

Uplands of MacTaggart Homeowners Association Ltd.

Financial Statements

December 31, 2019



MICHAEL WILDE, CA
CHARTERED PROFESSIONAL ACCOUNTANT
PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To: The Members of
Uplands of MacTaggart Homeowners Association Ltd.

Opinion

I have audited the financial statements of **Uplands of MacTaggart Homeowners Association Ltd.**, which comprise the statement of financial position as at December 31, 2019, and the statements of operations 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

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

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:

INDEPENDENT AUDITOR'S REPORT, continued

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 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 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 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.


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

INDEPENDENT AUDITOR'S REPORT, continued

deficiencies in internal control that I identify during my audit.

Edmonton, Alberta
June 26, 2020

Michael Wilde Professional Corporation
Chartered Professional Accountant



Uplands of MacTaggart Homeowners Association Ltd.

Statement of Financial Position
December 31, 2019

	<u>2019</u>	<u>2018</u>
Assets		
Current		
Cash	\$ 52,373	\$ 46,909
Accounts receivable	28,094	24,474
Interest receivable	2,806	-
Prepaid expenses	700	-
Encumbrance (note 4)	1	1
	\$ 83,974	\$ 71,384
Liability and fund balances		
Current		
Accounts payable and accrued liabilities	\$ 5,686	\$ 2,916
Net assets	78,288	68,468
	\$ 83,974	\$ 71,384

ON BEHALF OF THE BOARD

Director _____

Director _____

See accompanying notes

Uplands of MacTaggart Homeowners Association Ltd.

Statement of Operations and Changes in Net Assets For the year ended December 31, 2019

	2019	2018
Revenues		
Homeowner fees	\$ 40,800	\$ 19,750
Service fee income	2,564	7,364
Interest income	294	105
	<hr/> 43,658	<hr/> 27,219
Expenditures		
Landscaping	27,918	-
Accounting fees	3,714	2,969
Office	1,324	806
Bad debts	513	1,425
Insurance	196	757
Interest and bank charges	163	72
Fee collection	10	1,368
	<hr/> 33,838	<hr/> 7,397
Excess of revenues over expenditures	9,820	19,822
Balance, beginning of year	68,468	48,646
Balance, end of year	\$ 78,288	\$ 68,468

See accompanying notes

Uplands of MacTaggart Homeowners Association Ltd.

Statement of Cash Flows December 31, 2019

	2019	2018
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 9,820	\$ 19,822
Change in non-cash working capital items		
Accounts receivable	(3,620)	5,546
Interest receivable	(2,806)	-
Prepaid expenses	(700)	-
Accounts payable and accrued liabilities	2,770	260
Change in cash position	5,464	25,628
Cash, beginning of year	46,909	21,281
Cash, end of year	\$ 52,373	\$ 46,909

See accompanying notes

Uplands of MacTaggart Homeowners Association Ltd.

Notes to the Financial Statements
December 31, 2019

1. **Nature of operations**

Uplands of MacTaggart Homeowners Association Ltd. (the association) was incorporated on November 16, 2006 under the Societies Act of Alberta and is not subject to income tax under Paragraph 149(1)(l) of the Canadian Income Tax Act. The association was formed to provide the opportunity to enhance and augment the level of maintenance within the community.

2. **Basis of presentation**

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

3. **Significant accounting policies**

(a) **Revenue recognition**

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

(b) **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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Uplands of MacTaggart Homeowners Association Ltd.

Notes to the Financial Statements
December 31, 2019

3. Significant accounting policies, continued

(c) Contributed services

Directors, committee members and members volunteer their time to assist in the association's activities. While these services benefit the association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(d) Cash and cash equivalents

Cash represents cash on hand and cash in the bank.

(e) Financial instrument classification

Measurement:

Financial instruments are recorded at fair value when acquired or issued, except for certain non-arms length transactions. The association subsequently measures its financial instruments at fair value, cost and amortized cost. Investments in equity instruments that are quoted in an active market are measured at fair value based on settlement date.

