The One At Windermere Homeowners Association

Financial Statements

Year Ended March 31, 2024

ELEVATION
CPA PROFESSIONAL CORPORATION
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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 "organization"), which comprise the statement of financial position as at March 31, 2024, 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, 2024, 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 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.

(continues)

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.

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.

Justin Jones

Port Perry , Ontario
July 30, 2024

ELEVATION CPA PROFESSIONAL CORPORATION
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

The One At Windermere Homeowners Association
Statement of Financial Position
March 31, 2024

		2024		2023
ASSETS				
CURRENT				
Cash	**$**	**51,972**	$	36,672
Accounts receivable *(Note 3)*		**11,665**		357
Goods and services tax recoverable		**536**		-
Prepaid expenses		**1,137**		1,649
	$	**65,310**	$	38,678
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	**$**	**4,839**	$	6,161
Deferred income		**26,484**		2,842
		31,323		9,003
NET ASSETS		**33,987**		29,676
	$	**65,310**	$	38,679

CONTRACTUAL OBLIGATIONS *(Note 4)*

ON BEHALF OF THE BOARD

_______________ *Director*

The One At Windermere Homeowners Association
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	2024	2023
REVENUES	$ 103,198	$ 102,812
EXPENSES		
Landscaping	56,993	49,063
Management fees	27,776	26,772
Business taxes, licenses and memberships	3,659	1,197
Mailouts	2,322	2,658
Professional fees	2,145	3,120
Utilities	2,044	(166)
Insurance	1,790	2,423
Repairs and maintenance	1,273	2,493
Legal fees	319	516
AGM expense	292	464
Office	220	861
Interest and bank charges	54	50
Bad debts	-	110
	98,887	89,561
EXCESS OF REVENUES OVER EXPENSES	$ 4,311	$ 13,251

The One At Windermere Homeowners Association

Statement of Changes in Net Assets

Year Ended March 31, 2024

		2024		2023
NET ASSETS - BEGINNING OF YEAR	**$**	**29,676**	$	16,425
EXCESS OF REVENUES OVER EXPENSES		**4,311**		13,251
NET ASSETS - END OF YEAR	**$**	**33,987**	$	29,676

The One At Windermere Homeowners Association

Statement of Cash Flows

Year Ended March 31, 2024

		2024		2023
OPERATING ACTIVITIES				
Excess of revenues over expenses	**$**	**4,311**	$	13,251
Changes in non-cash working capital:				
Accounts receivable		**(11,308)**		9,774
Accounts payable		**(1,322)**		3,615
Deferred income		**23,642**		2,842
Prepaid expenses		**512**		206
Goods and services tax payable		**(536)**		-
		10,988		16,437
INCREASE IN CASH FLOW		**15,299**		29,688
Cash - beginning of year		**36,672**		6,984
CASH - END OF YEAR	**$**	**51,971**	$	36,672
CASH CONSISTS OF:				
Cash	**$**	**51,972**	$	36,672

1. PURPOSE OF THE ORGANIZATION

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.

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 not-for-profit organizations (ASNFPO).

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When the organization issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of $nil.

Measurement uncertainty

The preparation of financial statements in conformity 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, 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.

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.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist exclusively of association fees, which are secured by an annual charge of $200 on each residential unit constructed in The One at Windermere subdivision.

4. CONTRACTUAL OBLIGATIONS

The organization has entered into the following contracts:

- A management contrat with Core Management Group ending in March of 2025, with an annual cost of $27,576 plus applicable taxes.
- A seasonal shrub and flower planting contract with Hohnstein Environment ending in the fall of 2024, with an annual cost of $3,755 plus applicable taxes.

Contractual obligation repayment schedule:

2025	$ 32,898

5. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from their residents. In order to reduce its credit risk, the organization 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.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and accounts payable.

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