AGM 2022 Speaking Notes

Good evening everyone and welcome to the 2022 Lake at Heritage Pointe Owners Association annual general meeting. My name is Rick Gallant, and I'm the current chair of the Board of Directors here at the Lake at Heritage Pointe.

We sincerely appreciate your continuing interest and participation in this very important annual community meeting.

We are hosting this event via Zoom again this year as a result of survey feedback that indicated a majority of residents would prefer this method despite COVID restrictions having now been lifted across the province.

We are going to try to make this year's meeting a little more interactive by having those of you that are so inclined submit questions or comments to our session moderator and we will endeavour to answer those questions at the end of our prepared remarks. To ask questions, simply click on the "more" tab at the top of your screen, then click on "chat" and then type your question or comment into the dialogue box and hit "enter". Note that you have the option to select who you want your question or comment to go to – for example, the session moderator, Les Turner, or all participants.

(Slide: Voting Procedures – PollEV.com)

The second interactive item we have tonight regards voting on three items. In order to conduct the votes we are using an app called PollEv. To participate in the vote you will need to go to PollEV.com/lahp001 preferably on a separate device, like a smart phone or tablet, or by switching to your internet browser on the device you are currently on. Once you are logged into PollEV, Les will send you the respective votes as we get to them and you will be able to vote using the app in real time with the results showing up in the presentation. It's very slick and we hope it works as seamlessly as it did when we did our trial runs.

Our first voting item is coming up right away so we will give you a minute to log on to PollEV.com.

(Slide: 2022 AGM Meeting Agenda – Quorum)

We are pleased to confirm that with 62 participants in this Zoom call and with a total of 28 proxy forms having been received, we have quorum for tonight's meeting.

As far as the "Proof of Meeting" requirement is concerned, we hand-delivered the AGM package to every residence in the Lake at Heritage Pointe prior to May 7th.

In addition to the notification of the AGM, the delivered package also contained a letter to residents from the board chair, the agenda for the meeting, a proxy form, a board of directors nomination form, a copy of the 2021 AGM Minutes, and a copy of the 2021 Audited Financial Statements. We also used the door drop opportunity to provide each household with a copy of

the community's Architectural Design and Landscape Guidelines and our upgraded Rules and Safety Regulations. For those residents living on the lake, we also dropped off a flyer outlining specific guidelines pertaining to living on the lake.

At this point I would like to entertain a motion to approve the agenda as presented in the AGM package.

OK, now it's time for our first vote. Assuming you are logged into PollEV.com/lahp001 you should now see the first voting item regarding the agenda.

(Slide: 2021 AGM Meeting Minutes)

Now I would like to entertain a motion to approve the minutes of last year's AGM as presented in the AGM package.

Now it's time for our second vote. If you go back to PollEV.com/lahp001 you should now see the second voting item regarding the minutes.

A total of seven names were received for consideration to being nominated to the new Board of Directors. This means that no election will be required for the 2022/23 Board as our bylaws allow all seven nominees to join the board.

We have received a few emails that had questions or issues for us to cover during the AGM. We appreciated getting these questions in advance and some of these will be answered by Carey, our Treasurer, in his segment, the others will be covered during my presentation.

We have targeted to keep this presentation to an hour, but as indicated earlier, we have the chat function open to our moderator, Les, if you have questions or comments during the presentation. Please note that incoming audio has been muted to facilitate managing a Zoom call of this size. Our speaking notes and the AGM presentation will be posted on the LAHP website in the weeks ahead.

Ok, I think we're ready to go:

(**Slide: Here's what's ahead)**

Here's what's ahead……

- A reminder of who is currently on the association board as well as an update on the Community Manager change.
- An update on developments being planned in and around the Hamlet as well as a few county related items.
- One slide is dedicated to the Community Mission Statement
- You'll hear about Capital Improvements that have occurred and ones that are planned for this year.

- We'll discuss our Dunbow Recreational Board grant application for this year as well as a CFEP application we have submitted for the Isle Playground Project.
- I have updates for The Summer Ahead and what our community event calendar might look like.
- Similar to past AGM's you'll hear about our aquatic ecosystem and our ongoing green space enhancement efforts.
- As with last year, I have included a Real Estate Update plus I will review how our Architectural Design and Landscape Guidelines work.
- Then Carey, our treasurer, is going to provide an overview of our financial performance for 2021 and our budget for 2022. He'll also be looking for your support in appointing our auditors for next year.
- Lastly, we'll announce who your 2022/2023 Board of Directors will be.

