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701 Main Street West, Suite 101
Hamilton, Ontario L8S 1A2
Tel: 905.540.8800 1.800.999.7419
Fax: 905.540.4450



March 19, 2018

Wentworth Common Element Condominium Corporation No.538
311 Frances
Stoney Creek, ON

Dear Owners:

RE: WENTWORTH COMMON ELEMENT CONDOMINIUM CORPORATION NO. 538
NOTICE OF FUTURE FUNDING OF THE RESERVE FUND

As Managers of the Condominium Corporation and on behalf of your Board of Directors, we enclose a Notice of Future Funding of the Reserve Fund for the Corporation, together with associated documents. An Comprehensive Reserve Fund Study (Class 1) was completed by Brown & Beattie Ltd. on March 14, 2018, as required by the Condominium Act.

Please note that the increases referred to in the enclosures are in reference to the Reserve Fund Contributions only and not to the total operating budget.

If you have any questions or concerns, please contact the Property Manager.

Sincerely,
WILSON BLANCHARD MANAGEMENT, INC.

Olsi Cami, RCM
Property Manager

cc: Board of Directors

IMPORTANT NOTICE: Wilson, Blanchard Management Inc. acts at all material times solely as agent for the Condominium Corporation specified in the subject line of this message unless expressly and explicitly stated otherwise.

**NOTICE OF FUTURE FUNDING OF THE RESERVE FUND
(UNDER SUBSECTION 94 (9) OF THE CONDOMINIUM ACT, 1998)**

Condominium Act, 1998

TO: All owners in Wentworth Common Element Condominium Corporation No. 538

The Board has received and reviewed a Comprehensive Reserve Fund Study (Class 1) dated March 14, 2018 prepared by Brown & Beattie Ltd. and has proposed a plan for the future funding of the reserve fund that the board has determined will ensure that, in accordance with the regulations made under the *Condominium Act, 1998*, the reserve fund will be adequate for the major repair and replacement of the common elements and assets of the corporation.

This notice contains:

1. A summary of the reserve fund study.
2. A summary of the proposed funding plan.
3. A statement indicating the areas, if any, in which the proposed funding plan differs from the reserve fund study.

The average contribution per unit per month to the reserve fund in 2016/17 was \$10.62. Based on the proposed funding plan, the average increase in contribution per unit per month will be:

- \$ 1.12 for the 2017/18 fiscal year;
- \$ 0.23 for the 2018/19 fiscal year; and
- \$ 0.24 for the 2019/20 fiscal year.

The proposed funding plan will be implemented beginning on May 2018 (set out the date of a day that is more than 30 days after the day on which this notice is sent to the owners).

Dated this 15 day of March, 2018

Wentworth Common Element Condominium Corporation No. 538

Giulio Balestra
(signature)

Giulio Balestra
(print name)

Timothy McCabe
(signature)

Timothy McCabe, V.P.
(print name)

(Affix corporate seal or add a statement that the persons signing have the authority to bind the corporation.)

SUMMARY OF RESERVE FUND STUDY

The following is a summary of the Comprehensive Reserve Fund Study (Class 1) dated March 14, 2018 prepared by Brown & Beattie Ltd. for Wentworth Common Element Condominium Corporation No. 538 (known as the "Reserve Fund Study").

Subsection 94 (1) of the *Condominium Act, 1998*, requires the corporation to conduct periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the corporation. As a result, the corporation has obtained the Reserve Fund Study.

The estimated expenditures from the reserve fund for the next thirty (30) years are set out in the CASH FLOW SUMMARY / CONTRIBUTION SCHEDULE / FUNDING PLAN. In this summary, the term "annual contribution" means the total amount to be contributed each year to the reserve fund, exclusive of interest earned on the reserve fund. The recommended annual contribution for 2017/18 is \$11,125, based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund:	\$0
Minimum Reserve Fund Balance during the Project Period:	\$40,000
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.00%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	Short Term 2.50% Long Term 5.00%

The Proposed Plan for Future Funding of the Reserve Fund can be examined upon written request to the Condominium Corporation or their authorized agent.

