

May 20, 2021

Unit Owners of
Kincora Residents Association
Calgary, Alberta

Dear Owners:

Re: Notice of 2021 Virtual Annual General Meeting

Due to COVID 19 and the government passing Bill 53 on March 26, 2021 which allows the Residents Association to have virtual Annual General Meetings, the Kincora Residents Association will be hosting their 2021 AGM virtually. Please note Bill 53 change is retroactive to August 14, 2020.

On behalf of the Board of Directors we wish to advise that the 2021 Annual General Meeting of Kincora Residents Association will be held virtually on **Thursday, June 24, 2021, at 7:00 p.m.**

Please find enclosed the instructions for attending the virtual meeting. If you cannot attend, you may give your proxy ahead of time in the system to count for quorum and cast your vote, which will be added to the live vote during the meeting. If you do not have access to a computer, tablet, or smart phone, you may complete the attached proxy and voting form and submit it to your Condo/HOA Manager **no later than 72 hours before the meeting** and your proxy and vote will be entered into the system.

Please note that if you attend the meeting by dial in only, you will not be able to vote live. Please use the advance voting to cast your vote ahead of time. Each unit only has one vote and only one owner's vote will be counted for your unit. If you have voted in advance, but you attend the virtual meeting, you will not be able to vote again but you can change your vote during the meeting.

Please find enclosed the following items for the Annual General Meeting:

- Notice of the 2021 Annual General Meeting
- Agenda and Proxy
- Draft AGM Minutes of October 13, 2020
- Audited Financial statement as of December 31, 2019

All Kincora Residents Association fees are required to be paid prior to the meeting date in order for your voting rights to not be affected.

Also enclosed please find a Proxy in the event you do not have a computer, tablet, or smart vote to register your proxy and vote in advance. This proxy form must be signed by the owner(s), or his or her attorney authorized in writing, or, if the owner is a corporation, under its corporate seal and by an officer or attorney duly authorized by such corporation, and must be received at the offices of **SIMCO MANAGEMENT (CALGARY) INC. by mail to #2478, 91 Avenue S.E., Calgary, AB T2C 5H3, by fax to 403-234-0172, or by email to sproctor@simcomgt.com** not less than seventy-two (72) hours (excluding Saturdays, Sundays and statutory holidays) before the meeting or any adjournment of the meeting to be valid.

Yours truly,
Kincora Residents Association
By its authorized agent,
SIMCO MANAGEMENT (CALGARY) INC.

Stephanie Proctor
Condo/HOA Manager,
/sp
Enclosures

**KINCORA RESIDENTS ASSOCIATION
2021 VIRTUAL ANNUAL GENERAL MEETING
CALGARY, ALBERTA**

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

DATE: Thursday, June 24, 2021
Virtual Annual General Meeting
Link will be sent 2 weeks before your meeting.

TIME: 7:00 P.M. Start

AGENDA

1. Election of the Chairman of the meeting;
2. Calling of the roll and certifying proxies;
3. Proof of Notice of Meeting or waiver of notice;
4. Reading and disposal of any unapproved minutes;
5. Report of Officers
6. Report of Committees
7. Financial Report;
8. Appointment of Auditors;
9. Election of Board;
10. Unfinished Business;
11. New Business;
 - a. Special Resolution to pass revisions to the Articles of Association
12. Adjournment.

KINCORA RESIDENTS ASSOCIATION

VIRTUAL ANNUAL GENERAL MEETING

On

Thursday, June 24, 2021 AT 7:00 p.m.

Location: Google Meet

The undersigned owner in Kincora Residents Association (the "**Corporation**") constitutes and appoints:

Sandy Mamoa, Incumbent President and Director of the Corporation, or failing her, **Mike Geaman**, Incumbent Vice-President and Director of the Corporation;

or

instead of either of the above the undersigned owner appoints the following person:

_____ of _____
(print full name of proxy) (print address and telephone number of proxy)

as proxy for the undersigned, with power of substitution, to attend the meeting and:

☐ to attend the annual general meeting of the Corporation to be held on the 24th day of 2021, and at any adjournment or adjournments of such meeting, **only** for the purpose of establishing quorum at the meeting and such proxy shall not be entitled to vote on any matters that come before the meeting.

