

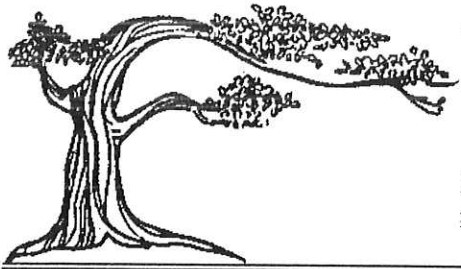
**CONDOMINIUM CORPORATION NO. 0023758**

**(Devonshire Villas)**

**FINANCIAL STATEMENTS**

**(Unaudited - see Notice to Reader)**

**YEAR ENDED APRIL 30, 2020**



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# Royal Oak Business Services

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## NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Condominium Corporation No. 0023758 as at April 30, 2020 and the statements of capital replacement reserve fund and operations and operating fund for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Red Deer, Alberta

May 29, 2020

**CONDOMINIUM CORPORATION NO. 0023758**  
**(Devonshire Villas)**  
**STATEMENT OF FINANCIAL POSITION**  
**(Unaudited - see Notice to Reader)**  
**APRIL 30, 2020**

	2019	2020
<b>Assets</b>		
Current Assets		
Cash - Sunreal Trust account	\$ 15,022	\$ 13,928
	15,022	13,928
Restricted cash	185,100	202,136
	\$ 200,122	\$ 216,064
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,470	\$ 3,558
Prepaid condo fees	1,897	-
	3,367	3,558
<b>Net Assets</b>		
Operating fund	11,655	10,370
Capital replacement reserve fund (Note 2)	185,100	202,136
	196,755	212,506
	\$ 200,122	\$ 216,064

**CONDOMINIUM CORPORATION NO. 0023758**  
**(Devonshire Villas)**  
**STATEMENT OF CAPITAL REPLACEMENT RESERVE FUND**  
**(Unaudited - see Notice to Reader)**  
**YEAR ENDED APRIL 30, 2020**

	2019	2020
Capital replacement reserve fund at beginning of year	\$ 173,513	\$ 185,100
Transfers from general	15,125	16,500
Interest earned	884	536
Expenses paid from reserve	(4,432)	-
Deposit from Operating	10	-
Capital replacement reserve fund at end of year	<u>\$ 185,100</u>	<u>\$ 202,136</u>

Comprised of:

Manulife		\$ 57,136
Manulife Security Savings		60,000
Equitable Bank GIC		85,000
		<u>\$ 202,136</u>

**CONDOMINIUM CORPORATION NO. 0023758**  
**(Devonshire Villas)**  
**STATEMENT OF OPERATIONS AND OPERATING FUND**  
**(Unaudited - see Notice to Reader)**  
**YEAR ENDED APRIL 30, 2020**

	2019	2020
Revenue		
Condominium fees	\$ 76,964	\$ 81,610
Expenses	<u>76,964</u>	<u>81,610</u>
Capital projects	1,233	-
Insurance	15,846	20,079
Management fees	11,340	11,340
Office expense	942	625
Outside maintenance	18,217	18,821
Professional fees	446	446
Repairs and maintenance	4,403	13,988
Utilities	1,417	1,096
	<u>53,844</u>	<u>66,395</u>
Excess of revenue over expenses before allocation to capital replacement reserve	23,120	15,215
Allocation to capital replacement reserve		
Current allocation	15,125	16,500
Excess (deficiency) of revenue over expenses and allocation	<u>7,995</u>	<u>(1,285)</u>
Operating fund at beginning of year	3,660	11,655
Operating fund at end of year	<u>\$ 11,655</u>	<u>\$ 10,370</u>

**CONDOMINIUM CORPORATION NO. 0023758**  
**(Devonshire Villas)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Unaudited – see Notice to Reader)**  
**YEAR ENDED APRIL 30, 2020**

**Note 1 – Purpose and Operations of the Corporation**

The purpose of the corporation is to manage the common property and to maintain and provide common services for the benefit of all owners in the residential complex located in Red Deer, Alberta.

Management of the corporation is the responsibility of the Board of Directors. As outlined in Note 3 the corporation has contracted with a management company to provide services with respect to the day to day operations of the corporation.

A condominium corporation incorporated under the provincial laws of Alberta is a taxable corporation under the Canadian Income Tax Act. Provided that substantially all of the corporation's gross revenue (other than interest) is derived from dealings with members, Canada Revenue Agency is prepared to regard excess members' contributions as amounts required for the operations of the condominium property and not as income of the corporation or its members. Accordingly, no provision for income taxes has been made in these financial statements.

**Note 2 – Capital Replacement Reserve**

Pursuant to the provisions of the Alberta Condominium Property Act ('the Act'), the condominium corporation has established a capital replacement reserve for repair, replacement and refurbishment of common property. Interest on the capital reserve fund assets accrues for the benefit of the capital replacement reserve. The balance of this fund is internally restricted as required by the Act and may not be used for any other purposes without approval of a special resolution by the Board.

These financial statements do not attempt to show the adequacy of the Capital Replacement Reserve Fund. Significant estimates and assumptions are used by the engineering study in determining the expected useful life and replacement cost of common property components, as well as forecasting the expected rate of return on the reserve fund assets. An annual allocation is determined by the corporation's Board of Directors using the reserve study findings as a guideline. The findings of the reserve study will be used for five years at which time a further study will be conducted to determine the required reserves in future years.

**Note 3 – Management Agreement**

The corporation has engaged a management company to manage certain affairs of the corporation at a cost of \$945 per month.

**Note 4 – Statement of Cash Flows**

A statement of cash flows has not been prepared since its inclusion would not provide any further meaningful information.