WENTWORTH AT THE WILLOWS CONDOMINIUM CORPORATION

Financial Statements

For the Year Ended December 31, 2022

(Unaudited)

Lingard
+Dreger

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Wentworth at the Willows Condominium Corporation

We have reviewed the accompanying financial statements of Wentworth at the Willows Condominium Corporation (the Corporation) that comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in fund balances 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, 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

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

A review engagement report for Wentworth at the Willows Condominium Corporation has not been issued since the year ended December 31, 2018. As such, we were unable to obtain sufficient evidence regarding the fund balances as at December 31, 2020.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Wentworth at the Willows Condominium Corporation as at December 31, 2022, 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

Lingard + Dreger

Chartered Professional Accountants

Saskatoon, Saskatchewan
April 8, 2023

WENTWORTH AT THE WILLOWS CONDOMINIUM CORPORATION
Statement of Financial Position
As at December 31, 2022
(Unaudited)

	Operating	Reserve	**2022**	2021
ASSETS				
CURRENT				
Cash	$ 77,551	$ 5,019	**$ 82,570**	$ 53,961
Short-term investments *(Note 4)*	-	202,261	**202,261**	234,567
Prepaid expenses	514	-	**514**	490
Due from Operating Fund *(Note 5)*	-	2,796	**2,796**	-
	$ 78,065	$ 210,076	**$ 288,141**	$ 289,018
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	$ 4,224	$ -	**$ 4,224**	$ -
Deferred revenue	5,300	-	**5,300**	6,000
Due to Reserve Fund *(Note 5)*	2,796	-	**2,796**	-
	12,320	-	**12,320**	6,000
FUND BALANCES *(Note 2)*	65,745	210,076	**275,821**	283,018
	$ 78,065	$ 210,076	**$ 288,141**	$ 289,018

APPROVED ON BEHALF OF THE BOARD April 24, 2023.

Director Les Arnelien Treasurer

Director

See notes to the financial statements

WENTWORTH AT THE WILLOWS CONDOMINIUM CORPORATION

Statement of Operations

For the Year Ended December 31, 2022

(Unaudited)

	Operating	Reserve	**2022**	2021
REVENUE				
Condominium fees	$ 49,200	$ -	**$ 49,200**	$ 49,200
Sundry	400	-	**400**	400
Investment income	140	8,883	**9,023**	6,991
	49,740	8,883	**58,623**	56,591
EXPENSES				
Administrative	2,291	-	**2,291**	589
Insurance	1,539	-	**1,539**	999
Interest and bank charges	180	-	**180**	127
Professional fees	3,058	-	**3,058**	282
Repairs and maintenance *(Note 6)*	23,457	-	**23,457**	12,650
	30,525	-	**30,525**	14,647
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	19,215	8,883	**28,098**	41,944
OTHER INCOME (EXPENSES)				
Unrealized gain (loss) on investments	-	(35,295)	**(35,295)**	(1,065)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	$ 19,215	$ (26,412)	**$ (7,197)**	$ 40,879

See notes to the financial statements

WENTWORTH AT THE WILLOWS CONDOMINIUM CORPORATION

Statement of Changes in Fund Balances

For the Year Ended December 31, 2022

(Unaudited)

	Operating	Reserve	**2022**	2021
FUND BALANCES - BEGINNING OF YEAR				
As previously reported	$ 46,041	$ 235,108	**$ 281,149**	$ 242,139
Prior period adjustments *(Note 3)*	489	1,380	**1,869**	-
As restated	46,530	236,488	**283,018**	242,139
Excess (deficiency) of revenue over expenses	19,215	(26,412)	**(7,197)**	40,879
FUND BALANCES - END OF YEAR	$ 65,745	$ 210,076	**$ 275,821**	$ 283,018

See notes to the financial statements

WENTWORTH AT THE WILLOWS CONDOMINIUM CORPORATION

Statement of Cash Flows

For the Year Ended December 31, 2022

(Unaudited)

