

Reserve Fund Study

Report Date:

Nov 28, 2022

Prepared for:

The Owners: Condominium Plan # 0725732

RV Heaven Condominium

-

Ponoka County, AB



Report prepared by:

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Nov 28, 2022

The Owners: Condominium Plan # 0725732
% Lorne Smith
-
Ponoka County, AB

Dear Board Representative(s),

The Owners: Condominium Plan # 0725732
-
Ponoka County, AB

Pursuant to your request for a Reserve Study of the within described condominium project, we have prepared and submit to you this Reserve Report and Reserve Study.

The Reserve Report and Reserve Study describe the reserve fund concepts and major reserve fund items. It provides current and future replacement reserve estimates and recommends reserve fund actions. This is a complex document and should be reviewed in detail and within the context of this report.

All repair and replacement calculations are based on keeping the premise and property in excellent condition. The goal is to achieve Full Funding with 100% funding being the fiscally responsible choice. A Fully Funded balance is achieved when the present Reserve Fund is equal to the present Reserve Fund obligations.

We recommend that a Reserve Fund Plan be adopted and implemented based on Scenario 1. Annual contributions to the Reserve Fund are outlined in the "30 Year Reserve Fund Cash Flow Projection & Analysis", including Annual Contributions, Special Assessments, etc.

It is recommended that a building specialist be consulted before any work is carried out on your site to review how this work may affect the building system and to ensure that work is kept up to current building and safety code requirements. As well, this Reserve Study and Reserve Report is not intended to replace the opinions and/or findings of any reports (engineering, contractor, building codes, fire codes, etc.) either past or present, regarding any item listed or commented upon.

We would be pleased to provide you with complete review and updating services for the reserve fund of the corporation, as required in the future. 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,
Reserve Studies Now

Larry Mousseau BA, CRP, CIP, CRM, CAIB
Certified Reserve Planner
T: (403) 391-9555





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1.1 Purpose

As per your request, we have completed a reserve fund study of the above referenced property. This report, which summarizes the study, provides current and future replacement cost estimates and recommends a reserve fund program for the above noted property. The purpose of this review is to provide an opinion on the sufficiency of the Corporation's Capital Replacement Reserve Fund.

1.2 Copyright

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All rights reserved. No part of this report shall be reproduced or used in any form by any means, whether that be graphic, electronic or mechanical, including photocopying, recording, typing or information storage and retrieval, without the written permission of the author. Notwithstanding the foregoing, the applicant herein has permission to reproduce the report in whole or in part for the legitimate purposes of providing information to the Board of Directors, unit owners and others, who have an interest in the project. Specifically, the applicant has permission to provide reserve study information in disclosure documents.

1.3 Project Team

Your Reserve Fund Study will be completed by Larry Mousseau BA, CRP, CRM, CIP, CAIB. He is a trained Certified Reserve Planner (CRP) through the Real Estate Institute of Canada and is considered a "qualified person" by all Provincial Condominium Acts/Regulations in Canada. Larry has been completing Reserve Fund Studies and Insurance Building Valuations/Inspections for 25+ years and has contracted to Condominium Boards, Private Business and Insurers such as Insurer's Advisory Organization (IAO), Aviva, Intact, Wawanesa, Royal Sun Alliance, AXA, etc. As well as having his CRP designation for Reserve Fund Studies, he has completed the Canadian Risk Management (CRM) designation from the University of Toronto, the Chartered Insurance Professional (CIP) designation from the Insurance Institute of Canada and the Canadian Accredited Insurance Broker (CAIB) designation from the Insurance Brokers Association of Canada. Thank you for adding me to your team .. I'm here to help.

1.4 Assumptions and Limitations

Information regarding the legal and survey description of the property as stated herein have been provided by the Client or their Agent.

NATURAL DISASTER DISCLAIMER: Recovery and reconstruction from widespread natural disasters such as hurricane, hail, tornado, flood, etc. will create abnormal demands on labour and building resources which may drive up overall costs. The values as reported herein are estimated based on normal market conditions.

Any building plans (architectural, structural, mechanical, electrical) and other plans or technical/engineering reviews as well as any details regarding building(s) with improvements have been provided by the Client. 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 complications, 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.



1.4 Assumptions and Limitations

Pertinent costing information was obtained in part from our research and costing information provided by Marshall & Swift CoreLogic® Commercial Express, RS Means and/ or by local contractors where deemed necessary. Supporting documentation pertaining to data and analysis that is not provided in the report has been retained in our files. The discussion contained in this report is specific to the needs of the client and for the intended use stated in the report.

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 Client to whom this report is addressed may use it in deliberations affecting the subject property 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 Reserve Studies Now.

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

THE RESERVE FUND STUDY IS NOT INTENDED OR TO BE CONSIDERED AS A GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED INCLUDING ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR USE, REGARDING THE CONDITION OF THE PROPERTY, BUILDING(S), ITEMS CONTAINED IN THE BUILDING, STRUCTURAL, MECHANICAL AND SYSTEMS INSPECTED AND IT SHOULD NOT BE RELIED UPON AS SUCH. THIS REPORT DOES NOT DEAL WITH POST TENSIONED CABLE ASSESSMENT OR REVIEW. PLEASE CONSULT AN ENGINEER FOR A TECHNICAL AUDIT IF YOUR BUILDING HAS POST TENSIONED CABLE.

The Reserve Fund Study is based on observations of the conditions that existed at the time of the inspection only. Due to seasonal variance, some components may not present fully at the time of the site survey.

We are not required to: offer or perform any act or service contrary to law; offer any warranties or guarantees of any kind; calculate the strength, adequacy or efficiency of any system or component; disturb insulation, move personal items, furniture, equipment, plant life, soil, snow, ice or debris which obstructs access or visibility; determine the presence or absence of any suspected hazardous substances including, but not limited to toxins, carcinogens, contaminants in soil/water/air and allergens. We are not required to comment on the indoor air quality of the property.

We do not warrant, represent or inspect for any hazardous materials, substances, contaminants, pollutants, toxic gases or wastes, of any kind, including those as defined in applicable statutes, regulations, orders and bylaws enacted or adopted for the protection and conservation of the natural environment including, but not limited to, urea formaldehyde foam insulation (UFFI), lead, asbestos, radon and gamma, carbon monoxide and polychlorinated biphenyls (PCB's) wherever they may be located. We do not inspect/monitor any geological or soil conditions or mildew, mould, yeast, rust, smut, mushroom or any other fungi, rodents, bugs, etc.

We are not responsible for damage to property or persons as a result of extreme weather, including but limited to floods, high winds, heavy rain, snow, hail, ice, earthquakes, tremors. We do not confirm if the property is in a floodplain, hazardous area or contaminated site.

Participation - The Client acknowledges that they have been encouraged to participate in the Insurance Valuation and accepts responsibility for incomplete information should they not participate. The Client's participation shall be at their own risk for injuries, property damages, and any other damages.



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1.4 Assumptions and Limitations

Existing Conditions. Client's building and/or site may have existing conditions. The Client may need to deal with these issues immediately. This Reserve Study is intended to deal with long term repair, replacement and reconstruction of common elements. Immediate concerns fall outside the scope of the Reserve Study.

If direction is given by the Client or their authorized representative to modify, add or remove one or more variables with this insurance Valuation, we assume no liability for the accuracy of said modifications.

