



Property Management Services

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November 1, 2022

Owners/Mortgagees
Condominium Corporation No. 1512556
Waterfront Condominiums, Tower C/D
Calgary, Alberta

Dear Owner/Mortgagee:

Re: 2022 Annual General Meeting

We are pleased to advise that the Annual General Meeting of Waterfront, Tower C/D has been scheduled for **Monday, November 21, 2022 at 6:00 pm, with in-person registration beginning at 5:30pm**. This year's AGM will provide the option for owners to attend virtually or in person. If you are attending in person, please come early so we can get everyone signed in and the meeting started on time. The in-person portion of meeting will be held at the Chinese Cultural Centre, Chris Mightie Hall – 2nd Floor, 197 – 1st Street SW, Calgary Alberta.

We enclose the following information with respect to the Meeting:

1. Notice and Agenda;
2. Proxy;
3. Consent to Stand for Election to the Board of Directors;
4. Unapproved AGM Minutes of December 16, 2021;
5. 2022 Budget;
6. Audited Financial Statements for period ending December 31, 2021.

The Board of Directors is responsible for running the affairs of the Condominium Corporation on behalf of all the Owners in accordance with the By-laws and The Condominium Property Act. Rancho Realty (1975) Ltd., as the Property Manager, works on behalf of the Condominium Corporation and receives its direction from the Board.

The Board shall consist of not fewer than three (3) nor more than seven (11) members. We encourage all Owners in good standing to consider standing for election. Any Owner wishing to let their name stand for election must complete the enclosed Consent to Stand for Election form. **This form should be returned to Rancho Realty via email at maureen.hendry@ranchogroup.com or dropped off to the Waterfront site office, no later than November 18, 2022.** Nominations for the Board will also be accepted from the

floor at the AGM. Those nominated from the floor must be present and accept the nomination.

For the Annual General Meeting to take place, a quorum represented by 25% of the persons entitled to vote, must be present in person or by proxy. If a quorum is not present for a General Meeting within ten (10) minutes of the time set for the meeting, the meeting shall stand adjourned for fifteen (15) minutes on the same day to allow further Owners to attend, at the same place and if at the adjourned meeting a quorum is not present within five (5) minutes from the time appointed for the meeting, the persons entitled to vote who are present shall constitute a quorum.

If you are unable to attend the meeting, you may appoint a friend, a neighbour or a Board member to attend on your behalf by completing the enclosed Proxy form. The person who is attending on your behalf will be required to present the completed Proxy at the Meeting.

We look forward to seeing you at the Annual General Meeting.

Yours truly,
RANCHO REALTY (1975) LTD.



Maureen Hendry
Waterfront Site Manager
Direct: (403) 265-1708
Email: maureen.hendry@ranchogroup.com

Encl.
/co

Waterfront Tower C/D
Condominium Corporation No. 1512556
ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Owners, Condominium Corporation No. 1512556 has been scheduled as follows:

Date: Monday, November 21, 2022
Time: 6:00pm (in-person registration begins at 5:30pm)
Location: Chinese Cultural Centre, Chris Mightie Hall – 2nd floor
197 – 1st Street SW, Calgary Alberta.

The Agenda for the AGM is as follows:

1. Call to Order
2. Confirmation of Quorum
3. Approval of the Agenda
4. Proof of Notice of Meeting
5. Approval of Annual General Meeting minutes held on December 16, 2021.
6. Reports
 - President's Report
 - Treasurer's Report
7. Approval of Audited Financial Statement for period ending December 31, 2021
8. Appointment of auditor for the period ending December 31, 2022
9. Resignation of the Board of Directors
10. Resolution to set the number of Board members
11. Election of the Board of Directors
12. Unfinished Business
13. New Business
14. Adjournment

Dated at Calgary, Alberta this 1st day of November, 2022.

By Order of Rancho Realty (1975) Ltd.
on behalf of the Board of Directors.

Per: 

Completed proxies may be presented at the door on the day of the Meeting or forwarded to Rancho Realty via email to maureen.hendry@ranchogroup.com by November 18, 2022.

WATERFRONT ONE TOWER C/D

Condominium Corporation No. 1512556

P R O X Y

I, _____
(FULL LEGAL NAME)

of _____ Calgary, AB
(UNIT NUMBER, CIVIC ADDRESS)

hereby give my voting rights for the 2022 Annual General Meeting of Condominium Corporation No. 1512556 (Tower C/D), to be held on Monday, November 21, 2022, at the Chinese Cultural Centre, Located at 197 – 1st Street SW, to:

(FULL LEGAL NAME)

DATE: _____

(SIGNATURE OF UNIT OWNER)

Please give this proxy to the person taking attendance at the Annual General Meeting, or email to Rancho Realty (1975) Ltd., no later than November 18, 2022. Proxies can also be left at the Waterfront site office by the above date.

