

**GRAYDON HILL HOMEOWNERS ASSOCIATION**  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED APRIL 30, 2022  
AND  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Graydon Hill Homeowners Association:**

### *Opinion*

We have audited the financial statements of **Graydon Hill Homeowners Association** (the Entity), which consist of the statement of financial position at April 30, 2022, and statements of changes in net assets and operations for the period 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 Entity as at April 30, 2022, and the results of its operations for the period 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 Entity 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.

### *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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Edmonton, Alberta  
October 20, 2022

  
Chartered Professional Accountants

**GRAYDON HILL HOMEOWNERS ASSOCIATION**  
STATEMENT OF FINANCIAL POSITION  
AS AT APRIL 30, 2022

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ASSETS

CASH ..... \$100,556

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued liabilities..... \$ 1,959  
Prepaid membership fees ..... 8,775

Total current liabilities..... \$ 10,734

NET ASSETS - unrestricted ..... 89,822

TOTAL ..... \$100,556

Approved by the Board:

.....Director

.....Director

**GRAYDON HILL HOMEOWNERS ASSOCIATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD NOVEMBER 9, 2021 TO APRIL 30, 2022**

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|   |              |                 |
|---|--------------|-----------------|
| REVENUE - membership fees .....   |              | \$93,354        |
| EXPENSES:   |              |                 |
| Bank charges.....   | \$ 185       |                 |
| Office .....  | 1,347        |                 |
| Professional fees .....   | <u>2,000</u> |                 |
| Total expenses .....  |              | <u>3,532</u>    |
| EXCESS OF REVENUE FOR THE PERIOD AND NET<br>ASSETS AT END OF THE PERIOD ..... |              | <u>\$89,822</u> |

# GRAYDON HILL HOMEOWNERS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2022

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### 1. PURPOSE OF ASSOCIATION:

Graydon Hill Homeowners Association is a registered Homeowners Association in the Province of Alberta. The Association serves the residents of the Graydon Hill Community. The objective of the Association is to maintain the enhanced amenities of the neighborhood.

### 2. ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with Canadian accounting standards for non-profit organizations and include the following significant accounting policies:

#### *Revenue recognition:*

Membership fee revenue is recognized as revenue based on the period billed by the Association. Billings for the membership fees consist of estimates of monthly charges based on approved budgets. All expenses are recognized as incurred.

#### *Financial instruments:*

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

The Association's financial instruments measured at amortized cost consist of cash, accounts payable and accrued liabilities and prepaid membership fees.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount of impairment recognized previously. The amount of the reversal is recognized in net income.

#### *Cash and cash equivalents:*

Cash and cash equivalents consist of balances with banks and short-term investments that can be readily converted to cash.

**GRAYDON HILL HOMEOWNERS ASSOCIATION**  
NOTES TO THE FINANCIAL STATEMENTS  
APRIL 30, 2022

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2. ACCOUNTING POLICIES (continued):

*Use of estimates:*

The preparation of financial statements in conformity with Canadian accounting standards for non-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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 reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and adjustments are made to income as appropriate in the year they become known.

3. INCOME TAXES:

The Association is a non-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

4. FINANCIAL INSTRUMENTS:

The Association is exposed to risk on certain financial instruments as follows:

*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 accounts payable and accrued liabilities.

5. STATEMENT OF CASH FLOWS:

A statement of cash flows has not been presented in these financial statements as the information enclosed thereon is evident from these financial statements.