



Property Management Services

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

Phone: 403.253.7642

January 6, 2022

Owners/Mortgagees
Condominium Corporation No. 1013688
Waterfront Condominiums, Tower A
Calgary, Alberta

Dear Owner/Mortgagee:

Re: 2022 Annual General Meeting

We are pleased to advise that the Annual General Meeting of Waterfront, Tower A has been scheduled for **Wednesday, January 26, 2022 at 7:00 pm, with registration beginning at 6:30pm**. The meeting will be held at the Hilton Hotel, 711 4th Street SE, Calgary Alberta.

We enclose the following information with respect to the meeting:

1. Notice and Agenda of Meeting;
2. Form of Proxy;
3. Consent to Stand for Election to the Board of Directors;
4. Directors' Code of Conduct;
5. Unapproved AGM Minutes of October 7, 2020;
6. 2022 Budget;
7. Audited Financial Statements for period ending December 31, 2020.

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 five (5) nor more than seven (7) 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 cindy.halina@ranchogroup.com or dropped off to the Waterfront site office, no later than January 21, 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 representing no less than 2500 of the Unit Factors, must be present in person or by proxy. If a quorum is not present for a General Meeting within five (5) minutes of the time set for the meeting, the meeting shall stand adjourned for ten (10) 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 current 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 if not delivered to Rancho in advance.

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.
/ch

Waterfront Tower A
Condominium Corporation No. 1013688
ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Owners, Condominium Corporation No. 1013688 has been scheduled as follows:

Date: Wednesday, January 26, 2022

Time: 7:00pm - with registration beginning at 6:30pm

Location: Hilton Hotel, 711 4th Street, Calgary Alberta.

The Agenda for the meeting is as follows:

1. Election of Chairman & Call to Order
2. Confirmation of Quorum
3. Approval of the Meeting Agenda
4. Proof of Notice of Meeting
5. Approval of Annual General Meeting minutes held on October 7, 2020.
6. Reports
 - President's Report
 - Treasurer's Report
7. Approval of Audited Financial Statement for period ending December 31, 2020
8. Appointment of auditor for the period ending December 31, 2021
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
 - 13.1 Standard Insurable Unit Description (SIUD)
14. Adjournment

Dated at Calgary, Alberta this 6th day of January, 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, forwarded to Rancho Realty via email to cindy.halina@ranchogroup.com or dropped off to the site office no later than January 21, 2022.

WATERFRONT ONE TOWER A

Condominium Corporation No. 1013688

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. 1013688 (Tower A), being held on **Wednesday, January 26, 2022** to:

(FULL LEGAL NAME)

of _____
(UNIT NUMBER, CIVIC ADDRESS)

(SIGNATURE OF UNIT OWNER)

Please give this proxy to the person taking attendance at the door of the Annual General Meeting, or email to Rancho Realty (1975) Ltd. by no later than January 21, 2022. Proxies can also be left at the Waterfront site office by the above date or emailed to cindy.halina@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 A), Condominium Corporation No. 1013688, at the Annual General Meeting being held on **Wednesday, January 26, 2022.**

(SIGNATURE)

Please email or drop off this form to Rancho Realty (1975) Ltd. by no later than January 21, 2022. Forms can be emailed to cindy.halina@ranchogroup.com or dropped off to Maureen Hendry at the site office.

Thank you.



**MINUTES OF THE 2020 ANNUAL GENERAL MEETING
CONDOMINIUM CORPORATION NO. 1013688
WATERFRONT TOWER A CONDOMINIUMS**

The Annual General Meeting of the Condominium Corporation No. 1013688 was held on Wednesday, October 7, 2020, at the Chinese Cultural Centre, 197 – 1st Street S.W., Calgary, Alberta.

1. CALL TO ORDER

Natalia Beilin, Property Manager with Rancho Realty (1975) Ltd. called the meeting to order at 6:13p.m.

2. ATTENDANCE AND QUORUM

Natalia Beilin, Property Manager introduced the attending and current members of the Board of Directors: Edmond Shin, Thomas Kim and Glen Schmidt. Board members not present were Pat Stewart and Michelle Varem. Also present was Cheryl Orban with Rancho Realty (1975) Ltd., Administrative Assistant and Recording Secretary.

