



Confidential

The One at Windermere Homeowners Association
1250-555 Calgary Trail NW
Edmonton Alberta T6H5P9

Attention: Rose Herman

Dear Rose:

The Objective and Scope of the Audit

You have requested that I audit the financial statements of The One at Windermere Homeowners Association, which comprise the statement of financial position as at March 31, 2021 and March 31, 2022, 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).

I am pleased to confirm my acceptance and my understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of my audit 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.

The Responsibilities of the Auditor

I will conduct my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements. 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:

- a. 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.

- b. 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 entity's internal control. However, I will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that I have identified during the audit.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 entity'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 entity to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, my report will be substantially in the following form contained in Appendix A to this letter.

The Responsibilities of Management

My audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with ASNPO;
- b. For the design and implementation of 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; and
- c. To provide me with timely:
 - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
 - iii. Additional information that I may request from management for the purpose of the audit; and
 - iv. Unrestricted access to persons within The One at Windermere Homeowners Association from whom I determine it necessary to obtain audit evidence.

As part of the audit process:

- a. I will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, I will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that I would be required to disclaim an audit opinion.
- b. I will communicate any misstatements identified during the audit other than those that are clearly trivial. I request that management correct all the misstatements communicated.

Use of Information

It is acknowledged that I will have access to all information about identified individuals ("personal information") in your custody that I require to complete my Engagement. My services are provided on the basis that:

- a. You represent to me that management has obtained any required consents for my collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. I will hold all personal information in compliance with my Privacy Statement.

File Inspections

In accordance with professional regulations (and by my firm policy), my client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that I am adhering to my professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, I will not provide any third party with confidential information concerning the affairs of The One at Windermere Homeowners Association unless:

- a. I have been specifically authorized with prior consent;
- b. I have been ordered or expressly required by law or by the Ontario *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Use and Distribution of My Report

The examination of the financial statements and the issuance of my audit report are solely for the use of The One at Windermere Homeowners Association and those to whom my report is specifically addressed by me. I make no representations or warranties of any kind to any third party in respect of these financial statements or my audit report, and I accept no responsibility for their use by any third party or any liability to anyone other than The One at Windermere Homeowners Association.

For greater clarity, my audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. My audit report should not be circulated (beyond The One at Windermere Homeowners Association) or relied upon by any third party for any purpose, without my prior written consent.

You agree that my name may be used only with my prior written consent and that any information to which I have attached a communication be issued with that communication, unless otherwise agreed to by me in writing.

Reproduction of Auditor's Report

If reproduction or publication of my audit report (or reference to my report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to me in sufficient time for my review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that I have audited.

I am not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

Preparation of Schedules

I understand that you will prepare certain schedules and locate specified documents for my use before my Engagement is planned to commence on .

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other specified documents.

This assistance will facilitate my work and help to minimize my costs. Any failure to provide these working papers or documents on a timely basis may impede my services and require me to suspend my services or even withdraw from the Engagement.

Communications

In performing my services, I will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, I cannot guarantee or warrant that communications from me will be properly delivered only to the addressee. Therefore, I specifically disclaim, and you release me from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by me in connection with the performance of this Engagement. In that regard, you agree that I shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to my use of electronic communications, please notify me in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by me during the course of the Engagement are the property of my firm, constitute my confidential information and will be retained by me in accordance with my firm's policies and procedures.

During the course of my work, I may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of my services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. I also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

I retain the copyright and all intellectual property rights in any original materials provided to you.

Other Services

In addition to the audit services referred to above, I will, as allowed by the Ontario *Code of Professional Conduct /Code of Ethics*, prepare other regulatory forms required by the organization as agreed upon. Unless expressly agreed in a separate engagement letter, I will have no involvement with or responsibility for the preparation or filing of GST returns or any other (including foreign) information returns, source deductions, information returns, slips, elections, designations, certificates or reports. Management will, on a timely basis, provide the information necessary to complete the regulatory forms and will review and file them with the appropriate authorities on a timely basis.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Ontario. The Province of Ontario will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

The One at Windermere Homeowners Association hereby agrees to indemnify, defend (by counsel retained and instructed by me) and hold harmless my firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by The One at Windermere Homeowners Association, or its directors, officers, agents or employees, of any of the covenants or obligations of The One at Windermere Homeowners Association herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, my engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by my firm.
- b. A misrepresentation by a member of your management or the those charged with governance.

Limitation of Liability

My aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to \$5,000. My liability shall be several and not joint and several. I shall only be liable for my proportionate share of any loss or damage, based on my contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date The One at Windermere Homeowners Association should have been aware of the potential claim. In addition, I will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

I will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, I shall not be liable for failures or delays in performance that arise from causes beyond my reasonable control, including any delays in the performance by The One at Windermere Homeowners Association of its obligations.

Concerns

If at any time you would like to discuss my services or make a complaint, please contact your engagement partner. I will listen to your concerns and investigate any complaint on a timely basis.

Costs of Responding to Government or Legal Processes

In the event I am required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information I obtained and/or prepared during the course of this Engagement, you agree to compensate me at my normal hourly rates for the time I expend in connection with such response and to reimburse me for all of my out-of-pocket costs (including applicable GST) incurred.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, The One at Windermere Homeowners Association shall be responsible for all time and expenses incurred up to the termination date.

If I am unable to complete the audit or am unable to come to a conclusion on the financial statements, I may withdraw from the audit before issuing an auditor's report, or I may issue a denial of assurance on the financial statements. If this occurs, I will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

Written reports on the supplementary matter(s)

I have received a request from *[name of third party]*, or are required by law, regulation or agreement *[insert details of the law, regulation or agreement]*, to provide a written report on the supplementary matter(s) arising from my review engagement as described below:

Unless unanticipated difficulties are encountered, my report will be substantially in the form outlined below.

I will perform my work in accordance with CSRS 4460 – *Reports on supplementary matters arising from an audit or a review engagement*. This standard requires that I comply with ethical requirements and plan and perform the procedures necessary to enable me to form a basis for the report provided. I will not be performing an audit or a review engagement on the supplementary matter(s).

My work will be conducted on the basis that management *[and, where appropriate, those charged with governance]* acknowledge and understand that they are responsible for:

- a. Providing me with access to all information that is relevant to the other reporting responsibility; and
- b. Preparing the supplementary matter, where applicable.

Third Parties

The financial documents are prepared solely for the use of the client with whom I have entered into a contract and there are no representations of any kind made by me to any party with whom I have not entered into a written contract.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with me. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to me.

I appreciate the opportunity of continuing to be of service to your organization.

Yours truly,



Justin Jones, CPA

ELEVATION CPA PROFESSIONAL CORPORATION

The services and terms set out above are as agreed to on behalf of The One at Windermere Homeowners Association by:

Date signed

Appendix A - Expected Form of 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 organization), which comprise the statement of financial position as at March 31, 2023, 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 organization as at March 31, 2023, and the results of its operations and cash flow for the period 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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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.

Appendix A *(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 organization'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 organization'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 organization 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.