

Budget statement for the common expenses for the year following registration of the declaration and description of the proposed common elements condominium corporation in the town of Whitby Regional Municipality of Durham, Province of Ontario, being composed of Part of Block 224

**REVENUE**

Common Element Fees 39,601  
**TOTAL REVENUE 39,601**

**EXPENSES**

**ADMINISTRATION**

Insurance 3,763  
 Audit 3,548  
 Less: Declarant Subsidy (3,548)  
 Legal 304  
 Office expenses incl bank charges 1,075  
**TOTAL ADMINISTRATION 5,142**

**UTILITIES**

Electricity 806  
 Water & Sewage (separately metered for the units) 0  
**TOTAL UTILITIES 806**

**MAINTENANCE & REPAIRS**

Catch Basin Cleaning 607  
 Hydrant maintenance 304  
 General Maintenance & Repairs 607  
**TOTAL REPAIRS & MAINTENANCE 1,519**

**CONTRACTS**

Landscaping & Snow Removal 8,600  
 Property Management 9,184  
 Waste and Recycling Removal 10,750  
**TOTAL CONTRACTS 28,534**

**CONSULTING**

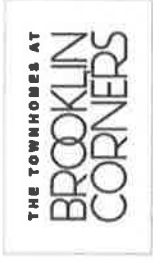
Performance Audit 3,644  
 Less: Declarant Subsidy (3,644)  
 Reserve Fund Study 2,430  
 Less: Declarant Subsidy (2,430)  
**TOTAL CONSULTING 0**

**TOTAL OPERATING EXPENSES 36,000**

**RESERVE FUND**

Reserve Fund Contribution (10.0%) 3,600

**TOTAL RESERVE FUND 3,600**  
**TOTAL EXPENSES 39,601**



## NOTES TO THE BUDGET

### i INDIVIDUAL UNIT ASSESSMENT:

The monthly common element charge for each POTL is determined by dividing the total budgeted common element fees attributed to the property by twenty one (21) to determine the monthly assessment. The amount is multiplied by the POTL's percentage contribution to the common expenses, as shown in schedule "D" of the proposed declaration, to find the monthly individual common element charges.

#### 1. Total Monthly Common Element Assessment:

\$39,601 divided by 12 = \$3,300.08

#### 2. Monthly Individual Common Element Assessment:

Individual POTL monthly common element assessments are determined by multiplying the total monthly common element assessment (\$3,300.08) by the percentage contribution to common expenses of each POTL as shown in schedule "D" of the proposed declaration.

### I. OPERATING EXPENSES:

#### 1. ADMINISTRATION

**\$5,142**

##### a. Insurance

**\$3,763**

This amount covers all insurance costs, including fire (all risk), comprehensive general liability and directors and officers liability coverage, as applicable, for the common element corporation. Please note that this insurance coverage does NOT cover any POTL. Each POTL owner must obtain their own insurance coverage for their own POTL.

##### b. Audit

**\$3,548**

Section 43(7) of the Condominium Act requires an audit sixty (60) days after the turn over meeting and Section 67 requires an audit for each fiscal year. This provision is the estimated cost to complete both the audits during the year.

##### c. Less: Declarant Subsidy

**(\$3,548)**

The initial cost of the Turnover Audit and the Year End Audit at the contracted price will be paid by the Declarant. The Declarant will pay the specified amount up to \$3,548 including HST as stated in the budget notes above upon presentation of a valid invoice approved by the Condominium Corporation.

##### d. Legal

**\$304**

This cost covers the cost of the audit legal letter required by the auditor in his performance of the audit.

##### e. Office expenses incl bank charges

**\$1,075**

Includes printing and stationery, photocopies, postage and courier costs. This cost covers the service charges incurred in the connection with maintaining two bank accounts with a Canadian Financial Institution.

#### 2. UTILITIES

**\$806**

##### a. Electricity

**\$806**

The budget is based on comparable property requirements and the current rates (all inclusive including HST) from Whitby Hydro. The budget includes electricity for the common areas and all common element equipment.

##### c. Water & Sewage (seperately metered for the units)

**\$0**

The budget is based on comparable property requirements and the current rates from the region of Durham. The budget includes an estimate of the water and sewage charge for both the common areas and by all POTLs based on a bulk meter less the cost of water and sewage consumed by each POTL, as determined from the check or sub-meters of each POTL. Each POTL shall be required to remit payment to the Condominium or Supplier on receipt of an invoice.