Natalia Beilin reported that the required quorum of 44 was exceeded with a total of 75 units represented at the Annual General Meeting. There were 21 owners in attendance and 54 owners were represented by proxy.

3. PROOF OF NOTICE OF MEETING

Natalia Beilin confirmed that the Notice of the Annual General Meeting was sent to all owners by regular mail on September 11, 2020.

4. APPROVAL OF THE 2019 ANNUAL GENERAL MEETING MINUTES

Motion duly made by Unit 1712 and seconded by Unit 512, to approve the minutes of the 2019 Annual General Meeting, held on May 29, 2019, as presented.

CARRIED

5. REPORTS OF OFFICERS:

PRESIDENT’S REPORT (See Attached Schedule “A”)

The President’s Report was prepared and presented by Board President, Glen Schmidt.

TREASURERS REPORT (See Attached Schedule “B”)

The Treasurer’s Report was prepared and presented by Treasurer, Thomas Kim.

The Audited Financial Statement and Reserve Fund Study Report, for the fiscal year ending December 31, 2019, were included with the AGM package mailed to owners.

Motion duly made by Unit 1712 and seconded by Unit 422, to accept the Audited Financial Statement and Reserve Fund Report, for fiscal year ending December 31, 2019.

CARRIED

6. APPOINTMENT OF AUDITORS

Motion duly made by Unit 1712 and seconded by Unit 422, to retain Murray Hunter Professional Corporation as auditor for fiscal year ending December 31, 2020.

CARRIED

7. RESIGNATION OF CURRENT BOARD OF DIRECTORS

At this time the Board of Directors resigned.

8. ELECTION OF BOARD OF DIRECTORS

Natalia Beilin stated that Edmond Shin, Glen Schmidt, Thomas Kim, Ravi Sood and Pat Stewart had submitted their Consent to Stand for Election forms to Rancho in advance of the Meeting and their names are noted on the voting ballots. Natalia asked three times if any other owners wish to stand for election.

The candidates introduced themselves and spoke briefly to why they are interested in serving on the Board of Directors. There being no further volunteers, the Board of Directors for term 2020/2021 was confirmed as follows:

- Edmond Shin
- Glen Schmidt
- Ravi Sood
- Pat Stewart
- Thomas Kim

9. NEW BUSINESS

Q. Why is the gym still closed?

A. All the amenities are managed by the WOA Board of Directors. The Board continues to review and discuss guidelines from the AHS and Alberta government as they relate to Covid-19. The Board will continue to consult the AHS to help determine if re-opening the gym and other amenities is in the best interest of all residents.

Q. Can a policy be implemented for gym use during the pandemic at this time?

A. The liability is too great at this time, but the WOA Board will discuss further at the next meeting and evaluate all viable options.

Q. Is it possible to refund the Condominium fees to Owners because of the amenity closures?

A. No. Any surplus at year end is re-allocated to the Reserve Fund which then off-sets the necessary condominium contributions in that year.

Q. What happened to the green line project?

A. A group of residents volunteered their time and contacted the City of Calgary to communicate concerns from other residents. The City of Calgary did revise some of the plan and shifted alignment to the West, so it did have some impact with they City. We encourage all residents to volunteer more time to assist consulting with the City.

Q. When is the next WOA Board meeting?

A. After all the Towers have had their AGMs, a new WOA Board will be elected and a meeting date confirmed at that time.

Q. Who do residents send direct questions and concerns to until and new site manager is hired?

A. All communications should go to Jerry Stecko, Building Supervisor, until further notice.

10. ADJOURNMENT

Motion duly made by Unit 2211 to adjourn the meeting.

The meeting was adjourned at 6:55 pm.

Presidents Report

To begin the report to fellow owners I would like to extend my thank you on all our behalf to our volunteer Board of directors who have taken on the needed work of oversight on behalf everyone. Your Board has focused on two goals; maintaining the quality of our building and environment as our homes and managing as cost effectively as we can the services we each access. Thomas, Michelle, Edmond, Pat, Johann have been the team I rely upon for advice as well as taking upon needed projects on all our behalf's.

We do this together as a team with Joanne our building Manager and Jerry our operations manager. Joanne and Jerry are the front line leads on the day to day engagement of projects, communications and needs for each of us. I would like to as well acknowledge their efforts for the past year.

