

## NOTICE OF FUTURE FUNDING OF THE RESERVE FUND

In accordance with the Condominium Act 1998, all Corporations are required to complete a comprehensive reserve fund study and then have that study updated every 3 years. Once the study is approved by the Board of Directors, there is a further requirement to provide a summary in the form of a Notice of Future Funding of the Reserve Fund to all owners.

A Reserve Fund Study Update has just been completed and approved by your Board of Directors. A copy of the Notice of Future Funding of the Reserve Fund is enclosed with this package and includes:

**Notice of Future Funding of the Reserve Fund** – Provides a summary of the overall plan and includes the average increases over the next 3 years.

**Summary of Reserve Fund Study** – This includes a summary of the balances plus the assumed inflation and interest rate assumptions and also includes reference to the *Reserve Fund Cash Flow Table*.

**Summary of Proposed Plan for Future Funding of the Reserve Fund** – This includes the amount set aside as the contribution for the current fiscal year, shows any differences between the reserve study and any differences proposed by the Board, plus includes reference to the *Reserve Fund Contribution Table*

The purpose of a reserve fund study is to provide your Corporation with a long-term budgeting tool to ensure funds are available when it comes time to make major repairs or replacements of the common elements and assets of the Corporation. The study includes an inventory of the common elements and assets, a determination of their remaining lifespan, a current and future cost analysis and a minimum 30-year funding plan.

It is very important to understand how your annual budget works. The budget is made up of two main portions; the “*Operating Account*”, which is used for items such as repairs, insurance, maintenance contracts and administration, and the “*Reserve Fund*”, which is used to save for future major repair and replacements as outlined above. The reserve fund contribution is included in the annual budget and makes up only one of the multiple expense items.

We trust this summary of the enclosed Notice of Future Funding of the Reserve Fund is beneficial. In the event of any further questions, please do not hesitate to call Management.

## Notice of Future Funding

*Condominium Act, 1998*

### NOTICE OF FUTURE FUNDING OF THE RESERVE FUND (under subsection 94 (9) of the *Condominium Act, 1998*)

TO: All owners in York Condominium Corporation No. 523.

The board has received and reviewed a Class 3 Update without site review dated May 2019, prepared by ENERPLAN BUILDING CONSULTANTS, 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 the average contribution per unit per month to the reserve fund is \$342.66. Based on the proposed funding plan, the average increase in contribution per unit per month will be \$53.11 in 2019/20; \$61.34 in 2020/21; and \$70.86 in 2021/22.

The proposed funding plan will be implemented beginning on August 1, 2019 (set out the date of a day that is more than 30-days after the day on which this notice is sent to the owners).

Dated this 13 day of August, 2019

York Condominium  
Corporation No. 523

*Jasna Sehonc*

(signature)

JASNA SEHOVIC

(print name)

*Hanif Rajan*

(signature)

HANIF RAJAN

(print name)

Affix corporate seal or add a statement  
that the persons signing have the  
authority to bind the corporation.

### SUMMARY OF RESERVE FUND STUDY

The following is a summary of the Class 3 Update without site review dated May 2019, prepared by ENERPLAN BUILDING CONSULTANTS for York Condominium Corporation No. 523 (known as the "Reserve Fund Study").

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, the corporation has obtained the Reserve Fund Study.

The estimated expenditures from the reserve fund for the next forty (40) 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 2019/20 is \$218,467.00 based on the estimated expenditures and the following:

|  |             |
|--|-------------|
| Opening Balance of the Reserve Fund:                           | \$11,599.00 |
| Minimum Reserve Fund Balance during the projected period:      | \$43,814.00 |
| Assumed Annual Inflation Rate for Reserve Fund Expenditures:   | 2%          |
| Assumed Interest Rate for interest earned on the Reserve Fund: | 1%          |

The Reserve Fund Study can be examined \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(set out details: e.g. whether a written request and reasonable notice are required as set out in subsection 55 (3) of the *Condominium Act, 1998*, where and when it can be examined).

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**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 York Condominium Corporation No. 523 has reviewed the Class 3 Update without site review dated May 2019, prepared by ENERPLAN BUILDING CONSULTANTS 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 is \$189,149.00, which is the same amount that has already been budgeted.

The Proposed Plan for Future Funding of the Reserve Fund is attached herein.