1.5 Provincial Requirements

Timelines for Reserve Fund Study completion varies by Province. Alberta and Saskatchewan requirements are every 5 years and for British Columbia it is every 3 years. Our Reserve Fund Study meets and/or exceeds all Condominium Acts/Regulations for all Provinces in Canada.

1.6 Scope of Analysis

A reserve fund report is a financial document and is not a structural analysis or technical audit. Unlike a technical audit which may include test openings, air leakage testing, thermography, water testing and indoor quality testing as examples, the reserve fund study is meant to be a financial guide in the budgeting and forecasting for replacement and repair of the corporations common assets. A sample of the common areas/assets of the building(s), where applicable, and for the site were inspected. Available plans and documents were examined for construction details and other relevant component data. For purposes of the study, the data was calculated using dimensions and information taken from the plans, if they were made available to us by the Client. Some of the dimensions and information were obtained from the onsite inspection. Some common areas/assets may have been covered or had restricted view due to weather conditions. No technical audits were carried out as this falls outside the scope of a reserve fund study. When applicable interviews were conducted with the condominium board, the property management company and site personnel - we value this feedback.



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1.7 Information Requested

The more common asset information we can collect from you, the better we get to understand your building/site history as well as what you may need in the future. The Information that was requested includes:

Details of common asset repairs/replacements that have occurred in the past 5 years including Type/Scope of repair, year completed and costs.

Details of any upcoming work common asset work projected over the next 5 to 10 years.

Details of Insurance Claim related repairs/replacements of common assets.

Condominium Bylaws

Contractor and/or engineering reviews / investigations

Registered Condo / Strata plan(s) and any amendments

Prints, Plans and Specifications - Architectural, Mechanical, Structural, Electrical, Site Underground Utility Lines, Fire Protection, etc.

Capital asset manufacturer warranties / guarantees (e.g., windows, roof covering, etc.)

Past Audits, Reserve Fund Studies / Depreciation Reports, Estimates

Lawsuits or arbitration details that impact property use, maintenance, repairs, replacements or Condo / Strata common asset obligations

Operating Budget, Current Balance Sheet, Financials, etc.

Copies of invoices relevant to common asset repairs / replacements.

Maintenance manuals / logs (e.g., landscaping, snow/ice removal, HVAC maintenance programs, service agreements, etc.)

Any reciprocal easements / shared financial arrangements with neighbouring sites for repairs / replacements (e.g., fence replacement, etc.)

Fire Inspection Report

Insurance - copy of insurance certificate / appraisal / claims information as it pertains to common assets / etc.

Other documents such as the Standard Insurance Unit Description (SIUD)

1.8 Inflation and Investment Return

The basic concept in reserve fund planning is to forecast the necessary amount of reserve required to meet the future financial needs of the complex. This involves factoring future costs and the future value of invested funds. To accurately forecast future costs and values we must project the rates of inflation and interest rates and apply these to our current costs. In analyzing long term cost increases, construction cost statistics rather than the consumer price index were examined, since building repair and replacement cost will be more comparable to construction costs than to the cost of consumer products.

Inflation

A more accurate method of inflation measurement for reserve fund projections should reflect findings from the Construction Price Index provided by Stats Canada. This measures Structural, Architectural, Mechanical and Electrical costs. The Building Construction Price Index collects residential and non-residential construction price movements and market information across 11 census metropolitan areas in Canada. The information is used to produce various indexes which measure change over time in contractors' prices to construct a range of new commercial, institutional, industrial and residential buildings. The contractor's price reflects the value of all materials, labour, equipment, overhead and profit to construct a new building. It excludes value added taxes and any costs for land, land assembly, building design, land development and real estate fees.



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1.8 Inflation and Investment Return

Investment Return on Reserve Funds

Investment income can be a significant and increasing source of revenue for reserve funds, and therefore, it is imperative that reserve funds are continuously and prudently invested. The ability of condominium corporations to earn the highest rate of interest available in the marketplace, given the restricted conditions of investments, depends on the expertise of financial management and the amount of available funds for investment. In selecting an appropriate interest rate for reserve fund investments for a particular condominium corporation, the balance of the reserve fund is an important consideration as it dictates investment options and their corresponding interest rates. Investment opportunities are widely advertised, ranging from bank deposits, term deposits and guaranteed investment certificates (GICs) to money market instruments and government bonds. Prudent reserve fund investment requires that investments are reasonably matched with anticipated reserve fund expenditures, ensuring reserve fund liquidity. Therefore, funds should be invested in a diversified laddered portfolio, which ensures that reserve funds are available when needed. The benchmark calculations and the reserve fund projections are based on the assumption that reserve fund contributions are constantly and continuously invested.

1.9 Lifespan Analysis

A life span analysis is a subjective, or empirical, assessment of the life cycle status of a reserve component. The life span of a reserve component is subject to change due to numerous factors. Each reserve component has been analyzed in terms of life cycle condition and expected remaining useful life. The life span analysis considers the following factors:

- Type of Component and Utilization
- Material
- Workmanship
- Observed Condition and Quality
- Exposure to Weather Conditions
- Functional Obsolescence
- Environmental Factors
- Regular Maintenance
- Preventive Maintenance

The critical aspect in a Life Span Analysis is the observed condition of each reserve component, which is based on:

- Actual age of the component
- Maintenance of the component
- Repair and replacement experience
- Probability of hidden conditions



1.10 Full Funding

A Full Funding model has a goal of attaining and maintaining the reserves at or near 100%. For example, if you have a component with a 10 year life and a \$10,000 replacement cost, it should have \$5,000 set aside for its replacement after 5 years. The simple calculation for this would be \$10,000 divided by 10 years = \$1,000 per year x 5 years = \$5,000. In this case, \$5,000 equals full funding. Full Funding allows for a pay-as-you-go or pay-as-you-have-used method whereby if you have used and benefited from 5 years of a component that has a 10 year life, then you pay the proportionate value of that item. The goal of this method is to prevent a disproportionate financial liability on the people who are there only for the end of the component's life.

1.11 Terms of Reference

Current Cost Estimate

Answers the question: "How much would it cost for repairs/replacements of our common assets at current prices?"

Future Replacement Costs

Answers the question: "How much would it cost for repairs/replacements of our common assets in the future at the end of the expected life span while also considering annual inflation factors."

Current Reserve Fund Requirements

Answers the question: "How much should we already have in the Reserve Fund, based on the components' effective age, if we were fully funded?" Any surplus or shortfall in this amount will be addressed in the 30 year Cash Flow funding analysis so that proper long term funding can be maintained.

Annual Reserve Fund Assessment

Answers the question: "If our Reserve Fund was fully funded (with no Unfunded Portion or surplus), how much would our unit owners' annual reserve fund contributions need to be?" This also considers annual inflation and the interest return on the reserve funds.

Normal Life (NL)

This refers to the normal life expected by a component e.g., the normal life of a window may be 23 years.

Effective Age (EA)

This is the critical analysis of a reserve component and consists of determining the effective age of the reserve component within its normal life cycle based on the observed condition of the reserve component. This is a subjective estimate rather than an objective assessment.

