

The
VILLAGE
SOUTHFIELDS • CALEDON

**BUDGET STATEMENT
FOR THE FIRST YEAR OF OPERATIONS**

November 2019

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Budget statement for the common expenses for the year following registration of the declaration and description of the proposed condominium corporation at Dougall Avenue in Caledon, Ontario.

REVENUE

Common Element Fees	\$179,460	
Operating Interest Income	200	
TOTAL REVENUE		\$179,660

EXPENSES

ADMINISTRATION

Management Fees	\$22,781	
Insurance	26,900	
Legal	565	
Audit	7,563	
Less Declarant Subsidy	(3,782)	
Office Expenses	1,400	
CAO Assessment & Regulatory Costs	1,300	
TOTAL ADMINISTRATION EXPENSES		\$56,727

UTILITIES

Electricity	\$30,000	
Water	14,100	
Less In-Suite Water Consumption	(12,900)	
Telephones	1,800	
TOTAL UTILITIES		\$33,000

CONSULTING

Performance Audit	\$20,340	
Less Declarant Subsidy	(20,340)	
TOTAL CONSULTING		\$0

MAINTENANCE & REPAIRS

Repairs & Maintenance	\$15,000	
Supplies	7,500	
TOTAL REPAIRS & MAINTENANCE		\$22,500

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Budget statement for the common expenses for the year following registration of the declaration and description of the proposed condominium corporation at Dougall Avenue in Caledon, Ontario.

CONTRACTS

Contract Cleaning	\$11,634	
Landscaping & Snow Clearing	4,000	
Elevator	5,500	
Pest Control	1,200	
In-Suite HVAC Maintenance	5,200	
Common Elements Condominium Common Expenses	16,464	
TOTAL CONTRACTS		\$43,998

RESERVE FUND

Reserve Fund Provision	\$17,784	
Reserve Fund Provision for Reserve Fund Study	5,650	
TOTAL RESERVE FUND		\$23,434

TOTAL EXPENSES **\$179,660**

If registration of the Declaration and Description occurs after December 31, 2022, then the budget statement shall be read as increased by an escalation rate of 7.5% per annum and compounded annually. The date contained in this clause is not a guarantee that registration will take place on this date.



NOTES TO THE BUDGET

I. 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 "D" of the proposed declaration, to find the monthly individual common element charges.

1. Total Monthly Common Element Assessment:

\$179,460 divided by 12 = \$14,954.97

2. Monthly Individual Common Element Assessment:

Individual unit monthly common element assessments are determined by multiplying the total monthly common element assessment (\$14,954.97) by the percentage contribution to common expenses of each unit. Please see the Schedule at the back of this Budget Statement for the individual unit monthly common element assessment.

II. OPERATING EXPENSES:

1. ADMINISTRATION \$56,727

a. Management Fees \$22,781

This covers the cost of the services of a licensed property management company to administer the affairs of the condominium corporation and as detailed in the property management contract included in the Disclosure Statement Package. The contract for the first year is set at \$30.00 per unit per month, inclusive of all start up fees, plus the H.S.T. for a part time property manager.

b. Insurance \$26,900

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

c. Legal \$565

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 \$500 plus the H.S.T.

d. Audit \$7,563

Section 43(7) of the Condominium Act 1998 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.



NOTES TO THE BUDGET

e. Less Declarant Subsidy (\$3,782)

The initial cost of the Turnover Audit at the Contracted Price will be paid by the Declarant. The Declarant will pay the specified amount up to a maximum of \$3,347 plus the H.S.T. as stated in the Budget Notes above upon presentation of a valid invoice approved by the Condominium Corporation.

f. Office Expenses \$1,400

This budgeted amount provides for any office expenses directly related to the operation of the corporation including the services of a minute taker for board meetings, various office supplies, photocopying, mailings, the annual general meeting, C.C.I membership, status certificates that may be required by the Declarant, bank charges and other such expenses.

g. CAO Assessment & Regulatory Costs \$1,300

This provision has been made for the anticipated assessments and costs associated with the Condominium Authority of Ontario (CAO), the costs associated with mandatory licensing, and the cost of preparing newly mandated information certificates. This provision is an estimated cost and may vary.