The key efforts for the year focused upon;

Cost effective services.

- Contracts were bid and reviewed and this aided a minimization of cost impacts, 2019 expenditures were ??% over 2018.
- We have worked diligently to reduce the impacts of uncontrollable insurance events from water damage from a unit which cost us all. Our new bylaws and new condo regulations allow the charge back of deductibles which will mitigate past cost exposure to all. Please review your insurance to insure your deductible coverage is included in your needed unit insurance.
- The gym hot tub has been suspended due to costs and liabilities for its public use. You will be asked via an ordinary resolution at our AGM to ratify this decision.

Enhanced Board Governance.

- A board code of conduct & ethics have been updated and will be recommended that future Board members follow.

Updated policies

- Policies are being updated for move-in/move-out, pets as well as short term rentals. On the later policy our homes are not suited as an alternative to hotels; security, impacts and unfortunate too common misbehaviour, of such users, as well as this use violates our bylaws prohibiting what is now a required registered business. Please note ARBNB, VRBO and other such short term rentals are not allowed.

Reserve Fund Management

- We have been examining if reserve fund investments can be enhanced beyond the GIC traditional investments. We have no conclusion and have continued evaluating options with other Waterfront Boards to date GIC's remain our investment tool. Given market uncertainties this review is not one we would recommend the incoming Board rush but continue to evaluate.

Building and resident quality

- All of the waterfront Boards communicated with the City of Calgary on the detrimental impacts on building the Green-Line; safety, sound, security, access and ultimately value of your unit as well as quality of Princes Island Park. We hope we are listened to and would encourage unit owners and residents to express their concerns as well to the city.

COVID 19

- In evaluating with Rancho and other Boards we suspended access to amenities and encouraged social distancing on elevators to protect all residents. Rancho has updated and enhanced cleaning practices to reduce risks as well.
- Rancho and all Boards are reviewing package deliveries to insure the needed service is undertaken to meet both needs and protection of residents. Please support polices as they are updated.

Thank you for your support your retiring Board would encourage all interested residents to volunteer their time as volunteer Board members and encourage you bring any questions to our AGM.

Treasurers Report

Highlights

- 2019 incurred a slight operating deficit of \$7,867 (1% budget variance) which reduced the operating fund for carry over into 2020 to \$255,579. This operating fund amount is still considered fairly healthy compared to other condominium benchmarks and, for reference, is able to cover 4.5 months of budgeted expenses.

- Insurance costs were the largest budget variance item due to escalating insurance premiums and excessive insurance liability costs. In particular, the condominium corporation incurred costs of \$70,581 required to cover an insurance liability incident related to water release.

As a positive going forward, our newly adopted condo bylaws and changes to the Condo Act will reduce the condominium corporation's exposure to these types of insurance liability expenditures in the future.

Reserve Fund

- Based on alternatives outlined in the 2017 Reserve Fund Study, the Board selected a balanced reserve funding approach designed to moderate the level of special assessments over the study's 25 year model period while lowering the contribution burden compared to the fully funded approach.

- In order to begin meeting the requirements of the balanced reserve funding approach, the amount of reserve fund contributions were increased by 15% over the previous year and, with investment interest gains taken into account, the total reserve fund amount grew by 27% to \$820,143.

Waterfront Tower A

Condo Corporation No. 1013688

Board of Directors Review of Operations

Report to Unit Owners (2021)

Introduction

On behalf of your current Board of Directors, I am providing you a summary of highlights over the last year, thank on your behalf, your Board volunteers and encourage any unit owner who may have an interest to submit their name for election at our AGM. We have 5 directors and have the ability under our bylaws for a total of 7 directors. Your possible participation is encouraged and as these notes share, the Board addresses key initiatives through work teams, to build recommendations to the Board for approval a Board of 7 members helps support the capacity to share the work on initiatives ahead.

Goals

Our goal over the last year and our recommended goals over the next year are to work with Rancho to effectively manage the costs for the maintenance of Tower A and to ensure we support a quality home for residents.

