

The Landing at Little Lake Condominium

Notes to the Budget

June-18

1. INDIVIDUAL UNIT ASSESSMENT

The monthly common element charge for each Unit is determined by dividing the total budgeted common element fees attributed to the property by twelve (12) to determine the monthly assessment. This amount is multiplied by the Unit's percentage contribution to common expenses, as shown in Schedule 'B' to find the monthly common element charges shown in Schedule 'A'.

i. Total Monthly Common Element Assessment:

\$781,475.20	divided by 12 =	\$65,122.93
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ii. Monthly Individual Common Element Assessment:

Units	411
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2. OPERATING EXPENSES

<u>i. Repairs and Maintenance</u>	\$28,000.00
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(a) Cleaning and Cleaning Supplies	\$8,000.00
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The common elements of the building will be cleaned and supplied as required.

(b) Garage Cleaning	\$6,000.00
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The garage will be cleaned as required.

(c) Waste Removal and Equipment	\$4,000.00
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This is the estimated cost for a waste management company to remove the garbage.

(d) General Maintenance and Repairs	\$10,000.00
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This is the estimated cost for normal repairs to the common elements only.

<u>ii. Shared Facilities</u>	\$74,000.00
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(a) Pool and Fitness Building Maintenance	\$60,000.00
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The pool and fitness building will be shared as set out in the Shared Facilities Agreement.

The operating and maintenance costs associated with theses facilities are set out separately.

(b) Shared Facilities	\$14,000.00
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Additional facilities will be shared as set out in the Shared Facilities Agreement.

The operating and maintenance costs associated with theses facilities are set out separately.

<u>iii. Contracts</u>	\$253,000.00
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(a) Security	\$55,000.00
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The annual costs for the security systems in the building.

(b) Life Safety/Fire Safety	\$10,000.00
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The annual costs for the fire and life safety systems in the building.

(c) Elevator Maintenance	\$12,000.00
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The annual costs to service, repair and meets TSSAA elevator requirements.

(d) Cleaning Contract	\$60,000.00
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The cleaning budget is based on recent comparable project requirements for common elements.

(e) Waste Disposal \$30,000.00

The waste disposal budget is based on recent comparable project requirements for common elements.

(f) Landscaping and Snow Removal \$40,000.00

The estimated cost based upon similar projects to provide landscaping and snow removal services on the common elements

(g) Management Fees \$46,000.00

This covers the estimated cost of the services of a property management company to administer the affairs of the condominium corporation

iv. Utilities **\$162,000.00**

(a) Gas \$46,000.00

The budget is based on comparable project requirements for the 2018 year. The budget includes the costs for natural gas to heat the air make-up units to heat the hallways and the natural gas required to heat the common hot water tanks for the property.

(b) Hydro \$70,000.00

The budget is based on comparable project requirements for the 2018 year. The budget includes electricity for the common elements only including street lights.

(c) Water \$60,000.00

The budget is based on comparable project requirements for the 2018 year. The budget includes the water costs for all units.

v. Insurance **\$28,000.00**

This amount covers all insurance costs for common elements, including fire (all risk), comprehensive general liability, all major equipment, insurance trustee and directors and officers liability coverage, as applicable.

vi. General and Administrative Expenses **\$41,500.00**

(a) Office Expenses \$3,500.00

This budgeted amount provides for any office expenses directly related to the operation of the corporation including various office supplies, photocopying, mailings, the annual general meeting, bank charges and other such expenses.

(b) Legal \$3,000.00

Provision has been made for the appointment of independent legal counsel for the corporation at the discretion of the Board of Directors and to a maximum amount of \$3000

(c) Annual Audit \$5,000.00

This budgeted amount provides for an audit to be completed of the condominium corporation's financial activities.

(d) Miscellaneous Expenses \$30,000.00

This budgeted amount provides for shuttle bus service for owners (vehicle, gas, insurance, maintenance).

vii. Personnel **\$85,000.00**

(a) Salaries, Gov't Taxes \$72,000.00

The estimated salary and tax remittances costs for driver of shuttle bus service and part-time building manager.

(b) EI/CPP Contributions \$5,000.00

The estimated costs for EI and CPP contributions for personnel

(c) Employee Benefits/Vacation	\$5,000.00	
The estimated costs for benefits and vacation pay for personnel		
(d) WSIB Premisums	\$3,000.00	
The estimated costs for WSIB Premiums for personnel		
<u>viii. CAO Assessment</u>		\$4,932.00
This is the cost to comply with the assessment requirements of the Condominium Authority of Ontario. This cost is based on an assessment of \$1.00 per unit per month.		
<u>ix. Consulting</u>		\$15,000.00
(a) Performance Audit	\$10,000.00	
The cost of the engineering study, to be conducted by the Declarant of the Board of Directors, to examine the common elements. This is a one-time expense.		
The Corporation shall retain an independent engineering consultant to prepare a Performance Audit within one (1) year immediately following registration of the Declaration and the Description. The Performance Audit shall be conducted by professional consulting engineers who shall make a thorough examination of the common elements and assess the as-constructed condition of the various systems and components of the common elements which will assist the corporation in assessing repair and maintenance requirements and in preserving any rights which the corporation may have.		
(b) Turn Over Audit	\$5,000.00	
Section 43(7) of the Condominium Act, 1998 requires an audit sixty (60) days after the turn over meeting. This provision is the estimated cost to complete the turn over audit only.		
<u>x. Reserve Fund Allocation</u>		\$76,043.20
(a) Reserve Fund Contribution	\$71,043.20	
The Condominium Act, 1998 defines the reserve fund as a fund set up by the corporation in a special account for the major repair and replacement of common elements and assets of the corporation. The provision is based on projects of similar design, and equals 10% of the non-reserve fund estimated operating expenses. Future allocations will be dictated by the reserve fund study, to be completed in the first year after registration.		
(b) Reserve Fund Contribution for the Reserve Fund Study	\$5,000.00	
The Condominium Act, 1998 (Section 94(4)) requires every condominium corporation to establish a reserve fund based on a study to be conducted in the first year after registration. Section 94(7) allows for the reserve fund study to be expensed from the reserve fund.		

GENERAL NOTES TO THE BUDGET

- (a) The total common expenses of this proposed Condominium Corporation, including the provision to the reserve fund is \$ 781475.20 as shown in the budget statement.
- (b) The cost of each expense item is shown on the budget statement. The cost of the Reserve Fund Study is estimated at \$5000; the cost of the Performance Audit is estimated at \$10000; and the cost of the turn over financial audit is estimated at \$5000.
- (c) The cost, type and frequency of services is detailed in the notes above.
- (d) The monthly common element fee for each unit is shown on the attached Schedule ‘A’ to the budget statement.

- (e) At the time of preparation of the budget statement, June 2018, there are no judgements, with respect to the property or the Declarant, not is the Declarant a party to any lawsuit material to the within property.
- (f) There are no services not included in the foregoing budget that the Declarant provides, or expenses that the Declarant pays and that might reasonably be expected to become, at a subsequent time, a common expense prior to the turnover meeting.
- (g) There are no services not included in the foregoing budget that the Declarant provides, or expenses that the Declarant pays and that might reasonably be expected to become, at a subsequent time, a common expense.
- (h) As at the date of the foregoing budget, June 2018, the Condominium Corporation has not been created and accordingly, there is no reserve fund study. As stated in the notes above, the reserve fund study will be completed, after registration, by an independent engineer.
- (i) All applicable taxes are included in applicable expense items on the budget statement.