Notice of Future Funding of the Reserve Fund

Attach:

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 Toronto Standard Condominium Corporation No. 2322

The Board has received and reviewed the Comprehensive Reserve Fund Study, dated Jul 27, 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 the average contribution per unit per month to the reserve fund (excluding any other contributions) is: $128.72

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

$3.35	in	2021
$3.43	in	2022
$3.52	in	2023

The proposed funding plan will be implemented beginning on August 01, 2020

Dated this 27th, day of July, 2020.

Toronto Standard Condominium Corporation No. 2322

(Signature)

Stephen P. Hack, Treasurer
(Print name)

(Signature)

BRIAN MARKLE, VP
(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 Comprehensive Reserve Fund Study, dated Jul 27, 2020, prepared by WSP Canada Inc. for:

Toronto Standard Condominium Corporation No. 2322

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 Jul 31, 2021 is below:

$1,893,805 Contribution for year ending Jul 31, 2021

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

Opening Balance of the Reserve Fund:	$4,138,220
Minimum Reserve Fund Balance During the Projected Period:	$5,672,675
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.60%
Assumed Short-Term Annual Interest Rate for Interest Earned on the Reserve Fund:	1.50%
Assumed Long-Term Annual Interest Rate for Interest Earned on the Reserve Fund:	4.00%

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: $4,138,220

Minimum Reserve Fund Balance During the Projected Period: $5,672,675

Assumed Annual Inflation Rate for Reserve Fund Expenditures: 2.60%
Assumed Short-Term Annual Interest Rate for Interest Earned on the Reserve Fund: 1.50%
Assumed Long-Term Annual Interest Rate for Interest Earned on the Reserve Fund: 4.00%

Year	Opening Balance	Recommended Annual Other 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	$4,138,220	$1,845,814	$0	$384,393	$73,034	0	$0	$0.00	$5,672,675
2021	$5,672,675	$1,893,805	$0	$940,764	$92,238	2.6	$47,991	$3.35	$6,717,954
2022	$6,717,954	$1,943,044	$0	$614,866	$110,731	2.6	$49,239	$3.43	$8,156,863
2023	$8,156,863	$1,993,563	$0	$518,296	$133,417	2.6	$50,519	$3.52	$9,765,547
2024	$9,765,547	$2,045,396	$0	$185,448	$160,433	2.6	$51,833	$3.61	$11,785,928
2025	$11,785,928	$2,098,576	$0	$1,119,319	$491,022	2.6	$53,180	$3.71	$13,256,208
2026	$13,256,208	$2,153,139	$0	$628,860	$560,734	2.6	$54,563	$3.80	$15,341,221
2027	$15,341,221	$2,209,121	$0	$358,526	$650,661	2.6	$55,982	$3.90	$17,842,476
2028	$17,842,476	$2,266,558	$0	$8,345,099	$592,128	2.6	$57,437	$4.01	$12,356,063
2029	$12,356,063	$2,325,488	$0	$284,268	$535,067	2.6	$58,931	$4.11	$14,932,351
2030	$14,932,351	$2,385,951	$0	$438,144	$636,250	2.6	$60,463	$4.22	$17,516,408
2031	$17,516,408	$2,447,986	$0	$378,464	$742,047	2.6	$62,035	$4.33	$20,327,977
2032	$20,327,977	$2,511,633	$0	$328,883	$856,774	2.6	$63,648	$4.44	$23,367,501
2033	$23,367,501	$2,576,936	$0	$3,828,018	$909,678	2.6	$65,302	$4.55	$23,026,098
2034	$23,026,098	$2,643,936	$0	$2,908,540	$915,752	2.6	$67,000	$4.67	$23,677,246
2035	$23,677,246	$2,712,679	$0	$3,195,775	$937,428	2.6	$68,742	$4.79	$24,131,577
2036	$24,131,577	$2,783,208	$0	$3,180,937	$957,309	2.6	$70,530	$4.92	$24,691,157
2037	$24,691,157	$2,855,572	$0	$682,991	$1,031,098	2.6	$72,363	$5.05	$27,894,836
2038	$27,894,836	$2,929,817	$0	$4,666,087	$1,081,068	2.6	$74,245	$5.18	$27,239,633
2039	$27,239,633	$3,005,992	$0	$8,465,413	$980,397	2.6	$76,175	$5.31	$22,760,609
2040	$22,760,609	$3,084,148	$0	$1,110,853	$949,890	2.6	$78,156	$5.45	$25,683,794
2041	$25,683,794	$3,164,335	$0	$630,162	$1,078,035	2.6	$80,188	$5.59	$29,296,002
2042	$29,296,002	$3,246,608	$0	$311,848	$1,230,535	2.6	$82,273	$5.74	$33,461,298
2043	$33,461,298	$3,331,020	$0	$21,192,639	$981,220	2.6	$84,412	$5.89	$16,580,898
2044	$16,580,898	$3,417,626	$0	$7,358,233	$584,424	2.6	$86,607	$6.04	$13,224,716
2045	$13,224,716	$3,506,485	$0	$5,681,470	$485,489	2.6	$88,858	$6.20	$11,535,219
2046	$11,535,219	$3,597,653	$0	$368,886	$525,984	2.6	$91,169	$6.36	$15,289,971
2047	$15,289,971	$3,691,192	$0	$581,032	$673,802	2.6	$93,539	$6.52	$19,073,933
2048	$19,073,933	$3,787,163	$0	$8,771,251	$663,276	2.6	$95,971	$6.69	$14,753,121
2049	$14,753,121	$3,885,630	$0	$353,366	$660,770	2.6	$98,466	$6.87	$18,946,155

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 Toronto Standard Condominium Corporation No. 2322 has reviewed the Comprehensive Reserve Fund Study, dated Jul 27, 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 is $1,845,814 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	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	$1,845,814	0	$0	$1,845,814
2021	$1,893,805	2.6	$0	$1,893,805
2022	$1,943,044	2.6	$0	$1,943,044
2023	$1,993,563	2.6	$0	$1,993,563
2024	$2,045,396	2.6	$0	$2,045,396
2025	$2,098,576	2.6	$0	$2,098,576
2026	$2,153,139	2.6	$0	$2,153,139
2027	$2,209,121	2.6	$0	$2,209,121
2028	$2,266,558	2.6	$0	$2,266,558
2029	$2,325,488	2.6	$0	$2,325,488
2030	$2,385,951	2.6	$0	$2,385,951
2031	$2,447,986	2.6	$0	$2,447,986
2032	$2,511,633	2.6	$0	$2,511,633
2033	$2,576,936	2.6	$0	$2,576,936
2034	$2,643,936	2.6	$0	$2,643,936
2035	$2,712,679	2.6	$0	$2,712,679
2036	$2,783,208	2.6	$0	$2,783,208
2037	$2,855,572	2.6	$0	$2,855,572
2038	$2,929,817	2.6	$0	$2,929,817
2039	$3,005,992	2.6	$0	$3,005,992
2040	$3,084,148	2.6	$0	$3,084,148
2041	$3,164,335	2.6	$0	$3,164,335
2042	$3,246,608	2.6	$0	$3,246,608
2043	$3,331,020	2.6	$0	$3,331,020
2044	$3,417,626	2.6	$0	$3,417,626
2045	$3,506,485	2.6	$0	$3,506,485
2046	$3,597,653	2.6	$0	$3,597,653
2047	$3,691,192	2.6	$0	$3,691,192
2048	$3,787,163	2.6	$0	$3,787,163
2049	$3,885,630	2.6	$0	$3,885,630

* 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.