

**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**  
**Financial Statements**  
**Year Ended October 31, 2025**

*Draft April 21, 2026*

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**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**  
**Index to Financial Statements**  
**Year Ended October 31, 2025**

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*Draft April 21, 2026*

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## INDEPENDENT AUDITOR'S REPORT

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To the Owners of Skyview Ranch Homeowners Association

### *Qualified Opinion*

We have audited the financial statements of Skyview Ranch Homeowners Association (the Homeowners Association), which comprise the statement of financial position as at October 31, 2025, and the statements of revenues and expenditures and 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Homeowners Association as at October 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 Qualified Opinion*

In the course of our audit, we encountered certain limitations in the scope of our audit procedures related to the revenue recognition for membership fees, miscellaneous and late fees. The Association does not have adequate controls in place to fully verify the accuracy of the revenue collected from membership fees. As a result, we were unable to perform sufficient audit procedures to confirm the completeness and accuracy of the reported revenue. The revenue figures reported in the financial statements may, therefore, be materially misstated due to these limitations. The opening balance of retained earnings includes amounts arising from prior periods for which we were unable to obtain sufficient appropriate audit evidence. Specifically, we were unable to satisfy ourselves as to the accuracy and completeness of the opening retained earnings balance due to the lack of accounting records supporting prior-period results. Consequently, we were unable to determine whether any adjustments might have been necessary to opening retained earnings, net income, or related financial statement disclosures. We were unable to determine the potential effect of this limitation on the financial statements as of the reporting date. Our audit opinion on the financial statements for the year ended October 31, 2025 is modified accordingly because of the possible effects of this limitation of scope.

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 Homeowners 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 qualified audit opinion.

### *Other Matter*

We were engaged to conduct an audit, in accordance with Canadian generally accepted auditing standards, on the financial statements prepared by the Association's management in accordance with Canadian accounting standards for not-for-profit organizations. We were not engaged to, nor do we, provide any assurance as to whether the Association is in compliance with all aspects of The Societies Act and we were not engaged to, nor do we, provide any assurance as to the adequacy of the reserve fund to cover future major expenditures and replacements.

### *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.

(continues)

## Independent Auditor's Report to the Owners of Skyview Ranch Homeowners Association *(continued)*

In preparing the financial statements, management is responsible for assessing the Homeowners 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 Homeowners Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Homeowners 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:

- 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 Homeowners 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 Homeowners 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 Homeowners 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.

Calgary, Alberta  
April 21, 2026

C&E LLP Chartered Professional Accountants

**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**  
**Statement of Financial Position**  
**October 31, 2025**

	Operating Fund	Capital Replacement Reserve Fund	Total	Total
	2025	2025	2025	2024
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ 492,903	\$ 176,090	\$ 668,993	\$ 573,061
Short term investments (Note 3)	-	2,392	2,392	966
Accounts receivable	139,805	-	139,805	125,302
Prepaid expenses	2,765	-	2,765	2,699
	635,473	178,482	813,955	702,028
INVESTMENTS (Note 3)	-	794,342	794,342	713,703
<b>TOTAL ASSETS</b>	<b>\$ 635,473</b>	<b>\$ 972,824</b>	<b>\$ 1,608,297</b>	<b>\$ 1,415,731</b>
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable	\$ 17,527	\$ -	\$ 17,527	\$ 41,185
Goods and services tax payable	9,528	-	9,528	5,953
<b>TOTAL LIABILITIES</b>	<b>27,055</b>	<b>-</b>	<b>27,055</b>	<b>47,138</b>
<b>NET ASSETS (Notes 2, 4)</b>	<b>608,418</b>	<b>972,824</b>	<b>1,581,242</b>	<b>1,368,593</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 635,473</b>	<b>\$ 972,824</b>	<b>\$ 1,608,297</b>	<b>\$ 1,415,731</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**  
**Statement of Revenues and Expenditures and Changes in Net Assets**  
**Year Ended October 31, 2025**