2. UTILITIES \$33,000

a. Electricity \$30,000

The budget is based on comparable property requirements and the current rates from Brampton Hydro website of 11.1 cents per kilowatt hour and administrative/distribution charges have been escalated by 5% and compounded annually. The budget includes electricity for the common areas only. Each Residential Unit will be separately metered or check metered and the cost of electricity to the Residential Units will be the responsibility of the respective unit owner and will not form part of the common expenses. Should the rates for hydro at time of registration be greater than 12.8 cents per kilowatt hour or the administrative/distribution charges have increased from current charges, then the budget will be adjusted accordingly to reflect the rates at the time of registration.



NOTES TO THE BUDGET

b. Water \$14,100

The budget is based on comparable property requirements and the current rates from Region of Peel of \$1.4725 per cubic metre for water and \$1.1367 per cubic metre of waste water , and administrative/distribution charges have been escalated by 5% and compounded annually. The budget includes water and waste water costs for the common areas and residential apartment units on a bulk billing basis only. Each commercial unit and residential townhouse unit will be separately metered and the cost of water and waste water to the commercial unit and residential townhouse unit will be the responsibility of the respective unit owner and will not form part of the common expenses. Each residential apartment unit will be separately sub-metered or check metered and the cost of both water and waste water to the residential apartment units will be the responsibility of the respective unit owner and will not form part of the common expenses (Please see Note c. below). Therefore, although, as indicated water service will be bulk billed to the Condominium, the foregoing will in turn result in a recovery or reduction in the ultimate common expense water and waste water charges to the Condominium as the bulk bill amount will be offset by the individual charges for the sub-metered consumption for each residential apartment unit, payment of which will be the responsibility of the owner of the residential unit in addition to their common expense payments. Should the rates for water at time of registration be greater than \$1.7051 per cubic metre for water and \$1.3159 per cubic metre for waste water, then the budget will be adjusted accordingly to reflect the rates at the time of registration. Please refer to the Disclosure Statement for further details.

c. Less In-Suite Water Consumption (\$12,900)

It is currently anticipated that consumption of water and waste water within the residential apartment units will be read by a third party company, in order to apportion and bill attributable costs amongst the owners and the Corporation (for water usage in common areas) based on a sub-meter reading. The total cost of each residential apartment unit's water and waste water consumption, will be invoiced back to each unit based on their individual sub-meter or check meter reading and will be payable by the unit owners in addition to their common expense payments. In the event that this Recovery System Process, is not allowed or unable to be implemented, then it would result in an increase in common expenses by an average of approximately \$19.20 per residential unit per month, and this amount would form part of the common expenses in the future. Please refer to the Disclosure Statement for further details.

3. CONSULTING \$0

a. Performance Audit \$20,340

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



NOTES TO THE BUDGET

The Declarant 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 and in preserving any rights which the corporation may have under the Ontario New Home Warranties Plan Act. 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 1998, and any expenses in excess of this stated amount shall be the sole responsibility of the condominium corporation.

b. Less Declarant Subsidy (\$20,340)

The initial cost of the Performance Audit at the Contracted Price will be paid by the Declarant. The Declarant will pay the specified amount up to a maximum of \$18,000 plus the H.S.T. as stated in the Budget Notes above upon presentation of a valid invoice approved by the Condominium Corporation.

4. MAINTENANCE & REPAIRS \$22,500

a. Repairs & Maintenance \$15,000

This is the estimated cost for minor repairs to the common element areas only. This account is also used for the normal day-to-day maintenance to the common element areas.

b. Supplies \$7,500

This is the estimated cost for supplies, such as light bulbs, for the common areas.



NOTES TO THE BUDGET

5. CONTRACTS	\$43,998
a. Contract Cleaning	\$11,634
To supply a contract cleaners on the basis of 8 hours per week, 52 weeks per year and at a maximum blended billing rate of \$22.50 per hour plus 10% statutory holiday pay plus 13% for the H.S.T.. Included in this provision is the cost of purchasing the cleaning supplies.	
b. Landscaping & Snow Clearing	\$4,000
The estimated contract cost to maintain the common area landscaping and clear and remove snow and ice from the roadways, walkways, including the cost of sand and ice melting salt substitute.	
c. Elevator	\$5,500
The cost of an all inclusive contract to maintain the elevators as required by law.	
d. Pest Control	\$1,200
To spray the common area garbage and compactor rooms once per month.	
e. In-Suite HVAC Maintenance	\$5,200
Provision to change filters and inspect the in-suite HVAC unit twice during the year.	
f. Common Elements Condominium Common Expenses	\$16,464
Provision for the estimated Common Elements Condominium Common Expenses payable for the year.	
III. CONTRIBUTION TO THE RESERVE FUND	\$23,434
a. Reserve Fund Provision	\$17,784
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 15.0%, including the cost of the reserve fund study, of the 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 Provision for Reserve Fund Study	\$5,650
The Condominium Act 1998 of Ontario (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.	

