



REVISED
Comprehensive
Reserve Fund Study
2 Frame Crescent, Elliot Lake,
Ontario

Prepared for:

Algoma Condominium Corporation
No. 13 (ACC 13)
2 Frame Crescent
Elliot Lake, ON P5A 2S5

Attention: Ms. Elaine Carter

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1.0 INTRODUCTION

1.1 Terms of Reference

At the request of Elaine Carter, Property Manager for Algoma Condominium Corporation No. 13 (ACC 13), Pinchin Ltd. submitted a proposal for the preparation of a Comprehensive Reserve Fund Study for ACC 13, which consists of a 106 unit townhouse complex which was originally constructed circa 1979, and is therefore approximately 36 years old. It was reported that the townhouse complex was registered in 1995 as a condominium. One of the townhouse units (#2) is utilized as the main condominium corporation office.

The following report summarizes the findings and recommendations of the Reserve Fund Study for ACC 13 annual contributions for the fiscal year beginning January 1, 2015.

1.2 Scope of Work

As per The Condominium Act of 1998 (Section 95), the objective of the Engineered Reserve Fund Study is 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 repairs and replacement of the common elements and assets of the corporation.

Since this is Pinchin's first RFS for this property, the intent of the proposed study is to meet the requirements of the Comprehensive RFS as described in The Condominium Act of 1998 (Section 95) and Ontario Regulation 48/01, Part IV.

Ontario Regulation 48/01 in Part IV, Sections 27 to 33, provides specific requirements for preparation of a reserve fund study.

As required by Section 31 of Ont. Reg. 48/01, an updated study not based on site inspection should be carried out within three years of completing the comprehensive reserve fund study.

The scope of work carried out by Pinchin is briefly summarized as follows:

1. Review the available construction and maintenance documents (including any addenda, change orders, etc.) provided by ACC 13 to become familiar with the individual building systems and prepare an inventory of common elements, including a quantity take-off for each element;
2. Conduct a visual examination of the building's common element components in order to evaluate the present condition of, and estimate the remaining life expectancy of these components. The review of common elements is to involve (but not necessarily be limited to) a visual sampling from ground level;



3. Prepare estimates of current (i.e. year 2015) repair and/or replacement costs for each common element component, based on observations and experience; and
4. Provide two copies of the report on the foregoing. The report is to include a list of Reserve Fund components, their estimated lifespans, estimated current repair/replacement costs, and a suggested cash flow chart indicating the annual contributions required and annual Reserve Fund balances over a thirty year period.

The following is a generalized list of common elements at ACC 13 that are considered in this Study:

- Roofing Systems:
 - Sloped asphalt shingled roofs;
 - Flashings and caulking;
 - Gutters and downspouts; and
 - Soffits and fascia siding.
- Exterior Cladding Systems:
 - Brick masonry walls;
 - Vinyl and wood cladding;
 - Flashing and exterior caulking;
 - Doors (with the exception of the main entrance doors) and windows; and
 - Exposed foundation walls.
- Site Features:
 - Roadways and parking areas;
 - Pavement drainage;
 - Site concrete elements;
 - Site appurtenances;
 - Landscaping;
 - Fences; and
 - Site services (lighting, water, sewer, etc.).



1.3 Building Complex Information

Pinchin understands that the subject condominium project is a “Standard” condominium corporation as defined by the condominium act consisting of a 106 residential townhouses constructed approximately 36 years ago (1979).

The buildings are clad with brick veneer masonry, painted wood cladding, vinyl framed windows and patio doors, flashings and sealants. The main roofs are sloped and covered with asphaltic shingles. Drainage for the roof is provided by gutters and downspouts.

The complex has been provided with on-grade asphalt roadways and parking and a combination of cast-in-place concrete and asphalt paved sidewalks and soft landscaping.

Pinchin understands that the interior unit mechanical, electrical, interior finishes as well as any other item installed by the tenant (i.e., not an original building component) are not common element items and, therefore, are not considered in this Reserve Fund Study. Furthermore through discussions with the Site Representative the following elements were reported to be excluded from the common elements of the buildings and Site which would fall under an owner responsibility:

- Window shutters and vinyl entrance canopy roof systems;
- Wood cladding on the storage sheds in the backyards;
- French doors and main entrance doors;
- Landings and steps at the main entrances which are not original to the building construction and backyard patios or decks which were installed by the owner;
- Metal guardrails or fencing which was installed by the owner including the interior portion of the wood framed fences serving the backyards or any additional privacy fencing installed by the owner; and
- All electrical and mechanical components including any related components for natural gas-fired appliances (i.e., penetrations, chimneys, flashings, etc.).

1.4 General Information

Items that are not included in the Reserve Fund Study have been assumed to be part of the operating (repair and maintenance) budget, or assumed to last the lifetime of the site buildings.



2.0 RESERVE FUND STUDY – GENERAL

2.1 Introduction

The following sections briefly describe Pinchin's approach to evaluating the major common elements examined with respect to their normal life expectancy, assessing the remaining life expectancy (that accounts for the present age and/or condition of the element), and estimating the current (i.e. year 2015) anticipated repair and/or replacement costs. Pinchin's evaluation of these factors is summarized in Table 1 at the end of Section 4 of this report. This table should be reviewed in conjunction with the following sections.

