



# NLD CONSULTING

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# DEPRECIATION REPORT

BCS 4123—"Red Maple Park"

7938 209th Street

Langley, BC

2023

June 27, 2023

**BCS 4123—“Red Maple Park”**

c/o AWM Alliance Real Estate Group Ltd.  
#401 - 958 W 8th Avenue  
Vancouver, BC  
V5Z 1E5



Dear Sir/Madam:

**Depreciation Report for  
BCS 4123—“Red Maple Park”  
7938 209th Street, Langley, BC**

This depreciation report lists and describes the major reserve fund items. It provides current and future reserve expenditure estimates and recommends reserve fund actions. The depreciation report has been completed to the legislated requirements of the BC Strata Property Act as amended to date. This depreciation report is a complex document and should be reviewed in detail.

We recommend that a Reserve Fund plan be adopted with contributions adjusted to \$150,000 for the Sep 2023–Aug 2024 fiscal year, and further increased as per the recommendations in [Section 5.3](#). The legislation does not require the strata owners to follow any specific funding recommendation within this report. The Strata owners can choose their own funding plan, provided it meets the minimum legislated requirements. This recommended Reserve Fund Plan was created in consultation with strata representatives and does not necessarily reflect the consultant’s opinion as to the best course of action; the recommended plan outlines a funding path that is actionable and leads to improved outcomes for current and future owners.

NLD Consulting – Reserve Fund Advisors would be pleased to provide you with depreciation report updating services as required. The strata must waive the requirement or obtain a new report within three years as per Section 94 (2) (b) of the BC Strata Property Act and Section 6.2 (7) (a) of the BC Strata Property Regulation. We appreciate the opportunity to perform this report for you. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

**Terry Dowle, AACI, P.App., RI, CRP**  
**NLD Consulting – Reserve Fund Advisors**



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## Executive Summary of Facts and Conclusions

This executive summary has been prepared as a quick reference of pertinent information and conclusions of this Depreciation Report. It is provided for convenience only. Readers are advised to refer to the full text of this report for complete information.

**Client** c/o AWM Alliance Real Estate Group Ltd.  
#401 - 958 W 8th Avenue  
Vancouver, BC, V5Z 1E5

**Date of Study** June 27, 2023 (Inspection Date: May 2, 2023)

**Property** BCS 4123—"Red Maple Park"  
7938 209th Street  
Langley, BC, V2Y 1K0  
Constructed in 2010

### FORECASTED RATES—see section 4

**CPI Inflation** 1.6%  
**Cost Inflation** 3.5%  
**Interest Rate** 2.3%

### Deficiency/Contribution Quotient

Sep 2022–Aug 2023

**DCQ = 80.8**

See [Section 5.4](#) for details

### CURRENT FISCAL YEAR INFORMATION

**Current Fiscal Year** Sep 2022–Aug 2023

**Opening Balance** \$538,308

**Reserve Contributions** \$55,000

**Ideal Closing Balance\*** \$6,370,943

**Funding Adequacy** The contributions are adequate if increased per our recommendations

**Reserve Expenditures** See [Section 5.2](#)

Five Year Plan	Current Year	Recommendations†				
	Sep 2022– Aug 2023	Sep 2023– Aug 2024	Sep 2024– Aug 2025	Sep 2025– Aug 2026	Sep 2026– Aug 2027	Sep 2027– Aug 2028
<b>Contingency Reserve Fund Contributions</b>	\$ 55,000	\$ 150,000	\$ 232,560	\$ 304,800	\$ 377,040	\$ 438,960
<b>Average Monthly Contribution per Owner‡</b>	\$ 27	\$ 73	\$ 113	\$ 148	\$ 183	\$ 213

\* Caution: The ideal balance of the reserve fund is the amount recommended for each year of the depreciation report to pay for major repairs and replacements. It is based on estimates of when the work will be needed. If there is not enough money in the reserve fund to pay for major repairs and replacements, the unit owners may have to pay for those costs through a special assessment. When comparing the actual balance with the ideal balance, be aware that some work may be done earlier or later than expected or may be paid for from an account other than the reserve fund. When this happens, the comparison may no longer show whether the amount of money in the reserve fund is adequate.

† The strata council is not legally required to follow the recommended plan. These recommendations come from the Adequate Funding Model in [Section 5](#). For other models please refer to [Appendix J](#).

‡ Defined as Reserve Fund Contributions divided by 12, divided by the number of strata units. The amount that any given owner will pay to the Reserve Fund depends on their relative unit entitlement.



## Certification

### I certify to the best of my knowledge and belief that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present interest in the issue that is the subject of this report and no personal interest with respect to the parties involved;
- I have no bias with respect to the issue that is the subject matter of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or an event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- I have the knowledge and experience to complete the assignment competently, and hereby certify that I am a qualified person empowered to conduct reserve fund studies;
- As of the date of this report I have fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for members. I am a member in good standing with the Appraisal Institute of Canada and carry current errors and omission insurance through Trisura Guarantee Insurance Company.
- I have personally inspected the property described within, and I have personally examined the building plans and/or documents as identified herein. To the best of my knowledge and belief, the information and data used herein are true and correct.
- I have not been provided significant professional assistance in the completion of this report.
- The Depreciation Report was prepared in conformity with the requirements of the Strata Property Act as amended to date, as well as the Reserve Fund Study Standards, published by the Real Estate Institute of Canada, and the Consulting Standard of the Appraisal Institute of Canada.
- I am a member in good standing of the Real Estate Institute of Canada, holding the Certified Reserve Planner designation. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.



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**Terry Dowle, AACI, P.App., RI, CRP**

June 27, 2023

Qualifications listed in [Appendix A](#)



## 1. Report Overview

### 1.1 Purpose of the Report

#### Description

This depreciation report is a study of the existing development components that have shared responsibility, which will require replacement or major repairs less often than once per year. It is a financial document that estimates expenditures from the Reserve Fund in the long term and recommends funding actions.

This report is subject to the assumptions and limiting conditions described in [Appendix B](#).

#### Purpose

The purpose of a depreciation report is to help current owners determine how much money to save in their reserve fund. The report forecasts a 30-year period but the purpose of this report is specifically to provide information to help current owners determine reserve contributions for the next three years. This report also satisfies the requirements of the BC Strata Property Amendment Act, 2009, Part 6 Division 1 as amended to date ([Appendix C](#)).

#### Disclaimer

This report should not be considered a detailed review of any specific component; nor does it contain exhaustive property maintenance instructions. The replacement dates and component costs are predictions of what will happen, rather than specific recommendations. We are not recommending when to repair or replace each component or how much it will cost; we are recommending funding plans based on our forecasts of what reserve expenditures we believe the strata council will make.

We rely heavily on information provided to us by those for whom we are working, sometimes including strata council members, other property owners, property managers, contractors, and on-site staff. We assume no responsibility for the accuracy of the information they provide to us. As this report is intended to be a budgeting tool for the strata, we sometimes defer to their interpretation of financial statements, component costs and lifespans, and specific bylaw interpretations (within reason). We include a notice to the reader where these interpretations could cause confusion or misunderstanding.

The information contained in this report is not intended to be an independent review of the facts applicable to this property. This is a collaborative document between the report provider and those who live in and work on behalf of the property.



## 1.2 Methodology

This is a summary of the work we have done for this report. For more details, please refer to the full report, including appendices.

### **Property Information ([Section 2](#))**

The subject property was visually inspected on May 2, 2023. The consultant reviewed building plans, financial documents, AGM minutes, governing documents, and consulted with the client to identify undocumented repair work, learn about latent defects that are causing problems, assess risk tolerance, and determine the client’s short-term intentions regarding reserve fund work.

### **Component Details ([Section 3](#))**

The consultant counted, estimated, or measured quantities for all the reserve components, determined their lifespans and effective ages, and forecasted a schedule of major repair and replacement work. The consultant estimated the current cost to repair or replace each component.

### **Economic Forecasting ([Section 4](#))**

An appropriate construction inflation rate was calculated and applied to the current component costs to create a reserve fund budget for 30 years. An achievable interest rate was calculated, applying it to the current balance and future contributions. Finally, a Consumer Price Index (CPI) inflation rate was calculated to aid in recommending fair contributions.

### **Funding Models ([Section 5](#))**

The consultant created an equitable payment schedule such that each owner pays their share towards each component’s next replacement, called a Benchmark Analysis. This is a hypothetical scenario because it assumes that there is no reserve fund deficiency. Then the consultant created three funding models (two of them in [Appendix J](#)) based on how much money the reserve fund currently has, and compared it to the benchmark to assess fund performance and risk.

## 2. Property Information

### 2.1 Property Description Summary

BCS 4123—“Red Maple Park”

7938 209th Street

Langley, BC, V2Y 1K0

This development is located on the southeast corner of the intersection of 80<sup>th</sup> Avenue and 209<sup>th</sup> Street. It was constructed in 2010 and registered as a strata corporation on June 7 and December 20, 2011 and July 10, 2012. The Strata Corporation consists of 31 three storey townhouse blocks with garages on the lower level. There are a total of 172 residential strata lots, with one additional strata lot located within the clubhouse complex as the caretaker’s suite.

The overall construction, materials, and workmanship are of good quality. The project is assumed to have been constructed in accordance with applicable building codes, fire codes, city by-laws, and construction practices.

AWM Alliance Real Estate Group Ltd., a firm experienced in residential property management, manages the property.

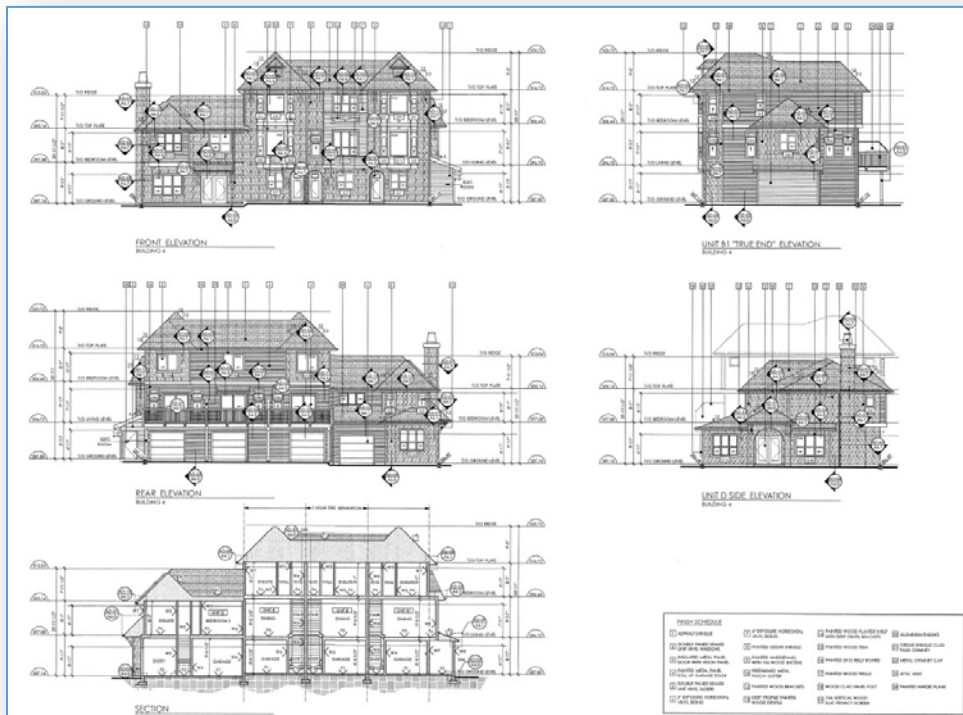
The property was inspected for the purposes of preparing this report on May 2, 2023, by Terry Dowle, AACI, P.App., RI, CRP. The inspection included a visual on-site inspection of the reserve components, where practical, as per the requirements of the Act.

### 2.2 Building Plans

The architectural plans and strata plan were used for quantifying the components and other improvements. There were complete architectural drawings (electronic documents) for the development and the available drawings were in good condition. Some quantities were estimated on site or measured off the plans and are considered estimates.



Building Plans Example



## 2.3 Property Data

The following data have been calculated using dimensions taken from the available plans and observed during the inspection of the buildings and improvements. The estimates below are for reference purposes only.

<b>Site Area</b>	331,972 square feet
<b>Building Coverage</b>	103,154 square feet
<b>Building Height</b>	36 feet (two storeys)
<b>Gross Floor Area</b>	216,079 square feet
<b>Occupancy</b>	172 units

## 2.4 Sections

The subject strata corporation has one distinct governing body with one set of financials. It has not been organized into legally distinct sections. Therefore, one set of funding models has been created, pertaining to the entire strata corporation. For more information about sections please see [Appendix D](#).

## 2.5 Development End of Life

A development can reach the end of its economic life long before it physically deteriorates to an unusable condition. The end of its economic life occurs when the property’s redevelopment value exceeds its existing value.

No repairs or replacements should be made or accounted for after the end of the development’s economic life. Therefore, the strata’s reserve fund contributions will decrease until the contributions become zero by the end of the development’s life.

An End of Life date more than 50 years away does not often make a significant difference to the 30-year projections. Even an End of Life date in 30 years, though it drastically changes the 30-year projections, tends to make no significant difference to our recommendation for the annual contributions in the next three years, which are the purpose of this report.

In determining whether to set an End of Life date for the subject property, the consultant has relied upon standard age/life averages, CHOA information bulletins, and personal experience in



building analysis. When appropriate, the strata council and management will be consulted to determine whether it is helpful to set an End of Life date.

**End of Life date:** no date set

## 2.6 Bylaws and Governing Documents Review

The consultant has reviewed the bylaws and governing documents as amended to date. The review has found them to be typical with the following important notes:

### Repair and Maintenance

The bylaws are typical in terms of which items are the strata corporation’s responsibilities to repair and maintain. The bylaws are the basis for determining which items to consider as reserve components.

The subject bylaws describe the responsibilities of the owners and of the strata corporation with regards to funding reserve components under Division 2, Part 8 – Repair and Maintenance of property by Strata Corporation. The reserve components are described further in [Appendix E](#).

The non-reserve components (items not accounted for in this report) forming part of the common and/or limited common property, as per the bylaws and our discussions with the property’s representatives, are as follows:

- None noted

For further details, please refer to the original governing documents as amended to date.

## 2.7 Previous Depreciation Reports

The strata corporation had a Depreciation Report prepared in October 2015<sup>6</sup> by NLD Consulting. A copy of that document was reviewed in conjunction with preparing this report. The shared Clubhouse amenity is not included in this report. A separate standalone report was conducted for that building.



## 2.8 Historical Financial Analysis

The consultant has examined financial statements for the strata corporation for its operations from Sep 2021–Aug 2023. The budget was provided by AWM Alliance Real Estate Group Ltd..

The reserve fund balance as of September 1st, 2022 was \$538,308. The strata corporation has budgeted regular contributions of \$55,000 and transfers from the reserve fund of \$13,721 for this fiscal year, which is an average per unit per month of \$33. Please note that the average monthly contribution is calculated based on the number of strata lots; actual fees and levies will be based on relative unit entitlement.

We recommend that separate General Ledger codes are used for each component to facilitate the reserve fund update process. We also recommend that all reserve expenditures be taken from reserve accounts.



## Historical Financial Analysis

Red Maple Park

Sep 2021- Aug 2022	Sep 2022- Aug 2023
-----------------------	-----------------------

<b>Opening Balance</b>	<b>459,998</b>	<b>538,308</b>
<b>Reserve Fund Income</b>		
Reserve Fund Contributions	50,000	55,000
Special Assessment		
Transfer to (from) the Reserve Fund	18,462	13,721
Other Income	9,848	
Interest Income		5,999
<b>Total Cash Resources</b>	<b>538,308</b>	<b>613,028</b>
<b>Reserve Fund Expenditures</b>		
<b>Building - Structural and Architectural</b>		
1 Foundation and Subterranean Walls		
2 Wall Assemblies - Wood Siding		
3 Wall Assemblies - Vinyl Siding		
4 Wall Assemblies - Composite Siding		
5 Window Assemblies		
6 Garage Door Assemblies		
7 Exterior Door Assemblies - Entry & Service		
8 Exterior Door Assemblies - French		
9 Exterior Door Assemblies - Sliding Glass		
10 Fascia Board and Trim - Wood		
11 Caulking		
12 Balcony Construction - Wood		
13 Balcony Railings		
14 Soffits		
15 Gutters and Downspouts		
16 Roof Assembly - Asphalt / Fiberglass Shingle		
17 Metal Chimney Flue		
<b>Building - Finishes and Decoration</b>		
18 Exterior Finishes - Paint		
19 Exterior Finishes - Parking Paint and Markings		
20 Balcony Waterproofing		
<b>Building - Mechanical Systems</b>		
21 Domestic Water Distribution - Building		
22 Domestic Water Distribution - Subsurface		
<b>Building - Electrical Systems</b>		
23 Electrical Service and Distribution		
24 Lighting - Exterior		
<b>Common Site Improvements</b>		
25 Landscaping		
26 Playground		
27 Pavers - Roadway		
28 Pavers - Patios		
29 Concrete - Walk & Drive		
30 Asphalt Paving		
31 Concrete Paving and Curbs		
32 Retaining Walls - Wood		
33 Retaining Walls - Concrete		
34 Fencing - Wood		
35 Exterior Railings - Metal		
36 Depreciation Report		
Miscellaneous		277,500
<b>Total Expenditures</b>		<b>277,500</b>
<b>Closing Balance</b>	<b>538,308</b>	<b>335,528</b>

All values in \$CAD

### 3. Component Details

#### 3.1 Component Descriptions

This report includes each existing building and site component that has shared responsibility and will require replacement or major repairs less often than once per year.

Component Descriptions may be found in [Appendix E](#). Each component analysis typically includes the following information:

- Pictures
- Component Description
- Condition Analysis
- Reserve Fund Expenditure History
- Life Cycle Analysis
- Potential Deterioration
- Funding Analysis (including Current Repair or Replacement Costs)
- Suggested Maintenance

#### 3.2 Life Cycle Analysis

Each component’s next replacement date occurs at the end of its Remaining Life, which is defined as the difference between its Effective Age and its Lifespan. Subsequent replacements are made assuming the component lasts its full lifespan again.

The **Effective Age** is a subjective, observed age for each reserve component. It differs from the component’s actual age when it is performing better or worse than expected. The Effective Age is subject to change due to numerous factors and will not necessarily increase proportional to its actual age. It is chosen considering the following factors:

- Actual age of component
- Observed performance compared to expectations
- Reported problems
- Maintenance history
- Repair and replacement history
- Client’s intentions
- Functional obsolescence
- Coordination and practicality of replacement scheduling



The **Lifespan** is an average life expectancy for each reserve component. It is chosen considering the following factors:

- Type of component
- Material
- Utilization
- Workmanship
- Quality
- Manufacturer’s recommendation
- CMHC Capital Replacement Planning Manual: Life Expectancy Guidelines
- Contractors’ experience
- Functional obsolescence
- Required standards
- Environmental factors
- Regular maintenance
- Preventive maintenance
- Observed condition
- Client’s risk tolerance

### 3.3 Current Cost Estimates

The cost to replace any component is variable. It depends on the scope of work, the quality of construction, the construction market, personal contacts, client risk-tolerance, and many other factors. While we must choose an exact cost for our funding models, we recognize that the actual cost paid can differ greatly from that amount, depending on how those factors are addressed.

Cost estimates are typically calculated using the current year RSMeans Commercial Renovation Cost Data, modified as to time, location and quality of construction. They are based on our investigation, observation, analysis, and extensive experience performing depreciation reports. All costs are estimates and should be regarded as a prediction rather than a recommendation.

Here is how some of the major factors in estimating the Repair and Replacement Costs are addressed:

#### **Scope of Work**

Cost estimates are based on a like-for-like replacement (when it makes sense), including demolition and disposal, major repair or replacement of the component (labour, materials, and

equipment), special construction requirements, safety installations, limited access, reuse of salvageable materials, clean-up costs, contingencies, and contractor profit and overhead.

**Quality of construction**

Cost estimates are based on quality materials as required under current building code regulations, using contractors' prices, union labour, and current construction techniques. When possible and desirable, the replacement quality is matched to the original quality of construction.

**Replacement Cost Factors**

The costs of repairs and replacements of many reserve components are higher than original building costs. When constructing a new building, contractors have considerable latitude in planning their work and can utilize economies of scale to keep costs within construction budgets. In contrast, repair work must frequently be performed in an expedient manner with removal costs, additional safety precautions, and care for existing occupants.

**Tax**

All cost estimates include the 5% Goods and Services Tax (GST).

**Contingency**

All cost estimates include an individual contingency allowance to reflect uncertainties in the final costing and timing of work. This number typically varies from 5% to 25% depending on the overall expense of the component, the potential for latent defects, and the potential for additional costs.

**Budget Provisions**

It is frequently infeasible to forecast the scope of repairs or replacements of various reserve components, particularly major components such as the foundation and substructure, domestic water plumbing, and electrical systems. A percentage of the total cost is budgeted for components that we do not expect to require a complete replacement in any single year, called a Budget Percentage. This percentage reflects our interpretation of cost on the balance of probabilities (the average). Please note that this may differ from the most likely cost given several scenarios (the mode).

## 4. Economic Forecasting

This depreciation report relies heavily on our long-term economic predictions of inflation and interest rates. While actual economic conditions will certainly be different than our forecasts, we are confident that our estimates are reasonable and valuable.

Inflation and interest rates may vary year-to-year and must be periodically reviewed to ensure their relevance and accuracy. We conduct our economic analysis based on long-term conditions to eliminate short-term volatility.

### Construction Costs

Construction costs increase over time at a different rate than standard Consumer Price Index (CPI) inflation. We have modified all our estimated costs by applying a localized construction cost inflation rate in line with their replacement dates.

We use a construction inflation rate of 3.5%. Please see [Appendix F](#) for a detailed explanation of our construction inflation analysis.

### Interest Rates

Interest earned on money in the reserve fund can significantly lower reserve contributions. We have applied interest each year to the closing balances in our funding models.

We use an interest rate of 2.3%. Please see [Appendix G](#) for a detailed explanation of our interest rate analysis.

### CPI Inflation

Owners save money to replace components that have not yet failed. The amount they contribute toward any given component should stay the same year-to-year, in terms of purchasing power. To achieve this, we increase annual contributions by a localized CPI inflation rate.

We use a CPI inflation rate of 1.6%. Please see [Appendix H](#) for a detailed explanation of our CPI inflation analysis.

## 5. Funding Models

### 5.1 Benchmark Analysis

The Benchmark Analysis shows the ideal opening balance and the ideal annual reserve fund contribution for this fiscal year. These hypothetical numbers are generated by equitably dividing the cost to replace a component over its lifespan, taking inflation and interest into account. For a detailed explanation of how this is calculated, please refer to [Appendix I](#).

The Benchmark Analysis is used to evaluate the reserve fund’s performance and recommend equitable funding plans.

Please note the following definitions associated with the table on the next page.

#### **Estimated Current Cost**

The estimated cost to repair or replace each component today, after the Budget Percentage has been applied.

#### **Projected Next Cost**

The forecasted cost to repair or replace each component when it needs to be replaced.

#### **Ideal Closing Balance**

The accumulated balance that would be saved for each component given ideal annual contributions.

#### **Ideal Annual Contribution**

The annual contribution that splits the cost of each component equally across its lifespan, taking interest and inflation into account.

#### **Relative Contribution Weight**

The proportion of each component’s Ideal Annual Contributions to the total.



### Benchmark Analysis

Red Maple Park  
For Sep 2022 to Aug 2023

Construction Inflation Rate 3.5%  
Long-Term Interest Rate 2.3%  
Inflation Rate (CPI) 1.6%

#### Reserve Components

Expected Lifespan (yrs)	Effective Age (yrs)	Next Budgeted Replacement	Estimated Current Cost	Projected Next Cost	Ideal Closing Balance	Ideal Annual Contribution	Relative Contribution Weight
-------------------------	---------------------	---------------------------	------------------------	---------------------	-----------------------	---------------------------	------------------------------

Building - Structural and Architectural	
1	Foundation and Subterranean Walls
2	Wall Assemblies - Wood Siding
3	Wall Assemblies - Vinyl Siding
4	Wall Assemblies - Composite Siding
5	Window Assemblies
6	Garage Door Assemblies
7	Exterior Door Assemblies - Entry & Service
8	Exterior Door Assemblies - French
9	Exterior Door Assemblies - Sliding Glass
10	Fascia Board and Trim - Wood
11	Caulking
12	Balcony Construction - Wood
13	Balcony Railings
14	Soffits
15	Gutters and Downspouts
16	Roof Assembly - Asphalt / Fiberglass Shingle
17	Metal Chimney Flue

35	13	2045	\$ 719,817	\$ 1,534,298	\$ 408,333	\$ 27,883	6%
35	13	2045	\$ 504,208	\$ 1,074,726	\$ 286,024	\$ 19,531	4%
40	13	2050	\$ 701,979	\$ 1,777,107	\$ 375,477	\$ 25,639	5%
40	13	2050	\$ 16,081	\$ 40,709	\$ 8,601	\$ 587	0%
35	13	2045	\$ 1,184,268	\$ 2,524,281	\$ 671,803	\$ 45,874	10%
40	13	2050	\$ 310,348	\$ 785,667	\$ 166,000	\$ 11,335	2%
30	13	2040	\$ 129,756	\$ 232,870	\$ 79,683	\$ 5,441	1%
30	13	2040	\$ 43,202	\$ 77,533	\$ 26,530	\$ 1,812	0%
30	13	2040	\$ 132,377	\$ 237,574	\$ 81,293	\$ 5,551	1%
25	13	2035	\$ 455,076	\$ 687,651	\$ 311,142	\$ 21,246	5%
18	13	2028	\$ 75,520	\$ 89,694	\$ 64,561	\$ 4,409	1%
25	13	2035	\$ 209,524	\$ 316,605	\$ 143,255	\$ 9,782	2%
25	13	2035	\$ 207,979	\$ 314,270	\$ 142,198	\$ 9,710	2%
35	13	2045	\$ 21,433	\$ 45,685	\$ 12,159	\$ 830	0%
25	13	2035	\$ 120,637	\$ 182,292	\$ 82,482	\$ 5,632	1%
22	13	2032	\$ 1,522,351	\$ 2,074,808	\$ 1,130,733	\$ 77,212	17%
30	13	2040	\$ 856,406	\$ 1,536,972	\$ 525,917	\$ 35,912	8%

Building - Finishes and Decoration	
18	Exterior Finishes - Paint
19	Exterior Finishes - Parking Paint and Markings
20	Balcony Waterproofing

10	3	2030	\$ 389,619	\$ 495,704	\$ 176,564	\$ 43,687	9%
15	13	2025	\$ 723	\$ 774	\$ 709	\$ 48	0%
15	14	2024	\$ 191,225	\$ 197,917	\$ 197,917	\$ 12,570	3%

Building - Mechanical Systems	
21	Domestic Water Distribution - Building
22	Domestic Water Distribution - Subsurface

30	13	2040	\$ 313,204	\$ 562,100	\$ 192,338	\$ 13,134	3%
35	13	2045	\$ 277,879	\$ 592,302	\$ 157,633	\$ 10,764	2%

Building - Electrical Systems	
23	Electrical Service and Distribution
24	Lighting - Exterior

40	13	2050	\$ 148,972	\$ 377,132	\$ 79,682	\$ 5,441	1%
20	13	2030	\$ 61,323	\$ 78,020	\$ 48,621	\$ 3,320	1%

Common Site Improvements	
25	Landscaping
26	Playground
27	Pavers - Roadway
28	Pavers - Patios
29	Concrete - Walk & Drive
30	Asphalt Paving
31	Concrete Paving and Curbs
32	Retaining Walls - Wood
33	Retaining Walls - Concrete
34	Fencing - Wood
35	Exterior Railings - Metal
36	Depreciation Report

20	13	2030	\$ 41,401	\$ 52,673	\$ 32,825	\$ 2,241	0%
20	13	2030	\$ 14,480	\$ 18,423	\$ 11,481	\$ 784	0%
35	13	2045	\$ 4,343	\$ 9,257	\$ 2,464	\$ 168	0%
35	13	2045	\$ 14,019	\$ 29,882	\$ 7,953	\$ 543	0%
35	13	2045	\$ 170,804	\$ 364,071	\$ 96,893	\$ 6,616	1%
22	13	2032	\$ 158,178	\$ 215,580	\$ 117,487	\$ 8,023	2%
35	13	2045	\$ 49,371	\$ 105,234	\$ 28,007	\$ 1,912	0%
20	13	2030	\$ 331,416	\$ 421,653	\$ 262,767	\$ 17,943	4%
40	13	2050	\$ 37,446	\$ 94,796	\$ 20,029	\$ 1,368	0%
20	13	2030	\$ 526,573	\$ 669,948	\$ 417,501	\$ 28,509	6%
35	13	2045	\$ 2,629	\$ 5,603	\$ 1,491	\$ 102	0%
3	0	2026	\$ 6,720	\$ 7,451	\$ 2,389	\$ 2,389	1%

<b>TOTAL RESERVES</b>
-----------------------

<b>\$ 9,951,285</b>	<b>\$ 17,831,263</b>	<b>\$ 6,370,943</b>	<b>\$ 467,950</b>	<b>100%</b>
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All costs in \$CAD

## 5.2 Reserve Fund Expenditures

This section contains 30 years of forecasted expenditures from the reserve fund, broken down by component. This includes regular expenditures and may also include one-time expenditures. Regular expenditures are calculated by increasing the estimated current cost with a construction inflation factor. One-time expenditures are more short-term and subjective; they are based on the results of our investigation and do not repeat after they occur.