CASH FLOW TABLE

Opening Balance of the Reserve Fund:	\$0
Minimum Reserve Fund Balance during the Project Period:	\$40,000
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.00%
Assumed Annual Interest Rate for interest earned on the Reserve Fund:	Short Term 2.50% Long Term 5.00%

Year	Opening Balance	Recommended Annual Contribution	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Recommended Annual Contribution	Closing Balance
Please refer to Brown & Beattie's attached Cash Flow Summary/Contribution Schedule/Funding Plan						

**SUMMARY OF PROPOSED PLAN
FOR FUTURE FUNDING OF THE RESERVE FUND**

The following is a summary of the Board's proposed plan for the future funding of the Reserve Fund.

The Board of Wentworth Common Element Condominium Corporation No. 538 has reviewed the Comprehensive Reserve Fund Study (Class 1) dated March 14, 2018 prepared by Brown & Beattie Ltd. for the corporation (known as the "Reserve Fund Study") and has proposed a plan for the future funding of the reserve fund that the Board has determined will ensure that, in accordance with the regulations made under the *Condominium Act, 1998*, the reserve fund will be adequate for the major repair and replacement of the common elements and assets of the corporation.

The Board has adopted the funding recommendations of the Reserve Fund Study and will implement them as set out in the Cash Flow Summary / Contribution Schedule / Funding Plan.

The total annual contribution recommended under the proposed funding plan for the current fiscal year is \$11,125, which is the same amount that has already been budgeted.

The Proposed Plan for Future Funding of the Reserve Fund can be examined upon written request to the Condominium Corporation or their authorized agent.

CONTRIBUTION TABLE

Year	A Annual Contribution*	% Increase Over Previous Year	B Other Contribution (e.g. special assessment, loan)	A + B Total Contribution Each Year to Reserve Fund
Please refer to Brown & Beattie's attached Cash Flow Summary/Contribution Schedule/Funding Plan				

*The term "annual contribution" means the amount to be contributed each year to the reserve fund from the monthly common expenses.

**DIFFERENCES BETWEEN
THE RESERVE FUND STUDY AND
THE PROPOSED PLAN FOR FUTURE
FUNDING OF THE RESERVE FUND**

The Plan for Future Funding of the Reserve Fund proposed by the board differs from the Reserve Fund Study in the following respects:

No differences.

311 Frances Avenue, Stoney Creek
Reserve Fund Study
Cash Flow Summary / Contribution Schedule / Funding Plan

of Units: 79
 Special Assessment: \$0
 Fiscal Year End: 28-May
 Min. Balance: \$40,000
 Opening Balance: \$0
 Present Contribution: \$10,065

Apr-17

Short Term (3 yr.) Interest: 2.50%
 Long Term Interest: 5.00%

(as of May.28/16)
 (avg/unit/month): \$10.62

Run: 4a

Assumed Inflation: 2.00%
 Initial Contribution Increase: 10.53%
 Subsequent Contribution Increase: 2.00%