# Y.C.C. No. 523 CONTRIBUTION TABLE

| Year      | "A"<br>Annual<br>Contribution* | % Increase Over<br>Previous Year | "B"<br>Other Contribution<br>(e.g., special<br>assessment or loan) | "A + B"<br>Total Contribution<br>Each Year to Reserve<br>Fund |
|-----------|--------------------------------|----------------------------------|--|---|
| 2018/2019 | \$189,149.00                   |                                  | \$0.00   | \$189,149.00  |
| 2019/2020 | \$218,467.00                   | 15.50%                           | \$0.00   | \$218,467.00  |
| 2020/2021 | \$252,329.00                   | 15.50%                           | \$0.00   | \$252,329.00  |
| 2021/2022 | \$291,441.00                   | 15.50%                           | \$0.00   | \$291,441.00  |
| 2022/2023 | \$297,269.00                   | 2.00%                            | \$0.00   | \$297,269.00  |
| 2023/2024 | \$89,181.00                    | -70.00%                          | \$0.00   | \$89,181.00   |
| 2024/2025 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2025/2026 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2026/2027 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2027/2028 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2028/2029 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2029/2030 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2030/2031 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2031/2032 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2032/2033 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2033/2034 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2034/2035 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2035/2036 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2036/2037 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2037/2038 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2038/2039 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2039/2040 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2040/2041 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2041/2042 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2042/2043 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2043/2044 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2044/2045 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2045/2046 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2046/2047 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2047/2048 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2048/2049 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2049/2050 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2050/2051 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2051/2052 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2052/2053 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2053/2054 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2054/2055 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2055/2056 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2056/2057 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2057/2058 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |
| 2058/2059 | \$89,181.00                    | 0.00%                            | \$0.00   | \$89,181.00   |

\*The term "annual contribution" means the amount to be contributed each year to the reserve fund from the monthly common expenses.  
This projection assumes that the contributions to the reserve fund in the fiscal year the Study was conducted was set by the Corporation.

**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 differs from the Reserve Fund Study in the following respects:

Not applicable.

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# **Y.C.C. No. 523 CASH FLOW PROJECTION TABLE**

|  |             |
|--|-------------|
| Opening Reserve Fund Balance:  | \$11,599.00 |
| Minimum Reserve Balance (as indicated in this Table):                        | \$43,814.00 |
| Assumed Annual Inflation Rate for Reserve Fund Expenditures:                 | 2.00%       |
| Assumed Average Annual Interest Rate for Interest Earned on the Reserve Fund | 1.00%       |