Please register my vote for the following motions:

1. To approve the Annual General Meeting Minutes dated: October 13, 2020

_____ In Favour _____ Against

2. To appoint leave the appointment of the Auditor to the discretion of the Board of Directors

_____ in Favour _____ Against

3. To appoint the following to the Board of Directors (can only select up to a maximum of 9 but can pick less than 9)

| | | |
|--------------------|----------------------|-------------------|
| _____ Annette Hall | _____ Maria Pullen | _____ Dale Gordon |
| _____ Al Baecker | _____ Rene Thibodeau | _____ |
| _____ Mike Geaman | _____ Sandy Mamona | _____ |

This proxy form must be signed by the owner(s), or his or her attorney authorized in writing, or, if the owner is a corporation, under its corporate seal and by an officer or attorney duly authorized by such corporation, and must be received at the offices of **SIMCO MANAGEMENT (CALGARY) INC. by mail to #2478, 91 Avenue S.E., Calgary, AB T2C 5H3, by fax to 403-234-0172, or by email to sproctor@simcomgt.com** not less than seventy-two (72) hours (excluding Saturdays, Sundays and statutory holidays) before the meeting or any adjournment of the meeting.

THIS PROXY IS SOLICITED AT THE DIRECTION OF THE BOARD OF DIRECTORS. AN OWNER HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM OR HER AT THE MEETING OTHER THAN ONE OF THE PERSONS LISTED ABOVE AND MAY EXERCISE SUCH RIGHT BY INSERTING THE NAME OF SUCH PERSON (WHO NEED NOT BE A OWNER) IN THE BLANK SPACE PROVIDED ABOVE IN THIS FORM OF PROXY.

The undersigned revokes any instrument of proxy previously given and ratifies and confirms all that the person indicated above may do by virtue of this proxy.

DATED this ____ day of _____, 2021.

Signature of Owner

Name of Owner (please print)

Signature of Owner

Name of Owner (please print)

Unit Number/Unit Factor

**MINUTES OF THE ANNUAL GENERAL MEETING
OF KINCORA RESIDENTS ASSOCIATION (CAN. 5110143244)**
HELD AT 38 KINCORA RISE NW, CALGARY, AB T3R 0A3 (Symons Valley United Church)
ON TUESDAY, OCTOBER 13, 2020 AT 7:00 P.M.

CALL TO ORDER

The meeting was called to order at 7:05 PM by Gail Byman, Community Manager for C-Era Property Management & Realty. Gail asked for a motion from the floor to allow her to act as Chairman for the 2020 Annual General Meeting.

Motioned by: 112 Kincora Grove, Seconded by: 37 Kincora Heights. All in favor, motion carried.

The Chairman introduced Haley Eyre, Assistant Community Manager for C-Era Property Management who will act as Secretary and record the Minutes of the 2020 Annual General Meeting.

ESTABLISHMENT OF QUORUM

The Secretary reported to the Chairman that quorum was not present:

- a) **10** Registered Ordinary Members were represented by personal appearance of the Owners.
- b) **12** Registered Ordinary Members were represented by proxy.

A total of **22** Members were represented at the meeting for voting purposes, the Chairman declared that quorum was not present as per the Articles of Association.

Motion was made to waive quorum and proceed with the meeting. Motioned by 834 Kincora Bay, Seconded by 222 Kincora Cove All in favor, motion carried. The meeting proceeded.

