



Property Management Services

Suite 1, 5528 – 1st Street SE

Calgary, AB T2H 2W9

Phone: 403.253.7642

www.ranchocalgary.com

November 1, 2022

Owners/Mortgagees
Condominium Corporation No. 1111929
Waterfront Condominiums, Tower B
Calgary, Alberta

Dear Owner/Mortgagee:

Re: 2022 Annual General Meeting

We are pleased to advise that the Annual General Meeting of Waterfront Tower B has been scheduled for **Tuesday, November 22, 2022 at 6:00 pm, with 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 the 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 Form;
3. Consent to Stand for Election;
4. Unapproved AGM Minutes from December 15, 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 & Regulation. 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 to 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.

In order 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 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 Board member to attend on your behalf by completing the enclosed Proxy.

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 B
Condominium Corporation No. 1111929
ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Owners, Condominium Corporation No. 1111929 has been scheduled as follows:

Date: Tuesday, November 22, 2022

Time: 6:00pm (in-person registration begins at 5:30pm)

Location: Virtual or Chinese Cultural Centre, Chris Mightie Hall – 2nd floor
197 – 1st Street SW, 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 Agenda
4. Proof of Notice of Meeting
5. Approval of Annual General Meeting minutes held on December 15, 2021
6. Board Reports
 - o President's Report
 - o Treasurer's Report
 - o Building Envelope Project
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
14. New Business
- Q & A
15. 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 on the day of the AGM or forwarded to Rancho Realty (1975) Ltd. via email to maureen.hendry@ranchogroup.com by November 18, 2022.

WATERFRONT ONE TOWER B

Condominium Corporation No. 1111929

PROXY

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. 1111929 (Tower B), to be held at the Chinese Cultural Centre, 197 – 1st Street SW, Calgary Alberta., on Tuesday, November 22nd, 2022, to:

(FULL LEGAL NAME)

DATE: _____

(SIGNATURE OF UNIT OWNER)

Please submit this proxy to the person taking attendance at the Annual General Meeting, or email to Rancho Realty (1975) Ltd. by no later than November 18, 2022. Proxies can also be left at the Waterfront site office by the above date. If you are submitting your proxy electronically, instructions are provided by GetQuorum, this year's virtual meeting host.

Proxy forms can be sent by email to maureen.hendry@ranchogroup.com.

CONSENT TO STAND FOR ELECTION
Waterfront Tower B

I, _____ of
(Owner's Name)

(Civic Address)

hereby consent to stand for election to the Board of Directors of Waterfront Site One (Tower B), Condominium Corporation No. 1111929, at the Annual General Meeting being held on **Tuesday, November 22, 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 B – CONDOMINIUM CORPORATION NO. 1111929

The Annual General Meeting of Condominium Corporation No. 1111929 was held on Wednesday, December 15, 2021, at 7:00 p.m. at the Hilton Garden Inn, located at 711 4th Street S.E., Calgary, Alberta.

ELECTION OF CHAIRMAN

Before the meeting was called to order, it was recommended by the Board of Directors to have Todd Brand, a professional Registered Parliamentarian with the National Association of Parliamentarians, to preside over the Meeting and act as Chair.

There was discussion on the floor among those in attendance as to whether it would be in everyone's best interest to have an outside Chair preside over the Meeting. Following the discussion and a motion on the floor, it was agreed to by majority show of hands, that Todd Brand could chair the Meeting.

1. CALL TO ORDER

The elected chair, Todd Brand called the meeting to order at 7:29 p.m. The Board of Directors present were Derek Loo, Derrill Ladell, Peter Garnenkov and David Wozney. Absent was Paul O'Shaughnessy. Also present was Maureen Hendry, Waterfront Site Manager and Natalia Beilin, Senior Condominium Manager, both with Rancho Realty.

2. CONFIRMATION OF QUORUM

In accordance with the Corporation Bylaws, no business shall be transacted at any General Meeting unless a quorum of persons entitled to vote is present at the time when the meeting proceeds to business. One-quarter (1/4) of the persons entitled to vote or 68 of the Units entitled to vote present whether in person or represented by proxy shall constitute a quorum.

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 the persons entitled to vote who are then present shall constitute a quorum.

A total of 57 units were represented, 18 in person and 39 by proxy. After the required adjournment, quorum was confirmed and the Meeting could proceed.