(Slide: Your 2021/22 Board of Directors)

Let me begin by introducing you to your current volunteer Board of Directors

Rick Gallant – Chair, Secretary and Life Cycle Committee Lead
Glenn Ruskin – Vice-Chair and Water Committee Lead
Carey Donkervoort – Treasurer and Contractor Lead
Jo Scott – IT, Communications and Playground Committee Lead
Brent Fraser – Architectural Design and Landscape Guidelines Lead
Jim Chuey – Safety and Security Lead

I would like to personally thank all of the board members for their contributions over the last year. We had quite a year, both with the challenges with constantly changing Covid restrictions as well as extra effort required in transitioning to a new community manager. I think you will see we accomplished a lot.

(Slide: Extended Family)

Now I would like to introduce you to our extended team that helps us advance all of the work in our community.

Amanda Philips is our book keeper and she joined our extended team last year. She is working with us part time, having a full time position working with a not for profit organization in Calgary as a Senior Operations Manager. She brings 20 years of experience working with our treasurer's favorite accounting software. Amanda is originally from the UK, and lives in Calgary, just 10 minutes down the road in the community of Somerset. Thank-you Amanda for all you do to help keep our books of account in order.

Also part of our team are our contractors, Divcon and PLNT. Brandon Pool and his staff with Divcon are our mechanical contractors and their staff also take care of all of our lawn mowing in the community green spaces. Brandon's mom Mary Pool takes care of all the plants in our

garden beds. James Littlewood and Branden Gartley with PLNT are our horticultural contractors and are responsible for maintaining the lake house park, our shrubs and trees, and fertilizer and weed control applications. Their staff also do all of our sidewalk snow removal and ice rink maintenance.

While we are recognizing extended family, a quick shout out to the Water Committee. This is a group of residents that meet once a month for 7 months of the year, with a mandate entitled, Eyes on the Lake, assisting the board with everything and anything related to our lake. Joining Glenn on this committee are: Brian Yserbart, Bryan Dozzi, Graham Perves, Colin Anderson, Don Waldorf and Jim Chuey. They're always looking for new members on this committee, so, if you have an interest, contact Les or Glenn and they'll point you in the right direction and answer any questions that you might have. They're next meeting is June 13th.

Also, a quick shout out to our playground committee, Jo Scott, Diane Anderson, Jonathan Cassetta, Bill Duke, Christine Gordon and Ryan Nieszner. This group of residents has come together to help facilitate the process of replacing and enhancing our Heritage Isle Playground. They have organized a community engagement survey, reviewed the results and recommended the key attributes required for the new playground, reviewed the results of the playground RFP and recommended the preferred supplier. But more on that later.

(**Slide: Les Turner)**

Our new community manager, Les, has worked in community development and recreation management his entire career, and has been a great asset to our community since coming on board last year. Those of you who have engaged him over the last year will attest that he brings an unending passion and an incredible work ethic to the position. If you have not met him yet, his office is at the lake house and if the gate is open he is there. Please reach out and introduce yourself.

Since Les joined us he has been working tirelessly on expanding community engagement through numerous community events and activities. I think it is safe to say Les has been amazed at the breadth and scope of the job and has thoroughly enjoyed rolling up his sleeves and getting things done. The favourite part of the job for him is engaging with all of you and, through your feedback, working to make our community a great place to live and play.

(Slide: Councillor Don Waldorf)

Don Waldorf was elected Foothills County, Division 6 Councillor in October 2021, replacing the late Larry Spilak. He represents all Division 6 communities including those in the Hamlet of Heritage Pointe, Artesia, and Pinehurst. Don is a sitting board member of the Dunbow Recreation Board as well as sitting on the Calgary Metropolitan Regional Board Governance Committee, Community Futures Highwood, Foothills Regional Fire Board, High River Regional Airport, Inter-Municipal Negotiating Committee w/City of Calgary, Joint Health & Safety Committee and Sheep River Health Trust boards.