Proxy forms can be emailed to maureen.hendry@ranchogroup.com.

CONSENT TO STAND FOR ELECTION

I, _____ of
(Owner's Name)

(Civic Address)

hereby consent to stand for election to the Board of Directors of Waterfront Site One (Tower C/D), Condominium Corporation No.1512556, at the Annual General Meeting being held on **Monday, November 21, 2022**

(SIGNATURE)

Please email or drop off this form to Rancho Realty (1975) Ltd. no later than November 18, 2022. Forms can be emailed to maureen.hendry@ranchogroup.com or dropped off to Maureen Hendry at the site office.

Thank you.



MINUTES OF THE 2021 ANNUAL GENERAL MEETING

WATERFRONT TOWER C & D – CONDOMINIUM CORPORATION NO. 1512556

The Annual General Meeting of Condominium Corporation No. 1512556 was held Thursday, December 16, 2021 at 7:00 p.m. The meeting was held at the Hilton Garden Inn, located at 711 – 4th Street S.E., Calgary, Alberta.

1. CALL TO ORDER

The Board President, Max Blitt, advised at 7:00pm that the meeting would be adjourned due to lack of quorum as per the registered Bylaws which state the following:

“If within ten (10) minutes from the time appointed for an annual General Meeting a quorum is not present, the meeting shall stand adjourned for fifteen (15) minutes to allow further Owners to attend on the same day, at the same place and if at the adjourned meeting a quorum is not present within five (5) minutes from the time appointed for the meeting, the persons entitled to vote who are present shall constitute a quorum.”

After standing adjourned as per the above bylaw, Max Blitt called the meeting to order at 7:30pm.

2. ATTENDANCE AND CONFIRMATION OF QUORUM

Chairman Max Blitt proceeded to introduce the attending Board Members - Heidi Schilger, Roger Mapp, Tiffany Whitnack, and Janet Huang. Also present was Maureen Hendry, Waterfront Site Manager with Rancho Realty (1975) Ltd., Natalia Beilin, Sr. Condominium Manager with Rancho Realty (1975) Ltd., and Cindy Halina, Administrative Assistant and Recording Secretary from Rancho Realty (1975) Ltd.

Max Blitt reported that there were 39 total Units represented, 10 in person and 29 by proxy.

3. APPROVAL OF THE AGENDA

Motion duly made by Unit 402 and seconded by Unit 211 to approve the Notice of Agenda for the 2021 Annual General Meeting being held on December 16, 2021.

CARRIED

4. PROOF OF NOTICE OF ANNUAL GENERAL MEETING

Max Blitt, Board President, reported that the Notice of Meeting was sent out to all owners by email on November 24, 2021. Notices were also sent by Canada Post to those owners whose emails were not on file with Rancho Realty.

5. APPROVAL OF THE 2020 ANNUAL GENERAL MEETING MINUTES

Motion duly made by Unit 47 and seconded by Unit 305 to approve the Minutes of the 2020 Annual General Meeting held on October 5, 2020.

CARRIED

6. REPORTS OF OFFICERS:

PRESIDENT'S REPORT (See Attached Schedule "A")

President, Max Blitt presented the President's Report.

Q. Why did condo fees go up another 7%? Is it related to the lawsuit between the towers?

A. Max responded that tower C/D did not lose the lawsuit and received \$60,000 as an agreed-upon settlement. A lawsuit where legal costs are inevitably incurred is never recommended unless absolutely necessary and the corporation tries to mitigate those costs wherever possible. The corporation benefited from having Max's legal expertise, resulting in reduced legal fees. The lawsuit is now fully settled and closed. Currently, the Boards are working through the WOA and the ECR group to finalize allocation procedures between the towers for shared utility costs. The developer did not originally advise the incoming boards of the existence of the ECR Agreement. The Boards only became aware of its existence years following turnover and have had to work backwards to resolve any issues with misallocation of utility costs between the parties. This has now been resolved.

A. The problems experienced with pipe leaks starting to become concerning. It appears as though poor workmanship is to blame for increasing failure of the hot water lines.

Q. Owner responds that the flood in Tower D being referenced was in their unit. The reason it flooded was due to a nail being driven through one of the water lines during original construction. The nail acted as a plug, but over the years it rusted and corroded until the leak presented itself. Metal plates are supposed to be installed in front water lines so if someone is nailing near a stud, they will hit that instead. When the restoration team opened up the wall, there were no metal plates anywhere. This is a common problem according to the restoration company.

A. Max responded that this building is not unique. When he used to do condominium litigation, there were several buildings in the city where everything failed - from the foundation to the finishing, which is just poor subcontract work and carelessness. We hope that we don't have too many more losses of this nature.

Q. Why have the issues with the planter boxes in the courtyard been ignored until the warranty period with Anthem ran out?