3. APPROVAL OF MEETING AGENDA

There were no proposed amendments to the Agenda and no opposition to approving the Agenda as it was presented in the meeting package. Hearing no opposition the Agenda was adopted as printed.

4. APPROVAL OF PROPOSED MEETING RULES OF ORDER

Todd Brand provided an explanation of the Rules of Order, a copy of which was handed out to all those in attendance. The Rules attempt to accomplish six things: order, focus, efficiency, equality, decorum and safety.

There was an amendment proposed to the Rules of Order from the floor, to strike out twenty minutes for the Q&A period and have a thirty minute Q&A time instead. With a majority show of hands, the Rules of Order were adopted with this amendment.

5. PROOF OF NOTICE OF MEETING

Natalia Beilin (Rancho Realty) confirmed that the Notice of Meeting was issued to all owners on November 24, 2021.

6. APPROVAL OF THE ANNUAL GENERAL MEETING MINUTES

In order to approve the Minutes of the 2020 Annual General Meeting held on October 6, 2020, the Chair asked if there were any amendments or opposition to the draft Minutes as presented.

An owner in attendance pointed out that two things were omitted from the 2020 AGM Meeting Minutes and requested for these items to be added.

The following proposed amendments to the 2020 AGM Meeting Minutes were suggested:

1. Mention of a request being made for Board Meeting Minutes to be more comprehensive and reflect all issues discussed at Board meetings.

By a majority show of hands, the suggested amendment above was adopted.

2. On page 4 of the Q&A section, it was asked how owners contact the Board. Residents would like better and more frequent communication. The amendment to answer should include that the Board would look at having a generic email.

By a majority show of hands, the suggested amendment was adopted.

The Chair asked if all all were in favour of approving the 2020 AGM Minutes as amended. With a majority show of hands in favour, the 2020 AGM Minutes were approved.

7. REPORTS OF OFFICERS

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

The report was included in the 2021 AGM meeting package.

The Chair asked if the majority of owners in attendance would prefer to wait until the end of the Meeting to ask questions or if questions related to the report should be asked at this time. By a majority show of hands, it was determined that questions would be asked at this juncture.

Q – Can costs incurred by Tower B contributions as they relate to the MEWs (private road maintained by WOA) can somehow be mitigated?

A - David explained that the ECR agreement which allocates 65% of costs to the WOA was executed by Anthem. The agreement is registered legal document and all towers are bound by it. Secondly there's a Members Agreement which allocates costs from within the WOA among the parties; retail, tower A, B and C/D and it is on the basis of square footage and is also a binding agreement.

TREASURER'S REPORT (See Attached Schedule "B")

The report was included in the 2021 AGM meeting package.

Q – Why is the Reserve Fund balance much higher than where the Reserve Fund Study says it should be at this time?

A – In all the years prior to the 2022 Budget, the Boards have budgeted for the contribution amount to be in line with the recommended contribution per the Reserve Fund Study. The Reserve Fund studies are somewhat an inexact science. Sometimes you end up with more money than you think and sometimes less. As a result of regular full contributions over the years as approved by various Boards, Tower B is currently in a position where it has funds in excess of what the Reserve Fund Study requires at this particular date. That said, there is approximately \$700,000 of funds anticipated to be needed for a large project that didn't get completed in 2021 and has been deferred for various reasons. This was taken into account in setting the 2022 budget and the Reserve Fund contributions were held flat with 2021, notwithstanding the Reserve Fund Study suggesting they should be higher. This was done in part because a new Reserve Fund Study will be undertaken in 2022.

Q – What is the \$700k anticipated project?

A – It is for Building Envelope repairs. We have issues with cladding and issues with water ingress at certain points. There is damage outside of some units where the stucco is breaking down. All kinds of these things are presenting themselves up and down the building. The funds are needed to do large scale repairs on the external cladding.

Q – Did you hire an engineer to do the assessment?

A – Yes, Optimize Engineering is consulting on this project.

Q – How did this project pop up without early warning?

A – With how the Reserve Fund Study is set up and based on the age of the building, you can get a sense of when certain types of repairs will come up. So based on the building's age, we start to look at the external cladding and we start to get issues with cracking, etc. We know that issues are starting to come up. Optimize was engaged to look at the condition of the exterior and to provide better understanding and clarity of what the actual scope needs to be for repairs. Once finalized, this will allow the Board to seek out proposals for doing the work.

Q – Does this have something to do with the City requirements?

A – Yes, a Building Exterior Visual Assessment (BEVA) report was required and completed, mandatory for buildings over 5 years of age.

