

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)
Financial Statements
For the Year Ended March 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Directors of Renaissance Place (The Owners: Condominium Plan No. 942-3146)

Opinion

We have audited the financial statements of Renaissance Place (The Owners: Condominium Plan No. 942-3146) (the Corporation), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations 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 Corporation as at March 31, 2023, 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 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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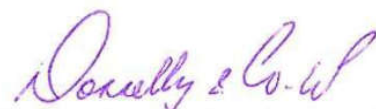
Independent Auditor's Report to the Directors of Renaissance Place *(continued)*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.

Edmonton, Alberta
October 17, 2023




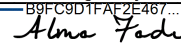
Chartered Professional Accountants

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)
Statement of Financial Position
As at March 31, 2023

	General 2023	Capital Replacement Reserve 2023	Total 2023	Total 2022
Assets				
Current				
Cash and cash equivalents	\$ 220,711	\$ 763,169	\$ 983,880	\$ 1,522,782
Investments (Note 4)	-	971,501	971,501	363,147
Due from owners	32,805	-	32,805	20,789
Accounts receivable - other	3,155	-	3,155	3,155
Interest receivable	-	5,524	5,524	5,170
Prepaid expenses	35,996	-	35,996	35,200
Due from capital replacement reserve (Note 5)	15,028	-	15,028	-
	307,695	1,740,194	2,047,889	1,950,243
Tangible capital assets (Note 6)	1	-	1	1
	\$ 307,696	\$ 1,740,194	\$ 2,047,890	\$ 1,950,244
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 89,613	\$ -	\$ 89,613	\$ 97,972
Fees received in advance	3,940	-	3,940	703
Key deposits (Note 7)	28,580	-	28,580	26,880
Due to general (Note 5)	-	15,028	15,028	-
	122,133	15,028	137,161	125,555
Commitments (Note 8)				
Net assets (Note 9)	185,563	1,725,166	1,910,729	1,824,689
	\$ 307,696	\$ 1,740,194	\$ 2,047,890	\$ 1,950,244

Approved by the Board


 DocuSigned by:
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 Director


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 Director

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)
Statement of Changes in Net Assets
For the Year Ended March 31, 2023

	General	Capital Replacement Reserve	2023	2022
Net assets - beginning of year	\$ 271,887	\$ 1,552,802	\$ 1,824,689	\$ 1,625,605
Excess (deficiency) of revenue over expenses	204,988	(118,948)	86,040	199,084
Interfund transfers <i>(Note 10)</i>	(291,312)	291,312	-	-
Net assets - end of year	\$ 185,563	\$ 1,725,166	\$ 1,910,729	\$ 1,824,689

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)
Statement of Operations
For the Year Ended March 31, 2023

	General 2023	General 2022	Capital Replacement Reserve 2023	Capital Replacement Reserve 2022	Total 2023	Total 2022
Revenue						
Condominium fees	\$ 1,178,016	\$ 1,166,354	\$ -	\$ -	\$ 1,178,016	\$ 1,166,354
Guest suite rental	10,410	7,920	-	-	10,410	7,920
Interest income	9,711	1,416	48,756	15,421	58,467	16,837
Laundry income	32,339	30,042	-	-	32,339	30,042
Other income	34,380	5,239	-	-	34,380	5,239
	1,264,856	1,210,971	48,756	15,421	1,313,612	1,226,392
Administrative expenses						
Administration and meetings	4,706	9,044	11	32	4,717	9,076
Management fees	58,962	57,758	-	-	58,962	57,758
Professional fees	12,735	12,419	-	-	12,735	12,419
	76,403	79,221	11	32	76,414	79,253
Expenses						
Administrative and housekeeping wages	143,735	144,538	-	-	143,735	144,538
Building maintenance (Schedule 1)	37,220	37,886	-	-	37,220	37,886
Common property maintenance (Schedule 1)	404,392	310,241	167,693	109,370	572,085	419,611
Insurance	71,195	69,177	-	-	71,195	69,177
Utilities (Schedule 1)	326,923	276,843	-	-	326,923	276,843
	983,465	838,685	167,693	109,370	1,151,158	948,055
Excess (deficiency) of revenue over expenses	\$ 204,988	\$ 293,065	\$ (118,948)	\$ (93,981)	\$ 86,040	\$ 199,084