A. Issues brought forward have not been ignored. At the Board's directive, Rancho has reached out to Anthem on numerous occasions over the years to ask Anthem to address building envelope concerns related to the planters. Anthem previously came out to inspect and attempt to find a solution, but a permanent solution has never been found. The Board and Rancho continues to push for Anthem to take responsibility and fix the problem.

Q. Site One has high condo fees - why?

A. Last year the condo fee increase was 1.8% and 7% this year to come in line with actual operational costs of the building. Inflation is also a worldwide problem right and contributing to rising costs which we cannot control. Insurance and utility costs have been big contributing factors.

Q. Tower A & B are looking at a million-dollar exterior restoration project. Tower C/D is only 3-5 years behind.

A. An exterior inspection was completed to identify any areas in the building exterior/envelope that may have deteriorate and need repair work. The Board is aware that any potential building envelope issues should be addressed proactively and will be engaging professional engineering to identify any problems and put together a plan forward. The next Reserve Fund Study will also seek to address some of these concerns and help plan for the future.

TREASURER'S REPORT

Treasurer, Janet Huang, presented the Treasurer's Report.

Max commented that Rancho has worked to reduce the accounts receivables and they are at almost zero for the first time in many years. This is an indication that the new manager is staying on top of things.

Heidi comments as well that required contributions into the Reserve Fund also contributes to condo fees going up. As the building ages, contributions also rise annually. To add to this, regular cost of living is also rising, and the Board has to find the right balance to cover the costs. It is not realistic to expect condo fees to stay the same year over year. If there is a shortage in the operating account, the Board will have no choice but to special assess for the deficit and this never looks good to a potential buyer and can come off as mismanagement if there are too many special assessments.

Max also commented regarding Special Assessments. When buyers are looking at whether there have been Special Assessments, they always make it a condition of the sale that they approve of the financials for the condominium that they are making an offer on and when they see Special Assessments, they often walk away. The other problem with Special Assessments is if you have a big enough Special Assessment, some people won't be able to pay it and end up in a foreclosure situation. This is not what we want. We want a situation with a clean record and if we can say that we have never had a Special Assessment, that makes everyone's unit that much more attractive when it goes on the market.

7. APPROVAL OF AUDITED FINANCIAL

Motion duly made by Unit 1108 and seconded by Unit 407, to accept the Audited Financial Statements ending December 31, 2020.

CARRIED

8. APPOINTMENT OF AUDITOR

Board President Max Blitt advised that the Audited Financial Statements were audited by Mr. Murray Hunter. Max advised that the Board is actively looking to have another company handle the next fiscal year's audit.

Roger commented that Murray Hunter has been completing the audits for all Waterfront Towers since the beginning - about ten years. Roger recommends to the Board to have different auditor for this year, with Cremers & Elliott being one of the options. The cost is comparable to Murray Hunter's.

Motion duly made by Unit 401 and seconded by Unit 803, to leave the selection of Auditors to the discretion of the incoming Board, for the fiscal year ending December 31, 2021.

CARRIED

9. RESIGNATION OF CURRENT BOARD OF DIRECTORS

At this time, the Board of Directors resigned.

10. RESOLUTION TO SET THE NUMBER OF BOARD MEMBERS

Natalia stated that there now needs to be a resolution to set the number of Board of Directors for the upcoming year, from minimum of three (3) to a maximum of eleven (11). Max recommends the number be set at seven.

Motion duly made by Unit 401 and seconded by 1108, to set the number of Board Members at seven (7).

CARRIED

11. ELECTION OF BOARD OF DIRECTORS

Natalia Beilin stated that Max Blitt, Janet Huang, Colin Lo, Roger Mapp, Heidi Schilger and Tiffany Whitnack, had submitted their Consent to Stand for Election forms to Rancho in advance of the AGM and their names are listed on the voting ballots.

Max asked if there were any other owners wishing to stand for election. Kevin Vong and Romania Leo put their names forward to stand for election. Max asked again if there were any further names to be put forward for nomination. There were no more nominations from the floor.

At this time those in attendance marked their votes on their ballots.

Once all the ballots were handed in, the votes were counted by Natalia Beilin, Cindy Halina and two scrutineer volunteers from units 407 and 47.

The following seven (7) volunteers received the most votes and will make up the 2021 - 2022 Board of Directors:

Number of Votes Tallied:

- | | |
|--------------------|----|
| • Janet Huang | 37 |
| • Max Blitt | 36 |
| • Kevin Vong | 36 |
| • Romania Leo | 35 |
| • Colin Lo | 32 |
| • Roger Mapp | 9 |
| • Tiffany Whitnack | 8 |

After the final votes were announced, the new Board members briefly introduced themselves.

12. UNFINISHED BUSINESS

There was no unfinished business

13. NEW BUSINESS

STANDARD INSURABLE UNIT DESCRIPTION

Max asked for Tiffany to provide a brief overview of the SIUD Outline for Waterfront Tower C/D which was part of the AGM package sent to all owners on November 24, 2021.

