



June 7th 2020

Dear Jensen Lakes Homeowner(s),

I am pleased to provide you with the Jensen Lakes Homeowners' Association (HOA) financial statements for 2019. Our goal is to communicate transparently with homeowners regarding the collection and use of fees. Our budget, provided in November 2018, anticipated revenue of \$50,600 and operating expenses of \$8,000 for a projected surplus of \$42,600 at the end of the year.

Actual revenue was \$58,100 from HOA fees collected. This amount is directly tied to the number of residences sold and when they were acquired as HOA fees are prorated based on possession date. Total expenses of \$12,070, with the bulk of costs classified as Office expenses break down as follows:

- Land titles (\$6,800)
- Website hosting (\$3,300)
- Accounting software, bank and merchant processing fees (\$1,100)
- The remaining ~\$340 includes a maintenance reminder and the arts and crafts table for the community event held in September 2019.

Professional fees are for the year end filing of our results as a non-profit organization.

Melcor generously waived the usual management fee of \$24,000 for 2019 as the facilities covered by the HOA are still under development.

Our financial position, with a surplus of \$43,600 at the end of 2019, provides a healthy reserve fund. This reserve fund will be critical as we move forward with the lake and the maintenance building and will provide the capital required to purchase equipment and start operations once the facility is ready.

We recognize that many of you are eagerly awaiting the completion of the lake. We are also excited for this milestone. Our original intent was for the lake to be operational this summer. Unfortunately, the 2019 construction season suffered poor weather and we didn't make the progress we had hoped for.

We have just completed working through some administrative challenges with respect to the lake with our municipal partners at the City of St. Albert. We have our fingers crossed that conditions will dry up enough for us to begin laying the rock foundation in the very near future.

We hope this information will assist your understanding of the attached financial statements and what you can expect to see in the near future in your community. We appreciate your patience as we work towards getting all the community amenities up and running for your ongoing enjoyment. Thank you for choosing to live in a Melcor community.

Sincerely,

Triona Cosgrave

HOA Manager

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JENSEN LAKES HOMEOWNERS ASSOCIATION
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019

JENSEN LAKES HOMEOWNERS ASSOCIATION

STATEMENT OF FINANCIAL POSITION
(Unaudited)

As at December 31 (\$)	2019	2018
Assets		
Cash and cash equivalents	40,532	11,660
Accounts receivable	3,085	-
43,617	43,617	11,660
Liabilities		
Accounts payable and accrued liabilities	142	4,220
Government remittance payable	534	495
Deferred revenue	-	10,307
676	676	15,022
Net Assets		
Net expenditures	42,941	(3,362)
43,617	43,617	11,660

Financial Statements have been reviewed and approved by:



Susan Monson – President



Tanya Eklund – Secretary-Treasurer

STATEMENT OF INCOME AND EXPENDITURES
(Unaudited)

For the years ended December 31 (\$)	2019	2018
Income		
HOA fees collected	58,132	-
Other income	242	-
58,374	58,374	-
Expenses		
Office	11,540	1,772
Professional fees	530	1,590
12,070	12,070	3,362
Excess of expenditures over income	46,304	(3,362)
Net assets, beginning of year	(3,362)	-
Net assets, end of year	42,942	(3,362)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited)

1. Nature of the organization and basis of presentation:

The Jensen Lakes Homeowners Association (the Association) was incorporated in Alberta on October 19, 2015 as a society. The Association began operating in 2018.

The purpose of the Association is (or will be or will hereby become) the holder of leases, easements and other rights in, to and over portions of the Subdivided Lots within the Jensen Lakes Subdivision, including:

- a. easements for Perimeter Fences on Subdivided Lots on the outside perimeter of the Jensen Lakes Subdivision;
- b. easements or leases for the following subdivision common elements:
 - i) entrance gateways,
 - ii) park parcels, and
 - iii) gardens
- c. easements and other rights for maintenance of Subdivision Features, and
- d. such other leases and easements as the Homeowners Association deems appropriate for the overall benefit of the Jensen Lakes Subdivision and its owners.

2. Membership:

There are 3 classes of voting membership, namely, Class A, Class B and Class C. Class A members are subscribers to the Homeowners Association's incorporation and charter documents and all owners other than the Developer of Subdivided Lots, excluding the Multi-Family Land as long as it is not subdivided or condominiumized. Class B members are owners of the Multi-Family Land. Class C members are the Developer, Villeneuve Communities Inc.

The turnover date will be determined by the Class C member whose intention is to turnover control once the development of the community has reached that point of completion whereby the integrity of the community is established as intended and ongoing maintenance is effectively the only requirement of the Association.

3. Startup and Rent:

There has been few costs incurred regarding the operation of the Association and those costs which have been incurred have been borne by the Developer up until December 31, 2017.

4. Turnover of Control:

The Developer will be responsible for the landscape specific items of the Association until final acceptance certificates are issued by the City of St Albert. At that time, Villeneuve Communities Inc. will relinquish control to the members.

By resolution in writing and signed by all of the Directors of Jensen Lakes Homeowners Association the Audit for December 31, 2019 was waived.