

Condominium Corporation No. 1122235
Financial Statements
Year Ended December 31, 2025

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Independent Auditor's Report

To the board of Condominium Corporation No. 1122235

Opinion

We have audited the financial statements of Condominium Corporation No. 1122235 (the "Corporation"), which comprise the statement of financial position as at December 31, 2025, the statement of operations for the operating fund, statement of operations for the reserve fund, statement of operations for the capital improvement loan fund, the statement of changes in net assets and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, 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.

Basis for Opinion

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

Other Matters

We were engaged to conduct an audit, in accordance with Canadian generally accepted auditing standards, on the financial statements prepared by the Corporation's management in accordance with Canadian accounting standards for not-for-profit organizations. We were not engaged to, nor do we, provide any assurance as to whether the Corporation is in compliance with all aspects of the Condominium Act, RSA 2000 and we were not engaged to, nor do we, provide any assurance as to the adequacy of the reserve fund to cover future major repairs and replacements.

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 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.

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



Independent Auditor's Report (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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.

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

We 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 we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants
Edmonton, Alberta
April 17, 2026

Condominium Corporation No. 1122235
Statement of Financial Position

December 31	Operating Fund	Reserve Fund	Capital Improvement Loan Fund	2025 Total	2024 Total
Assets					
Current					
Cash	\$ 343,921	\$ 261,893	\$ -	\$ 605,814	\$ 220,690
Restricted cash	6,288	-	-	6,288	5,524
Short term investments (Note 2)	-	79,073	-	79,073	73,397
Accounts receivable	26,325	-	-	26,325	44,961
Insurance claims receivable	78,907	-	-	78,907	-
Prepaid expenses	1,063	-	-	1,063	1,594
Due to (from) other funds	(116,512)	-	116,512	-	-
	<u>339,992</u>	<u>340,966</u>	<u>116,512</u>	<u>797,470</u>	<u>346,166</u>
Capital assets (Note 3)	<u>30,300</u>	<u>-</u>	<u>-</u>	<u>30,300</u>	<u>33,229</u>
	<u>\$ 370,292</u>	<u>\$ 340,966</u>	<u>\$ 116,512</u>	<u>\$ 827,770</u>	<u>\$ 379,395</u>

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Statement of Financial Position

December 31	Operating Fund	Reserve Fund	Capital Improvement Loan Fund	2025 Total	2024 Total
Liabilities					
Current					
Accounts payable & accrued liabilities	\$ 191,431	\$ -	\$ -	\$ 191,431	\$ 218,960
Insurance claims payable	78,907	-	-	78,907	-
Security deposits	6,215	-	-	6,215	6,065
Current portion of long term debt (Note 4)	-	-	580,451	580,451	459,624
	<u>276,553</u>	<u>-</u>	<u>580,451</u>	<u>857,004</u>	<u>684,649</u>
Long term debt (Note 4)	-	-	641,801	641,801	1,222,252
	<u>276,553</u>	<u>-</u>	<u>1,222,252</u>	<u>1,498,805</u>	<u>1,906,901</u>
Net Assets					
Investment in capital assets	30,300	-	-	30,300	33,229
Operating Fund	63,438	-	-	63,438	669
Capital Replacement Reserve Fund (Note 5 and 6)	-	340,967	-	340,967	120,472
Capital Improvement Loan Fund (Note 4)	-	-	(1,105,740)	(1,105,740)	(1,681,876)
	<u>93,738</u>	<u>340,967</u>	<u>(1,105,740)</u>	<u>(671,035)</u>	<u>(1,527,506)</u>
	<u>\$ 370,291</u>	<u>\$ 340,967</u>	<u>\$ 116,512</u>	<u>\$ 827,770</u>	<u>\$ 379,395</u>

Approved by the Board of Directors:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Statement of Changes in Net Assets

