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Heartland Ontario

**PROPOSED FIRST-YEAR BUDGET FOR  
BRANTWOOD PARK**

**A PROPOSED STANDARD (PHASED) CONDOMINIUM at  
200 Brantwood Park Rd., Brantford, Ontario**

<b>BRANTWOOD PARK CONDOMINIUM</b> <b>Projected expenses for the first year of operation of the condominium</b> <b>based on December 2020 dollars without any inflation factor*</b>		
		Following registration of all Units
<b>PROPERTY MANAGEMENT</b>		
Landscape maintenance (contract)		\$45,000.00
Landscape (extra/snow haulage)		\$5,000.00
Misc. Repairs and Maintenance		\$15,000.00
Waste Removal (contract)		\$24,000.00
Waste Removal (extra)		\$2,000.00
Parking Control		\$1,800.00
Fire Inspection		\$2,000.00
Hydro (common elements only)		\$2,200.00
Insurance (Public Liability & Property Damage – common elements, assets and standard units only – and Directors' and Officers' Liability)		\$14,000.00
Contingency		\$5,000.00
<b>SUB-TOTAL</b>		<b>\$116,000.00</b>
<b>CONDOMINIUM ADMINISTRATION</b>		
Management Fees		\$23,060.00
Financial Audit and Legal Fees		\$7,500.00
Office & Meetings		\$4,000.00
<b>SUB-TOTAL</b>		<b>\$34,560.00</b>
<b>STATUTORY REQUIREMENTS</b>		
CAO Fees		\$700.00
Reserve Fund Study		Paid out of Reserve Fund
Performance Audit		\$20,000.00
<b>SUB-TOTAL</b>		<b>\$20,700.00</b>
<b>Total Operating Expenses</b>		<b>\$171,260.00</b>
Contributions to Reserve Fund		\$40,000.00
<b>TOTAL</b>		<b>\$211,260.00</b>
<b>ESTIMATED COMMON EXPENSES PER UNIT PER MONTH*</b>		<b>\$314.38</b>

*\*All figures, including totals, herein are estimates and are subject to the qualifications, limitations and other factors that may result in increases as set out in this Budget Statement). Those of the foregoing budget figures that are expected to attract Harmonized Sales Tax ("H.S.T.") include H.S.T. calculated at 13%.*

**GENERAL NOTES & COMMENTS**

1. In this document, the term "Act" refers to the *Condominium Act, 1998* and the regulations made thereunder, as in force at the time of delivery of this budget statement.
2. This budget statement is provided to satisfy the requirement of the Act that the declarant provide a proposed budget for the first year of operation of the proposed condominium corporation.
3. A budget is only a "best estimate" of expenses and cannot be expected to be exact in all respects. In

particular, it should be noted that amounts are projected without the benefit of actual experience in the operation of this proposed condominium (since it has not existed before) and the line items represent anticipated expense items only. Although every effort has been made to be accurate and comprehensive in establishing this budget statement, actual expense items and amounts may vary from what is set out herein, and the declarant (while it retains control of the condominium) has the right to reallocate any surplus arising in respect of the amount allocated for any item to or amongst other item(s) at any time and from time to time.

