

HO LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION

Financial Statements

Year Ended March 31, 2025



THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION

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Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of The One at Windermere Homeowners Association

Opinion

We 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, 2025, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 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 (ASNPO).

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 Association in accordance with 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 Matter

The financial statements for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 30, 2024.

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.

Those charged with governance are responsible for overseeing the Association'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:

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

- 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 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 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 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.

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.

Edmonton, Alberta
July 2, 2025



Ho LLP
Chartered Professional Accountants

THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION**Statement of Financial Position****March 31, 2025**

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 107,618	\$ 51,972
Accounts receivable	2,880	11,665
Prepaid expenses	1,211	1,137
Goods and services tax recoverable	-	536
	<u>\$ 111,709</u>	<u>\$ 65,310</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,854	\$ 4,839
Goods and services tax payable	3,988	-
Deferred revenue	61,961	26,484
	<u>79,803</u>	<u>31,323</u>
NET ASSETS	<u>31,906</u>	<u>33,987</u>
	<u>\$ 111,709</u>	<u>\$ 65,310</u>

ON BEHALF OF THE BOARD

Director

Director

THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION**Statement of Revenues and Expenditures****Year Ended March 31, 2025**

	2025	2024
REVENUES		
Homeowners association fees	\$ 114,525	\$ 101,800
Late fees	1,587	1,398
	<u>116,112</u>	<u>103,198</u>
EXPENSES		
Grounds maintenance	56,521	56,993
Management fees (Note 3)	27,576	27,776
Supplies and sundries	15,804	220
Business taxes, licenses and memberships	4,855	3,659
Professional fees	4,080	2,145
Mailing	2,940	2,322
Repairs and maintenance	2,240	1,273
Utilities	2,137	2,044
Insurance	1,715	1,790
Meeting expense	299	292
Bank charges	26	54
Legal fees	-	319
	<u>118,193</u>	<u>98,887</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (2,081)	\$ 4,311

THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION**Statement of Changes in Net Assets****Year Ended March 31, 2025**

	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 33,987	\$ 29,676
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(2,081)</u>	<u>4,311</u>
NET ASSETS - END OF YEAR	\$ 31,906	\$ 33,987

THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION**Statement of Cash Flows****Year Ended March 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (2,081)	\$ 4,311
Changes in non-cash working capital:		
Accounts receivable	8,785	(11,308)
Prepaid expenses	(74)	512
Accounts payable and accrued liabilities	9,015	(1,321)
Goods and services tax payable (recoverable)	4,524	(536)
Deferred revenue	35,477	23,642
	<u>57,727</u>	<u>10,989</u>
INCREASE IN CASH FLOW	55,646	15,300
Cash - beginning of year	<u>51,972</u>	<u>36,672</u>
CASH - END OF YEAR	\$ 107,618	\$ 51,972
CASH CONSISTS OF:		
Cash	<u>\$ 107,618</u>	<u>\$ 51,972</u>

THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2025

PURPOSE OF THE ASSOCIATION

The One at Windermere Homeowners Association (the "Association") is a not-for-profit organization under the Societies Act of Alberta. Its main business activity is 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.

The Association is exempt from the payment of income tax under Section 149 of the Income Tax Act. It has, therefore, made no provision for income taxes in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Contributed services

The operations of the Association 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 policy

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 Association 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.

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THE ONE AT WINDERMERE HOMEOWNERS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2025

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

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.

2. 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, 2025.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Association is exposed to credit risk from 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.

Liquidity risk

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

3. MANAGEMENT SERVICES

Under the terms of a contract agreement with Core Management Group, Inc., the Association made monthly payments of \$2,298 (2024 - \$2,298), excluding GST, for property management services. In addition to management fees, the Association was charged for direct costs incurred by the property management company on behalf of the Association.

4. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of Chartered Professional Accountants.