Remaining Life (RL)

Given a normal life estimate and a sound estimate of the effective age, the remaining life span of a reserve component is determined by subtracting the effective age estimate from the normal life estimate. This does not mean that reserve expenditures should only be made at the end of the remaining life. Reserve expenditures should and must be made during the remaining life span to maintain building components and facilities in good condition.



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Reserve Fund Study, Report & Recommendations



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Physical Analysis of Common Assets

Component Classification

Reserve Fund Components are conveniently classified in terms of several categories including Site, Shell/Substructure, Services, Interior and Miscellaneous.

Current Cost Estimates

Reserve Fund component assessments and current cost estimates are based on our investigation, observation, analyses and experience in performing reserve studies.

Cost data have been calculated using construction cost services, including RS Means Commercial Renovation Cost Data, RS Means Repair & Remodeling Cost Data, modified as to time, location and quality of construction. All costs are strictly estimates and are subject to confirmation at the time competitive bids are obtained from contractors specializing in the repair or replacement work required. **No allowances are made for Project Management costs.**

Quality of construction

Replacement cost estimates are based on the assumption of using quality materials, as specified or built, at contractors' prices, using normal labour costs and current construction techniques, and including contractors' overhead and profit. The costs of repairs and/or replacements of many reserve components are invariably higher than original building costs when 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 proper safety precautions and within certain constraints. Cost estimates take into account such additional costs as special construction, safety installations, limited access, noise abatements, and the convenience of the occupants.

Demolition and Disposal Costs

The estimates herein include minor cost provisions for demolition and disposal costs including dumping fees. These costs have been rising in recent years. Particularly, dumping of certain materials has become problematic and very costly. It appears that certain codes and environmental regulations will become more stringent in future years, all of which will further increase disposal costs. Extra costs may occur due to these changes.

Goods and Services Tax

The Goods and Services Tax ("GST") applies to all repairs and replacements including disposal costs. Therefore, these costs are included in the reserve fund estimates hereinafter.

Contingency Reserves

It is frequently impossible to forecast the incidence of repairs or replacements of various reserve components, particularly, major components, such as road pavement, sewer and water systems. Therefore, reserve estimates are of a contingency nature, and as such, they are subject to changing conditions and repair experience over time.

Reserve Component Descriptions and Analyses

The following lists each reserve fund component and provides the following information: Description; Analysis and Recommendation.



| Component | Description | Analysis and Recommendations |
|---------------------|--|--|
| SITE | | |
| Fence - Replacement | Includes replacement of existing chain link fencing and privacy slats, painted steel gates, etc. | Approximately 3258 l/f of chain link fence. 4 painted steel gates on south side of varying heights. Item is aging normal as expected for its age. Cost projections and lifespans have been provided by site representative and represent an average quote by local providers for replacement of this common asset. |
| Fence - Maintenance | Includes replacement of fencing at this site. | Fence in fair condition and projected to be replaced in the near future. This asset is regularly maintained by the Condo under the operating budget. The lifespans and contribution amounts under this section assume that annual repairs/minor replacements are being carried out and will continue to be funded through the annual operating budget. As such, reserve fund recommendations will be used to help top up this item only. |
| Landscaping | Includes repairs, refurbishments and replacements of landscaping elements such as awning, grassed sections, shrubs, ground cover, eventual tree topping/stump removal and tree replacements, site drainage, signage, mailboxes, building numbering, etc. not already dealt with under the annual operating budget. | As per previous RFS, bylaws require owners to maintain their own unit land. We understand that ongoing repairs/minor replacements to be carried out through the operating budget. As such, reserve fund recommendations will be used to help top up this item only. |
| Roads/Paths | Includes all roads and connecting roads throughout the site. As per site representative, maintenance and refurbishment of this will be dealt with under the operating budget only. No funds to be recommended under the reserve fund. | - |

Physical Analysis of Common Assets

| Component | Description | Analysis and Recommendations |
|------------|---|--|
| Playground | Includes major repairs and eventual replacement of the existing playground. | As per site representative, new playground constructed in 2009 at cost of \$40,000. Expansion carried out over the past few years in 2016 at cost of \$16,000. |

SHELL / SUBSTRUCTURE

| | | |
|------------------------------------|---|--|
| Underground Services / Foundations | This includes minor repairs to underground lines for services, storm and sanitary sewer as well as building superstructure and substructure. The water, storm and sanitary sewer lines for the complex were underground and therefore out of view for inspection. It is our understanding that underground piping provided in the system to regulate the flow of storm water to the municipal storm water collection piping. Sanitary piping leaves the building and joins into the municipal sanitary main below the street. THIS REPORT DOES NOT DEAL WITH POST TENSIONED CABLE ASSESSMENT OR REVIEW. PLEASE CONSULT AN ENGINEER FOR A TECHNICAL AUDIT IF YOUR BUILDING HAS POST TENSIONED CABLE. | As per previous RFS, utility lines were installed new in 1992-1996. The system was inspected and assess by Tagish Engineering in 2006. Underground water, septic lines are included in this section. Normally, buried components such as valves and pipes will last the life of the site without requiring repairs/replacement. If a repair is required, however, the costs can be very high simply because of the nature of work required and associated costs to expose concerned areas i.e., daylighting and excavating costs. A collapsed storm drain line or plugged sewer line might require extensive excavation resulting in high labour and equipment charges. Smaller and more predictable concerns with lines such as scoping and cleaning out drains, etc. can and should be carried out through annual operating budget. This is a difficult item to quantify and predict for lifespans so special assessment may be required if and when concerns arise. |
| Outbuildings - Utility Shed | Includes major repair/replacement of Utility Sheds. | This asset is regularly maintained by the Condo under the operating budget. The lifespans and contribution amounts under this section assume that annual repairs/minor replacements are being carried out and will continue to be funded through the annual operating budget. As such, reserve fund recommendations will be used to help top up this item only. |

Physical Analysis of Common Assets

| Component | Description | Analysis and Recommendations |
|----------------------------|---|---|
| Outbuildings - Well Shed | Includes major repair/replacements of the Well Shed. | There are 2 electrical wood framed sheds with metal siding/roofs. This asset is regularly maintained by the Condo under the operating budget. The lifespans and contribution amounts under this section assume that annual repairs/minor replacements are being carried out and will continue to be funded through the annual operating budget. As such, reserve fund recommendations will be used to help top up this item only. |
| Shower / Washroom Building | Includes major repair/replacements of shower/washroom building. | This asset is regularly maintained by the Condo under the operating budget. The lifespans and contribution amounts under this section assume that annual repairs/minor replacements are being carried out and will continue to be funded through the annual operating budget. As such, reserve fund recommendations will be used to help top up this item only. |
| SERVICES | | |