Please note that these expenditures are forecasts, intended to be more predictive than prescriptive. These expenditures are used primarily to help set a reasonable reserve fund contribution schedule. Actual expenditures should occur as they are deemed necessary and no effort should be made to match this schedule.



**Projected Expenditures**

Red Maple Park

Construction Inflation Rate 3.5%

Reserve Components	Lifespan (yrs)	Effective Age (yrs)	Current Cost	Section Responsibility	Sep 2022-	Sep 2023-	Sep 2024-	Sep 2025-	Sep 2026-	Sep 2027-	Sep 2028-	Sep 2029-	Sep 2030-	Sep 2031-	Sep 2032-	Sep 2033-	Sep 2034-	Sep 2035-	Sep 2036-	Sep 2037-	Sep 2038-		
					Aug 2023	Aug 2024	Aug 2025	Aug 2026	Aug 2027	Aug 2028	Aug 2029	Aug 2030	Aug 2031	Aug 2032	Aug 2033	Aug 2034	Aug 2035	Aug 2036	Aug 2037	Aug 2038			
1 Foundation and Subterranean Walls	35	13	719,817	100%																			
2 Wall Assemblies - Wood Siding	35	13	504,208	100%																			
3 Wall Assemblies - Vinyl Siding	40	13	701,979	100%																			
4 Wall Assemblies - Composite Siding	40	13	16,081	100%																			
5 Window Assemblies	35	13	1,184,268	100%																			
6 Garage Door Assemblies	40	13	310,348	100%																			
7 Exterior Door Assemblies - Entry & Service	30	13	129,756	100%																			
8 Exterior Door Assemblies - French	30	13	43,202	100%																			
9 Exterior Door Assemblies - Sliding Glass	30	13	132,377	100%																			
10 Fascia Board and Trim - Wood	25	13	455,076	100%																			
11 Caulking	18	13	75,520	100%						89,700													
12 Balcony Construction - Wood	25	13	209,524	100%																			
13 Balcony Railings	25	13	207,979	100%																			
14 Soffits	35	13	21,433	100%																			
15 Gutters and Downspouts	25	13	120,637	100%																			
16 Roof Assembly - Asphalt / Fiberglass Shingle	22	13	1,522,351	100%																			
17 Metal Chimney Flue	30	13	856,406	100%																			
18 Exterior Finishes - Paint	10	3	389,619	100%																			
19 Exterior Finishes - Parking Paint and Markings	15	13	723	100%																			
20 Balcony Waterproofing	15	14	191,225	100%																			
21 Domestic Water Distribution - Building	30	13	313,204	100%																			
22 Domestic Water Distribution - Subsurface	35	13	277,879	100%																			
23 Electrical Service and Distribution	40	13	148,972	100%																			
24 Lighting - Exterior	20	13	61,323	100%																			
25 Landscaping	20	13	41,401	100%																			
26 Playground	20	13	14,480	100%																			
27 Pavers - Roadway	35	13	4,343	100%																			
28 Pavers - Patios	35	13	14,019	100%																			
29 Concrete - Walk & Drive	35	13	170,804	100%																			
30 Asphalt Paving	22	13	158,178	100%																			
31 Concrete Paving and Curbs	35	13	49,371	100%																			
32 Retaining Walls - Wood	20	13	331,416	100%																			
33 Retaining Walls - Concrete	40	13	37,446	100%																			
34 Fencing - Wood	20	13	526,573	100%																			
35 Exterior Railings - Metal	35	13	2,629	100%																			
36 Depreciation Report	3	0	6,720	100%																			
<b>Total Expenditures (including Misc.)</b>					<b>277,500</b>	<b>197,900</b>	<b>800</b>	<b>7,500</b>	<b>-</b>	<b>89,700</b>	<b>8,300</b>	<b>1,736,400</b>	<b>-</b>	<b>2,299,500</b>	<b>-</b>	<b>-</b>	<b>1,511,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,300</b>	

All values in \$CAD, rounded to the nearest hundred

**Projected Expenditures, Continued**

Red Maple Park

Reserve Components	Lifespan (yrs)	Effective Age (yrs)	Current Cost	Section Responsibility	Sep 2038-	Sep 2039-	Sep 2040-	Sep 2041-	Sep 2042-	Sep 2043-	Sep 2044-	Sep 2045-	Sep 2046-	Sep 2047-	Sep 2048-	Sep 2049-	Sep 2050-	Sep 2051-	Sep 2052-	Sep 2053-		
					Aug 2039	Aug 2040	Aug 2041	Aug 2042	Aug 2043	Aug 2044	Aug 2045	Aug 2046	Aug 2047	Aug 2048	Aug 2049	Aug 2050	Aug 2051	Aug 2052	Aug 2053			
1 Foundation and Subterranean Walls	35	13	719,817	100%																		
2 Wall Assemblies - Wood Siding	35	13	504,208	100%																		
3 Wall Assemblies - Vinyl Siding	40	13	701,979	100%																		
4 Wall Assemblies - Composite Siding	40	13	16,081	100%																		
5 Window Assemblies	35	13	1,184,268	100%																		
6 Garage Door Assemblies	40	13	310,348	100%																		
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8 Exterior Door Assemblies - French	30	13	43,202	100%																		
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17 Metal Chimney Flue	30	13	856,406	100%																		
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19 Exterior Finishes - Parking Paint and Markings	15	13	723	100%																		
20 Balcony Waterproofing	15	14	191,225	100%																		
21 Domestic Water Distribution - Building	30	13	313,204	100%																		
22 Domestic Water Distribution - Subsurface	35	13	277,879	100%																		
23 Electrical Service and Distribution	40	13	148,972	100%																		
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25 Landscaping	20	13	41,401	100%																		
26 Playground	20	13	14,480	100%																		
27 Pavers - Roadway	35	13	4,343	100%																		
28 Pavers - Patios	35	13	14,019	100%																		
29 Concrete - Walk & Drive	35	13	170,804	100%																		
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34 Fencing - Wood	20	13	526,573	100%																		
35 Exterior Railings - Metal	35	13	2,629	100%																		
36 Depreciation Report	3	0	6,720	100%																		
<b>Total Expenditures</b>					<b>331,600</b>	<b>3,347,600</b>	<b>12,500</b>	<b>-</b>	<b>-</b>	<b>13,800</b>	<b>6,285,300</b>	<b>166,600</b>	<b>15,300</b>	<b>-</b>	<b>-</b>	<b>6,547,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,900</b>	

All values in \$CAD, rounded to the nearest hundred

### 5.3 30-Year Reserve Fund Projection

The 30-Year Reserve Fund Projection recommends a funding plan and shows forecasted cash flows in detail. It contains an abridged Benchmark Analysis for each year, comparing it to the recommended plan to analyze deficiency of the fund. Please note the following definitions.

#### **Opening Balance**

The reserve fund position at the beginning of each fiscal year. This includes any monetary resources marked for reserve purposes and may include multiple accounts, including accounts that are inaccessible due to investing strategies.

#### **Recommended Annual Contribution**

The total recommended annual reserve fund contribution each year, excluding interest.

#### **Special Assessment**

The amount required each year to maintain the reserve fund’s Minimum Balance (set at \$0 in this model for the current fiscal year). A Special Assessment is a one-time, unique contribution to the reserve fund.

#### **Interest Income**

Expected interest from all reserve fund investments (assumes that all expenditures of the given year occur before any interest is earned).

#### **Closing Balance**

The reserve fund position at the end of each fiscal year, carried forward to the next year.

#### **Ideal Annual Contribution**

The annual contribution that splits the cost of each component equally across its lifespan, taking interest and inflation into account. The first year’s value matches the Benchmark Analysis’ Ideal Annual Contribution.

#### **Ideal Closing Balance**

The accumulated balance that would be saved for each component given ideal annual contributions. The first year’s value matches the Benchmark Analysis’ Ideal Closing Balance.

#### **Reserve Fund Deficiency (Surplus)**

The difference between the Closing Balance and the Ideal Closing Balance.

#### **DCQ Score**

The Deficiency/Contribution Quotient, a stable measure of reserve fund performance. See [section 5.4](#) for details.



### Reserve Fund Projection—Adequate Funding Model

Red Maple Park

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

	Sep 2022– Aug 2023	Sep 2023– Aug 2024	Sep 2024– Aug 2025	Sep 2025– Aug 2026	Sep 2026– Aug 2027	Sep 2027– Aug 2028	Sep 2028– Aug 2029	Sep 2029– Aug 2030	Sep 2030– Aug 2031	Sep 2031– Aug 2032	Sep 2032– Aug 2033	Sep 2033– Aug 2034	Sep 2034– Aug 2035	Sep 2035– Aug 2036	Sep 2036– Aug 2037	Sep 2037– Aug 2038
<b>Cashflow</b>																
<b>Opening Balance</b>	538,300	335,500	290,800	529,200	838,600	1,234,900	1,610,500	2,140,000	965,300	1,591,600	-	686,600	1,430,400	672,800	1,468,000	2,308,800
<b>Reserve Fund Income</b>																
Recommended Annual Contribution	55,000	150,000	232,600	304,800	377,000	439,000	500,900	552,500	604,100	645,400	686,600	727,900	753,400	779,800	807,100	835,300
Special Assessment										62,600						
Transfers to (from) the Reserve Fund	13,700															
Other Income																
Interest Income	6,000	3,200	6,700	12,000	19,300	26,300	36,900	9,300	22,200			15,800		15,500	33,800	52,800
<b>Total Cash Resources</b>	<b>613,000</b>	<b>488,700</b>	<b>530,000</b>	<b>846,000</b>	<b>1,234,900</b>	<b>1,700,200</b>	<b>2,148,200</b>	<b>2,701,700</b>	<b>1,591,600</b>	<b>2,299,500</b>	<b>686,600</b>	<b>1,430,400</b>	<b>2,183,700</b>	<b>1,468,000</b>	<b>2,308,800</b>	<b>3,197,000</b>
<b>Reserve Fund Expenditures</b>																
<b>Total Expenditures</b>	<b>277,500</b>	<b>197,900</b>	<b>800</b>	<b>7,500</b>	<b>-</b>	<b>89,700</b>	<b>8,300</b>	<b>1,736,400</b>	<b>-</b>	<b>2,299,500</b>	<b>-</b>	<b>-</b>	<b>1,511,000</b>	<b>-</b>	<b>-</b>	<b>11,300</b>
<b>Closing Balance</b>	<b>335,500</b>	<b>290,800</b>	<b>529,200</b>	<b>838,600</b>	<b>1,234,900</b>	<b>1,610,500</b>	<b>2,140,000</b>	<b>965,300</b>	<b>1,591,600</b>	<b>-</b>	<b>686,600</b>	<b>1,430,400</b>	<b>672,800</b>	<b>1,468,000</b>	<b>2,308,800</b>	<b>3,185,700</b>
<b>Deficiency Analysis</b>																
Ideal Annual Contribution	467,900	479,500	487,200	495,200	503,100	513,000	521,400	566,100	575,200	634,000	644,200	654,500	698,200	709,400	720,700	732,500
Ideal Closing Balance	6,370,900	6,794,500	7,437,200	8,095,800	8,785,100	9,408,400	10,137,700	9,160,700	9,946,600	8,457,000	9,295,700	10,164,000	9,550,200	10,479,300	11,441,000	12,425,100
<b>Reserve Fund Deficiency (Surplus)</b>	<b>6,035,400</b>	<b>6,503,800</b>	<b>6,908,000</b>	<b>7,257,200</b>	<b>7,550,200</b>	<b>7,797,900</b>	<b>7,997,800</b>	<b>8,195,400</b>	<b>8,355,000</b>	<b>8,457,000</b>	<b>8,609,000</b>	<b>8,733,600</b>	<b>8,877,400</b>	<b>9,011,200</b>	<b>9,132,200</b>	<b>9,239,400</b>
<b>Actual/Ideal Contributions</b>	<b>12%</b>	<b>31%</b>	<b>48%</b>	<b>62%</b>	<b>75%</b>	<b>86%</b>	<b>96%</b>	<b>98%</b>	<b>105%</b>	<b>102%</b>	<b>107%</b>	<b>111%</b>	<b>108%</b>	<b>110%</b>	<b>112%</b>	<b>114%</b>
<b>DCQ Score</b>	<b>80.8</b>	<b>42.5</b>	<b>28.9</b>	<b>22.9</b>	<b>19.1</b>	<b>16.8</b>	<b>14.9</b>	<b>14.6</b>	<b>13.3</b>	<b>11.9</b>	<b>12.5</b>	<b>11.7</b>	<b>11.8</b>	<b>11.3</b>	<b>10.9</b>	<b>10.4</b>

All values in \$CAD, rounded to the nearest hundred

### Adequate Funding Model, Continued

Red Maple Park

	Sep 2038– Aug 2039	Sep 2039– Aug 2040	Sep 2040– Aug 2041	Sep 2041– Aug 2042	Sep 2042– Aug 2043	Sep 2043– Aug 2044	Sep 2044– Aug 2045	Sep 2045– Aug 2046	Sep 2046– Aug 2047	Sep 2047– Aug 2048	Sep 2048– Aug 2049	Sep 2049– Aug 2050	Sep 2050– Aug 2051	Sep 2051– Aug 2052	Sep 2052– Aug 2053
<b>Cashflow</b>															
<b>Opening Balance</b>	3,185,700	3,784,300	1,341,600	2,285,800	3,296,900	4,364,800	5,477,900	255,300	1,190,600	2,340,700	3,572,900	4,874,600	-	1,306,400	2,688,500
<b>Reserve Fund Income</b>															
Recommended Annual Contribution	864,500	894,800	926,100	958,500	992,100	1,026,800	1,062,700	1,099,900	1,138,400	1,178,300	1,219,500	1,262,200	1,306,400	1,352,100	1,399,400
Special Assessment												410,800			
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	65,600	10,000	30,600	52,600	75,800	100,100		2,000	27,000	53,800	82,200			30,000	61,400
<b>Total Cash Resources</b>	<b>4,115,900</b>	<b>4,689,200</b>	<b>2,298,300</b>	<b>3,296,900</b>	<b>4,364,800</b>	<b>5,491,700</b>	<b>6,540,600</b>	<b>1,357,200</b>	<b>2,356,100</b>	<b>3,572,900</b>	<b>4,874,600</b>	<b>6,547,500</b>	<b>1,306,400</b>	<b>2,688,500</b>	<b>4,149,400</b>
<b>Reserve Fund Expenditures</b>															
<b>Total Expenditures</b>	<b>331,600</b>	<b>3,347,600</b>	<b>12,500</b>	<b>-</b>	<b>-</b>	<b>13,800</b>	<b>6,285,300</b>	<b>166,600</b>	<b>15,300</b>	<b>-</b>	<b>-</b>	<b>6,547,500</b>	<b>-</b>	<b>-</b>	<b>18,900</b>
<b>Closing Balance</b>	<b>3,784,300</b>	<b>1,341,600</b>	<b>2,285,800</b>	<b>3,296,900</b>	<b>4,364,800</b>	<b>5,477,900</b>	<b>255,300</b>	<b>1,190,600</b>	<b>2,340,700</b>	<b>3,572,900</b>	<b>4,874,600</b>	<b>-</b>	<b>1,306,400</b>	<b>2,688,500</b>	<b>4,130,500</b>
<b>Deficiency Analysis</b>															
Ideal Annual Contribution	751,100	837,300	851,000	864,600	878,400	892,800	1,054,900	1,075,200	1,092,700	1,110,200	1,128,000	1,293,600	1,314,300	1,335,300	1,357,100
Ideal Closing Balance	13,122,800	10,837,400	11,924,800	13,063,700	14,242,600	15,448,800	10,429,000	11,573,700	12,916,900	14,324,300	15,781,700	10,740,200	12,301,500	13,919,700	15,577,700
<b>Reserve Fund Deficiency (Surplus)</b>	<b>9,338,400</b>	<b>9,495,800</b>	<b>9,639,000</b>	<b>9,766,800</b>	<b>9,877,800</b>	<b>9,970,900</b>	<b>10,173,800</b>	<b>10,383,100</b>	<b>10,576,200</b>	<b>10,751,400</b>	<b>10,907,100</b>	<b>10,740,200</b>	<b>10,995,100</b>	<b>11,231,200</b>	<b>11,447,200</b>
<b>Actual/Ideal Contributions</b>	<b>115%</b>	<b>107%</b>	<b>109%</b>	<b>111%</b>	<b>113%</b>	<b>115%</b>	<b>101%</b>	<b>102%</b>	<b>104%</b>	<b>106%</b>	<b>108%</b>	<b>98%</b>	<b>99%</b>	<b>101%</b>	<b>103%</b>
<b>DCQ Score</b>	<b>10.0</b>	<b>10.5</b>	<b>10.1</b>	<b>9.7</b>	<b>9.2</b>	<b>8.8</b>	<b>9.6</b>	<b>9.4</b>	<b>9.1</b>	<b>8.7</b>	<b>8.4</b>	<b>6.4</b>	<b>8.4</b>	<b>8.1</b>	<b>7.8</b>

All values in \$CAD, rounded to the nearest hundred



## 5.4 Cash Flow Analysis

This section includes Cash Flow Table summaries of the recommendations of the 30-Year Reserve Fund Projection and graphs to represent the same information visually. We have included both a nominal (actual dollar) summary and a real dollar (adjusted for CPI inflation) summary.

The **Nominal Table** shows the actual dollar amounts that are forecasted and recommended. This is useful for planning and setting reserve fund contributions. The strata corporation should follow the Nominal Cash Flow Table for setting reserve fund contributions.

The **Real Dollar Table** shows dollar amounts adjusted for inflation. This is useful for understanding the expenditures and contributions in terms of purchasing power. This table is not intended to be followed when setting reserve fund contributions: it is for illustration purposes only.

Please note the following definition.

### **Average Monthly Contribution per Unit**

Each year’s recommended contribution divided by twelve and divided by the total number of strata units. This represents an approximate monthly contribution, although actual contributions will vary depending on unit entitlement.



**Nominal Cash Flow—Adequate Funding***Red Maple Park*

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2023	538,308	68,721	33	-	5,999	277,500	335,528
2024	335,528	150,000	73	-	3,165	197,917	290,775
2025	290,775	232,560	113	-	6,670	774	529,231
2026	529,231	304,800	148	-	12,001	7,451	838,581
2027	838,581	377,040	183	-	19,287	-	1,234,909
2028	1,234,909	438,960	213	-	26,340	89,694	1,610,515
2029	1,610,515	500,880	243	-	36,852	8,261	2,139,986
2030	2,139,986	552,480	268	-	9,282	1,736,422	965,326
2031	965,326	604,080	293	-	22,203	-	1,591,609
2032	1,591,609	645,360	313	62,578	-	2,299,547	-
2033	-	686,640	333	-	-	-	686,640
2034	686,640	727,920	353	-	15,793	-	1,430,353
2035	1,430,353	753,397	365	-	-	1,510,972	672,778
2036	672,778	779,766	378	-	15,474	-	1,468,018
2037	1,468,018	807,058	391	-	33,764	-	2,308,840
2038	2,308,840	835,305	405	-	52,844	11,258	3,185,731
2039	3,185,731	864,541	419	-	65,645	331,581	3,784,337
2040	3,784,337	894,800	434	-	10,045	3,347,586	1,341,596
2041	1,341,596	926,118	449	-	30,570	12,482	2,285,800
2042	2,285,800	958,532	464	-	52,573	-	3,296,906
2043	3,296,906	992,080	481	-	75,829	-	4,364,815
2044	4,364,815	1,026,803	497	-	100,072	13,839	5,477,851
2045	5,477,851	1,062,741	515	-	-	6,285,339	255,253
2046	255,253	1,099,937	533	-	2,039	166,605	1,190,624
2047	1,190,624	1,138,435	552	-	27,031	15,344	2,340,746
2048	2,340,746	1,178,280	571	-	53,837	-	3,572,863
2049	3,572,863	1,219,520	591	-	82,176	-	4,874,559
2050	4,874,559	1,262,203	612	410,774	-	6,547,537	-
2051	-	1,306,380	633	-	-	-	1,306,380
2052	1,306,380	1,352,104	655	-	30,047	-	2,688,531
2053	2,688,531	1,399,427	678	-	61,402	18,862	4,130,498

*All values in \$CAD*

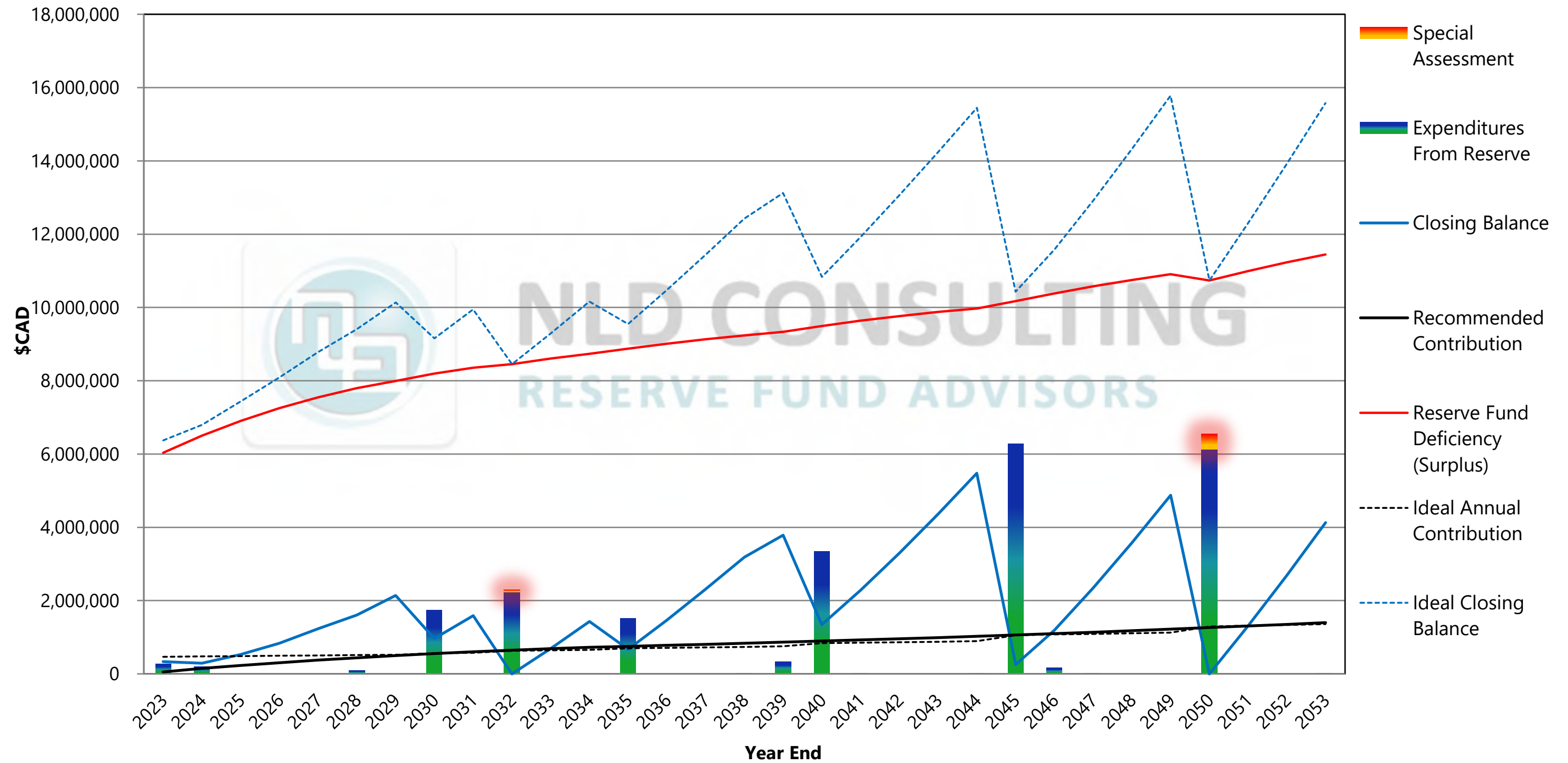
**Real Dollar Cash Flow—Adequate Funding***Red Maple Park*