For the year ended December 31	Operating Fund	Reserve Fund	Capital Improvement Loan Fund	Investment in Capital Assets	2025 Total	2024 Total
Balance, beginning of the year	\$ 669	\$ 120,472	\$ (1,681,876)	\$ 33,229	\$ (1,527,506)	\$ (1,905,910)
Excess of revenues over expenses	635,976	220,495	-	-	856,471	378,404
Amortization	2,929	-	-	(2,929)	-	-
Interfund transfers (Note 8)	(116,512)	-	116,512	-	-	-
Loan payments	(459,624)	-	459,624	-	-	-
Balance, end of the year	\$ 63,438	\$ 340,967	\$ (1,105,740)	\$ 30,300	\$ (671,035)	\$ (1,527,506)

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Statement of Operations
Operating Fund

For the year ended December 31	2025	2024
Revenue		
Condominium fees and levies	\$ 3,544,876	\$ 3,889,876
Parking	94,369	94,991
Commercial rent	35,100	42,786
Interest	10,601	13,660
Other	120,791	72,396
	3,805,737	4,113,709
Expenses		
Advertising	384	250
Amortization	2,929	3,240
Automotive and gas	5,174	4,522
Bad debt	15,067	-
Building repairs and maintenance	41,995	38,771
Electric, plumbing, and mechanical maintenance	144,429	154,966
Elevator maintenance	40,915	35,570
Equipment repairs and maintenance	6,741	4,907
Fire alarm system	40,344	44,293
Fixtures	15,534	13,471
Garage and parkade maintenance	6,004	6,706
Grounds & maintenance	25,375	12,936
Insurance	461,684	827,534
Interest and bank charges	3,471	2,983
Interest on long term debt	100,624	118,473
Management fees (Note 7)	292,741	287,020
Office	37,422	22,551
Pest control	93,367	88,437
Professional fees	31,512	32,792
Property taxes	6,247	5,655
Security and monitoring	197,071	200,352
Supplies and small tools	7,651	6,808
Telephone	11,028	18,368
Utilities	831,186	988,742
Wages and employee benefits	750,866	727,066
	3,169,761	3,646,413
Excess of revenues over expenses	\$ 635,976	\$ 467,296

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Statement of Operations
Reserve Fund

For the year ended December 31	2025	2024
Revenue		
Capital replacement reserve fund levy	\$ 420,000	\$ 75,000
DRIP grant	-	45,343
Interest	3,588	1,224
Unrealized gain on investments	5,676	5,130
	<u>429,264</u>	<u>126,697</u>
Expenses		
Building exterior	10,079	32,313
Concrete and asphalt repair	27,111	9,500
DRIP grant permits	-	2,119
Fire alarm system	22,356	-
Garage and parking improvements	18,538	-
Gym equipment and upgrades	-	8,489
Handrails and balconies	9,879	-
Heating and mechanical replacement	94,348	45,193
Landscaping	20,459	22,529
Reserve fund study	-	19,736
Security improvements	5,389	2,195
Signage	610	723
Windows and doors	-	2,974
	<u>208,769</u>	<u>145,771</u>
Excess (deficiency) of revenues over expenses	\$ 220,495	\$ (19,074)

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Statement of Operations
Capital Improvement Loan Fund

For the year ended December 31	2025	2024
Revenue	\$ -	\$ -
Expenses		
Doors and windows	-	24,644
Interest on long term debt	-	35,414
Landscaping	-	8,442
Signage	-	1,318
	<u>-</u>	<u>69,818</u>
Excess (deficiency) of revenues over expenses	\$ -	\$ (69,818)

