

The One At Windermere Homeowners Association
Financial Statements
Year Ended March 31, 2021

The One At Windermere Homeowners Association
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Year Ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of The One at Windermere Homeowners Association

Opinion

I have audited the financial statements of The One at Windermere Homeowners Association (the association), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, 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 March 31, 2021, 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.

(continues)

Independent Auditor's Report to the Members of The One at Windermere Homeowners Association
(continued)

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.

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.

Port Perry, Ontario
July 12, 2021

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The Institute of Chartered Accountants of Ontario

The One At Windermere Homeowners Association
Statement of Financial Position
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 6,964	\$ 594
Accounts receivable (<i>Note 3</i>)	9,263	22,211
Prepaid expenses	1,638	1,483
	<u>\$ 17,865</u>	<u>\$ 24,288</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,618	\$ 5,927
DEFERRED INCOME	<u>-</u>	438
	5,618	6,365
NET ASSETS	<u>12,247</u>	17,923
	<u>\$ 17,865</u>	<u>\$ 24,288</u>

ON BEHALF OF THE BOARD

Director

Director

The One At Windermere Homeowners Association

Statement of Financial Position

March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 6,964	\$ 594
Accounts receivable (Note 3)	9,263	22,211
Prepaid expenses	1,638	1,483
	<u>\$ 17,865</u>	<u>\$ 24,288</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,618	\$ 5,927
DEFERRED INCOME		
	-	438
	<u>5,618</u>	<u>6,365</u>
NET ASSETS	<u>12,247</u>	<u>17,923</u>
	<u>\$ 17,865</u>	<u>\$ 24,288</u>

ON BEHALF OF THE BOARD

 Director

 Director

The One At Windermere Homeowners Association
Statement of Revenues and Expenditures
Year Ended March 31, 2021

	2021	2020
REVENUES	\$ 73,421	\$ 101,000
EXPENSES		
Landscaping	30,387	39,178
Management fees	28,949	31,176
Office	5,222	1,050
Mailouts	4,900	2,449
Written off as charged developer in error	2,900	159
Insurance	2,265	717
Professional fees	2,000	3,500
Repairs and maintenance	1,881	1,517
Utilities	318	-
Legal fees	187	2,190
Interest and bank charges	88	182
Miscellaneous	-	959
	79,097	83,077
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (5,676)	\$ 17,923

The One At Windermere Homeowners Association
Statement of Changes in Net Assets
 Year Ended March 31, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 17,923	\$ -
DEFICIENCY OF REVENUES OVER EXPENSES	(5,676)	17,923
NET ASSETS - END OF YEAR	\$ 12,247	\$ 17,923

The One At Windermere Homeowners Association
Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (5,676)	\$ 17,923
Changes in non-cash working capital:		
Accounts receivable	12,948	(22,211)
Accounts payable	(309)	5,927
Deferred income	(438)	(8,162)
Prepaid expenses	(155)	(1,483)
	12,046	(25,929)
INCREASE (DECREASE) IN CASH FLOW	6,370	(8,006)
Cash - beginning of year	594	8,600
CASH - END OF YEAR	\$ 6,964	\$ 594

The One At Windermere Homeowners Association
Notes to Financial Statements
Year Ended March 31, 2021

1. PURPOSE OF THE ASSOCIATION

The One at Windermere Homeowners Association (the "association") is a not-for-profit corporation under the Societies Act of Alberta, to operate and maintain the lands and amenities within the residential community known as The One at Windermere in the City of Edmonton. The association was incorporated on March 15, 2013 and had no active operations until April 1, 2019.

Pursuant to the "Easement, Lease and Encumbrance Agreement" dated March 15, 2013 between the Association and the Developer, the Developer will construct The One at Windermere amenities at its cost and thereafter lease the land and amenities to the Association for a nominal cost. This agreement is in place until December 31, 2062. Upon completion of the lots, amenities and so forth, the Association assumes all responsibility for the operations and maintenance of these lots from the Developer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Non-Profit Organizations (ASNPO) in part III of the CPA Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Revenue recognition

The One at Windermere Homeowners Association follows the deferral method of accounting for contributions.

Homeowners association fees are recognized as revenue in the year in which the related expenses are incurred. Payments received in advance are reported as deferred revenue.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-Profit organization requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates due to the increased uncertainty resulting from the COVID-19 global pandemic.

Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist exclusively of association fees, which are secured by an annual charge of \$150 on each residential unit constructed in The One at Windermere subdivision.

The One At Windermere Homeowners Association
Notes to Financial Statements
Year Ended March 31, 2021

4. FINANCIAL INSTRUMENTS

The association 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 association's risk exposure and concentration as of March 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from their residents. In order to reduce its credit risk, the association reviews aging receivables regularly to ensure owners are meeting their obligations. Amounts overdue are sent to legal to ensure collectability. In the opinion of management the credit risk exposure to the association is low and not material.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.
