

# 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 Carleton Condominium Corporation No. 498

The Board has received and reviewed the Updated Reserve Fund Study not based on a Site Visit, dated December 8, 2015, 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: \$192.07

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

\$5.76	in	2017
\$5.93	in	2018
\$6.11	in	2019

*(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

January 1<sup>st</sup>, 2017

*(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 21, day of March, 2016.

Carleton Condominium Corporation No. 498

Andrew Shore

(Signature)

ANDREW SHORE

(Print name)

Lucie Chartrand

(Signature)

LUCIE CHARTRAND

(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 Updated Reserve Fund Study not based on a Site Visit, dated December 8, 2015, prepared by WSP Canada Inc. for:

Carleton Condominium Corporation No. 498

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 December 31, 2017 is below:

\$519,897                      Contribution for year ending December 31, 2017

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

Opening Balance of the Reserve Fund:	\$1,197,307
Minimum Reserve Fund Balance During the Projected Period:	\$907,350
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.8%
Assumed Annual Interest Rate for Interest Earned on the Reserve Fund:	5.1%

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:	\$1,197,307
Minimum Reserve Fund Balance (as indicated in this table):	\$907,350
Assumed Annual Inflation Rate for Reserve Fund Expenditure:	2.8%
Assumed Annual Interest Rate for Interest Earned on the Reserve Fund:	5.1%

Year	Opening Balance	Recommended Annual Contributions	Other Contributions	Estimated Inflation Adjusted Expenditure	Estimated Interest Earned	Percentage Increase In Recommended Annual Contribution	Increase In Recommended Annual Contribution	Closing Balance
2016	\$1,197,307	\$504,754	\$0	\$794,325	\$53,679	2	\$9,897	\$961,415
2017	\$961,415	\$519,897	\$0	\$238,567	\$56,206	3	\$15,143	\$1,298,951
2018	\$1,298,951	\$535,494	\$0	\$153,053	\$75,999	3	\$15,597	\$1,757,391
2019	\$1,757,391	\$551,558	\$0	\$320,556	\$95,517	3	\$16,064	\$2,083,910
2020	\$2,083,910	\$568,105	\$0	\$398,952	\$110,593	3	\$16,547	\$2,363,656
2021	\$2,363,656	\$585,148	\$0	\$2,122,790	\$81,337	3	\$17,043	\$907,350
2022	\$907,350	\$602,703	\$0	\$54,371	\$60,257	3	\$17,555	\$1,515,940
2023	\$1,515,940	\$620,784	\$0	\$661,558	\$76,273	3	\$18,081	\$1,551,439
2024	\$1,551,439	\$639,407	\$0	\$742,780	\$76,487	3	\$18,623	\$1,524,553
2025	\$1,524,553	\$658,589	\$0	\$426,346	\$83,674	3	\$19,182	\$1,840,471
2026	\$1,840,471	\$678,347	\$0	\$88,560	\$108,904	3	\$19,758	\$2,539,161
2027	\$2,539,161	\$698,698	\$0	\$47,296	\$146,108	3	\$20,351	\$3,336,671
2028	\$3,336,671	\$719,659	\$0	\$1,383,210	\$153,250	3	\$20,961	\$2,826,370
2029	\$2,826,370	\$741,248	\$0	\$898,849	\$140,126	3	\$21,589	\$2,808,895
2030	\$2,808,895	\$763,486	\$0	\$517,727	\$149,521	3	\$22,238	\$3,204,175
2031	\$3,204,175	\$786,390	\$0	\$343,568	\$174,705	3	\$22,904	\$3,821,702
2032	\$3,821,702	\$809,982	\$0	\$1,797,088	\$169,736	3	\$23,592	\$3,004,331
2033	\$3,004,331	\$834,281	\$0	\$133,569	\$171,089	3	\$24,299	\$3,876,132
2034	\$3,876,132	\$859,310	\$0	\$2,348,890	\$159,698	3	\$25,029	\$2,546,251
2035	\$2,546,251	\$885,089	\$0	\$2,484,300	\$89,079	3	\$25,779	\$1,036,118
2036	\$1,036,118	\$911,642	\$0	\$848,615	\$54,449	3	\$26,553	\$1,153,595
2037	\$1,153,595	\$938,991	\$0	\$313,672	\$74,779	3	\$27,349	\$1,853,693
2038	\$1,853,693	\$967,161	\$0	\$1,056,669	\$92,256	3	\$28,170	\$1,856,441
2039	\$1,856,441	\$996,176	\$0	\$155,961	\$116,104	3	\$29,015	\$2,812,759
2040	\$2,812,759	\$1,026,061	\$0	\$609,947	\$154,062	3	\$29,885	\$3,382,935
2041	\$3,382,935	\$1,056,843	\$0	\$431,506	\$188,476	3	\$30,782	\$4,196,748
2042	\$4,196,748	\$1,088,548	\$0	\$209,303	\$236,455	3	\$31,705	\$5,312,448
2043	\$5,312,448	\$1,121,205	\$0	\$423,420	\$288,728	3	\$32,657	\$6,298,961
2044	\$6,298,961	\$1,154,841	\$0	\$1,646,302	\$308,715	3	\$33,636	\$6,116,215
2045	\$6,116,215	\$1,189,486	\$0	\$523,675	\$328,905	3	\$34,645	\$7,110,931

## **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 Carleton Condominium Corporation No. 498 has reviewed the Updated Reserve Fund Study not based on a Site Visit, dated December 8, 2015, 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 \$504,754 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
2016	\$504,754	2		\$504,754
2017	\$519,897	3		\$519,897
2018	\$535,494	3		\$535,494
2019	\$551,558	3		\$551,558
2020	\$568,105	3		\$568,105
2021	\$585,148	3		\$585,148
2022	\$602,703	3		\$602,703
2023	\$620,784	3		\$620,784
2024	\$639,407	3		\$639,407
2025	\$658,589	3		\$658,589
2026	\$678,347	3		\$678,347
2027	\$698,698	3		\$698,698
2028	\$719,659	3		\$719,659
2029	\$741,248	3		\$741,248
2030	\$763,486	3		\$763,486
2031	\$786,390	3		\$786,390
2032	\$809,982	3		\$809,982
2033	\$834,281	3		\$834,281
2034	\$859,310	3		\$859,310
2035	\$885,089	3		\$885,089
2036	\$911,642	3		\$911,642
2037	\$938,991	3		\$938,991
2038	\$967,161	3		\$967,161
2039	\$996,176	3		\$996,176
2040	\$1,026,061	3		\$1,026,061
2041	\$1,056,843	3		\$1,056,843
2042	\$1,088,548	3		\$1,088,548
2043	\$1,121,205	3		\$1,121,205
2044	\$1,154,841	3		\$1,154,841
2045	\$1,189,486	3		\$1,189,486

\* 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.