Q – Did the engineering report specify the urgency of required repairs?

A – While priorities are being identified as we move forward in the process, it will be far more cost efficient to address the issues as a large-scale project, than to tackle small or individual issues as they come up.

Q – Has the ECR Agreement dispute been resolved between the towers?

A – Almost. The parties have reached an agreement in principle. The amending agreement is with legal counsel at this time. Once final amendments are made, we expect to have the document fully executed by all parties.

Q – How does the Members Agreement relate to the ECR? Is the ECR the overriding contract?

A – The ECR agreement only deals with utility related costs. It has two parts: the right of way which allows people to cross over property that actually belongs to another tower, and the second part addresses cost sharing, but only with respect to very specific utility costs and utility related matters. All other costs are addressed in the Members Agreement. Concierge costs, the gym, all those WOA costs are allocated on the basis of square footage. For the most part, utilities will now be allocated on the basis of square footage as well.

8. APPROVAL OF AUDITED FINANCIAL STATEMENT

The Audited Financial Statement report for fiscal year ending December 31, 2020 was included in the 2021 AGM meeting package.

Treasurer, David Wozney, advised that the Financial Statements were audited by Mr. Murray Hunter and that he would like to move to approve the Audited Financial Statement for fiscal year-end December 31, 2020.

Motion was duly made and seconded, to approve the Audited Financial Statement for the period ending December 31, 2020. With a majority show of hands in favour, the motion was carried and the 2020 Audited Financial Statement was approved.

9. APPOINTMENT OF AUDITOR

David Wozney advised that the Corporation bylaws require that the annual financial statements be audited. In prior years, the Owners have given the Board the authority to choose the auditor. This gives the Board the option of choosing someone who they feel is qualified and is cost effective.

David moved to assign the appointment of the auditor for fiscal year-end 2021, to the incoming Board of Directors. Motion seconded. Majority in favour by show of hands. Motion carried.

Q – How long have we used the current Auditor?

A – It has been 4-5 years now. There has been some discussion with other Boards about switching auditors this year and something that will be discussed further by the new Board.

10. RESIGNATION OF THE BOARD

All current Board members officially resigned.

Todd advised that a resolution is needed to set the number of Board Members for the upcoming year to five (5), six (6) or seven (7). The outgoing Board is recommending that it be set at seven (7).

Q – Did the number on the Board drop below the minimum number this year?

A – Yes, for a brief period we were below the minimum requirement. There were three resignations over the course of the year for varying reasons. No Board business was conducted in that time frame. When the Board dropped below five (5) late in the year, another member was appointed to stand in until the AGM.

Q – If you slide below the minimum, does the Board have the right or ability to appoint a member?

A – Yes. Legal counsel was consulted during this process to ensure everything was done “by the book” and that a valid Board was constituted.

A motion was made from the floor and seconded, to set the number at seven (7). By a majority show of hands, the motion to set the number of Board Directors at seven (7) for the upcoming year was carried.

11. ELECTION OF BOARD OF DIRECTORS

Consent to Stand for Election forms were sent out with the Notice of Meeting package on November 24, 2021. Habiba Elahee, Azat Kuliev, Romania Leo, Colin Lo and Bruce Rabik advised Rancho Realty in advance of the Meeting of their intent to stand for election.

At the Meeting, a request was made for nominations from the floor. Peter Garnenkov, Derek Loo and Taha Anjarwalla also volunteered to stand for election. After asking three more times, nominations from the floor were closed.

All candidates briefly introduced themselves and spoke to their interest in serving on the Board.

Todd provided instructions to all those in attendance on how to mark the ballots. Once all ballots were in, votes were counted by Natalia Beilin, Maureen Hendry and two scrutineer volunteers from the floor.

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

Number of Votes Tallied:

• Romania Leo	57
• Bruce Rabik	55
• Habiba Elahee	54
• Azat Kuliev	52
• Colin Lo	51
• Peter Garnenkov	49
• Derek Loo	42

12. UNFINISHED BUSINESS

None.

13. STANDARD INSURANCE UNIT DESCRIPTION

Maureen introduced herself and provided a brief overview of the SIUD Outline for Waterfront Tower B, which was also included in the the 2021 AGM package.

The SIUD was put together from original builder specs and working with Normac Appraisals. The SIUD was reviewed and approved by the Board of Directors earlier this year.