Physical Analysis of Common Assets

| Component | Description | Analysis and Recommendations |
|------------|--|--|
| Electrical | <p>Includes repairs and partial replacements of common asset electrical supply, distribution, lighting and pressurized/drainage plumbing lines, as long as this pertains to common areas and common property only. This may include light standard poles, power supply, power distribution, panel boards, sub circuits, main panel/switch gear, intermediate panel(s), suite panels, breakers, receptacles, common area lighting, parking lot and/or parkade plug-ins, pressurized and drainage plumbing lines, etc. Plumbing fixtures, lighting fixtures and appliances located in units (e.g., light fixtures, lightbulbs, toilets, etc.) are the unit owners' sole financial responsibility to repair/replace. Plumbing lines (pressurized and drainage) are also included as common assets. Please refer to your condominium bylaws for further clarification.</p> | <p>There are utility owned transformers on site. These provide electricity to two separate 600 amp panels housed in metal-clad sheds. Lights are used with the washrooms and shower building. Singled billing occurs with this Condominium. An annual allowance should be set aside in the maintenance budget for general repairs to electrical and plumbing systems. The service life of the distribution equipment is historically as long as the building's life providing that the building carries out proper annual maintenance and original installation was properly completed. Infrared scans of electrical lines are recommended by qualified personnel on a regular interval - between 5 to 10 years. Cleaning and general maintenance should be undertaken at the same time. The test data and breaker function test data should be reviewed carefully to make sure the results area consistent with previous years, in order to assess when equipment would be susceptible to failure. Periodic replacement of breakers may be required but would be considered an annual maintenance item. This is a difficult item to quantify and predict for lifespans so special assessment may be required when and if concerns arise. As per site representative, concerns with common area electrical and plumbing related issues would be dealt with through the annual operating budget rather than involving the reserve fund. At time of site review, no concerns with electrical or plumbing at this site.</p> |

Physical Analysis of Common Assets

| Component | Description | Analysis and Recommendations |
|----------------------|---|---|
| Water/Sewer Service | Includes funding to meet future costs regarding the new well, water monitoring components, water storage tanks, sewage holding tanks, hot water tanks, etc. | New water wells will need to be dug in the future with the end of that exact lifecycle not being known. The amounts outlined below are Current Cost Estimates and, as with all current cost estimates presented in this study, consideration has been made to allow for inflationary effects when funds are required in the future. An allowance of \$12,500 per well (\$25,000) will be allowed in the next 15 years. Our understanding is that ongoing repairs, replacements and inspections of water, chlorine injector and monitors along with any other components is funded through the annual operating budget. Stainless steel water storage tanks have an approximate lifespan of between 20 to 35 years with an estimated cost of replacement closer to \$15,000. 2 sewage holding tanks to be budgeted at an approximate total cost of \$75,000 in 2032 (as per quote provided by Board member). Funds to replace 3 hot water tanks every 15 years at an estimated cost of \$1,250 per tank will be allowed. |
| Equipment / Fixtures | Includes miscellaneous equipment including rotor-tiller, trimmers, hand tools, sit down mower, bins, golf cart(s), | These assets are regularly maintained by the Condo under the operating budget. The lifespans and contribution amounts under this section assume that annual repairs/minor replacements are being carried out and will continue to be funded through the annual operating budget. As such, reserve fund recommendations will be used to help top up this item only. |
| INTERIORS | | |
| MISCELLANEOUS | | |
| Reserve Fund Studies | As per the Provincial Condominium Act, Reserve Fund Studies must be completed every 5 years. | We recommend that these studies are revisited and updated every 3 to 5 years, as any significant change in construction costs, inflationary trends, interest rates, or other factors, can materially impact the recommended contributions. |

Physical Analysis of Common Assets

| Component | Description | Analysis and Recommendations |
|---------------------------------------|---|------------------------------|
| Contractor/ Engineering Reviews | Includes, but not limited to reviews/reports from and/or regarding: Architectural / Engineering, Structural, Landscaping, Plumbing, Mechanical (Heating and Cooling), Electrical, Elevator, Accounting, Legal, etc. This item is difficult to quantify but as a Condominium ages, the capital assets including building structures can require the professional attention to properly review and assess. It is recommended that wherever possible, consulting fees related to the repair/replacement of an element be included with the common element, rather than using this section. | - |



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Executive Summary of Facts & Conclusions

This executive summary has been prepared as a quick reference of pertinent facts and estimates of this Reserve Study and it is provided as convenience only. Readers are advised to refer to the full text of this Reserve Study for detailed information.

Client: The Owners: Condominium Plan # 0725732
% Lorne Smith
-
Ponoka County, AB

Report Date: Nov 28, 2022
Site Review Date: Sep 28, 2022
Financial Analysis For Year Ending Sept 30 2022

Building Name: RV Heaven Condominium
-
Ponoka County, AB

Designed and Constructed circa: 1990's
Occupancy (# of Units): 94

Only materials provided by the client and/or their legal representatives were reviewed. If plans were supplied to us, they were used attempting to quantify building components/improvements. Some quantities were estimated or measured on site and are considered estimates. The following plans were reviewed in the performance of this Reserve Study:

Project Name: The Owners: Condominium Plan # 0725732
Architectural Plans: -
Mechanical Plans: -
Survey Plans: -

The following data and information have been compiled from our site survey and/or available plans. The measurements are approximate:

Site Area (est. sf): 335900
Building Coverage (est. sf): 1
Building Height (est. ft): varies
Underground Parkade (est. sf): -
Asphalt/Non Structural Concrete (est. sf): 0
Landscape (est. sf): 335899

We are assuming that this project was constructed in accordance with applicable Federal, Provincial and Municipal Building Codes, Fire Codes, City by-laws, and construction practices in existence at that time.



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Analysis of Reserve Fund Operations

We have been informed that your present annual contributions for your Reserve Fund is:
\$12,000.00

Every Condominium deals with their repairs/replacements in a different manner. Some prefer to have an operating budget threshold whereby costs that do not exceed a certain amount will be dealt with through their operating budget. This allows for the strongest long term reserve fund investment strategy. For the purposes of this Reserve Study, the operating budget threshold is:
varies

Corporation's Financial Information

Financial Analysis For Year Ending Sept 30 2022

Scenario 1, which is recommended for the purpose of this Reserve Study, has a stated interest on investment of:

1.00%

Statement of Reserve Fund Operations

The Benchmark Analysis has been developed as a guide for the Board and Managers to ensure that the reserve fund is neither under-funded nor over-funded. These numbers may change as final numbers/costs are finalized.

Financial Analysis For Year Ending Sept 30 2022

| | |
|---|-----------|
| Opening Balance | \$166,249 |
| Reserve Fund Contributions | \$12,000 |
| Financing (Loans) | \$0 |
| Special Assessments | \$0 |
| Less: Repayment of Financing (Loans) | \$0 |
| Reserve Fund Interest Income | \$1,662 |
| Total Cash Resources | \$179,911 |
| Total Expenditures - Adjusted for Inflation | \$0 |
| Total Expenditures - leading up to fiscal year end: | \$0.00 |
| Closing Balance | \$179,911 |
| Analysis: Reserve Requirements | \$253,552 |

Adequacy of Reserve Fund may be defined as the present reserve fund balance together with regular contributions and investment income, which constitutes sufficient cash resources available to meet projected reserve fund expenditures as outlined in this study.



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Significant Reserve Fund Estimates

The Significant Reserve Fund Estimates is the foundation of our reserve fund planning system, as it provides the basis for comparison to the actual reserve fund operation. This analysis provides the standard for reserve fund planning and is a valuable management and maintenance resource document.

The reserve fund estimates below were prepared separately to the current financial position of the corporation or the current reserve fund contributions by the unit owners. This represents the optimum reserve fund operation. These estimates have as part of their base, the assumption that the corporation has continuously assessed adequate reserve funding from the time of initial development.