Don would like to acknowledge and thank two Heritage Lake residents who have stepped forward to volunteer their time and wealth of experience with the following Foothills County boards of directors:

- Jim Chuey, Foothills Regional Fire Board
- Gary Jones, High River Regional Airport Board

In preparation for this AGM, I spent some time with Don asking about all the activity going on around our community and key Foothills County issues we should be aware of. He wanted me to share the following updates with you:

2022 tax notices have been mailed out to homeowners, which you should have received by now. To determine individual property tax rates, the value of the assessed property is multiplied by the mil rate. Market values for assessed properties in Foothills County in 2022 had an overall increase of 5.24% over last year. The Residential mil rate was decreased by 2.24% this year with the Farm mill rate increasing by 3.05%, Non-Residential increasing by 0.17%, and Machinery & Equipment increasing by 3.95%. What does this mean to rate payers? The average residential tax bill of $5,200 has increased by approximately $250 over last year's tax obligation, with no reduction in service offerings to Foothills County residents and businesses.

As requested by Alberta Transportation, a second Dunbow Road Interchange Study was completed and submitted to Transportation Minister Rajan Sawhney for review. This was an updated look at the traffic flows on Dunbow Road between highways 2 and 2A, and included Foothills County proposed interchange upgrades to accommodate the ever-increasing traffic in the area. The Transportation Minister has recently responded to Foothills County and Don believes that this study will be released to the public in the next few weeks, once it's approved by Foothills Council. The county is still planning to hold a number of transportation open houses in order to give residents the opportunity to learn what the short and long-term vision is for Dunbow Road between Macleod and Deerfoot Trails. With summer quickly approaching, these sessions will probably take place in the early Fall.

With respect to development in the area, we'll start with the Serenity Residential project, located southeast of the Heritage Pointe golf course. The developer's Area Structure Plan and Land Use applications have been approved by Council, with the next step being their Request for Subdivision. It could take one to two years before any shovels hit the ground with the work required by the developer to satisfy any Request for Subdivision conditions.

A second development, Pine Springs Estates, is being proposed by Rarebuilt Homes off Pine Creek Road, just north of Heritage Lake Mews. Their plan calls for a small community of 22 acreages with a pond, walking path and lots of trees. The amendment to the Hamlet Residential District land use rules that was applied for was passed by Council on January 26, 2022. As with Serenity, their next step will be a Request for Subdivision.

A third development is currently in the exploratory phase on the piece of land north of the Rarebuilt Homes development along Pine Creek Road. While still in the early planning stages, the initial concept is for 14 villas or senior's bungalows in a small community. To date Foothills County has not received an application for this proposed development.

Finally, there will be an Area Structure Plan for "Heritage Crossing" coming to Foothills Council in the months ahead. This proposed 150-home development is being planned for the land south of Dunbow Road, between 2nd and 8th Streets. The developer has scheduled an open house for local residents on June 9, 2022 at the Heritage Pointe Golf Club. Doors will open at 5:00pm, with a presentation scheduled for 6:30pm for you to learn all about it.

On the Calgary Metropolitan Regional Board front, Don reinforced that the regional growth plan associated with this board greatly affects the County's autonomy and economic future. Provincial Municipal Affairs Minister, Ric McIver announced a refinement to the CMRB on March 28, 2022 indicating that Wheatland County and Strathmore would no longer be included. His office gave affected municipalities the opportunity to provide feedback on these amendments to the CMRB's growth plan and regional evaluation framework. It is not clear how long it will take to get a response from Mr. McIver.

LaunchPad Heritage Pointe – this new outdoor golf driving range, golf simulation, and restaurant complex is in the final stages of completion and is scheduled to open their doors to the public on June 30th.

Seasonal sweeping, road repairs, paving, ditch & berm grass cutting, and athletic field maintenance activities have all started and should continue until September.
Foothills County applied for and received partial funding for an Electronic Vehicle (EV) charging station test program which they are in the process of implementing. In the coming months, you may see a couple of charging stations installed at both the Heritage Pointe Commercial Centre and Scott Seaman Sports Rink. This program will be a pay-to-use offering.

