



08 May 2023

Members of the S. R. Homeowners Association
Cochrane, Alberta

Dear Members:

RE: Notice of the 2023 Annual General Meeting
Monday June 5, 2023 at 6:30 PM
Zoom Webinar
https://us06web.zoom.us/webinar/register/WN_BP7P7SDfTcmMlyy_Fvp5SA

Enclosed please find the 2023 Annual General Meeting (AGM) information package. Please review the enclosed information and plan to attend the AGM or submit your proxy form, as indicated within. The AGM will be held on **Monday June 5, 2023 at 6:30PM (SHARP) via Zoom Meeting**

Meeting Materials & Information are available on the **Sunset Ridge Website** www.sunset-ridgehoa.com

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

MEMBERS ARE REMINDED TO REVIEW THE MEETING MATERIALS PRIOR TO VOTING

Please note that the S.R. Homeowners Association currently has vacancy for up to three (3) Resident Directors. If you are interested in being nominated for the Board of Directors, or have any questions about the enclosed, please contact Core Real Estate Group at info@coremanagement.ca

On behalf of your Board of Directors, we look forward to your participation.

Yours truly,

S.R. HOMEOWNERS ASSOCIATION

Graeme Melton	President & Melcor Director
Geoff Bobiy	Vice-President & Melcor Director
Triona Cosgrave	Secretary & Melcor Director
Tanya Eklund	Treasurer & Melcor Director
David Mans	Resident Director
Samantha Nickerson	Resident Director
Wayne Hills	Resident Director
Matthew Wiles	Resident Director



S.R. HOMEOWNERS ASSOCIATION

ANNUAL GENERAL MEETING 2023

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NOTICE OF THE S.R. HOMEOWNERS ASSOCIATION
2023 ANNUAL GENERAL MEETING OF MEMBERS

Please take notice that the 2023 Annual General Meeting of the Members of the S. R. HOMEOWNERS ASSOCIATION (the "Society"), will be held online via **Zoom Meeting on Monday June 5, 2023 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, 2022;
- 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 8th day of May, 2023

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Graeme Melton".

GRAEME MELTON, 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 VOTE AT THE AGM**



NOTICE OF THE S.R. HOMEOWNERS ASSOCIATION
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Dated at Edmonton, Alberta this 8th day of May, 2023

BY ORDER OF THE BOARD OF DIRECTORS



GRAEME MELTON, President

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



**S.R. HOMEOWNERS ASSOCIATION 2023 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 S.R. 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 Monday, June 5, 2023 at 6:30PM (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 in advance of 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 June 2, 2023 are entitled to vote, each Member being entitled to one (1) vote. Members are defined in the Articles of Association (the "Articles") of the Society as restricted to Commercial Owners, 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.

As at the close of business on April 25, 2023 the Society had 1,058 members in good standing. In addition, there are 4,800 votes in respect of lots registered in the name of Sunset Properties 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 Developments Ltd. on behalf of Sunset Properties Inc. is entitled to appoint up to four (4) Directors with the remaining Resident Directors elected at the Meeting. The following persons are the current Directors of the Society:

NAME
Graeme Melton (Melcor)
Geoff Bobiy (Melcor)
Triona Cosgrave (Melcor)
Tanya Eklund (Melcor)
David Mans (Res. Director)
Samantha Nickerson (Res. Director)
Wayne Hill (Res. Director)
Matthew Wiles (Res. Director)

It is proposed that three (3) resident Members be elected at the AGM in accordance with the Articles of Association.



**S.R. HOMEOWNERS ASSOCIATION 2023 INFORMATION CIRCULAR
GENERAL INFORMATION & PROXY STATEMENT**

Individuals should be aware of the fiduciary responsibilities of Director's 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 four (4) Melcor appointed Directors are employees of Melcor, who on behalf of Sunset Properties Inc. is the operator of the S.R. Amenities. As operator of the Amenities, Melcor Developments Ltd. approves the operating budget for their proper operation.