Todd advised that there would now be a motion for ratification and asked for volunteer from the floor to make a motion. Peter Garnenkov made the motion, which was seconded by Derek Loo. Todd asked if there were any questions.

Q – If we don't ratify, what happens?

A – The forms would have to go back for amendment, approval by the Board again and then back for approval at next year's AGM.

The approval of the SIUD dated April 14, 2021 and the SIUD dated April 27, 2021 as provided in the 2021 AGM package, was ratified by a majority show of hands in favour.

NEW BUSINESS & QUESTION PERIOD

Q – Does the budget for Concierge services include cleaning?

A – Cleaning is a separate line item in the budget. The Concierge budget includes 24/hr security.

Q – What is the breakdown between security and concierge in terms of costs?

A – Their hourly rates are approximately the same but exact numbers can be provided to the new Board.

Q – How much is the cleaning contract?

A – Cleaning budget is approximately \$64k but includes window cleaning, supplies and contingency for extra cleaning due to spills, Covid-19, etc.

Q – What action has the Board taken to restrict airbnb activity?

A – A new policy has recently been put in place in line with the City of Calgary business bylaw, which requires a business license and all rentals to be a minimum of 30 days.

Q – What actions will the Board take in 2022?

A – We will have to be able to identify the unit operating as a suspected Airbnb to restrict its use. Any such units need to be reported to management so action can be taken. A Notice of Proposed Sanction will be issued to any unit running a short term rental and if activity continues, monetary sanctions will be levied against the unit weekly in accordance with the bylaws and Condo Act & Regulation.

Q – When did we pass the bylaw that allowed us to exclude Airbnb's?

A – The Bylaws were amended in 2019. The Bylaws have been a contentious legal issue because the Alberta Condominium Act requires that you allow rentals, so the question was around what constituted a rental. The City of Calgary passed a law that says running an Airbnb is the same as running a business and our bylaws prevent people from running a business. This remains a contentious issue and we will have to keep a close eye on all such activity in the buildings.

Q – What about parking? There appear to be a lot of outsiders coming into the building, renting out stalls. What can be done?

A – Tower B has raised this concern to the WOA many times. The other towers did not feel this was a contentious issue that needed to be addressed at this time. Owners in those towers have not provided the same feedback or brought this forward as a concern. The new Tower B WOA reps can bring this to the table again for further discussion.

Q – The Bylaws specifically prohibit parking stalls being rented, so why is this not being enforced?

A – The WOA administers and manages the parkade, but if an individual tower identifies a resident/owner in their tower who is doing it, a sanction notice can be issued. It has always been the view that it ought to be a unified solution between the towers, but there has never been a consensus to have this enforced. One Tower can enforce it, but it won't address the security issue if the other towers do not consider it a priority to do the same. If the primary concern is security for the buildings, outsiders will still have access into the parkade unless all 3 towers agree to not allow this.

Q – Can the new Board look at re-opening some of the facilities/amenities including the gym, even during the COVID pandemic?

A – The request is noted and will be discussed by the new WOA Board.

Q. Those in attendance were asked for feedback with respect to the hot tub. There has been much debate through the WOA on whether the hot tub should be re-opened or closed permanently. There's a cost to bring it back up to code as well as ongoing maintenance costs. It is unclear how much the hot tub is actually being used. The WOA has budgeted funds for it for 2022 but there is discussion among current WOA members that that money may be better spent on upgrading some of the gym equipment.

Q – How much money are we talking about?

A - \$5k-\$6k to get it back to code plus annual costs are another \$4k-\$5k related to maintenance. The new WOA Board will need to make a decision based on feedback from individual towers.

Q – Would a Town Hall Meeting not be a better venue to receive this type of feedback, or a survey?

A – Yes, we can look at having this brought forward again at a Town Hall and/or putting out a survey to gather feedback.

Q – Can the Board have the Condo Corporation take responsibility of maintaining/replacing the zone valves instead of the owners? Many owners are not doing the proper maintenance and not everyone knows how to do this.

A – We can look to see if this would be possible without having to amend the Bylaws.

Q – Can the Board send out a memo to owners about the Telus Fibre Optic Upgrade to ensure it is installed effectively inside the suites when upgraded?

A – Yes, this is noted.

Q – Can the Board consider hiring an external Chair every year?

A – The new Board can consider this.

Q – Can the new Board decide on the next AGM date in the 1st Board meeting

A – The new Board can consider this.