- See 1.11 "Terms of Reference" for a better understanding of the terms below.

Current Cost Estimate \$442,000.00

Future Replacement Costs \$640,730.89

Current Reserve Fund Requirements \$253,552.38

Annual Reserve Fund Assessment \$28,394.72



Reserve Studies Now

30 Year Cash Flow Projections - Summary of 3 Scenarios for Budget Purposes

Scenario 1 is the recommended summary page to consider.

Scenario 2 and 3 are provided to inform and assist Boards and Property Management when developing reserve fund budgets and will often show modifications of the interest rate and/or inflation rate.

30 Year Cash Flow Plan

Scenario 1

Assumptions

Financial Analysis For Year Ending Sept 30 2022

Opening Balance of Reserve Fund: \$166,249

Current Annual Reserve Fund Contribution: \$12,000

Minimum Reserve Fund Balance: n/a

Interest Rate 1.00%

Inflation Rate 3.00%



Reserve Studies Now

This is the recommended Cash Flow Plan.

| Year | Opening Balance of Reserve Fund: | Reserve Fund Contributions | Financing (Loans) | Special Assessments | Total Expenditures - Adjusted for Inflation | Reserve Fund Interest Income | Closing Balance |
|------|----------------------------------|----------------------------|-------------------|---------------------|---|------------------------------|-----------------|
| 2022 | \$166,249 | \$12,000 | \$0 | \$0 | \$0.00 | \$1,662 | \$179,911 |
| 2023 | \$179,911 | \$13,200 | \$0 | \$0 | \$77,250 | \$1,799 | \$117,661 |
| 2024 | \$117,661 | \$14,520 | \$0 | \$0 | \$0 | \$1,177 | \$133,357 |
| 2025 | \$133,357 | \$15,972 | \$0 | \$0 | \$4,371 | \$1,334 | \$146,292 |
| 2026 | \$146,292 | \$17,569 | \$0 | \$0 | \$1,688 | \$1,463 | \$163,636 |
| 2027 | \$163,636 | \$19,326 | \$0 | \$0 | \$31,300 | \$1,636 | \$153,298 |
| 2028 | \$153,298 | \$21,259 | \$0 | \$0 | \$0 | \$1,533 | \$176,090 |
| 2029 | \$176,090 | \$23,385 | \$0 | \$0 | \$0 | \$1,761 | \$201,235 |
| 2030 | \$201,235 | \$25,723 | \$0 | \$0 | \$5,067 | \$2,012 | \$223,903 |
| 2031 | \$223,903 | \$26,495 | \$0 | \$0 | \$0 | \$2,239 | \$252,637 |
| 2032 | \$252,637 | \$27,290 | \$0 | \$0 | \$258,704 | \$2,526 | \$23,749 |
| 2033 | \$23,749 | \$28,108 | \$0 | \$0 | \$2,076 | \$237 | \$50,019 |
| 2034 | \$50,019 | \$28,952 | \$0 | \$0 | \$0 | \$500 | \$79,470 |
| 2035 | \$79,470 | \$29,820 | \$0 | \$0 | \$5,874 | \$795 | \$104,211 |
| 2036 | \$104,211 | \$30,118 | \$0 | \$0 | \$0 | \$1,042 | \$135,371 |
| 2037 | \$135,371 | \$30,419 | \$0 | \$0 | \$98,152 | \$1,354 | \$68,993 |
| 2038 | \$68,993 | \$30,724 | \$0 | \$0 | \$0 | \$690 | \$100,406 |
| 2039 | \$100,406 | \$31,031 | \$0 | \$0 | \$0 | \$1,004 | \$132,441 |
| 2040 | \$132,441 | \$31,341 | \$0 | \$0 | \$9,363 | \$1,324 | \$155,743 |
| 2041 | \$155,743 | \$31,655 | \$0 | \$0 | \$0 | \$1,557 | \$188,955 |
| 2042 | \$188,955 | \$31,971 | \$0 | \$0 | \$13,546 | \$1,890 | \$209,270 |
| 2043 | \$209,270 | \$32,291 | \$0 | \$0 | \$0 | \$2,093 | \$243,654 |
| 2044 | \$243,654 | \$32,614 | \$0 | \$0 | \$0 | \$2,437 | \$278,704 |
| 2045 | \$278,704 | \$32,940 | \$0 | \$0 | \$7,894 | \$2,787 | \$306,537 |
| 2046 | \$306,537 | \$33,269 | \$0 | \$0 | \$0 | \$3,065 | \$342,872 |
| 2047 | \$342,872 | \$33,602 | \$0 | \$0 | \$187,393 | \$3,429 | \$192,509 |
| 2048 | \$192,509 | \$33,938 | \$0 | \$0 | \$0 | \$1,925 | \$228,372 |
| 2049 | \$228,372 | \$34,277 | \$0 | \$0 | \$0 | \$2,284 | \$264,933 |
| 2050 | \$264,933 | \$34,620 | \$0 | \$0 | \$9,152 | \$2,649 | \$293,051 |
| 2051 | \$293,051 | \$34,966 | \$0 | \$0 | \$0 | \$2,931 | \$330,948 |

30 Year Cash Flow Plan

Scenario 2

Assumptions

Financial Analysis For Year Ending Sept 30 2022
 Opening Balance of Reserve Fund: \$166,249
 Current Annual Reserve Fund Contribution: \$12,000
 Minimum Reserve Fund Balance: n/a
 Interest Rate 1.00%
 Inflation Rate 3.50%



