



JAGARE RIDGE HOMEOWNERS ASSOCIATION ANNUAL GENERAL MEETING 2022

CONTENTS

1. Notice of Annual General Meeting
2. Information Circular
3. Proxy
4. 2020 AGM Minutes
5. President's Report
6. Audited Financial Package



NOTICE OF THE JAGARE RIDGE HOMEOWNERS ASSOCIATION

2022 ANNUAL GENERAL MEETING OF MEMBERS

Please take notice that the 2022 Annual General Meeting of the Members of the **JAGARE RIDGE HOMEOWNERS ASSOCIATION** (the "Society"), will be held online via **Zoom Meeting** on **Tuesday April 19, 2022 at 6:30 PM (MST)** for the following purposes:

- 1) To receive the Report of the President of the Company;
- 2) To receive the audited Financial Statements for the fiscal year ended December 31, 2020 and December 31, 2021;
- 3) To establish the number of Directors to hold office until the next Annual General Meeting and elect such Directors;
 - Members are asked to fix the number of directors to be elected at the Meeting at 7 and elect directors for the next year. Information respecting the election of directors may be found on the Information Circular.
- 4) To appoint an Auditor of the Company;
 - Members are asked to appoint Colby Steckly as the Society's auditors and remuneration to be fixed by the directors. Information respecting the appointment of Colby Steckly may be found under the heading "Appointment of Auditors" in the Circular.
- 5) To transact such other business as may properly come before the Meeting or any adjournment thereof.

THIS NOTICE SHOULD BE READ IN CONJUNCTION WITH THE INFORMATION CIRCULAR ACCOMPANYING THIS NOTICE.

Dated at Edmonton, Alberta this 21st day of March, 2022

BY ORDER OF THE BOARD OF DIRECTORS

ALEX PETROSKY, President

TO ALL MEMBERS:

PLEASE COMPLETE THE ACCOMPANYING PROXY FORM AND RETURN AS INDICATED IN THE INSTRUCTIONS FOR PROXY FORMS INCLUDED IN THIS PACKAGE.

PLEASE VOTE IN ADVANCE – THERE WILL BE NO ATTENDANCE OR VOTE AT THE AGM

JAGARE RIDGE HOMEOWNERS ASSOCIATION 2022 INFORMATION CIRCULAR
GENERAL INFORMATION & PROXY STATEMENT



SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by management of the JAGARE RIDGE HOMEOWNERS ASSOCIATION (the "Society") for use at the Annual General Meeting (the "Meeting") of Members of the Society to be held online via **Zoom Meeting, on Tuesday, April 19, 2022 at 6:30 PM (SHARP)**. All expenses incurred in connection with the solicitation of proxies will be borne by the Society. Solicitation will be made primarily by mail, but proxies may also be solicited by Directors, officers and employees of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Each Member entitled to vote at the Meeting may, by means of a form of proxy in writing executed by the Member or his attorney, authorized in writing, appoint a proxy to attend and vote on his/her behalf at the Meeting. In order to be acted upon at the Meeting, a form of proxy must be returned as indicated in the INSTRUCTIONS FOR PROXY FORMS included in this package. A Member may revoke a form of proxy previously given by returning another proper form of proxy bearing a later date than the previously given form of proxy as indicated in the INSTRUCTIONS FOR PROXY FORMS included in this package.

EXERCISE OF DISCRETION BY PROXY

Proxies will be voted or withheld from voting in accordance with the Member's instructions contained therein. The form of Proxy also confers authority on the persons named therein to vote with respect to any other matters which may properly be brought before the Meeting. At the date hereof, management knows of no other such matters.

VOTING BY MEMBERS

Only Members of record in good standing at the close of business on April 18, 2022 are entitled to vote at the Meeting, each Member being entitled to one (1) vote. Members are defined in the Articles of Association (the "Articles") of the Society as restricted to Homeowners and Rental Project Owners.

Where there is more than one owner of a property, there shall be only one Member who shall be the person designated as the Member by all the owners of the property. In the absence of such designation, the first person named as owner in the Certificate of Title or as Purchaser in an Agreement for Sale, shall be the Member.

Where a residential property is occupied by a tenant, such tenant may be designated as the Member by and instead of the owner of such property. Where a rental project is involved, the registered owner shall be the Member and notwithstanding how many tenants are residing in the rental project, it shall have only one (1) vote.

