406 | 63,000 |
| RBF INVSAVINGS ACCT CLA-NL | 101,711 | 100,003 |
| TDB TD ISA SR O -NL | 101,720 | 100,003 |
| | \$ 393,635 | \$ 397,904 |

9. RESERVE FUND EXPENDITURES

| | 2022 | 2021 |
|---------------------------------|------------------|------------------|
| Security Gate Upgrade | \$ 28,758 | \$ 945 |
| Sidewalks around common bldgs | 12,000 | 4,500 |
| Pool Liners | 8,253 | - |
| Washers/Dryers Replacement | 7,910 | - |
| Garage Heater | 2,624 | - |
| Reserve Fund Study | 769 | 578 |
| NVR & Camera System | - | 2,199 |
| Door in back laundry room | - | 1,567 |
| Office Equipment & Furniture | - | 1,277 |
| Decking on clubhouse building | - | 1,000 |
| Water posts - ball valve/refurb | - | 9,306 |
| Eavestrough & Downspouts | - | 5,093 |
| Swimming Pool Equipment | - | 273 |
| Hot Water Heaters (2) Pumps (4) | - | 6,568 |
| Fire rated wall elec/boiler | - | 3,019 |
| HVAC Renovations/Upgrade | - | 9,247 |
| Total reserve fund expenditures | \$ 60,314 | \$ 45,572 |

10. COMMITMENTS

The Corporation, in the normal course of operations, enters into a number of contracts for services all of which contain short-term cancellation clauses.

11. RELATED PARTY TRANSACTIONS

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the Corporation. Management, in addition to fees is reimbursed for certain administrative costs.

These transactions are in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

CONDOMINIUM PLAN NO. 0311515
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Notes to Financial Statements
Year Ended December 31, 2022

12. FINANCIAL INSTRUMENTS

The 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 Corporation's risk exposure and concentration as of December 31, 2022.

Credit risk

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

Liquidity risk

Liquidity risk is 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.

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 Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its reserve fund investments.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other price risks arising from these financial instruments.

13. BUDGET

The 2022 Budget information which was approved by the Board of Directors of the Corporation has been reclassified where necessary to conform with the presentation in the financial statements. They have not been audited or reviewed but they have been reclassified to conform to the presentation in these financial statements.

14. COMPARATIVE FIGURES

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