2.2 Remaining Life

The normal life expectancy of any one component has been determined on the basis of site visits, past experience with buildings and construction of a similar nature. For the purposes of this study, the present age of all original elements has been assumed to be thirty-six (36) years as the complex was constructed circa 1979. Pinchin has estimated the remaining life expectancy for the common elements as observed during our review of the ACC 13 complex. Pinchin's judgment of normal and remaining life expectancy assumes that a reasonable amount of timely and proper maintenance is provided during the life span of the components. It should be noted that the life expectancy depends on the use and maintenance of the building components. It is important that the complex/site buildings be inspected regularly to determine whether all components are performing as anticipated and to take appropriate corrective measures in the event that they are not. It is possible that components may be replaced before the end of their useful life to serve needs other than maintaining their functionality. Such conditions (i.e. building improvements) are not taken into account in this study. Pinchin has assumed that guidelines for maintenance, along with manufacturer's maintenance requirement are followed.

Under normal circumstances, "Remaining Life" is the arithmetical difference between "Normal Life" and "Present Age". However, in some instances, due to either advanced deterioration or superior performance and durability, the "Remaining Life" of an element may be modified to account for its present condition.

The assessments made herein are based upon visual examination only. No form of testing has been conducted. Accordingly, the projections are subjective in nature and represent only Pinchin's professional opinion.

For some elements, concrete foundation walls as an example, the normal life expectancy equals or exceeds the design life of the condominium. In these instances Pinchin recommends that an allowance for partial repair of the total element be allowed for on a regular basis.



No allowance has been made for costs associated with disruption of use of facility, travel time or expenses for out of town contractors, costs due to non-availability of a current system or material (obsolescence), or costs related to changes in legislation (i.e. safety code changes, disposal costs, etc.).

2.3 Repair/Replacement Cost

Quantity take-offs were made on a unit measurement basis, e.g., square metres, or per item/job, e.g., one heating boiler. The type of construction was determined from available information and, where this was deemed inadequate, the details of construction were assumed to be that which would typically be done for the specific detail under consideration.

The estimates are based on normal life expectancy and do not include repairs that may be required due to unusual circumstances, improper use of facilities, or “Acts of God”. It should be noted that costs will vary from year to year, for several reasons, and that these costs should be updated periodically to reflect the current market conditions.

“Replacement Cost” is generally based upon complete removal and replacement of the element in question. Where a contingency has been made for only partial repair (and not replacement), Pinchin has identified this in the report. Replacement costs are typically higher than similar items for new construction, since additional effort is required to remove and dispose of existing systems and to protect components that must remain.

The costs presented are current replacement and/or repair costs, i.e., in 2015 dollars. Pinchin has not allowed for the expense of professional consulting services to prepare specifications for and review remedial work that, in our opinion, would be desirable to ensure that high quality replacement work is performed. Pinchin expects its estimates to be reasonably accurate when compared to an average of reasonable bids from professional contractors for a given repair/replacement item.

Our cost projections are based upon the following:

- Past experience and records of similar construction and remedial work; and
- Discussions with various contractors and/or material suppliers where appropriate.

3.0 BUILDING CONDITION REVIEW

Pinchin conducted an on-site review of the various site/building components to identify deficiencies or outstanding variances from normal performance. Pinchin’s review was carried out at grade level from the exterior of the site buildings. The following sections summarize the site review.

3.1 Main Roofs

The roofs on the townhouse blocks and backyard storage sheds were fully replaced between approximately 2012 and 2014. The new roof assemblies are reportedly comprised of bitumen ice and water shield, breathable underlayment and asphalt shingles. Also, during replacement, new flashings and soffits (front elevations only) were installed on the majority of the roof systems and additional static air vents were installed as required to increase attic ventilation. Aluminum soffits on the side and rear elevations were replaced using the remaining usable sections which were removed from the front elevations.

The new roof assemblies should have a service life in the order of 15 to 20 years provided that regular inspections and maintenance is carried out. Based on this, Pinchin has presented allowances for future replacements as indicated in the 30 Year Repair/Replacement Forecast Table.

3.2 Gutters and Downspouts

Drainage for the roofs on the unit blocks as well as the backyard sheds is provided by metal gutters and downspouts. These gutters and downspouts were reportedly all replaced or repaired at the time of the roof replacements between 2012 and 2014. A portion of the downspouts and extensions were noted to be damaged during the site visit.



View of a typical crushed downspout extension.

It is assumed that these damaged sections of downspout pipes and extensions will be repaired as part of the operating budget for the corporation. Metal gutters and downspouts will typically have a service life in the order of 20-30 years provided that regular maintenance such as cleaning is carried out. Based on this, Pinchin has carried for replacements within the 30 Year Repair/Replacement Forecast Table as the gutters and downspouts are currently 1 to 3 years old and are expected to perform satisfactorily until the scheduled roof replacements are completed. It is assumed that minor repairs and replacements will be



required due to damage caused by pedestrians or vehicles which should be repaired through the operating budget for ACC 13.