As at the close of business on **March 17, 2022** the Society had **292** members in good standing. In addition, there are **4,550** votes in respect of lots registered in the name of Jagare Ridge Communities Inc.

ELECTION OF DIRECTORS

At the Meeting, it is proposed that the total number of Directors for the Society be established as no more than **seven (7)** until the next Annual General Meeting. Pursuant to the Articles of the Society, Melcor, on behalf of Jagare Ridge Communities Inc. is entitled to appoint up to **three (3)** Directors with the remaining Resident Directors elected at the Meeting. The following persons are the current Directors of the Society:

NAME
Triona Cosgrave (Melcor)
Tanya Eklund (Melcor)
Alex Petrosky (Melcor)
Sheron Jonzon (Res. Director)
Brent Penner (Res. Director)
Bill Pechtel (Res. Director)
Brian Gerdes (Res. Director)

It is proposed that four (4) resident Members be elected at the AGM in accordance with the Articles of Association.

**JAGARE RIDGE HOMEOWNERS ASSOCIATION 2022 INFORMATION CIRCULAR
GENERAL INFORMATION & PROXY STATEMENT**



Individuals should be aware of the fiduciary responsibilities of a Director generally, as well as the specific limitation of the power of Directors of the Society in respect of Melcor's management contract. Members interested in standing for election at the meeting are invited to contact Core Real Estate Group in advance of the meeting at info@coremanagement.ca.

The term of office for each person is a one-year term and shall be from the date of the Meeting until the next Annual General Meeting of Members or until his/her successor is elected or appointed.

DIRECTORS COMPENSATION - Nil
PENSION PLAN - Nil
EXECUTIVE COMPENSATION AND PLANS - Nil
INCENTIVE SHARE OPTION PLAN FOR OFFICERS AND KEY EMPLOYEES - Nil

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

The three (3) Melcor appointed Directors are employees of Melcor, who on behalf of Jagare Ridge Communities Inc., work in conjunction with Core Real Estate Group ("Core") to operate the Jagare Ridge Homeowners Association. Core Real Estate Group provides professional maintenance of community amenities, diligent approval of the operating budget and timely response to resident concerns and suggestions.

APPOINTMENT OF AUDITORS

Management proposes that Colby Steckly Chartered Accountants be appointed as Auditor of the Society and that the Directors be authorized to approve their remuneration.

CERTIFICATE

The foregoing contains no misstatement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY THE ORDER OF THE BOARD OF DIRECTORS



ALEX PETROSKY, President

The management of the Society knows of no amendment, variation or other matters to come before the Annual General Meeting of Members other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgement of the person or persons voting such proxy.

BY THE ORDER OF THE BOARD OF DIRECTORS



ALEX PETROSKY, President



**JAGARE RIDGE HOMEOWNERS ASSOCIATION
PROXY FORM & SUBMISSION INFORMATION
2022 ANNUAL GENERAL MEETING OF MEMBERS
Tuesday, April 19, 2022 at 6:30 PM**

This form should be signed by the Member or his attorney, authorized in writing, and if the Member is a corporation, this form of proxy should be signed by a duly authorized officer under corporate seal.

RETURN PROXIES NO LATER THAN AT CLOSE OF BUSINESS (4:00 P.M.) ON MONDAY APRIL 18, 2022

INSTRUCTIONS FOR PROXY FORMS

Appointment and Revocation of Proxies

The completed proxy should be submitted to the address indicated below in time to reach such address not less than twenty-four (24) hours (excluding Saturdays, Sundays and Holidays) before the time of the Meeting:

**Mail to: Core Real Estate Group
Suite 1250, 5555 – Calgary Trail, Edmonton, AB T6H 5P9
Attention: Jagare Ridge Homeowners Association**

or e-mail this completed form to info@coremanagement.ca

**All proxies must be in writing, signed by the Member and returned no later than at close of business
Monday, April 18, 2022.**

A Member who has given a proxy may revoke it any time before it is exercised. A proxy may be revoked by instrument in writing or, if the Member is a corporation, by an officer or attorney thereof duly authorized, and delivered as indicated above, at any time up to and including the last business day preceding the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting and Exercise of Discretion by Proxies

The persons named in the form of proxy will vote the Membership in respect of which they are appointed in accordance with the instructions indicated therein.