Cost Effectiveness

We have managed to control costs through oversight with Rancho and by some specific actions. With our updated Bylaws and the revised Condo Act, we are now able to charge costs up to the deductible amount (\$50k) to owners where the loss originates in the unit. As uncontrollable costs, insurance deductible costs were a burden. This is now reduced through the Bylaws and Condo act. All owners are reminded to insure under their own insurance for deductible assessment coverage. In the last year these new mechanics have led to reduced costs from those budgeted.

Utility costs for both power and natural gas are cost areas where increased prices are incurred directly by unit owners. For the utility use by the condo your Board has used 5 year fixed price contracts to mitigate the inflation that has occurred in these utility costs. Your Board had a work team review expiring contracts with Enmax and have secured updated 5 year fixed prices on your behalf. These contracts were priced at the time in the market and a competing supplier was solicited to bid to ensure we received a cost competitive solution from Enmax.

Jerry with Rancho has worked closely on maintenance and we have not has any unusual surprises. In the case of elevators and maintenance by OTIS we secured an elevator mechanical contractor who is providing knowledgeable oversight and bidding of the contract renewal to ensure we receive the contracted maintenance and that it is effective.

As a 10-year-old building we completed our first Building Exterior Visual Assessment (BEVA), and submitted same to the City of Calgary. We had some minor items to address; these were completed and as part of our Reserve Fund Study examined the expected future repair costs for our building envelope, where the concrete and any cracking, cladding integrity must be addressed to ensure the integrity of the external structure. We did engage a building envelop engineer to assist in the inspection and assessment of the timing of future work. This effort will also be included in the upcoming updated Reserve Fund Study.

An additional area we are examining is standpipe clean outs. As a tower ensuring our standpipes have no blockages and that they are maintained well should avoid the risk of water damage from water backup from this source. The study underway will carry forward to the new Board to assess for budgeting clean outs as required.

Quality Home

COVID has been a challenge that has been met through the cooperation of residents. We have worked with Rancho to ensure we have and are meeting regulated requirements. We encourage residents to mask and follow social distancing, to avoid the cases of breakouts seen in buildings where residents let down their guard. Thank you for your cooperation.

Working with the WOA, Waterfront Owners Association, representatives of all towers at site 1 oversee these facilities. At our AGM last year the question on accessing amenities was asked and answered as we followed protocols. Recently new requirements directed that amenities be suspended to protect residents. As the Province/City clarifies rules and tools your new Board will work with the WOA to manage amenity access. Sadly disruption in routines is unavoidable, but can be managed when tools and rules are clarified. Again we will need cooperation and support from residents to manage.

Your Board had a work group coordinate with Telus to provide the option for access to fibre internet service. In coordinating with other Towers, we were able to secure a discount to rates for your benefit.

Closing Comments

Your support to constructively work with Rancho and your Board will be needed in the year ahead. Please consider volunteering to join the Board and add to the capacity to take part in one of the work teams to engage with Rancho for oversight in cost effectively managing your building and supporting the quality home we can for residents.

On your behalf, I would like to thank your volunteer Board; Thomas Kim, Pat Stewart, Ravi Sood, and Piyal Das. We look forward to meeting with you at the AGM whether online or in person if manageable.

President Tower A, Glen Schmidt

CONDOMINIUM CORPORATION NO. 1013688
(*"Waterfront Tower A"*)
Financial Statements
Year Ended December 31, 2020

CONDOMINIUM CORPORATION NO. 1013688
("Waterfront Tower A")

Index to Financial Statements
Year Ended December 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures Operating Fund	4
Statement of Revenues and Expenditures Reserve Fund	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9



MURRAY HUNTER

Professional Corporation
Chartered Professional Accountant

INDEPENDENT AUDITOR'S REPORT

To the Owners of Condominium Corporation No. 1013688 "Waterfront Tower A"

Opinion

I have audited the financial statements of Condominium Corporation No. 1013688 "Waterfront Tower A" (the corporation), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures operating fund, statement of revenues and expenditures reserve fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2020, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the corporation in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 Owners of Condominium Corporation No. 1013688 (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 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 corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

I 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 I identify during my audit.