Foothills County has a NEW website, which is: www.foothillscountyab.ca. Users will find it very easy to navigate with a vastly improved search function and is much quicker than the old one.

And finally, Don is inviting residents of the Lake at Heritage Pointe to reach out to him directly if you have any questions or thoughts to share. Best number is his mobile at (403) 601-6868 and his email address is don.waldorf@foothillscountyab.ca.

(Slide: Board Mission Statement)

You will see here our **Board Mission Statement** which is to**:**

- **Preserve appearance and protect the property values of our community through active volunteers, professional management services and friendly, engaged staff who provide exceptional service for our residents to enjoy the lake house, beach, amenities, and event programs.**

Know that your board supports and believes in this mission statement and does their very best to meet these objectives.

We chose this picture for this slide because it's one of those first impressions one gets of the community when you first drive in. I know that the various boards over the years have worked hard on improving our entrance and this is an important continual improvement item for us.

(Slide: Continual Improvements)

On the subject of continual improvements, here are some photos of what we're working on and what improvements have been completed. A major project for 2021, based on the Life Cycle Study, was the repaving of the upper pond and north dock pathways which occurred in June. Extensive work continued on our irrigation system and we plan to have the system fully operational by the end of this season. On landscaping, I think we're making huge progress, and expect to have the last of the garden bed enhancements completed this year.

As you are all aware, we had several issues of vandalism and theft from our community mailboxes this past year. In response, we worked with Canada Post to have the mailboxes all replaced with newer, much more secure units. We did have an attempted break-in on the new boxes the weekend after they were installed but the vandals had very limited success. However, we chose to install motion sensitive lights and cameras to further enhance the security of the mailboxes. In addition, some of you may have noticed that we also had the concrete slab under the mailboxes mud jacked recently to improve the drainage of the slab and we fixed the eaves trough drains so that water and snow melt will be diverted away from the slab and not directly onto it. Hopefully this will address the slipping hazard that has existed there for the past few winters.

We added to our collection of lake equipment last year with the purchase of additional stand up paddleboards funded partly by the DRB. We also cleaned out the garage and sold a bunch of surplus inventory that helped to purchase some new kayaks. Finally, we completed some upgrades on the west entrance cameras and a couple of the access gates to help improve reliability and cold weather performance.

I've lived in the community for over 14 years and I know each and every board during this time has had a focus on continual improvement. A number of major projects have been completed including the addition of the garage, the repaving of the main parking lot, the structural and aesthetic improvements to the lake house, the garden enhancement project, the list goes on and on. Having completed the Life Cycle Study in 2018 with an update planned in 2023 we now have a very detailed long term plan for maintaining the community's assets. Carey, in his segment, will give you an update on how all of these improvements are being accounted for in terms of budgeting and investment.

(Slide: Dunbow Rec Board)

I mentioned earlier the generous support that the Dunbow Recreation Board has made available to help us purchase a variety of recreational equipment for our community from assorted watercraft, and cross country ski track setting equipment to a variety of sports equipment including fishing, baseball, soccer and pickleball. We work hard at providing comprehensive and compelling applications for these grants that help leverage the funds from our Reserve Fund to provide a broad range of recreational equipment for your use.

Two months ago we submitted an application for a grant to help replace the Heritage Isle Playground. The grant was approved and we used the commitment of those funds and a planned contribution from our Reserve Fund to help support an application for a $125,000 CFEP grant that will allow us to install a much more modern playground that will engage children of all ages and abilities. We expect to hear back on our CFEP application in November.

On that note, I would again like to give a big shout out to our Heritage Isle Playground Committee Members: Diane Anderson, Jonathan Cassetta, Bill Duke, Christine Gordon, Ryan Nieszner, and committee chair, Jo Scott.

(Slide: The Summer Ahead)

Ok, what will the summer ahead look like this year?

It's been a bit of a challenge navigating all of the AHS restrictions over the last 2 years but, it appears that we're finally heading into the final stages of this pandemic. We are anticipating returning to normal operations at the lake house this summer barring any unforeseen setbacks. In fact, lake house rentals are already underway and a number of events have already started.

Our plan is to officially open the lake house and beach for the season on June 18th. This will be when we'll be fully staffed, helping residents enjoy all that our beach area and lake has to offer. We encourage you to come out and check out the new kayaks or any of the myriad of water craft and toys we have available to enjoy a day at the lake.