#### 3. MAINTENANCE & REPAIRS

**\$1,519**

##### a. Catch Basin Cleaning

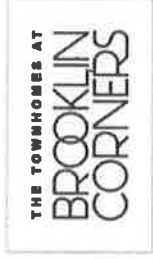
**\$607**

Annual cleaning of all catch basins situated in the common areas

##### b. Hydrant maintenance

**\$304**

Maintenance of repairs to the hydrants to conform to the fire codes



## NOTES TO THE BUDGET

c. General Maintenance & Repairs \$607

Repairs and maintenance of the common areas

**4 CONTRACTS \$28,534**

a. Landscaping & Snow Removal \$8,600

The estimated cost to maintain the common area landscaping and to clear snow and ice from the roadways, walkways, sidewalks in the winter, including the cost of sand and salt. The provision does not include any landscaping, grounds care or snow clearing from the front of walkways, stairs and driveways as applicable, within any POTL. As such, snow clearing and all landscaping within each POTL will be the responsibility of POTL owner.

b. Property Management \$9,184

This covers the cost of the services of a property management company to administer the affairs of the condominium corporation as detailed in the property management contract included in the Disclosure Statement Package. The contract for the first year is set at \$677.29 per month plus the H.S.T.

c. Waste and Recycling Removal \$10,750

The estimated contract cost to remove waste and recycling material from the community for one year, based on curbside pick up of waste and recycling weekly.

**5 CONSULTING \$0**

a. Performance Audit \$3,644

The cost of the engineering study, to be conducted by the Declarant Board of Directors, to examine the common element areas during the first year. This is a one time expense.

The Declarant Board of Directors shall arrange for an Agreement on behalf of the Corporation with 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 element areas and assess the as-constructed condition of the various systems and components of the common element areas in order to provide the corporation with a report on the common element areas which will assist the corporation in assessing repair and maintenance requirements. The Declarant has negotiated a price for the Performance Audit (the "Contracted Price") which has been included in the Budget as a first year expense of the corporation.

The Corporation is not restricted to the consulting engineers for the Performance Audit being prepared as set out herein. However, in the event that the corporation retains an alternate and/or additional consulting engineer to undertake the Performance Audit, at a higher cost than the Contracted Price negotiated by the Declarant then, the Declarant shall only be responsible for the amount of the Contracted Price, pursuant to Section 75 of the Condominium Act, and any expenses in excess of this stated amount shall be the sole responsibility of the condominium corporation.

b. Less: Declarant Subsidy (\$3,644)

The initial cost of the Performance Audit at the Contracted Price will be paid by the Declarant. The Declarant will pay the specified amount of \$3,390 including HST as stated in the Budget Notes above upon presentation of a valid invoice approved by the Condominium Corporation.

c. Reserve Fund Study \$2,430

The Condominium Act of Ontario (Section 94 (4)) requires every



## NOTES TO THE BUDGET

### II. CONTRIBUTION TO THE RESERVE FUND

\$3,600

- a. Reserve Fund Contribution

\$3,600

The Condominium Act 1998 of Ontario 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 calculated at 10% of total operating expenditures. Future allocations will be dictated by the reserve fund study, to be completed in the first year after registration.

### III. GENERAL NOTES TO THE BUDGET

- a. The total common expenses of this proposed Condominium Corporation, including the provision to the reserve fund is \$39,601 as shown on the Budget Statement.
- b. The cost of each expense item is shown on the Budget Statement. The cost of the Reserve Fund Study is \$2,430; the cost of the Performance Audit is \$3,644; the cost of both the turn over and year end financial audits is \$3,548.
- c. The cost, type, level and frequency of services is detailed in the notes
- d. As stated in the notes above, 10% of the operating expenses will be paid into the reserve fund account. The provision is \$3,600.
- e. At the time of preparation of the Budget Statement, August 2016, there are no judgments, with respect to the property, against the Declarant nor is the Declarant Corporation 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.
- g. As at the date of the foregoing Budget, the Condominium Corporation has not been created and accordingly, there are no amounts in the Reserve Fund. At the end of the first year after registration, there should be \$3,600 in the reserve fund account.
- h. As at the date of the foregoing Budget 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. The Harmonized Sales Tax is included in all applicable expense items on the Budget Statement.
- j. There are no current or expected fees, charges, rents or other revenue to be paid to or by the Corporation or by any of the owners for the use of the common elements or other facilities related to the property.