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Statement of Cash Flows

For the year ended
December 31

2025

2024

	Operating Fund	Capital Replacement Reserve Fund	Capital Improvement Loan Fund	Total	Total
Operating activities					
Cash receipts	\$ 3,734,865	\$ 420,000	\$ -	\$ 4,154,865	\$ 4,231,338
Cash paid to suppliers and employees	(3,011,441)	(208,770)	-	(3,220,211)	(3,623,788)
Interest received	10,601	3,588	-	14,189	14,884
Interest paid	(104,095)	-	-	(104,095)	(156,870)
Interfund transfers	(459,624)	-	459,624	-	-
	<u>170,306</u>	<u>214,818</u>	<u>459,624</u>	<u>844,748</u>	<u>465,564</u>
Investing activities					
Proceeds on investments	-	-	-	-	50,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Financing activities					
Proceeds on long term debt	-	-	-	-	494,332
Repayment of long term debt	-	-	(459,624)	(459,624)	(834,328)
	<u>-</u>	<u>-</u>	<u>(459,624)</u>	<u>(459,624)</u>	<u>(339,996)</u>
Net increase in cash	170,306	214,818	-	385,124	175,568
Cash, beginning of the year	<u>173,615</u>	<u>47,075</u>	<u>-</u>	<u>220,690</u>	<u>45,122</u>
Cash, end of the year	<u>\$ 343,921</u>	<u>\$ 261,893</u>	<u>\$ -</u>	<u>\$ 605,814</u>	<u>\$ 220,690</u>

The accompanying notes are an integral part of these financial statements.

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

1. Significant accounting policies

Nature and purpose of organization	<p>The Corporation was incorporated under the Condominium Property Act and is responsible for the control, management and administration of the real, personal and common property as defined by the Corporation's Bylaws of the project known as River Park Glen, located in Fort McMurray, Alberta. These statements represent the operations of the condominium association which includes 498 residential and 5 commercial units in the total project plus 376 covered parking units and 293 surface parking units.</p> <p>The financial statements include only the assets, liabilities, revenues and expenses relating to the operations of the Corporation. The statements do not include the cost of land or buildings or outstanding principal balances on mortgages which are the responsibility of the owners.</p>
Basis of accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Fund accounting	<p>The Operating Fund accounts for the Corporation's operating and administrative activities. This fund reports unrestricted and restricted</p> <p>The Capital Replacement Reserve Fund reports the fee assessments from unit owners that are to be set aside and used for future costs of major repairs and replacements.</p> <p>The Capital Improvement Loan Fund accounts for the capital improvement project started in 2021 to help with insurability, curb appeal and comfort, and the loan advances used to finance these improvements.</p>

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

1. Significant accounting policies (continued)

Revenue recognition The Corporation follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Billings for the condominium fees consist of estimates of monthly charges based on approved budgets. Commercial rent, parking, interest charges and other income are recognized as revenue of the Operating Fund as billed. Investment income earned on Capital Replacement Reserve Fund resources that must be spent on capital repairs or improvements is recognized as revenue of the Capital Reserve Fund. Other unrestricted investment income is recognized as revenue of the Operating Fund when earned.

Short term investments Short term investments consist of investments for which there are quoted prices in an active market and are recorded at fair market value. Changes in fair value are recognized in the statement of operations in the period in which they arise. Investment income includes interest, dividends, and realized and unrealized gains and losses.

Capital assets Capital assets are recorded at cost less accumulated amortization. The following rates of amortization, using the declining balance method, are used to allocate the cost of these assets, less any residual or salvage value, over their expected useful life:

Computer equipment	30%
General equipment	20%
Parking lot	8%
Building	10%
Fencing	10%

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

1. Significant accounting policies (continued)

Taxation	The Corporation meets certain exemptions to Section 149(1)(l) of the Canadian Income Tax Act, as allowed for not-for-profit organizations and accordingly, no provision for income taxes is required or reflected in the accompanying financial statements. A corporate tax return is still required for the not-for-profit organization and is being filed annually.
Financial instruments	<p>Arm's length financial instruments are recorded at fair value at initial recognition.</p> <p>Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>
Use of Estimates	The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting estimates.