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)

Statement of Cash Flows
For the Year Ended March 31, 2023

	2023	2022
Operating activities		
Cash receipts from owners and others	\$ 1,248,067	\$ 1,209,748
Cash paid to suppliers and employees	(1,236,727)	(1,032,097)
Interest received	58,112	18,382
	<u>69,452</u>	<u>196,033</u>
Investing activity		
Transfer from (to) investments, net	<u>(608,354)</u>	112,669
	<u>(608,354)</u>	112,669
Increase (decrease) in cash and cash equivalents	(538,902)	308,702
Cash and cash equivalents - beginning of year	<u>1,522,782</u>	1,214,080
Cash and cash equivalents - end of year	<u>\$ 983,880</u>	<u>\$ 1,522,782</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents - general	\$ 220,711	\$ 338,297
Cash and cash equivalents - Capital Replacement Reserve	<u>763,169</u>	<u>1,184,485</u>
	<u>\$ 983,880</u>	<u>\$ 1,522,782</u>

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)

Notes to Financial Statements
Year Ended March 31, 2023

1. Description of operations

The Corporation is a Condominium Corporation registered under the Condominium Property Act of Alberta. Its function is to regulate the use of the property and to provide repairs, maintenance and other services to the common areas. There is no share capital. The Capital Replacement Reserve and general expenditures are met by members' contributions.

The Corporation qualifies as a non-profit organization which is exempt from income taxes under the Income Tax Act.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Fund accounting

The Corporation follows the restricted method of accounting for contributions. The general fund accounts for the Corporation's operating and administrative activities.

The Capital Replacement Reserve Fund accounts for contributions that are internally restricted and set aside for future costs of major repairs and replacements.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short term investments with original maturities of three months or less.

Investments

Investments, which consist of fixed income securities are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of excess revenue over expenses.

Tangible capital assets

Tangible capital assets over \$5,000 are recorded at cost and amortized over their estimated useful lives. The Corporation writes off the purchase of tangible capital assets below \$5,000 in the year incurred.

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RENAISSANCE PLACE
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Notes to Financial Statements
Year Ended March 31, 2023

2. Summary of significant accounting policies (continued)

Capital Replacement Reserve

The Corporation maintains a capital replacement reserve to provide for the periodic repairs and replacement of the Corporation's common property. Capital replacement reserve funds are to be held in segregated interest bearing investments and any interest earned remains in the reserve.

All transfers to and from the reserve are approved by the executive of the Corporation.

Revenue recognition

The Corporation recognized condominium fee assessments related to general operations as revenue of the general fund as billed to the owners. Billings for the condominium fees consists of estimates of monthly charges based on approved budgets.

Interest and other income are recognized over the term of the contract.

Contributed services

Volunteer services contributed on behalf of the Corporation in carrying out the activities are not recognized in these financial statements due to difficulty of determining their fair value.

Income taxes

A Condominium Corporation formed under Canadian provincial legislation is a not-for-profit organization and is therefore exempt from tax under paragraph 149(1)(l) of the Income Tax Act.

Provided that substantially all of the Corporation's gross revenue (other than interest) is derived from dealing with members, Canada Revenue Agency is prepared to regard the excess of revenue over expenses as an amount required for the operations of the condominium property and not as income of the Corporation or its members. Consequently, no provision for income taxes has been made.

Goods and Service Tax

The Corporation's expenses include the related Goods and Services Tax. The current rate is five percent.

3. Financial instruments

The 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 Corporation's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from owners. In order to reduce its credit risk, the Board of Directors has adopted a comprehensive collection policy.

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RENAISSANCE PLACE
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Notes to Financial Statements
Year Ended March 31, 2023

3. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its owners and other related sources and accounts payable.

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 Corporation manages exposure through its normal operating activities. The Corporation is exposed to interest rate risk primarily through its investments in fixed income securities. The Corporation is managing its risk by staggering maturity dates.