Max proceeded to ask for a motion to ratify the Boards approval of the SIUD dated November 30, 2020, as provided in the 2021 AGM package.

Motion duly made by Unit 39 and seconded by 402, to ratify the Boards approval of the SIUD dated November 30, 2020.

CARRIED

14. ADJOURNMENT

The meeting was adjourned at 8:55 p.m.

CONDOMINIUM CORPORATION NO. 1512556
(Operating as Waterfront Tower C & D)
Financial Statements
Year Ended December 31, 2021

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Owners of Condominium Corporation No. 1512556 operating as Waterfront Tower C & D

Opinion

We have audited the financial statements of Condominium Corporation No. 1512556, operating as Waterfront Tower C & D, (the Condominium Corporation), which comprise the statement of financial position as at December 31, 2021, 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 Condominium Corporation 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 Condominium Corporation 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.

Other Matter

We were engaged to conduct an audit, in accordance with Canadian generally accepted auditing standards, on the financial statements prepared by the Condominium Corporation'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 Condominium Corporation is in compliance with all aspects of The Condominium Act, (as proclaimed on January 1, 2020) and we were not engaged to, nor do we, provide any assurance as to the adequacy of the reserve fund to cover future major expenditures and replacements.

The financial statements for the year ended December 31, 2020 were audited by another firm of professional accountants who expressed an unmodified opinion on those financial statements on May 28, 2021.

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 Condominium Corporation'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 Condominium Corporation or to cease operations, or has no realistic alternative but to do so.

(continues)

Those charged with governance are responsible for overseeing the Condominium Corporation'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.

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 Condominium Corporation'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 Condominium Corporation'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 Condominium Corporation 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.



Calgary, Alberta
March 30, 2022

C&E LLP Chartered Professional Accountants


CONDOMINIUM CORPORATION NO. 1512556
(Operating as Waterfront Tower C & D)

Statement of Financial Position

December 31, 2021

	Capital Replacement Reserve Fund 2021	Operating Fund 2021	Total 2021	Total 2020
ASSETS				
CURRENT				
Cash	\$ 74,257	\$ 14,620	\$ 88,877	\$ 558,378
Accounts receivable	-	9,346	9,346	70,190
Prepaid expenses	-	32,276	32,276	29,050
Total Current Assets	74,257	56,242	130,499	657,618
GUEST SUITE <i>(Net of accumulated amortization) (Note 3)</i>	-	214,041	214,041	222,959
INVESTMENTS <i>(Note 4)</i>	921,636	-	921,636	319,141
	\$ 995,893	\$ 270,283	\$ 1,266,176	\$ 1,199,718
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ -	\$ 71,371	\$ 71,371	\$ 96,047
Current portion of long term debt <i>(Note 5)</i>	-	6,530	6,530	6,819
	-	77,901	77,901	102,866
LONG TERM DEBT <i>(Note 5)</i>	-	126,000	126,000	132,530
	-	203,901	203,901	235,396
NET ASSETS <i>(Notes 2, 6)</i>	995,893	66,382	1,062,275	964,322
	\$ 995,893	\$ 270,283	\$ 1,266,176	\$ 1,199,718

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Statement of Revenues and Expenditures and Changes in Net Assets

Year Ended December 31, 2021

	Budget 2021	Capital Replacement Reserve Fund 2021	Operating Fund 2021	Total 2021	Total 2020
REVENUE					
Condominium fees	\$ 1,006,767	\$ -	\$ 1,006,774	\$ 1,006,774	\$ 988,097
Guest suite	4,000	-	2,640	2,640	480
Interest income	2,000	13,908	336	14,244	27,591
Miscellaneous income	9,000	-	36,432	36,432	-
Water cost recovery	-	-	-	-	60,000
Reserve contributions	(120,000)	127,500	(127,500)	-	-
	<u>901,767</u>	<u>141,408</u>	<u>918,682</u>	<u>1,060,090</u>	<u>1,076,168</u>
EXPENSES <i>(Schedule 1)</i>	<u>961,767</u>	<u>12,225</u>	<u>949,912</u>	<u>962,137</u>	<u>888,332</u>
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(60,000)	129,183	(31,230)	97,953	187,836
NET ASSETS - BEGINNING OF YEAR	<u>-</u>	<u>866,710</u>	<u>97,612</u>	<u>964,322</u>	<u>776,485</u>
NET ASSETS - END OF YEAR	<u>\$ (60,000)</u>	<u>\$ 995,893</u>	<u>\$ 66,382</u>	<u>\$ 1,062,275</u>	<u>\$ 964,322</u>

CONDOMINIUM CORPORATION NO. 1512556**(Operating as Waterfront Tower C & D)****Statement of Cash Flows****Year Ended December 31, 2021**