	Operating Budget	Operating Fund	Capital Replacement Reserve Fund	Total	Total
	2025	2025	2025	2025	2024
<b>REVENUE</b>					
Association fees	\$ 425,760	\$ 476,015	\$ -	\$ 476,015	\$ 395,000
Miscellaneous/legal collection fees	10,000	55,343	-	55,343	40,348
Grant money	60,000	60,850	-	60,850	57,355
Interest and change in market value	-	11,701	86,918	98,619	127,445
Reserve contributions	(60,000)	746	(746)	-	-
	435,760	604,655	86,172	690,827	620,148
<b>EXPENSES</b> (Schedule 1)	429,691	463,268	14,910	478,178	362,175
<b>NET EXCESS OF REVENUE OVER EXPENSES</b>	6,069	141,387	71,262	212,649	257,973
NET ASSETS - BEGINNING OF YEAR	-	467,031	901,562	1,368,593	1,110,620
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,069</b>	<b>\$ 608,418</b>	<b>\$ 972,824</b>	<b>\$ 1,581,242</b>	<b>\$ 1,368,593</b>

**SKYVIEW RANCH HOMEOWNERS ASSOCIATION****Statement of Cash Flows****Year Ended October 31, 2025**

	2025	2024
<b>FUND ACTIVITIES</b>		
Excess of revenue over expenses	\$ 212,649	\$ 257,973
Changes in non-cash working capital:		
Accounts receivable	(14,503)	17,680
Accounts payable	(23,658)	33,608
Prepaid expenses	(66)	(34)
Goods and services tax payable	3,575	792
	<u>(34,652)</u>	<u>52,046</u>
Cash flow from fund activities	<u>177,997</u>	<u>310,019</u>
<b>INVESTING ACTIVITIES</b>		
Long term investment activity	(80,639)	(116,734)
Short term investment activity	(1,426)	(89)
Cash flow used by investing activities	<u>(82,065)</u>	<u>(116,823)</u>
<b>INCREASE IN CASH FLOW</b>	<b>95,932</b>	<b>193,196</b>
Cash - beginning of year	<u>573,061</u>	<u>379,865</u>
<b>CASH - END OF YEAR</b>	<b>\$ 668,993</b>	<b>\$ 573,061</b>

# SKYVIEW RANCH HOMEOWNERS ASSOCIATION

## Notes to Financial Statements

Year Ended October 31, 2025

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### 1. BASIS OF PRESENTATION

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

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association is a not-for-profit residents' association established to support and maintain certain community amenities, landscaped areas, and services for the benefit of the Skyview Ranch Homeowners Association. These financial statements include the assets, liabilities, revenues, and expenses of the Association only.

The Association is exempt from income taxes and, accordingly, no provision for income taxes has been made in these financial statements.

#### Measurement uncertainty

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Homeowners Association may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts and useful lives of capital assets.

#### Cash and Cash Equivalents on the Statement of Cash Flows

Cash and cash equivalents include bank balances and cash held. Short term money market funds are not included as these are considered to be investments.

#### Fund Accounting

The Association follows the restricted fund method of accounting.

The operating fund accounts for the Association's operating and administrative activities.

The Capital Replacement Reserve Fund accounts for amounts set aside by the Board of Directors for future major repairs, replacements, and other capital requirements of the Association, based on anticipated needs and available resources.

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# SKYVIEW RANCH HOMEOWNERS ASSOCIATION

## Notes to Financial Statements

Year Ended October 31, 2025

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue Recognition

Association fee revenue is recognized as billed in accordance with the Association's approved fee structure.

Reserve Fund revenue consists of amounts allocated by the Board of Directors from operations or other sources and is recognized when transferred to the Reserve Fund.

Investment income earned on the Reserve Fund Investments are recognized as revenue of the Capital Replacement Reserve Fund.

#### Contributed Services and Materials

Volunteer services and materials contributed on behalf of the Homeowners Association in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued, with the exception of any related party transactions that are measured at the carrying amount or exchange amount, as appropriate. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income of the appropriate fund. All other financial instruments are reported as amortized cost, and tested for impairment at each reporting date. Transaction costs are recognized as an expense in the period incurred for all financial instruments subsequently measured at fair value. Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs and financing fees that are directly attributed to their organization, issuance or assumption.

All financial assets and financial liabilities are measured at amortized cost, unless noted.

#### Capital Replacement Reserve Fund

The Capital Replacement Reserve Fund is a fund established and maintained for the repair or replacement of any real and personal property owned by the Homeowners Association and the common property where such repair or replacement does not occur annually. When expenditures of a capital nature or for a major repair are incurred, they are charged against the reserve. The amount to be allocated to the Reserve Fund from operations is determined by the Board of Directors of the Homeowners Association.