INTRODUCTION OF HEAD TABLE

The Chairman introduced the current Board of Directors (8):

Sandy Mamona
Annette Hall
Al Baecker
Jess Lagman
Mike Geaman
Rene Thibodeau
Maria Pullen
Allan Moore

C-Era Property Management & Realty

| | |
|------------|-----------------------------|
| Gail Byman | Community Manager |
| Haley Eyre | Assistant Community Manager |

PROOF OF NOTICE

The Chairman referred to the Notice of the Annual General Meeting which she advised had been delivered to each Unit Owner and each registered mortgagee who had given notice of its interest to the Residents Association on the 29th day of September 2020 in compliance with the requirements of and the time specified in the Articles of Association.

APPROVAL OF THE 2019 ANNUAL GENERAL MEETING MINUTES

The Chairman asked for a motion from the floor to accept the 2019 Annual General Meeting minutes. Motioned by: 127 Kincora Hill, Seconded by: 98 Kincora Landing. All in favor, motion carried.

FINANCIAL REPORT

The Chairman introduced Annette Hall, Board Treasurer, who presented a financial report and read Auditor comments on the Audit for December 31, 2019. A copy of the 2019 audited financials was mailed to each Member on September 30, 2020 along with the Notice of the Annual General Meeting.

The Board made a motion for consideration to correctly recognize the number of residences in the community; 1381. This correction would be based on the 20/21 review by the management company.

Q - 37 Kincora Heights: How did the Audited financials compare to the financials delivered by the property management company? Did they match?

A – Board: There are some slight differences between the two. There may be some corrections on things such as interest earned on our investment accounts. Very minor differences.

Q - 37 Kincora Heights: Do we have the current 2020 balance sheet as of today?

A – Board: The management company provides the previous month's financials at the end of the next month. You can contact your property manager, Gail, for the balance sheets.

Q - 37 Kincora Heights: Why did our repairs and maintenance cost jump from \$187,840 in 2018 to \$206,948 in 2019 and what is our current repair and maintenance cost for 2020? Is this an upwards trend?

A - Gail: No, there isn't an upwards trend. The entrance feature was done in 2019, which included taking down trees and replacing the retaining wall.

A – Board: The repairs and maintenance includes the landscaping maintenance contract, in which there was an increase. In 2020, we separated the landscaping from the maintenance contracts; we went with different companies, which was the best financial decision. As of October 31st (67% of the year), we've spent 66% of our budget, so we are on track.

Q - 37 Kincora Heights: There is a million dollars in the reserve, why so much?

A - Board: It's not necessarily a million dollars in total that we have, because there is operations cash, long term investments, accounts receivable (unpaid HOA fees), and recoverable GST. When the Board was handed over from the developer to the community, we inherited \$660,000 that the developer had collected. With sound investing, we have been able to increase that.

Q - 37 Kincora Heights: Do we have a Reserve Fund Study?

A – Board: No.

PRESIDENT'S REPORT

Sandy Mamona provided the President's Report outlining the Board of Directors activities over the past year.

APPOINTMENT OF AUDITORS AND SOLICITORS

The Chairman asked for a motion from the floor to leave appointment of Auditors and Solicitors to the discretion of the Board. Motioned by: 58 Kincora View, Seconded by: 222 Kincora Cove. All in favor, motion carried.

RESIGNATION & ELECTION OF THE BOARD OF DIRECTORS

The current Board of Directors verbally put forth their resignations by way of calling the Annual General Meeting. The Chairman advised that although the Articles of Association provide for no less than three (3) and not more than fifteen (15) Directors, the Board as a governing body, it is more effective in the conduct of business for the Corporation with a maximum of nine (9) members.

The Chairman asked for a motion from the floor that the maximum number of Directors to be elected to the Board at the Annual General Meeting on October 13, 2020 be set at nine (9) members.

Motioned by: 127 Kincora Hill, Seconded by: 834 Kincora Bay. All in favor, motion carried.

The Chairman asked for volunteers and or any nominations for the Board of Directors for the next year

| Volunteer/Nominee |
|--------------------------|
| Annette Hall |
| Al Baecker |
| Mike Geaman |
| Maria Pullen |
| Allan Moore |
| Rene Thibodeau |
| David Pon |
| Sandy Mamona |
| Dale Gordon |

The Chairman asked for a motion to close the volunteers/nominations.