3.3 Soffits and Fascia

The townhouse blocks have perforated prefinished metal soffits and fascia cladding behind the gutters at the bottom slope of the asphalt shingle roofs. It was reported that all main (i.e., front) elevations of the buildings received new prefinished metal soffits while the side and rear elevations of the buildings were refinished using the re-usable sections from all elevations. Minor damage was noted to select soffits on the buildings. Metal components such as these have a service life in the order of 30 years or more provided that regular cleaning and repainting is carried out. Based on this, Pinchin has presented allowances for future rehabilitation as indicated in the 30 Year Repair/Replacement Forecast Table.

3.4 Brick Masonry

The majority of the exterior cladding on the townhouse blocks is comprised of brick veneer masonry cladding with minor areas of painted wood siding (discussed in section 3.5) on the attached sheds. The brick masonry walls are complete with weep holes to help drain any excess moisture within the wall cavity. This masonry is an original installation and was in generally good condition at the time of site review with the exception of a few noted deficiencies. Pinchin did note random minor holes within the mortar joints as well as other minor deficiencies. Isolated areas of major deficiencies were noted on the buildings including a large area of step cracking and differential movement on the north elevation of block number 5 (unit 52) as well as on the west elevation of block 15 (unit 19) below the second floor window. These major deficiencies should be corrected in the short term.

It should be noted that due to the fact that destructive testing was outside the scope of work, Pinchin cannot comment on the presence or condition of masonry ties behind the brick masonry walls as this is a concealed condition and not visible for review.

This brick masonry is from original construction and is now approximately 36 years old. Brick masonry is assumed to last the life of a building. However, localized repairs such as tuck pointing of mortar joints and rehabilitation of deteriorated brick will be required over time. Consequently, Pinchin has presented allowances for localized rehabilitation and replacement of deteriorated masonry as indicated in the 30 Year Repair/Replacement Forecast Table.



View of step cracking and differential movement noted in the brick masonry on the north elevation of block 5.



View of step cracking and differential movement noted in the brick masonry on the west elevation of block 15.

3.5 Wood Cladding

There is wood cladding on the backyard sheds which are attached to the main buildings. The wood cladding consists of vertical wood panels which are painted. It was reported that all wood cladding elements on the sheds are an owner responsibility including painting and repairs/replacements should the need arise. This wooden cladding is an original installation and was in fair condition at the time of site review. Pinchin noted that several areas of the wood cladding are going to require repainting in the short term, however no allowances have been carried as it is an owner responsibility.

3.6 Foundation Walls

The foundation walls on the townhouse units are cast-in-place concrete, presumably with steel reinforcement. The visible above grade portions of these walls appeared to be generally in good condition at the time of site review and most were complete with a cement parging coating. Concrete foundation walls are typically assumed to last the lifetime of the building. However, localized repairs and rehabilitation of deteriorated areas as mentioned above is usually required as a complex ages.



Based on this, Pinchin has presented allowances for future repairs/rehabilitation as indicated in the 30 Year Repair/Replacement Forecast Table.

3.7 Windows

The windows on the townhouse units are vinyl framed, double glazed, thermally broken assemblies with operable casements and vertical slider sections. The windows were reportedly all replaced in 2007 and appeared to be generally in good condition at the time of site review with the exception of some deteriorated and de-bonded perimeter window sealants. Windows of this type will typically have a service life in the order of 20 to 25 years provided that regular maintenance such as ensuring the mechanism and weather stripping is maintained and regular sealant replacements occur. This maintenance is reportedly a corporation responsibility with funds for repairs reportedly coming out of the operating budget. It was reported that if a window is broken due to misuse or by accidental owner damage the responsibility of the replacement then falls onto the owner of the unit. Based on this, Pinchin has presented an allowance for future replacement as indicated in the 30 Year Repair/Replacement Forecast Table.

3.8 Exterior Sealants

The exterior perimeters of the doors, windows and service penetrations have been sealed with an exterior grade sealant. These exterior sealants appeared to be generally in fair condition at the time of site review. Pinchin noted that several of the perimeter window sealants were beginning to deteriorate and de-bond from the frames/brick masonry walls. The normal life expectancy of exterior sealants of this type is typically in the order of 10-13 years provided that proper material selection and application techniques are carried out. Based on this, Pinchin has presented an allowance for the replacement of the sealants as indicated in in the 30 year Repair/Replacement Forecast Table. It should be noted that sealants serving any service penetrations related to natural gas-fired appliances are the responsibility of the owner of the unit.

3.9 Sliding Glass Patio Doors

There are insulated glass, vinyl framed sliding door assemblies that provide access to rear decks and patios. These sliding glass doors were reportedly all replaced in 2002 and appeared to be generally in good condition at the time of site review. Doors of this type typically have a life expectancy of approximately 25 years, provided that regular maintenance is carried out. Based on this, Pinchin has presented an allowance for future replacement as indicated in in the 30 year Repair/Replacement Forecast Table.

3.10 Front Entrance Landings

Each unit was originally constructed with either a pre-cast concrete or cast in place concrete entrance landing and step(s). It was reported that as these landings begin to deteriorate owners can have wood decks installed directly over the original landings, by the Corporation which is reportedly covered under the operating budget or they can choose to repair/replace the landings themselves which is not part of the operating budget. It was reported that once an entrance landing and step(s) are replaced or retrofitted by an owner, that the maintenance, repair and replacement of the landings in the future become the owner's responsibility. These front entrance landings appeared to be generally in fair condition at the time of site review. Cast in place concrete landings of this type will typically have a service life in the order of 30 to 35 years before any major rehabilitation is required. Pinchin has presented a contingency for future repairs and replacements as indicated in the 30 year Repair/Replacement Forecast Table.