While our community is an almost idyllic place to live and play, last year we had some issues with vandalism and with unruly behaviour by young adults at the North Dock, particularly late in the evening. Many of them were from outside the community participating in underage drinking, loud, foul language and showing a disregard to the properties of nearby residents. Last AGM you'll remember we discussed these issues and indicated we would address them. We took a number of steps including regular patrols by our community manager, installation of game cameras to monitor the area, repairing the North Dock access system and installation of additional signage to discourage this behaviour. We also engaged concerned residents to help us find a solution here and to let us know when things were getting out of hand.

We will be continuing our efforts to address this issue this summer. If any community member sees an issue around the North Dock area or unruly or vulgar behaviour anywhere on the lake we ask you to immediately call the community manager. Thank you for your patience on this issue, and with your help we think we can keep it under control.

(Slide: Community Events)

As part of our mission statement, the board actively promotes and organizes a variety of really cool community events including outdoor movie nights, our annual parade of garage sales, photos with Santa, light up the night sleigh rides, fly fishing and ice fishing clinics, an annual ice fishing derby, an Easter Egg Hunt, a haunted Hallowe'en walk, a stampede breakfast and much more. Les has been a key driving force over the last year in coming up with interesting new community events and in keeping events going through Covid restrictions. He is keen to hear your ideas for other events or activities and is always looking for folks to lead a new activity.

On the Stampede breakfast front, we are delighted to announce that planning is well underway for a return of this very popular event. It takes months of preparation to put this event on, due to the fund raising that needs to happen and all of the logistics involved, and we got started a couple months ago. So mark July 9th in your calendars and plan to spend the morning with us in the lake house parking lot for a Stampede breakfast prepared by our own Foothills Fire Department.

(Slide: Aquatic Ecosystem)

The lake is our crown jewel of the community. We hear comments from residents who either know people that live on other lakes or have come from other lake communities and they all boast that our water quality is unmatched. I think a good indicator of this is how nature has adopted our manmade lake as their own. On any given day you'll see our resident pair of loons and plenty of other bird life all around our lake. While Ospreys, Eagles and Loons can challenge our fish management program we're lucky to have them back year after year. On fish management, we do stock our lake twice a year. This year, in June, we will be stocking the lake with 100 Tiger trout and 400 Brook trout, creating some diversity with our already healthy populations of Rainbow trout and Brown trout. Once again, in the Fall, we will be doing another stocking of larger Rainbow trout as we did last year.

(Slide: Real Estate Update)

Continuing with our inaugural real estate update from last year, I reached out to Mike Niemans again this year for an update.

Mike Niemans is a Remax Real Estate agent that lives here in our community and is a huge supporter of the community, annually donating and funding such things as our Parade of Garage Sales Event, pumpkin carving as well as light up the night.

Mike started our conversation with a comment that the housing market is going “gang busters” and that the prices in Heritage Pointe are the highest they have ever been! Mike reiterated his comment from last year that the Lake at Heritage Pointe is no longer considered “way outside the city”. With communities like Legacy and Riverstone butting up against us, we’re now almost considered part of the city and we will continue to see the effect of this change in perception over the next 5 years. If someone is looking at a home in the south end of Calgary they now regularly include Heritage Pointe in the list of communities they are interested in when engaging a realtor.

Mike also described the impact of the post-Covid, low interest rate environment on housing demand throughout the Calgary region. He also indicated that so far the demand has not been due to a resurgence in oil and gas, which may further strengthen the market if it occurs. The Lake at Heritage Pointe has a unique appeal with the type of homes found here, including the architectural designs, big lots, plenty of green space, well maintained community plus the attraction of our lake. As demand has increased, the inventory of homes has gone down. In Pre-Covid times, there regularly were 30 to 40 listings in the community at any time. Mike remarked that in early April of this year there were only 5 homes for sale, and at times there were none. Now, you might see 9 or 10 homes listed given May and June are typically the busiest months of the year.