14. ADJOURNMENT

With no opposition to adjourning the meeting, Todd Brand announced that the meeting was adjourned at 9:42 p.m.

This is schedule "A" forming part of the Minutes of the Annual General Meeting of Condominium Corporation No. 1111929 held on the 15th day of December 2021.

President's Report 2021

Thank you everyone for attending Tower B's Annual General Meeting.

I want to acknowledge my fellow board members for their hard work over the last 14 months and to thank new member Paul O'Shaughnessy for stepping in to fill in an unexpected vacancy on the Board.

Elected Board Members from 2020 AGM

President	Derek Loo
Vice President	Peter Garnenkov
Treasurer	David Wozney
Director at Large	Derrill Ladell
Director at Large	Paul O'Shaughnessy (interim appointment)
Secretary	Romania Leo (resigned)
Director at Large	Larry Kernaghan (resigned)
Director at Large	Barbara Mendaglio (resigned)

Allocation of Water

The Corporation has resolved the water allocation dispute with Tower C/D. Due to inaccurate original water meters, it was determined that tower CD had been overpaying for water consumption between December 2015 and October 2019. The parties reached a settlement back in November of 2020, and tower B reimbursed tower C/D in the amount of \$60k in early 2021. This matter is now closed.

Waterfront Mews

Waterfront Mews private roadway has been turned over and is now managed by the WOA. Cost sharing breakdown:

- Site 1 (WOA): 65%
- Site 2: 26%
- Site 3: 9%

Amenities

After more than a year of closure due to COVID-19, the WOA Board continues to consult with health authorities and legal counsel in an effort to continue to act in the best interest of all residents, while minimizing liability for the Corporation.

Water Savings

Due to ongoing toilet flapper failures/deterioration as reported by residents, the Board agreed to complete a one-time replacement of all flappers at the Corporation's cost, in an effort to save on overall water costs for the building.

Building Envelope

Building envelope maintenance and repairs is slated for 2022. Due to the complexity and size of the project, we have retained Optimized Envelope Engineering to assist with initial planning and more information will be shared with residents as the project moves forward.

Condominium Corporation 1111929 (Waterfront Tower B")

Treasurer's Report – December 2021

Mr. Murray Hunter completed the audit of the financial statements for the year ended December 31, 2020. There were no major issues to report arising from the audit and the statements were given an unqualified opinion.

A few things to note regarding the financial statements:

- For the year ended December 31, 2020, Tower B had an operating deficit of \$122,000. The accumulated surplus in the Operating Fund went from \$244,000 to \$122,000.
- Significant 2020 expenses in excess of budget included a \$60,000 settlement with Tower C/D regarding water and sewer costs from 2016 to 2020, water/sewer costs of \$30,000 more than budgeted, professional fees of \$16,000 over budget (primarily due to the water and sewer dispute), and unrecoverable insurance repairs in the amount of \$60,000.
- Tower B transferred \$457,000 to its reserve fund and incurred only \$5,000 of expenditures from the reserve fund in 2020, ending the year with a balance of \$2,730,000. This is approximately \$278,000 above the targeted amount in the most recent (2017) reserve fund study.

Condominium fees continued to rise with the 2021 increase being \$100,000 (5.5% over 2020). The increase was caused primarily by three items.

1. Insurance (budgeted increase of \$35,000): Premiums continued to rise in the "hard" insurance market. Based on advice from Tower B's insurance broker, the increase had been budgeted at 25%, and although the increase was not as significant as projected, it was still 5% for Tower B and 12% for the WOA. It is still too early to estimate what will happen to premiums when the insurance is renewed in May 2022.
2. Reserve Fund Contributions (budgeted increase of \$45,000): Contributions are based on the funding schedule adopted by the board from the 2017 reserve fund study. The contribution to the reserve fund for 2021 will be \$502,000 in accordance with the 2017 reserve fund study, increasing another \$51,000 to \$553,000 in 2022. A new reserve fund study is required in 2022, so the costs and funding projections are very likely to change.
3. Utility Costs (budgeted increase of \$20,000): In part the increase arose from revising the water/sewer costs to reflect the correction of the allocation between Tower B and Tower C/D but also to address increasing costs with people spending more time at home and rising carbon taxes being added to the cost of electricity and natural gas.

This is schedule "B" forming part of the Minutes of the Annual General Meeting of Condominium Corporation No. 1111929 held on the 15th day of December 2021.