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

2. Short term investments

	2025	2024
Equities	\$ 37,499	\$ 31,801
Fixed income and preferred	41,574	41,596
	\$ 79,073	\$ 73,397

3. Capital assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Parking lot	\$ 86,053	\$ (61,990)	\$ 86,053	\$ (59,898)
Building	23,639	(23,637)	23,639	(23,637)
Fencing	36,228	(31,029)	36,228	(30,452)
Computer equipment	7,713	(7,712)	7,713	(7,712)
General equipment	45,982	(44,947)	45,982	(44,687)
	199,615	(169,315)	199,615	(166,386)
		\$ 30,300		\$ 33,229

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

4. Long term debt

	<u>2025</u>	<u>2024</u>
CWB Maxium Financial loan bearing interest at 6.6% per annum, repayable in monthly blended payments of \$38,772. The loan matures in December 2027.	\$ 869,504	\$ 1,263,171
CWB Maxium Financial loan bearing interest at 7.75% per annum, repayable in monthly blended payments of \$8,008. The loan matures in April 2030.	352,748	418,705
Amounts payable within one year	<u>(580,451)</u>	<u>(459,624)</u>
	<u>\$ 641,801</u>	<u>\$ 1,222,252</u>

Principal repayment terms are approximately:

2026	\$ 580,451
2027	437,283
2028	83,159
2029	89,837
2030	<u>31,522</u>
	<u>\$ 1,222,252</u>

The loans are secured by a general security agreement over the assets of the Corporation including all unpaid owner contributions, whether levied or not.

5. Capital replacement reserve fund

The Capital Replacement Reserve Fund is an internally restricted amount established by the Corporation to be used for the repair or replacement of any common area property when the repair or replacement does not occur annually. Annual repairs and replacements are charges to general operations during the year of expenditure. This reserve is not available for any expenditure without approval of the Board of Directors.

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

6. Adequacy of capital replacement reserve fund

The Corporation had a Reserve Fund Study completed effective February 3, 2025. The Corporation is responsible to fund for the general maintenance and repair of the buildings and parkade.

In the opinion of the professional engineer who completed the study, the Capital Replacement Reserve Fund should have a balance of \$318,126 by December 31, 2025 (2024 - \$75,474).

At the year end, the Capital Replacement Reserve Fund had a balance of \$340,967 (2024 - \$120,472). The Corporation is monitoring the Capital Replacement Reserve Fund and the timing of the various repairs and maintenance items identified in the study to ensure adequate funding is in place.

7. Related party transactions

The Corporation entered into a three-year contract effective July 1, 2025, with On-Site Solutions Inc. to manage the Corporation. A minority shareholder of On-Site Solutions Inc. is a board member of the Corporation. Annual management fees paid to On-Site Solutions Inc. were \$292,741 (2024 - \$287,020). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Annual management fees, inclusive of GST, for the remainder of the agreement are as follows:

2026	\$ 301,449
2027	307,517
2028	<u>155,299</u>
	<u>\$ 764,265</u>

8. Interfund transfers

During the year, the Condominium Corporation approved and recorded interfund transfers between its internally restricted funds. These transfers were approved by the Board of Directors and are consistent with the Corporation's financial planning and funding policies. Interfund transfers do not affect the overall net assets of the Corporation but reflect the allocation of resources between funds for designated purposes.

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

9. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or if financial obligations which have similar economic characteristics such that they could be if similarly affected by changes in economic conditions.

The Corporation is exposed to credit risk arising from all of its bank accounts being held at one financial institution. Balances in these accounts may exceed federally insured amounts.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Corporation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Corporation is exposed to this risk mainly in respect of its accounts payable, long-term debt, and commitments.

The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Corporation maintains a portion of its invested assets in liquid securities.

There have not been any changes in the risk from the prior year.

Condominium Corporation No. 1122235
Notes to Financial Statements

December 31, 2025

9. Financial Instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest risk.

The Corporation's risk management strategies are described below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk on its long-term debt with fixed interest rates. Fixed rate debt, as described in Note 4, is subject to interest rate price risk, as the value will fluctuate due to changes in market interest rates.

There have not been any changes in the risk from the prior year.

10. Comparative figures

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