So, with demand outstripping supply, homes are selling quickly and at higher prices. He suspects we will look back on February as “the craziest month ever” in terms of how quickly homes sold. There has been a bit of cooling off with interest rates increasing but so far the market is still very strong. When you would regularly see homes sell in 70 -90 days in the past, the average days on the market this year are 20 with the average sale price, year to date, here for our community, being 1.323 M$, with a range of 915 k$ to 2.25 M$. That’s up 400 k$ over last year and higher than they have ever been.

He noted that recently some houses have been selling within hours of being listed with multiple offers including some over list.

The message here is that we live in a very desirable estate community, one that we can be very proud of and one where the value of our home investment is in very good shape.

(Slide: Architectural Design and Landscape Guidelines)

As part of maintaining the unique appearance and appeal of our community, we have Architectural Design and Landscape Guidelines in place. As a reminder, these guidelines are for any changes to the exterior of your home or major appearance changes around your property

Some of these changes would include:

The addition of fencing to your property - there are two approved styles in the guidelines.
Major landscape changes.

Exterior material changes such as stone, stucco, siding or garage doors.
Color changes to your home.
Structural changes or additions to your home.
Sheds, gazeebos, privacy screens and decks.
Addition of solar panels to your roof
Driveway replacements or repairs.
All of these need to be preapproved and follow the Architectural Design and Landscape Guidelines that are registered covenants on your property.

When you are in the planning stages of any of these please alert the Community Manager, submitting your plans to him. Les will then consult with Brent Fraser, the board member dedicated to this file, who will then send the request to the board for approval. Additionally, there is a signed declaration form that needs to be included, ensuring neighbors on both sides of your property have been made aware of your request.
No one likes surprises, and this is in place to keep your neighbors aware of your request to the board. Note that a neighbor can't stop a project once board approval is made, this is simply a mechanism of communication between adjacent property owners.

I'm told from Brent that this is a very busy file right now. Thank you in advance to all the residents that are following these guidelines. More details on what these guidelines include were included in your AGM packages and can be found on the LAHP website.

(Slide: The Lake at Heritage Pointe)

This is the last slide before we turn this over to our treasurer to provide the financial report.

Here are just a few pictures that remind us all about the wonderful community we call home. Your board of directors are dedicated to preserving and growing all aspects of living comfortably and safely at the Lake at Heritage Pointe.

I'll be back to announce who your next board of directors will be for the upcoming year right after you hear from our treasurer Carey Donkervoort. Carey has had a variety of executive financial roles in the last 40 years and he has brought a new level of accountability and financial detail to the Treasurer role. Over to you Carey….

(Slide: First Slide - 2022 Association Fees Per Household – Total Budget $1,550)

Greetings everyone, so nice to be here again with all of you. First off, I would like share with you a pie chart which displays the breakdown of where your homeowner fees will be spent and allocated this year.

From the top of the chart and going clockwise, the expense items and cost per household are shown in descending order from largest to smallest.

$798, or 51% of your fees are spent under the first three expense lines of Waste removal, Landscaping and Repairs and Maintenance. Within these three categories, we outsource under maintenance service contracts and pay three main contractors:

1. T&T Disposal Services for our 3-cycle waste removal
2. DIVCON Ltd. for landscaping, garden beds, and other repairs and maintenance
3. PLNT Inc. for landscaping, tree maintenance and snow removal

$169, or 11% of your fees are spent on Management consulting services, which is within the range of fees normally charged by professional property and asset management service companies, which charge between 10-15% of total revenues, depending upon the size of the community and its related operations.

$133, or 9% of your fees are used to pay for utilities at the Lake House and for the additional cost of raw water from the Bow River for topping up the lake each year.

$97, or 6% of your fees are spent on Administration, including insurance, professional fees (i.e.-bookkeeping, audit, and legal fees), Security and office and miscellaneous expenses.

$93, or 6% of your fees are spent on Wages and benefits for the hourly paid staffing required to operate the Lake House over the summer months.

$91, or 6% of your fees go towards the annual amortization expense of capital assets. This is a non-cash item, which represents the annual depreciation of capital assets with a useful life of more than a year.

$45, or 3% of your fees are spent on capital asset additions, such as the cost of upgrading our security gate system, purchasing watercraft such as kayaks, replenishing inventory of garbage bins and purchasing other equipment items.