4. The proposed condominium is a Phased Condominium, as defined in the Act. This means the proposed condominium will come into existence in stages, Information about the proposed phasing is set out in the disclosure statement accompanying this budget statement. It is expected that each phase following the Initial Registration may take place within two years following registration of the Initial Registration. Since this budget statement set outs only the common expenses as they are expected to be once all proposed units and phases of the condominium are registered, the projected amounts set out in this budget will require adjustments during each phase of the condominium. The declarant anticipates that the condominium’s expenses will be overall proportionate to the number of units that will be added to the condominium by each phase. Thus, while some budget figures may increase greater than proportionately and others less than proportionately, the overall per unit proportionate common expenses amount is expected to have decreased from what they will likely be during the Initial Registration. Updates to this document may be provided hereafter that set out more accurately the actual expenses of the condominium during each phase. **Such updates shall not be considered material changes for the purposes of the Act.**
5. Once the condominium is registered (the Initial Registration) and a majority of the units have been sold and transferred to purchasers, the Declarant must turn over the control of the condominium to a new board of directors elected by the unit owners at the time. Therefore, notwithstanding this budget, if such elected board changes the budget and/or orders increases to or additional expenses and services, the actual costs of the condominium may be different than are set out herein. This budget statement presumes the condominium will be managed effectively, such that unnecessary costs to do not arise, including without limitation that bills are paid in a prompt manner so that late fees and interest are not incurred. *The declarant shall not be responsible for any changes to the services, collections or management issues caused by the new board that result in a revenue deficit or costs overage during the first year from registration of the condominium.*
6. After the first anniversary of the Initial Registration, the condominium may experience increases in common expense amounts that could increase each unit’s proportionate annual and monthly costs. This could be as a result of inflation, the recommendations set out in the statutorily mandated first year Reserve Fund Study, and other factors that affect common expenses out of and in the ordinary course. Such increases are also outside of the control and responsibility of the Declarant and cannot be contemplated in this type of budget statement.
7. Cash flows for the condominium may be temporarily affected in the initial months after the Initial Registration and the registration of any of the subsequent phases due to the requirement to pay certain expenses up front, such as insurance premiums. This budget does not anticipate how such possible cash flow issues might affect assessments of common expenses at such periods, which shall predominantly be the responsibility of the condominium’s board of directors to determine.

**PARTICULARS OF THE EXTENT OF TYPE, LEVEL AND FREQUENCY OF SERVICES**

(showing figures from Initial Registration/Phase 1 per the Table above)

**Landscape Maintenance (contract and extras) \$50,000.00**

This cost estimate covers the costs of maintenance of common elements that falls within the condominium’s range of responsibility. This estimate does not take into account extraordinary climate conditions or other than normal growing conditions and seasons.

**Misc. Repairs (including building maintenance and/or repairs) \$15,000.00**

This is the estimated costs for incidental repairs to the common elements (during the first year of operation of the condominium that are not covered by any applicable warranties. Such costs may increase in future years as the property ages and is used.

**Waste Removal \$26,000.00**

This is the estimated cost for the collection of garbage and recycling by a private contractor.

**Parking Control \$1,800.00**

This is the estimated cost for a private contractor to monitor and enforce compliance with parking rules.

**Fire Inspection** **\$2,000.00**

This is the estimated cost of a single annual fire inspection of the property.

**Hydro (common elements only)** **\$2,200.00**

This estimates the cost to the condominium of hydro supplied to the common elements and not any of the units.

**Insurance Coverage** **\$14,000.00**

This represents the estimated cost of the minimum coverage required to be carried by the condominium by the Act:

- for directors, officers liability coverage (and Property Manager liability coverage that may be required by agreement, if any);
- for damage to the common elements and standard units (as explained in the disclosure statement accompanying this budget statement) caused by major perils defined by the Act on a replacement cost basis subject to a reasonable deductible.

Note that, Unit Owners are responsible at their own expense to carry insurance coverage for:

- damage to all unit components;
- deductibles, liability coverage as occupiers of the unit;
- contents;
- coverage that the declaration, by-laws and/or any agreements require they carry; and
- such other coverage that it is prudent for a condominium unit owner to carry.

*It is up to the unit owner to verify the limits of the condominium's coverage and to determine what additional coverage the unit owner should carry.*

**Contingency** **\$5,000.00**

Although contingency funds are sometimes built into other line items, the management consultant assisting with preparation of this budget statement prefers transparency in this regard. A small contingency fund is appropriate to be built into a condominium budget given the various uncertainties relating to its care and administration, particularly during the first year of operation.

**Management Fees** **\$23,060.00**

This estimates the cost of full-service licensed, professional condominium management services.

**Finance Audit and Legal Fees** **\$7,500.00**

This is the estimated cost of the audit that is to be turned over to the condominium within 60 days following the turnover meeting and an amount to cover the costs of seeking legal advice on matters that may arise from time to time (it is not anticipated there would be much cause for legal services during this period). This amount does not include the cost of the audit that the Act requires after the end of the first fiscal year, which properly should be included in the condominium's second-year budget that its board of directors will prepare.