3.11 Exterior Painting

The exterior painted elements were observed to be in generally fair condition at the time of site review. The painting of exterior elements (i.e. metal guards, door frames, etc.) is generally carried out every 10 to 15 years depending on the quality of materials used. Based on this, Pinchin has presented an allowance for future re-painting as indicated in the 30 year Repair/Replacement Forecast Table.

3.15 Site Concrete Element

There are cast-in-place concrete or pre-cast concrete patio stone walkways present which serve the front elevations of select townhouses. It was reported that as these walkways deteriorate, they are typically replaced with an asphalt paved walkway. Cast-in-place concrete pads were noted at the garbage bin storage locations. Concrete patios serve the backyards of specific tenant spaces, however these are reportedly an owner responsibility. Concrete elements such as these typically have a life expectancy in the order of 40 years or more provided that regular maintenance such as repairing spalled and cracked sections is carried out. Concrete elements are generally replaced/rehabilitated as required during the cycle of asphalt repaving. Consequently, Pinchin has presented an allowance for future localized repairs as indicated in the 30 year Repair/Replacement Forecast Table.

3.16 Asphalt Roadways, Parking Areas and Walkways

The road ways and visitor parking areas are asphalt on grade construction which is an original installation. A portion of the original cast-in-place concrete walkways adjacent to the main elevations have since been replaced with asphalt paved walkways. These asphalt pavements appeared to be generally in fair condition at the time of site review. Asphalt paved walkways are present on the center portion of the Site which lead to the center courtyard area. These walkways were noted to be in poor condition and will require replacement in the short term. The normal life expectancy of asphalt pavements

of this type is in the order of 20 to 25 years, depending on the quality of pavement and installation procedures. As well, regular maintenance repairs such as routing and sealing of cracks with pothole patching should be conducted when required. Based on the condition and age of the asphalt pavements, Pinchin has presented allowances for future repairs, resurfacing and replacement of the asphalt pavements as outlined as indicated in the 30 year Repair/Replacement Forecast Table.

3.17 Unit Driveways

The townhouse units have been provided with asphalt on grade driveways. These asphalt driveways are an original installation and were in generally in fair condition at the time of site review. Pattern cracking was observed at the driveway/curb interface on a majority of the driveways. Areas of crack sealing repairs have been performed since the original date of installation. Pinchin noted that a portion of the driveways have been sealed, however it was reported that sealing of the driveways is an owner responsibility.



View of the typical asphalt paved driveways serving the units with typical pattern cracking observed.

The normal life expectancy of asphalt driveways of this type is in the order of 20 to 25 years, depending on the quality of pavement and installation procedures. As well, regular cleaning of vehicle fluids should be completed to ensure long term serviceability; however, this is typically unit owner responsibility. Based on this, Pinchin has presented an allowance for future replacement as indicated in the 30 year Repair/Replacement Forecast Table.

3.18 Landscaping and Retaining Walls

The site soft landscaping consists of sodden areas, trees, shrubs and flower beds located adjacent to the elevations of the buildings as well as a center courtyard. The courtyard is located centrally in the complex and consists of grassed areas with flower beds and small trees/shrubs. Retaining walls are present in two locations including between blocks 7 and 8 and at the garbage corral on the north east portion of the

Site. The retaining wall between blocks 7 and 8 was noted to be leaning at the time of the assessment and will require replacement in the short term.



View of the wood framed retaining wall between blocks 7 and 8 which was noted to be leaning and will require replacement in the short term.

The upgrading/rehabilitation of landscaping is typically driven by unit owners and board to enhance curb appeal of the complex. Pinchin has presented a contingency allowance for this work as indicated in the 30 Year Repair/Replacement Forecast Table as well as future replacement costs for the retaining wall between blocks 7 and 8.

3.19 Wooden Privacy Fencing

There is wooden privacy fencing at the rear of the units enclosing the backyards. This fencing was in generally fair condition at the time of our review with a portion of the fencing being in poor condition. In addition, Pinchin understands that the gates and interior planking as well as privacy fencing for the backyards is an owner responsibility for repairs and replacement. The only portion of the wood fencing which is a corporation responsibility is the fencing panels which are located on the exterior side of the fence facing onto the common elements. Wooden fencing will typically have a service life in the order of 25 years provided that regular repairs and maintenance is carried out. Consequently, Pinchin has presented a contingency allowance for future repairs of the exterior fence panels as indicated in the 30 Year Repair/Replacement Forecast Table.

3.20 Unit lighting

Exterior unit lighting is provided at the rear patio and front entrance of the units. The unit exterior lighting appears to be mostly an original installation with the exception of units which have had replacement lighting installed by the owner. It was reported that all exterior lighting is an owner responsibility and appeared to be generally in good condition at the time of site review. Repairs are either an owner responsibility or can be managed as part of the operating budget.



3.21 Site Lighting Standards

The site has been provided with metal light standards with glass globes and incandescent fixtures. There are a total of 18 light standards providing light to the streets of the complex. These light standards are an original installation (i.e., ~ 36 years old) and were in generally good condition at the time of site review. Light standards of this type will typically have a life expectancy in the order of 40 years or more with replacement generally carried out during major site rehabilitation such as asphalt and underground service work. Therefore, Pinchin has presented an allowance for future replacement as indicated in the 30 Year Repair/Replacement Forecast Table.

