

**YORK CONDOMINIUM CORPORATION NO. 323**

**50 Quebec Avenue, Toronto, Ontario M6P 4B4**

**Email: yorkcondo323@rogers.com**

April 3, 2012

Owner

50 Quebec Ave.

Toronto, ON. M6P 4B4

Re: YCC 323 – Budget for the fiscal year May 1, 2012 to April 30, 2013

Dear Owner,

Enclosed is the summary of the Operating Budget and Budget Report for York Condominium Corporation No. 323 for the fiscal year May 1, 2012 to April 30, 2013. After careful review of all expenditures your Board of Directors, in consultation with Brookfield Residential Services Ltd, has approved that there will be a 2.98% increase in the common element contribution fees for the forthcoming year.

Owners who currently pay their fees via electronic funds transfer through the Pre-Authorized Direct Payment Service Plan (PAPP) will see the amount automatically adjusted on May 1, 2012.

Owners who are not enrolled in the Pre-Authorized Direct Payment Service Plan are encouraged to sign and return the enclosed form along with a void cheque. As the PAPP program will start effective June 1, 2012 one cheque dated May 1, 2012 is also required to cover the maintenance fees for May. Thank you in advance for your cooperation.

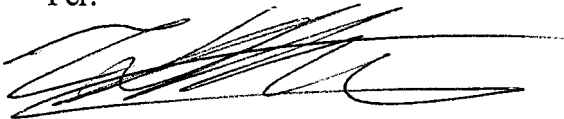
The Budget Information Meeting is scheduled for Thursday, April 19, 2012 at 7:00 pm. in the meeting room. The Board of Directors will be pleased to address your questions and provide any additional information and/or clarification. In order to assist in the process, if you think your question might require a detailed answer please put the question in writing in advance of the meeting and deliver it to the management office. The Board will also take questions from the floor during the meeting.

Please note that, this is an informal information and discussion meeting only. No formal Minutes will be recorded and no matters will be raised for a vote.

Yours truly,

THE BOARD OF DIRECTORS OF YORK CONDOMINIUM CORPORATION YCC 323

Per:



Frank Delling  
President, YCC 323

**YORK CONDOMINIUM CORPORATION No. 323**

**BUDGET REPORT**

**For Financial Year  
May 1, 2012 to April 30, 2013**

The Board is pleased to advise that after careful review of the Expense Items it has managed to contain the Budget increase to 2.98% for the 2012/2013 Common Expense Contribution.

The Common Expense Contribution for each suite is shown in the Budget Summary.

The intent of this Report is to provide a brief explanation of the items making up this Budget and to compare them to the Budget and Forecasted Expenses for the 2011/12 year.

This Report will address the two parts of our Budget.

Firstly, the Operating Budget, which provides funds for the operations and maintenance of the building and its facilities.

Secondly, the Reserve Fund, which is used to accumulate funds over the long term to pay for major repairs and replacement items.

***Overview of Top Level Items to last year's Budget:-***

	2011/12 BUDGET	2012/13 BUDGET	CHANGE
BUDGETED EXPENSES:-			
Operating Expenditure	\$1,059,200	\$1,050,100	(\$ 9,100)
Reserve Fund Contribution	\$ 672,750	\$ 696,296	\$23,546
TOTAL EXPENSES	\$1,731,950	\$1,746,396	\$14,446
MINUS: Other Income	\$ 15,954	\$ 16,371	\$ 417
MINUS: Use of Operating Surplus	\$ 52,027	\$ 16,500	(\$35,527)
COMMON EXPENSE CONTRIBUTION	\$1,663,969	\$1,713,525	\$ 49,556 (2.98%)

At April 30, 2011, the accumulated Operating Surplus from previous years was \$201,656.

At January 31, 2012 the expected Operating Surplus for this year is \$85,590.

## ***The Operating Budget.***

Please see the Budget Summary attachment for details of the Operating Expenses from the 2011/12 Budget, the Projected Expenses for 2011/12 and the Approved Budget for 2012/13.

The Projected Expenditure for the current year (as of end January 2012) is \$977,003, which results in a projected Operating Surplus of \$85,590. This significant saving was achieved by good cost management, improved arrangements with some suppliers, and by a reduction in water, electricity and gas costs.

For 2012/13, the Board has approved an Operating Budget of \$1,050,100. This is a decrease of \$9,100 when compared to last year's Budget and is explained below

The Budget was prepared based on:-

- (a) Consideration of the cost improvements achieved over the past year;
- (b) A full review of the escalation applicable to the many ongoing contracted and non-contracted services needed to properly operate and maintain the building;
- (c) A detailed analysis of gas, water and electricity consumption and rates for next year;
- (d) Realistic contingencies to allow for unforeseen situations.

A comparison of the New Budget to the Current Budget shows that for most line items the year on year increase or decrease is relatively small (less than \$3,000). This is what one should expect, as most operating items are repeated year after year with changes due mainly to inflation or improved arrangements. However, there are some items that have varied from this general rule and an explanation for these is provided as follows:-

Utilities account for about 45% of the Operating Budget and these have decreased by \$6,013.

The main reason for this is the reduction in gas and electricity consumption resulting from energy saving projects that were implemented over the past few years.