Reserve Studies Now

| Year | Opening Balance of Reserve Fund: | Reserve Fund Contributions | Financing (Loans) | Special Assessments | Total Expenditures - Adjusted for Inflation | Reserve Fund Interest Income | Closing Balance |
|------|----------------------------------|----------------------------|-------------------|---------------------|---|------------------------------|-----------------|
| 2022 | \$166,249 | \$12,000 | \$0 | \$0 | \$0.00 | \$1,662 | \$179,911 |
| 2023 | \$179,911 | \$13,200 | \$0 | \$0 | \$77,625 | \$1,799 | \$117,286 |
| 2024 | \$117,286 | \$14,520 | \$0 | \$0 | \$0 | \$1,173 | \$132,978 |
| 2025 | \$132,978 | \$15,972 | \$0 | \$0 | \$4,435 | \$1,330 | \$145,845 |
| 2026 | \$145,845 | \$17,569 | \$0 | \$0 | \$1,721 | \$1,458 | \$163,152 |
| 2027 | \$163,152 | \$19,326 | \$0 | \$0 | \$32,068 | \$1,632 | \$152,042 |
| 2028 | \$152,042 | \$21,259 | \$0 | \$0 | \$0 | \$1,520 | \$174,821 |
| 2029 | \$174,821 | \$23,385 | \$0 | \$0 | \$0 | \$1,748 | \$199,954 |
| 2030 | \$199,954 | \$25,723 | \$0 | \$0 | \$5,267 | \$2,000 | \$222,409 |
| 2031 | \$222,409 | \$28,295 | \$0 | \$0 | \$0 | \$2,224 | \$252,929 |
| 2032 | \$252,929 | \$31,125 | \$0 | \$0 | \$271,540 | \$2,529 | \$15,043 |
| 2033 | \$15,043 | \$33,771 | \$0 | \$0 | \$2,190 | \$150 | \$46,774 |
| 2034 | \$46,774 | \$34,108 | \$0 | \$0 | \$0 | \$468 | \$81,350 |
| 2035 | \$81,350 | \$34,449 | \$0 | \$0 | \$6,256 | \$813 | \$110,357 |
| 2036 | \$110,357 | \$34,794 | \$0 | \$0 | \$0 | \$1,104 | \$146,254 |
| 2037 | \$146,254 | \$35,142 | \$0 | \$0 | \$105,547 | \$1,463 | \$77,311 |
| 2038 | \$77,311 | \$35,493 | \$0 | \$0 | \$0 | \$773 | \$113,577 |
| 2039 | \$113,577 | \$35,848 | \$0 | \$0 | \$0 | \$1,136 | \$150,561 |
| 2040 | \$150,561 | \$36,207 | \$0 | \$0 | \$10,216 | \$1,506 | \$178,057 |
| 2041 | \$178,057 | \$36,569 | \$0 | \$0 | \$0 | \$1,781 | \$216,407 |
| 2042 | \$216,407 | \$36,934 | \$0 | \$0 | \$14,923 | \$2,164 | \$240,582 |
| 2043 | \$240,582 | \$37,304 | \$0 | \$0 | \$0 | \$2,406 | \$280,291 |
| 2044 | \$280,291 | \$37,677 | \$0 | \$0 | \$0 | \$2,803 | \$320,771 |
| 2045 | \$320,771 | \$38,053 | \$0 | \$0 | \$8,824 | \$3,208 | \$353,207 |
| 2046 | \$353,207 | \$38,434 | \$0 | \$0 | \$0 | \$3,532 | \$395,173 |
| 2047 | \$395,173 | \$38,818 | \$0 | \$0 | \$211,510 | \$3,952 | \$226,433 |
| 2048 | \$226,433 | \$39,207 | \$0 | \$0 | \$0 | \$2,264 | \$267,904 |
| 2049 | \$267,904 | \$39,599 | \$0 | \$0 | \$0 | \$2,679 | \$310,182 |
| 2050 | \$310,182 | \$39,995 | \$0 | \$0 | \$10,481 | \$3,102 | \$342,797 |
| 2051 | \$342,797 | \$40,395 | \$0 | \$0 | \$0 | \$3,428 | \$386,620 |

30 Year Cash Flow Plan

Scenario 3

Assumptions

Financial Analysis For Year Ending Sept 30 2022

Opening Balance of Reserve Fund: \$166,249

Current Annual Reserve Fund Contribution: \$12,000

Minimum Reserve Fund Balance: n/a

Interest Rate 1.00%

Inflation Rate 4.00%



Reserve Studies Now

| Year | Opening Balance of Reserve Fund: | Reserve Fund Contributions | Financing (Loans) | Special Assessments | Total Expenditures - Adjusted for Inflation | Reserve Fund Interest Income | Closing Balance |
|------|----------------------------------|----------------------------|-------------------|---------------------|---|------------------------------|-----------------|
| 2022 | \$166,249 | \$12,000 | \$0 | \$0 | \$0.00 | \$1,662 | \$179,911 |
| 2023 | \$179,911 | \$13,380 | \$0 | \$0 | \$78,000 | \$1,799 | \$117,091 |
| 2024 | \$117,091 | \$14,919 | \$0 | \$0 | \$0 | \$1,171 | \$133,180 |
| 2025 | \$133,180 | \$16,634 | \$0 | \$0 | \$4,499 | \$1,332 | \$146,647 |
| 2026 | \$146,647 | \$18,547 | \$0 | \$0 | \$1,755 | \$1,466 | \$164,906 |
| 2027 | \$164,906 | \$20,680 | \$0 | \$0 | \$32,850 | \$1,649 | \$154,386 |
| 2028 | \$154,386 | \$23,058 | \$0 | \$0 | \$0 | \$1,544 | \$178,988 |
| 2029 | \$178,988 | \$25,710 | \$0 | \$0 | \$0 | \$1,790 | \$206,488 |
| 2030 | \$206,488 | \$28,281 | \$0 | \$0 | \$5,474 | \$2,065 | \$231,360 |
| 2031 | \$231,360 | \$31,109 | \$0 | \$0 | \$0 | \$2,314 | \$264,783 |
| 2032 | \$264,783 | \$34,220 | \$0 | \$0 | \$284,947 | \$2,648 | \$16,704 |
| 2033 | \$16,704 | \$35,931 | \$0 | \$0 | \$2,309 | \$167 | \$50,493 |
| 2034 | \$50,493 | \$36,291 | \$0 | \$0 | \$0 | \$505 | \$87,288 |
| 2035 | \$87,288 | \$36,653 | \$0 | \$0 | \$6,660 | \$873 | \$118,155 |
| 2036 | \$118,155 | \$37,020 | \$0 | \$0 | \$0 | \$1,182 | \$156,356 |
| 2037 | \$156,356 | \$37,390 | \$0 | \$0 | \$113,459 | \$1,564 | \$81,850 |
| 2038 | \$81,850 | \$37,764 | \$0 | \$0 | \$0 | \$819 | \$120,433 |
| 2039 | \$120,433 | \$38,142 | \$0 | \$0 | \$0 | \$1,204 | \$159,779 |
| 2040 | \$159,779 | \$38,523 | \$0 | \$0 | \$11,142 | \$1,598 | \$188,758 |
| 2041 | \$188,758 | \$38,908 | \$0 | \$0 | \$0 | \$1,888 | \$229,554 |
| 2042 | \$229,554 | \$39,298 | \$0 | \$0 | \$16,433 | \$2,296 | \$254,714 |
| 2043 | \$254,714 | \$39,690 | \$0 | \$0 | \$0 | \$2,547 | \$296,951 |
| 2044 | \$296,951 | \$40,087 | \$0 | \$0 | \$0 | \$2,970 | \$340,008 |
| 2045 | \$340,008 | \$40,488 | \$0 | \$0 | \$9,859 | \$3,400 | \$374,038 |
| 2046 | \$374,038 | \$40,893 | \$0 | \$0 | \$0 | \$3,740 | \$418,671 |
| 2047 | \$418,671 | \$41,302 | \$0 | \$0 | \$238,592 | \$4,187 | \$225,568 |
| 2048 | \$225,568 | \$41,715 | \$0 | \$0 | \$0 | \$2,256 | \$269,539 |
| 2049 | \$269,539 | \$42,132 | \$0 | \$0 | \$0 | \$2,695 | \$314,366 |
| 2050 | \$314,366 | \$42,554 | \$0 | \$0 | \$11,995 | \$3,144 | \$348,069 |
| 2051 | \$348,069 | \$42,979 | \$0 | \$0 | \$0 | \$3,481 | \$394,528 |