3.22 Site Services

The site underground services are reportedly in generally good condition, with no reported problems at the time of site review. The replacement of these services is generally carried out in conjunction with major site rehabilitation such as asphalt roadway replacement. It was reported that the catch basins are scoped every year and that they are cleaned out every 2 years which is reportedly handled through the operating budget. Consequently, Pinchin has presented a contingency allowance for future repairs and ongoing scoping and cleaning of the lines and catch basins indicated in the 30 Year Repair/Replacement Forecast Table. Since the inspection was limited to visible areas no examination of the catch basins was performed and no review of the initial compliance with code was performed. The inspection of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work.

3.23 Comprehensive Reserve Fund Study

Pinchin has provided the allowance for this current fiscal year Comprehensive Reserve Fund Study.

3.24 Reserve Fund Studies

Pinchin has presented allowances for future reserve fund studies every three years as required by the Condominium Act.

3.25 Miscellaneous and Contingencies

This item is intended to cover items that are not mentioned above as well as unexpected expenditures that require maintenance or replacement before the forecast time as listed in the attached tables. Pinchin has allocated an amount of 1% of the total sum of replacement items. Other items included in this section include contingency allowances to perform a brick veneer masonry investigation, potential interior finishes damages due to failed foundation walls, update reserve fund studies, wood privacy fencing repairs, site service repairs and ongoing maintenance, front entrance landing conversions and landscaping including removal of certain trees.



4.0 RESERVE FUND FORECAST

4.1 Overview

The Condominium Act of 1998 requires that condominium corporations establish and maintain a separate fund to accommodate major capital expenditures required to repair and/or replace the common elements. Further, the Act requires that the corporation collect, from the unit owners, contributions to this Reserve Fund that are calculated on the basis of expected repair and replacement costs, and the life expectancy of the common elements. This requires prediction of future events.

Establishing the amounts necessary to properly fund the reserves is one of the most difficult tasks facing condominiums. The Owners/Board of Directors is often confronted with two apparently conflicting mandates. First, they are under duress from unit owners to keep common element fees low and, second, they must maintain the condominium assets in a reasonable state of repair and avoid special assessments. The estimates in the following tables, based on an engineered approach, provide a rational plan for accumulating reserves for future repair and replacement. This relies on costs based on available information, the current state of knowledge of performance of building systems, present technology and on commonly used economic factors.

In Table 1, at the end of this report, Pinchin has summarized the pertinent information to be used in forecasting future capital expenditures for all of the major maintainable common element components of ACC #13. Table 1 provides a list of items included in the study, a brief description of recommended repairs and replacements, their estimated normal and remaining lives, and their estimated replacement costs.

Tables 2 through 4 presents projections for annual expenditures, interest income, required contributions (for the corporation as a whole), and reserve fund balance forecast over a thirty-year period. The following sections explain the methodology used and assumptions made in constructing the thirty-year repair/replacement forecast.

4.2 Thirty-Year Repair/Replacement Forecast

Table 2 is an idealized thirty-year cash flow plan for the Reserve Fund for the common elements, as they presently exist.

Based upon the projections of remaining life for each common element component, a repair or replacement cost for that item is entered into the appropriate column of Table 2 as an expenditure. The cost inserted into any particular column is the future value of the element's current replacement cost that is listed in Table 1. Pinchin has used a constant annual inflation rate of 2% (displayed at the top of Table 2) and standard annuity formulas to determine the future value of remedial work. The expenditures are then summed for each year to arrive at a figure for "Total Expenditures". For elements with large



repair/replacement costs, Pinchin has elected to phase the remedial work over several years instead of one, where possible. This results in a saving on annual contributions, especially for mature buildings, and also reflects a more probable repair strategy. The effect of the Harmonized Sales Tax (HST) is shown separately.

“Interest Income” is generated from two components: from Reserve Fund monies already on deposit and from the corporation's annual contributions. For the purpose of this study a rate of return value of 1.5% on investments has been used and is displayed at the top of Table 2 which was at the direction of the Client. It is further assumed that expenditures for any one year are incurred at the end of the first quarter of that year, whereupon the Reserve Fund deposits on which interest is generated are reduced. Pinchin's analysis presupposes that the “Corporation's Annual Contribution” is deposited in twelve equal payments at the end of each month. Pinchin recommends that all interest be reinvested in the reserve fund to offset increases in annual contributions.

The end-of-year “Reserve Fund Balance” is calculated as the sum of the previous year's “Reserve Fund Balance” (or “Present Reserve Fund” in the case of year one), “Total Expenditures”, “Harmonized Sales Tax”, “Interest Income”, “Corporation's Annual Contribution”, and any “Special Assessment”.