	2021	2020
FUND ACTIVITIES		
Excess of revenue over expenses	\$ 97,953	\$ 187,836
Item not affecting cash:		
Amortization of capital assets	<u>8,918</u>	9,290
	<u>106,871</u>	197,126
Changes in non-cash working capital:		
Accounts receivable	60,844	(44,086)
Accounts payable	(24,677)	61,950
Prepaid expenses	<u>(3,226)</u>	<u>(7,221)</u>
	<u>32,941</u>	10,643
Cash flow from fund activities	<u>139,812</u>	207,769
INVESTING ACTIVITY		
Reserve fund investments	<u>(602,495)</u>	(295,679)
Cash flow used by investing activity	<u>(602,495)</u>	(295,679)
FINANCING ACTIVITY		
Repayment of long term debt	<u>(6,818)</u>	-
Cash flow from (used by) financing activity	<u>(6,818)</u>	-
DECREASE IN CASH FLOW	(469,501)	(87,910)
Cash - beginning of year	<u>558,378</u>	646,288
CASH - END OF YEAR	\$ 88,877	\$ 558,378

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Notes to Financial Statements

Year Ended December 31, 2021

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Condominium Corporation is a non-profit organization and the common area assets of the condominium 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 Condominium Corporation is to manage the common area assets and to maintain and provide services with respect to the day to day operations of the condominium.

The financial statements include only assets, liabilities, revenues and expenses relating to the operations of Condominium Corporation No. 1512556. 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 Condominium Corporation 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 Condominium Corporation 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.

Fund Accounting

The Condominium Corporation follows the restricted method of accounting for contributions.

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

The capital replacement reserve fund reports the fee assessments from unit owners that are to be set aside and used for future costs or major repairs or replacements.

(continues)

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Notes to Financial Statements

Year Ended December 31, 2021

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

Revenue Recognition

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

The condominium fees related to the Capital Replacement Reserve Fund are recognized as revenue of the Capital Replacement Reserve Fund.

Investment income earned on the Reserve Fund Investments are recognized as revenue of the Capital Replacement Reserve Fund.

Contributed Services

Volunteer services contributed on behalf of the Condominium Corporation 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.

Financial assets measured at amortized cost include cash, and accounts receivable. Financial assets measured at fair value include reserve fund investments. Financial liabilities measured at amortized cost include accounts payable, and long-term debt.

Capital Replacement Reserve Fund

The Capital Replacement Reserve Fund is a fund required under the Condominium Property Act (Alberta) to be established and maintained for the repair or replacement of any real and personal property owned by the Condominium Corporation and the common property where such repair or replacement does not occur annually. When expenditures of a capital nature or for a major repair are incurred, they are charged against the reserve. The amount to be allocated to the Reserve Fund from operations is determined by the Board of Directors of the Condominium Corporation.

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.

(continues)

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Notes to Financial Statements

Year Ended December 31, 2021

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

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Guest suite	4%	declining balance method
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3. GUEST SUITE

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Guest suite	\$ 267,864	\$ 53,822	\$ 214,041	\$ 222,959

4. INVESTMENTS HELD FOR THE CAPITAL REPLACEMENT RESERVE FUND ASSETS, AT FAIR VALUE

	<u>2021</u>
Manulife securities	\$ 895,445
Accrued interest	<u>26,191</u>
	\$ 921,636

5. LONG TERM DEBT

	<u>2021</u>	2020
Camvie & Marine loan bearing interest at 4.25% per annum, repayable in monthly blended payments of \$1,047. The loan matures on December 31, 2035 and is secured by Condominium fees.	\$ 132,530	\$ 139,349
Amounts payable within one year	<u>(6,530)</u>	(6,819)
	\$ 126,000	\$ 132,530

Principal repayment terms are approximately:

2022	\$ 6,530
2023	6,530
2024	6,530
2025	6,530
2026	<u>106,410</u>
	\$ 132,530

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Notes to Financial Statements

Year Ended December 31, 2021

6. ADEQUACY OF THE CAPITAL REPLACEMENT RESERVE FUND

These financial statements do not purport to show the adequacy of the capital replacement reserve fund. In determining the allocation to the Capital Replacement Reserve Fund and the adequacy of the fund balance the Board of Directors exercises judgment, principally, in the following areas:

- Obtaining an inventory of common property components that will require replacement;
- Determining the state of these components and their expected remaining useful life;
- Estimating the replacement cost at the expected time of replacement; and
- Forecasting the expected rate of return on the funds investments.

An independent reserve fund study was conducted in 2018. In the opinion of the professional reserve fund planners who completed the study, the Capital Replacement Reserve Fund should have a balance as summarized below.