Condominium Corporation 1111929 (Waterfront Tower B")

At the end of October 2021, the reserve fund balance is just under \$3,164,000. There is a significant project to be undertaken relating to the building envelope including exterior painting and caulking. The reserve fund study estimated the cost of this project to be \$700,000; the project is still being scoped, so the actual projected costs cannot yet be accurately estimated. Cash not required for current capital replacement continues to be invested in GICs.

At the end of October 2021, Tower B had generated an additional \$30,000 surplus. This includes a deferral of \$24,000 of contributions to the reserve fund to provide sufficient funds to pay the 2021/2022 insurance premium and elevator contract and a refund of \$47,000 of funds from the WOA. Utility costs are \$39,000 above budget so far in 2021. The \$24,000 of deferred reserve fund contributions will be made over the remaining 2 months of 2021 and the seasonalized budget shows a surplus of \$1,000 for the remaining 2 months of 2021. The estimated full-year 2021 operating surplus is projected to be \$8,000 and the accumulated surplus on December 31, 2021 is projected to be \$130,000.

After several discussions involving representatives from Tower B and C/D boards and their respective legal counsel, a dispute regarding the allocation of water/sewer costs between the Towers going back as far as 2016 was resolved with Tower B paying Tower C/D \$60,000. The Tower B board approved the settlement on the advice of counsel that legal fees for litigation would significantly exceed any savings that might have been realized if the matter proceeded to court.

The Tower B board is currently working with the boards of Towers A and C/D to try to agree on a method to be used for allocating certain costs (primarily utilities, and maintenance and capital replacement costs for shared use equipment). The intention is to ensure timely and equitable cost allocation to try to avoid disputes like the one regarding water/sewer with Tower C/D and an earlier one regarding natural gas costs both of which required substantial unbudgeted payments by Tower B. Discussions are ongoing and we anticipate concluding an agreement soon.



Property Management Services

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

Phone: 403.253.7642

November 29, 2021

Dear Owner(s):

**Re: Waterfront Tower B - Condominium Corporation No. 1111929 &
 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 has approved an operating budget of \$1,991,902 for 2022, which sees an increase in Condominium Contributions of 2.30%. Please note below a summary of the overall operating expenses.

<u>Expense</u>	<u>Budget 2022</u>
<u>Administrative</u>	\$272,140 (-\$3,900) Insurance premiums did not increase as much as anticipated in 2021. Even with a budgeted 15% increase in 2022 premiums the budgeted 2022 cost is \$1,600 less than the 2021 budget. The sundry cost budget was reduced by \$2,300.
<u>Operating</u>	\$765,380 (-\$56,805)
WOA Budget	The WOA budget increased by \$23,400 over 2021. However, utilities costs of approximately \$85,600 have been shifted from the WOA to Tower B.
Repairs & Maintenance	
Cleaning	Cleaning increased \$9,200 to reflect actual costs plus a rate increase. R&M decreased \$800 and \$3,000 moved to utilities.
<u>Utilities</u>	\$452,000 (+\$117,000) Excluding the \$85,600 allocation of utilities from the WOA budget, the utilities budget increased \$28,400 to reflect higher rates and usage as people are spending more time at home. Also included is a move of \$3,000 from repairs and maintenance.
<u>Reserve Fund</u>	\$502,382 (Flat)
Reserve Fund Contributions	Flat with 2021 contributions to reflect surplus over target in reserve fund and new reserve fund study to be done in 2022.

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 2.30% increase for 2022, due to continued diligence in tracking all operating expenses, careful contract negotiations, planning ahead, as well as the application of \$10,000 of accumulated surplus to the 2022 budget.
- 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. 1111929. 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. 1111929

WATERFRONT (BLDG 1B Lofts + 1B Tower)
CONDOMINIUM CORPORATION #1111929
Operating Budget
Financial Year Jan. 1, 2022 to Dec. 31, 2022