Motioned by: 222 Kincora Cove, Seconded by: 834 Kincora Bay. All in favor, motion carried.

The Chairman declared that the above noted volunteers/nominees be elected to the Board of Directors SUBJECT TO obtaining legal advice on Article *Members 5 e) & f)* of the Articles of Association to clarify whether an owner (member) desirous of serving as a Director must reside at their property in Kincora as one of the volunteers is a non-resident owner.

NEW BUSINESS AND QUESTION PERIOD

The Chairman asked for a motion for consideration to introduce a new bylaw for virtual meetings to the Kincora Residents Association Bylaws. Motioned by: 112 Kincora Grove, Seconded by: 37 Kincora Heights. All in favor, motion carried.

Q – How would owners vote?

A – Board: They could vote by receiving an invitation, by using a red and green paddle on screen, or by a survey.

Q – 206 Kincora Glen Rise: Due to COVID-19, will there be an extension to the deadline for the payment of the 2020 HOA fees?

A – Board: Yes, we have extended the deadline for payment to December 31st, 2020.

Q – 124 Kincora Heights: Who is our landscaping company?

A – Board: We have just renewed Explosive Landscaping for another three (3) years. Bradbosh Landscaping and Snow Removal currently does our flower beds; we are looking at other alternatives as they didn't perform to our expectations and we cannot use the city anymore.

Q – 124 Kincora Heights: How can we get the city to take better care of our ravine? Can we get it named as a legal natural resort?

A – Board: We contacted the city to have the thistles removed, but the city did not get to our ravine in time. The city said they will put Kincora on the priority list for next season. Our goal is to build a better relationship with the city. More details to be ironed out in the future.

Q – 162 Kincora Landing: Why did we plant annuals instead of perennials?

A – Board: Our front entrance garden has too steep of a slope for perennials to survive.

Q – 162 Kincora Landing: Why were the planters we have decided upon used?

A – Board: They are the most cost effective.

162 Kincora Landing: What about hanging planters?

Board: There are lots of problems with hanging planters and a high cost of care, as they need to be watered often.

Q – 37 Kincora Heights proposed the following motions for changes to the Kincora RA Bylaws for consideration:

- Enforcement of any Restrictive Covenants or Architectural Guidelines registered against the Residential Lots and/or Condominium Units.
- Contribution by way of loan or grant, funds to the Kincora Community Association to improve and enhance the Kincora community.
- Carrying on all other objects and matters ancillary and auxiliary to and in connection with the foregoing, including without limitation, the promotion of the interests of the Kincora community and all of its members and advancing any plans for the advantages of the Kincora community and all of its members.

A – Board: We are planning a new committee to revamp our Bylaws next year. They will take these into consideration. We are also planning an initiative next year to look into how to get residents more involved with the community.

ADJOURNMENT

The Chairman asked for a motion to adjourn the meeting at 8:22 P.M.

Motioned by: 834 Kincora Bay, Seconded by: 222 Kincora Cove. All in favor, motion carried.

KINCORA RESIDENTS ASSOCIATION
("Kincora Residents Association")
Financial Statements
Year Ended December 31, 2019

KINCORA RESIDENTS ASSOCIATION
(*"Kincora Residents Association"*)
Index to Financial Statements
Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Owners of Kincora Residents Association "Kincora Residents Association"

Report on the Financial Statements

Opinion

I have audited the financial statements of Kincora Residents Association "Kincora Residents Association" (the Association), which comprise the statement of financial position as at December 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2019, 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 (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

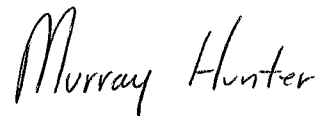
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Independent Auditor's Report to the Owners of Kincora Residents Association *(continued)*

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association 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.

I 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 I identify during my audit.



