Notice of Future Funding of the Reserve Fund

Attachments:

1. Notice of Future Funding of the Reserve Fund
2. Summary of Reserve Fund Study
3. Cash Flow Table for the selected scenario
4. Summary of Proposed Plan for the Future Funding of the Reserve Fund
5. Contribution Table and Difference Between the Reserve Fund Study and the Proposed Plan for Future Funding of the Reserve Fund

Notice of Future Funding of the Reserve Fund

(under subsection 94 (9) of the Condominium Act, 1998)

TO: All Owners in YRCC 616

The Board has received and reviewed the Updated Reserve Fund Study not based on a Site Visit, dated Mar 11, 2020, prepared by WSP Canada Inc., and has proposed a plan for the future funding of the reserve fund that the Board has determined will ensure that, in accordance with the regulations made under the Condominium Act, 1998, the reserve fund will be adequate for the major repair and replacement of the common elements and assets of the Corporation.

This notice contains:
1. A summary of the reserve fund study.
2. A summary of the proposed funding plan.
3. A statement indicating the areas, if any, in which the proposed funding plan differs from the reserve fund study.

At the present time (fiscal year ending 2020) the average contribution per unit per month to the reserve fund (excluding any other contributions) is: $341.76

Based on the proposed funding plan, the average increase in contribution per unit per month (excluding any other contributions) will be:

$24.93	in	2021
$38.60	in	2022
$39.37	in	2023

(state the amount of the increase for each of the three fiscal years following the year in which the reserve fund study is completed. If the contribution is to be increased in the fiscal year in which the reserve fund is completed, also state the amount of that increase)

The proposed funding plan will be implemented beginning on MAY 1, 2020
(set out the date of the day that is more than 30 days after the day on which this notice is sent to the Owners)

Dated this 19TH, day of MARCH, 2020.

YRCC 616

(Signature)

S. HERRNSDORF
(Print name)

(Signature)

James MacBride
(Print name)

Summary of Reserve Fund Study

The following is a summary of the Updated Reserve Fund Study not based on a Site Visit, dated Mar 11, 2020, prepared by WSP Canada Inc. for:

YRCC 616

Subsection 94 (1) of the Condominium Act, 1998, requires the Corporation to conduct periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the Corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the Corporation. As a result, this Corporation has obtained this Reserve Fund Study.

The estimated expenditure from the reserve fund for the next thirty (30) years are set out in the CASH FLOW TABLE. In this summary, the term "annual contribution" means the total amount to be contributed each year to the reserve fund, exclusive of interest earned on the reserve fund. The recommended annual contribution for the fiscal year ending on Apr 30, 2021 is below:

$884,439 Contribution for year ending Apr 30, 2021

This annual contribution is based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund:	$632,948
Minimum Reserve Fund Balance During the Projected Period:	$140,023
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.00%
Assumed Annual Interest Rate for Interest Earned on the Reserve Fund:	2.00%

The Reserve Fund Study can be examined by submitting a written request to the Property Manager (as per Section 55 (3) of the Condominium Act 1998).

Cash Flow Table

Opening Balance of the Reserve Fund:	$632,948
Minimum Reserve Fund Balance During the Projected Period:	$140,023
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.00%
Assumed Annual Interest Rate for Interest Earned on the Reserve Fund:	2.00%

