

YORK CONDOMINIUM CORPORATION NO. 323

50 Quebec Avenue, Toronto, Ontario M6P 4B4

Email: yorkcondo323@rogers.com

April 14, 2011

Owner
50 Quebec Ave.
Toronto, Ontario, M6P 4B4

Re: YCC 323 – Budget for the fiscal year May 1, 2011 to April 30, 2012

Dear Owner,

Enclosed is a summary of the Operating Budget and Budget Report for York Condominium Corporation No. 323 for the fiscal year May 1, 2011 to April 30, 2012. After careful review of all expenditures your Board of Directors in consultation with Brookfield Residential Services, has approved that there will be **no change** 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 and unchanged on May 1, 2011.

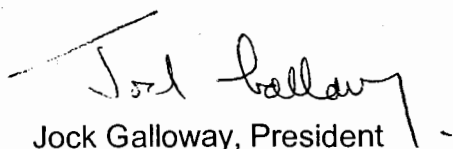
Owners who are not enrolled in the Pre-Authorized Direct Payment Service Plan are encouraged to sign for this program and provide a void cheque. As the PAPP program will start effective June 1, 2011 one cheque dated May 1, 2011 is also required to cover the maintenance fees for May. Thank you in advance for your cooperation.

The Budget Information Discussion Meeting is scheduled for Wednesday, April 27, 2011 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 information and discussion meeting and NOT a Special General Meeting. 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


Jock Galloway, President

YORK CONDOMINIUM CORPORATION No. 323

BUDGET REPORT

**For Financial Year
May 1, 2011 to April 30, 2012**

The Board is pleased to advise that the Common Expense Contribution (the monthly contribution from owners) for the next financial year (2011 to 2012) will remain at the same level as the current year.

This has been achieved by: (a) good management of the Operating Costs for the current year which at end January is projecting an Operating Saving of about \$47,739; and (b) by using some of the Operating Surplus that was accumulated from previous years.

A comparison of the Top Level Items to last year's Budget is:-

	2010/11 BUDGET	2011/12 BUDGET	CHANGE
BUDGETED EXPENSES:-			
Operating Expenditure	\$1,052,734	\$1,059,200	\$ 6,466
Reserve Fund Contribution	\$ 650,000	\$ 672,750	\$22,750
TOTAL EXPENSES	\$1,702,734	\$1,731,950	\$29,216
MINUS: Other Income	\$ 20,385	\$ 15,954	(\$ 4,431)
MINUS: Use of Operating Surplus	\$ 18,380	\$ 52,027	\$33,647
COMMON EXPENSE CONTRIBUTION	\$1,663,969	\$1,663,969	\$ ZERO

At April 30, 2010, the Surplus available from previous years was \$162,959

At budget preparation time, the expected Surplus for the 2010/11 year is \$ 47,739

The Operating Budget.

Please see attachment for the Budget Summary showing the major items.

The Projected Expenditure for this year (as of end January 2011) is \$1,004,818, which is \$47,739 less than the Budget. This saving was achieved by good cost management, improved arrangements with some suppliers, and by a reduction in water and gas consumption and thus cost. The details of the Projected Costs for 2010/11 are also shown in the Budget Summary attachment.

For 2011/12, the Board has approved an Operating Budget of \$1,059,200. This is an increase of \$54,382 (about 5%) on the Projected Expenditure for 2010/11.

This Budget was prepared based on:-

- (a) Consideration of the improvements made 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.

Because of the expected saving for this year, the increase for next year is only \$6,466 when compared to the 2010/11 Budget.

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 should be expected, 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:-

In total the Utilities account for about 45% of the Budget and these have increased by \$37,348.

The main driver for this is an increase of \$33,764 for Gas which is mainly due to a new 3 year Gas Supply Contract that starts in January 2012. The Board is currently attempting to get a better price for this.

The Hydro increase is only \$4,883 despite the higher Toronto Hydro rates because of a 10% Ontario Clean Energy Benefit that is being provided to us for the next 5 years.

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

The increase of \$3,784 in Cable TV is due to a new 5 year Contract with Rogers.

The increase of \$4,404 in Management Fees is for inflation in the current Brookfield Management Contract.