Calgary, Alberta
May 20, 2021


MURRAY HUNTER PROFESSIONAL CORPORATION
Chartered Professional Accountant

CONDOMINIUM CORPORATION NO. 1013688


("Waterfront Tower A")

Statement of Financial Position


December 31, 2020

	Operating Fund	Reserve Fund	2020	2019
ASSETS				
CURRENT				
Cash and cash equivalents	\$ 306,883	\$ 337,304	\$ 644,187	\$ 930,854
Accounts receivable	11,015	17,886	28,901	25,824
Prepaid expenses	63,514	-	63,514	20,177
Insurance claim receivable	-	-	-	35,840
	<u>381,412</u>	<u>355,190</u>	<u>736,602</u>	<u>1,012,695</u>
LONG TERM INVESTMENTS	-	635,329	635,329	111,969
	<u>\$ 381,412</u>	<u>\$ 990,519</u>	<u>\$ 1,371,931</u>	<u>\$ 1,124,664</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	\$ 71,291	\$ -	\$ 71,291	\$ 48,942
NET ASSETS				
Operating fund	310,121	-	310,121	255,579
Reserve fund	-	990,519	990,519	820,143
	<u>310,121</u>	<u>990,519</u>	<u>1,300,640</u>	<u>1,075,722</u>
	<u>\$ 381,412</u>	<u>\$ 990,519</u>	<u>\$ 1,371,931</u>	<u>\$ 1,124,664</u>

ON BEHALF OF THE BOARD



Director



Director

CONDOMINIUM CORPORATION NO. 1013688

("Waterfront Tower A")

Statement of Revenues and Expenditures Operating Fund

Year Ended December 31, 2020

	Budget 2020	2020	2019
REVENUES			
Condominium fees	\$ 1,226,318	\$ 1,226,317	\$ 1,209,666
Interest and other income	15,500	12,569	10,735
Less: Contributions to reserve fund	(181,816)	(181,816)	(158,101)
	<u>1,060,002</u>	<u>1,057,070</u>	<u>1,062,300</u>
EXPENDITURES			
Amenities	281,845	281,845	310,138
Cleaning and supplies	41,740	40,152	39,627
Electricity	115,000	103,949	102,528
Elevator	32,000	34,551	30,413
Guest suite	15,128	15,128	15,086
HVAC and plumbing	77,897	61,650	65,483
Heat	70,000	67,385	53,966
Insurance	154,425	89,206	151,385
Management fees	41,983	41,983	41,983
Office	4,815	9,615	4,071
Parking (note 7)	138,819	138,819	163,743
Professional fees	4,750	5,997	3,367
Repairs and maintenance	14,500	19,020	24,605
Security and fire prevention	8,500	16,336	5,872
Telephone	800	813	765
Water and sewer	52,000	70,787	51,255
Window cleaning	5,800	5,292	5,880
	<u>1,060,002</u>	<u>1,002,528</u>	<u>1,070,167</u>
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	54,542	(7,867)
NET ASSETS - BEGINNING OF YEAR	-	255,579	263,446
NET ASSETS - END OF YEAR	\$ -	\$ 310,121	\$ 255,579

CONDOMINIUM CORPORATION NO. 1013688

("Waterfront Tower A")

Statement of Revenues and Expenditures Reserve Fund

Year Ended December 31, 2020

	2020	2019
REVENUES		
Contributions from operating fund	\$ 181,816	\$ 158,101
Interest earned	12,244	14,559
	<u>194,060</u>	<u>172,660</u>
EXPENDITURES		
Siding and water remediation	<u>23,684</u>	-
EXCESS OF REVENUES OVER EXPENDITURES	<u>170,376</u>	<u>172,660</u>
Replacement reserve balance, beginning of year	820,143	647,483
Replacement reserve balance, end of year	<u>\$ 990,519</u>	<u>\$ 820,143</u>

CONDOMINIUM CORPORATION NO. 1013688

("Waterfront Tower A")