Financial instruments measured at fair value include cash.

Financial instruments measured at amortized cost include accounts receivable and accounts payable and accrued liabilities.

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may reversed to the extent of the improvement, directly or by adjusting an allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs:

Transaction costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost.

Uplands of MacTaggart Homeowners Association Ltd.

Notes to the Financial Statements
December 31, 2019

4. **Encumbrance**

An encumbrance has been registered against each land title (by the original owner) within the development area ensuring that all property owners are obligated to the association. This encumbrance allows for the collection of annual fees from the lots registered under the encumbrance. An elected Board of Directors from the association will determine the maintenance program associated fees, if any, to be implemented. The encumbrance has been in effect since January 1, 2008.

5. **Deferred contributions**

Deferred contributions represent homeowner fees received in the current or prior periods which related to subsequent fiscal years. There are no deferred contributions at this time.

6. **Financial instruments**

The association is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

The association is exposed to interest rate risk arising from its cash and cash equivalents. The association does not use derivative investments to reduce exposure to this risk.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from members. However, the association has a significant number of members which minimizes concentration of credit risk.

7. **Comparative amounts**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.



MICHAEL WILDE, CA
CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION

December-31-19

FILE COPY

Uplands of MacTaggart Homeowners Association Ltd.

PO Box 36506 MacTaggart PO
Edmonton, AB
T6R 0T4

Dear Bob:

The Objective and Scope of the Audit

You have requested that we audit the financial statements of Uplands of MacTaggart Homeowners Association Ltd., which comprise the statement of financial position as at December-31-19, and the statements of operations 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).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit 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.

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a) 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.
- b) 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit

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TELE: 780.496.9332 FAX: 780.496.9319 EMAIL: MICHAEL@MWPC.CA

- of the financial statements that we have identified during the audit.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) 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 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.
 - e) 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").
- b) For the design and implementation of 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.
- c) To provide us with timely:
 - i) Access to all information of which management is aware that is relevant to the preparation of the financial statements (such as records, documentation and other matters);
 - ii) Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of noncompliance with legislative or regulatory requirements;
 - iii) Additional information that we may request from management for the purpose of the audit; and
 - iv) Unrestricted access to persons within Uplands of MacTaggart Homeowners Association Ltd. from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

- a) We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management and, where appropriate, those charged with governance written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b) We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT AUDITORS' REPORT

To the Members of:
Uplands of MacTaggart Homeowners Association Ltd.

Opinion

We have audited the financial statements of Uplands of MacTaggart Homeowners Association Ltd. (the association), which comprise the statement of financial position as at December 31, 2019, and the statements of operations 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, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

In common with many not-for-profit organizations, the association derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the association. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2019 and December 31, 2018, current assets and net assets as at December 31, 2019 and December 31, 2018. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the association 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 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.

Auditors' 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 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.

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
December 31, 2019

Chartered Accountant

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Uplands of MacTaggart Homeowners Association Ltd. unless:

- a) We have been specifically authorized with prior consent;
- b) We have been ordered or expressly authorized by law or by the Code of Professional Conduct; or
- c) The information requested is (or enters into) public domain.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b) We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Uplands of MacTaggart Homeowners Association Ltd. and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Uplands of MacTaggart Homeowners Association Ltd.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Uplands of MacTaggart Homeowners Association Ltd.) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may periodically be reviewed by practice inspectors, the Canadian Public Accountability Board (CPAB) and by other engagement file reviewers to ensure that we are adhering to our professional and firm's standards. File reviewers are required to maintain confidentiality of client information.

Accounting Advice

Except as outlined in this letter, the Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Alberta. The Province of Alberta will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

Uplands of MacTaggart Homeowners Association Ltd. hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents or employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a) The breach by Uplands of MacTaggart Homeowners Association Ltd., or its directors, officers, agents or employees, of any of the covenants or obligations of Uplands of MacTaggart Homeowners Association Ltd. herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) A misrepresentation by a member of your management or board of directors.
- c) The client will not assert any claim for damages against our firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our firm.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including the untimely performance by Uplands of MacTaggart Homeowners Association Ltd. of its obligations.

