

**RIVERS GATE HOME OWNERS ASSOCIATION**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
AND  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Rivers Gate Home Owners Association:**

### *Opinion*

We have audited the financial statements of **Rivers Gate Home Owners Association** (the Entity), which consist of the statement of financial position at December 31, 2023, and statements of changes in net deficit and operations 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 Entity as at December 31, 2023, and the results of its operations for the year 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.

### *Information other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *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  
August 8, 2024

*Yaremchuk & Annicchiarico* LLP  
Chartered Professional Accountants


**RIVERS GATE HOME OWNERS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash.....	\$ 90,982	\$ 51,898
Accounts receivable .....	16,806	12,178
Prepaid expenses.....	<u>2,320</u>	<u>2,188</u>
TOTAL.....	<u>\$110,108</u>	<u>\$ 66,264</u>

LIABILITIES AND NET DEFICIT

CURRENT LIABILITY - accounts payable and accrued liabilities.....	\$110,526	\$160,887
NET DEFICIT - unrestricted .....	<u>(418)</u>	<u>(94,623)</u>
TOTAL.....	<u>\$110,108</u>	<u>\$ 66,264</u>

Approved by the Board:

  
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Director

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Director

**RIVERS GATE HOME OWNERS ASSOCIATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>REVENUE:</b>		
Membership fees.....	\$ <b>59,381</b>	\$ 36,278
Interest and other.....	<u>399</u>	<u>3,192</u>
Total revenue .....	<u><b>59,780</b></u>	<u>39,470</u>
<b>EXPENSES:</b>		
Bank charges .....	<b>115</b>	139
Dues and licenses .....	<b>300</b>	300
Insurance .....	<b>2,466</b>	2,288
Professional fees.....	<b>2,329</b>	2,943
Repairs and maintenance (recovered) .....	<b>(34,151)</b>	40,222
Utilities (recovered) .....	<u><b>(5,484)</b></u>	<u>6,557</u>
Total expenses (recovered).....	<u><b>(34,425)</b></u>	<u>52,449</u>
<b>EXCESS OF REVENUE (EXPENSES) FOR THE YEAR .....</b>	<b>94,205</b>	(12,979)
<b>NET DEFICIT AT BEGINNING OF THE YEAR.....</b>	<u><b>(94,623)</b></u>	<u>(81,644)</u>
<b>NET DEFICIT AT END OF THE YEAR.....</b>	<u><b>\$ (418)</b></u>	<u>\$ (94,623)</u>

**RIVERS GATE HOME OWNERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2023**

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1. PURPOSE OF ASSOCIATION:

Rivers Gate Home Owners Association is a registered Home Owners Association in the Province of Alberta. The Association serves the residents of the Rivers Gate 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 fees revenue is recognized in the year to which the membership fees relate.

*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 receivable and accounts payable and accrued liabilities.

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.

*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 revenue 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.

**RIVERS GATE HOME OWNERS ASSOCIATION**  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2023

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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.