Meeting Information & Materials can be viewed online at www.jagareridgehoa.com and Members with questions about access can contact Core Real Estate Group at info@coremanagement.ca

Members interested in standing for election at the meeting are invited to contact Core Real Estate Group in advance of the meeting at info@coremanagement.ca

TO ALL MEMBERS:

PLEASE COMPLETE THE ACCOMPANYING PROXY FORM AND RETURN AS INDICATED IN THE INSTRUCTIONS

PLEASE VOTE IN ADVANCE – THERE WILL BE NO ATTENDANCE OR VOTE AT THE AGM



**JAGARE RIDGE HOMEOWNERS ASSOCIATION
PROXY FORM & SUBMISSION INFORMATION
2022 ANNUAL GENERAL MEETING OF MEMBERS
Tuesday, April 19, 2022 at 6:30 PM**

PROXY SOLICITED BY MANAGEMENT

The undersigned Member of the JAGARE RIDGE HOMEOWNERS ASSOCIATION (the "Society") hereby appoints **Alex Petrosky** or failing him, _____, as proxy to attend and vote on behalf of the undersigned at the Annual General Meeting of Members and at any adjournment thereof and my proxy is instructed to vote:

1) **FOR** _____ **OR AGAINST** _____ (and if no specification is made, FOR)

The setting of the total number of Directors for the Company until the next Annual General Meeting at seven (7) composed of four (4) Resident Directors to be elected at this Meeting and three (3) Melcor appointees.

2) **FOR** _____ **OR AGAINST** _____ the election of the following resident(s) as Directors, for a one-year term, in accordance with their nomination: **Please mark a maximum of four (4) candidates.**

NAME OF NOMINEES	FOR	AGAINST
Sheron Jonzon		
Brent Penner		
Brian Gerdes		
Bill Pechtcl		
Terry Carlyle		

3) **FOR** _____ **OR AGAINST** _____ (and if no specification is made, FOR)

That Colby Steckly Chartered Accountants be appointed as Auditor of the Company for the 2022 fiscal year.

4) And in his/her discretion with respect to any amendments, variations or additions with respect to any of the matters noted above or with respect to any other matter which may properly be brought before the Meeting or any adjournment thereof.

DATED this _____ day of _____, 2022.

Member's Name (Please Print)

Member Signature

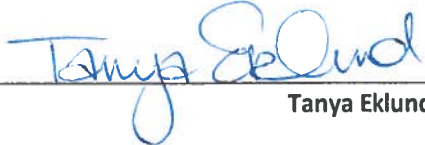
Member Address (*required)



Jagare Ridge Homeowners Association
October 15th 2020 @ 6:00pm
Virtual Zoom Meeting
AGM Meeting Minutes

1. President of the Board of Directors, Alex Petrosky stated due to the covid 19 pandemic Alberta Corporate Registries has confirmed that Non-Profit Organizations, of which homeowners associations fall under, has permission to hold a remote meeting due to COVID-19. The 2020 Jagare Ridge HOA AGM format this year will be online only. There is no in person meeting and all voting was held in advance with Sheron Jonzon & Brent Penner acting as motioner and seconder.
2. President of the Board of Directors, Alex Petrosky acted as Chairperson of the meeting and The Annual General Meeting was called to Order at 6:07 p.m.
3. The Chairperson stated Tanya Eklund will act as Secretary of the meeting.
4. The Chairperson stated Triona Cosgrave will act as Scrutineer for the meeting.
5. The Chairperson stated that unless otherwise specified, all issues and Resolutions to be approved by the Voting Members are by way of ordinary resolution, which requires the majority of the Voting Members present in person or by proxy, voting in favour.
6. The Chairperson asked for a motion dispensing with reading of the Notice calling the meeting. Sheron Jonzon so moved. Brent Penner seconded the motion. The Chairperson declared the motion carried.
7. The Secretary Tanya Eklund provided proper proof of mailing the Notice of the Meeting to the Members.
8. The Chairperson then stated that Pursuant to the Articles of Association of the Association, A quorum for the Annual General Meeting of the Association shall be the attendance of Five (5) or more persons collectively entitled to cast Five (5) or more votes. The Chairperson asked the Scrutineer for her report. The Scrutineer Triona Cosgrave reported that there were 2,434 Voting Members represented by proxy. Specifically, there were 2,400 votes, in respect of lots registered in the name of Jagare Ridge Communities Inc. and 34 represented by proxy.
9. The Chairperson declared the meeting to be duly called and properly constituted for business.
10. The Chairman asked for a motion to dispense with reading of the Presidents' Report for the January 1st to December 31st 2020, also appended to the Notice of Meeting and Information Circular. Sheron Jonzon moved that the reading of the Director's Report be dispensed with. Brent Penner seconded the motion. The Chairperson declared the motion carried.
11. The Chairman asked for a motion to dispense with presentation of the financial statements for the period ending December 31, 2019 and related auditors report., also appended to the Notice of Meeting and Information Circular. Sheron Jonzon moved that the presentation of the financial statements be dispensed with. Brent Penner seconded the motion. The Chairperson declared the motion carried.
12. The Chairperson indicated that the next item of business was the election of Directors. The Chairperson stated that seven (7) Directors be elected and serve until the next Annual General Meeting of the Association. The Chairperson asked for a motion to this effect. Sheron Jonzon moved that up to seven (7) Directors be elected to serve until the next Annual General Meeting of the Association. Brent Penner seconded the motion. The Chairperson declared the motion carried.

