

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Financial Statements
Year Ended December 31, 2020

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
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Year Ended December 31, 2020

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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 Organization) that comprise the statement of financial position as at December 31, 2020, 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matter

The financial statements of Condominium Plan No. 0311515 operating as Country Lane Estates, for the year ended December 31, 2019 were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on September 13, 2020.

A handwritten signature in black ink, appearing to read "Antonio Masone".

Calgary, AB
April 15, 2021

Antonio Masone Professional Corporation
Chartered Professional Accountant

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Financial Position
December 31, 2020

	Operating Fund 2020	Capital Replacement Reserve Fund 2020	Asset Acquisition Fund 2020	Total 2020	Total 2019
ASSETS					
CURRENT					
Cash	\$ 107,640	\$ 89,165	\$ -	\$ 196,805	\$ 171,098
Term deposits	-	363,894	-	363,894	366,806
Accounts receivable	6,255	-	-	6,255	8,450
Prepaid expenses	4,915	-	-	4,915	4,431
	\$ 118,810	\$ 453,059	\$ -	\$ 571,869	\$ 550,785
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable	\$ 35,414	\$ -	\$ -	\$ 35,414	\$ 21,940
Current portion of long term debt	-	-	-	-	4,900
Employee deductions payable	-	-	-	-	12,149
Deferred income	-	-	-	-	3,870
	35,414	-	-	35,414	42,859
NET ASSETS	83,396	453,059	-	536,455	507,926
	\$ 118,810	\$ 453,059	\$ -	\$ 571,869	\$ 550,785

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2020

	Operating Fund 2020	Capital Replacement Reserve Fund 2020	Asset Acquisition Fund 2020	Total 2020	Total 2019
REVENUES					
Condominium fees	\$ 649,206	\$ -	\$ -	\$ 649,206	\$ 590,160
Reserve contributions	-	19,539	-	19,539	78,100
Club house Rental	-	-	-	-	800
Estoppel Income	-	-	-	-	675
Interest income	1,673	8,090	-	9,763	10,294
Laundry Income	11,656	-	-	11,656	15,973
Winter usage fee	28,028	-	-	28,028	20,930
Administration income and Key fob income	8,690	-	-	8,690	5,482
COVID-19 income	660	-	-	660	-
Maintenance and equipment use	-	-	-	-	626
	699,913	27,629	-	727,542	723,040
EXPENSES (Schedule 1)	599,511	98,499	-	698,010	719,972
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	100,402	(70,870)	-	29,532	3,068
NET ASSETS - BEGINNING OF YEAR	(28,198)	523,929	12,195	507,926	527,898
	72,204	453,059	12,195	537,458	530,966
Interfund transfers	11,192	-	(11,192)	-	-
Purchase from the asset acquisition fund	-	-	(1,003)	(1,003)	(23,040)
NET ASSETS - END OF YEAR	\$ 83,396	\$ 453,059	\$ -	\$ 536,455	\$ 507,926

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Statement of Cash Flows
Year Ended December 31, 2020

	Operating Fund 2020	Capital Replacement Reserve Fund 2020	Asset Acquisition Fund 2020	Total 2020	Total 2019
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 100,402	\$ (70,870)	\$ -	\$ 29,532	\$ 3,070
Item not affecting cash:					
Interfund Transfer	11,192	-	(11,192)	-	-
	111,594	(70,870)	(11,192)	29,532	3,070
Changes in non-cash working capital:					
Accounts receivable	2,195	-	-	2,195	(5,771)
Accounts payable	13,474	-	-	13,474	12,567
Deferred income	(3,870)	-	-	(3,870)	3,515
Prepaid expenses	(484)	-	-	(484)	596
Employee deductions payable	(12,149)	-	-	(12,149)	12,149
	(834)	-	-	(834)	23,056
Cash flow from (used by) operating activities	110,760	(70,870)	(11,192)	28,698	26,126
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	-	-	(1,003)	(1,003)	(23,040)
Marketable securities	-	2,912	-	2,912	(14,044)
Cash flow from (used by) investing activities	-	2,912	(1,003)	1,909	(37,084)
FINANCING ACTIVITY					
Repayment of long term debt	(4,900)	-	-	(4,900)	(4,900)
Cash flow from (used by) financing activity	(4,900)	-	-	(4,900)	(4,900)
INCREASE (DECREASE) IN CASH FLOW	105,860	(67,958)	(12,195)	25,707	(15,858)
Cash - beginning of year	1,780	157,123	12,195	171,098	186,956
CASH - END OF YEAR	\$ 107,640	\$ 89,165	\$ -	\$ 196,805	\$ 171,098

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2020

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 condominium 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 condominium 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 operations of Condominium Corporation No. 0311515. The condominium 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 (ASNFPPO).

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.

(continues)

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2020

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

Fund accounting

The condominium 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:

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.

Asset Acquisition Fund

This fund was established in the fiscal year ended March 31, 2013 by the Board of Directors to provide for the acquisition of new assets that are not part of the Capital Replacement Reserve Fund Surplus funds, and are transferred from the Operating Fund at the Board of Directors' discretion.

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 and cash equivalents.

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CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2020

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

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 GAAP, 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 organization 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 policy

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, investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets valued at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment, 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.