APPOINTMENT OF AUDITORS

Management proposes that Colby Steckley 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

GRAEME MELTON, 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

GRAEME MELTON, PRESIDENT



Sunset Ridge Homeowners Association
May 10, 2022 @ 6:30pm
Virtual Zoom Meeting
AGM Meeting Minutes

1. President of the Board of Directors, Alan Boucher 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 2022 S.R HOA AGM format this year will be online only. There is no in person meeting and all voting was held in advance with Dave Mans & Samantha Nickerson acting as motioner and seconder.
2. President of the Board of Directors, Alan Boucher acted as Chairperson of the meeting and The Annual General Meeting was called to Order at 6:32 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. Dave Mans so moved. Samantha Nickerson 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 7,752 Voting Members at the meeting represented by proxy. Specifically, there were 7,750 votes, in respect of lots registered in the name of Sunset Properties Inc.. and 2 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. Dave Mans moved that the reading of the Director's Report be dispensed with. Samantha Nickerson 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 periods ending December 31, 2019 and 2020, as well as the related auditors report, also appended to the Notice of Meeting and Information Circular. Dave Mans moved that the presentation of the financial statements be dispensed with. Samantha Nickerson 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. Dave Mans moved that up to seven (7) Directors be elected to serve until the next Annual General Meeting of the Association. Samantha Nickerson seconded the motion. The Chairperson declared the motion carried.
13. The Chairperson stated that Sunset Properties Inc. will be using their votes to nominate three (3) Directors and wish to appoint Alan Boucher as President, Triona Cosgrave as Secretary and Tanya Eklund as 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 four (4) members put their names forward to be nominated to serve as Resident directors on the board of directors:

1. Dave Mans
2. Wayne Hill
3. Samantha Nickerson
4. Matthew Wiles

15. The Chairperson declared that We have received sufficient proxies to individually elect these nominees to serve as Directors on the S.R. Homeowners Association Board of Directors for a one-year term, or until their successors are elected or appointed are as follows:

1. David Mans
2. Wayne Hill
3. Samantha Nickerson
4. Matthew Wiles

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. Dave Mans so moved. Samantha Nickerson 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 as Auditor for the fiscal period ending December 31, 2022, and that the Directors be authorized to fix remuneration. David Mans so moved. Samantha Nickerson 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 6:52p.m. David Mans moved that the meeting be terminated. Samantha Nickerson seconded the motion. The Chairperson declared the motion carried, and the meeting adjourned.


TANYA EKLUND Secretary



**S.R. Homeowners Association
President's Report
Period of January 2022 - December 2022**

The S.R. Homeowners Association (SRHOA) was incorporated as a non-profit society in January 2012, registered under the Societies Act of Alberta.

The purpose of the Association is to own and maintain for the benefit of the members various subdivision features and amenities within the Sunset Ridge Development. The SRHOA is currently managed by Core Real Estate Group on behalf of Sunset Properties Inc. The Board of Directors currently consists of four (4) Melcor Developments appointed Directors, who hold officer positions, on behalf of Sunset Properties Inc. and four (4) resident members of the community. The Board meet quarterly to: ensure policies are properly set and Rules & Regulations are legislated; be the voice of their fellow residents for SRHOA-related issues.

Financial

The annual operating costs of the SRHOA - including the various subdivision features/amenities, are the responsibility of the Members through the payment of mandatory fees, pursuant to a Rent Charge Encumbrance registered on each lot title (the amount is exempt from GST) in Sunset Ridge. After careful review of the 2023 operating budget, the SRHOA Board of Directors approved the 2023 fees be set at \$140 + GST per standard lot. Fees were invoiced in January 2023 for the 2023 Fiscal year. The Fiscal year is January 1st to December 31st.

The enclosed Audited Financial Statements are prepared up to December 31, 2022.

Appointment of Auditor

The Board of Directors proposes to appoint Colby Steckly as Auditor for the 2023 Fiscal Year.