13. The Chairperson stated that Jagare Ridge Communities Inc. will be using their votes to nominate three (3) Directors and wish to appoint Alex Petrosky as President, Triona Cosgrave as Vice-President and Tanya Eklund as Secretary/Treasurer to the Company's Board of Directors to serve until the turnover of Management. The proxy has been cast in their favor.
14. The Chairperson stated that persons The Chairperson stated that the Following seven (7) members put their names forward to be nominated to serve as Resident directors on the board of directors:
 1. **Victor Cui**
 2. **Terry D. Carlyle**
 3. **Sheron Jonzon**
 4. **Kevin O'Neil**
 5. **Brent Penner**
 6. **Brian Gerdes**
 7. **Bill Pechtcl**
15. The Chairperson declared that we have received sufficient proxies to individually elect the following nominees to serve as Directors on the Jagare Ridge Homeowners Association Board of Directors for a one-year term, or until their successors are elected or appointed are as follows:
 1. **Sheron Jonzon**
 2. **Brent Penner**
 3. **Brian Gerdes**
 4. **Bill Pechtcl**
16. The Chairperson then asked for a motion to elect as Directors, the persons nominated, to hold office for a one-year term or until their successors are elected or appointed. Sheron Jonzon so moved. Brent Penner seconded the motion. The Chairperson declared the motion carried.
17. The Chairperson then stated that the next item on the Agenda was the appointment of the Auditor. The Chairperson asked for a motion that the Board of Directors appoint Colby Steckly Chartered Accountants as Auditor for the fiscal period ending December 31, 2020, and that the Directors be authorized to fix remuneration. Sheron Jonzon so moved. Brent Penner seconded the motion. The Chairperson declared the motion carried.
18. The Chairperson then asked if there was any further business to transact at the Annual General Meeting of the Association. There was none.
19. The Chairperson then asked for a motion to terminate the meeting.
20. At 6:15 p.m. Sheron Jonzon moved that the meeting be terminated. Brent Penner seconded the motion. The Chairperson declared the motion carried, and the meeting adjourned.



Tanya Eklund Secretary



**Jagare Ridge Homeowners Association
President's Report
Covering the Period of Operation January 2021 - December 2021**

The Jagare Ridge Homeowners Association (JRHOA) was incorporated as a non-profit society in November 2012, registered under the Societies Act of Alberta.

The purpose of the Association is to maintain for the benefit of the members various subdivision features and amenities within the Jagare Ridge Development. The JRHOA is currently managed and administered by Melcor Developments Ltd. on behalf of Jagare Ridge Communities Inc. The Board of Directors currently consists of three (3) Melcor Developments appointed Directors, who hold officer positions, representing Jagare Ridge Communities Inc. and four (4) resident members of the community. The Board will meet quarterly to ensure policies are properly set and Rules & Regulations are legislated and to be the voice of residents for JRHOA related issues.

Financial

The Jagare Ridge Homeowners Association collects annual fees from its members by way of a Rent Charge Encumbrance registered on each lot title in Jagare Ridge.

After careful review of the 2022 operating budget, the JRHOA Board of Directors approved the 2022 fees be set at \$375 per standard lot. Fees were invoiced in December 2021 for the 2022 Fiscal year. The Fiscal year is January 1st to December 31st.

A copy of the 2022 Operating Budget is available for review online at www.jagareridgehoa.com or upon request at info@coremanagement.ca. The enclosed Audited Financial Statements are prepared up to December 31st 2020 and 2021.