	Balance	Transfers		Expenses			Balance End of
	Beginning of	from	Interest	Allocated to	Special		Year
	Year	Operations	Earned	Reserve	Assessment		
				Fund			
2021 Projected	\$ 352,444	\$ 86,480	\$ 5,287	\$ (20,287)	\$ -	\$	423,924
2021 Actual	\$ 866,710	\$ 127,500	\$ 13,908	\$ (12,225)	\$ -	\$	995,893
2021 Over(under)	\$ 514,266	\$ 41,020	\$ 8,621	\$ 8,062		\$	571,969
2022 Projected	\$ 423,924	\$ 86,480	\$ 6,359	\$ (20,896)	\$ -	\$	495,867
2023 Projected	\$ 495,867	\$ 86,480	\$ 7,438	\$ (21,523)	\$ -	\$	568,262
2024 Projected	\$ 568,262	\$ 86,480	\$ 8,524	\$ (22,168)	\$ -	\$	641,097
2025 Projected	\$ 641,097	\$ 86,480	\$ 9,616	\$ (960,704)	\$ 368,000	\$	144,489

The full study is available to the reader and should be examined to fully comprehend the purpose, the assumptions and the conclusions of the study.

7. FINANCIAL INSTRUMENTS

The Condominium Corporation 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 Condominium Corporation's risk exposure and concentration as of December 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Condominium Corporation is exposed to this risk mainly in respect of its accounts payable.

(continues)

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Notes to Financial Statements

Year Ended December 31, 2021

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

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Figures for the year end December 31, 2020 were audited by another firm of professional accountants.

CONDOMINIUM CORPORATION NO. 1512556

(Operating as Waterfront Tower C & D)

Expenses

(Schedule 1)

Year Ended December 31, 2021

	Budget 2021	Capital Replacement Reserve Fund 2021	Operating Fund 2021	Total 2021	Total 2020
OPERATING EXPENSES					
Owner association - Amenity	\$ 206,240	\$ -	\$ 206,240	\$ 206,240	\$ 220,504
Utilities	163,000	-	203,000	203,000	159,013
Owner association - Parking	120,967	-	120,967	120,967	108,606
Plumbing and electrical	66,700	-	97,916	97,916	80,639
Insurance	180,000	-	101,934	101,934	73,636
General repairs and maintenance	58,850	-	53,034	53,034	62,489
Janitorial	46,800	-	47,640	47,640	46,899
Management fees	41,895	-	41,895	41,895	41,895
Elevator	50,000	-	41,291	41,291	50,679
Amortization of guest suite	-	-	8,918	8,918	9,290
Audit and legal fees	10,835	-	8,419	8,419	19,243
Mortgage principle and interest guest suite	5,980	-	5,854	5,854	6,022
Window cleaning	4,800	-	4,830	4,830	-
Guest suite	4,500	-	4,093	4,093	4,065
Office and bank charges	1,200	-	3,881	3,881	5,352
	<u>961,767</u>	<u>-</u>	<u>949,912</u>	<u>949,912</u>	<u>888,332</u>
CAPITAL REPLACEMENT RESERVE EXPENSES					
MUA compressor replacement	-	12,225	-	12,225	-
	<u>-</u>	<u>12,225</u>	<u>-</u>	<u>12,225</u>	<u>-</u>
	<u>\$ 961,767</u>	<u>\$ 12,225</u>	<u>\$ 949,912</u>	<u>\$ 962,137</u>	<u>\$ 888,332</u>



Property Management Services

Suite 1, 5528 – 1st Street SE
Calgary, AB T2H 2W9

Phone: 403.253.7642
www.ranchocalgary.com

November 29, 2021

Dear Owner(s):

**Re: Waterfront Tower C & D - Condominium Corporation No. 1512556 &
Waterfront Site One Owners Association (WOA)
Operating Budgets for the period January 1, 2022 – December 31, 2022**

Please find enclosed your copy of the 2022 Budget. The Board of Directors has approved an operating budget of \$1,095,571 for 2022, which sees an increase to Condominium Contributions of 7.78%. Please note below a summary of the overall operating expenses.

Expense	Budget 2022
<u>Administrative</u> Insurance Premium	\$178,195 (-55,735) Insurance premiums are estimated to increase again at policy renewal in May 2022. An anticipated increase of approximately 15% is reflected in the budget.
<u>Operating</u>	\$561,426 (-\$9,261) The overall decrease in anticipated operating expenses is attributed to lower contributions into the WOA, as utility costs have been shifted from the WOA to Tower C/D. Reduced security maintenance costs due to the intercom equipment now being owned by the Corporation, also contribute the operating expense decrease.
<u>Utilities</u>	\$299,000 (+\$132,800) A significant increase to the utilities budget reflects anticipated higher charges due to rate increases, increased usage as a result of people spending more time at home, and the allocation of utilities from the WOA.
<u>Reserve Fund Contributions</u>	To remain on track with the operating expenses and to keep the condominium fee increase to a minimum, contributions into the Reserve Fund for 2022 will be lower than the previous years.