$21, or 1% of your fees are spent on purchasing fish stock for the year.

And finally, the remaining $64, or 4% of your fees are allocated towards contingencies for unexpected expenses and to an operating surplus of cash which will be used to fund future expense items.

(Slide: Next slide is the Statement of Operations for the 2021 Actual year end results in comparison to the 2021 Budget and 2020 prior year results).

You will see on the far right for each line item of the statement of revenues and expenses, a brief explanation of changes from the previous year.

I will not go into too much detail in explaining all changes, however I will highlight and explain the significant areas that I feel are most appropriate for this presentation.

In summary, total revenues of $759k was higher by $9k over the prior year. Association fees were increased by 1.2% in line with the 2020 average CPI index for the Calgary region.

Further down, total expenses of $649k was $96k, or 15% higher than the prior year.

2021 was the year to catch up from 2020 (due to the pandemic related cutbacks) with $65k additional spending towards our landscaping maintenance and restoration program for garden beds and trees as well as fixing our broken irrigation lines and spending more on the ongoing repairs and maintenance of the irrigation system overall.

2021 had a very dry summer with a lot less rainfall compared to 2020, and as a result we needed to top up the lake water two additional times during the summer, which added another $18k in utility costs over the prior year.

Administration was up $7k over 2020 due to additional security expenses and the purchase of a new computer accounting software system license.
Amortization of capital assets came in $6k higher than the prior year due to additional capital assets and improvements.

Overall, we finished the 2021 year with an Excess of revenues over expenses in the amount of $110k, which was $87K lower than 2020. However, we were $60k better than budget for the year, and as a result, were able to increase our unrestricted working capital and our restricted capital reserve funds year over year.

In the end, we increased our overall cash by $17k by year end and we continue to be in a healthy financial position for managing and ensuring that we have sufficient operating and capital funds available to support cash flow requirements as they arise going forward.

(Slide: Next slide is the Reserve Fund 2021 Actual Results compared to the 2021 Budget)

The restricted capital reserve fund increased by $8k for the year, closing the year off with a cash reserve balance of $311k.

The allocated funds from Homeowner Association fees was collected in accordance to the budget in the amount of $126k.

Total capital expenditures of $153k was spent from the reserve fund, which was $7k higher than our original budget. We were underspent versus budget in a few areas: (1) repairing the irrigation system was down $9k with certain zones for repair being deferred to 2022, (2) replacing the Kubota we saved $10k from the trade- in value of the old one, and (3) saving $3k on replacing the lake house eave troughs. We also deferred $4k in budgeted capital spending and will now replace the lake aeration system diffusers in 2022 as well as rebuilding the compressors serving the diffusers. With all of these reductions, we were able to spend more on several equipment items and infrastructure improvements totaling $32k.

In 2021, we were again successful in obtaining a grant from the Dunbow Recreation Board in the amount of $5k, which we originally budgeted for. We used the grant to help purchase paddleboards and pickleball equipment.

(Slide: Next slide is the 2022 Operating Budget comparing year over year to the 2021 Results)
REVENUES

Total budget revenues of $787k is planned to be up by $28k, or up 3.7% over 2021.

Association fees, including both operating and allocated to restricted reserve fund are planned to be up by $21k, in line with the year over year average increase in the consumer price index for the Calgary region of +2.8%.

Facility rentals, events, and sponsorship revenue are planned to be up by $7K, back to normal operations with COVID-19 restrictions now lifted.

EXPENSES

Total budget expenses of $706k is planned to be up by $57k, or up 8.8% over 2021.

With the COVID-19 restrictions lifted, we have budgeted for "back to normal spending" for Events and facility rentals. Also, our new Community Manager has developed more programs and has planned an increase in the number of special events and activities at the lake house. With the positive feedback that we have received from community residents, we have allocated an additional $15k towards this area of spending in 2022.

Landscaping has been planned to be up by a further $13k over 2021. As per the life cycle plan, we have planned for additional spending to complete the restoration of garden beds throughout the community as well as increasing the ongoing maintenance program to keep all our gardens and trees in good condition.

Repairs and maintenance have been planned to be up by another $23k over 2021. Again, as per the life cycle plan, we have budgeted for additional spending to finish all major repairs and upgrades to the irrigation system throughout the community.