Calgary, Alberta
August 6, 2020

MURRAY HUNTER PROFESSIONAL CORPORATION
Chartered Professional Accountant

KINCORA RESIDENTS ASSOCIATION
("Kincora Residents Association")

Statement of Financial Position

December 31, 2019

| | 2019 | 2018 |
|--|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and cash equivalents | \$ 636,097 | \$ 894,106 |
| Accounts receivable | 119,232 | 129,760 |
| Goods and services tax recoverable | 4,816 | 13,143 |
| | <u>760,145</u> | <u>1,037,009</u> |
| LONG TERM INVESTMENTS | <u>334,325</u> | <u>-</u> |
| | <u>\$ 1,094,470</u> | <u>\$ 1,037,009</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 16,797 | \$ 19,100 |
| Prepaid resident fees | 7,672 | 5,140 |
| | <u>24,469</u> | <u>24,240</u> |
| NET ASSETS | <u>1,070,001</u> | <u>1,012,769</u> |
| | <u>\$ 1,094,470</u> | <u>\$ 1,037,009</u> |

ON BEHALF OF THE BOARD

Director

Director

KINCORA RESIDENTS ASSOCIATION

("Kincora Residents Association")

Statement of Revenues and Expenditures and Changes in Net Assets

Year Ended December 31, 2019

| | Budget 2019 | Total 2019 | Total 2018 |
|---|----------------|---------------|---------------|
| REVENUES | | | |
| Resident and HOA fees assessed | \$ 264,200 | \$ 264,100 | \$ 263,900 |
| Rogers lease | 16,000 | 16,800 | 16,800 |
| Interest and other income | 8,000 | 13,936 | 20,525 |
| Grant from City of Calgary | 27,000 | 26,790 | 27,342 |
| | 315,200 | 321,626 | 328,567 |
| EXPENDITURES | | | |
| Electricity | 1,800 | 1,502 | 1,430 |
| Insurance | 6,000 | 5,949 | 5,170 |
| Management fees | 32,000 | 30,146 | 29,268 |
| Office and administration | 14,000 | 15,004 | 10,957 |
| Professional fees | 8,000 | 2,538 | 5,013 |
| Property taxes | 2,000 | 1,949 | 1,860 |
| Repairs and maintenance | 243,400 | 206,948 | 187,840 |
| Water and sewer | 2,000 | 358 | 277 |
| Website maintenance | 6,000 | - | - |
| | 315,200 | 264,394 | 241,815 |
| NET EXCESS OF REVENUES OVER EXPENDITURES | - | 57,232 | 86,752 |
| NET ASSETS - BEGINNING OF YEAR | - | 1,012,769 | 926,017 |
| NET ASSETS - END OF YEAR | \$ - | \$ 1,070,001 | \$ 1,012,769 |

KINCORA RESIDENTS ASSOCIATION
("Kincora Residents Association")

Statement of Cash Flows

Year Ended December 31, 2019

| | 2019 | 2018 |
|--|--------------------------|--------------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | \$ 57,232 | \$ 86,752 |
| Changes in non-cash working capital: | | |
| Accounts receivable | 10,528 | (34,336) |
| Accounts payable and accrued liabilities | (2,303) | 756 |
| Prepaid expenses | - | 5,170 |
| Goods and services tax payable | 8,327 | (13,143) |
| Prepaid Association fees | 2,532 | 5,140 |
| | <u>19,084</u> | <u>(36,413)</u> |
| INCREASE IN CASH FLOW | 76,316 | 50,339 |
| Cash - beginning of year | <u>894,106</u> | <u>843,767</u> |
| CASH - END OF YEAR | \$ 970,422 | \$ 894,106 |
| CASH CONSISTS OF: | | |
| Cash and cash equivalents | \$ 636,097 | \$ 894,106 |
| Long term investments | <u>334,325</u> | <u>-</u> |
| | <u>\$ 970,422</u> | <u>\$ 894,106</u> |

KINCORA RESIDENTS ASSOCIATION

("Kincora Residents Association")

Notes to Financial Statements

Year Ended December 31, 2019

1. BASIS OF PRESENTATION

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

2. INCORPORATION AND OPERATIONS

"Kincora Residents Association" (the Association) is an entity incorporated under the Companies Act of the Province of Alberta. The Association was formed for the purpose of holding title to the Private Kincora Amenities and for operating and maintaining the aforementioned for its members.

