

**CASTLE KEEP RESIDENTS' ASSOCIATION**  
**Financial Statements**  
**Year Ended May 31, 2025**

**CASTLE KEEP RESIDENTS' ASSOCIATION**  
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**Year Ended May 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Castle Keep Residents' Association

### *Opinion*

We have audited the financial statements of Castle Keep Residents' Association (the Association), which comprise the statement of financial position as at May 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at May 31, 2025, and the results of its operations and its cash flows 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 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

### *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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating 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*

(continues)

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.
- 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.

*Hans Cremers*



Calgary, Alberta  
September 3, 2025

C&E LLP Chartered Professional Accountants

**CASTLE KEEP RESIDENTS' ASSOCIATION**  
**Statement of Financial Position**  
**May 31, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 108,689	\$ 102,353
Accounts receivable	2,301	998
Goods and services tax recoverable	2,939	-
Prepaid expenses	1,858	1,992
<b>TOTAL ASSETS</b>	<b>\$ 115,787</b>	<b>\$ 105,343</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 16,893	\$ 10,122
Prepaid HOA fees	35,291	29,211
<b>TOTAL LIABILITIES</b>	<b>52,184</b>	<b>39,333</b>
<b>NET ASSETS (Note 2)</b>	<b>63,603</b>	<b>66,010</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 115,787</b>	<b>\$ 105,343</b>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
  
 \_\_\_\_\_ Director

**CASTLE KEEP RESIDENTS' ASSOCIATION**  
**Statement of Revenues and Expenditures and Changes in Net Assets**  
**Year Ended May 31, 2025**

	Budget 2025	2025	Total 2024
<b>REVENUES</b>			
HOA fees	\$ 57,730	\$ 57,730	\$ 49,949
Interest and other income	1,000	5,344	5,117
	<u>58,730</u>	<u>63,074</u>	<u>55,066</u>
<b>EXPENSES</b>			
Landscaping and snow removal	34,805	35,712	33,120
Management fees	12,600	12,250	12,600
Office and bank charges	2,575	3,426	2,246
Insurance	2,000	1,845	1,823
Repairs and maintenance	2,000	7,886	1,670
Audit and legal fees	1,650	2,194	1,495
Utilities	2,000	1,188	1,567
Seasonal lighting	1,100	980	1,028
	<u>58,730</u>	<u>65,481</u>	<u>55,549</u>
<b>NET (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	-	(2,407)	(483)
<b>NET ASSETS - BEGINNING OF YEAR</b>	-	66,010	66,493
<b>NET ASSETS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 63,603</u>	<u>\$ 66,010</u>

**CASTLE KEEP RESIDENTS' ASSOCIATION****Statement of Cash Flows****Year Ended May 31, 2025**

	2025	2024
<b>FUND ACTIVITIES</b>		
(Deficiency) of revenues over expenses	\$ (2,407)	\$ (483)
Changes in non-cash working capital:		
Accounts receivable	(1,303)	(284)
Accounts payable	6,771	5,227
Prepaid expenses	134	(22)
Goods and services tax payable	(2,939)	-
Prepaid HOA fees	6,080	4,492
	<u>8,743</u>	<u>9,413</u>
<b>INCREASE IN CASH FLOW</b>	6,336	8,930
Cash - beginning of year	<u>102,353</u>	<u>93,423</u>
<b>CASH - END OF YEAR</b>	<u>\$ 108,689</u>	<u>\$ 102,353</u>

# CASTLE KEEP RESIDENTS' ASSOCIATION

## Notes to Financial Statements

Year Ended May 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 non-profit organization and the common area assets of the Association are owned proportionately by the owners of the units and as such are not reflected as assets in these financial statements. The purpose of the Association is to manage the common area assets and to maintain and provide services with respect to the day to day operations of the Association.

The financial statements include only assets, liabilities, revenues and expenses relating to the operations of Castle Keep Residents Association. The statements do not include the cost of land or buildings and the outstanding principal balances owing on mortgages, which are the responsibility of the owners.

The Association is a tax exempt organization for income tax purposes and has therefore made no provisions for income taxes on 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 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 method of accounting for contributions.

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

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# CASTLE KEEP RESIDENTS' ASSOCIATION

## Notes to Financial Statements

Year Ended May 31, 2025

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

#### Revenue Recognition

The Association recognizes association fee assessments related to general operations as revenue of the operating fund as billed to the owners. Billings for the association fees consist of charges based on approved budgets. All expenses are recognized as they are incurred.

#### Contributed Services and Materials

Volunteer services and materials contributed on behalf of the 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.

#### 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.

#### Capital assets

Capital assets are recorded as expenses in the year they are acquired.

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### 3. 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 May 31, 2025.

#### 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. The 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.

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# CASTLE KEEP RESIDENTS' ASSOCIATION

## Notes to Financial Statements

Year Ended May 31, 2025

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### 3. FINANCIAL INSTRUMENTS *(continued)*

#### 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 three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

#### 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 Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its reserve fund investments.

#### Risk Management

The 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 Association's expectation to hold its investments to maturity, its cash flows are exposed to minimal interest rate and liquidity risk. The Association has the power to place caveats on titles which significantly mitigates credit risk.

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### 4. 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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