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NOTES TO THE BUDGET

IV. GENERAL NOTES TO THE BUDGET

- a. The total common expenses of this proposed Condominium Corporation, including the provision to the reserve fund is \$179,460 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 \$5,000 plus H.S.T.; the cost of the Performance Audit is \$18,000 plus H.S.T. before the Declarant subsidy; the cost of both the turn over and year end financial audits is \$6,693 plus
- c. The cost, type, level 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 to the Budget Statement.
- e. As stated in the notes above, 15.0% of the operating expenses will be paid into the reserve fund account. The provision is \$23,434.
- f. At the time of preparation of the Budget Statement, November 2019, 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
- 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 prior to the turn-over meeting.
- h. 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.
- i. 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 \$17,784 in the reserve fund account.
- j. As at the date of the foregoing Budget, November 2019, 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.
- k. The Harmonized Sales Tax is included in all applicable expense items on the Budget Statement.
- l. 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, except for perhaps amenity areas and/or access cards and/or keys for example and at rates to be established by the Board of Directors from time to time.
- m. Escalation rate of 7.5% is to be applied per annum (unless otherwise stated) each year after December 31, 2022. Provided however, that due to the significant fluctuation in gas, hydro and water utility rates recently, in respect to which the Declarant has no control, in the event that the relevant utility company/provider obtains relevant government approval for, or in any other way effects a significant annual increase in the utility rates above the assumed inflation rate of 3%, the Declarant reserves the right to revise the first year budget statement to reflect such significant increase in the cost of supplying these utilities from the relevant utility company/provider, and to provide each unit purchaser with a revised copy of the condominium Corporation's first year budget statement. In such event, purchasers acknowledge and agree that they shall be bound by such revised budget, and the acceptance of such revised budget should not be considered nor be construed as a material change to the Disclosure Statement.



MONTHLY COMMON ELEMENT FEES

SUITE NO.	LEVEL NO.	UNIT NO.	MONTHLY COMMON ELEMENT FEES BY UNIT
130	1	1	\$199.95
131	1	2	\$199.95
132	1	3	\$199.95
133	1	4	\$199.95
134	1	5	\$199.95
C9	1	6	\$181.25
C10	1	7	\$362.50
C11	1	8	\$332.00
C12	1	9	\$385.50
C13	1	10	\$322.75
C14	1	11	\$332.00
C15	1	12	\$362.50
53	1	13	\$149.95
54	1	14	\$149.95
55	1	15	\$149.95
56	1	16	\$149.95
57	1	17	\$149.95
58	1	18	\$149.95
59	1	19	\$149.95
60	1	20	\$149.95
61	1	21	\$149.95
62	1	22	\$149.95
63	1	23	\$149.95
64	1	24	\$149.95
65	1	25	\$149.95
66	1	26	\$149.95
67	1	27	\$149.95
68	1	28	\$149.95
69	1	29	\$149.95
70	1	30	\$149.95
71	1	31	\$149.95
72	1	32	\$149.95
73	1	33	\$149.95
74	1	34	\$149.95
75	1	35	\$149.95
76	1	36	\$149.95
77	1	37	\$149.95
78	1	38	\$149.95
79	1	39	\$149.95
80	1	40	\$149.95



MONTHLY COMMON ELEMENT FEES

SUITE NO.	LEVEL NO.	UNIT NO.	MONTHLY COMMON ELEMENT FEES BY UNIT
C201	2	1	\$506.55
C202	2	2	\$506.55
C203	2	3	\$360.76
C204	2	4	\$372.13
C205	2	5	\$506.55
C206	2	6	\$506.55
C207	2	7	\$506.55
C208	2	8	\$473.44
C301	3	1	\$506.55
C302	3	2	\$506.55
C303	3	3	\$360.76
C304	3	4	\$372.13
C305	3	5	\$506.55
C306	3	6	\$506.55
C307	3	7	\$506.55
C308	3	8	\$473.44
		TOTAL	\$14,954.97