| Year      | Opening Balance | Total Annual Contribution (e.g., Annual Contribution + Other Contribution)* | Estimated Inflation Adjusted Expenditures | Estimated Interest Earned** | Percentage Increase in Recommended Annual Contribution** | Closing Balance |
|-----------|-----------------|---|---|-----------------------------|--|-----------------|
| 2018/2019 | \$11,599.00     | \$189,149.00  | \$34,861.00                               | \$116.00                    |  | \$166,003.00    |
| 2019/2020 | \$166,003.00    | \$218,467.00  | \$258,036.00                              | \$1,660.00                  | 15.50%   | \$128,095.00    |
| 2020/2021 | \$128,095.00    | \$252,329.00  | \$305,176.00                              | \$1,281.00                  | 15.50%   | \$76,529.00     |
| 2021/2022 | \$76,529.00     | \$291,441.00  | \$324,921.00                              | \$765.00                    | 15.50%   | \$43,814.00     |
| 2022/2023 | \$43,814.00     | \$297,269.00  | \$0.00                                    | \$438.00                    | 2.00%  | \$341,522.00    |
| 2023/2024 | \$341,522.00    | \$89,181.00   | \$68,912.00                               | \$20,491.00                 | -70.00%  | \$382,282.00    |
| 2024/2025 | \$382,282.00    | \$89,181.00   | \$43,701.00                               | \$22,937.00                 | 0.00%  | \$450,699.00    |
| 2025/2026 | \$450,699.00    | \$89,181.00   | \$54,245.00                               | \$27,042.00                 | 0.00%  | \$512,676.00    |
| 2026/2027 | \$512,676.00    | \$89,181.00   | \$0.00                                    | \$30,761.00                 | 0.00%  | \$632,618.00    |
| 2027/2028 | \$632,618.00    | \$89,181.00   | \$29,754.00                               | \$37,957.00                 | 0.00%  | \$730,002.00    |
| 2028/2029 | \$730,002.00    | \$89,181.00   | \$0.00                                    | \$43,800.00                 | 0.00%  | \$862,983.00    |
| 2029/2030 | \$862,983.00    | \$89,181.00   | \$0.00                                    | \$51,779.00                 | 0.00%  | \$1,003,943.00  |
| 2030/2031 | \$1,003,943.00  | \$89,181.00   | \$63,116.00                               | \$60,237.00                 | 0.00%  | \$1,090,244.00  |
| 2031/2032 | \$1,090,244.00  | \$89,181.00   | \$206,180.00                              | \$65,415.00                 | 0.00%  | \$1,038,660.00  |
| 2032/2033 | \$1,038,660.00  | \$89,181.00   | \$0.00                                    | \$62,320.00                 | 0.00%  | \$1,190,161.00  |
| 2033/2034 | \$1,190,161.00  | \$89,181.00   | \$50,932.00                               | \$71,410.00                 | 0.00%  | \$1,299,819.00  |
| 2034/2035 | \$1,299,819.00  | \$89,181.00   | \$0.00                                    | \$77,989.00                 | 0.00%  | \$1,466,989.00  |
| 2035/2036 | \$1,466,989.00  | \$89,181.00   | \$66,125.00                               | \$88,018.00                 | 0.00%  | \$1,578,064.00  |
| 2036/2037 | \$1,578,064.00  | \$89,181.00   | \$3,631.00                                | \$94,684.00                 | 0.00%  | \$1,758,298.00  |
| 2037/2038 | \$1,758,298.00  | \$89,181.00   | \$629,129.00                              | \$105,498.00                | 0.00%  | \$1,323,848.00  |
| 2038/2039 | \$1,323,848.00  | \$89,181.00   | \$0.00                                    | \$79,431.00                 | 0.00%  | \$1,492,459.00  |
| 2039/2040 | \$1,492,459.00  | \$89,181.00   | \$5,566.00                                | \$89,548.00                 | 0.00%  | \$1,665,622.00  |
| 2040/2041 | \$1,665,622.00  | \$89,181.00   | \$438,710.00                              | \$99,937.00                 | 0.00%  | \$1,416,029.00  |
| 2041/2042 | \$1,416,029.00  | \$89,181.00   | \$477,025.00                              | \$84,962.00                 | 0.00%  | \$1,113,147.00  |
| 2042/2043 | \$1,113,147.00  | \$89,181.00   | \$100,900.00                              | \$66,789.00                 | 0.00%  | \$1,168,217.00  |
| 2043/2044 | \$1,168,217.00  | \$89,181.00   | \$105,506.00                              | \$70,093.00                 | 0.00%  | \$1,221,985.00  |
| 2044/2045 | \$1,221,985.00  | \$89,181.00   | \$333,477.00                              | \$73,319.00                 | 0.00%  | \$1,051,008.00  |
| 2045/2046 | \$1,051,008.00  | \$89,181.00   | \$86,874.00                               | \$63,060.00                 | 0.00%  | \$1,116,375.00  |
| 2046/2047 | \$1,116,375.00  | \$89,181.00   | \$0.00                                    | \$66,983.00                 | 0.00%  | \$1,272,539.00  |
| 2047/2048 | \$1,272,539.00  | \$89,181.00   | \$649,540.00                              | \$76,352.00                 | 0.00%  | \$788,531.00    |
| 2048/2049 | \$788,531.00    | \$89,181.00   | \$98,440.00                               | \$47,312.00                 | 0.00%  | \$826,584.00    |
| 2049/2050 | \$826,584.00    | \$89,181.00   | \$66,998.00                               | \$49,585.00                 | 0.00%  | \$898,362.00    |
| 2050/2051 | \$898,362.00    | \$89,181.00   | \$88,995.00                               | \$53,902.00                 | 0.00%  | \$952,449.00    |
| 2051/2052 | \$952,449.00    | \$89,181.00   | \$47,857.00                               | \$57,147.00                 | 0.00%  | \$1,050,920.00  |
| 2052/2053 | \$1,050,920.00  | \$89,181.00   | \$0.00                                    | \$63,055.00                 | 0.00%  | \$1,203,156.00  |
| 2053/2054 | \$1,203,156.00  | \$89,181.00   | \$36,504.00                               | \$72,189.00                 | 0.00%  | \$1,328,022.00  |
| 2054/2055 | \$1,328,022.00  | \$89,181.00   | \$5,186.00                                | \$79,681.00                 | 0.00%  | \$1,491,698.00  |
| 2055/2056 | \$1,491,698.00  | \$89,181.00   | \$209,985.00                              | \$89,502.00                 | 0.00%  | \$1,460,396.00  |
| 2056/2057 | \$1,460,396.00  | \$89,181.00   | \$0.00                                    | \$87,624.00                 | 0.00%  | \$1,637,201.00  |
| 2057/2058 | \$1,637,201.00  | \$89,181.00   | \$201,098.00                              | \$98,232.00                 | 0.00%  | \$1,623,516.00  |
| 2058/2059 | \$1,623,516.00  | \$89,181.00   | \$0.00                                    | \$97,411.00                 | 0.00%  | \$1,810,108.00  |

\*The "Total Contribution" represents the minimum recommended annual contribution plus any "Other Contribution" amounts as summarized in the "Contribution Table".

\*\*The percent increase in annual contribution is based on the Recommended Annual Contribution only and does not include any "Other Contribution" amounts.