Fiscal Year Ending May. 28	Expected Costs	Interest	Contribution Schedule	Balance		Comments	
2017	-\$1,400	\$0	\$10,065	(avg/unit/month)	\$8,665	(% Increase)	
2018	\$0	\$217	\$11,125	(\$11.74)	\$20,007	10.53%	Contr. Increase (Sub-Critical Year)
2019	\$0	\$500	\$11,348	(\$11.97)	\$31,855	2.00%	Sub-Critical Year
2020	-\$3,184	\$796	\$11,575	(\$12.21)	\$41,042	2.00%	Sub-Critical Year
2021	\$0	\$2,052	\$11,806	(\$12.45)	\$54,900	2.00%	Increase to Match Inflation
2022	-\$2,208	\$2,745	\$12,042	(\$12.70)	\$67,479	2.00%	"
2023	-\$4,279	\$3,374	\$12,283	(\$12.96)	\$78,857	2.00%	"
2024	\$0	\$3,943	\$12,529	(\$13.22)	\$95,328	2.00%	"
2025	\$0	\$4,766	\$12,779	(\$13.48)	\$112,874	2.00%	"
2026	-\$3,585	\$5,644	\$13,035	(\$13.75)	\$127,967	2.00%	"
2027	-\$2,438	\$6,398	\$13,296	(\$14.02)	\$145,223	2.00%	"
2028	\$0	\$7,261	\$13,561	(\$14.31)	\$166,046	2.00%	"
2029	-\$4,819	\$8,302	\$13,833	(\$14.59)	\$183,361	2.00%	"
2030	\$0	\$9,168	\$14,109	(\$14.88)	\$206,639	2.00%	"
2031	\$0	\$10,332	\$14,392	(\$15.18)	\$231,362	2.00%	"
2032	-\$144,008	\$11,568	\$14,679	(\$15.48)	\$113,602	2.00%	"
2033	\$0	\$5,680	\$14,973	(\$15.79)	\$134,255	2.00%	"
2034	\$0	\$6,713	\$15,272	(\$16.11)	\$156,240	2.00%	"
2035	-\$5,427	\$7,812	\$15,578	(\$16.43)	\$174,202	2.00%	"
2036	\$0	\$8,710	\$15,889	(\$16.76)	\$198,802	2.00%	"
2037	-\$2,972	\$9,940	\$16,207	(\$17.10)	\$221,977	2.00%	"
2038	-\$4,547	\$11,099	\$16,531	(\$17.44)	\$245,061	2.00%	"
2039	\$0	\$12,253	\$16,862	(\$17.79)	\$274,176	2.00%	"
2040	\$0	\$13,709	\$17,199	(\$18.14)	\$305,084	2.00%	"
2041	-\$6,112	\$15,254	\$17,543	(\$18.51)	\$331,769	2.00%	"
2042	-\$22,968	\$16,588	\$17,894	(\$18.88)	\$343,283	2.00%	"
2043	\$0	\$17,164	\$18,252	(\$19.25)	\$378,699	2.00%	"
2044	-\$5,121	\$18,935	\$18,617	(\$19.64)	\$411,130	2.00%	"
2045	\$0	\$20,557	\$18,989	(\$20.03)	\$450,676	2.00%	"
2046	-\$21,310	\$22,534	\$18,989	(\$20.03)	\$470,889	0.00%	"
2047	-\$421,685	\$23,544	\$18,989	(\$20.03)	\$91,738	0.00%	"
2048	\$0	\$4,587	\$18,989	(\$20.03)	\$115,314	0.00%	"
2049	\$0	\$5,766	\$18,989	(\$20.03)	\$140,069	0.00%	"
2050	-\$5,767	\$7,003	\$18,989	(\$20.03)	\$160,295	0.00%	"
2051	\$0	\$8,015	\$18,989	(\$20.03)	\$187,299	0.00%	"
2052	-\$27,998	\$9,365	\$18,989	(\$20.03)	\$187,655	0.00%	"
2053	-\$7,752	\$9,383	\$18,989	(\$20.03)	\$208,276	0.00%	"
2054	\$0	\$10,414	\$18,989	(\$20.03)	\$237,679	0.00%	"
2055	\$0	\$11,884	\$18,989	(\$20.03)	\$268,552	0.00%	"
2056	-\$32,471	\$13,428	\$18,989	(\$20.03)	\$268,498	0.00%	"
2057	-\$48,577	\$13,425	\$18,989	(\$20.03)	\$252,335	0.00%	"
2058	\$0	\$12,617	\$18,989	(\$20.03)	\$283,941	0.00%	"
2059	-\$8,730	\$14,197	\$18,989	(\$20.03)	\$308,398	0.00%	"
2060	\$0	\$15,420	\$18,989	(\$20.03)	\$342,807	0.00%	"
2061	\$0	\$17,140	\$18,989	(\$20.03)	\$378,937	0.00%	"
2062	-\$319,359	\$18,947	\$18,989	(\$20.03)	\$97,514	0.00%	1st Critical Year
2063	\$0	\$4,876	\$18,989	(\$20.03)	\$121,379	0.00%	(End of Study)
2064	\$0	\$6,069	\$18,989	(\$20.03)	\$146,437	0.00%	
2065	-\$9,831	\$7,322	\$18,989	(\$20.03)	\$162,918	0.00%	
2066	-\$63,331	\$8,146	\$18,989	(\$20.03)	\$126,722	0.00%	