Year Ending	Opening Balance	Recommended Annual Contributions	Other Contribution	Estimated Inflation Adjusted Expenditure	Estimated Interest Earned	Percentage Increase In Recommended Annual Contribution	Increase In Recommended Annual Contribution	Increase Per Unit Per Month	Closing Balance
2020	$632,948	$824,318	$0	$842,300	$12,479				$627,445
2021	$627,445	$884,439	$0	$340,588	$17,987	7.29	$60,121	$24.93	$1,189,284
2022	$1,189,284	$977,541	$0	$788,444	$25,677	10.53	$93,102	$38.60	$1,404,057
2023	$1,404,057	$1,072,505	$0	$927,202	$29,534	9.71	$94,964	$39.37	$1,578,894
2024	$1,578,894	$1,169,369	$0	$192,840	$41,343	9.03	$96,864	$40.16	$2,596,767
2025	$2,596,767	$1,268,169	$0	$1,159,884	$53,018	8.45	$98,800	$40.96	$2,758,070
2026	$2,758,070	$1,293,532	$0	$613,665	$61,960	2	$25,363	$10.52	$3,499,897
2027	$3,499,897	$1,319,403	$0	$475,859	$78,433	2	$25,871	$10.73	$4,421,875
2028	$4,421,875	$1,345,791	$0	$650,454	$95,391	2	$26,388	$10.94	$5,212,603
2029	$5,212,603	$1,372,707	$0	$730,708	$110,672	2	$26,916	$11.16	$5,965,273
2030	$5,965,273	$1,400,161	$0	$2,182,742	$111,480	2	$27,454	$11.38	$5,294,172
2031	$5,294,172	$1,428,164	$0	$1,333,240	$106,833	2	$28,003	$11.61	$5,495,929
2032	$5,495,929	$1,456,728	$0	$3,101,883	$93,467	2	$28,563	$11.84	$3,944,241
2033	$3,944,241	$1,485,862	$0	$3,499,190	$58,752	2	$29,135	$12.08	$1,989,664
2034	$1,989,664	$1,515,579	$0	$1,085,535	$44,094	2	$29,717	$12.32	$2,463,802
2035	$2,463,802	$1,545,891	$0	$2,696,893	$37,766	2	$30,312	$12.57	$1,350,566
2036	$1,350,566	$1,576,809	$0	$1,502,027	$27,759	2	$30,918	$12.82	$1,453,107
2037	$1,453,107	$1,608,345	$7	$2,937,210	$15,773	2	$31,536	$13.07	$140,023
2038	$140,023	$1,640,512	$0	$1,471,065	$4,495	2	$32,167	$13.34	$313,965
2039	$313,965	$1,673,322	$0	$297,203	$20,040	2	$32,810	$13.60	$1,710,124
2040	$1,710,124	$1,706,789	$0	$383,341	$47,437	2	$33,466	$13.87	$3,081,009
2041	$3,081,009	$1,740,924	$0	$833,109	$70,698	2	$34,136	$14.15	$4,059,522
2042	$4,059,522	$1,775,743	$0	$819,418	$90,754	2	$34,818	$14.44	$5,106,601
2043	$5,106,601	$1,811,258	$0	$809,489	$112,150	2	$35,515	$14.72	$6,220,519
2044	$6,220,519	$1,847,483	$0	$892,714	$133,958	2	$36,225	$15.02	$7,309,246
2045	$7,309,246	$1,884,432	$0	$1,987,616	$145,153	2	$36,950	$15.32	$7,351,215
2046	$7,351,215	$1,922,121	$0	$291,165	$163,334	2	$37,689	$15.63	$9,145,505
2047	$9,145,505	$1,960,563	$0	$1,343,072	$189,085	2	$38,442	$15.94	$9,952,082
2048	$9,952,082	$1,999,775	$0	$1,295,749	$206,082	2	$39,211	$16.26	$10,862,190
2049	$10,862,190	$2,039,770	$0	$1,924,647	$218,395	2	$39,995	$16.58	$11,195,708

Summary of Proposed Plan for Future Funding of the Reserve Fund

The following is a summary of the Board's proposed plan for the future funding of the Reserve Fund.

The Board of YRCC 616 has reviewed the Updated Reserve Fund Study not based on a Site Visit, dated Mar 11, 2020, prepared by WSP Canada Inc. for the Corporation (known as the "Reserve Fund Study") and has proposed a plan for the future funding of the Reserve Fund that the Board has determined will ensure that, in accordance with the regulations made under the Condominium Act, 1998, the Reserve Fund will be adequate for the major repair and replacement of the common elements and assets of the Corporation.

The Board has adopted the funding recommendations of the Reserve Fund Study and will implement them as set out in the Contribution Table.

The total annual contribution recommended under the proposed funding plan for the current fiscal year ending is $824,318 which represents no increase over the amount already budgeted.

The Proposed Plan for Future Funding of the Reserve Fund can be examined by submitting a written request to the Property Manager (as set out in subsection 55 (3) of the Condominium Act, 1998).

Contribution Table

Year Ending	A Annual Contribution*	% Increase Over Previous Year	B Other Contributions (e.g. Special Assessment, Loan)	A + B Total Contribution Each Year to Reserve Fund
2020	$824,318			$824,318
2021	$884,439	7.29	$0	$884,439
2022	$977,541	10.53	$0	$977,541
2023	$1,072,505	9.71	$0	$1,072,505
2024	$1,169,369	9.03	$0	$1,169,369
2025	$1,268,169	8 45	$0	$1,268,169
2026	$1,293,532	2	$0	$1,293,532
2027	$1,319,403	2	$0	$1,319,403
2028	$1,345,791	2	$0	$1,345,791
2029	$1,372,707	2	$0	$1,372,707
2030	$1,400,161	2	$0	$1,400,161
2031	$1,428,164	2	$0	$1,428,164
2032	$1,456,728	2	$0	$1,456,728
2033	$1,485,862	2	$0	$1,485,862
2034	$1,515,579	2	$0	$1,515,579
2035	$1,545,891	2	$0	$1,545,891
2036	$1,576,809	2	$0	$1,576,809
2037	$1,608,345	2	$7	$1,608,352
2038	$1,640,512	2	$0	$1,640,512
2039	$1,673,322	2	$0	$1,673,322
2040	$1,706,789	2	$0	$1,706,789
2041	$1,740,924	2	$0	$1,740,924
2042	$1,775,743	2	$0	$1,775,743
2043	$1,811,258	2	$0	$1,811,258
2044	$1,847,483	2	$0	$1,847,483
2045	$1,884,432	2	$0	$1,884,432
2046	$1,922,121	2	$0	$1,922,121
2047	$1,960,563	2	$0	$1,960,563
2048	$1,999,775	2	$0	$1,999,775
2049	$2,039,770	2	$0	$2,039,770

* The term "annual contribution" means the amount to be contributed each year to the reserve fund from the monthly common expenses.

Differences Between the Reserve Fund Study and the Proposed Plan for Future Funding of the Reserve Fund

The plan for future funding of the Reserve Fund proposed by the Board matches the Reserve Fund Study.