	Operating	Reserve	2022	2021
OPERATING ACTIVITIES				
Excess (deficiency) of revenue over expenses for the year	$ 19,215	$ (26,412)	**$ (7,197)**	$ 40,879
Item not affecting cash:				
Unrealized loss (gain) on investments	-	35,295	**35,295**	1,065
	19,215	8,883	**28,098**	41,944
Changes in non-cash working capital:				
Prepaid expenses	(25)	-	**(25)**	(489)
Accounts payable and accrued liabilities	4,224	-	**4,224**	-
Deferred revenue	(700)	-	**(700)**	6,000
	3,499	-	**3,499**	5,511
Cash flow from operating activities	22,714	8,883	**31,597**	47,455
INVESTING ACTIVITIES				
Purchase of investments	-	(76,409)	**(76,409)**	(162,208)
Reinvested investment income	-	(646)	**(646)**	(2,857)
Proceeds on disposal of investments	-	74,067	**74,067**	165,836
Cash flow from (used by) investing activities	-	(2,988)	**(2,988)**	771
OTHER CASH FLOW ITEMS				
Interfund transfers	2,796	(2,796)	**-**	-
	2,796	(2,796)	**-**	-
INCREASE IN CASH	25,510	3,099	**28,609**	48,226
CASH - BEGINNING OF YEAR	52,041	1,920	**53,961**	5,735
CASH - END OF YEAR	$ 77,551	$ 5,019	**$ 82,570**	$ 53,961
CASH CONSISTS OF:				
Cash	$ 77,551	$ 5,019	**$ 82,570**	$ 53,961

See notes to the financial statements

1. DESCRIPTION OF BUSINESS

Wentworth at the Willows Condominium Corporation ("the Corporation") was incorporated on January 11, 2005 under the *Condominium Property Act, 1993* of Saskatchewan. The Corporation is located at 501 Cartwright Street, Saskatoon, Saskatchewan and consists of 41 residential units.

The purpose of the Corporation is to manage and maintain the common elements and to provide common service to the benefit of the unit owners. The Corporation has no share capital and its expenditures are met by owners' contributions on a proportionate basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Handbook* and include the following significant accounting policies:

Fund accounting

The accounts of the Corporation are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(a) Operating Fund
The Operating Fund has been established for the purpose of paying common area expenses other than those that have been designated as reserve expenses. The Operating Fund reports condominium fees charged to unit owners and common area expenses.

(b) Reserve Fund
The Reserve Fund reports condominium fees charged to unit owners, interest on cash and investment balances that fund the reserve and expenses designated by the Board of Directors as reserve expenses. As required under the *Condominium Property Act, 1993* the Corporation allocates an agreed amount annually to the Reserve Fund for future replacement reserve expenditures. As determined by the Board of Directors, the reserve funds are restricted to pay for major unforeseen expenditures and common area repairs or replacements outlined in the *Condominium Property Act, 1993.*

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with maturities of three months or less.

Revenue recognition

Condominium fees are recognized on a straight-line basis over the fiscal year if the amount to be received can be reasonably estimated and collection is reasonably assured.

Special assessment revenue, parking, and other revenues are recognized as revenue when they are due if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Corporation recognizes interest revenue using the accrual basis of accounting on a time proportion basis.

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(continues)

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

Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash and investments. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The fair value of the cash, investments, accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

Income taxes

The Corporation is recognized by the Canada Revenue Agency as a not-for-profit organization and qualifies as a tax-exempt organization under subsection 149(1)(l) of the *Income Tax Act.*

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, any disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PRIOR PERIOD ADJUSTMENTS

In the current year it was determined that the December 31, 2021 cash and prepaid expenses were understated, and investments were overstated. Adjustments to correct these have been recorded in these financial statements. The adjustments have been applied retrospectively. The impact of this restatement on the 2021 figures is as follows:

	Previously stated	Adjustment	Restated
Cash	$ 52,041	$ 1,920	**$ 53,961**
Short-term investments	235,108	(541)	**234,567**
Prepaid expenses	-	490	**490**
Fund balances	281,149	1,869	**283,018**
Investment income	4,547	2,444	**6,991**
Insurance	1,489	(490)	**999**
Unrealized gain (loss) on investments	-	(1,065)	**(1,065)**
Excess (deficiency) of revenue over expenses	39,010	1,869	**40,879**

4. INVESTMENTS

	Maturity	2022	Yield	2021
Short-term				
Term deposits	**N/A**	**$ -**	**N/A**	$ 73,423
Marketable Securities (Cost: 2022 - $238,621; 2021 - $162,208)	**N/A**	**202,261**	**N/A**	161,144
		$ 202,261		$ 234,567

5. DUE TO (FROM) RESERVE/OPERATING FUND

The Due to Reserve Fund and Due from Operating Fund accounts represent cash collected by the Operating Fund that at year-end has not yet been transferred to the Reserve Fund.

6. REPAIRS AND MAINTENANCE

		2022		2021
General repairs	**$**	**7,227**	$	1,086
Grounds maintenance		**3,955**		2,908
Security		**2,727**		2,672
Snow removal		**9,548**		5,984
	$	**23,457**	$	12,650

7. FINANCIAL INSTRUMENTS

The Corporation as part of its operations carries a number of financial instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Market risk

The Corporation is exposed to market risk from potential fair value fluctuations because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk and other price 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 Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its fixed income investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investment in marketable securities.