Reserve Studies Now

Scenario 1

Reserve Fund Estimates / Analysis



The Owners: Condominium Plan # 0725732
Nov 28, 2022

Interest Rate 1.00%
Inflation Rate 3.00%

Reserve Studies Now

| Component | NL (yrs) | EA (yrs) | RL (yrs) | Current Cost Estimate | Future Replacement Costs | Current Reserve Fund Requirements | Annual Reserve Fund Assessment |
|------------------------------------|----------|----------|----------|-----------------------|--------------------------|-----------------------------------|--------------------------------|
| SITE | | | | | | | |
| Fence - Replacement | 30 | 29 | 1 | \$75,000 | \$77,250 | \$72,500 | \$4,025 |
| Fence - Maintenance | 10 | 0 | 10 | \$4,500 | \$6,048 | \$0 | \$578 |
| Landscaping | 5 | 2 | 3 | \$4,000 | \$4,371 | \$1,600 | \$898 |
| Roads/Paths | 100 | 1 | 99 | \$0 | \$0 | \$0 | \$0 |
| Playground | 20 | 5 | 15 | \$40,000 | \$62,319 | \$10,000 | \$3,150 |
| SHELL / SUBSTRUCTURE | | | | | | | |
| Underground Services / Foundations | 30 | 20 | 10 | \$45,000 | \$60,476 | \$30,000 | \$2,613 |
| Outbuildings - Utility Shed | 30 | 15 | 15 | \$15,000 | \$23,370 | \$7,500 | \$911 |
| Outbuildings - Well Shed | 30 | 25 | 5 | \$24,000 | \$27,823 | \$20,000 | \$1,334 |
| Shower / Washroom Building | 30 | 5 | 25 | \$85,000 | \$177,971 | \$14,167 | \$5,658 |
| SERVICES | | | | | | | |
| Electrical | 7 | 3 | 4 | \$1,500 | \$1,688 | \$643 | \$251 |
| Water/Sewer Service | 35 | 25 | 10 | \$115,000 | \$154,550 | \$82,143 | \$6,099 |
| Equipment / Fixtures | 20 | 10 | 10 | \$25,000 | \$33,598 | \$12,500 | \$1,892 |
| INTERIORS | | | | | | | |
| MISCELLANEOUS | | | | | | | |
| Reserve Fund Studies | 5 | 0 | 5 | \$3,000 | \$3,478 | \$0 | \$682 |
| Contractor/Engineering Reviews | 30 | 15 | 15 | \$5,000 | \$7,790 | \$2,500 | \$304 |
| TOTAL RESERVES | | | | \$442,000 | \$640,731 | \$253,552 | \$28,395 |

30 Year Reserve Fund Cash Flow Projection & Analysis

| Financial Analysis For Year Ending Sept 30 | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance | | \$166,249 | \$179,911 | \$117,661 | \$133,357 | \$146,292 | \$163,636 | \$153,298 | \$176,090 | \$201,235 | \$223,903 |
| Reserve Fund Contributions | | \$12,000 | \$13,200 | \$14,520 | \$15,972 | \$17,569 | \$19,326 | \$21,259 | \$23,385 | \$25,723 | \$26,495 |
| Financing (Loans) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Special Assessments | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| % Change - Recommended Annual Contribution | | n/a | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 3.00% |
| Less: Repayment of Financing (Loans) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserve Fund Interest Income | 1.00% | \$1,662 | \$1,799 | \$1,177 | \$1,334 | \$1,463 | \$1,636 | \$1,533 | \$1,761 | \$2,012 | \$2,239 |
| Total Cash Resources | | \$179,911 | \$194,911 | \$133,357 | \$150,663 | \$165,324 | \$184,598 | \$176,090 | \$201,235 | \$228,970 | \$252,637 |
| Component | Current Reserve Fund Requirements | | | | | | | | | | |
| SITE | | | | | | | | | | | |
| Fence - Replacement | \$72,500 | | \$77,250 | | | | | | | | |
| Fence - Maintenance | \$0 | | | | | | | | | | |
| Landscaping | \$1,600 | | | | \$4,371 | | | | | \$5,067 | |
| Roads/Paths | \$0 | | | | | | | | | | |
| Playground | \$10,000 | | | | | | | | | | |
| SHELL / SUBSTRUCTURE | | | | | | | | | | | |
| Underground Services / Foundations | \$30,000 | | | | | | | | | | |
| Outbuildings - Utility Shed | \$7,500 | | | | | | | | | | |
| Outbuildings - Well Shed | \$20,000 | | | | | | \$27,823 | | | | |
| Shower / Washroom Building | \$14,167 | | | | | | | | | | |
| SERVICES | | | | | | | | | | | |
| Electrical | \$643 | | | | | \$1,688 | | | | | |
| Water/Sewer Service | \$82,143 | | | | | | | | | | |
| Equipment / Fixtures | \$12,500 | | | | | | | | | | |
| INTERIORS | | | | | | | | | | | |
| MISCELLANEOUS | | | | | | | | | | | |
| Reserve Fund Studies | \$0 | | | | | | \$3,478 | | | | |
| Contractor/Engineering Reviews | \$2,500 | | | | | | | | | | |
| Total Expenditures - Adjusted for Inflation | 3.00% | \$0 | \$77,250 | \$0 | \$4,371 | \$1,688 | \$31,300 | \$0 | \$0 | \$5,067 | \$0 |
| Total Expenditures - leading up to fiscal year end: | | \$0.00 | | | | | | | | | |
| Closing Balance | | \$179,911 | \$117,661 | \$133,357 | \$146,292 | \$163,636 | \$153,298 | \$176,090 | \$201,235 | \$223,903 | \$252,637 |

30 Year Reserve Fund Cash Flow Projection & Analysis

| Financial Analysis For Year Ending Sept 30 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
|--|------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance | \$252,637 | \$23,749 | \$50,019 | \$79,470 | \$104,211 | \$135,371 | \$68,993 | \$100,406 | \$132,441 | \$155,743 |
| Reserve Fund Contributions | \$27,290 | \$28,108 | \$28,952 | \$29,820 | \$30,118 | \$30,419 | \$30,724 | \$31,031 | \$31,341 | \$31,655 |
| Financing (Loans) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| % Change - Recommended Annual Contribution | 3.00% | 3.00% | 3.00% | 3.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Less: Repayment of Financing (Loans) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserve Fund Interest Income | \$2,526 | \$237 | \$500 | \$795 | \$1,042 | \$1,354 | \$690 | \$1,004 | \$1,324 | \$1,557 |
| Total Cash Resources | \$282,453 | \$52,095 | \$79,470 | \$110,085 | \$135,371 | \$167,145 | \$100,406 | \$132,441 | \$165,107 | \$188,955 |
| Component | | | | | | | | | | |
| SITE | | | | | | | | | | |
| Fence - Replacement | | | | | | | | | | |
| Fence - Maintenance | \$6,048 | | | | | | | | | |
| Landscaping | | | | \$5,874 | | | | | \$6,810 | |
| Roads/Paths | | | | | | | | | | |
| Playground | | | | | | \$62,319 | | | | |
| SHELL / SUBSTRUCTURE | | | | | | | | | | |
| Underground Services / Foundations | \$60,476 | | | | | | | | | |
| Outbuildings - Utility Shed | | | | | | \$23,370 | | | | |
| Outbuildings - Well Shed | | | | | | | | | | |
| Shower / Washroom Building | | | | | | | | | | |
| SERVICES | | | | | | | | | | |
| Electrical | | \$2,076 | | | | | | | \$2,554 | |
| Water/Sewer Service | \$154,550 | | | | | | | | | |
| Equipment / Fixtures | \$33,598 | | | | | | | | | |
| INTERIORS | | | | | | | | | | |
| MISCELLANEOUS | | | | | | | | | | |
| Reserve Fund Studies | \$4,032 | | | | | \$4,674 | | | | |
| Contractor/Engineering Reviews | | | | | | \$7,790 | | | | |
| Total Expenditures - Adjusted for Inflation | \$258,704 | \$2,076 | \$0 | \$5,874 | \$0 | \$98,152 | \$0 | \$0 | \$9,363 | \$0 |
| Total Expenditures - leading up to fiscal year end: | | | | | | | | | | |
| Closing Balance | \$23,749 | \$50,019 | \$79,470 | \$104,211 | \$135,371 | \$68,993 | \$100,406 | \$132,441 | \$155,743 | \$188,955 |