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

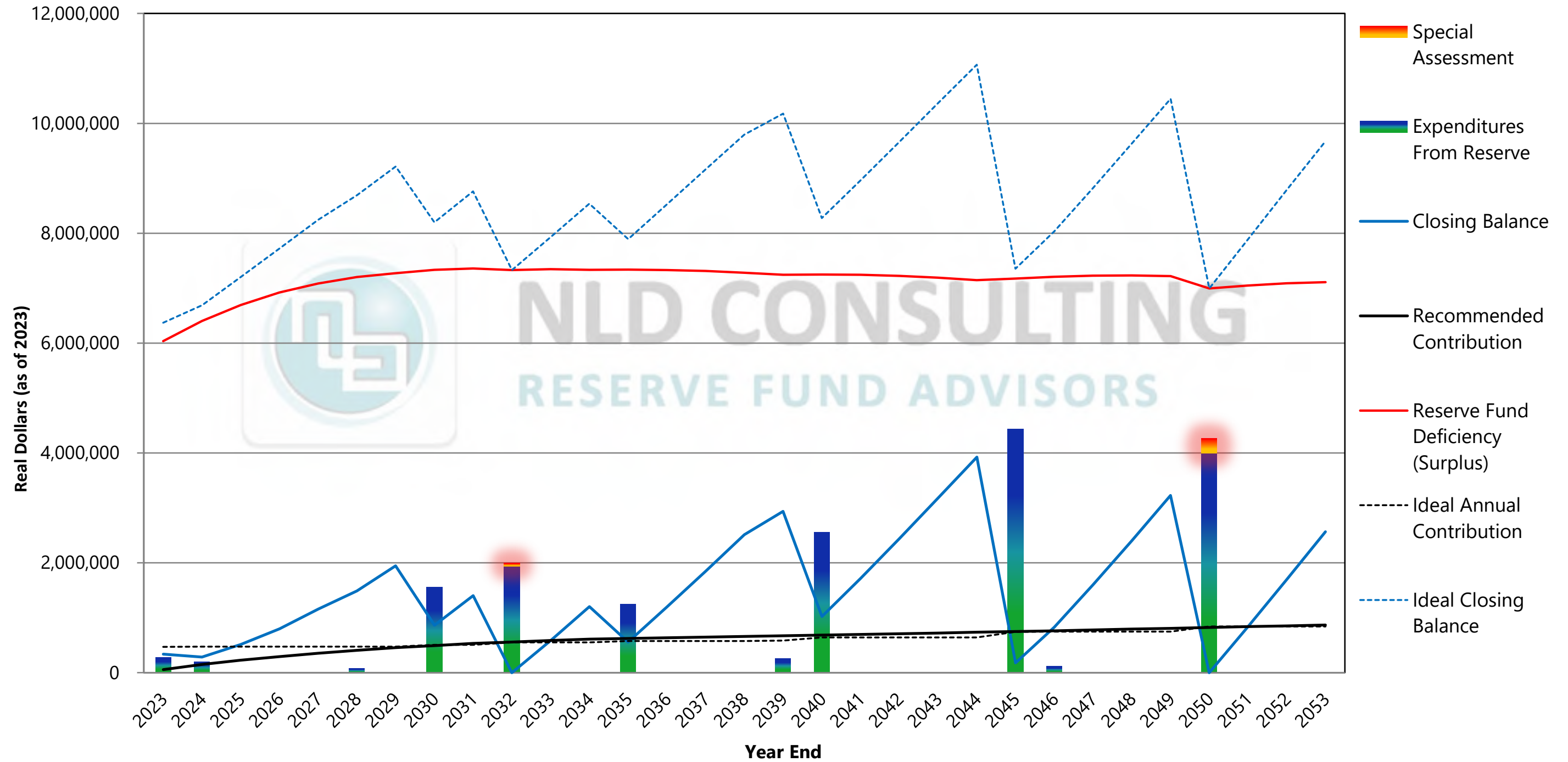
<b>Fiscal Year End</b>	<b>Opening Balance</b>	<b>Annual Contribution</b>	<b>Avg Monthly Contribution per Unit</b>	<b>Special Assessments</b>	<b>Interest Income</b>	<b>Projected Expenditures</b>	<b>Closing Balance</b>
2023	538,308	68,721	33	-	5,999	277,500	335,528
2024	330,244	147,638	72	-	3,115	194,801	286,196
2025	281,689	225,293	109	-	6,462	750	512,694
2026	504,620	290,626	141	-	11,443	7,104	799,584
2027	786,992	353,845	171	-	18,101	-	1,158,938
2028	1,140,687	405,468	196	-	24,330	82,850	1,487,635
2029	1,464,207	455,377	221	-	33,504	7,510	1,945,579
2030	1,914,940	494,380	240	-	8,306	1,553,815	863,810
2031	850,207	532,041	258	-	19,555	-	1,401,802
2032	1,379,726	559,447	271	54,247	-	1,993,420	-
2033	-	585,858	284	-	-	-	585,858
2034	576,631	611,298	296	-	13,263	-	1,201,192
2035	1,182,275	622,730	302	-	-	1,248,912	556,093
2036	547,335	634,375	307	-	12,589	-	1,194,299
2037	1,175,491	646,238	313	-	27,036	-	1,848,766
2038	1,819,652	658,324	319	-	41,648	8,873	2,510,750
2039	2,471,211	670,635	325	-	50,922	257,211	2,935,556
2040	2,889,327	683,176	331	-	7,670	2,555,869	1,024,303
2041	1,008,173	695,952	337	-	22,972	9,380	1,717,717
2042	1,690,666	708,967	343	-	38,885	-	2,438,518
2043	2,400,117	722,225	350	-	55,203	-	3,177,544
2044	3,127,504	735,731	356	-	71,705	9,916	3,925,024
2045	3,863,213	749,490	363	-	-	4,432,688	180,015
2046	177,180	763,506	370	-	1,415	115,647	826,455
2047	813,440	777,784	377	-	18,468	10,483	1,599,209
2048	1,574,025	792,330	384	-	36,203	-	2,402,557
2049	2,364,722	807,147	391	-	54,389	-	3,226,257
2050	3,175,450	822,241	398	267,592	-	4,265,283	-
2051	-	837,618	406	-	-	-	837,618
2052	824,427	853,282	413	-	18,962	-	1,696,670
2053	1,669,951	869,239	421	-	38,139	11,716	2,565,613

*All values in \$CAD, adjusted for CPI inflation*

### Adequate Funding Schedule



### Adequate Funding Schedule (Real Dollars)



## 5.5 Deficiency Analysis

The Deficiency Analysis focuses on the current fiscal year. It is a comparison between the actual reserve fund balance and the Benchmark Analysis.

The Benchmark Analysis indicates how much money would be in the reserve fund if the strata corporation had contributed the same amount each year (taking interest and inflation into account), leaving the strata on pace to fully fund each component. Thus, the deficiency is the amount of money the strata corporation will raise before the end of the building’s economic life.

It is important to realize that most strata corporations in British Columbia will show a benchmark deficiency in their funding to varying degrees. This is typical of reserve fund balances. The deficiency can be resolved through special assessments, higher contributions than the ideal annual contributions, and/or getting longer lifespans on the components than predicted. The contributions for each component go into one fund, so the strata corporation can often maintain a deficiency without special assessments indefinitely by “borrowing” money from newer components to pay for the replacement of older ones.

Please note the following definitions associated with the table on the next page:

### **Budgeted Reserve Fund Contribution**

The approved annual contribution to the reserve fund.

### **Special Assessments**

An estimation of the amount collected and to be collected on top of the Current Budgeted Reserve Fund Contribution, as a one-time fee.

### **Estimated Expenditures**

Costs incurred and expected to be incurred on reserve fund components.

### **Estimated Reserve Fund Deficiency**

The difference between the reserve fund’s closing balance and the Benchmark’s Closing Balance

### **Deficiency/Contribution Quotient**

A stable measure of reserve fund performance. See below for details.

## Deficiency Analysis

*Red Maple Park*

*For the current fiscal year, Sep 2022–Aug 2023*

<b>Deficiency Calculation</b>		
<b>Opening Balance</b>	<b>\$</b>	<b>538,308</b>
Budgeted Reserve Fund Contribution	\$	55,000
Special Assessments	\$	-
Transfers to (from) the Reserve Fund	\$	13,721
Other Income	\$	-
Interest Income	\$	5,999
Less: Estimated Expenditures	\$	277,500
<b>Projected Closing Balance</b>	<b>\$</b>	<b>335,528</b>
Less: Ideal Closing Balance	\$	6,370,943
<b>Estimated Reserve Fund Deficiency</b>	<b>\$</b>	<b>6,035,415</b>

<b>DCQ Calculation</b>	
6,035,415 / (55,000+13,721+5,999)	
<b>Deficiency / Contribution Quotient</b>	<b>80.8</b>

### Deficiency/Contribution Quotient (DCQ)

The DCQ is a funding score for a given year. It is a stable measurement of the relative size of your contributions compared to your reserve fund deficiency. A strata corporation that is prioritizing reserve fund contributions will see a decreasing DCQ, though their deficiency may be increasing. A strata corporation with no deficiency has a DCQ of zero. Essentially, the DCQ measures how much effort is being made to save for future reserve fund expenditures.

This formula is simply a given year's closing balance Deficiency including Outstanding Loan Balance, if any (D), divided by the same year's contributions, including interest (C), or D/C.

Here is a rough guide to discerning what this DCQ means for your reserve fund.

#### DCQ greater than 40

Indicative of a strata corporation that has not prioritized reserve fund contributions—though it is still possible that they proactively maintain their building through different funding methods.



**DCQ between 15 and 40**

Normal for strata corporations that have begun to prioritize their reserve fund contributions within the last handful of years. It is also normal for corporations that have not had much time to accumulate a deficiency.

**DCQ between 0 and 15**

Relatively stable and unlikely to need emergency funding, though it is still possible to incur a special assessment with a low DCQ.

**DCQ equals 0**

The reserve is fully funded at its ideal Benchmark balance. This is also the development's position at the exact beginning and end of its economic life.

**DCQ less than 0**

The reserve fund is overfunded and, while very stable, should move towards a DCQ of zero to place greater emphasis on the equity of reserve contributions year-to-year.

The DCQ is not affected by location, time, or building type, and is useful for comparing buildings with themselves over time and with other buildings. However, most reserve consultants use differing methodology, assumptions, and algorithms when developing their funding plans, particularly when calculating deficiency. Thus, the DCQ should only be used to compare different strata corporations when their depreciation report has been conducted by the same firm using the same methodology.

## 6. Recommendations

NLD Consulting – Reserve Fund Advisors’ recommendations, set out below and detailed in this report, will assist the corporation to achieve and maintain an adequate reserve fund.

1. The strata corporation is under no obligation to follow the recommendations in this report.
2. The strata corporation should prepare and implement a long-term reserve fund strategy.
3. Major repairs and replacements should be recorded in, and funded from, a reserve fund account. Reserve expenditures should be recorded in the general ledger using individual ledger codes for each component.
4. The reserve fund contribution should be increased to \$150,000 per annum in the year Sep 2023–Aug 2024, and thereafter by the recommendations in section 5.2 each subsequent year.
5. The reserve fund should be fully invested in guaranteed long-term securities per the strata property act, at the maximum available rate.
6. The strata corporation should make such expenditures as necessary to maintain the property in optimum condition.
7. The strata corporation should review this report every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
8. The strata corporation should update the depreciation report at least every three years, as per the regulations of the strata property act, unless future regulation requires an alternate schedule of updates.

## Appendix A—Qualifications



**Terry Dowle, AACI, P.App., RI, CRP****NLD Consulting – Reserve Fund Advisors****Education**

Langara Community College	
Realty Appraisal Program	1989
Real Estate Management	1989
Real Estate Sales and Marketing	1991
Business Communications	1995
University of British Columbia, Faculty of Commerce – Real Estate Division	
Advanced Real Estate Management	1997
Real Estate Agent (9.15)	1997
University of British Columbia, Sauder School of Business	
BUSI – Foundations of Real Estate Appraisal	2005
Real Estate Institute of Canada	
Certified Reserve Planner Program	2011
Ethics and Business Practice Curriculum	2011

**Designations and Certificates**

Certified Reserve Planner – Real Estate Institute of Canada	2011
RI - Real Estate Institute of British Columbia	1998
Agent 9.15 – Real Estate Council of British Columbia	1998
AACI – Accredited Appraiser of the Canadian Institute	1995
P.App. – Professional Appraiser	1995
Sales Agent – Real Estate Council of British Columbia	1994

**Professional Experience**

Royal LePage – Commercial Appraisal Division	1989 – 1991
Real Estate Consulting and Appraisal of IC&I properties	
Campbell & Pound (1961) Ltd.	1991 – 1996
Real Estate Consulting and Appraisal of IC&I properties	
Niemi LaPorte & Dowle Appraisals Ltd.	1996 – Present
Real Estate Consulting and Appraisal of IC&I properties	
Management of Staff	
Development of Business	
Niemi LaPorte & Dowle Whistler Appraisal Group Ltd.	1999 – Present
Real Estate Consulting and Appraisal of IC&I properties	
Management of Staff	
Development of Business	



Niemi LaPorte & Dowle Appraisals Victoria 2011 – Present  
 Real Estate Consulting and Appraisal of IC&I properties  
 Management of Staff  
 Development of Business

NLD Consulting – Reserve Fund Advisors 2011 – Present  
 Depreciation Report Consulting  
 Management of Staff  
 Development of Business

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### Publications & Volunteer Services

AIC – National 2021 – Current  
 AIC-BC Representative  
 Admissions and Accreditation Committee

Appraisal Institute of Canada – BC Board 2013 – 2021  
 Past President & Governance Chair (2020-2021)  
 Past – President (2019-2020)  
 Past - Provincial Representative – Recruitment & Retention Chair  
 Past - Provincial Representative – Professional Development Chair  
 Past - 1<sup>st</sup> Vice President & Finance Chair

Vancouver Chapter Executive – AIC-BC 2001 –  
 2021  
 Past as Chair for 3 years  
 Past Secretary for 10 years  
 Provincial Representative

Seminar Presenter – Langara Community College 2002  
 Valuation of Leaky Condo's

Provincial Board of Examiners - BCAIC 2003 – Present  
 Designated interviewer – BDI/STARS

Real Estate Institute of Canada – REIC 2013 -  
 2016  
 CRP Steering committee  
 Education and Experience Chair

Real Estate Board of Greater Vancouver  
 Author and Instructor  
 Understanding Depreciation Reports for REALTORS 2016 – Current



## Market Valuation and Adjustments for REALTORS

2018 – Current

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**Memberships**

Professional Association of Managing Agents	2010 – Present
Condominium Home Owners Association	2010 – Present
Strata Property Agents of BC	2010 – Present
Expropriation Association of BC.	2010 – Present
Real Estate Institute of Canada	2010 – Present
Mortgage Investment Brokers Association of BC.	2008 – Present
Real Estate Institute of BC	1998 – Present
Mortgage Brokers Association of BC.	1998 – Present
Appraisal Institute of Canada	1989 – Present

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**Court Experience**

Supreme Court of British Columbia  
Assessment Appeal Board of BC  
Court of Revision



**Depreciation Report/Reserve Fund Study Clients**

24/7 Strata Management  
Ascent Management Real Estate Corp.  
AWM Alliance Real Estate Group Ltd.  
Bayside Property Services Ltd.  
Baywest Management Corp.  
BC Housing  
Bradshaw Strata Management Ltd.  
Brydges Property Management  
C & C Property Group Ltd.  
Citybase Management Ltd.  
Colyvan Pacific Real Estate Management Services Ltd.  
Crossroads Management Ltd.  
Dodwell Realty and Strata Management Ltd.  
Dorset Realty Group Canada Ltd.  
Fairfax Management  
FirstService Residential  
Globe Property Management  
Homelife Peninsula Property Management  
Hutton Condominium Services Ltd.  
I.J.M. Properties Ltd.  
Imperial Properties Corp.  
iStrata Property  
Leonis Management & Consultants Ltd.  
Maple Leaf 1<sup>st</sup> Realty Ltd.  
Martello Property Services Inc.  
Northwest Strata Management  
Ocean Bay Management Ltd.  
Pacific Quorum Properties Inc.  
Pacifica First Management Ltd.  
Paragon Realty Corp.  
Peterson Group  
Polygon Ltd.  
Profile Properties Ltd.  
R. Jang & Associates Ltd.  
Rancho Management Services (BC) Ltd.  
Re/Max Property Management Services  
Richmond Caring House (Non-profit)  
Self-Managed Condominiums/Stratas  
Stevenson Management Services Ltd.  
The Wynford Group  
Trilogy Management Services Ltd.  
Winnipeg Rentals Inc.  
WRM Strata Management & Real Estate Services Ltd.



## Appendix B—Assumptions and Limiting Conditions



The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the requisite Land Titles Office and are assumed to be correct. Further, the strata bylaws and architectural plan provided must be assumed to be correct and complete, as must any financial statements, AGM and/or SGM minutes, and budgets.

The architectural, structural, mechanical, electrical and other plans and specifications of the building or buildings and improvements were provided in whole or in part (as available) for this study. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted.

Sketches, drawings, diagrams, photographs, if any, presented in this report are included for the sole purpose of illustration. No legal survey, soil tests, engineering investigations, detailed quantity survey compilations, nor exhaustive physical examinations have been made. Accordingly, no responsibility is assumed concerning these matters or other technical and engineering techniques, which would be required to discover any inherent or hidden condition of the property.

The reserve components were assessed visually. No intrusive or destructive testing, specialized imaging, or aerial inspections of elevated areas has been undertaken. The consultant(s) accept no liability for conditions not visible at the time of the building and site review. If further investigation of specific components is required by the client, the services of an expert specializing in the particular building system/component is recommended.

Measurements and quantities are taken either on-site during inspection as approximations or directly from plans where available. Where electronic plans/drawings are made available, quantity take-offs are completed using Planswift professional plan management software. The consultant(s) accept no liability for the use of dimensions taken from the above sources for the purposes of quantifying reserve components.

In order to arrive at supportable replacement cost estimates, it was found necessary to utilize both documented and other cost data. Current cost estimates are primarily based on the current year RSMeans Commercial Renovation Cost Data. This data is modified using percentage factors to reflect perceived local and site specific conditions and may also include a contingency factor based on the overall confidence in the costs relative to the specific component. Applicable taxes are included in these costs. The intent of these cost estimates is to generate a realistic planning guideline, and it is likely that actual costs will vary from this number based on several factors. These include the supply/demand of contractors at the time replacements occur as well as the potential for changes in construction methods and materials over time.

Reserve fund estimates are subjective, and they are based on an understanding of the life cycle of reserve components and our experience gained from observing buildings, with projections



made over a 30-year period. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for all possible contingencies, if and when they arise. Reserve fund requirements are subject to change and must be reviewed and modified over time, at least every three years.

A concerted effort has been put forth to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct, and it has been gathered to standard professional procedures, but no guarantee as to the accuracy of the data is implied.

The consultant is not qualified to design specific repair, replacement or maintenance plans. Recommendations regarding repairs, replacements and maintenance are general in nature and are intended to provide guidance for long-range financial planning only. In all cases of major repairs or replacements, qualified design professionals should be retained to provide a specific design. In all cases, the maintenance directions provided by the manufacturer or installer of any specific component should be followed.

The estimates herein must not be extracted or used in conjunction with any other depreciation report and may be invalid if so used. Additionally, the BC Strata Property Act requires the strata to include a copy of the depreciation report, where applicable. The user is cautioned to request any copies of this report directly from the author to ensure the report is complete, current, and authentic. Electronic copies should include a digital signature of the author.

NLD Consulting uses Notarius™ Digital Signatures which are ISO 27001:2005 certified. No responsibility is accepted where a claim arises from a copy of this report which has either been distributed by a 3<sup>rd</sup> party, or is not originally or digitally signed.

The client to whom this report is addressed may use it in deliberations affecting the subject strata corporation only, and in so doing, the report must not be abstracted; it must be used in its entirety. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone but the client without the written consent of the author, and in any event, only with the proper qualifications.

The consultant(s) are not liable for the failure of any sale to close, nor for any owner(s) failure to obtain financing, mortgage insurance, nor structure/contents insurance as a result of information contained in this report. The consultant(s) have no authority to compel any action on the part of the Strata Corporation and can accept no responsibility for the corporation's actions or failures to act.

All personal information supplied for the purposes of preparation of this report will remain within our organization and will not be shared with any external entity unless prior permission is given. Your personal information will not be sold, distributed or published in any manner whatsoever.



NLD Consulting – Reserve Fund Advisors takes privacy very seriously. We collect personal information to better serve our customers, for security reasons, and to provide customers and potential customers with information about our services. We would like to have a lifelong relationship of good service with our customers, and for that reason we may retain personal information provided for as long as necessary to provide our services and respect our obligations to governmental agencies and other third parties. The information will remain confidential to NLD Consulting, to businesses working for us, and to any organization that acquires part or all of our business, provided that they agree to comply with our privacy policy. By accepting our report, you are agreeing to maintain the confidentiality and privacy of any personal information contained herein and to comply in all material respects with the contents of our Privacy Policy.

The Personal Information Protection Act (PIPA) of British Columbia sets out requirements for how organizations may collect, use, disclose and secure personal information. The preparation of each report and/or retention of records is subject to the requirements of PIPA. Written authorization in advance must be requested to reproduce or use the report in any form by and means, graphic, electronic or mechanical, including photocopying, recording, typing or information storage and retrieval, which must be done in conformity with PIPA and the Privacy Policy. For further information on the Act, contact the office of the Information & Privacy Commissioner for British Columbia, or access the Act through the website: <http://www.oipc.bc.ca/>

The consultant(s) maintain a reasonable level of insurance relative to industry standards to cover errors and omissions with per-claim and per-year limits. The consultant(s) liability related to this report is limited to the maximum per-claim value available at the time a potential claim is made.

The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated. Unless otherwise noted, all estimates are expressed in Canadian currency.



## Appendix C—Strata Property Act & Regulation Excerpt



**Strata Property Act [SBC 1998] Chapter 43, Part 6, Division 1, Section 94: Depreciation Report**

- (1) In this section, “**qualified person**” has the meaning set out in the regulations.
- (2) Subject to subsection (3), a strata corporation must obtain from a qualified person, on or before the following dates, a depreciation report estimating the repair and replacement cost for major items in the strata corporation and the expected life of those items:
  - (a) For the first time,
    - (i) December 14, 2013, in the case of a strata corporation that existed on December 14, 2011, or
    - (ii) the prescribed date, in all other cases;
  - (b) if the strata corporation has, before or after the coming into force of this section, obtained a depreciation report that complies with the requirements of this section, the date that is the prescribed period after the date on which that report was obtained;
  - (c) if the strata corporation has, under subsection (3) (a), waived the requirement under this subsection to obtain a depreciation report, the date that is the prescribed period after the date on which the resolution waiving the requirement was passed.
- (3) A strata corporation need not comply with the requirement under subsection (2) to obtain a depreciation report on or before a certain date if
  - (a) The strata corporation, by a resolution passed by a 3/4 vote at an annual or special general meeting within the prescribed period, waives that requirement, or
  - (b) The strata corporation is a member of a prescribed class of strata corporations.
- (4) A depreciation report referred to in subsection (2) must contain the information set out in the regulations.

**Strata Property Regulation [amended up to B.C. Reg. 68/2014, July 16, 2014] Part 6.2: Depreciation Report**

- (1) For the purposes of section 94 of the Act, a depreciation report must include all of the following:
  - (a) a physical component inventory and evaluation that complies with subsection (2);
  - (b) a summary of repairs and maintenance work for common expenses respecting the items listed in subsection (2) (b) that usually occur less often than once a year or that do not usually occur;
  - (c) a financial forecasting section that complies with subsection (3);
  - (d) the name of the person from whom the depreciation report was obtained and a description of
    - (i) that person’s qualifications,

- (ii) the error and omission insurance, if any, carried by that person, and
    - (iii) the relationship between that person and the strata corporation;
  - (e) the date of the report;
  - (f) any other information or analysis that the strata corporation or the person providing the depreciation report considers appropriate.
- (2) For the purposes of subsection (1) (a) and (b) of this section, the physical component inventory and evaluation must
  - (a) be based on an on-site visual inspection of the site and, where practicable, of the items listed in paragraph (b) conducted by the person preparing the depreciation report,
  - (b) include a description and estimated service life over 30 years of those items that comprise the common property, the common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation’s bylaws or an agreement with an owner, including, but not limited to, the following items:
    - (i) the building's structure;
    - (ii) the building's exterior, including roofs, roof decks, doors, windows and skylights;
    - (iii) the building's systems, including the electrical, heating, plumbing, fire protection and security systems;
    - (iv) common amenities and facilities;
    - (v) parking facilities and roadways;
    - (vi) utilities, including water and sewage;
    - (vii) landscaping, including paths, sidewalks, fencing and irrigation;
    - (viii) interior finishes, including floor covering and furnishings;
    - (ix) green building components;
    - (x) balconies and patios, and
  - (c) identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to maintain and repair.
- (3) For the purposes of subsection (1) (c), the financial forecasting section must include
  - (a) the anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year or that do not usually occur, projected over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection (2) (b),
  - (b) a description of the factors and assumptions, including interest rates and rates of inflation, used to calculate the costs referred to in paragraph (a),
  - (c) a description of how the contingency reserve fund is currently being funded,

- (d) the current balance of the contingency reserve fund minus any expenditures that have been approved but not yet taken from the fund, and
  - (e) at least 3 cash-flow funding models for the contingency reserve fund relating to the maintenance, repair and replacement over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection (2) (b).
- (4) For the purposes of subsection (3) (e), the cash flow funding models may include any one or more of the following:
- (a) balances of, contributions to and withdrawals from the contingency reserve fund;
  - (b) special levies;
  - (c) borrowings.
- (5) If a strata corporation contributes to the contingency reserve fund based on a depreciation report, the contributions in respect of an item become part of the contingency reserve fund and may be spent for any purpose permitted under section 96 of the Act.
- (6) For the purposes of section 94 (1) of the Act, "**qualified person**" means any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation's common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with subsections (1) to (4).
- (7) The following periods are prescribed:
- (a) for the purposes of section 94 (2) (b) of the Act, 3 years;
  - (b) for the purposes of section 94 (2) (c) of the Act, 18 months;
  - (c) for the purposes of section 94 (3) (a) of the Act, the one year period immediately preceding the date on or before which the depreciation report is required to be obtained.

A strata corporation is prescribed for the purposes of section 94 (3) (b) of the Act if and for so long as there are fewer than 5 strata lots in the strata plan.

## Appendix D—Sections



## Sections

In some jurisdictions, strata corporations can be split into legally distinct sections with each section representing the interests of its respective members. A section operates independent of other sections in matters that relate solely to the section. Each section can elect a council while the strata council administers functions which relate to the operations of the entire strata corporation.

Only specific and distinct types of lots can form sections, such as residential and non-residential lots comprising a single corporation, or non-residential lots of a single corporation that are used for significantly different purposes. Residential lots may only divide into apartments, townhouses, and detached houses.

If a strata corporation is operating under several sections, this report prepares a unique forecast and budget for each section, as well as one for any combination of sections that have shared responsibility for the components described within this report. This helps each section budget independently of the others as they see fit. If the strata corporation could benefit from operating under separate sections we will recommend that to the client, but we will prepare our report in conjunction with current practices so that it is practical to implement.

With respect to matters relating solely to one section, the section is a corporation and has the same powers as the strata corporation to:

- Establish its own operating fund and reserve fund for common expenses of the section, including expenses relating to limited common property designated for the exclusive use of all the lots in that section.
- Prepare a section budget and require section owners to pay fees and special levies for expenditures authorized by the section.
- Enter contracts in the name of the section.
- Sue or arbitrate in the name of the section.
- Acquire and dispose of land and other property in the name of or on behalf of the section.
- Enforce bylaws, regulations, and rules.

Separate sections within a strata corporation may establish their own operating fund and reserve fund for common expenses that relate exclusively to that section.