The cost of Water is basically unchanged despite a 9% increase in water rates because our consumption of water has been reducing each year.

The increase of \$5,139 (about 2%) in all Contracted Services is mainly due to inflation increases in the various Contracts.

The decrease of \$4,500 in House Keeping & Maintenance is due to a number of improved purchasing arrangements for various Maintenance Supplies

The decrease of \$3,000 in Mechanical Expenses is due to improved arrangements for plumbing maintenance.

The increase of \$3,600 for Contingency is based on an estimate for certain work that may need to be done to the Elevator Machinery.

The full Budget is available in the office for those who are interested in the details.

## ***Reserve Fund Contributions***

The Reserve Fund Study was updated by our Engineer in January 2010 to take account of the work completed since the 2007 Study, and to include any new items and the HST.

Based on this Study, a Form 15 Notice of Future Funding of the Reserve Fund, which provides a summary of Contributions and Expenditures for future years, was sent to all Owners on September 2, 2010.

The Study recommends that the Contribution for 2012/13 should be \$696,296, and that the Contributions should increase by 3.5% per year for future years.

The full Study which contains over 200 individual items is available in the office for those who are interested in the details.

The unaudited Balance in the Reserve Fund at January 31, 2012 is \$1,280,919.

## ***Operating Surpluses***

The Corporation had an accumulated Operating Surplus of \$201,656 at April 30, 2011

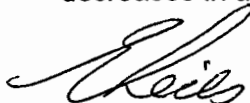
The Board has applied \$16,500 of this Surplus to the 2012/13 Budget, and at the end of this Financial Year the Boards plans to transfer a significant portion of the remaining Surplus into the Reserve Fund. However, an appropriate amount will be kept as a contingency for unexpected Operating Expenses.

The saving from the current year will be added to the Operating Surplus after the end of year Audit confirms the final amount.

## ***Summary***

As explained above, after careful review the Board has approved an increase of 2.98%.

It is the Board's intention to smooth out any necessary future changes in the owner's contributions to Common Expenses and to avoid having significantly large increases or decreases in any particular year.



Ed Leies  
Treasurer, YCC323.

## BUDGET SUMMARY 2012-2013

DESCRIPTION	2011/2012	2011/2012	2012/2013	\$ BUDGET
	BUDGET	PROJECTED	BUDGET	CHANGE
COMMON EXPENSE CONTRIBUTION	1,663,969	1,663,969	1,713,525	49,556
PRIOR YEAR SURPLUS APPLIED	52,027	52,027	16,500	-35,527
LESS RESERVE CONTRIBUTION	-672,750	-672,750	-696,296	-23,546
OTHER INCOME	15,954	19,347	16,371	417
<b>TOTAL REVENUE FOR OPERATIONS</b>	<b>1,059,200</b>	<b>1,062,593</b>	<b>1,050,100</b>	<b>-9,100</b>
EXPENDITURES ON OPERATIONS				
UTILITIES	481,147	429,900	475,134	-6,013
GAS	177,353	149,774	173,623	-3,730
HYDRO	218,309	204,253	215,337	-2,972
WATER	85,485	75,873	86,174	689
ON SITE WAGES & BENEFITS - PAYROLL	84,902	85,249	88,146	3,244
CONTRACTS - OPERATING	266,705	262,033	271,844	5,139
CABLE TV	64,864	64,639	68,000	3,136
ELEVATORS	11,760	11,576	12,200	440
HVAC	31,026	31,516	32,720	1,694
LANDSCAPING	25,820	25,816	26,325	505
MANAGEMENT FEES	104,700	104,698	107,340	2,640
OTHER	28,535	23,788	25,259	-3,276
AMENITIES & RECREATION	1,320	1,111	1,320	0
BUILDING SAFETY FEATURE	8,050	4,396	5,300	-2,750
C/A - HOUSEKEEPING & MAINTENANCE	32,100	25,944	27,600	-4,500
ELECTRICAL	12,360	9,642	10,560	-1,800
EXTERIOR R & M EXPENSES	7,550	7,689	7,550	0
IN-SUITE R & M - CONDO	4,200	4,364	4,200	0
MECHANICAL EXPENSES	32,800	31,013	29,800	-3,000
CONTINGENCY	15,000	14,856	18,600	3,600
SHARD FACILITIES	38,220	38,220	38,220	0
INSURANCE EXPENSES	40,400	33,302	38,000	-2,400
GENERAL & ADMINISTRATIVE EXPENSES	34,446	29,284	33,826	-620
<b>TOTAL OPERATIONS EXPENDITURES</b>	<b>1,059,200</b>	<b>977,003</b>	<b>1,050,100</b>	<b>-9,100</b>
<b>SURPLUS / (DEFICIT) FROM OPERATIONS</b>	<b>0</b>	<b>85,590</b>	<b>0</b>	<b>0</b>
NOTE: SURPLUS AT APRIL 30, 2011 \$201,656				

### COMMON EXPENSE CONTRIBUTION

#### MONTHLY FEES

May 1, 2012 to April 30, 2013

Suites 01 and 08	\$742.34
Suites 02 and 07	\$848.39
Suites 03 and 05	\$689.32
Suites 04 and 06	\$636.30
65 Gothic Ave	\$217.76
27- 63 Gothic Ave	\$217.77

*EL*