Appointment of Auditor

The Board of Directors proposes to appoint Colby Steckly Chartered Accountants as Auditor for the company for the 2022 Fiscal Year.

Summary

We were very pleased with the turnout of residents at our 2019 AGM held on September 16, 2019. Four new resident directors were elected by members of the community and have worked alongside Melcor to manage the JRHOA. We would like to thank and acknowledge the governance and the commitment from our volunteer resident Directors during their terms and look forward to working with the elected directors during the development of the Jagare Ridge Community. The Management of the JRHOA will be completely turned over when the community is built out and Melcor recently engaged Core Real Estate Group to manage the community until then. Per Bill 53, a Society now has permission to hold an electronic meeting. As such, our AGM format this year will be online only.

Meeting Information & Materials can be viewed online at <https://www.jagareridgehoa.com/> and Members with questions about access can contact Core at info@coremanagement.ca.

Respectfully submitted March 28, 2022

ALEX PETROSKY	TRIONA COSGRAVE	TANYA EKLUND	SHERON JONZON	BRIAN GERDES	BILL PECHTEL	BRENT PENNER
President & Melcor Director	Vice-President & Melcor Director	Secretary-Treasurer & Melcor Director	Resident Director	Resident Director	Resident Director	Resident Director

Signed: _____

Alex Petrosky

JAGARE RIDGE HOMEOWNERS ASSOCIATION
Financial Statements
For the Year Ended December 31, 2021



JAGARE RIDGE HOMEOWNERS ASSOCIATION
Index to Financial Statements
For the Year Ended December 31, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



COLBY•STECKLY
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Jagare Ridge Homeowners Association

Opinion

We have audited the financial statements of Jagare Ridge Homeowners Association (the Association), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, 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, 2021, 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 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 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.

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.

(continues)

Independent Auditor's Report to the Members of Jagare Ridge Homeowners Association *(continued)*

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.

Edmonton, Alberta
March 17, 2022


CHARTERED PROFESSIONAL ACCOUNTANTS



JAGARE RIDGE HOMEOWNERS ASSOCIATION

Statement of Financial Position

As at December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 32,786	\$ 76,155
Accounts receivable (Note 3)	1,560	21,675
Planter deposit	6,975	-
	<u>\$ 41,321</u>	<u>\$ 97,830</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 24,786	\$ 48,769
Goods and services tax payable	118	2,983
Prepaid membership fees	773	-
Related party note payable (Note 5)	-	20,000
	<u>25,677</u>	<u>71,752</u>
NET ASSETS	<u>15,644</u>	<u>26,078</u>
	<u>\$ 41,321</u>	<u>\$ 97,830</u>

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

See notes to financial statements

JAGARE RIDGE HOMEOWNERS ASSOCIATION
Statement of Revenues and Expenditures
For the Year Ended December 31, 2021

	2021	2020
REVENUE		
Convenience fees	\$ 957	\$ 588
Membership fees	80,829	75,781
Multifamily membership fees	21,420	21,420
	<u>103,206</u>	<u>97,789</u>
EXPENSES		
Administration/management fees	25,100	24,000
Annual planting	15,250	-
Bank charges and merchant fees	1,417	911
Office supplies	1,517	2,317
Professional fees	4,000	4,000
Repairs and maintenance	46,616	23,134
Seasonal lighting	1,508	-
Website administration	4,331	4,425
Community events	-	106
Utilities	14,193	11,678
	<u>113,932</u>	<u>70,571</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(10,726)	27,218
OTHER INCOME		
Interest income	292	753
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (10,434)	\$ 27,971

Statement of Changes in Net Assets
For the Year Ended December 31, 2021

	2021	2020 <i>Restated</i>
NET ASSETS - BEGINNING OF YEAR	\$ 26,078	\$ (1,893)
DEFICIENCY OF REVENUE OVER EXPENSES	(10,434)	27,971
NET ASSETS - END OF YEAR	\$ 15,644	\$ 26,078

See notes to financial statements

JAGARE RIDGE HOMEOWNERS ASSOCIATION

Statement of Cash Flows

For the Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from members	\$ 124,094	\$ 97,015
Cash paid to vendors	(144,891)	(38,654)
Interest received	292	753
Goods and services tax	(2,864)	745
	<hr/>	<hr/>
Cash flow from (used by) operating activities	(23,369)	59,859
FINANCING ACTIVITY		
(Repayment) of note payable	(20,000)	-
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH FLOW	(43,369)	59,859
Cash - beginning of year	76,155	16,296
	<hr/>	<hr/>
CASH - END OF YEAR	\$ 32,786	\$ 76,155

See notes to financial statements

JAGARE RIDGE HOMEOWNERS ASSOCIATION

Notes to Financial Statements

For the Year Ended December 31, 2021

1. PURPOSE OF THE ASSOCIATION

Jagare Ridge Homeowners Association (the "Association") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. Management has determined that they are exempt from the payment of income tax under Section 149 (1) of the Income Tax Act.