Utilities and lake water top-up is budgeted to be up by $18k over 2021. We have planned for a $13k increase in water costs due to the increase in raw water pumping rates which have been implemented by Corix. Similarly, we have planned for a $5k increase in other utilities due to increasing rates.

Overall, we are budgeting for an $81k excess of revenues over expenses for 2022, which is planned to be down from 2021 by $29k. This surplus will be used to fund 2022 capital asset

purchases of $22k and add to our unrestricted operating funds to be applied to future expenses and towards the additional capital spending for the Heritage Isle playground upgrade.

(Slide: Next slide is the 2022 Reserve Fund Budget)

The restricted capital reserve fund is budgeted to increase by $109k to close off the 2022 year-end with a cash reserve balance of $421k.

Total capital expenditures of $67k are budgeted for 2022, which is planned to be down by $85k from the prior year spend.

Deferred from 2021, and included in the life cycle study capital plan, we are planning to replace the lake aeration system diffusers for $5k.

Other capital projects which we are budgeting to spend in accordance with the life cycle study include, completing the major repairs and upgrades to the irrigation system for $25k, restoring and constructing new garden beds for $8.1k, rebuilding the air compressors serving the lake aeration diffusers for $3.5k and sanding and staining the docks for $3.5k.

New capital projects planned for 2022, include upgrading the NW cameras and security gates 5 & 6 power supply for $7.5k, purchasing new garbage bins to replenish our inventory for $8k, purchasing 4 kayaks for $5k and replacing the decorative flags on light poles throughout the community for $1.5k

(Slide: Restricted Capital Reserve Fund
Cash Flow Chart for 15 years 2018 to 2032)

The cash flow chart shows the restricted reserve annual funding from Association fees, capital expenditures and year end balances for the next 15 years – 4 years of actual results between 2018-2021 and an 11 year forecast for 2022-2032. The projected timing and amount of capital expenditures is based on the Life Cycle plan commissioned by the Association back in 2018 based on a professional engineering study.

During the next 11 years (between 2022-2032), we are projecting to spend about $1.7M in capital expenditures and deposit about $1.8M in Reserve Fund fees and interest revenue.

You will note a significant increase in planned expenditures in 2023 associated with the Heritage Isle Playground Replacement and Enhancement Project. . We have applied for and are expecting to be awarded with a substantial government grant to help subsidize the total cost of the playground upgrade of $300k. The Association is planning to spend $140k out of the reserve fund in 2023 and to allocate $160k from the government grants that we anticipate receiving later this year.

The restricted reserve fund balances at the end of each year are projected to stay within the range of $400K-$500K over the next 7 years until the year 2027 and then for the 5 years afterwards, to the year ending 2032, are projected to grow to around $600K. Of course, we will be updating the Life Cycle Study in 2023 and a number of the projections from the previous study are likely to change based on work we have been doing over the last several years.

(Slide: Appointment of Auditors for 2022)

The Board recommends we appoint Kenway Mack Slusarchuk Stewart LLP as our auditors for 2022. They are familiar with our organization having been our auditors for the last 8 years and have conducted thorough audits of our financial records at a competitive rate.

(Slide: Appointment of Auditors - Vote)

Carey has proposed the motion to approve Kenway, Mack, Slusarchuk, Stewart LLP as our auditors for 2022.

Now, if you go back to PollEV.com/lahp001 you should now see the third voting item regarding approval of auditors for 2022.

(Slide: Your Board of Directors for 2022/23)

As we received 7 nominations for the 7 available board positions, your new board was appointed by acclamation.

Here now is your 7 member volunteer board for next year. It's a great team and we're looking forward to continuing with the work to fulfill our board Mission Statement.

The new board will have their first meeting together in the next couple weeks, and at that time the roles of Chair, Vice Chair, Secretary, Treasurer and committee leads will be assigned.

(Slide: Thank You)

Thank-you for your attention tonight. I'm hoping this presentation has given you some insight into what's happening in and around the community and provided some details on how your HOA fees are managed.

If you have any questions about this presentation or want to share any thoughts you have, please send me a note, my email address is there on the screen or you can reach me through Les…

Thank you again and have a great night.