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
(Operating as Country Lane Estates)

Notes to Financial Statements
Year Ended December 31, 2020

4. CASH

	2020	2019
Operating Fund		
Capital replacement reserve	\$ 131	\$ 253
Emerald Management - Operating Account	83,283	-
Bank - chequing	24,225	455
Chequing/savings	-	520
Petty Cash	-	77
Capital acquisition	-	12,195
Accounts receivable-employee loan	-	475
Total operating fund cash	107,639	13,975
Reserve Fund		
Capital reserve	23,129	33,692
Manulife investment saving bank	61,758	123,431
Emerald management - Manulife sec	4,279	-
Total reserve fund cash	89,166	157,123
Total cash	\$ 196,805	\$ 171,098

Cash represents the Company's bank accounts and interest-bearing deposits, which can be effectively withdrawn at any time without prior notice or penalties reducing principal amount of deposit. Cash equivalents consists principally of highly liquid investments with maturities of less than three months.

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.

6. RESERVE FUND INVESTMENTS

	2020	2019
SVCU GIC 2.7%, MATURITY MARCH 1, 2022	\$ 43,582	\$ 42,434
SVCU GIC 2.75%, MATURITY MARCH 1, 2023	43,621	42,451
SVCU GIC 3.15%, , MATURITY MARCH 1, 2024	43,934	42,589
SVCU GIC 1.05%, MATURITY AUGUST 10, 2021	200,823	-
NBC NBI ALTA ACCT MUTUAL FUND	31,934	26,338
SVCU GIC 2.25%, MATURITY JUNE 12, 2020	-	80,993
SVCU GIC 2.15%, MATURITY OCTOBER 24, 2020	-	132,001
Total	\$ 363,894	\$ 366,806

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2020

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):

	2020	2021	2022	2023	2024
Balance at January 1	\$ 523,931	\$ 460,759	\$ 512,951	\$ 581,981	\$ 658,475
Reserve contribution	13,026	78,165	78,200	78,200	78,200
Interest	5,000	6,911	7,694	8,730	9,877
Expenditure	(81,198)	(32,884)	(16,864)	(10,436)	(22,282)
Balance at December 31	\$ 460,759	\$ 512,951	\$ 581,981	\$ 658,475	\$ 724,270

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

	Reserve Fund Plan	Actual	Over (Under)
Balance at November 1, 2019	\$ 523,931	\$ 523,929	\$ (2)
Contributions	13,026	19,539	6,513
Interest	5,000	8,090	3,090
Expenditure (Note 8)	(81,198)	(98,499)	(17,301)
Balance at October 31, 2020	\$ 460,759	\$ 453,059	\$ (7,700)

8. COMMITMENTS

Management

The Corporation has conducted the services of a company to provide property management and accounting services at a monthly fee of \$2,584.05.

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

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2020

9. 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.

10. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of December 31, 2020.

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

11. BUDGET

The 2020 Budget information which was approved by the Board of Directors of the Condominium 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.

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
Notes to Financial Statements
Year Ended December 31, 2020

12. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

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

Expenses

(Schedule 1)

Year Ended December 31, 2020

	Operating Fund 2020	Capital Replacement Reserve Fund 2020	Asset Acquisition Fund 2020	Total 2020	Total 2019
Utilities	\$ 322,207	\$ -	\$ -	\$ 322,207	\$ 401,357
Salaries and wages	132,941	-	-	132,941	119,527
Park maintenance and functions	36,895	-	-	36,895	30,094
Insurance	25,662	-	-	25,662	22,264
Telephone	21,592	-	-	21,592	18,377
Professional fees	15,288	-	-	15,288	21,572
Garbage removal	12,213	-	-	12,213	12,322
COVID-19 expenses	8,074	-	-	8,074	-
Office	7,282	-	-	7,282	7,157
Pool maintenance	6,704	-	-	6,704	10,785
Bad debts	4,061	-	-	4,061	16
Repairs and maintenance - Operating	3,599	-	-	3,599	3,617
Interest and bank charges	2,705	-	-	2,705	2,368
Memberships	288	-	-	288	399
Repairs and maintenance - Capital Replacement Fund - (Schedule 2)	-	93,232	-	93,232	70,117
Reserve Fund Study	-	5,267	-	5,267	-
	\$ 599,511	\$ 98,499	\$ -	\$ 698,010	\$ 719,972

See notes to financial statements

CONDOMINIUM PLAN NO. 0311515
(Operating as Country Lane Estates)
REPAIRS AND MAINTENANCE - CAPITAL REPLACEMENT FUND (Schedule 2)
Year Ended December 31, 2020
(Unaudited)

	Actual 2020	2019
Repairs and maintenance - Capital Replacement Fund		
Firewall replacement	\$ 35,465	\$ -
NVR and camera system	15,454	-
Maintenance vehicles	14,612	-
Wifi equipment upgrades	10,982	1,310
Roof shingles adn asphalt	4,428	-
Spigot on side of clubhouse	3,749	-
Metal railing for deck	3,675	-
Metal roof maintenance	2,061	-
Swimming pool equipment	1,058	703
Sewage lists/ts fr stations	1,033	-
Clubhouse interior upgrading	715	-
Roadway asphalt repair	-	8,613
Replacement washers in laundry	-	1,076
Office equipment and furniture	-	809
Satellite building	-	3,153
Wastewater pilot project	-	3,287
Exercise room and gym equipment	-	8,400
Eavestrough and downspout	-	15,939
Clubhouse stucco and repair	-	21,770
Boilers - clubhouse and washroom boilers	-	2,137
Maintenance tractor/backhoe	-	2,920
	\$ 93,232	\$ 70,117