	Budget	Projected	Budget
	2021	12/31/2021	2022
REVENUES			
Condominium Fees	1,924,107	1,924,107	1,968,302
Miscellaneous Income	10,000	63,770	12,000
Operating Interest	1,500	1,675	1,600
Allocation of Prior Year Surplus	0	0	10,000
Total Revenues	1,935,607	1,989,552	1,991,902
EXPENSES			
<u><i>Administrative</i></u>			
Insurance	196,600	176,487	195,000
Insurance Liability	0	14,380	0
Management Fees	64,940	64,940	64,940
Professional Fees/Audit Fees	6,000	2,537	6,000
Sundry Admi, Bank Charges, Comm.	8,500	4,000	6,200
Total Administrative Expenses	276,040	262,344	272,140
<u><i>Operating</i></u>			
Exterior and Interior R & M	25,500	12,000	17,600
Plumbing R & M	25,000	42,000	27,000
HVAC R & M	63,760	68,000	65,860
Elevator R & M	60,000	54,000	60,000
Fire, Safety & Security Equipment	10,000	10,000	10,000
Cleaning & Supplies (inc. windows)	55,000	51,174	64,200
Owner Association - Amenity	352,493	352,493	323,915
Owner Association - Parking Costs	206,750	206,750	184,258
Owner Association - Guest Suite	23,682	23,682	12,547
Total Operating Expenses	822,185	820,099	765,380
<u><i>Utilities</i></u>			
Natural Gas	80,000	96,000	112,000
Electricity	155,000	156,025	205,000
Water & Sewer	100,000	115,760	135,000
Total Utilities	335,000	367,785	452,000
Subtotal Expenses	1,433,225	1,450,228	1,489,520
Capital Reserve Fund Contrib.	502,382	502,382	502,382
Total Expenses	1,935,607	1,952,610	1,991,902
Surplus/Deficit	0	36,942	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	\$ -

CONDOMINIUM CORPORATION NO. 1111929
(Operating as Waterfront Tower B)
Financial Statements
Year Ended December 31, 2021

CONDOMINIUM CORPORATION NO. 1111929

(Operating as Waterfront Tower B)

Index to Financial Statements

Year Ended December 31, 2021

	Page
AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
Expenses (<i>Schedule 1</i>)	10

INDEPENDENT AUDITOR'S REPORT

To the Owners of Condominium Corporation No. 1111929 operating as Waterfront Tower B

Opinion

We have audited the financial statements of Condominium Corporation No. 1111929, operating as Waterfront Tower B, (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 Entity'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 Entity 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 March 26, 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)

Independent Auditor's Report to the To the Owners of Condominium Corporation No. 1111929 operating as Waterfront Tower B (continued)

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
April 1, 2022

C&E LLP Chartered Professional Accountants

CONDOMINIUM CORPORATION NO. 1111929


(Operating as Waterfront Tower B)


Statement of Financial Position

December 31, 2021

	Capital Replacement Reserve Fund 2021	Operating Fund 2021	Total 2021	Total 2020
ASSETS				
CURRENT				
Cash	\$ 161,345	\$ 124,839	\$ 286,184	\$ 1,071,820
Accounts receivable	-	9,823	9,823	29,858
Prepaid expenses	-	72,244	72,244	69,040
Total Current Assets	161,345	206,906	368,251	1,170,718
INVESTMENTS (Note 3)	3,112,667	-	3,112,667	1,780,133
	\$ 3,274,012	\$ 206,906	\$ 3,480,918	\$ 2,950,851
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ -	\$ 79,133	\$ 79,133	\$ 98,253
NET ASSETS (Notes 2, 4)	3,274,012	127,773	3,401,785	2,852,598
	\$ 3,274,012	\$ 206,906	\$ 3,480,918	\$ 2,950,851

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

CONDOMINIUM CORPORATION NO. 1111929
(Operating as Waterfront Tower B)

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	\$ 1,924,107	\$ -	\$ 1,924,122	\$ 1,924,122	\$ 1,822,886
Interest income	1,500	47,985	1,500	49,485	69,979
Miscellaneous income	10,000	-	61,750	61,750	-
Reserve contributions	(502,382)	502,382	(502,382)	-	-
	1,433,225	550,367	1,484,990	2,035,357	1,892,865
	1,433,225	6,762	1,479,408	1,486,170	1,511,212
EXPENSES (Schedule 1)					
	-	543,605	5,582	549,187	381,653
NET EXCESS OF REVENUE OVER EXPENSES					
	-	2,730,407	122,191	2,852,598	2,470,944
NET ASSETS - BEGINNING OF YEAR					
	\$ -	\$ 3,274,012	\$ 127,773	\$ 3,401,785	\$ 2,852,598
NET ASSETS - END OF YEAR					

See notes to financial statements

CONDOMINIUM CORPORATION NO. 1111929

(Operating as Waterfront Tower B)