## Appendix E—Reserve Component Descriptions and Analyses





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Component 1		Foundation and Subterranean Walls
		
<b>Description</b>	<p>The foundation wall is generally engineered load-bearing cast-in-place concrete retaining or basement wall. The materials used may be concrete or reinforced masonry which is sealed using waterproofing materials to the outside of the foundation wall. This component should last the life of the property. However, over the course of this time major repairs may be required. This component accounts for a moderate amount of crack sealing and a small amount of resealing.</p>	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$719,817
<b>Condition Analysis</b>	<p>Based upon a partial visual-inspection, this component appears to be in good condition for its age. No major deficiencies were noted at the time of visual inspection. Some minor efflorescence noted on areas of the foundation visible.</p>	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Non-structural cracks can sometimes be injected with a sealant. We have budgeted for periodic structural stabilization work, underdrain repairs, and waterproofing. This includes excavation and compacted backfilling.
	<b>Budget</b>	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	<p>One of the most common problems with foundation walls is cracking. Foundation cracks can be benign or serious depending on their cause, location, size, and direction, as well as whether water is seeping in. Impacts and shifting of the underlying ground can result in cracking of the foundation.</p>	
<b>Suggested Maintenance</b>	<p>Regular visual inspection of the walls for signs of cracking, damage, spalling, efflorescence, debris collection, and grading that slopes towards the foundation walls. Regular application of waterproof membranes, chloride extraction, re-alkalisation, and crack repair may extend the foundation's life.</p>	



Component 2		Wall Assemblies - Wood Siding
		
<b>Description</b>	This component may consist of either prefinished or unfinished natural wood siding such as cedar, or prefinished engineered wood siding. Behind the siding will be a weather barrier such as standard felt tar paper over plywood sheathing. Wood siding is typically nailed in place using counter sunk splitless nails. Paint or stain may have been applied at the factory or on-site after installation and caulking.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$504,208
<b>Condition Analysis</b>	Based upon a partial visual-inspection, this component appears to be in good condition for its age. No major deficiencies were noted at the time of visual inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and dispose of cracked or rotting wood boards. Repair damaged studs and sheathing. Replace building paper and insulation as needed. Install new wood siding, work-site clean up, and any special safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes impact damage, water damage, warping, and infestation. Contributing factors include physical damage, failed windows or seals, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of siding for splits, warping, debris build up, and rot. Regular maintenance, painting, cleaning, and caulking as required. Keep the boards dry: proper site grading and maintain a gap between the walls and the landscaping. Attention should be given to areas where siding abuts windows, doors and corners.	


Component 3		Wall Assemblies - Vinyl Siding
		
<b>Description</b>	Vinyl siding comes in a variety of styles and colors; it is an engineered product manufactured primarily from polyvinyl chloride (PVC) resin. Behind the siding is a weather barrier such as standard felt tar paper over plywood sheathing. Vinyl siding is typically nailed in place.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$701,979
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Some areas of siding demonstrated mildew or moss growth. These were restricted to shady regions between buildings.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	40 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	27 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and dispose of all or damaged vinyl. Repair damaged building frame and sheathing. Replace building paper and insulation as needed. Install new vinyl system, work-site clean up, and any special safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 33% of the estimated total cost is provided for significant expenditures every 40 years.
<b>Potential Deterioration</b>	Includes cracking, fading, warping, and denting. Contributing factors include impact damage and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of siding for impact damage, cracking, warping, fading, debris build up, and environmental damages. Clean, caulk, and repair as required.	


Component 4		Wall Assemblies - Composite Siding
		
<b>Description</b>	<p>Commonly called “Hardie Plank”, composite siding is made from Portland cement, sand and cellulose fiber. It is one of the most durable and long-lasting siding products in the market today. It is resistant to insect damage, rot and fire, to some extent. It requires minimal maintenance with repainting after approximately ten years. Other composite siding is a blend of polymeric and inorganic minerals. It withstands inclement weather conditions, is resistant to fungus and mold and won't warp with fluctuating temperatures or humidity levels.</p>	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$16,081
<b>Condition Analysis</b>	<p>Based upon a partial visual-inspection, this component appears to be in good condition for its age. No major deficiencies were noted at the time of visual inspection.</p>	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	40 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	27 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and dispose of all or damaged composite siding. Repair damaged building frame and sheathing. Replace building paper and insulation as needed. Install new composite system, work-site clean up, and any special safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 20% of the estimated total cost is provided for significant expenditures every 40 years.
<b>Potential Deterioration</b>	<p>Includes cracking, chipping, peeling paint, and water ingress caused by environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Contributing factors include physical damage, debris accumulation, mold, and mildew.</p>	
<b>Suggested Maintenance</b>	<p>Regular visual inspection of siding for impact damage, cracking, chipping, peeling paint, water ingress, debris build up, and environmental damage. Clean, caulk, and repair as required.</p>	


Component 5		Window Assemblies
		
<b>Description</b>	This component accounts for the exterior frame windows. This includes the frame, hardware, casing, caulking, and windows.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$1,184,268
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Some sills are showing signs of debris buildup. Weeping holes should be cleaned and cleared.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and dispose of damaged window assemblies, repairs to or replacement of the frame, casing, and hardware as required, and installation of new windows. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes impact damage, failure or deterioration of the seals, failure of the opening mechanism, and wear-and-tear. Contributing factors include physical damage, seal deterioration, failed caulking, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Failure of the seals can cause fogging and moisture on the inner panes of the window.	
<b>Suggested Maintenance</b>	Regular visual inspection of the windows for signs of seal failure, cracking, and impact damage. Clean, caulk, and lubricate the tracks and hinges as required.	


Component 6		Garage Door Assemblies
		
<b>Description</b>	Garage door assemblies may include single or double overhead wood / metal / fiberglass doors with automatic garage door openers, laser eye safety system and a pulley and spring system.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$310,348
<b>Condition Analysis</b>	Based upon a partial visual-inspection, this component appears to be in average/good condition for its age. No major deficiencies were noted at the time of visual inspection. Several doors had physical damage, likely from light impacts. A variety of doors were seen operating at the time of our inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	40 years
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	27 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged doors.
	<b>Budget</b>	We have allowed for a full replacement of this component every 40 years.
<b>Potential Deterioration</b>	Includes impact damage, wear-and-tear, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of the door and tracks/rollers. Lubricate and clean as required.	


Component 7		Exterior Door Assemblies - Entry & Service	
 			
<b>Description</b>	This component consists of metal insulated interior and exterior doors and lock assemblies including deadbolts as standard hardware. Metal doors are considered to last the lifetime of a property. The life span of the typical metal door will be 60 + years.		
	<b>Quantity</b>	1 Allowance	
	<b>Current Job Cost</b>	\$129,756	
<b>Condition Analysis</b>	Based upon a partial visual-inspection, this component appears to be in good condition for its age. No major deficiencies were noted at the time of visual inspection.		
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010	
	<b>Work Completed</b>	Original to the buildings.	
	<b>Dollars Spent</b>	We assume no expenditure to date.	
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	30 years (Budget Provision)	
	<b>Effective Age</b>	13 years	
	<b>Remaining Lifespan</b>	17 years	
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged door system components as required or desired.	
	<b>Budget</b>	A budget equal to 40% of the estimated total cost is provided for significant expenditures every 30 years.	
<b>Potential Deterioration</b>	Includes impact damage, misalignment, failure to latch, corrosion, fading, warping, and other aesthetic degradation. Contributing factors include excessive force, wear-and-tear, physical damage, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.		
<b>Suggested Maintenance</b>	Regular visual inspection of the door and hardware. Clean and paint as required.		

Component 8		Exterior Door Assemblies - French	
			
<b>Description</b>	Common door assemblies are generally manufactured or pre-hung fire-rated wood doors with glass lites. These doors are manufactured to the standard fire prevention ratings of 20-minute, 45-minute, 60-minute, and 90-minute. Wooden doors can last the life of the property, provided they are well maintained and sealed.		
	<b>Quantity</b>	1 Allowance	
	<b>Current Job Cost</b>	\$43,202	
<b>Condition Analysis</b>	Based upon a partial visual-inspection, this component appears to be in good condition for its age. No major deficiencies were noted at the time of visual inspection. Some flaking around sills.		
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010	
	<b>Work Completed</b>	Original to the buildings.	
	<b>Dollars Spent</b>	We assume no expenditure to date.	
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	30 years (Budget Provision)	
	<b>Effective Age</b>	13 years	
	<b>Remaining Lifespan</b>	17 years	
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged door system components as required or desired.	
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 30 years.	
<b>Potential Deterioration</b>	Includes impact damage, glass breakage, seal failure, misalignment, failure to latch, fading, warping, and other aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.		
<b>Suggested Maintenance</b>	Regular visual inspection of the door and hardware. Clean and seal/paint as required.		


Component 9		Exterior Door Assemblies - Sliding Glass
		
<b>Description</b>	<p>A sliding glass door or patio door, a type of sliding door in architecture and construction, is a large glass window opening in a structure that provide door access from a room to the outdoors, and natural light. A sliding glass door is usually a single unit consisting of two panel sections, one being fixed - and one being mobile to slide open.</p>	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$132,377
<b>Condition Analysis</b>	<p>Based upon a partial visual-inspection, this component appears to be in average/good condition for its age. No major deficiencies were noted at the time of visual inspection.</p>	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	30 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	17 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged door system components as required or desired.
	<b>Budget</b>	A budget equal to 75% of the estimated total cost is provided for significant expenditures every 30 years.
<b>Potential Deterioration</b>	<p>Includes impact damage, glass breakage, seal failure, misalignment, roller failure, denting, and other aesthetic degradation. Contributing factors include wear-and-tear, physical damage, excessive force, subsurface shifting, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.</p>	
<b>Suggested Maintenance</b>	<p>Regular visual inspection of the door and hardware. Clean, lubricate, and seal/paint as required.</p>	

Component 10		Fascia Board and Trim - Wood
		
<b>Description</b>	Fascia board / trim is mounted on the exposed ends of rafters or the top of exterior walls to create a layer between the edge of the roof and the outside. In addition to serving an aesthetic function by creating a smooth, even appearance on the edge of the roof, fascia board / trim may also protect the roof and the interior of the building from weather damage.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$455,076
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average/good condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Original to the buildings.
	<b>Dollars Spent</b>	We assume no expenditure to date.
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	25 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	12 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged elements as required or desired. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 25 years.
<b>Potential Deterioration</b>	Includes impact damage, water damage, and deterioration. Contributing factors include physical damage, insufficient paint and caulking, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection. Clean, paint, and caulk as required.	


Component 11		Caulking
		
<b>Description</b>	This component consists of all building caulking, silicone, weather-stripping, and polyurethane elastomeric sealant. It is applied around windows, exterior doors, roof flashing, rooftop equipment, and parapet walls. It would also include the sealant around moving components such as windows and doors. Caulking can fail at different rates. Most caulking is reported to have an average life span of 7-20 years.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$75,520
<b>Condition Analysis</b>	Based upon a partial visual-inspection, this component appears to be in fair condition for its age. Much of the visible caulking was showing signs of shrinkage and cracking. A full review is warranted. Council provided a 2017 report by IPI Consulting indicating there was concern around the viability of the caulking in the complex.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	18 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	5 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace failed caulking as required. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 18 years.
<b>Potential Deterioration</b>	Includes hardening, cracking, shrinking, and powdering of the caulking surface. Contributing factors include environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual and tactile inspection of the exterior caulking. Replace as required.	

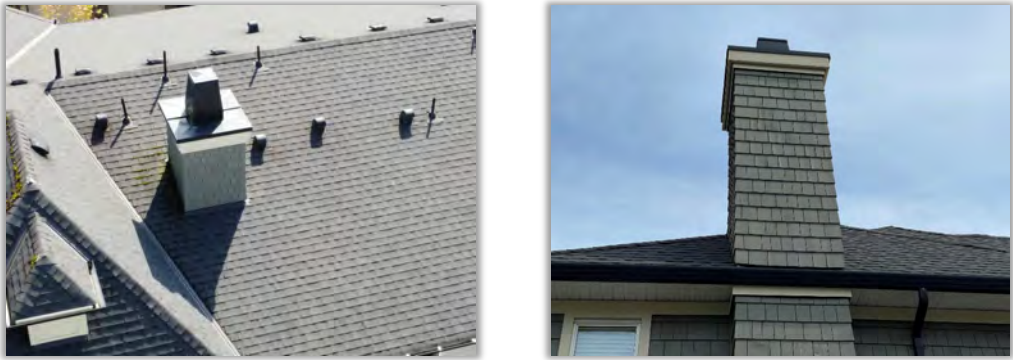
Component 12		Balcony Construction - Wood
		
<b>Description</b>	This component accounts for typical repairs to the common-element balcony structure. This includes repairs to the beams and girders, framing joists, beam-to-girder saddles, subfloor, and associated hardware.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$209,524
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	25 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	12 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace failed structural elements as required. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 25 years.
<b>Potential Deterioration</b>	Includes impact damage, water damage, and infestation. Contributing factors include physical damage, failed caulking or seals, failed balcony membrane, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of balcony for debris build-up, water damage, and infestation. Seal, clean, caulk, and repair the membrane and flashing as required.	


Component 13		Balcony Railings
		
<b>Description</b>	This component accounts for the common-element balcony railing systems, including all associated fasteners and hardware.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$207,979
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average/good condition for its age. No major deficiencies were noted or reported at the time of inspection. Some fasteners had visible debris staining around the bolts and fascia. These should be monitored for rot or wood failure.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	25 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	12 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace failed balcony railings. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 25 years.
<b>Potential Deterioration</b>	Includes breakage, water damage, loosening of fasteners, wear-and-tear, and aesthetic degradation. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular inspection of railings for debris build-up, impact damage, water damage, and loose fasteners. Clean, seal, and repair as required.	


Component 14		Soffits
		
<b>Description</b>	This component accounts for the soffits, also known as the eaves.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$21,433
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged soffits. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes impact damage, heat damage, water damage, fading, warping, and cracking. Contributing factors include physical damage and environmental factors such as extreme temperature changes, rain, snow, and wind exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection for damage and missing sections. Clean and repair as required.	

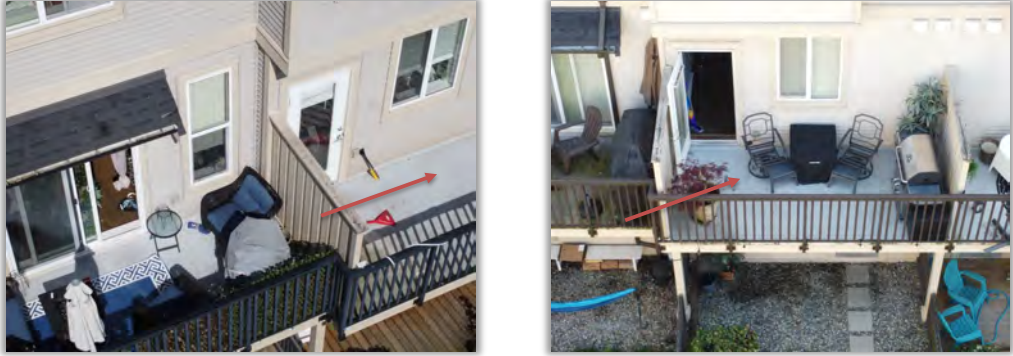
Component 15		Gutters and Downspouts
		
<b>Description</b>	This component accounts for the gutters (also referred to as "eavestroughs") and the downspouts.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$120,637
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	25 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	12 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged gutters and downspouts as required. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 25 years.
<b>Potential Deterioration</b>	Includes impact damage, seal failure, warping, and deterioration. Contributing factors include physical damage and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection. Clean, seal, and caulk as required.	



Component 16		Roof Assembly - Asphalt / Fiberglass Shingle
		
<b>Description</b>	This component accounts for the asphalt/fiberglass shingle roofing system. This includes the shingles, underlayment, flashing, and an allowance for replacement of damaged sheathing and roof-openings such as vents.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$1,522,351
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. There is some minor evidence of shingle curl on areas of the roofs. This can be a sign of aged roof conditions. Regular roof inspections are recommended as the roof reaches end of life.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	22 years
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	9 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace existing roofing assembly. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	We have allowed for a full replacement of this component every 22 years.
<b>Potential Deterioration</b>	Includes curling, lifting, cracking, granule-loss, water damage, and wear-and-tear. Contributing factors include physical damage, debris accumulation, algae accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of roof for water damage, debris accumulation, and shingle deterioration. Clean and repair as required.	


Component 17		Metal Chimney Flue
		
<b>Description</b>	This component accounts for the insulated chimneys.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$856,406
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	30 years
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	17 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged chimneys. Appropriate safety preparation and precautions as required.
	<b>Budget</b>	We have allowed for a full replacement of this component every 30 years.
<b>Potential Deterioration</b>	Includes impact damage and corrosion. Contributing factors include physical damage, wear-and-tear, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection for damage. Clean and repair as required.	


Component 18		Exterior Finishes - Paint
		
<b>Description</b>	This component accounts for the exterior paint finish. No caulking is accounted for in this component.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$389,619
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average/good condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2020
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	10 years
	<b>Effective Age</b>	3 years
	<b>Remaining Lifespan</b>	7 years
<b>Funding Analysis</b>	<b>Work</b>	Surface preparation, painting, and clean-up.
	<b>Budget</b>	We have allowed for a full replacement of this component every 10 years.
<b>Potential Deterioration</b>	Includes impact damage, fading, peeling, chipping, and water damage. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Painting may also be done for aesthetic reasons.	
<b>Suggested Maintenance</b>	Regular visual inspection for fading, peeling, chipping, and water damage. Clean, touch-up, and repaint as required or desired.	



Component 19		Exterior Finishes - Parking Paint and Markings	
			
<b>Description</b>	This component accounts for the common-element pavement markings.		
	<b>Quantity</b>	1 Allowance	
	<b>Current Job Cost</b>	\$723	
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.		
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010	
	<b>Work Completed</b>	None noted or reported	
	<b>Dollars Spent</b>	N/A	
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	15 years	
	<b>Effective Age</b>	13 years	
	<b>Remaining Lifespan</b>	2 years	
<b>Funding Analysis</b>	<b>Work</b>	Repaint existing markings as required or desired.	
	<b>Budget</b>	We have allowed for a full replacement of this component every 15 years.	
<b>Potential Deterioration</b>	Includes chipping, fading, and obfuscation. Contributing factors include wear-and-tear, impact damage, debris accumulation, chemical damage (particularly from de-icing chemicals), and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.		
<b>Suggested Maintenance</b>	Regular inspection of the markings for visibility. Inspect, clean, and repaint as required.		

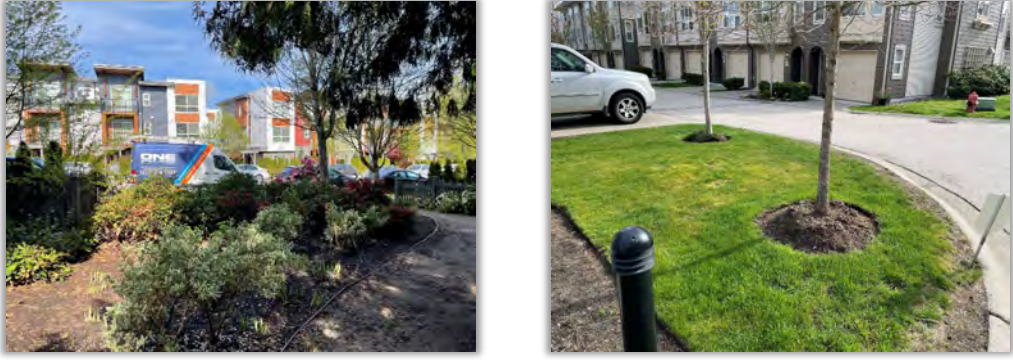
Component 20		Balcony Waterproofing
		
<b>Description</b>	This component accounts for the balcony waterproofing membrane.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$191,225
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Some balcony edges showed signs of debris and mildew build up. This can affect the lifespan of the material. Most balconies have furniture, BBQ's and some have planters. Each of these can diminish the lifespan of the decking material.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	Motion passed in 2022 to spend \$150,000 on membrane replacement.
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	15 years
	<b>Effective Age</b>	14 years
	<b>Remaining Lifespan</b>	1 year
<b>Funding Analysis</b>	<b>Work</b>	Remove old membrane. Prepare balcony surface. Re-install metal flashing. Install vinyl membrane with liquid adhesive and hot-air welding.
	<b>Budget</b>	We have allowed for a full replacement of this component every 15 years.
<b>Potential Deterioration</b>	Includes impact damage, delamination, fading, cracking, bubbling, wear-and-tear, and water damage. Contributing factors include physical damage, debris accumulation, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection for delamination, fading, cracking, bubbling, and water damage. Clean, patch, and repair as required.	


Component 21		Domestic Water Distribution - Building
 		
<b>Description</b>	This component accounts for the interior common-element domestic water distribution system. This includes risers, pumps, branch lines, valves, and backflow preventers for both the supply and removal of hot and cold water.	
	<b>Quantity</b>	1 System
	<b>Current Job Cost</b>	\$313,204
<b>Condition Analysis</b>	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age. We have made allowances for the water lines to the shutoff valves at each unit cluster.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	30 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	17 years
<b>Funding Analysis</b>	<b>Work</b>	Notify residents of work scope, disruption, and timeline. Access relevant areas while causing minimal damage. Replace damaged water supply components (usually with PEX) or, if water damage is frequent and severe, repipe most or all of the property to prevent further damage from occurring. Test system. Repair any damage and clean work areas.
	<b>Budget</b>	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 30 years.
<b>Potential Deterioration</b>	Includes pipe leaks and bursts, connection failure, pump failure, and valve failure. Contributing factors include impact damage, turbulence, the chemical makeup of supplied water (acidic water, hard water, highly chlorinated water, and chemical drain cleaners can sometimes cause deterioration), vibration and stress, and environmental factors such as extreme temperatures.	
<b>Suggested Maintenance</b>	Regular inspection for leaks (unusually high water bill, drips, pools, damp spots, discolouration, stains, dimpling, or flaking), unusual sounds (banging or knocking), water colour (brown or yellow is often a sign of decaying pipes, especially if the pipe has not been used for some time), low or inconsistent water pressure, and odors. Test and repair as required.	

Component 22		Domestic Water Distribution - Subsurface
		
<b>Description</b>	This component accounts for the subsurface common-element domestic water distribution system, both for the supply and removal of domestic water.	
	<b>Quantity</b>	1 System
	<b>Current Job Cost</b>	\$277,879
<b>Condition Analysis</b>	We were not able to visually inspect this component. No major deficiencies were reported at the time of inspection, so we assume it to be in average condition for its age.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Video inspection and internal cleaning, if possible. More significant damage will need the following: surface removal, excavation, damaged-pipe section removal, pipe bedding installation, pipe installation, backfill and compaction, and surface restoration.
	<b>Budget</b>	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes leaks, cracks, clogs, and connection failure. Contributing factors include impact damage, vibration and stress, debris accumulation, tree root damage, and environmental factors such as extreme temperatures.	
<b>Suggested Maintenance</b>	Regular inspection for leaks (unusually high water bill, pools, damp spots, low spots, dead grass/plants), low or inconsistent water pressure, and odors. Scope, flush, and repair as required.	


Component 23		Electrical Service and Distribution
		
<b>Description</b>	This component accounts for the common-element electrical service and distribution system. This includes wiring, service panels, breakers, switches, receptacles, and various electrical accessories.	
	<b>Quantity</b>	1 System
	<b>Current Job Cost</b>	\$148,972
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	40 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	27 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace the various electrical components as required or desired.
	<b>Budget</b>	A budget equal to 15% of the estimated total cost is provided for significant expenditures every 40 years.
<b>Potential Deterioration</b>	Includes component failure, wire degradation, wire insulation failure, loosening of connections, and insufficient power. Contributing factors include wear-and-tear, usage, load demand, debris accumulation, corrosion, increased power demands, and environmental factors such as extreme temperatures, humidity, and ventilation.	
<b>Suggested Maintenance</b>	Regular inspection of electrical equipment and systems to determine maintenance requirements and priorities. Inspect, test, service, and repair as required.	


Component 24		Lighting - Exterior
 		
<b>Description</b>	<p>This component accounts for the common-element exterior lighting. This includes the fixtures and a small allowance for box and wiring costs.</p>	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$61,323
<b>Condition Analysis</b>	<p>Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.</p>	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	20 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	7 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace failed lighting components as required or desired.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 20 years.
<b>Potential Deterioration</b>	<p>Includes impact damage, electrical component failure, and water damage. Contributing factors include physical damage, power surges, usage, and damage from environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure. Fixtures may also be replaced due to functional obsolescence or for aesthetic reasons.</p>	
<b>Suggested Maintenance</b>	<p>Regular visual inspection of the fixtures for damage. Regular replacement of bulbs as required. Limit on/off cycles.</p>	


Component 25		Landscaping
		
<b>Description</b>	This component accounts for the common-element landscaping. This excludes any routine maintenance that is covered by the operating fund.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$41,401
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in good condition. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	20 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	7 years
<b>Funding Analysis</b>	<b>Work</b>	Regrade as necessary. Replace or repair dead and damaged vegetation. Top up beds. Change landscaping for aesthetic purposes.
	<b>Budget</b>	A budget equal to 10% of the estimated total cost is provided for significant expenditures every 20 years.
<b>Potential Deterioration</b>	Includes poor grading, impact damage, and wear-and-tear. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of landscaping for deterioration and poor grading. Regular landscaping maintenance as required.	


Component 26		Playground
		
<b>Description</b>	This component accounts for the common-element playground. This includes the protective surface and the playground equipment.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$14,480
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	20 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	7 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace the playground equipment. Some site work may be required for new structures.
	<b>Budget</b>	A budget equal to 33% of the estimated total cost is provided for significant expenditures every 20 years.
<b>Potential Deterioration</b>	Includes impact damage and equipment deterioration. Contributing factors include wear-and-tear, physical damage, and environmental factors such as extreme temperatures, rain, snow, wind, and sun exposure. Playgrounds may also be replaced for aesthetic reasons or due to changes in preference.	
<b>Suggested Maintenance</b>	Regular inspection of the playground for dangerous surface deterioration and potential structural problems. Inspect, clean, and repair as required.	



Component 27		Pavers - Roadway
		
<b>Description</b>	This component accounts for the common-element paving stones.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$4,343
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Remove failing sections and store paving stones nearby. Repair the subgrade and base course as required. Replace pavers: use old pavers where possible.
	<b>Budget</b>	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes cracking, crumbling, impact damage, and poor grading. Contributing factors include physical damage, wear-and-tear, debris accumulation, chemical damage (particularly from de-icing chemicals), subsurface shifting, and environmental factors such as temperature changes, rain, snow, and wind.	
<b>Suggested Maintenance</b>	Regular inspection of the pavers for deterioration and grading issues. Inspect, clean, replace damaged pavers, and repair as required.	


Component 28		Pavers - Patios
		
<b>Description</b>	This component accounts for the concrete paver patios.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$14,019
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Some pavers were uneven and have landscape material buildup between the joints.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Break and remove concrete slabs. Repair the subgrade and base course as required. Form and pour concrete with relief joints.
	<b>Budget</b>	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes holes, cracking, spalling, delamination, poor grading, ponding water, and expansion joint failure. Contributing factors include impact damage, wear-and-tear, debris accumulation, subsurface shifting, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular inspection of the patios for deterioration and shifting. Inspect, clean, and repair as required.	


Component 29		Concrete - Walk & Drive
		
<b>Description</b>	This component accounts for the concrete walkways.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$170,804
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. There is evidence of some cracking along sections of paving. These should be monitored for expansion.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Break and remove concrete slabs. Repair the subgrade and base course as required. Form and pour concrete with relief joints.
	<b>Budget</b>	A budget equal to 33% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes holes, cracking, spalling, delamination, poor grading, ponding water, and expansion joint failure. Contributing factors include impact damage, wear-and-tear, debris accumulation, subsurface shifting, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular inspection of the walkway for deterioration and shifting. Inspect, clean, and repair as required.	