Summary

We would like to thank and acknowledge the governance and the commitment from our volunteer resident Directors during their recent term and look forward to working with the elected directors in developing the Sunset Ridge Community. As per Bill 53, a Society has permission to hold a remote meeting. The AGM format this year will be online only. Meeting Information & Materials can be viewed online at www.sunset-ridgehoa.com and Members with questions about access can contact Core Real Estate Group at: info@coremanagement.ca

Respectfully submitted May 8, 2023

GRAEME MELTON President & Melcor Director	GEOFF BOBIY Vice President & Melcor Director	TANYA EKLUND Secretary & Melcor Director	TRIONA COSGRAVE Treasurer & Melcor Director
SAMANTHA NICKERSON Resident Director	WAYNE HILL Resident Director	MATTHEW WILES Resident Director	DAVID MANS Resident Director

Signed: _____

Graeme Melton

SUNSET RIDGE HOME OWNERS ASSOCIATION
Financial Statements
Year Ended December 31, 2022

SUNSET RIDGE HOME OWNERS ASSOCIATION

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Year Ended December 31, 2022

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COLBY•STECKLY

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Sunset Ridge Home Owners Association

Opinion

We have audited the financial statements of Sunset Ridge Home Owners Association (the organization), which comprise the statement of financial position as at December 31, 2022, 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 organization as at December 31, 2022, 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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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.

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Independent Auditor's Report to the To the Members of Sunset Ridge Home Owners 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 organization'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 organization'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 organization 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.

COLBY STECKLY

Edmonton, Alberta
May 8, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

SUNSET RIDGE HOME OWNERS ASSOCIATION
Statement of Financial Position
As at December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 83,090	\$ 19,395
Accounts receivable	3,216	13,992
Goods and services tax recoverable	1,539	3,566
	\$ 87,845	\$ 36,953
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,631	\$ 17,741
Deferred income	63,700	10,731
Operating Loan - Due to Melcor (Note 5)	-	21,000
	68,331	49,472
NET ASSETS		
Net assets	19,514	(12,519)
	\$ 87,845	\$ 36,953

ON BEHALF OF THE BOARD

Tanya Skolund Director
Paul Coyle Director

See notes to financial statements

SUNSET RIDGE HOME OWNERS ASSOCIATION

Statement of Revenues and Expenditures

For the Year Ended December 31, 2022

	2022	2021
REVENUE	\$ 145,063	\$ 118,346
EXPENSES		
Accounting fees	4,500	4,019
Bank charges and merchant fees	4,508	3,257
Fence repairs	-	2,011
Legal fees	4,946	846
Managment fees	36,100	25,000
Office supplies	18,771	8,139
Repairs and maintenance	36,894	35,800
Seasonal lighting	5,369	6,129
Utilities	6,272	5,820
	<u>117,360</u>	<u>91,021</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	27,703	27,325
OTHER INCOME	4,330	2,051
EXCESS OF REVENUE OVER EXPENSES	\$ 32,033	\$ 29,376

Statement of Changes in Net Assets
For the Year Ended December 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ (12,519)	\$ (41,895)
EXCESS OF REVENUE OVER EXPENSES	32,033	29,376
NET ASSETS - END OF YEAR	\$ 19,514	\$ (12,519)

See notes to financial statements

SUNSET RIDGE HOME OWNERS ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from members	\$ 208,808	\$ 119,243
Cash paid to suppliers	(130,470)	(94,219)
Interest received	4,330	2,051
Goods and services tax	2,027	(1,065)
Cash flow from operating activities	84,695	26,010
FINANCING ACTIVITY		
(Repayment) of operating loan	(21,000)	(25,750)
INCREASE IN CASH FLOW	63,695	260
Cash - beginning of year	19,395	19,135
CASH - END OF YEAR	\$ 83,090	\$ 19,395

See notes to financial statements

SUNSET RIDGE HOME OWNERS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

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

The organization 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.

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

Sunset Ridge Home Owners 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)

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. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of December 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization 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 organization 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 organization is not exposed to significant other price risks arising from these financial instruments.

4. COMPARATIVE FIGURES

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

SUNSET RIDGE HOME OWNERS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

5. RELATED PARTY NOTE PAYABLE

Under their former management agreement, Melcor Developments Ltd. provides funding to Sunset 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 current year

	<u>2022</u>	<u>2021</u>
<u>Note Payable</u>		
Operating Loan	\$ -	\$ 21,000



S.R. HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS ELECTION 2023

WHAT IS THE ROLE OF THE BOARD?

The Board is comprised of four (4) Melcor Directors that retain the Officer positions (President, Vice-President, Treasurer and Secretary), and up to three (3) Resident Directors. The Board resolves to uphold SRHOA's assets to a high standard for the long term use of SRHOA's member residents. Melcor is dedicated to providing expertise and support in mentoring the Board. Resident Directors obtain the knowledge and direction to be prepared for the responsibility of overseeing operations of the SRHOA On turnover.