30 Year Reserve Fund Cash Flow Projection & Analysis

| Financial Analysis For Year Ending Sept 30 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance | \$188,955 | \$209,270 | \$243,654 | \$278,704 | \$306,537 | \$342,872 | \$192,509 | \$228,372 | \$264,933 | \$293,051 |
| Reserve Fund Contributions | \$31,971 | \$32,291 | \$32,614 | \$32,940 | \$33,269 | \$33,602 | \$33,938 | \$34,277 | \$34,620 | \$34,966 |
| Financing (Loans) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| % Change - Recommended Annual Contribution | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.000% | 1.000% | 1.000% | 1.000% | 1.000% |
| Less: Repayment of Financing (Loans) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserve Fund Interest Income | \$1,890 | \$2,093 | \$2,437 | \$2,787 | \$3,065 | \$3,429 | \$1,925 | \$2,284 | \$2,649 | \$2,931 |
| Total Cash Resources | \$222,816 | \$243,654 | \$278,704 | \$314,431 | \$342,872 | \$379,902 | \$228,372 | \$264,933 | \$302,203 | \$330,948 |
| Component | | | | | | | | | | |
| SITE | | | | | | | | | | |
| Fence - Replacement | | | | | | | | | | |
| Fence - Maintenance | \$8,128 | | | | | | | | | |
| Landscaping | | | | \$7,894 | | | | | \$9,152 | |
| Roads/Paths | | | | | | | | | | |
| Playground | | | | | | | | | | |
| SHELL / SUBSTRUCTURE | | | | | | | | | | |
| Underground Services / Foundations | | | | | | | | | | |
| Outbuildings - Utility Shed | | | | | | | | | | |
| Outbuildings - Well Shed | | | | | | | | | | |
| Shower / Washroom Building | | | | | | \$177,971 | | | | |
| SERVICES | | | | | | | | | | |
| Electrical | | | | | | \$3,141 | | | | |
| Water/Sewer Service | | | | | | | | | | |
| Equipment / Fixtures | | | | | | | | | | |
| INTERIORS | | | | | | | | | | |
| MISCELLANEOUS | | | | | | | | | | |
| Reserve Fund Studies | \$5,418 | | | | | \$6,281 | | | | |
| Contractor/Engineering Reviews | | | | | | | | | | |
| Total Expenditures - Adjusted for Inflation | \$13,546 | \$0 | \$0 | \$7,894 | \$0 | \$187,393 | \$0 | \$0 | \$9,152 | \$0 |
| Total Expenditures - leading up to fiscal year end: | | | | | | | | | | |
| Closing Balance | \$209,270 | \$243,654 | \$278,704 | \$306,537 | \$342,872 | \$192,509 | \$228,372 | \$264,933 | \$293,051 | \$330,948 |



Reserve Studies Now

Recommendations

The Owners: Condominium Plan # 0725732

Our recommendations, set out below in the Reserve Report and detailed in the Reserve Study, will assist the corporation to achieve and maintain an adequate reserve fund. In our opinion, the current reserve fund balance, recommended annual contributions and earned investment income will adequately fund immediate and future reserve fund expenditures.

Recommendations:

- The corporation should prepare and implement the long-term reserve fund strategy outlined in Scenario 1.
- Major repairs and replacements should be recorded in, and funded from, a reserve fund account.
- The reserve fund should be fully invested in guaranteed securities, achieving the minimum return on investment outlined in Scenario 1.
- The corporation should make such expenditures, as necessary, to maintain the property in optimum condition. Some of these expenditures may be made through the annual operating budget(s).
- The reserve fund should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.
- Reserve Study requirements are subject to change and must be reviewed and modified over time with a full Reserve Study completed not less than every 3 years (BC), 5 years (AB, SK). Reserve Fund reviews are required on an annual basis with results presented to the unit owners annually at the AGM.
- Keep in mind that while the Strategic Plan of this Reserve Study is 30 years and the Tactical Plan is to look 3 to 6 years ahead, the reality is that your buildings and site is always changing and reacting to weather conditions, etc. The Operational Plan for your common assets should be reviewed annually to ensure that lifespans, interest, inflation, effects of weather, etc. won't leave your Reserve Fund compromised when meeting long term liabilities for repair/replacements.

Be Aware ...

- ***The failure to put an appropriate reserve fund plan and strategy in place will likely result in special assessments in the future when major common asset repairs, refurbishments and replacements are needed. Consideration should also be given that a poorly funded reserve fund may lower your property values. Many potential unit owners consider properly funded reserves to be part of their due diligence review. The Condominium Board has a duty to act in the best interest of the unit owner. It is in your best interest as a Board member and Unit owner to ensure that proper funding is made to the reserve fund.***

Certification

I hereby certify that I am the prescribed person empowered to conduct reserve fund studies, as stipulated in your provincial condominium act/regulations and that I have personally visually inspected the within described property. The nature and extent of the property inspection is set forth within the report. If building plans, financials statements or other documents were provided, I have reviewed them. To the best of my knowledge and belief, the statements of fact contained in this report are true and correct.

I have no interest, present or prospective, in the property or its management. Neither the employment to prepare this Reserve Fund Study & Reserve Report nor the compensation is contingent on the amount of the reserve fund estimates reported. Moreover, I am solely responsible for the reserve fund estimates reported herein unless otherwise mentioned somewhere in the content of the Reserve Report and/or Reserve Study.

We have relied upon the client and/or their agent(s) (if applicable) to provide the current Reserve Fund Balance and financial information, building information, previous reports and studies, building plans, etc. We have not investigated whether or not these information sources are reliable or valid.

No destructive or intrusive testing was performed at any time for this report. A visual inspection of the site and building(s) was carried out for the purposes of this Reserve Study.

This Reserve Study has been prepared by Larry Mousseau BA, CRP, CIP, CRM, CAIB. I have 20+ years providing Reserve Studies, Risk Analysis, Risk Financing, Loss Control and Property Underwriting for private markets and the insurance industry. As well, I have my BA - Bachelor of Arts from University of Alberta, CRP - Certified Reserve Planner designation earned from the Real Estate Institute of Canada, CIP - Chartered Insurance Professional designation earned from the Insurance Institute of Canada, CRM - Canadian Risk Management designation earned from University of Toronto and my CAIB - Canadian Accredited Insurance Broker designation earned from the Independent Insurance Brokers' Association.

This Reserve Study was prepared in conformity with the Reserve Fund Study Standards, published by the Real Estate Institute of Canada, and fully complies with all Provincial requirements.

Respectfully submitted,

Reserve Studies Now

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