Component 30		Asphalt Paving
		
<b>Description</b>	This component accounts for the asphalt parking lot.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$158,178
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Some minor cracking and alligating of paved areas noted.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	22 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	9 years
<b>Funding Analysis</b>	<b>Work</b>	Remove damaged asphalt layers: scrape wearing course and repair the binder and base courses as required. Prepare binder course, apply tack coat, and install wearing course.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 22 years.
<b>Potential Deterioration</b>	Includes impact damage, wear-and-tear, wearing course deterioration, and structural deterioration. Contributing factors include traffic, salt damage, debris accumulation, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular inspection of the parking lot for deterioration. Inspect, seal, clean, and repair as required.	


Component 31		Concrete Paving and Curbs
		
<b>Description</b>	This component accounts for the common-element curbing.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$49,371
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace damaged curbs as required or desired.
	<b>Budget</b>	A budget equal to 33% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes cracking, spalling, delamination, water damage, and impact damage. Contributing factors include physical damage from traffic, wear-and-tear, salt damage, debris accumulation, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular inspection of the curbs for deterioration and ponding. Inspect, clean, and repair as required.	

Component 32		Retaining Walls - Wood
 		
<b>Description</b>	This component accounts for the common-element wooden retaining wall system.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$331,416
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. Some of the wood beams are showing signs of rot and bowing. The beams should be monitored and replaced to prevent the rot from undermining the structural integrity of the system.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	20 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	7 years
<b>Funding Analysis</b>	<b>Work</b>	Remove damaged sections. Install new retaining wall system with proper drainage.
	<b>Budget</b>	A budget equal to 50% of the estimated total cost is provided for significant expenditures every 20 years.
<b>Potential Deterioration</b>	Includes impact damage, cracking, splitting, buckling, leaning, water damage, and infestation. Contributing factors include physical damage, subsurface shifting, debris accumulation, improper installation, poor drainage, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of the retaining wall for wall movement and wood deterioration. Inspect, slope the ground around the retaining wall for drainage, and repair as required.	

Component 33		Retaining Walls - Concrete
		
<b>Description</b>	This component accounts for the common-element concrete retaining wall system.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$37,446
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	40 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	27 years
<b>Funding Analysis</b>	<b>Work</b>	Remove damaged sections. Install new retaining wall system with proper drainage.
	<b>Budget</b>	A budget equal to 20% of the estimated total cost is provided for significant expenditures every 40 years.
<b>Potential Deterioration</b>	Includes impact damage, cracking, spalling, water damage, buckling, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, improper installation, poor drainage, and environmental factors such as temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of the retaining wall for wall movement and concrete deterioration. Inspect, slope the ground around the retaining wall for drainage, and repair as required.	

Component 34		Fencing - Wood
		
<b>Description</b>	This component accounts for the common-element wood fencing.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$526,573
<b>Condition Analysis</b>	Based on a partial visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Some posts and panels have debris build up and are weakening.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	20 years
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	7 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace fencing as required or desired.
	<b>Budget</b>	We have allowed for a full replacement of this component every 20 years.
<b>Potential Deterioration</b>	Includes impact damage, cracking, splitting, warping, water damage, infestation, wear-and-tear, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, proximity to organic material, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of fence for leaning, rot, cracks, damaged or missing boards, water damage, and infestation. Clean, seal/paint, and repair as required.	

Component 35		Exterior Railings - Metal
		
<b>Description</b>	This component accounts for the common-element exterior metal railings.	
	<b>Quantity</b>	1 Allowance
	<b>Current Job Cost</b>	\$2,629
<b>Condition Analysis</b>	Based on a visual inspection, this component appears to be in average condition for its age. No major deficiencies were noted or reported at the time of inspection. Many wooden hand rails are worn and in some areas are split. These should be sanded and repainted, replaced if needed. Metal handrails are in good condition and appeared structurally sound.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2010
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	35 years (Budget Provision)
	<b>Effective Age</b>	13 years
	<b>Remaining Lifespan</b>	22 years
<b>Funding Analysis</b>	<b>Work</b>	Remove and replace railing as required or desired.
	<b>Budget</b>	A budget equal to 25% of the estimated total cost is provided for significant expenditures every 35 years.
<b>Potential Deterioration</b>	Includes impact damage, breakage, corrosion, wear-and-tear, and leaning. Contributing factors include physical damage, subsurface shifting, debris accumulation, lack of maintenance, and environmental factors such as extreme temperature changes, rain, snow, wind, and sun exposure.	
<b>Suggested Maintenance</b>	Regular visual inspection of railing for deterioration. Clean and repair as required.	

Component 36		Depreciation Report
		
<b>Description</b>	This component accounts for the cost of this report, increased each year with construction inflation. Please note that the future costs of this component are not considered a quote, but rather a statistical estimation of the cost with no prediction as to the provider of the report.	
	<b>Quantity</b>	1 Report
	<b>Current Job Cost</b>	\$6,720
<b>Condition Analysis</b>	This report should be updated every 3 years as prescribed by the Act and Regulations.	
<b>Reserve History</b>	<b>Year of Acquisition</b>	2023
	<b>Work Completed</b>	None noted or reported
	<b>Dollars Spent</b>	N/A
<b>Life Cycle Analysis</b>	<b>Expected Lifespan</b>	3 years
	<b>Effective Age</b>	0 years
	<b>Remaining Lifespan</b>	3 years
<b>Funding Analysis</b>	<b>Work</b>	Inspect the building, review documents, quantify and budget components, and build a long-term funding and expenditures plan, leading to an implementable Reserve Fund budget.
	<b>Budget</b>	We have allowed for a full replacement of this component every 3 years.
<b>Potential Deterioration</b>	As this is an economic forecast for budgeting purposes, the property should commission a new report as prescribed by the Act and Regulations, or after a major and unexpected Reserve Fund event that leads to confusion regarding the amount of money to contribute to the contingency reserve fund.	
<b>Suggested Maintenance</b>	The report can be completed faster and more accurately by keeping good records and by tracking how much money is spent on each separate reserve component during each year.	

## Appendix F—Construction Cost Inflation



We use a Construction Cost Inflation rate to forecast future replacement costs for the subject property. This rate is developed using a blended rate from Statistics Canada and Marshall & Swift / Boeckh (MSB) data. The Statistics Canada data predict a localized rate based on the building's usage, while the MSB data predicts a localized rate based on the materials used to construct the building. We use the average of the two in our funding models.

### **Statistics Canada**

These data come from two tables: The Price Indexes of Apartment and Non-Residential Building Construction Table (PIANRBC) and The Building Construction Price Indexes Table (BCPI). The former was discontinued in 2017 and replaced with the latter; the new BCPI tracks more cities and more building types.

The BCPI divides its residential data into high-rise apartment buildings, low-rise apartment buildings, single-detached houses, and townhouses. The only residential data that PIANRBC has is lumped into one category called Apartments.

The BCPI divides its non-residential data into Commercial (Office Buildings; Warehouses; Shopping Centres), Industrial (Factories; Bus Depots with Maintenance and Repair Facilities), and Institutional (Schools). PIANRBC has data for all those except the Bus Depots.

The indexes relate to both general and trade contractors' work and exclude the cost of land, land assembly, design, development, and real estate fees.

Ideally, we would have enough data to use the BCPI on its own; however, when that data is not available, we must use the PIANRBC data to fill in the missing data from 1992 to 2017. Data prior to 1992 were not used due to the significant change in inflation policy in 1992, as outlined in [Appendix H](#).

We obtained data on the price indexes of Townhouse construction in Vancouver from 2017 to 2022. We calculated the average annual increase in construction inflation since 1992 and use this as our long-term construction inflation rate in this report.

**The average expected annual rate of Townhouse Construction Cost Inflation in Vancouver for the next 30 years is 3.90%.**

### **Marshall & Swift / Boeckh (MSB)**

These data come from quarterly Time-Location Multipliers for principal Canadian cities. These multipliers express how the construction costs of specific types of buildings have changed over time in specific cities.

Each building has its own unique combination of basic costs. MSB uses 83 basic types of costs necessary to build workable weighted schedules, comprising 19 building trades and 64 material types.

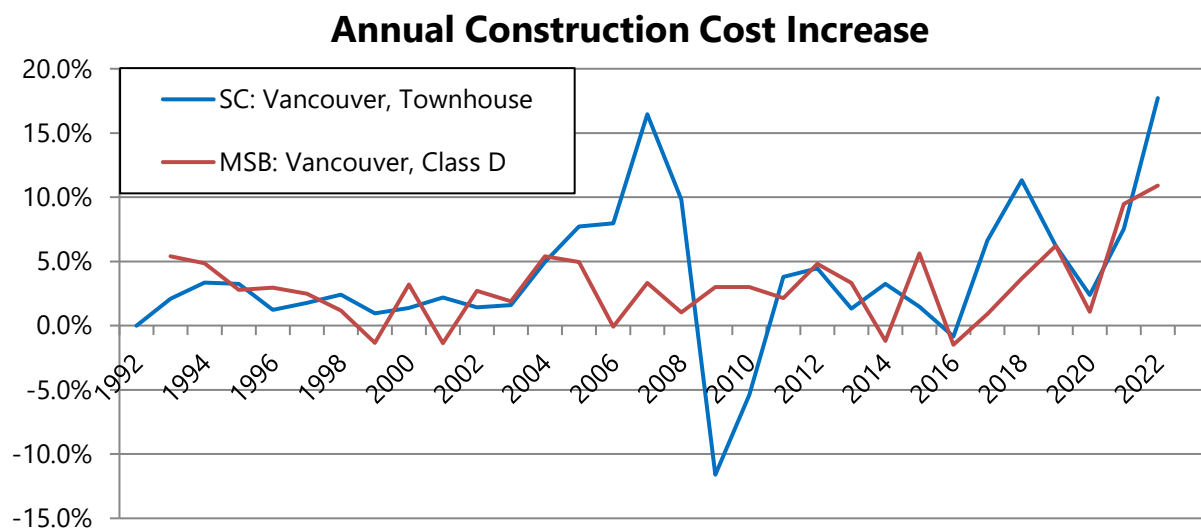
The subject property is classified as a Class D building. We obtained comparative cost multipliers for those buildings in Vancouver from 1992 to 2022. The following table describes Class D buildings.

Class	Frame	Floor	Roof	Walls
D	Wood or steel studs in bearing wall, full or partial open wood or steel frame, primarily combustible construction.	Wood or steel floor joists or concrete slab on grade.	Wood or steel joists with wood or steel deck. Concrete plank.	Almost any material except bearing or curtain walls of solid masonry or concrete. Generally combustible construction.

The average expected annual rate of Construction Cost Inflation for Class D buildings in Vancouver, BC for the next 30 years is 3.03%.

**Conclusion**

The following graph illustrates the annual construction cost change from both the Statistics Canada and MSB data.



The following table summarizes our adjusted values for average annual construction cost increases for the next 30 years.

Predicted Long-Term Construction Inflation	
Statistics Canada	3.90%
MSB	3.03%
<b>Average</b>	<b>3.5%</b>

We have rounded this average to the nearest 0.1% to highlight the uncertainty in long-term economic forecasting. We have adopted a rate of 3.5% for annual construction inflation in calculating the future replacement costs.



## Appendix G—Interest Rates



We are not financial planners and cannot advise you how to best invest your money; it is strongly recommended that you consult an investment professional. Long-term economic forecasting is imprecise at best.

Reserve fund investments must be directly or indirectly guaranteed by governments; strata corporations must invest in qualified low-risk investments. We have focused our study on Guaranteed Investment Certificates (GICs), specifically looking at flexible (or cashable) GICs, which allow the investor to withdraw some or all their funds before the maturity date at no penalty. These typically offer modest returns and maximum flexibility and leads to a conservative interest rate forecast. We have conducted a historical study of a sample of cashable GICs with the goal of projecting their average expected return over the next 30 years.

The ideal method of determining a likely rate of return on a strata corporation’s investments is to review at least thirty years of performance of the corporation’s investments, provided that the investments have been prudently invested. In the likely absence of such data, the reserve fund planner must select a rate which can take into consideration factors such as management policies, historical investment returns, current market trends, and long-term expected rates.

We obtained historical Bank of Canada GIC interest rates with 1-, 3-, and 5-year terms from 1983 to 2022. These GICs are presumably “fixed-rate,” meaning that you cannot withdraw your money until the end of the investment term, without the loss of the accrued interest. The Bank of Canada has since discontinued the publication of these rates.

We also obtained historical interest rates on three various one-year flexible GICs: these have been available to consumers, and they allow for early withdrawal without incurring penalties. Ideally, we would like to have looked at more GICs than this; however, these were the only rates we could find in Canada that have existed and have kept records prior to the year 2000. For example, TD Bank’s one-year cashable GIC only has data going to mid-2011 but seems to track closely with RBC’s rates. Tangerine has data for a one-year non-flexible GIC going back to 2007, and to further underscore the conservative nature of this analysis we will note that Tangerine has consistently offered the highest rates of any major Canadian bank that we have data for (with the exception of 2015 when Coast Capital Savings offered 1.45% and Tangerine offered 1.35%).

The flexible GICs that we use are listed below. All have a \$1,000 minimum investment.

- Coast Capital Savings (CCS) 1-year redeemable GIC
  - Redeemable any time with full accrued interest after 30 days
- Royal Bank of Canada (RBC) 1-year cashable GIC
  - Redeemable anytime with full interest after 30 days
- Royal Bank of Canada (RBC) 1-year redeemable GIC
  - Reduced rate if redeemed before maturity



Ideally, we would like to start our dataset from 1992 when predicting future interest rates because that was the year that Canada focused on keeping inflation around 2%, as outlined in [Appendix H](#). That would also keep our data internally consistent. While data on the Bank of Canada’s fixed-rate GICs are available that far back, data on the flexible GICs are not, so we use the Bank of Canada’s rates to estimate what the flexible rates would have been had they existed since 1992.

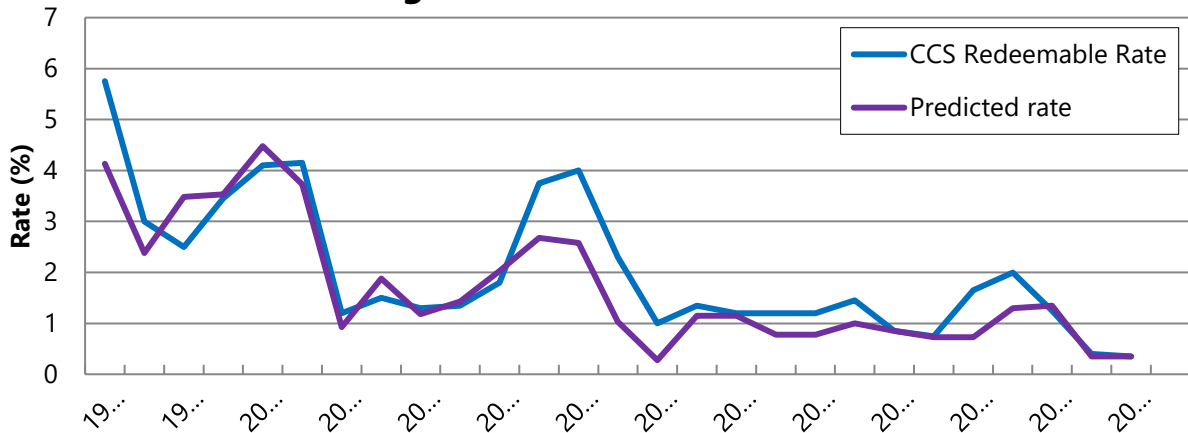
We compare each of the three flexible rates to the Bank of Canada rates to create three algorithms that use the Bank of Canada rates to predict each of the three flexible rates.

The formula for each predicted rate is determined as follows: the Bank of Canada’s three rates are multiplied by weighted factors for each year with available flexible GIC rate data and added to a constant. The weighted factors are all greater than zero and sum to one. The constant and weighted factors are determined such that the average deviation is minimized.

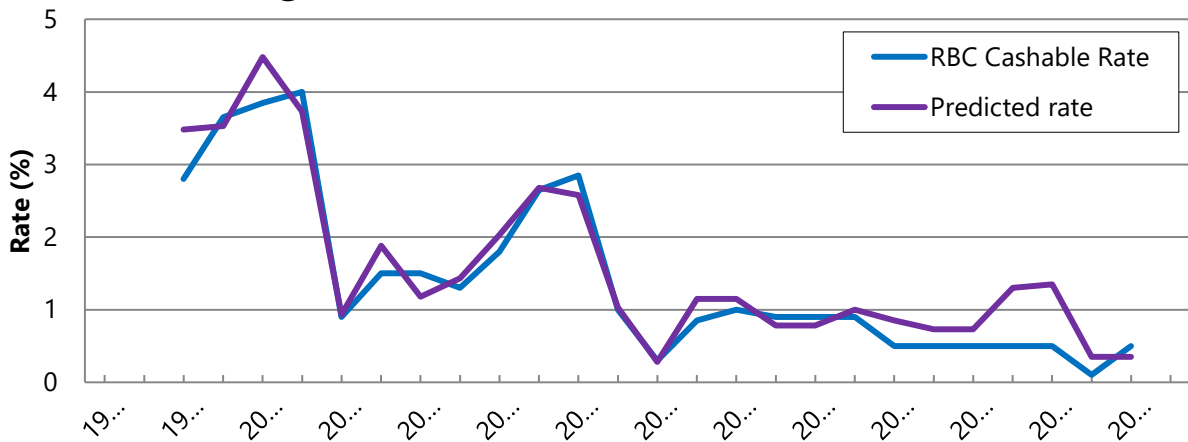
Note that while this predictive formula uses multi-year fixed-rate GIC rates, it is only predictive of the flexible one-year GIC that it is matching.

The following charts illustrate the strength of the predicted rate for each flexible GIC; this predictive formula is later applied to the Bank of Canada’s posted rates to fill in the missing data back to 1992.

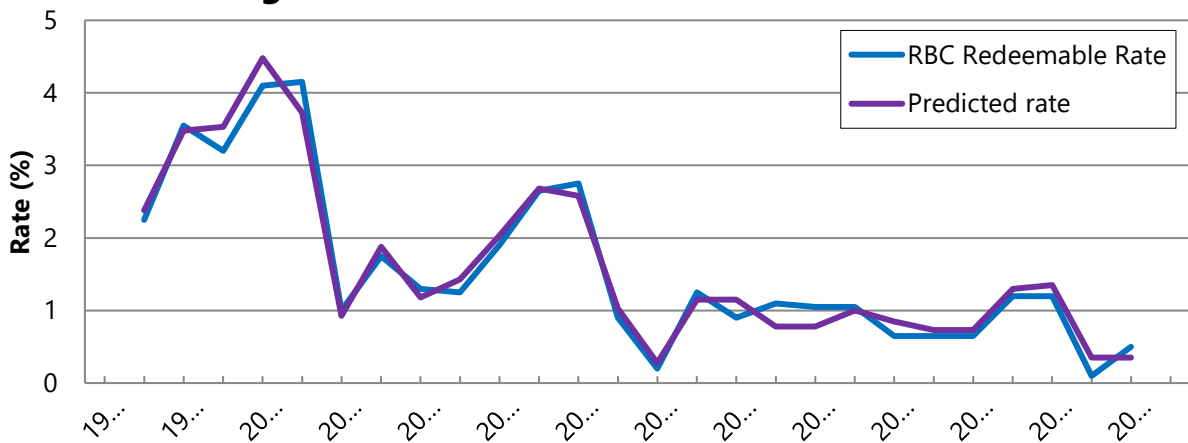
**Strength of the CCS Predicted Rate**



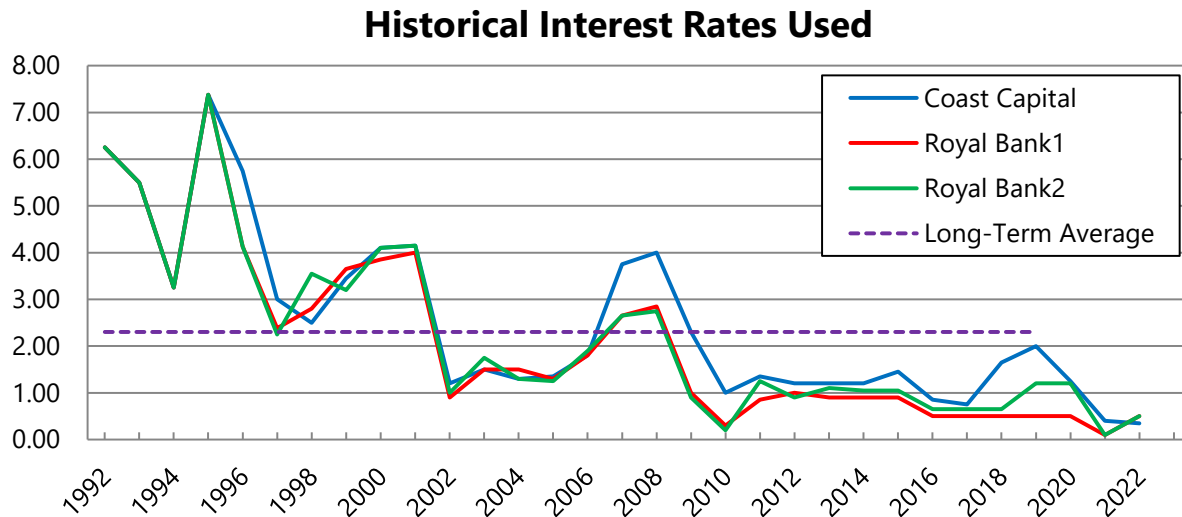
**Strength of the RBC Cashable Predicted Rate**



**Strength of the RBC Redeemable Predicted Rate**



The following graph illustrates each of the flexible GICs together. Predictive data are used where there are no actual data. The chart also shows the long-term average rate, using all three rates in the calculation.



These rates are clearly volatile. While any predicted rate will almost certainly be wrong from year to year, our long-term average rate has value. It represents our best guess at long-term flexible GIC rates; in other words, we find it as likely that the actual average flexible GIC rate over the next 30 years will be lower than this rate as it will be higher.

The following chart numerically illustrates our calculated Long-Term Average Flexible GIC rate.

Predicted Long-Term Flexible GIC Rates	
CCS	2.49%
RBC Cashable	2.09%
RBC Redeemable	2.19%
<b>Average</b>	<b>2.3%</b>

We have selected a **conservative 2.3%** interest rate in calculating the future investment performance of the strata corporation’s reserve fund. This rate has been rounded and is intentionally nonspecific to highlight the uncertainty in long-term economic forecasting. It is conservative because it assumes that strata councils need extremely high levels of flexibility in their investments, it averages the rates from available banks rather than choosing the highest, and it ignores Tangerine completely.

The entire balance of the reserve fund does not need to always be available. Therefore, it is likely that the interest rates the reserve fund planner can obtain will be higher than the one-year cashable GIC rates. Prudent reserve fund investing requires that investments are reasonably

matched with anticipated reserve fund expenditures, ensuring reserve fund liquidity. Therefore, funds should often be invested in a laddered portfolio which ensures that reserve funds are available when needed.

Some management companies direct all their business to one financial institution to negotiate favourable interest rates for all their clients. This approach may benefit smaller corporations and is an important consideration when selecting an appropriate interest rate.

The benchmark calculations and the reserve fund projections assume that reserve fund contributions are constantly and continuously invested. However, it also assumes that all expenditures occur at the beginning of the year and reserve fund deposits occur at the end of the year. This contributes to the conservative nature of the calculated interest rate.

NOTE: We suggest a review of the long-term interest rate on every update.



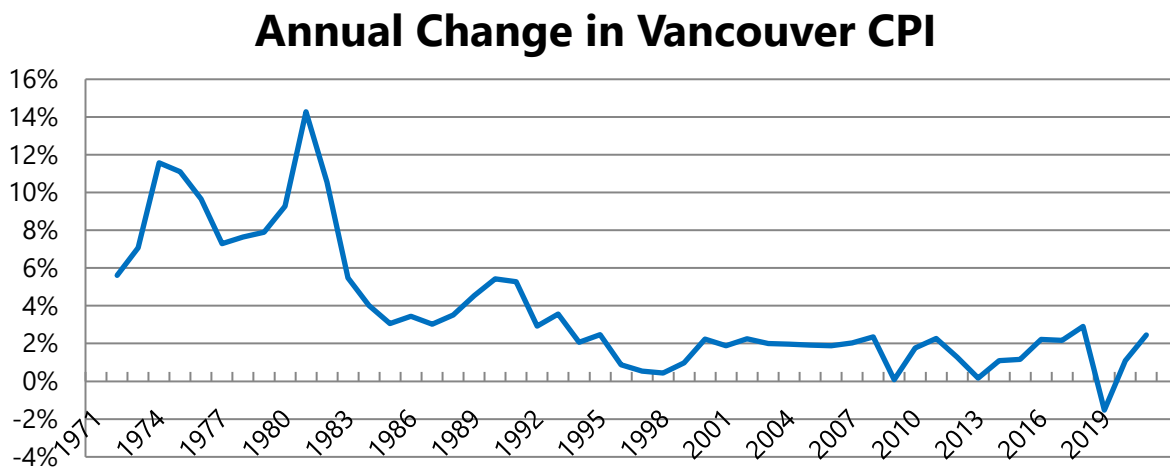
## Appendix H—Consumer Price Index (CPI) Inflation



We use a Consumer Price Index (CPI) Inflation rate to aid in recommending fair contributions. For a detailed explanation of its use in this report please refer to [Appendix I](#).

We have selected data from Statistics Canada for Vancouver, which is the most fitting region that has available localized inflation data. Data are available from 1971 to 2021; however, inflation data collected prior to 1992 are likely poor predictors of future inflation. In 1991 the Government of Canada and the Bank of Canada set a goal to reduce national inflation from about 5% to 2% by 1995. Although national inflation climbed close to 7% in 1991, it dropped to 1.6% in 1992 because of government intervention. Since then, the goal has been to keep national inflation between 1% and 3% with an average of 2%. To reflect this important change in inflation policy, we have elected to limit our analysis to CPI data since 1992.

The following graph illustrates how inflation in Vancouver has changed since 1971.



**The average expected annual rate of CPI increase in Vancouver, BC for the next 30 years is 1.6%.**

The rate is rounded to highlight the imprecise nature of economic forecasting.

## Appendix I—Funding Future Components



### Funding Principles

An appropriate funding model requires a payment schedule that is both equitable and practical. Ideally, everyone would pay for each component as they use it: when you buy into a strata you would pay your share of the cost of the land and the non-reserve components, and then you would constantly pay small amounts towards reserve components every day as you enjoy their benefits. This would lower the price of the property both upon purchase and upon sale. While this is arguably the most equitable solution for owners, the developer is not going to accept a lower price and it is obviously impractical to the point of impossible.

Another equitable solution is to pay for the current value of the reserve components while funding repairs and replacements as they occur: when you buy into a strata you pay your share of the cost of the land, non-reserve components, and all reserve components; when you sell, you get a price that includes the new value of the components. Over time each component's value decreases, although it increases when you fund a new repair or replacement. This is, in its simplest form, what tends to occur without government legislation. It is also impractical because every time a component needs even the most minor repair or replacement it causes a special assessment.