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures - operating fund	\$ 54,542	\$ (7,867)
Excess of revenues over expenditures - reserve fund	<u>170,376</u>	<u>172,660</u>
	<u>224,918</u>	<u>164,793</u>
 Changes in non-cash working capital:		
Accounts receivable	32,763	(57,377)
Accounts payable and accrued liabilities	22,349	2,451
Prepaid expenses	(43,337)	3,953
Insurance deposit	<u>-</u>	<u>(3,722)</u>
	<u>11,775</u>	<u>(54,695)</u>
	236,693	110,098
INCREASE IN CASH FLOW	<u>1,042,823</u>	<u>932,725</u>
Cash and cash equivalents - beginning of year	<u>\$ 1,279,516</u>	<u>\$ 1,042,823</u>
CASH AND CASH EQUIVALENTS - END OF YEAR		
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and cash equivalents	\$ 644,187	\$ 930,854
Long term investments	<u>635,329</u>	<u>111,969</u>
	<u>\$ 1,279,516</u>	<u>\$ 1,042,823</u>

CONDOMINIUM CORPORATION NO. 1013688

("Waterfront Tower A")

Notes to Financial Statements

Year Ended December 31, 2020

1. BASIS OF PRESENTATION

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

2. INCORPORATION AND OPERATIONS

The Condominium Corporation No.1013688, operating as "Waterfront Tower A" (the Corporation) was incorporated in accordance with the provisions of the Condominium Property Act of Alberta.

The purpose of the Corporation is to manage and maintain the common elements (as defined in the Corporation's By-Laws) and to provide common services for the benefit of the owners of the residential units comprising the complex.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Asset Recognition

These financial statements include only those assets, liabilities, revenues and expenses relating to the operations of the Corporation. These statements do not include the cost of land, buildings, improvements and the outstanding principal balances owing on mortgages which are the responsibility of the individual owners.

Cash and Cash Equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in guaranteed certificates and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than five years.

Revenue Recognition

Revenues are recognized monthly as they are billed to the owners. Billings consist of monthly charges based upon annual budgets approved by the Board of Directors, special assessments and other charges to owners for fines and interest related to payments owed that are in arrears. Revenue includes interest earned on cash balances and investments.

(continues)

CONDOMINIUM CORPORATION NO. 1013688
("Waterfront Tower A")

Notes to Financial Statements

Year Ended December 31, 2020

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

Fund Accounting

The Corporation maintains two funds within its accounts from revenue it receives from its owners, an operating fund and a reserve fund. As required by the Condominium Act of Alberta, these funds which contain bank accounts and at times, qualified investments, are to be maintained separately. The commingling of these funds is not permitted.

Restricted Reserve Fund - for major repairs and replacements

The Corporation, as required under the Condominium Property Act of Alberta has established a reserve for financing future major repairs and replacements of the common elements. This fund consists of investment income and fee assessments to the owners as required and is reduced by capital expenditures incurred. The reserve fund is restricted by law and is to be used for the purpose of financing future repairs and replacements of the common elements. These restricted funds are not available for other purposes.

Operating Fund

This fund includes the Corporation's annual fees and operating expenses related to the common areas including minor repairs and maintenance. Any operating surplus is available to be used for the future deficits or expenses not anticipated by the budget. If there are any operating deficits, these amounts should be assessed to the owners to repay the deficit.

Budget

The budgeted figures are presented for comparison purposes, are unaudited and are those as approved by the Board reclassified to conform with these financial statements.

Income Taxes

The Corporation, as required by Income Tax Legislation, prepares and files annually federal and provincial income tax returns. However, as the Corporation meets certain exemptions as allowed for not-for-profit organizations, no provision for income taxes is reflected in the accompanying financial statements.

Contributed Services

Many of the activities necessary to conduct the day to day operations of the Corporation are carried out through volunteer efforts. However, due to the difficulties in determining fair values for these services, no amounts are included in the accompanying financial statements for these services.

Measurement Uncertainty

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires the management of the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

CONDOMINIUM CORPORATION NO. 1013688
("Waterfront Tower A")

Notes to Financial Statements

Year Ended December 31, 2020

4. ADEQUACY OF RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS

The Board of Directors has utilized such information as was available to them in evaluating the adequacy of the reserve. Such evaluation is based on numerous assumptions as to future events and utilizes the information provided through an independent engineering reserve fund study completed in 2017. The Board's evaluation is that the existing reserve, together with anticipated annual assessments, will provide sufficient funds to finance the cost of future major repairs and replacements of the common elements. The engineering study recommended a balance to be maintained in the reserve fund of \$ 818,085 as at December 31, 2020.