The Association is composed of members who are property owners or family members of the owners and residents in the Kincora subdivision. The members have access to an use of the facilities or services provided by the Association.

Each member of the Association is required to pay an annual rent charge (the "Annual Charge") as set forth in the encumbrance #031095511 which is registered against the title to the lands of each member. The encumbrance provided that the Annual Charge shall be adjusted to reflect the change in the Consumer Price Index for the City of Calgary. The Annual Charge was \$200 plus Goods and Services Tax for single-family units and \$100 plus Goods and Services Tax for multi-family units.

The fees collected by the Association are restricted for the use in the operations and maintenance of common lands and amenities.

The financial statements include only the assets, liabilities, revenues and expenses related to the operations of the Association.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Asset Recognition

These financial statements include only those assets, liabilities, revenues and expenses relating to the operations of the Corporation. These statements do not include the cost of land, buildings, improvements and the outstanding principal balances owing on mortgages which are the responsibility of the individual owners.

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.

Revenue Recognition

Revenues are recognized monthly as they are billed to the owners. Billings consist of monthly charges based upon annual budgets approved by the Board of Directors, special assessments and other charges to owners for fines and interest related to payments owed that are in arrears. Revenue includes interest earned on cash balances and investments.

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KINCORA RESIDENTS ASSOCIATION
("Kincora Residents Association")
Notes to Financial Statements
Year Ended December 31, 2019

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

Budget

The budgeted figures are presented for comparison purposes, are unaudited and are those as approved by the Board reclassified to conform with these financial statements.

Income Taxes

The Corporation, as required by Income Tax Legislation, prepares and files annually federal and provincial income tax returns. However, as the Corporation meets certain exemptions as allowed for not-for-profit organizations, no provision for income taxes is reflected in the accompanying financial statements.

Contributed Services

Many of the activities necessary to conduct the day to day operations of the Corporation are carried out through volunteer efforts. However, due to the difficulties in determining fair values for these services, no amounts are included in the accompanying financial statements for these services.

Measurement Uncertainty

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires the management of the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

4. MAJOR COMMITMENTS

The Corporation has entered into contractual arrangements for the next fiscal year ended December 31, 2020 for the following services:

| | |
|------------------------------|-----------|
| Property management | \$ 32,000 |
| Landscaping and snow removal | 162,400 |

5. FINANCIAL INSTRUMENTS

The carrying values of cash, restricted cash, accounts receivable, accounts payable and accrued expenses and deposits as reflected in the accompanying financial statements approximate their fair value due to relatively short-term maturities of these instruments.

The Association has \$650,528 invested in Guaranteed Investment Certificates at December 31, 2019 with maturity dates from July, 2020 to March 2022 and bearing interest at rates ranging from 2% to 2.20% and is subject to risk in fluctuating changes in interest rates over this period.

The Corporation's revenues are derived from and are dependent upon the individual members of the Corporation. Accordingly, concentrations of credit risk and liquidity risk are considered to be minimal.

KINCORA RESIDENTS ASSOCIATION

("Kincora Residents Association")

Notes to Financial Statements

Year Ended December 31, 2019

6. CITY OF CALGARY GRANT

During the 2019 year, the Corporation received an operating grant of \$26,790 for the maintenance of municipal land.

7. ACCOUNTS RECEIVABLE AND SUBSEQUENT EVENT

In accordance with with an encumbrance #031095511 which is registered against the title of the lands of each member, an annual charge is levied to each member to provide for the costs of maintaining the beautification of the association's community. These charges including interest for arrears amount to \$119,192 at December 31, 2019. Subsequent to year-end the Board of Directors have sought legal counsel and plan to initiate enforcement for the collection of these amounts through either settlement with owners or through litigation.