We have conducted this report on the funding principal that current owners must save for future repairs and replacements, because component expenditures must be reserved for before they occur. This means that even though buyers pay for the value of existing components while also saving for future components, they are returned the value of the future components as they use them or when they sell the property. When they buy, they technically also purchase a portion of the reserve fund—the money in that fund will offset the cost of the current reserve components.

Owners do not save for component repairs or replacements that occur after a building's End of Life date; this reduces the strata's annual reserve fund contributions and eventually eliminates the reserve fund balance entirely. While owners are not compensated for the value of future components at the end of a building's life, neither have they paid for those components. This funding model fosters equitable sale prices, incentivizes owners to properly maintain the property, and creates a stable payment schedule.

Given the level of uncertainty in economic forecasting, even reserve funds with ideal balances and ideal contributions will not be perfectly equitable. Earlier owners bear too much of the cost when repairs are cheaper or later than expected and when interest rates or CPI inflation is higher than expected. Our benchmark model features rates, timelines, and costs that we feel distribute equal risk of overpaying to earlier owners and later owners.

At any given time, current owners should be saving towards each component's next replacement rather than towards all its replacements during the life of the building, or worse, towards those expenditures that happen to fall in an arbitrary time period. This protects against price

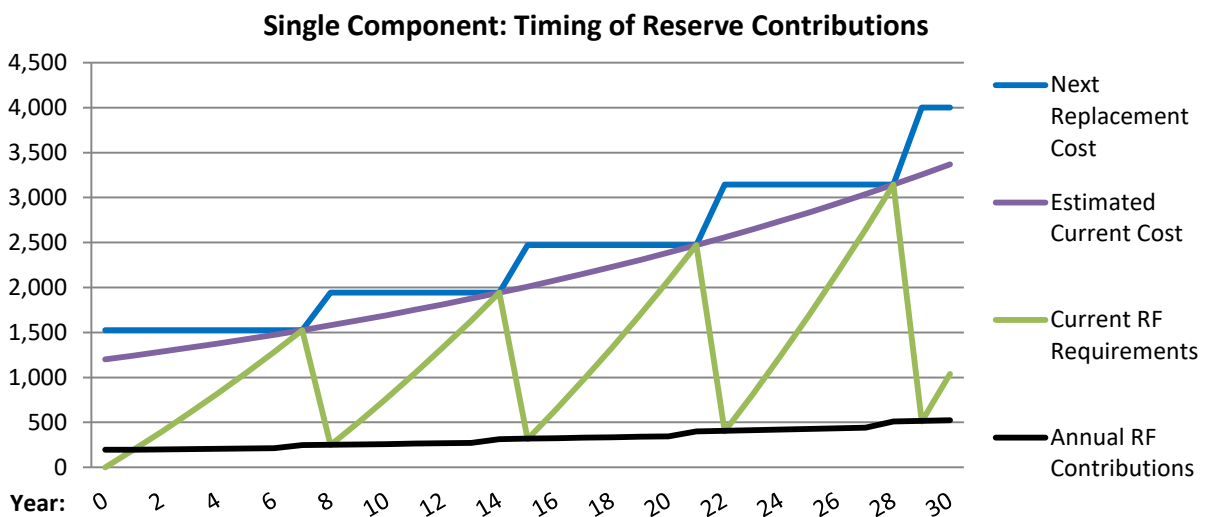


fluctuations and, in the likely case where construction inflation differs from CPI inflation, ensures a more equitable payment schedule. Also, component quality tends to upgrade over time; it is not equitable for current owners to pay for higher quality future components that they will never use and never be compensated for when they sell.

**Funding with No Reserve Fund Deficiency (Benchmark Model)**

Creating an ideal funding plan for buildings with no existing deficiency is relatively straightforward. We determine the average lifespan of each component, its effective age, and its estimated current replacement cost—how much it would cost to replace the component if it were done today. We create a replacement schedule, increasing the current replacement cost by the construction inflation rate every year to determine how much it will cost in future years to replace each component. To ensure that we have this amount in the Reserve Fund when we need it, we suggest saving an amount that, when increased each year by forecasted inflation and when combined with interest, exactly equals the estimated future cost of the replacement.

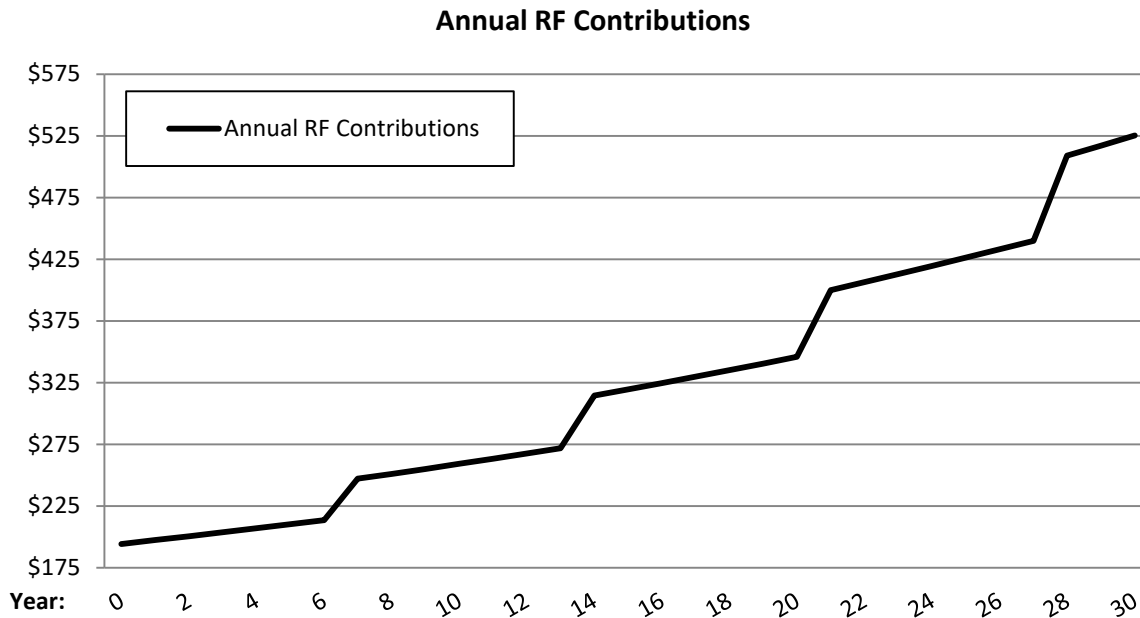
The graph below illustrates this with a hypothetical component that has an expected lifespan of seven years, an effective age of zero years, and an Estimated Current Cost of \$1,200. The Estimated Current Cost increases by construction inflation (3.5%) every year. The Next Replacement Cost is equal to the Estimated Current Cost every seven years, during the years of replacement. The Current RF Requirements is a running total of the Annual RF Contributions plus interest on the previous year’s Current RF Requirements. The Annual RF Contributions are determined such that they increase with inflation every year, and when saved over the life of the component and combined with interest exactly equal the replacement cost in the years that the component is replaced.



This graph is explained numerically in the table below. Note that interest (2.3%) is calculated conservatively: annual contributions are assumed to occur at the end of the year, earning no interest in the year that they are made, and all replacements are assumed to occur at the beginning of the year, eliminating interest income in replacement years.

Year	Estimated Current Cost	Next Replacement Cost	Opening Balance Requirement	Annual RF Contributions	Interest	Closing Balance
0	1,200	1,527	0	194	0	194
1	1,242	1,527	194	197	4	396
2	1,285	1,527	396	200	9	606
3	1,330	1,527	606	204	14	823
4	1,377	1,527	823	207	19	1,049
5	1,425	1,527	1,049	210	24	1,284
6	1,475	1,527	1,284	214	30	1,527
7	1,527	1,527	1,527	247	0	247
8	1,580	1,942	247	251	6	504
9	1,635	1,942	504	255	12	771
10	1,693	1,942	771	259	18	1,047
11	1,752	1,942	1,047	263	24	1,335
12	1,813	1,942	1,335	268	31	1,633
13	1,877	1,942	1,633	272	38	1,942
14	1,942	1,942	1,942	314	0	314
15	2,010	2,471	314	319	7	641
16	2,081	2,471	641	325	15	980
17	2,154	2,471	980	330	23	1,333
18	2,229	2,471	1,333	335	31	1,698
19	2,307	2,471	1,698	340	39	2,078
20	2,388	2,471	2,078	346	48	2,471
21	2,471	2,471	2,471	400	0	400
22	2,558	3,144	400	406	9	816
23	2,647	3,144	816	413	19	1,247
24	2,740	3,144	1,247	420	29	1,695
25	2,836	3,144	1,695	426	39	2,161
26	2,935	3,144	2,161	433	50	2,643
27	3,038	3,144	2,643	440	61	3,144
28	3,144	3,144	3,144	509	0	509
29	3,254	4,000	509	517	12	1,038
30	3,368	4,000	1,038	525	24	1,587

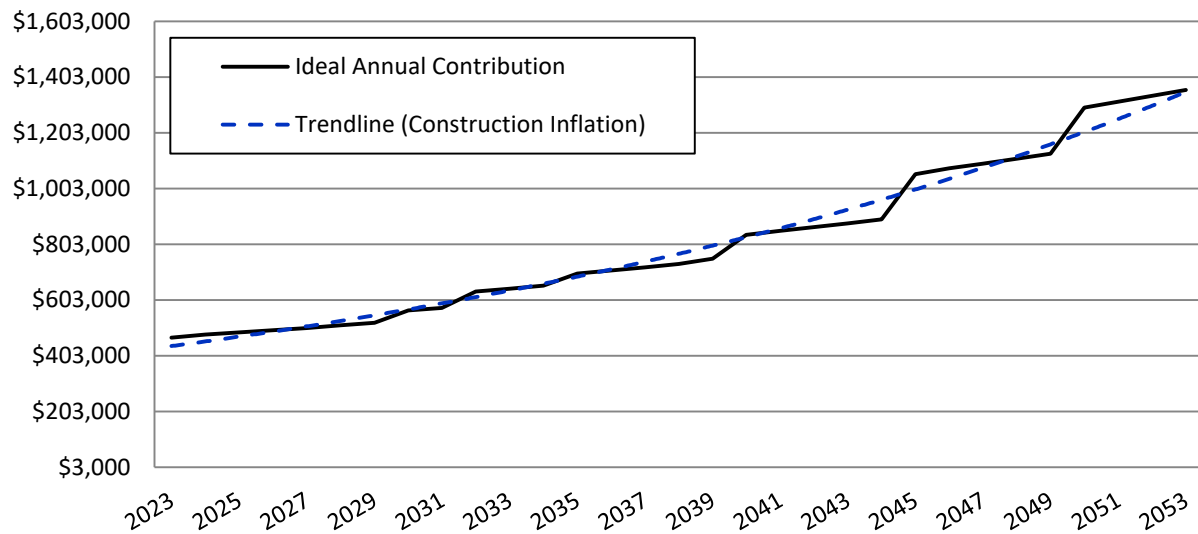
The graph on the following page shows a closer look at the Annual RF Contributions. Note that each year’s payment increases by CPI’s inflation rate (1.6%), though there is a larger increase after each component replacement. Taken on average, the annual payments increase with construction inflation. Each year’s owners equitably save for the component’s next replacement cost in this model.



Adding the Annual RF Contributions from every component gives us the total amount that should be saved each year. Saving less than this amount causes or increases a reserve fund deficiency; saving more than this amount reduces an existing deficiency or causes a reserve fund surplus (ignoring extra or forgone interest).

The graph below illustrates how the summed total of all components’ Annual RF Contributions can change every year, using this property as an example. The payments change sporadically from year to year when construction inflation differs from total inflation, though the payments increase with construction inflation on average when the strata is saving for the replacement of all components in any given year. In a year where a component’s next replacement date is after the end of the building’s life (or in the case of a non-repeating cost), that component requires no additional funding and the total required annual contribution may be less than the previous year’s required contribution.

### Total Annual RF Contributions



#### Funding an Existing Reserve Fund Deficiency

When a strata corporation has historically under-contributed to their Reserve Fund, they are left with a Reserve Fund Deficiency that can often be very large. This deficiency must always be funded by the end of the building’s economic life. Common ways to make up the deficiency include special assessments, reserve fund contributions that exceed regularly required amounts, above-average maintenance (which increases components’ lives), below-average quality standards, and shrewd contracting (which lowers replacement costs). This study focuses specifically on special assessments and reserve fund contributions; management practices will dictate the success of other deficiency-funding options.

Funding models must be both equitable and practical; equity refers to how much of the deficiency is funded in each future year, while practicality refers to the likelihood that the funding plan is followed. As mentioned earlier, the reserve fund deficiency only decreases in years where more money is contributed than what is required under a model with no deficiency, plus the additional interest that a fully funded model would have earned due to its higher closing balance. This can come from regular annual contributions, one-time transfers, and special assessments.

Our Minimum Funding Model ([Appendix J](#)) illustrates what will happen if the strata corporation makes no funding changes other than increasing the contributions by CPI inflation while meeting legislative requirements. Adequate Funding (Recommended model, [Section 5](#)) balances equity and practicality by providing a funding model with few or no special assessments, depending on the property’s upcoming expenditures. Full Funding ([Appendix J](#)) puts more emphasis on



eliminating the existing reserve fund deficiency within 30 years while incurring no special assessments, if feasible, with less concern for the practicality of the funding model.

We take several factors into consideration when creating financial plans to fund a historical deficiency. While it may seem equitable to make next year’s contributions at least as high as they would be under a no-deficiency model, this can often necessitate increasing the Reserve Fund Budget by a prohibitively large factor. Our models propose funding options that balance the need for large payment increases with the need for advanced notice about large payment increases. We also attempt to reduce the annual payments by spreading the deficiency’s repayment over as many years as possible, given the life of the building; however, this strategy can lead to a greater risk of special assessments. We balance the need for lower annual payments with the need for stable payment schedules.

We recommend updating this report either after a significant change to the component information and funding schedule or after three years, whichever comes first. We recommend following the Adequate Funding Model for the next three years, provided there are no significant unexpected expenditures or contributions.



## Appendix J—Alternate Funding Models



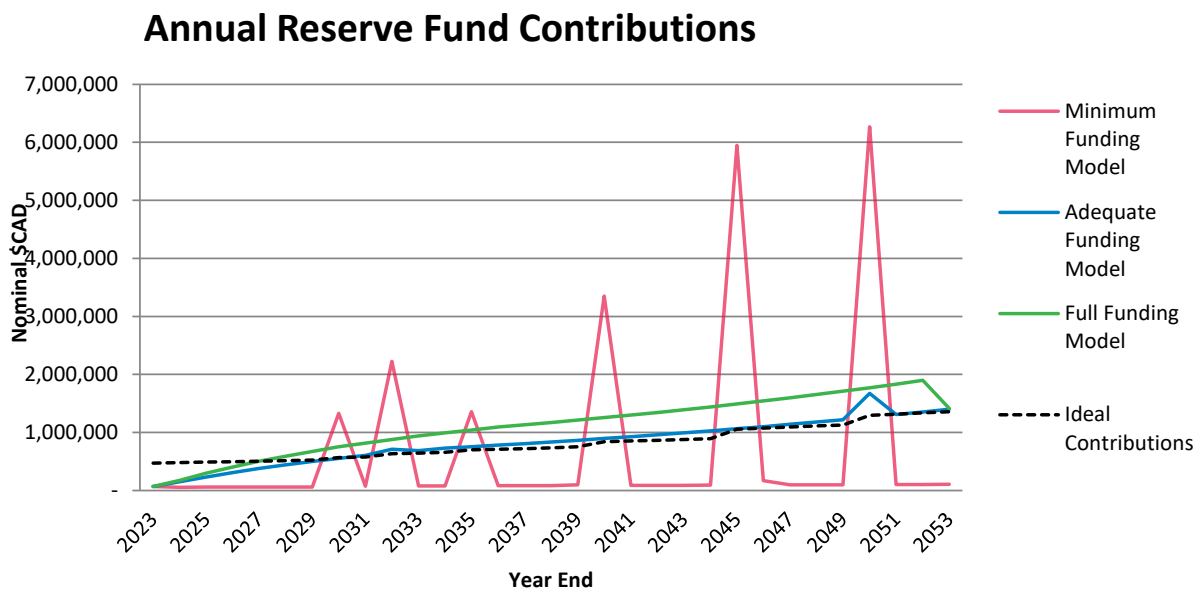
Three Funding models are proposed in this report and have been named as follows: Minimum Funding, Adequate Funding, and Full Funding. Adequate Funding is our recommended model and can be found in [Section 5](#) of this report; Minimum and Full Funding are in this appendix. Each model outlines a different way of funding the upcoming reserve expenditures.

The Minimum Funding Model follows the greater of either the minimum legislated requirements or the current funding contributions with increases following CPI inflation projections. It often relies heavily on special assessments.

The Adequate Funding Model balances equity and practicality but may still result in a risk of special assessments. It is developed in partnership with the strata’s representatives.

The Full Funding Model favours equitable payments in a risk-averse manner, with the goal of attaining eventual full funding and minimizing the risk of special assessments.

The following graph shows the proposed annual contributions of all three funding models (regular contributions and special assessments combined) over the 30-year projection period:

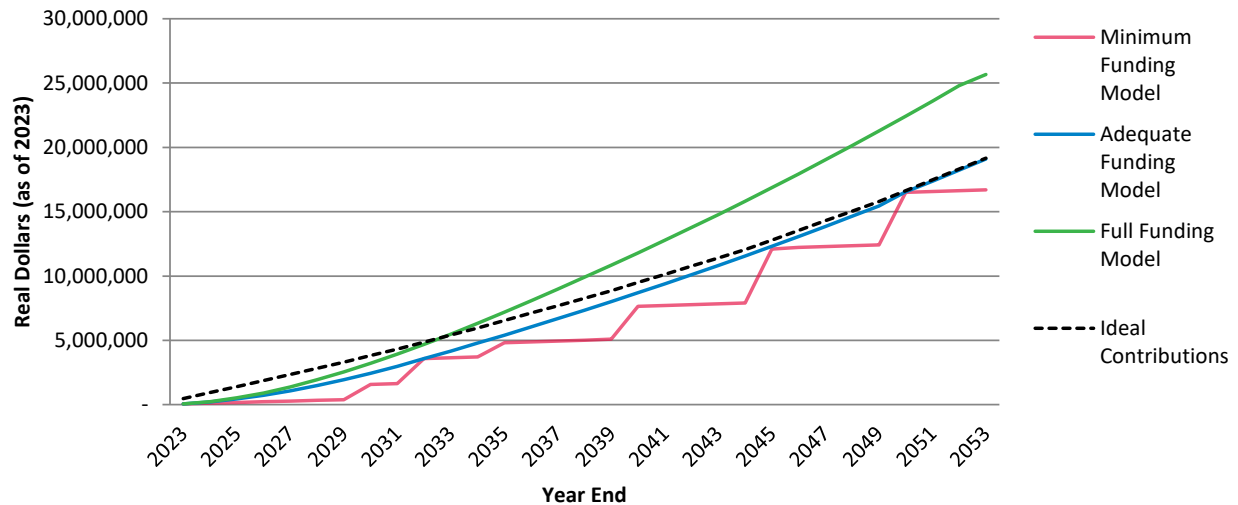


Ignoring interest, each funding model contributes the exact same amount over the life of the building (although it has been our experience that buildings with less money in their reserve fund often make decisions to repair or replace their components in such a way as to pay more in the long-term). Due to foregone interest, however, the model that has the greatest deficiency for the longest time (the Minimum Funding Model) will pay the most by the end of the building’s life.

The following graph shows a running total of strata reserve contributions in nominal dollars. Note that although the Minimum Funding Model can show the lowest total expenditure in any given year, it will pay the most by the end of the building’s life due to foregone interest.

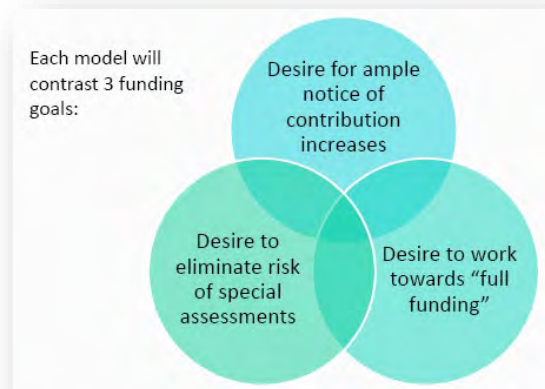


### Reserve Fund Contributions: Running Total



Each of the funding model options address the requirement to fund future reserve component repairs/replacements, with the emphasis balanced between the following 3 factors:

1. The desire to provide ample notice to owners with regards to annual reserve fund contribution increases;
2. The desire to provide funding that avoids or eliminates the likelihood of future special assessments;
3. The desire to equitably balance the burden of future funding, including any accrued deficiency which must eventually be eliminated, between future owners in the short, medium, and long term.



The **“Minimum Funding Model”** follows minimum of 25% of the annual operating budget. Where the current funding exceeds these bare minimum requirements, this model will follow the current reserve funding contributions, increasing with CPI inflation. Minimum legislated funding has often been the approach adopted by many corporations in BC prior to the depreciation report requirements. Following this model places all the emphasis on factor 1 (desire for ample notice of contribution increases), with no consideration for factor 2 or 3 (desire to eliminate risk of special assessments and to work towards full funding). Further, this model typically has a very high risk of special assessments in the future—this is a common symptom of minimum funding. Additionally, the increasing reserve fund deficiency will need to be paid back (typically through special assessments). It is important to remember that there can be no reserve fund deficiency

by the end of building life, therefore steps towards reducing the deficiency should occur far in advance of end of life.

The **“Adequate Funding Model”** attempts to balance all 3 factors, giving consideration for adequate notice of significant contribution increases, limiting the risk of substantial special assessments where possible, and addressing the reserve fund deficiency in an equitable manner so as not to unfairly burden the near-term future owners with an inordinate share of the accrued deficiency repayment. Over time, as actual replacements occur sooner or later than proposed and costs are greater or less than proposed, the adequate funding model will need updating (at the legislated three-year intervals). As the intent of this model is to provide for adequate funds in any given year to meet the financial obligations of that particular year, this updated information will require the adequate funding contributions to be adjusted from time to time.

The **“Full Funding Model”** focuses primarily on factors 2 and 3, which minimizes the likelihood of special assessments and reaches full funding by the end of the 30-year projection, but usually does not address factor 1 (desire for ample notice of contribution increases) effectively. It can often recommend fees that are prohibitively high. This funding model will typically see the most drastic short-term increases in annual reserve contributions to avoid significant special assessments and eliminate the built-up reserve fund deficiency over time. One drawback of this model is that it risks over-funding if the projections are found to overstate the actual replacement costs, if the actual replacement dates occur later than the proposed dates in the 30-year projection, or both. This can place an unfair financial burden on future owners in certain years, although this is only likely to become apparent once the projection period has run its course.

The following pages contain a 30-Year Reserve Fund Projection and both a nominal and real dollar Cash Flow Table for both the Minimum and the Full Funding Models. For a breakdown of expenditures by component, please refer to [Section 5.2](#).

### Reserve Fund Projection—Minimum Funding Model

Red Maple Park

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

	Sep 2022– Aug 2023	Sep 2023– Aug 2024	Sep 2024– Aug 2025	Sep 2025– Aug 2026	Sep 2026– Aug 2027	Sep 2027– Aug 2028	Sep 2028– Aug 2029	Sep 2029– Aug 2030	Sep 2030– Aug 2031	Sep 2031– Aug 2032	Sep 2032– Aug 2033	Sep 2033– Aug 2034	Sep 2034– Aug 2035	Sep 2035– Aug 2036	Sep 2036– Aug 2037	Sep 2037– Aug 2038
<b>Cashflow</b>																
<b>Opening Balance</b>	538,300	335,500	195,800	255,400	310,400	375,200	350,700	409,900	-	73,400	-	75,800	154,500	-	79,500	162,100
<b>Reserve Fund Income</b>																
Recommended Annual Contribution	55,000	55,000	55,900	56,800	57,700	58,600	59,500	60,500	73,400	74,600	75,800	77,000	78,200	79,500	80,800	82,000
Special Assessment								1,266,100	2,151,500				1,278,200			
Transfers to (from) the Reserve Fund	13,700															
Other Income																
Interest Income	6,000	3,200	4,500	5,700	7,100	6,600	7,900	-	-	-	-	1,700	-	-	1,800	3,500
<b>Total Cash Resources</b>	<b>613,000</b>	<b>393,700</b>	<b>256,100</b>	<b>317,800</b>	<b>375,200</b>	<b>440,400</b>	<b>418,100</b>	<b>1,736,400</b>	<b>73,400</b>	<b>2,299,500</b>	<b>75,800</b>	<b>154,500</b>	<b>1,511,000</b>	<b>79,500</b>	<b>162,100</b>	<b>247,600</b>
<b>Reserve Fund Expenditures</b>																
<b>Total Expenditures</b>	<b>277,500</b>	<b>197,900</b>	<b>800</b>	<b>7,500</b>	<b>-</b>	<b>89,700</b>	<b>8,300</b>	<b>1,736,400</b>	<b>-</b>	<b>2,299,500</b>	<b>-</b>	<b>-</b>	<b>1,511,000</b>	<b>-</b>	<b>-</b>	<b>11,300</b>
<b>Closing Balance</b>	<b>335,500</b>	<b>195,800</b>	<b>255,400</b>	<b>310,400</b>	<b>375,200</b>	<b>350,700</b>	<b>409,900</b>	<b>-</b>	<b>73,400</b>	<b>-</b>	<b>75,800</b>	<b>154,500</b>	<b>-</b>	<b>79,500</b>	<b>162,100</b>	<b>236,300</b>
<b>Deficiency Analysis</b>																
Ideal Annual Contribution	467,900	479,500	487,200	495,200	503,100	513,000	521,400	566,100	575,200	634,000	644,200	654,500	698,200	709,400	720,700	732,500
Ideal Closing Balance	6,370,900	6,794,500	7,437,200	8,095,800	8,785,100	9,408,400	10,137,700	9,160,700	9,946,600	8,457,000	9,295,700	10,164,000	9,550,200	10,479,300	11,441,000	12,425,100
<b>Reserve Fund Deficiency (Surplus)</b>	<b>6,035,400</b>	<b>6,598,800</b>	<b>7,181,900</b>	<b>7,785,400</b>	<b>8,409,900</b>	<b>9,057,700</b>	<b>9,727,900</b>	<b>9,160,700</b>	<b>9,873,200</b>	<b>8,457,000</b>	<b>9,219,900</b>	<b>10,009,400</b>	<b>9,550,200</b>	<b>10,399,800</b>	<b>11,279,000</b>	<b>12,188,800</b>
<b>Actual/Ideal Contributions</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>
<b>DCQ Score</b>	<b>80.8</b>	<b>113.4</b>	<b>119.0</b>	<b>124.6</b>	<b>129.7</b>	<b>139.0</b>	<b>144.3</b>	<b>6.9</b>	<b>134.5</b>	<b>3.8</b>	<b>121.7</b>	<b>127.1</b>	<b>7.0</b>	<b>130.8</b>	<b>136.6</b>	<b>142.5</b>