It is Pinchin's opinion that the actual Reserve Fund contributions should be determined by the owners of ACC #13 (using Pinchin's recommendations as a guide), in concert with their property management firm and accountant, to properly reflect the perceived needs and planning objectives set out by the owners. In the reserve fund model Pinchin has presented, Pinchin has made recommendations for funding levels that should ensure that adequate reserve funds are accumulated to pay for major capital expenditures over the next thirty years. In the model (Table 2), the “Corporation's Annual Contribution” fiscal year end 2015 has been increased from \$99,462 to \$100,954 for fiscal year end 2016, an increase of 1.5%. The annual contribution is then recommended to be increased 1.5% for the next seven (7) years. After the seven (7) year period, the annual contribution is recommended remain at \$112,043 for the remainder of the 30 year projection of the study. Pinchin has determined the “Corporation's Annual Contribution” requirement on the basis that the “Reserve Fund Balance” for each of the remaining 30 years must never result in a deficit or zero balance. Pinchin does not recommend that reserves be maintained at or near a “zero” balance in case some unforeseen incident occurs that requires emergency expenditures. This is based on an audited balance of \$198,953.02 as of January 1st, 2015 and a contribution amount of \$99,462 for fiscal year ending 2015.

Please note that this study must not be relied upon on its own, without updating, to determine reserve fund contributions over the next thirty years.



4.3 Assumptions

It must be emphasized that, in preparing a Reserve Fund Study, many predictions of future events are required. The rationale behind projecting life expectancy and current repair/replacement costs has already been explained in Section 2.

In order to predict the future repair/replacement costs, Pinchin firmly believes it is necessary to account for the influence of inflation on construction costs. Pinchin has reviewed the overall escalation of residential construction costs, as reflected in certain statistical indicators, as well as fluctuations in interest rates in Canada over the past years. Pinchin has assumed that an average construction cost rate of inflation will be in effect over the remaining life of the condominium complex. The value of 2% has been used as an annual inflation figure which was used at the direction of the Client.

Similarly, to properly account for the interest a Reserve Fund will earn on deposits, a rate of return value of 1.5% on investments has been used which was used at the direction of the Client. It is Pinchin's opinion that this represents a conservative figure and will likely not result in under-funding of reserves.

Because of changing economic conditions as well as the many assumptions and limited visual sampling of common elements involved in developing a thirty-year repair/replacement forecast, a Reserve Fund Study cannot be expected to be one hundred percent accurate. The Condominium Act requires that ACC #13 review and update this study every three years to ensure cost data and repair/replacement records are kept current and relevant.

In deriving the reserve fund table it was assumed that proper maintenance will be carried out in order to keep the common elements serviceable for their estimated life expectancies.

The Board of Directors may choose to phase more of the common element work over longer periods, this may result in savings on contributions by delaying a portion of the remedial work. There may be instances where items included in this reserve fund may be handled as part of the operating budget. There may also be instances where an item may be upgraded by the condominium and its cost recovered through special assessments. All of these actions will reduce the reserve fund contributions required.

4.4 Investment Planning

Pinchin recommends that ACC #13 review the repair/replacement forecast with their accountant and financial manager in order to maximize returns on the reserve fund. Interest earned by operating (repair/maintenance budget) and reserve funds is presently not subject to taxation, provided the interest is used to reduce the contributions required to these funds and provided the funds are not maintained at unreasonably high levels. Pinchin has assumed a single interest rate that, in our opinion, is on the conservative side. By varying deposits between investment vehicles it may be possible to obtain higher



market rates and thus increase interest income and slightly reduce required contributions. However, this approach must take into account that high-risk investments must be avoided.

5.0 RESERVE FUND STUDY - SUMMARY

Pinchin has conducted a Reserve Fund Study of the future repair and replacement requirements for the condominium's common element components.

Based upon visual review, Pinchin has evaluated the present condition, and estimated remaining life expectancy, of the condominium's common elements. Pinchin has also, based upon estimates of historical replacement costs and experience with similar condominiums, prepared estimates of current repair and/or replacement costs for each of the common elements. An idealized thirty-year repair/replacement forecast has been prepared that presents our recommendation for annual Reserve Fund contributions by the Corporation. Pinchin has allowed for the value of the condominium corporation's present Reserve Fund and have attempted to account for the influences of inflation and rates of return on investments.

Table 2 is an idealized thirty-year cash flow plan for the Reserve Fund for the common elements as they presently exist.

Based upon the projections of remaining life for each common element component, a repair or replacement cost for that item is entered into the appropriate column of Table 2 as an expenditure. The cost inserted into any particular column is the future value of the element's current replacement cost that is listed in Table 1. Pinchin has used a constant annual inflation rate of 2% (displayed at the top of Table 2) and standard annuity formulas to determine the future value of remedial work at the direction of the Client. The expenditures are then summed for each year to arrive at a figure for "Total Expenditures". For elements with large repair/replacement costs, Pinchin has elected to phase the remedial work over several years instead of one, where possible. This results in a saving on annual contributions, especially for mature buildings, and also reflects a more probable repair strategy. The effect of the Harmonized Sales Tax (HST) is shown separately.

"Interest Income" is generated from two components: from Reserve Fund monies already on deposit and from the corporation's annual contributions. Pinchin has used an interest rate of 1.5% percent which is displayed at the top of Table 2 at the direction of the Client. It is further assumed that expenditures for any one year are incurred at the end of the first quarter of that year, whereupon the Reserve Fund deposits on which interest is generated are reduced. Pinchin's analysis presupposes that the "Corporation's Annual Contribution" is deposited in twelve equal payments at the end of each month. Pinchin recommends that all interest be reinvested in the reserve fund to offset increases in annual contributions.