4. Investments

	2023	2022
Guaranteed Investment Certificates bearing interest from 1.10% to 4.75% (2022 - 1.10% to 3.12%) due April 2023 to November 2025 (November 2022 to November 2025)	\$ 971,501	\$ 363,147

5. Commingling of cash

The Condominium Property Act and Regulations require that a Condominium Corporation does not commingle capital funds with other funds held by it. At March 31, 2023, assets held by Capital Replacement Reserve was more than the balance of the Capital Replacement Reserve by \$15,028.

6. Tangible capital assets

A nominal value of \$1 is recorded to account for guest suite and two parking stalls owned by the Corporation. These assets were previously contributed by the Developer.

7. Key deposits

Key deposits are collected from occupants to secure keys issued for access to amenities. Key deposits are refunded upon return of keys. No interest is paid on the refund of any deposits.

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)

Notes to Financial Statements
Year Ended March 31, 2023

8. Commitments

The Corporation has entered into the following contracts:

- a) Management agreement – three year agreement commencing on April 1, 2021 with a monthly rate of \$24 per unit per month plus Goods and Services Tax. The monthly rate will increase annually by \$0.50 per unit per month. After expiry of three years, the contract will be on a month-to-month basis and can be terminated by either party by giving 60 days written notice.
- b) Maintenance agreement - 10 year elevator maintenance agreement until June 30, 2029 with quarterly rate adjusted annually for increase or decrease in labour rate. Current quarterly rate is \$5,059 plus Goods and Services Tax.
- c) Electricity consumption agreement - agreement with Enmax for a fixed rate of electricity per kWh at minimum consumption levels. The agreement is set at load prices of \$0.11435/KWh commencing March 1, 2023 and terminating on February 28, 2026.

The following minimum payments are required under agreements a and b:

2024	\$	81,412
2025		21,247
2026		21,247
2027		21,247
2028		21,247
Thereafter		26,559

9. Capital Replacement Reserve

The Corporation is required under the Condominium Property Act of Alberta to establish a Capital Replacement Reserve for future major repairs and replacements. A reserve fund study is prepared to develop a plan to provide sufficient cash to meet these future repairs. The most recent reserve fund study dated January 2021 was prepared by Ergil Bains and Associates Ltd. Information contained in the study is used by the Board to assess funding requirements and upcoming repairs.

10. Interfund transfers

Under the bylaws of the Corporation, amounts are allocated, out of fee assessment levied, toward a reserve fund to cover future costs. This allocation is based on the annual budget approved by the Board of Directors. The current year budgeted allocation was \$291,312 (2022 - \$285,600).

RENAISSANCE PLACE
(The Owners: Condominium Plan No. 942-3146)

Schedule of Expenses **(Schedule 1)**
Year Ended March 31, 2023

	General 2023	General 2022	Capital Replacement Reserve 2023	Capital Replacement Reserve 2022
Building Maintenance				
Elevator maintenance	\$ 24,677	\$ 22,765	\$ -	\$ -
Safety inspection costs	12,543	15,121	-	-
	\$ 37,220	\$ 37,886	\$ -	\$ -
Common Property Maintenance				
General common property maintenance	\$ 121,121	\$ 100,859	\$ -	\$ -
Flood damages	79,571	8,725	-	-
Mechanical maintenance	74,121	69,568	-	-
Garbage removal	70,141	69,846	-	-
Janitorial	49,753	50,602	-	-
Grounds maintenance	9,685	10,641	-	-
Concrete repair	-	-	138,475	100,474
Storm and sanitary lines repair	-	-	16,917	8,896
Interior upgrades	-	-	12,301	-
	\$ 404,392	\$ 310,241	\$ 167,693	\$ 109,370
Utilities				
Gas	\$ 172,123	\$ 135,446	\$ -	\$ -
Water and sewer	73,376	71,143	-	-
Electricity	73,359	61,169	-	-
Telephone	8,065	9,085	-	-
	\$ 326,923	\$ 276,843	\$ -	\$ -