All values in \$CAD, rounded to the nearest hundred

### Minimum Funding Model, Continued

Red Maple Park

	Sep 2038– Aug 2039	Sep 2039– Aug 2040	Sep 2040– Aug 2041	Sep 2041– Aug 2042	Sep 2042– Aug 2043	Sep 2043– Aug 2044	Sep 2044– Aug 2045	Sep 2045– Aug 2046	Sep 2046– Aug 2047	Sep 2047– Aug 2048	Sep 2048– Aug 2049	Sep 2049– Aug 2050	Sep 2050– Aug 2051	Sep 2051– Aug 2052	Sep 2052– Aug 2053
<b>Cashflow</b>															
<b>Opening Balance</b>	236,300	-	-	73,600	162,700	255,200	337,200	-	-	79,300	177,300	279,100	-	100,800	205,600
<b>Reserve Fund Income</b>															
Recommended Annual Contribution	83,400	84,700	86,000	87,400	88,800	90,200	91,700	93,200	94,600	96,200	97,700	99,300	100,800	102,500	104,100
Special Assessment	11,900	3,262,900					5,856,500	73,500			6,169,200				
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	-	-	-	1,700	3,700	5,600	-	-	-	1,800	4,100	-	-	2,300	4,300
<b>Total Cash Resources</b>	<b>331,600</b>	<b>3,347,600</b>	<b>86,000</b>	<b>162,700</b>	<b>255,200</b>	<b>351,000</b>	<b>6,285,300</b>	<b>166,600</b>	<b>94,600</b>	<b>177,300</b>	<b>279,100</b>	<b>6,547,500</b>	<b>100,800</b>	<b>205,600</b>	<b>314,000</b>
<b>Reserve Fund Expenditures</b>															
<b>Total Expenditures</b>	<b>331,600</b>	<b>3,347,600</b>	<b>12,500</b>	<b>-</b>	<b>-</b>	<b>13,800</b>	<b>6,285,300</b>	<b>166,600</b>	<b>15,300</b>	<b>-</b>	<b>-</b>	<b>6,547,500</b>	<b>-</b>	<b>-</b>	<b>18,900</b>
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>73,600</b>	<b>162,700</b>	<b>255,200</b>	<b>337,200</b>	<b>-</b>	<b>-</b>	<b>79,300</b>	<b>177,300</b>	<b>279,100</b>	<b>-</b>	<b>100,800</b>	<b>205,600</b>	<b>295,200</b>
<b>Deficiency Analysis</b>															
Ideal Annual Contribution	751,100	837,300	851,000	864,600	878,400	892,800	1,054,900	1,075,200	1,092,700	1,110,200	1,128,000	1,293,600	1,314,300	1,335,300	1,357,100
Ideal Closing Balance	13,122,800	10,837,400	11,924,800	13,063,700	14,242,600	15,448,800	10,429,000	11,573,700	12,916,900	14,324,300	15,781,700	10,740,200	12,301,500	13,919,700	15,577,700
<b>Reserve Fund Deficiency (Surplus)</b>	<b>13,122,800</b>	<b>10,837,400</b>	<b>11,851,300</b>	<b>12,901,000</b>	<b>13,987,400</b>	<b>15,111,600</b>	<b>10,429,000</b>	<b>11,573,700</b>	<b>12,837,600</b>	<b>14,147,000</b>	<b>15,502,600</b>	<b>10,740,200</b>	<b>12,200,600</b>	<b>13,714,100</b>	<b>15,282,500</b>
<b>Actual/Ideal Contributions</b>	<b>11.1%</b>	<b>10.1%</b>	<b>10.1%</b>	<b>10.1%</b>	<b>10.1%</b>	<b>10.1%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.7%</b>
<b>DCQ Score</b>	<b>137.7</b>	<b>3.2</b>	<b>137.7</b>	<b>144.8</b>	<b>151.1</b>	<b>157.8</b>	<b>1.8</b>	<b>69.5</b>	<b>135.6</b>	<b>144.4</b>	<b>152.3</b>	<b>1.7</b>	<b>121.0</b>	<b>130.9</b>	<b>141.0</b>

All values in \$CAD, rounded to the nearest hundred

**Nominal Cash Flow—Minimum Funding**

*Red Maple Park*

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2023	538,308	68,721	33	-	5,999	277,500	335,528
2024	335,528	55,000	27	-	3,165	197,917	195,775
2025	195,775	55,880	27	-	4,485	774	255,366
2026	255,366	56,774	28	-	5,702	7,451	310,392
2027	310,392	57,682	28	-	7,139	-	375,213
2028	375,213	58,605	28	-	6,567	89,694	350,692
2029	350,692	59,543	29	-	7,876	8,261	409,850
2030	409,850	60,496	29	1,266,076	-	1,736,422	-
2031	-	73,416	36	-	-	-	73,416
2032	73,416	74,591	36	2,151,540	-	2,299,547	-
2033	-	75,784	37	-	-	-	75,784
2034	75,784	76,997	37	-	1,743	-	154,524
2035	154,524	78,229	38	1,278,219	-	1,510,972	-
2036	-	79,480	39	-	-	-	79,480
2037	79,480	80,752	39	-	1,828	-	162,061
2038	162,061	82,044	40	-	3,468	11,258	236,315
2039	236,315	83,357	40	11,909	-	331,581	-
2040	-	84,691	41	3,262,895	-	3,347,586	-
2041	-	86,046	42	-	-	12,482	73,563
2042	73,563	87,422	42	-	1,692	-	162,678
2043	162,678	88,821	43	-	3,742	-	255,240
2044	255,240	90,242	44	-	5,552	13,839	337,195
2045	337,195	91,686	44	5,856,458	-	6,285,339	-
2046	-	93,153	45	73,452	-	166,605	-
2047	-	94,644	46	-	-	15,344	79,300
2048	79,300	96,158	47	-	1,824	-	177,281
2049	177,281	97,696	47	-	4,077	-	279,055
2050	279,055	99,259	48	6,169,222	-	6,547,537	-
2051	-	100,848	49	-	-	-	100,848
2052	100,848	102,461	50	-	2,319	-	205,628
2053	205,628	104,101	50	-	4,296	18,862	295,163

*All values in \$CAD*



**Real Dollar Cash Flow—Minimum Funding**

*Red Maple Park*

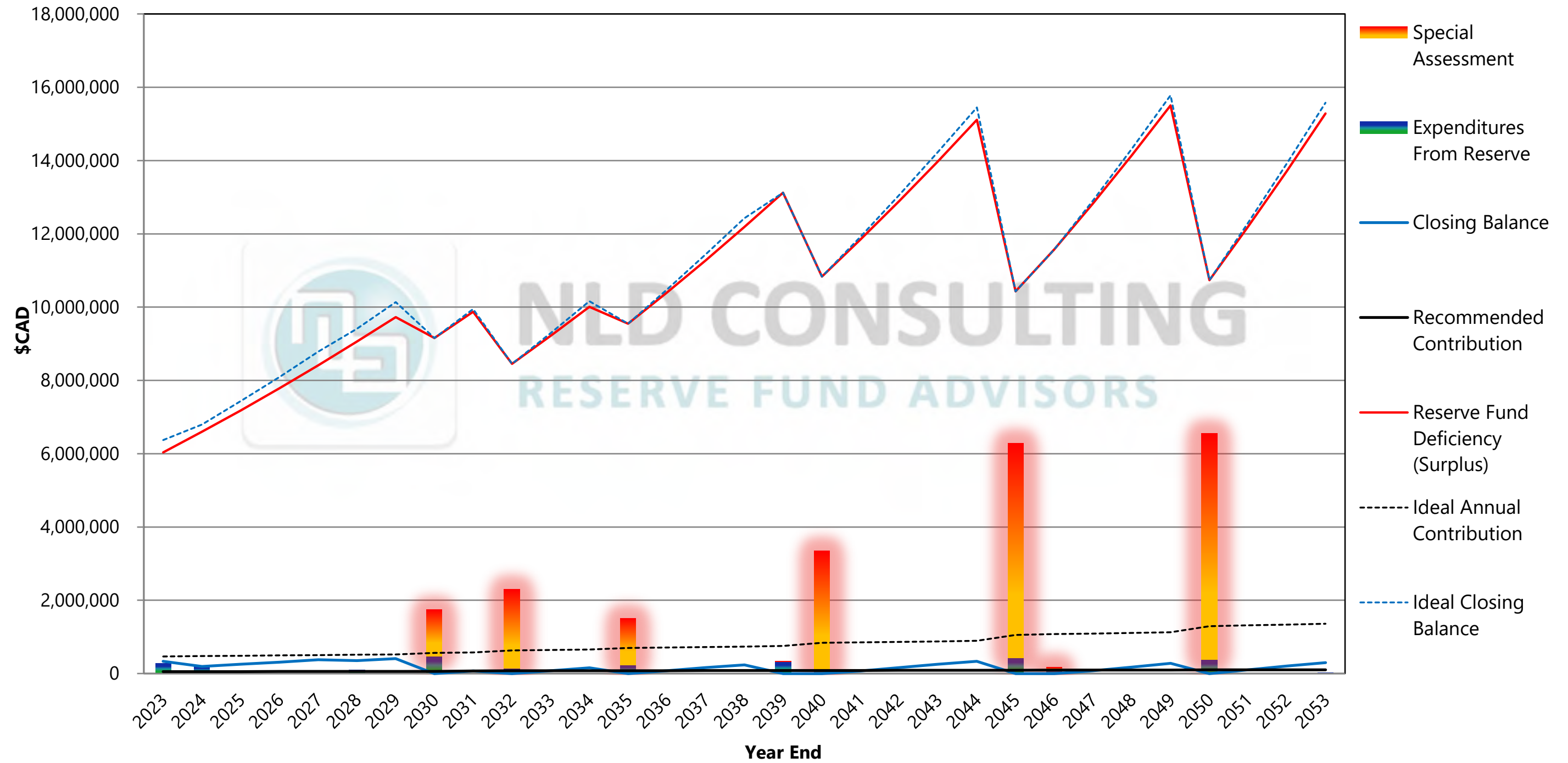
Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2023	538,308	68,721	33	-	5,999	277,500	335,528
2024	330,244	54,134	26	-	3,115	194,801	192,692
2025	189,658	54,134	26	-	4,345	750	247,386
2026	243,491	54,134	26	-	5,437	7,104	295,957
2027	291,296	54,134	26	-	6,700	-	352,130
2028	346,585	54,134	26	-	6,066	82,850	323,934
2029	318,833	54,134	26	-	7,160	7,510	372,617
2030	366,749	54,134	26	1,132,932	-	1,553,815	-
2031	-	64,661	31	-	-	-	64,661
2032	63,643	64,661	31	1,865,117	-	1,993,420	-
2033	-	64,661	31	-	-	-	64,661
2034	63,643	64,661	31	-	1,464	-	129,767
2035	127,724	64,661	31	1,056,528	-	1,248,912	-
2036	-	64,661	31	-	-	-	64,661
2037	63,643	64,661	31	-	1,464	-	129,767
2038	127,724	64,661	31	-	2,734	8,873	186,245
2039	183,312	64,661	31	9,238	-	257,211	-
2040	-	64,661	31	2,491,209	-	2,555,869	-
2041	-	64,661	31	-	-	9,380	55,281
2042	54,410	64,661	31	-	1,251	-	120,323
2043	118,428	64,661	31	-	2,724	-	185,813
2044	182,886	64,661	31	-	3,978	9,916	241,609
2045	237,804	64,661	31	4,130,222	-	4,432,688	-
2046	-	64,661	31	50,986	-	115,647	-
2047	-	64,661	31	-	-	10,483	54,178
2048	53,325	64,661	31	-	1,226	-	119,212
2049	117,335	64,661	31	-	2,699	-	184,694
2050	181,786	64,661	31	4,018,836	-	4,265,283	-
2051	-	64,661	31	-	-	-	64,661
2052	63,643	64,661	31	-	1,464	-	129,767
2053	127,724	64,661	31	-	2,668	11,716	183,337

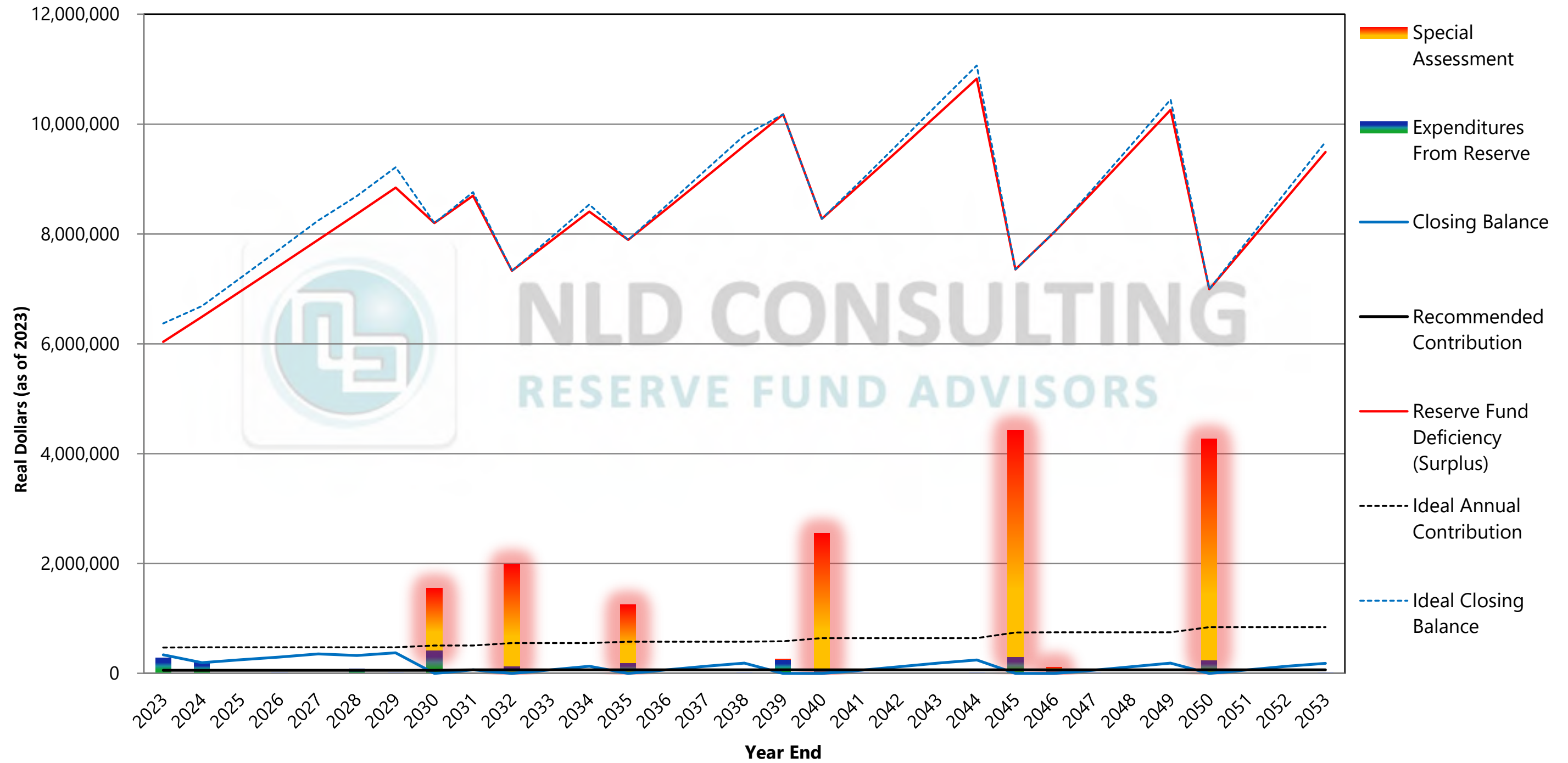
*All values in \$CAD, adjusted for CPI inflation*



### Minimum Funding Schedule



### Minimum Funding Schedule (Real Dollars)



### Reserve Fund Projection—Full Funding Model

Red Maple Park

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

	Sep 2022– Aug 2023	Sep 2023– Aug 2024	Sep 2024– Aug 2025	Sep 2025– Aug 2026	Sep 2026– Aug 2027	Sep 2027– Aug 2028	Sep 2028– Aug 2029	Sep 2029– Aug 2030	Sep 2030– Aug 2031	Sep 2031– Aug 2032	Sep 2032– Aug 2033	Sep 2033– Aug 2034	Sep 2034– Aug 2035	Sep 2035– Aug 2036	Sep 2036– Aug 2037	Sep 2037– Aug 2038
<b>Cashflow</b>																
<b>Opening Balance</b>	538,300	335,500	315,800	621,100	1,029,800	1,558,700	2,090,600	2,800,600	1,841,600	2,698,800	1,285,200	2,253,400	3,295,500	2,867,500	4,026,900	5,251,300
<b>Reserve Fund Income</b>																
Recommended Annual Contribution	55,000	175,000	298,800	402,000	505,200	587,800	670,400	752,900	814,800	876,800	938,700	990,300	1,041,900	1,093,500	1,131,800	1,171,400
Special Assessment																
Transfers to (from) the Reserve Fund	13,700															
Other Income																
Interest Income	6,000	3,200	7,200	14,100	23,700	33,800	47,900	24,500	42,400	9,200	29,600	51,800	41,000	66,000	92,600	120,500
<b>Total Cash Resources</b>	<b>613,000</b>	<b>513,700</b>	<b>621,900</b>	<b>1,037,200</b>	<b>1,558,700</b>	<b>2,180,300</b>	<b>2,808,900</b>	<b>3,578,000</b>	<b>2,698,800</b>	<b>3,584,700</b>	<b>2,253,400</b>	<b>3,295,500</b>	<b>4,378,400</b>	<b>4,026,900</b>	<b>5,251,300</b>	<b>6,543,200</b>
<b>Reserve Fund Expenditures</b>																
<b>Total Expenditures</b>	<b>277,500</b>	<b>197,900</b>	<b>800</b>	<b>7,500</b>	<b>-</b>	<b>89,700</b>	<b>8,300</b>	<b>1,736,400</b>	<b>-</b>	<b>2,299,500</b>	<b>-</b>	<b>-</b>	<b>1,511,000</b>	<b>-</b>	<b>-</b>	<b>11,300</b>
<b>Closing Balance</b>	<b>335,500</b>	<b>315,800</b>	<b>621,100</b>	<b>1,029,800</b>	<b>1,558,700</b>	<b>2,090,600</b>	<b>2,800,600</b>	<b>1,841,600</b>	<b>2,698,800</b>	<b>1,285,200</b>	<b>2,253,400</b>	<b>3,295,500</b>	<b>2,867,500</b>	<b>4,026,900</b>	<b>5,251,300</b>	<b>6,531,900</b>
<b>Deficiency Analysis</b>																
Ideal Annual Contribution	467,900	479,500	487,200	495,200	503,100	513,000	521,400	566,100	575,200	634,000	644,200	654,500	698,200	709,400	720,700	732,500
Ideal Closing Balance	6,370,900	6,794,500	7,437,200	8,095,800	8,785,100	9,408,400	10,137,700	9,160,700	9,946,600	8,457,000	9,295,700	10,164,000	9,550,200	10,479,300	11,441,000	12,425,100
<b>Reserve Fund Deficiency (Surplus)</b>	<b>6,035,400</b>	<b>6,478,800</b>	<b>6,816,100</b>	<b>7,066,000</b>	<b>7,226,400</b>	<b>7,317,800</b>	<b>7,337,100</b>	<b>7,319,100</b>	<b>7,247,800</b>	<b>7,171,800</b>	<b>7,042,200</b>	<b>6,868,400</b>	<b>6,682,700</b>	<b>6,452,400</b>	<b>6,189,700</b>	<b>5,893,200</b>
<b>Actual/Ideal Contributions</b>	<b>12%</b>	<b>36%</b>	<b>61%</b>	<b>81%</b>	<b>100%</b>	<b>115%</b>	<b>129%</b>	<b>133%</b>	<b>142%</b>	<b>138%</b>	<b>146%</b>	<b>151%</b>	<b>149%</b>	<b>154%</b>	<b>157%</b>	<b>160%</b>
<b>DCQ Score</b>	<b>80.8</b>	<b>36.4</b>	<b>22.3</b>	<b>17.0</b>	<b>13.7</b>	<b>11.8</b>	<b>10.2</b>	<b>9.4</b>	<b>8.5</b>	<b>8.1</b>	<b>7.3</b>	<b>6.6</b>	<b>6.2</b>	<b>5.6</b>	<b>5.1</b>	<b>4.6</b>

All values in \$CAD, rounded to the nearest hundred

### Full Funding Model, Continued

Red Maple Park

	Sep 2038– Aug 2039	Sep 2039– Aug 2040	Sep 2040– Aug 2041	Sep 2041– Aug 2042	Sep 2042– Aug 2043	Sep 2043– Aug 2044	Sep 2044– Aug 2045	Sep 2045– Aug 2046	Sep 2046– Aug 2047	Sep 2047– Aug 2048	Sep 2048– Aug 2049	Sep 2049– Aug 2050	Sep 2050– Aug 2051	Sep 2051– Aug 2052	Sep 2052– Aug 2053
<b>Cashflow</b>															
<b>Opening Balance</b>	6,531,900	7,555,300	5,559,300	6,973,100	8,477,600	10,063,800	11,721,000	7,051,000	8,585,200	10,363,400	12,254,100	14,246,100	9,645,600	11,699,500	13,864,600
<b>Reserve Fund Income</b>															
Recommended Annual Contribution	1,212,400	1,254,800	1,298,700	1,344,200	1,391,200	1,439,900	1,490,300	1,542,500	1,596,400	1,652,300	1,710,200	1,770,000	1,832,000	1,896,100	1,413,400
Special Assessment															
Transfers to (from) the Reserve Fund															
Other Income															
Interest Income	142,600	96,800	127,600	160,400	195,000	231,100	125,000	158,300	197,100	238,400	281,800	177,100	221,800	269,100	318,500
<b>Total Cash Resources</b>	<b>7,886,900</b>	<b>8,906,900</b>	<b>6,985,600</b>	<b>8,477,600</b>	<b>10,063,800</b>	<b>11,734,900</b>	<b>13,336,400</b>	<b>8,751,800</b>	<b>10,378,800</b>	<b>12,254,100</b>	<b>14,246,100</b>	<b>16,193,200</b>	<b>11,699,500</b>	<b>13,864,600</b>	<b>15,596,500</b>
<b>Reserve Fund Expenditures</b>															
<b>Total Expenditures</b>	<b>331,600</b>	<b>3,347,600</b>	<b>12,500</b>	<b>-</b>	<b>-</b>	<b>13,800</b>	<b>6,285,300</b>	<b>166,600</b>	<b>15,300</b>	<b>-</b>	<b>-</b>	<b>6,547,500</b>	<b>-</b>	<b>-</b>	<b>18,900</b>
<b>Closing Balance</b>	<b>7,555,300</b>	<b>5,559,300</b>	<b>6,973,100</b>	<b>8,477,600</b>	<b>10,063,800</b>	<b>11,721,000</b>	<b>7,051,000</b>	<b>8,585,200</b>	<b>10,363,400</b>	<b>12,254,100</b>	<b>14,246,100</b>	<b>9,645,600</b>	<b>11,699,500</b>	<b>13,864,600</b>	<b>15,577,700</b>
<b>Deficiency Analysis</b>															
Ideal Annual Contribution	751,100	837,300	851,000	864,600	878,400	892,800	1,054,900	1,075,200	1,092,700	1,110,200	1,128,000	1,293,600	1,314,300	1,335,300	1,357,100
Ideal Closing Balance	13,122,800	10,837,400	11,924,800	13,063,700	14,242,600	15,448,800	10,429,000	11,573,700	12,916,900	14,324,300	15,781,700	10,740,200	12,301,500	13,919,700	15,577,700
<b>Reserve Fund Deficiency (Surplus)</b>	<b>5,567,500</b>	<b>5,278,100</b>	<b>4,951,800</b>	<b>4,586,100</b>	<b>4,178,800</b>	<b>3,727,700</b>	<b>3,378,000</b>	<b>2,988,500</b>	<b>2,553,500</b>	<b>2,070,200</b>	<b>1,535,600</b>	<b>1,094,500</b>	<b>602,000</b>	<b>55,100</b>	<b>-</b>
<b>Actual/Ideal Contributions</b>	<b>161%</b>	<b>150%</b>	<b>153%</b>	<b>155%</b>	<b>158%</b>	<b>161%</b>	<b>141%</b>	<b>143%</b>	<b>146%</b>	<b>149%</b>	<b>152%</b>	<b>137%</b>	<b>139%</b>	<b>142%</b>	<b>104%</b>
<b>DCQ Score</b>	<b>4.1</b>	<b>3.9</b>	<b>3.5</b>	<b>3.0</b>	<b>2.6</b>	<b>2.2</b>	<b>2.1</b>	<b>1.8</b>	<b>1.4</b>	<b>1.1</b>	<b>0.8</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>

All values in \$CAD, rounded to the nearest hundred



**Nominal Cash Flow—Full Funding**

*Red Maple Park*

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2023	538,308	68,721	33	-	5,999	277,500	335,528
2024	335,528	175,000	85	-	3,165	197,917	315,775
2025	315,775	298,840	145	-	7,245	774	621,086
2026	621,086	402,040	195	-	14,114	7,451	1,029,789
2027	1,029,789	505,240	245	-	23,685	-	1,558,714
2028	1,558,714	587,800	285	-	33,787	89,694	2,090,608
2029	2,090,608	670,360	325	-	47,894	8,261	2,800,602
2030	2,800,602	752,920	365	-	24,476	1,736,422	1,841,576
2031	1,841,576	814,840	395	-	42,356	-	2,698,772
2032	2,698,772	876,760	425	-	9,182	2,299,547	1,285,167
2033	1,285,167	938,680	455	-	29,559	-	2,253,406
2034	2,253,406	990,280	480	-	51,828	-	3,295,515
2035	3,295,515	1,041,880	505	-	41,044	1,510,972	2,867,467
2036	2,867,467	1,093,480	530	-	65,952	-	4,026,899
2037	4,026,899	1,131,752	548	-	92,619	-	5,251,269
2038	5,251,269	1,171,363	568	-	120,520	11,258	6,531,894
2039	6,531,894	1,212,361	587	-	142,607	331,581	7,555,282
2040	7,555,282	1,254,793	608	-	96,777	3,347,586	5,559,266
2041	5,559,266	1,298,711	629	-	127,576	12,482	6,973,071
2042	6,973,071	1,344,166	651	-	160,381	-	8,477,618
2043	8,477,618	1,391,212	674	-	194,985	-	10,063,815
2044	10,063,815	1,439,904	698	-	231,149	13,839	11,721,030
2045	11,721,030	1,490,301	722	-	125,021	6,285,339	7,051,012
2046	7,051,012	1,542,462	747	-	158,341	166,605	8,585,210
2047	8,585,210	1,596,448	773	-	197,107	15,344	10,363,421
2048	10,363,421	1,652,323	801	-	238,359	-	12,254,103
2049	12,254,103	1,710,155	829	-	281,844	-	14,246,102
2050	14,246,102	1,770,010	858	-	177,067	6,547,537	9,645,643
2051	9,645,643	1,831,960	888	-	221,850	-	11,699,453
2052	11,699,453	1,896,079	919	-	269,087	-	13,864,619
2053	13,864,619	1,413,442	685	-	318,452	18,862	15,577,652