WHAT IS THE ROLE OF A RESIDENT DIRECTOR?

The Resident Directors are the eyes and ears of the community. A Resident Director plays an important role by being kept up-to-date with what's going on in their community, and by gathering feedback from neighbours and SRHOA members regarding HOA issues. Resident Directors are required to attend Board Meetings, but do not have authority, responsibility, or liability for the development, operation, or management of the SRHOA assets, therefore, are not privy to detailed financial information, or managing the day-to-day business operations. Resident Directors, however, are instrumental in streamlining the company's Policies & Procedures, Rules & Regulations, governance and visioning, etc. Melcor, as Manager of SRHOA, retains the authority, responsibility, and holds all the liability to ensure that the SRHOA is developed as designed, and managed properly.

2023 NAME OF NOMINEES & SHORT BIO'S

1. Wayne Hill

My wife and I have lived in Sunset Ridge for two years. We are retired and have had an opportunity to use existing Sunset Ridge amenities and are eagerly anticipating the completion of many more planned features. As someone who has been on many community boards as well as having served as the President of a condominium association, I am more than familiar with the challenges of administering a not-for-profit community organization. I am an alumni volunteer instructor with Alberta Community Development's, Volunteer Instructor program where I facilitated board development training to not-for-profit boards throughout Alberta. I know how important it is for families, especially those with young children, to live in a safe community which provides for adequate recreation. As a "senior" (to me, age is merely a number) I know how important it is to ensure amenities are also provided for our older residents.

In my profession life, I retired from police work at the ripe old age of 44 years, with 25 years service. Fortunate to have worked in two rewarding careers, I recently retired from Government of Alberta, where I was a Senior Advisor in the government's information and privacy sector within Service Alberta. I hold a baccalaureate degree in criminal justice (with distinction) as well as several other 1 year university certificate's.

THIS PROPERTY IS PROUDLY MANAGED BY CORE REAL ESTATE GROUP

Division of Core Management Inc.

Office Address: 1250, 5555 Calgary Trail, Edmonton, AB T6H 5P9

Phone: 780.651.1577 Fax: 780.665.6081 www.coremanagement.ca



2. Mitch Knisley

Hello! My name is Mitch, and I'm a 31 year old Dad to a 5 year old girl. Her and I have lived in Sunset for just over a year now, after moving from Riversong where I had lived since 2009. We have a few friends up here and are happy to be in the hood!

We enjoy it alot more up here, and I think a big contributing factor is the appearance of the neighbourhood, the nicer playground for the kids, and the general upkeep we can all see every day; and I think this is made possible by a well run HOA.

I take a lot of pride of ownership in my own property, and am happy to see the same in most cases up here. As we all pay that fee, I'm sure everyone agrees they'd like it to be managed the best way possible, and part of that is ensuring the outfits that provide services up here maintain their responsibility to the neighbourhood, so that we all can enjoy a safe, happy, and attractive neighbourhood!

Any additional bios will be uploaded to www.sunset-ridgehoa.com/hoa-docs

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**S.R. HOMEOWNERS ASSOCIATION
2023 ANNUAL GENERAL MEETING OF MEMBERS
On Monday June 5, 2023 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 FRIDAY JUNE 2, 2023

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: Sunset 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
Friday, June 2, 2023.**

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.sunset-ridgehoa.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 VOTE AT THE AGM



**S.R. HOMEOWNERS ASSOCIATION
2023 ANNUAL GENERAL MEETING OF MEMBERS
On Monday June 5, 2023 at 6:30 PM**

PROXY SOLICITED BY MANAGEMENT

The undersigned Member of the S.R. HOMEOWNERS ASSOCIATION (the "Society") hereby appoints **Graema Melton** 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 three (3) Resident Directors to be elected at this Meeting and four (4) 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 three (3) candidates.**

NAME OF NOMINEES	FOR	AGAINST
Wayne Hill		
Mitchell Knisley		

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

That Colby Steckly be appointed as Auditor of the Company for the 2023 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 _____, 2023.

Member's Name (Please Print)

Member Signature

Member Address (*required)