The end-of-year “Reserve Fund Balance” is calculated as the sum of the previous year’s “Reserve Fund Balance” (or “Present Reserve Fund” in the case of year one), “Total Expenditures”, “Harmonized Sales Tax”, “Interest Income”, “Corporation’s Annual Contribution”, and any “Special Assessment”.

It is Pinchin’s opinion that the actual Reserve Fund contributions should be determined by the owners of ACC #13 (using Pinchin’s recommendations as a guide), in concert with their property management firm and accountant, to properly reflect the perceived needs and planning objectives set out by the owners. In the reserve fund model Pinchin has presented, Pinchin has made recommendations for funding levels that should ensure that adequate reserve funds are accumulated to pay for major capital expenditures over the next thirty years. In the model (Table 2), the “Corporation’s Annual Contribution” fiscal year end 2015 has been increased from \$99,462 to \$100,954 for fiscal year end 2016, an increase of 1.5%. The annual contribution is then recommended to be increased 1.5% for the next seven (7) years. After the seven (7) year period, the annual contribution is recommended remain at \$112,043 for the remainder of the 30 year projection of the study. Pinchin has determined the “Corporation’s Annual Contribution” requirement on the basis that the “Reserve Fund Balance” for each of the remaining 30 years must never result in a deficit or zero balance. Pinchin does not recommend that reserves be maintained at or near a “zero” balance in case some unforeseen incident occurs that requires emergency expenditures. This is based on an audited balance of \$198,953.02 as of January 1st, 2015 and a contribution amount of \$99,462 for fiscal year ending 2015.

It is recommended that the Owners/Board of Directors review the contents of this report in consort with their property manager and accountant to:

- Ensure that there is no duplication between Reserve Fund and Operating (Repair and Maintenance) Budget;
- Determine the most appropriate low-risk investment vehicles to maximize return and still meet the cash flow requirements; and
- Establish the required Reserve Fund contributions to properly reflect the perceived needs and planning objectives of the Corporation.

In view of the facts that both projections for component life expectancy and assumptions regarding interest and inflation rates cannot be one hundred percent accurate over the long term, Pinchin recommend that the Corporation’s Reserve Fund be re-evaluated every three (3) years in accordance with the Condominium Act of 1998 and Regulations.



6.0 LIMITATIONS

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the structural systems, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the RFS. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.

It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.



Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this RFS report.

Further to the aforementioned, determination of the presence of asbestos containing material within the building such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.

This report was prepared for the exclusive use of Algoma Condominium Corporation No.13 (ACC13) subject to the conditions and limitations contained within the duly authorized workplan. Pinchin will not be responsible for the use of this report by any third party, or reliance on of any decision to be made based on it without the prior written consent of Pinchin. Pinchin accepts no responsibility for damages, if any, by any third party as a result of decisions or actions based on this report.

The liability of Pinchin or our officers, directors, shareholders or staff will be limited to the lesser of the fees paid or actual damages incurred by the Client. Pinchin will not be responsible for any consequential or indirect damages. Pinchin will only be liable for damages resulting from the negligence of Pinchin. Pinchin will not be liable for any losses or damage if the Client has failed, within a period of two years following the date upon which the claim is discovered (Claim Period), to commence legal proceedings against Pinchin to recover such losses or damage unless the laws of the jurisdiction which governs the Claim Period which is applicable to such claim provides that the applicable Claim Period is greater than two years and cannot be abridged by the contract between the Client and Pinchin, in which case the Claim Period shall be deemed to be extended by the shortest additional period which results in this provision being legally enforceable.

This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not be responsible for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

103715 Comprehensive Reserve Fund Study Frame Crescent (ACC13) - Sept 11.docx

TABLE 1
Replacement Cost Summary



**Table 1 - Replacement Cost Summary For ACC #13, Elliot Lake, Ontario
September - 2015**

Element	Comments & Recommendations	Estimated Year of Acquisition	Normal Life (yrs.)	Present Age (yrs.)	Remaining Life (yrs.)	Percentage of Total Replacement	2015 Cost of Replacement	Quantity (number only)	Estimated cost (2015)
Building Elements									
Roof System and Accessories (Replacements)	Complete removal and replacement of the sloped shingle roofing and metal roofing systems and accessories.	2013	20	2	18	100%	\$286,200	106	\$2,700
Roof System and Accessories (Truss repairs)	Truss repairs completed in 2015.	2015	50	50	0	100%	\$4,000	Allowance	Allowance
Gutters and Downspouts	Replacement of the gutters and downspouts in conjunction with roofing replacements.	2013	20	2	18	100%	\$60,000	Allowance	Allowance
Soffits and Fascia	An allowance for the future replacement of the soffits and fascia cladding on the townhouse blocks which were not replaced at the time of the roof replacements in 2013.	1995	30	20	10	50%	\$24,000	4000 linear feet	\$6
Brick Masonry (Repairs to Units 19 and 52)	Allowance for the repair to the areas of brick masonry which are currently in poor condition on Units 19 and 52.	1979	38	36	2	100%	\$75,000	Allowance	Allowance
Brick Masonry (Ongoing repairs to masonry walls)	Allowance for ongoing repairs to the brick masonry walls including mortar joint repairs, minor cracked masonry unit replacements and sealant replacements.	1979	12	12	0	100%	\$15,000	Allowance	Allowance
Foundation Walls	An allowance for repair and rehabilitation of the exposed foundation walls.	1979	10	10	0	100%	\$10,000	Allowance	Allowance
Windows	An allowance for future replacement of sealed glass window units and frames for all buildings and units.	2007	25	8	17	100%	\$260,000	10,250 ft2	\$260,000
Window Sealants	Complete removal and replacement of all exterior joint sealants around windows.	2007	12	8	4	100%	\$58,800	9,800 linear feet	\$6
Sliding Glass Patio Doors	An allowance for the future replacement of the sliding glass patio doors.	2002	25	13	12	100%	\$106,000	106 units	\$1,000
Metal Guards	An allowance for the future replacement of the metal guards at the garbage corrals.	1979	40	36	4	100%	\$5,000	Allowance	Allowance
Exterior Painting	An allowance for the painting of exterior elements of the townhouse blocks.	1979	20	15	6	100%	\$35,000	Allowance	Allowance