5. MAJOR COMMITMENTS

The Corporation has entered into contractual arrangements for the next year for the following services:

Property management	\$ 41,988
Elevator	30,000
HVAC and mechanical	55,000
Janitorial	42,000
Security	10,000

6. FINANCIAL INSTRUMENTS

The carrying values of cash, restricted cash, accounts receivable, accounts payable and accrued expenses and deposits as reflected in the accompanying financial statements approximate their fair value due to relatively short-term maturities of these instruments.

The Corporation had \$ 794,463 and related accrued interest of \$ 15,305 invested in guaranteed investment certificates in its reserve fund at December 31, 2020 with maturity dates ranging from March 2021 to November 2025 bearing interest at rates ranging from 0.77 % to 2.6 % per annum. The Corporation has some exposure to interest rate risk due to changes in interest rates over this period.

The Corporation's revenues are derived from and are dependent upon the individual members of the Corporation. Accordingly, concentrations of credit risk and liquidity risk are considered to be minimal.

7. PARKADE COSTS

The Corporation is a member of the Waterfront Site One Owner's Association (" the Association ") that administers the parkade and the amenities that the Corporation and other buildings in the complex use. The Association prepares an annual expense budget and levies a proportionate share of the costs by way of a fee to the members.

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 A - Condominium Corporation No. 1013688 &
 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 \$1,329,620 for 2022, which sees a 3.37% increase in Condominium Contributions for the next fiscal year. Please note below a summary of the overall operating expenses.

Expense	Budget 2022
<u>Administrative</u> Insurance Premiums	\$202,200 (-\$25,488) The global and local condominium insurance market remains unpredictable at this time and we are being advised by BFL Canada that premiums are likely to continue to increase next year. The budgeted amount for 2022 is based on the anticipated rate increase of approximately 15% at renewal in May 2022.
<u>Operating</u> Plumbing R & M Amenities (WOA Budget)	\$597,720 (-\$21,820) Budget reflects an increase based on actuals for 2021 and anticipated repairs in 2022. Contributions into the WOA are lower due to utility costs being shifted from the WOA to Tower A.
Utilities	\$302,700 (+64,900) The utilities budget is higher for 2022, taking in to account the allocation of utilities from the WOA budget, as well as higher rates and anticipated usage, as people spending more time at home.

The Board applied the following key principles in the approval of the 2022 Budget:

- Building quality & security remain important to sustaining and enhancing the value of everyone's investment.
- Final budget numbers were arrived at based on historical trends and current contracts in place.
- The Board was able to keep individual condominium contributions to a 3.37% increase for 2022, due to continued diligence in tracking all operating expenses, contract negotiations, planning ahead, as well as the allocation of \$50,000 of accumulated surplus.
- 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.

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. 1013688. Please note your unit number clearly on the face of the cheque.

Should you have any questions with respect to your payments, please contact Kevin Vuong in Accounts Receivable by email 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. 1013688

WATERFRONT (BLDG 1A)
CONDOMINIUM CORPORATION #1013688
Operating Budget
Financial Year Jan. 1, 2022 to Dec. 31, 2022

	Budget 2021	Projected 12/31/2021	Budget 2022
REVENUES			
Condominium Fees	1,226,316	1,226,318	1,267,620
Miscellaneous Income	10,000	44,265	10,000
Operating Interest	4,000	2,400	2,000
Allocation from Prior Year's Surplus	50,800	0	50,000
Total Revenues	1,291,116	1,272,983	1,329,620
EXPENSES			
<i>Administrative</i>			
Insurance	118,600	130,821	150,000
Insurance Liability	50,000	0	0
Insurance Appraisal	1,000	0	0
Bank Service Charges	850	1,050	1,000
Management Fees	41,988	41,988	42,000
Audit Fees	2,250	3,200	3,200
Legal Fees	5,000	6,000	3,000
Sundry Admin.	8,000	2,000	3,000
Total Administrative Expenses	227,688	185,059	202,200
<i>Operating</i>			
Exterior R & M	8,000	4,000	6,500
Interior R & M Common Area	5,000	1,300	3,000
Electrical R & M & Supplies	1,000	500	2,000
Plumbing R & M	20,000	24,000	34,000
HVAC R & M	55,000	28,790	60,050
Elevator R & M	30,000	33,755	32,200
Fire & Safety Equipment	10,000	9,110	12,350
Security Equipment & Services	1,000	0	1,000
Window Cleaning	5,600	5,775	6,000
Cleaning & Supplies	42,000	41,000	46,000
Mat Rentals	3,000	1,940	2,200
Owner Association - Amenity*	263,612	281,845	242,240
Owner Association - Parking Costs**	154,618	138,819	137,797
Owner Association - Guest Suite***	17,710	15,128	9,383
Total Operating Expenses	616,540	585,962	594,720
<i>Utilities</i>			
Natural Gas	60,000	73,400	99,700
Electricity	112,000	110,964	112,000
Water & Sewer	65,000	68,655	90,000
Telephones	800	810	1,000
Total Utilities	237,800	253,829	302,700
Subtotal Expenses	1,082,028	1,024,850	1,099,620
Capital Reserve Fund Contrib.	209,088	209,088	230,000
Total Expenses	1,291,116	1,233,938	1,329,620
Surplus/Deficit	0	39,045	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	\$ -