The decrease of \$11,700 in House Keeping & Maintenance is mainly due to improved arrangements for Waste Disposal. We are now using the services of City of Toronto to collect the bulk garbage, electronics and hazardous materials instead of using a private contractor.

The decrease of \$8,300 in Mechanical Expenses is due to improved arrangements for Plumbing and Mechanical maintenance.

The decrease of \$15,000 for Specific Costs is based on an estimate for the work that may need to be done in this category.

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 additional 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 2011/12 should be \$672,750, 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, 2011 is \$778,770.

Surpluses

The Corporation had an accumulated Operating Surplus of \$162,959 at April 30, 2010, and the Board has decided to use \$52,072 of this to off set some of the 2011/12 Expenditures, thus enabling the Corporation to have no increase in Common Expense Contribution for the 2011/12 year.

This arrangement will still leave a significant Surplus available for any extraordinary or unforeseen expenditure, which may not be in the Operating Budget or Reserve Fund, and that may occur in future.

In addition, any saving from the current year, which is currently expected to be about \$47,739, will be added to the Surplus after the end of year Audit confirms the final amount.

Summary

With the situation as explained above, the Board considered it appropriate to use the surplus funds previously collected from the Owners to cover the increases for this year and thus not increase the Common Expense Contribution for the 2011/12 year.

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, on behalf of the Board.

BUDGET SUMMARY

DESCRIPTION		2010/2011 BUDGET	2010/2011 PROJECTED	2011/2012 BUDGET	\$ BUDGET CHANGE
COMMON EXPENSE CONTRIBUTION		1,663,969	1,663,969	1,663,969	0
PRIOR YEAR SURPLUS APPLIED		18,380	18,380	52,027	33,647
LESS RESERVE CONTRIBUTION		-650,000	-650,000	-672,750	-22,750
OTHER INCOME		20,385	20,208	15,954	-4,431
TOTAL REVENUE FOR OPERATIONS		1,052,734	1,052,557	1,059,200	6,466
EXPENDITURES ON OPERATIONS					
UTILITIES		443,799	412,381	481,147	37,348
	GAS	143,589	126,669	177,353	33,764
	HYDRO	213,426	215,268	218,309	4,883
	WATER	86,784	70,444	85,485	-1,299
ON SITE WAGES & BENEFITS - PAYROLL		84,274	85,458	84,902	628
CONTRACTS - OPERATING		255,590	252,972	266,705	11,115
	CABLE TV	61,080	59,126	64,864	3,784
	ELEVATORS	11,140	11,114	11,760	620
	HVAC	28,812	29,334	31,026	2,214
	LANDSCAPING	24,974	24,280	25,820	846
	MANAGEMENT FEES	100,296	100,445	104,700	4,404
	OTHER	29,288	28,673	28,535	-753
AMENITIES & RECREATION		1,320	1,289	1,320	0
BUILDING SAFETY FEATURE		11,100	9,705	8,050	-3,050
C/A - HOUSEKEEPING & MAINTENANCE		43,800	41,039	32,100	-11,700
ELECTRICAL		14,815	11,360	12,360	-2,455
EXTERIOR R & M EXPENSES		9,250	7,741	7,550	-1,700
IN-SUITE R & M - CONDO		4,200	4,089	4,200	0
MECHANICAL EXPENSES		41,100	36,162	32,800	-8,300
SPECIFIC COSTS EXPENSES		30,000	29,488	15,000	-15,000
SHARED FACILITIES (HPGR)		38,220	38,220	38,220	0
INSURANCE EXPENSES		39,020	39,000	40,400	1,380
GENERAL & ADMINISTRATIVE EXPENSES		36,246	35,914	34,446	-1,800
TOTAL OPERATIONS EXPENDITURES		1,052,734	1,004,818	1,059,200	6,466
SURPLUS / (DEFICIT) FROM OPERATIONS		0	47,739	0	0
NOTE: SURPLUS AT APRIL 30, 2010		162,959			

COMMON EXPENSE CONTRIBUTION

MONTHLY FEES

May 1, 2011 to April 30, 2012

Suites 01 and 08	\$720.87
Suites 02 and 07	\$823.86
Suites 03 and 05	\$669.39
Suites 04 and 06	\$617.90
65 Gothic Ave	\$211.46
27- 63 Gothic Ave	\$211.48

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