Fees

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable taxes, and are due when rendered. Fees for any additional services will be established separately.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 30 calendar days before the effective date of termination. If early termination takes place, Uplands of MacTaggart Homeowners Association Ltd. shall be responsible for all time and expenses incurred up to the termination date and all costs in terminating any agreement with any specialist or other third party retained by us in connection with this Engagement.

If we are unable to complete the engagement or are unable to come to a form, or have not formed, an opinion on the financial statements, we may withdraw from the audit before issuing an audit's report, or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide details.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable taxes) incurred.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Other Terms of Engagement

Subject to management review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the financial statements, prepare the necessary federal and provincial income tax returns, and prepare any special reports as required. Management will provide the information necessary to complete the returns / reports and will file them with the appropriate authorities on a timely basis.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your association.

Sincerely,
Michael Wilde Professional Corporation



Michael Wilde, CA

Acknowledged and agreed on behalf of Uplands of MacTaggart Homeowners Association Ltd. by:

Per: X _____
Bob Montgomery, President

Date: December 31, 2019

August 4, 2020

Michael Wilde Professional Corporation
5316 - 89 Street
Edmonton, Alberta T6E 5P9

FILE COPY

Dear Sir:

This representation letter is provided in connection with your audit of the financial statements of Uplands of MacTaggart Homeowners Association Ltd. for the year ended December 31, 2019, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 31, 2019, for:

- a) Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b) Providing you with:
 - i) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A) Accounting records, supporting data and other relevant documentation,
 - B) Minutes of meetings (such as members, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C) Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii) Additional information that you have requested from ourselves for the purpose of the audit; and
 - iii) Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non-Compliance

We have disclosed to you:

- a) All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i) Management;
 - ii) Employees who have significant roles in internal control; or
 - iii) Others where the fraud could have a material effect on the financial statements;
- b) All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c) All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d) All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e) The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

We believe the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Sincerely,



Bob Montgomery, President
Uplands of MacTaggart Homeowners Association Ltd.



MICHAEL WILDE, CA
CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION

December 31, 2019

The Board of Directors
Uplands of MacTaggart Homeowners Association Ltd.
PO Box 36506 MacTaggart PO
Edmonton, AB
T6R 0T4

Dear Board of Directors Members:

This letter has been prepared to assist you with your review of the financial statements of Uplands of MacTaggart Homeowners Association Ltd. for the year ended December 31, 2019. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management;

Once these items have been completed, we will date and sign our independent auditors' report.

Significant Risks

No significant risks were identified during the engagement.

Significant Matters Arising

Changes to Audit Plan

There were no changes to the audit plan (as previously presented to you).

Other Matters

We have not identified any other significant matters that we wish to bring to your attention at this time.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 3 to the financial statements.

- There were no significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies

Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Uplands of MacTaggart Homeowners Association Ltd. to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

To ensure there is a clear understanding and record of the matters discussed, we ask that members of the board sign their acknowledgement in the spaces provided below. Should any member of the board wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Sincerely,
Michael Wilde Professional Corporation



Michael Wilde, CA

Acknowledgement of Board of Directors:
We have read and reviewed the above disclosures and understand and agree with the comments therein:

Per: X Title: DIRECTOR Date: December 31, 2019

Per: _____ Title: _____ Date: December 31, 2019



MICHAEL WILDE, CA
CHARTERED PROFESSIONAL ACCOUNTANT
PROFESSIONAL CORPORATION

May 22, 2020
Mr. Ken Jocksch

Uplands of MacTaggart Homeowners Association Ltd.
PO Box 36506 MacTaggart PO
Edmonton, AB
T6R 0T4

To professional services as follows:

- a) Preparation of 2019 audited Financial Statements
- b) Adjusting entries, as required

Professional Fees, above	\$ 2,675.00
GST (Reg. 86273 0298 RT 0001)	<u>133.75</u>
Total Due	<u>\$ 2,808.75</u>