Building quality & security remain important to sustaining and enhancing the value of everyone's investment. As the building continues to age, amenity costs of the Waterfront Owners Association (WOA) are reviewed regularly to ensure all common assets remain in a state of good repair.

To balance the budget with the projected operating expenses of the building in 2022, the Board had to implement a fee increase. Key drivers for the increase include insurance premiums and utility costs. To arrive at the final numbers, consideration was given to historical trends, anticipated repair costs, as well as existing and renegotiated contracts.

Effective January 1, 2022 your monthly condominium contribution will be in accordance with the enclosed condominium fee schedule.

If you are currently on the Pre-Authorized Debit Plan (PAD), your payments will continue to be automatically debited from your account each month. If you wish to be set up on the PAD, please complete the enclosed form and return it to our office, along with a VOID cheque, by no later than December 17, 2021.

If paying by way of post-dated cheques, please provide a series of twelve (12) cheques for the period January 1, 2022 to December 1, 2022 payable to Condominium Corporation No. 1512556. Please note your unit number clearly on the face of the cheque.

Should you have any questions with respect to your payments, please email Kevin Vuong in Accounts Receivable at kevin.vuong@ranchogroup.com. If you have questions with respect to the budget, please contact Maureen Hendry at maureen.hendry@ranchogroup.com.

Sincerely,

RANCHO REALTY (1975) LTD.

On Behalf of the Board of Directors

Condominium Corporation No. 1512556

WATERFRONT (BLDG C & D Towers)
CONDOMINIUM CORPORATION #1512556
Operating Budget
January 1 - December 31, 2022
Bldg D-46 units, Bldg C - 129 units Total 175 units

REVENUES	Budget 2021	Projected 12/31/2021	Budget 2022
Condominium Fees	1,006,767	1,006,767	1,085,071
Guest Suite Rent	4,000	0	1,000
Miscellaneous Income	9,000	37,725	9,000
Operating Interest	2,000	450	500
Allocation from Prior Year Surplus	50,000	50,000	0
Allocation from Prior Year Surplus - Res Fund	0	0	0
1st installment of water allocation	60,000	60,000	0
Total Revenues	1,131,767	1,154,942	1,095,571
EXPENSES			
<u>Administrative</u>			
Insurance	80,000	85,956	97,900
Insurance Liability	100,000	17,500	25,000
Insurance Appraisal	0	0	1,000
Bank Service Charges	1,200	1,116	1,200
Management Fees	41,895	41,895	41,895
Audit Fees	2,835	3,000	3,200
Legal Fees	4,000	6,000	5,000
Exterior Building Inspection (Tech Audit)	0	1,000	0
Sundry Admin. (Office)	4,000	2,000	3,000
Total Administrative Expenses	233,930	158,467	178,195
<u>Operating</u>			
Exterior R & M	6,000	5,000	6,000
Interior R & M Common Area	7,000	7,000	7,500
Electrical R & M & Supplies	500	500	1,000
Lighting Supplies	200	0	0
Plumbing R & M	26,000	57,367	60,000
HVAC R & M	40,000	40,000	43,600
Elevator R & M	50,000	46,000	56,000
Fire & Safety Equipment	5,000	6,000	9,000
Security Equipment & Services	32,000	32,500	1,000
Guest Suite Laundering/Cleaning Supplies	800	0	0
Window Cleaning	4,800	4,830	5,000
Cleaning	46,000	46,405	50,000
Mat Rentals	5,650	5,650	5,650
Guest Suite Condo Fees/Prop Taxes/R&M	4,500	4,500	4,500
Guest Suite Mortgage Interest	5,980	5,827	5,800
Owner Association - Amenity	206,240	206,240	189,519
Owner Association - Parking costs	120,967	120,967	107,807
Total Operating Expenses	561,637	588,786	552,376
<u>Utilities</u>			
Natural Gas	45,000	55,000	78,000
Electricity	60,000	59,841	138,000
Water & Sewer	58,000	75,000	80,000
Telephones	3,200	3,000	3,000
Total Utilities	166,200	192,841	299,000
Subtotal Expenses	961,767	940,094	1,029,571
Capital Reserve Fund Contrib.	170,000	170,000	66,000
Total Expenses	1,131,767	1,110,094	1,095,571
Surplus/Deficit	0	44,848	0

WATERFRONT SITE ONE OWNERS ASSOCIATION
OPERATING BUDGET
Financial Year January 1, 2022 to December 31, 2022