The Association exists to maintain the community's features and amenities. The Association is managed by Melcor Developments Ltd. ("Melcor"), and is governed by a Board of Directors, constituted, appointed and elected pursuant to the By-Laws of the Association. The Association commenced operations in 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash consists of balances held in the financial institution.

Use of estimates

The preparation of financial statements in accordance with ASNFO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Accounts specifically affected by estimates in these financial statements are accounts receivable, accounts payable, and accrued liabilities.

Revenue recognition

Jagare Ridge Homeowners Association follows the deferral method of accounting for membership fees.

Unrestricted contributions and membership fees are recognized as revenue in the year they relate to. The amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Convenience fees are recognized when they are earned which is at the time of payment of membership fees.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

JAGARE RIDGE HOMEOWNERS ASSOCIATION

Notes to Financial Statements

For the Year Ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

3. ACCOUNTS RECEIVABLE

	2021	2020
Melcor Developments contribution for maintenance	\$ -	\$ 19,425
Jagare Ridge communities contribution for utilities	-	1,785
Home owners association fee	906	465
	<u>\$ 906</u>	<u>\$ 21,675</u>

4. 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 December 31, 2021.

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 customers. In order to reduce its credit risk, the Association has implemented a firm collections policy and contracts an arm's length third-party to collect on overdue accounts. Additionally, the Association places a lien on the property that is overdue to ensure collection upon sale of the home. The Association also has a growing membership which reduces the concentration of credit risk.

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 receipt of funds from its customers and other related sources, callable debt in the form of notes payable, accounts payable, and accrued liabilities

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

JAGARE RIDGE HOMEOWNERS ASSOCIATION
Notes to Financial Statements
For the Year Ended December 31, 2021

5. RELATED PARTY NOTE PAYABLE

Under their management agreement, Melcor Developments Ltd. provides funding to Jagare Ridge Homeowners Association in order to ensure they cover the budgeted expenses. This funding comes in the form of a loan that is repayable on demand and bears interest from time to time at the annual rate equal to Prime plus three percent, using the Prime Rate as charged by the Toronto-Dominion Bank. All interest was waived in the prior year and the loan was paid in full in February of 2021.

	2021	2020
<u>Note Payable</u>		
Due to Melcor Developments Ltd.	\$ -	\$ 20,000

6. RELATED PARTY TRANSACTIONS

The Management Agreement grants Melcor and Jagare Ridge Communities Inc. (JRCI) control of the management of the Association and management of the community amenities until the Effective Date.

The Effective Date is defined as the later of:

- a) The date upon which JRCI has sold its last lands within the Jagare Ridge development, or
- b) The date upon which all amounts owing to JRCI have been repaid

JRCI may, at an earlier date and at its discretion, transfer portions of the amenities or certain aspects of management to the Association. After the Effective Date, the Association becomes independent from Melcor and JRCI and will no longer receive their financial support.

The following is a summary of the association's related party transactions:

	2021	2020
Melcor Developments Ltd. <i>(Property Management Company)</i>		
Transaction details	\$ 18,000	\$ 24,000
Accounts receivable	-	19,425
	18,000	43,425

In the current year only the first three quarters are paid to Melcor the association changed to Core Management in the final quarter of the year for performance of the management function.

	\$ 18,000	\$ 43,425
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These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. SUBSEQUENT EVENTS

The COVID-19 Pandemic in March 2020 has affected businesses, governments, and populations around the world. It is uncertain if it might affect the future funding and the overall operations of the Association until the Pandemic ends.

On January 25, 2022 the Associations funds were transferred from the ATB Community Spirit account to an account at National Bank of Canada overseen by the organization's management company at the direction of the Board.

JAGARE RIDGE HOMEOWNERS ASSOCIATION
Notes to Financial Statements
For the Year Ended December 31, 2021

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