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
FUND ACTIVITIES		
Excess of revenue over expenses	\$ 549,187	\$ 381,653
Changes in non-cash working capital:		
Accounts receivable	20,035	(29,858)
Accounts payable	(19,120)	98,252
Prepaid expenses	(3,204)	(69,040)
	<u>(2,289)</u>	<u>(646)</u>
Cash flow from fund activities	<u>546,898</u>	<u>381,007</u>
INVESTING ACTIVITY		
Reserve fund investments	<u>(1,332,534)</u>	<u>(428,458)</u>
Cash flow used by investing activity	<u>(1,332,534)</u>	<u>(428,458)</u>
DECREASE IN CASH FLOW	(785,636)	(47,451)
Cash - beginning of year	<u>1,071,820</u>	<u>1,119,271</u>
CASH - END OF YEAR	\$ 286,184	\$ 1,071,820

CONDOMINIUM CORPORATION NO. 1111929

(Operating as Waterfront Tower B)

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. 1111929. 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. 1111929

(Operating as Waterfront Tower B)

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.

CONDOMINIUM CORPORATION NO. 1111929

(Operating as Waterfront Tower B)

Notes to Financial Statements

Year Ended December 31, 2021

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

	<u>2021</u>
GIC's maturing within one year	\$ 522,259
GIC's long term	2,477,849
Accrued interest	<u>112,559</u>
	<u>\$ 3,112,667</u>

4. 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 2017. 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			Expenses	
	Beginning of	Transfers from	Interest	Allocated to	Balance End of
	Year	Operations	Earned	Reserve Fund	Year
2021 Projected	\$ 2,452,055	\$ 502,382	\$ 36,781	\$ (731,038)	\$ 2,260,180
2021 Actual	\$ 2,730,407	\$ 502,382	\$ 47,985	\$ (6,762)	\$ 3,274,012
2021 Over(under)	\$ 278,352	\$ -	\$ 11,204	\$ 724,276	\$ 1,013,832
2022 Projected	\$ 2,260,180	\$ 552,621	\$ 33,902	\$ (32,359)	\$ 2,814,344
2023 Projected	\$ 2,814,344	\$ 580,252	\$ 42,216	\$ (33,330)	\$ 3,403,482
2024 Projected	\$ 3,403,482	\$ 609,264	\$ 51,052	\$ (144,918)	\$ 3,918,880
2025 Projected	\$ 3,918,880	\$ 639,728	\$ 58,782	\$ (35,359)	\$ 4,582,031

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.

CONDOMINIUM CORPORATION NO. 1111929

(Operating as Waterfront Tower B)

Notes to Financial Statements

Year Ended December 31, 2021

5. 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.

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.

6. SUBSEQUENT EVENT

Tower B experienced a water leak during 2021. It is Tower B's intention to seek compensation for these costs from Tower A.

7. 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. 1111929
(Operating as Waterfront Tower B)
Expenses

(Schedule 1)

Year Ended December 31, 2021

	Budget 2021	Capital Replacement Reserve Fund 2021	Operating Fund 2021	Total 2021	Total 2020
OPERATING EXPENSES					
Utilities	\$ 335,000	-	\$ 379,651	\$ 379,651	\$ 393,619
Owner association - Amenity	352,493	-	352,493	352,493	376,873
Owner association - Parking	206,750	-	206,750	206,750	185,624
Insurance	196,600	-	190,071	190,071	217,722
Plumbing and electrical	88,760	-	117,543	117,543	72,163
Management fees	64,940	-	64,940	64,940	64,940
Janitorial	55,000	-	56,840	56,840	52,692
Elevator	60,000	-	54,012	54,012	59,809
Guest suite	23,682	-	23,682	23,682	20,229
General repairs and maintenance	35,500	-	20,985	20,985	31,623
Audit, legal and professional fees	6,000	-	7,960	7,960	21,470
Office and bank charges	8,500	-	4,481	4,481	9,076
	<u>1,433,225</u>	<u>-</u>	<u>1,479,408</u>	<u>1,479,408</u>	<u>1,505,840</u>
CAPITAL REPLACEMENT RESERVE EXPENSES					
Technical audit	-	6,762	-	6,762	-
Pump replacement	-	-	-	-	5,372
	<u>-</u>	<u>6,762</u>	<u>-</u>	<u>6,762</u>	<u>5,372</u>
	<u>\$ 1,433,225</u>	<u>\$ 6,762</u>	<u>\$ 1,479,408</u>	<u>\$ 1,486,170</u>	<u>\$ 1,511,212</u>

See notes to financial statements