	2021 BUDGET	PROJECTED 12/31/2021	2022 BUDGET
<u>REVENUE</u>			
AMENITY-CONDO CONTRIBUTIONS	822,344	822,344	755,673
PARKING CONTRIBUTIONS	481,073	481,073	424,735
MEWS PARKSIDE CONTRIBUTIONS	12,277	12,277	10,073
MEWS WOA CONTRIBUTIONS	22,799	22,799	18,707
PARKING REVENUE	0	2,500	2,500
MISCELLANEOUS INCOME	0	250	500
OPERATIONS INTEREST INCOME	1,800	1,800	1,800
GUEST SUITE NIGHTLY REVENUE	0	0	7,150
GUEST SUITE - CONDO CONTRIBUTIONS	41,392	30,795	21,930
ALLOCATION OF PRIOR YEAR'S SURPLUS	0		50,000
TOTAL REVENUE	\$ 1,381,685	\$ 1,373,838	\$ 1,293,068
<u>EXPENSES</u>			
<u>ADMINISTRATIVE</u>			
MANAGEMENT FEES	\$ 40,839	\$ 39,130	\$ 40,000
INSURANCE (INCLUDING APPRAISAL)	\$ 106,803	\$ 106,233	\$ 114,350
PROFESSIONAL FEES	\$ 6,000	\$ 2,000	\$ 6,000
BANK SERVICE CHARGES	\$ 2,200	\$ 2,100	\$ 2,200
OFFICE SUPPLIES/EQUIPMENT & SUNDRY ADMIN	\$ 3,000	\$ 2,040	\$ 2,400
TOTAL ADMINISTRATIVE	\$ 158,842	\$ 151,503	\$ 164,950
<u>MAINTENANCE</u>			
BUILDING REPAIRS & MAINTENANCE AND SIGNAGE	\$ 17,800	\$ 16,500	\$ 10,000
LANDSCAPING	\$ 25,939	\$ 18,000	\$ 18,000
SNOW REMOVAL	\$ 24,351	\$ 21,974	\$ 19,610
ROADWAY MAINTENANCE	\$ 12,050	\$ 6,330	\$ 6,500
LIGHTING SUPPLIES	\$ -	\$ -	\$ 500
PARKADE REPAIRS & MAINTENANCE	\$ 28,500	\$ 15,000	\$ 28,500
PLUMBING REPAIRS & MNTCE	\$ 9,000	\$ 5,000	\$ 7,200
HVAC CONTRACT	\$ 43,458	\$ 37,000	\$ 46,000
FIRE & SAFETY EQUIPMENT	\$ 24,560	\$ 19,200	\$ 27,200
SECURITY EQUIPMENT & SERVICES	\$ 15,860	\$ 7,283	\$ 16,000
PEST CONTROL	\$ 3,720	\$ 4,125	\$ 4,000
CLEANING	\$ 49,500	\$ 46,000	\$ 50,410
MAT RENTAL	\$ 5,064	\$ 2,000	\$ 2,400
RECYCLING	\$ 36,000	\$ 46,000	\$ 38,400
WASTE REMOVAL	\$ 36,000	\$ 25,000	\$ 28,800
REC. CENTRE EQUIPMENT R&M (GYM & OWNERS LOUNGE)	\$ 10,000	\$ 1,500	\$ 24,000
POOL MTCE CONTRACT/MAINTENANCE	\$ 13,500	\$ 1,200	\$ 12,000
TOTAL MAINTENANCE	\$ 355,302	\$ 272,112	\$ 339,520
<u>UTILITIES</u>			
GAS	55,000	\$ 36,000	\$ -
ELECTRICITY	151,500	\$ 143,530	\$ 1,700
SEWER & WATER	0	\$ -	\$ -
INTERCOM, CABLE & PHONE LINES	8,900	\$ -	\$ 7,700
TOTAL UTILITIES	\$ 215,400	\$ 179,530	\$ 9,400
<u>ON SITE STAFF</u>			
SITE MANAGER	\$ 80,000	\$ 79,752	\$ 80,000
BUILDING SUPERVISOR	\$ 76,500	\$ 76,500	\$ 76,500
CONCIERGE/SECURITY CONTRACTED	\$ 302,071	\$ 300,000	\$ 298,000
TOTAL MANAGERS EXPENSES	\$ 458,571	\$ 456,252	\$ 454,500
<u>GUEST SUITE (1)</u>			
CONDO FEES/ PROPERTY TAXES/MAINTENANCE	\$ 7,400	17,500	\$ 7,300
MORTGAGE PAYMENTS	\$ 20,170	11,224	\$ 20,170
TOTAL GUEST SUITE	27,570	28,724	27,470
TOTAL EXPENDITURES	\$ 1,215,685	\$ 1,088,121	\$ 995,840
RESERVE FUND CONTRIBUTIONS	\$ 166,000	\$ 166,000	\$ 297,228
TOTAL EXPENDITURES & RESERVE FUND TRANSFERS	\$ 1,381,685	\$ 1,254,121	\$ 1,293,068
SURPLUS (DEFICIT)	\$ -	\$ 119,717	\$ -