*All values in \$CAD*



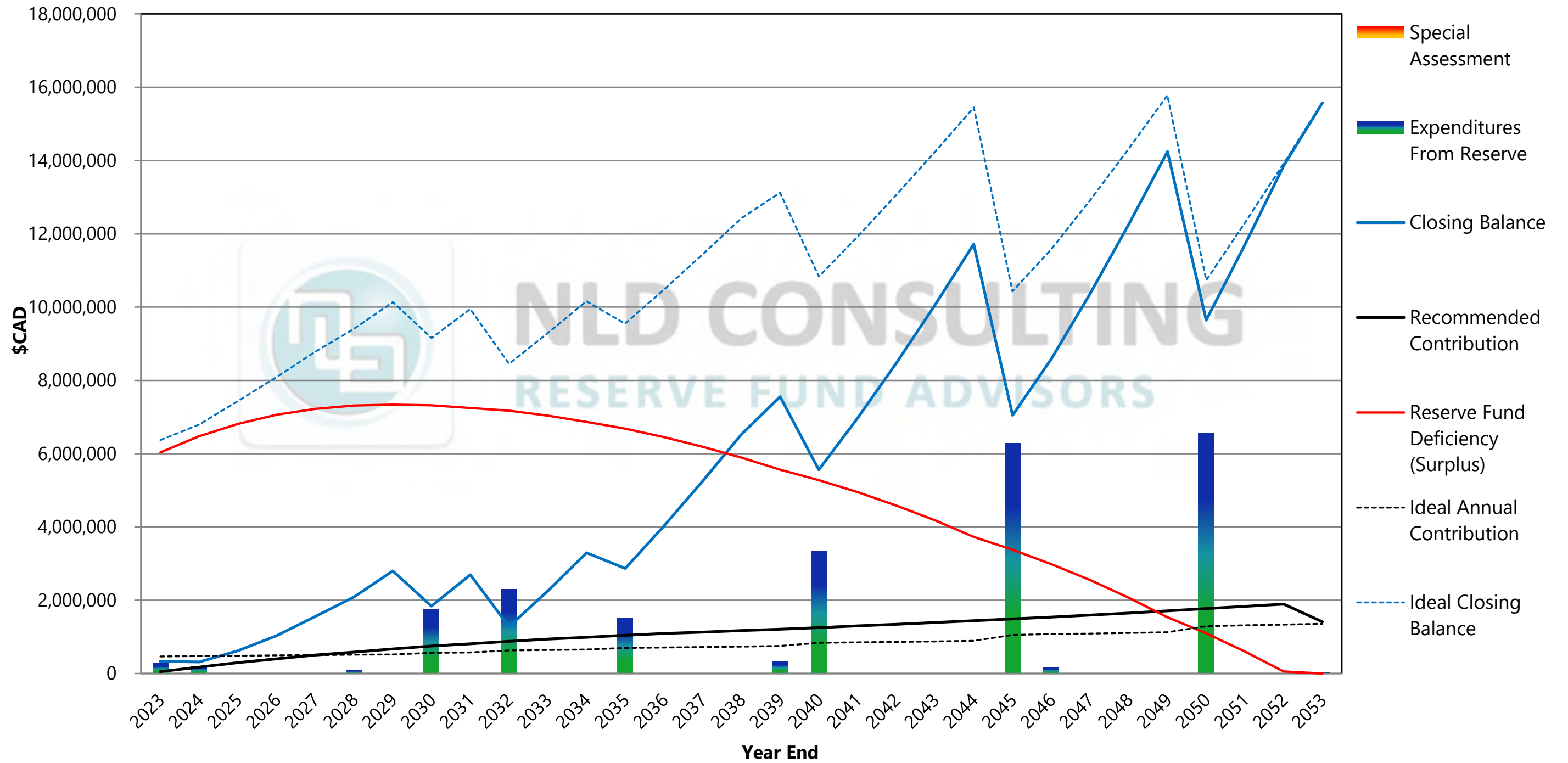
**Real Dollar Cash Flow—Full Funding***Red Maple Park*

Construction Inflation Rate 3.5%  
 Long-Term Interest Rate 2.3%  
 Inflation Rate (CPI) 1.6%

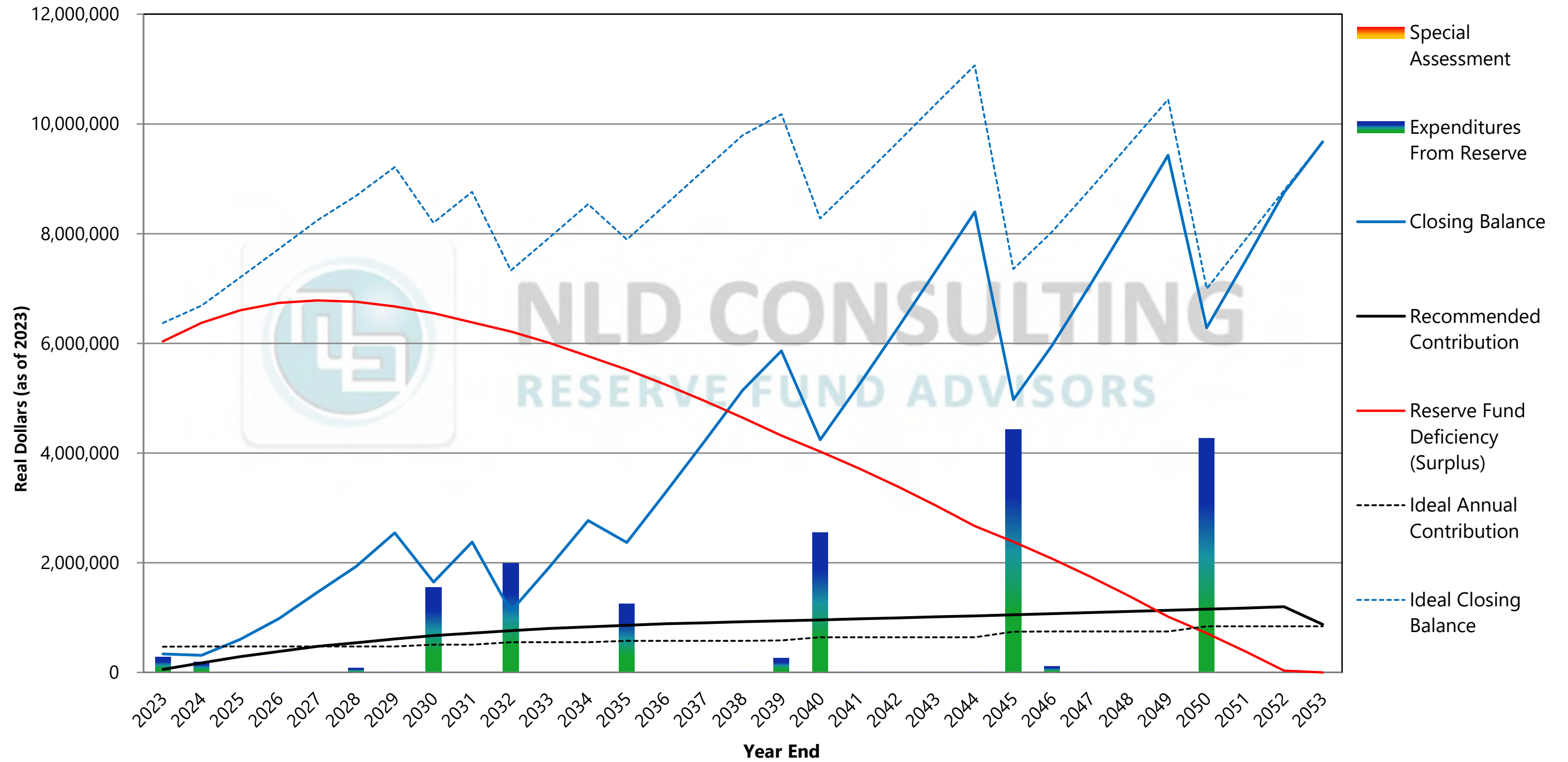
Fiscal Year End	Opening Balance	Annual Contribution	Avg Monthly Contribution per Unit	Special Assessments	Interest Income	Projected Expenditures	Closing Balance
2023	538,308	68,721	33	-	5,999	277,500	335,528
2024	330,244	172,244	83	-	3,115	194,801	310,802
2025	305,908	289,502	140	-	7,019	750	601,678
2026	592,203	383,344	186	-	13,457	7,104	981,900
2027	966,437	474,158	230	-	22,228	-	1,462,823
2028	1,439,786	542,952	263	-	31,210	82,850	1,931,097
2029	1,900,686	609,461	295	-	43,543	7,510	2,546,180
2030	2,506,083	673,741	326	-	21,902	1,553,815	1,647,910
2031	1,621,959	717,667	348	-	37,305	-	2,376,931
2032	2,339,499	760,042	368	-	7,960	1,993,420	1,114,080
2033	1,096,535	800,904	388	-	25,220	-	1,922,660
2034	1,892,382	831,624	403	-	43,525	-	2,767,531
2035	2,723,948	861,179	417	-	33,926	1,248,912	2,370,140
2036	2,332,815	889,596	431	-	53,655	-	3,276,065
2037	3,224,473	906,232	439	-	74,163	-	4,204,868
2038	4,138,650	923,179	447	-	94,985	8,873	5,147,941
2039	5,066,871	940,443	456	-	110,622	257,211	5,860,725
2040	5,768,430	958,030	464	-	73,889	2,555,869	4,244,480
2041	4,177,637	975,946	473	-	95,870	9,380	5,240,073
2042	5,157,553	994,197	482	-	118,624	-	6,270,373
2043	6,171,627	1,012,789	491	-	141,947	-	7,326,364
2044	7,210,988	1,031,729	500	-	165,625	9,916	8,398,426
2045	8,266,167	1,051,023	509	-	88,170	4,432,688	4,972,673
2046	4,894,363	1,070,678	519	-	109,910	115,647	5,959,306
2047	5,865,458	1,090,701	528	-	134,664	10,483	7,080,341
2048	6,968,839	1,111,098	538	-	160,283	-	8,240,220
2049	8,110,453	1,131,876	548	-	186,540	-	9,428,870
2050	9,280,384	1,153,043	559	-	115,347	4,265,283	6,283,492
2051	6,184,539	1,174,606	569	-	142,244	-	7,501,390
2052	7,383,258	1,196,572	580	-	169,815	-	8,749,645
2053	8,611,855	877,944	425	-	197,803	11,716	9,675,886

*All values in \$CAD, adjusted for CPI inflation*

### Full Funding Schedule



### Full Funding Schedule (Real Dollars)



## **Appendix K—Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)**



CUSPAP 2022 comprises eight standards, each containing rules, comments, and definitions. These Standards include an Ethics Standard, a Reporting Standard, a Real Property Appraisal Standard, a Review Standard, a Consulting Standard, a Reserve Planning Standard, a Machinery and Equipment Appraisal Standard, and Mass Appraisal Standard. A Reserve Fund Study falls under the Reserve Planning Standard of the Appraisal Institute of Canada (AIC) CUSPAP rules.

More specifically, **CUSPAP Section 14 - Reserve Planning Standard Rules** deals with the procedures for the development and communication of a Reserve Fund Study and incorporates the minimum content necessary to produce a credible result.

In the Completion of the Reserve Fund Study the consultant must:

**Identify the client and other intended users by name**

BCS 4123—“Red Maple Park”, c/o AWM Alliance Real Estate Group Ltd.

**Identify the intended use of the opinions and conclusions**

To enable the property owners to implement a long range reserve fund strategy.

**Identify the purpose of the study**

To provide the property owners with a 30 year funding plan for the reserve fund.

**Identify the characteristics of the property**

Refer to [Section 2](#).

**Identify the effective date of the study**

May 2, 2023

**Identify the date of completion of the study**

June 27, 2023

**Identify the legislation that applies to the assignment**

Section 6.2 BC Strata Property Regulation – Depreciation Report as amended to date.

**Identify the scope of work and the extent of the data collection process**

The scope of work included an inspection of the subject building, particularly the common area components, which have been considered reserve components within this report. Research as to the actual/effective age of each component was undertaken, as well as an estimate as to the remaining life expectancy and quantity of each. Where available, relevant plans such as architectural, structural and/or mechanical, plumbing, electrical drawings have been reviewed, as well as the subject strata plan (if applicable). Current cost estimates are based on either costs obtained from costing manuals such as RS Means or Marshall & Swift, or discussions with industry professionals. Interest rates and inflation rates have been estimated using the methodology described in the related sections of this report. Further information on the scope of work is described through the report.



**Identify all assumptions and limiting conditions**

See [Appendix B](#).

**Identify any hypothetical conditions (including proposed improvements)**

No hypothetical conditions are invoked, unless otherwise indicated.

**Describe and analyze all relevant data to complete the reserve fund study**

This rule has been adhered to throughout the pertinent sections of the report.

**Define and delineate the pertinent components the reserve fund study is to cover**

This rule has been adhered to throughout the pertinent sections of the report.

**Provide a Benchmark Analysis**

See [Section 5.1](#) of the report.

**Provide a Cash Flow projection**

See [Section 5.3](#) of the report.

**Provide an opinion on the adequacy of the reserve fund contributions**

See [Sections 5.4](#) of the report.

**Provide a reserve fund model**

See [Section 5.2](#) of the report.

**Detail the reasoning that supports the analysis, opinions, and conclusions**

This rule has been adhered to throughout the pertinent sections of the report.

**Report the final conclusions/recommendations**

Please refer to [section 6](#) of the report.

**Include a signed certification**

See signed certification, [page 6](#).

Additionally, **CUSPAP Section 15 - Reserve Planning Standard - Comments** provides additional details in order to clarify, interpret, explain, and elaborate on the rules, and form an integral part of the Standards. Their action is compulsory.

The Practice Notes offer advice, examples, and resolution; their application is not mandatory. The **Practice Notes Section** related to Reserve Planning Standard states:

**7 PRACTICE NOTES RELATING TO THE RESERVE PLANNING STANDARD RULES (RPSR)****7.1 Reserve Fund Study (RPSR 14.2)**

7.1.1 Reserve Fund Studies are not completed to provide financial planning advice.



7.1.2 The Reserve Fund Study should provide comments on any apparent deficiency in the reserve fund account or in future reserve fund accumulation, along with a cash flow model covering an appropriate time frame.

7.1.3 A Reserve Fund Study must specify the type of property under review (e.g., condominium townhouse, condominium apartment, dockominium, float home, parking stall, vacant land condominium, common element condominium, and recreation condominium). If a Reserve Fund Study is for something other than a condominium or strata, the report should describe the real estate accordingly (e.g., co-operative, office structure, institutional facility, municipal infrastructure and improvements, not-for-profit, etc.)

## **7.2 Legislation Considerations in a Reserve Fund Study (RPSR 14.2.2)**

7.2.1 Reserve Planners complete Reserve Fund Studies without providing financial planning advice, the study should consider applicable legislation and policies defining those components the study is to cover, and incorporate a comprehensive benchmark analysis including, as a minimum:

7.2.1.i life cycle analysis;

7.2.1.ii current and future replacement costs;

7.2.1.iii the current reserve balance; and,

7.2.1.iv estimated future reserve fund accumulations.

7.2.2 The study should comment on any apparent deficiency in the reserve fund account or in estimated future reserve fund accumulation, along with a cash flow model covering an appropriate period.

7.2.3 Reserve Planners need to be familiar with the legislation governing reserve fund studies in the jurisdiction within which they work, along with any consequential regulations and policies.

## **7.3 Exclusions in a Reserve Fund Study (RPSR 14.2.4)**

7.3.1 A Client might request that the study exclude certain short-lived items. The study needs to identify exclusions clearly. While such exclusions might be permitted, the Reserve Planner must ensure that the resulting study is not capable of misleading the reader. It is the Reserve Planner's responsibility to ensure that the assignment meets the “Reasonable Appraiser” test, if exclusions are made.

## **7.4 Benchmark Analysis in a Reserve Fund Study (RPSR 14.2.5)**

7.4.1 Provision should be made for inflation or deflation in costs between the date of the reserve fund study and the time at which repairs and replacements are expected.

7.4.2 A benchmark analysis entails estimating expected life and remaining life; for various components as well as:

7.4.2.i total cost of replacement or repair;

7.4.2.ii current replacement cost estimates;

7.4.2.iii reserve fund requirements;

7.4.2.iv future replacement cost estimates;

7.4.2.v reserve fund accumulations;

7.4.2.vi reserve fund requirements; and

7.4.2.vii annual reserve fund contributions.

## **7.5 Cash Flow Projection in a Reserve Fund Study (RPSR 14.2.6)**

7.5.1 The Reserve Planner should also consider the state of the fund relative to repair and replacements that will happen in the period immediately following the term chosen for the cash flow projection.

7.5.1.i For example, a study could prescribe cash flows which will result in a balance near zero at the end of the projection period. This is not prudent if a large expense is expected within a few years of the end of the cash flow projection, as the fund will not be adequate to deal with such an expense.

7.5.2 A cash flow projection and reserve fund funding model are intertwined. The Reserve Planner specifies the funding model(s) that forms the basis for the cash flow projection.

## **7.6 Adequacy Analysis of the Reserve Fund Contributions (RPSR 14.2.7)**

7.6.1 The cash flow projection should identify whether the existing fund balance and recommended funding level are sufficient to meet most of the repair and replacement obligations. If deficiencies are evident, they should be identified and incorporated in the recommendations.

## **7.7 Preparing a Reserve Fund Funding Model (RPSR 14.2.8)**

7.7.1 The reserve fund funding model should make one or more recommendations to ensure a prudent level of funding is provided in the contingency reserve. If legislated or deemed appropriate by the Reserve Planner, options should be discussed within the study. The Reserve Planner should ensure that the options provided are prudent, incorporate the minimum requirements within Reserve Study Standard and any applicable provincial legislation.

Additionally, a signed certification must be included, and this certification must clearly specify which individual(s) did or did not make a personal inspection of the subject property. Additionally, the report must be signed or co-signed by an accredited member of the AIC holding the designation AACI, P. App., and/or a designated member of the AIC holding the designation CRA (see CUSPAP 6.2.9, 3.71, and 7.11).



## Appendix L—Glossary



**Adequate Funding Model**

One of the three (or more) proprietary Funding Models included in a depreciation report conducted by NLD Consulting – Reserve Fund Advisors. This is the funding strategy that endeavors to balance the needs of the strata by giving adequate notice of contribution increases, limiting the risk of special assessments, and addressing any reserve deficiency in an equitable manner.

**Annual Contribution**

The amount of money that is contributed to the reserve fund in each fiscal year, excluding interest earned, transfers, and special assessments.

**Benchmark Analysis**

A “moment-in-time” funding analysis based on a hypothetical fully funded reserve fund. It shows the ideal reserve fund balance at a given point in time, as well as the ideal annual contribution if the reserve fund were fully funded. The fully funded contributions under this analysis represent equitable annual contributions in nominal dollars.

**Budget Percentage**

Also “Budget Allowance”, “Budget Amount”, or simply “Budget”. This is an arbitrary percentage applied to the total cost to repair or replace a component. Based on experience and research, NLD Consulting – Reserve Fund Advisors has chosen not to reserve for an entire replacement of some components. On a component to which a budget percentage has been applied, a strata may find that they have no need for any repairs over the lifespan of their property. Other stratas may find that they need an entire replacement, while others may require partial replacements with varying scopes of work. The budget percentage reflects a prediction of the future that may in fact be very different than reality.

**Certified Reserve Planner (CRP)**

The professional designation awarded by the Real Estate Institute of Canada (REIC), for the preparation of Reserve Fund Studies, including Depreciation Reports

**Closing Balance**

The reserve fund position at the end of a fiscal year, carried forward to the next year as an Opening Balance.

**Component**

A physical improvement to the development.



**Condominium Act**

The legislation related to Condominium Corporations outside of BC, as amended to date. This act includes the definition of a Reserve Fund Study and related concepts.

**Condominium Act Regulation**

Details the requirements laid out in the Condominium Act. Many sections of the Act must be read in conjunction with the Regulations to gain a full understanding of the legal requirements.

**Construction Cost Inflation**

Inflation measured by changes in construction cost indexes. The inflation rate is localized and pertains to a specific building type.

**Contingency Reserve Fund (CRF)**

Synonymous to Reserve Fund in this report. It is a concept defined by the legislation of the British Columbia Strata Property Act. It represents the financial assets of a strata corporation (or section as defined in the Act), held for the purposes of funding long term repairs and replacements of the common assets of the corporation that occur less often than once per year and are not included in the operating budget.

**Contribution**

See Annual Contribution.

**CPI Inflation**

Inflation measured by increases in the Consumer Price Index, which is a statistical representation of the change in purchasing power between two years.

**Current Age**

Defined in the Manitoba Condominium Act under Definitions 1(1):

“current age”, in relation to an item or type of item, means the actual or estimated number of years between the date of the reserve fund study or latest update and the later of the following dates:

- (a) the installation date or the date of first use, as determined by the person conducting the reserve fund study;
- (b) the date of renewal, refurbishment, or reconditioning by major repair or replacement.

**Deficiency**

The difference between a given year’s Benchmark Closing Balance and its actual Closing Balance.



**Deficiency/Contribution Quotient (DCQ)**

A stable measure of the health of a reserve fund. This formula is defined as the sum of a given year’s Deficiency and its Outstanding Loan Balance, if any (D), divided by the sum of the same year’s contributions and interest earned (C), or D/C.

**Depreciation Report**

A Reserve Fund Study conducted to the BC legislated standards of the Strata Property Act. See Reserve Fund Study.

**Effective Age**

A subjective, observed age for each Reserve Component. It may differ from the component’s actual or current age when it is performing better or worse than expected. Effective Age is used in our funding model recommendations.

**End of Life**

The point in time where the Reserve Component(s) have collectively reached the point of physical failure, and/or the current improvements do not provide for maximum utility of the subject site as improved. This is the point where no further reserve fund savings are required, as no further reserve component replacements are anticipated to occur. At this point in time the building’s reserve fund Deficiency is necessarily zero.

**Expenditure**

See Reserve Expenditure.

**Full Funding Model**

A proprietary Funding Model used by NLD Consulting which focusses on minimizing the risk of special assessments, as well as being Fully Funded prior to the end of the 30-year projection period.

**Fully Funded**

The reserve fund is Fully Funded when its Closing Balance equals the Benchmark Closing Balance, resulting in a Deficiency equal to zero. At this point the reserve fund contains an equitable amount of money saved towards each component, given their expected costs and estimated replacement years.

**Functional Obsolescence**

A concept where the utility of a component is compromised due to outdated design and/or features, which cannot effectively be remedied.

**Funding Model**

A 30-year forecast of money moving in and out of the reserve fund. This will include estimated costs and replacement dates for each component, as well as a recommended schedule of reserve fund Contributions to fund those expenditures.

**Ideal Annual Contribution**

An annual contribution to the reserve fund in an amount prescribed by the benchmark analysis each year. It is an equitable amount to save if the reserve fund has no deficiency.

**Ideal Balance**

The pro-rated cost liability for the repair and replacement of the items or types of items in the strata corporation’s component inventory in any year covered by the reserve fund study. We calculate this using the Benchmark Analysis. Ideal Balance is also a concept defined by the Manitoba Condominium Act.

**Ideal Closing Balance**

An equitable reserve fund balance prescribed by the Benchmark Analysis, such that there is enough money in the reserve fund given each component’s expected cost and date of replacement.

**Interest**

Money earned on all reserve fund investments.

**Lifespan**

The average life expectancy of a Reserve Component.

**Minimum Balance**

A proprietary concept used by NLD Consulting. It is a funding model’s lowest allowable closing balance for each fiscal year, and it increases with CPI inflation. The Minimum Balance can never be a negative number. This concept is a form of Threshold Funding.

**Minimum Funding Model**

A proprietary Funding Model used by NLD Consulting which recommends minimal reserve fund contributions.

**Nominal Dollars**

An actual dollar amount that has not been adjusted for inflation. This is the actual amount that is spent, saved, or earned. All dollar amounts are assumed to be in nominal terms unless otherwise specified. This is in contrast to Real Dollars, which are adjusted for inflation.



**Non-Reserve Component**

A component found on shared property that has been specifically excluded from the reserve fund, as per the bylaws or the Act, or in consultation with the strata corporation.

**Opening Balance**

The reserve fund position at the beginning of each fiscal year, carried forward from the prior year end as a Closing Balance.

**Operating Fund**

The fund a strata corporation contributes to, and draws expenditures from, related to the operating expenses of the corporation. This fund does not include contributions and expenditures related to reserve expenditures, which are funded separately—see Reserve Fund.

**Qualified Person**

The definition for Qualified Person differs from province to province. For example:

**BC**—Described under Section 94(1) of the Strata Property Act as: “any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation’s common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with subsections (1) to (4)”

**MB**—Described under Part 25 (1) of the Condominium Act as per below:

“Who may conduct a reserve fund study

25 (1) Subject to subsections (2) and (3), only the following persons may conduct a reserve fund study:

- (a) a person who holds a valid registration under The Architects Act to practise as an architect in Manitoba;
- (b) a person who holds a valid registration under The Engineering and Geoscientific Professions Act to practise as a professional engineer in Manitoba;
- (c) a person who holds a valid certificate as a certified applied science technologist or certified engineering technologist under The Certified Applied Science Technologists Act;
- (d) a member of the Appraisal Institute of Canada who holds a valid designation as an Accredited Appraiser Canadian Institute;
- (e) a member of the Real Estate Institute of Canada who holds a valid designation as a Certified Reserve Planner.”



**Real Dollars**

A dollar amount which is has been adjusted for inflation. It describes the actual buying power as it changes over time, relative to a reference/base year (typically the year in which the study was conducted). This is in contrast to a nominal dollar, which is expressed without regard for the effects of inflation.

**Remaining Life**

The difference between Effective Age and Lifespan.

**Reserve Component**

A physical element of a strata corporation which is to be included in the inventory of reserve components for analysis in a British Columbia legislated Depreciation Report.

**Reserve Expenditure**

An amount removed from the reserve fund to pay for repairs or replacements to Reserve Components.

**Reserve Fund**

This is a concept defined by legislation in some provinces. A Reserve Fund represents the financial assets of a strata corporation, held for the purposes of funding long term repairs and replacements of the common assets of the corporation that occur less often than once per year and are not included in the operating budget.

**Reserve Fund Deficiency**

The difference between the Closing Balance and the Ideal Closing Balance as calculated by the Benchmark Analysis. This is an amount that will necessarily be paid in full at the end of the property’s economic life.

**Reserve Fund Study**

A budget planning tool comprising a physical and financial analysis, which identifies long-term funding plans for repair and replacement of major common elements of a property. Ideally, this tool will aid the owners in a long-term funding plan.

**Special Assessment/Levy**

A unique, non-regular contribution from owners towards their Reserve Fund. This type of contribution is most often employed when the reserve fund balance is not sufficient to undertake the project as required. Although Special Assessments may be employed as part of a long-term funding strategy or due to an unexpected expenditure, they can also be indicative of a lack of long-term strategy.

**Strata Property Act**

The legislation related to strata property in British Columbia, and as amended to date. This act includes the definition of a Depreciation Report and related concepts.

**Strata Property Regulation**

Details the requirements laid out in the Strata Property Act. Many sections of the Act must be read in conjunction with the Regulations in order to have a full understanding of the legal requirements.

**Threshold Funding**

A method of determining future Contributions. It ignores the Benchmark Analysis and focuses solely on keeping the reserve fund balance above a threshold amount. We often incorporate the element of a minimum allowable balance in our forecasts. However, relying solely on Threshold Funding leads to inequitable contributions.



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