#### Budget

The budget figures that appear on the statement of operating income are those approved by the Board of Directors and are presented for comparison purposes only. They have not been audited or reviewed but they have been reclassified to conform to the presentation in these financial statements.

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**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**

**Notes to Financial Statements**

**Year Ended October 31, 2025**

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

Capital assets

The Homeowners Association does not record common property assets as capital assets in the financial statements. Although the Homeowners Association is responsible for the maintenance and replacement of common elements, the Association does not have control of the future economic benefits of these assets, which are held collectively by the unit owners. The cost of replacing major components of the common elements is funded through the Reserve Fund in accordance with the recommendations of the reserve fund study and applicable condominium legislation. Accordingly, common property assets are not depreciated, and expenditures for replacements are recognized as expenses of the Reserve Fund when incurred.

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3. INVESTMENTS HELD FOR THE CAPITAL REPLACEMENT RESERVE FUND ASSETS, AT FAIR VALUE

	<u>2025</u>
<u>Short term investments</u>	
Cash	<u>\$ 2,392</u>
<u>Long term investments</u>	
Common shares	\$ 359,825
Mutual funds	<u>434,517</u>
	<u>\$ 794,342</u>

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4. ADEQUACY OF THE CAPITAL REPLACEMENT RESERVE FUND

The Homeowners Association has not as at the year end completed and approved it's reserve fund study to determine the adequacy of the capital replacement reserve fund.

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5. FINANCIAL INSTRUMENTS

The Homeowners 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 Homeowners Association's risk exposure and concentration as of October 31, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Homeowners Association is exposed to this risk mainly in respect of its accounts payable. The Homeowners Association manages liquidity risk by preparing an annual budget in consideration of the results of its reserve fund study, and may increase association fees and assess special levies to ensure it has sufficient funds.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk, interest rate risk. The Homeowners Association is mainly exposed to interest rate risk.

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**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**

**Notes to Financial Statements**

**Year Ended October 31, 2025**

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5. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Homeowners Association manages exposure through its normal operating and financing activities. The Homeowners Association is exposed to interest rate risk primarily through its reserve fund investments.

Risk management

The Homeowners Association manages its credit, liquidity and cash flow risk by restricting investments to a diverse range of government and corporate fixed income securities, and corporate shares. As it is the Homeowners Association's expectation to hold its investments to maturity, its cash flows are exposed to minimal interest rate and liquidity risk. The Homeowners Association has the power to place caveats on titles which significantly mitigates credit risk.

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6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. The changes do not affect prior year excess (deficiency) of revenues over expenditures.

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Draft April 21, 2026

**SKYVIEW RANCH HOMEOWNERS ASSOCIATION**

**Expenses(Schedule 1)**

**Year Ended October 31, 2025**

	Operating Budget	Operating Fund	Capital Replacement Reserve Fund	Total	Total
	2025	2025	2025	2025	2024
<b>OPERATING EXPENSES</b>					
Landscaping and snow removal	\$ 290,648	\$ 263,116	\$ -	\$ 263,116	\$ 269,529
Miscellaneous	7,200	101,130	-	101,130	96
Management fees	53,220	60,955	-	60,955	59,964
Office and bank charges	52,123	25,372	-	25,372	23,001
Insurance	10,500	5,614	-	5,614	5,964
Audit and legal fees	6,000	3,335	-	3,335	3,113
Non insurable expenses	-	3,024	-	3,024	-
General repairs and maintenance	10,000	722	-	722	508
	<u>429,691</u>	<u>463,268</u>	<u>-</u>	<u>463,268</u>	<u>362,175</u>
<b>CAPITAL REPLACEMENT RESERVE EXPENSES</b>					
Storage facilities	-	-	13,320	13,320	-
Community planters	-	-	1,590	1,590	-
	<u>-</u>	<u>-</u>	<u>14,910</u>	<u>14,910</u>	<u>-</u>
	<u>\$ 429,691</u>	<u>\$ 463,268</u>	<u>\$ 14,910</u>	<u>\$ 478,178</u>	<u>\$ 362,175</u>