DIRECTORS' CODE OF ETHICS

RE: CONDOMINIUM CORPORATION NO. _____

I have consented to act as a Director of the Corporation and I agree to comply with the following Directors' Code of Ethics throughout my terms as a Director:

Honesty and Good Faith – I will act honestly and in good faith. I will do nothing to violate the trust of the unit owners I serve.

Care, Diligence and Skill – I will exercise the degree of care, diligence and skill of a reasonably prudent person in comparable circumstances. I will make a concerted effort to attend all Board and owners' meetings. I will act responsibly and with due diligence to become familiar with the affairs of the Corporation and to uphold its Declaration, Description Plans, By-Laws, Rules, Resolutions, Policies, Agreements and Requirements of the Condominium Act and other legislation.

Conflict of Interest – I am not currently aware of any actual or potential conflict of interest with respect to any contract, transaction, building deficiency claim, warranty claim, legal action, proceedings or any matter detrimental to the Corporation. If I become aware of any conflict, I will immediately disclose it to the Board. I will not promote my own interests or those of any owner, resident, family member, friend or contractor to the detriment of the Corporation. I will not seek any special benefits or privileges as a Director or Officer or accept any compensation either personally or on behalf of any other person except as permitted by a By-Law. I will act only in the best interests of the Condominium Corporation as a whole and I will not favour the interests of any individual or group of owners or residents.

Confidentiality – I will not disclose to any person (including my spouse) information decided by the Board to be confidential or privileged or which reasonably ought to be deemed confidential. When in doubt, I will request determination by a resolution of the Board.

Good Conduct – At all times, I will conduct myself in a professional and businesslike manner at meetings of Directors or Owners. I will approach all Board issues with an open mind, preparing to make the best decisions on behalf of the Corporation. I will act ethically with integrity and in accordance with legal criteria. I will comply with rules of good conduct and will deal with others in a respectful manner. I will comply with principles of good governance and procedural rules of order.

Support – I will abide by decisions of the majority of the Directors even though I may disagree, but I reserve the right to express my own views to owners upon non-confidential issues.

Defamation – I will not make erroneous or defamatory statements about the Corporation or any owner, resident, director, officer, manager, staff or contractor of the Corporation.

Minimize Conflict – I will attempt to prevent or minimize conflict and disruption and will promote good relations amongst persons involved in our Condominium Community. I will promote a first class image for our Corporation, its units, owners and residents.

Education – recognizing that governance of a Condominium Corporation involves complex and changing requirements, I will continue to educate myself by reading relevant magazines (such as any publication published by your local CCI Chapter, CM Magazine or Condominium Business Magazine). I will support attendance by one or more Board members at any condominium seminars presented by the Canadian Condominium Institute (CCI), including CCI's various levels of courses for Directors at the cost of the Corporation.

Agreement – I hereby agree to comply with the provisions set out in this Directors' Code of Ethics.

Dated at _____ this _____ day of _____, 20 _____

WITNESS:

SIGNATURE

PRINT NAME OF DIRECTOR

UNIT NO.

[You are free to use this Code of Ethics in its current form; if you alter this document in any form, you must note it is modified from the CCI original document.] If your Condominium uses this code, please let CCI know – e-mail: info@cci.ca