**Office & Meetings** **\$4,000.00**

This represents the cost of one annual meeting and miscellaneous communications, telephone, courier, postage and stationery, as may be required.

**CAO Fees** **\$700.00**

Amendments to the Act made in 2015 and which came into force in 2017, established the Condominium Authority of Ontario. Every condominium corporation in Ontario is required to contribute to the cost of this non-profit corporation, which provides such services as a Registry of condominiums and the Condominium Authority of Tribunal.

**Reserve Fund Study** ***To be paid from the Reserve Fund***

The Act states that a condominium corporation must maintain a Reserve Fund in a special account for the major repair and replacement of common elements and assets of the condominium, and that a Reserve Fund Study must be undertaken to determine the correct amount to be contributed to the fund. The costs of the study may be paid out of the Reserve Fund.

Also note that each new phased condominium corporation must commission a Reserve Fund Study within the first year after registration of the Initial Registration and for each subsequent phase within the first year after registration of each subsequent phase. If the registration of one or more phases occurs within the first year following registration of the Initial Registration, and depending on the exact timing thereof, only one Reserve Fund Study will be performed encompassing both the Initial Registration and one or more of the proposed subsequent phases.

**Performance Audit****\$20,000.00**

The Act requires that a performance audit be conducted by a professional engineer or architect within 6 to 10 months following registration of the Initial Registration (and for each subsequent phase within 6 to 10 months following registration of such phase). The purpose of this audit is to determine the condition of the common elements following registration, and to assist the condominium in making any warranty claims that are appropriate and applicable.

**Contribution to Reserve Fund****\$40,000.00**

This is the amount projected to be in the Reserve Fund for the Corporation at the end of the first year after registration of the Initial Registration, subject to payment of the costs of the first Reserve Fund Study. No reserve fund study has been completed at the time of the preparation of this budget.

This figure is an estimate only of the amount required to be contributed to the Reserve Fund of the condominium. Once the Reserve Fund Study is completed, the actual contribution may vary considerably from this estimate. In the meantime, this estimated contribution is anticipated to provide sufficient funds to pay for the costs of the first Reserve Fund Study.

This estimated contribution to the Reserve Fund in relation to the Initial Registration budget is equal to 23.35% of the projected operating expenses of the proposed condominium, and constitutes just over 18.93% of the total common expense contributions to be paid by the unit owners.

**OTHER STATEMENTS**

1. There is no provision in this budget statement for insurance deductibles in the event of any insurable claim. If any claims are made and the condominium is responsible for the deductible, common expenses may increase to cover the same.
2. There has been no inflation factor assumed in the estimated budget amounts. Costs arising after June 2017 should be read and construed as automatically increased by 3.00% per annum (or the actual inflation rate at the time of such reading).
3. The budgeted operating costs do not include items of a major repair or replacement nature in respect of the common elements and assets of the Corporation. (Common elements include everything within the condominium plan other than the units. Assets are those items that the condominium owns, which are currently anticipated to be *nil.*) Such expenses will be anticipated in the Reserve Fund Study and funds therefore are collected into the Reserve Fund of the condominium.
4. Amounts set out for any line item in this budget statement may be reallocated to and amongst other line items at any time and from time to time and a deficiency or surplus in any particular line item does not necessarily reflect a deficiency or surplus in the budget overall.
5. There are no current or expected fees, charges, rents or other revenue to be paid to or by the condominium corporation or by any of the unit owners for the use of the common elements or other facilities related to such property other than the Golf Club Membership that is included in the budget.
6. There are no services that are not included in this budget statement that the declarant provides, or expenses that the declarant pays, that might reasonably be expected to become, at any subsequent time, a common expense.
7. The declarant has no actual knowledge of any pending lawsuits material to property that will comprise the units, common elements and assets of the Corporation that may affect such property after the registration of a deed to a unit from the Declarant to a purchaser.