**Table 1 - Replacement Cost Summary For ACC #13, Elliot Lake, Ontario
September - 2015**

Element	Comments & Recommendations	Estimated Year of Acquisition	Normal Life (yrs.)	Present Age (yrs.)	Remaining Life (yrs.)	Percentage of Total Replacement	2015 Cost of Replacement	Quantity (number only)	Estimated cost (2015)
Exterior Site Elements									
Site Concrete Sidewalks and Garbage Pads	An allowance for localized repairs and replacements of sections of concrete sidewalks and garbage pads.	1979	3	3	0	100%	\$7,500	Allowance	Allowance
Asphalt Pavement-Repairs	An allowance for localized repairs and rehabilitation to the asphalt pavements.	1979	5	5	0	100%	\$5,000	Allowance	Allowance
Asphalt Pavement-Replacement	An allowance for the replacement of the asphalt surface along with rehabilitation of the sub base material.	1979	25	36	4	100%	\$140,000	35,000 ft2	\$4
Asphalt Driveways	An allowance for the replacement of the asphalt driveways.	1979	25	36	4	100%	\$128,000	32,000 ft2	\$4
Asphalt Walkways	An allowance for repairs to the asphalt walkways.	1979	30	36	1	100%	\$20,000	Allowance	Allowance
Retaining Walls	An allowance for replacement of the retaining wall between blocks 7 and 8.	1979	40	36	4	100%	\$15,000	Allowance	Allowance
Site Lighting	An allowance for the replacement of the light standards serving the roadways.	1979	40	36	10	100%	\$100,800	18	\$5,000



**Table 1 - Replacement Cost Summary For ACC #13, Elliot Lake, Ontario
September - 2015**

Element	Comments & Recommendations	Estimated Year of Acquisition	Normal Life (yrs.)	Present Age (yrs.)	Remaining Life (yrs.)	Percentage of Total Replacement	2015 Cost of Replacement	Quantity (number only)	Estimated cost (2015)
Reserve Fund Studies									
Comprehensive RFS	An allowance to reflect the current year comprehensive reserve fund study	1979	100	100	0	100%	\$5,600	Allowance	Allowance
Reserve Fund Studies	An allowance for future reserve fund studies based on a site inspection.	1979	6	0	6	100%	\$4,500	Allowance	Allowance
Reserve Fund Studies	An allowance for future reserve fund studies not based on a site inspection.	1979	6	3	3	100%	\$2,850	Allowance	Allowance
Contingencies									
Foundation Walls Contingency	Contingency for repairs to interior finishes if damaged by leaking foundation walls.	2015	10	10	0	100%	\$20,000	Allowance	Allowance
Wood Privacy Fencing Contingency	Contingency for repairs to the privacy wood fencing in the backyards.	2015	10	10	0	100%	\$20,000	Allowance	Allowance
Site Services	Contingency for repairs to the sewers and water lines throughout the Site as well as scoping the systems on a regular basis.	2015	5	5	0	100%	\$15,000	Allowance	Allowance
Front Entrance Landings	Contingency for installation of wood decking on original pre-cast concrete landings at the main entrances.	2015	1	1	0	100%	\$1,000	Allowance	Allowance
Landscaping	Contingency allowance for landscaping repairs including tree removals and other miscellaneous repairs.	2015	5	5	0	100%	\$5,000	Allowance	Allowance
Engineering Studies	Contingency allowance for a structural engineer to inspect the brick masonry walls and the areas where the brick masonry meets the foundation walls. This inspection includes for completing cut-tests in the masonry walls.	2015	50	50	0	100%	\$12,750	Allowance	Allowance
Equipment	Purchase of two snow blowers.	2015	8	8	0	100%	\$5,400	Allowance	Allowance
Miscellaneous	A 1% contingency allowance for items not listed above and for unexpected expenditures.	2015	10	0	10	100%	\$13,733	Allowance	Allowance

1. The values presented in the above table are based on the assumption that a reasonable amount of proper and timely maintenance is provided over the life span of the components. The cost for regular maintenance should be provided for in the operating budget.

TABLE 2
30 Year Repair/Replacement Forecast



**Table 2 - 30 Year Repair/Replacement Forecast For ACC #13, Elliot Lake, Ontario
September - 2015**

Assumed Interest Rate = 1.50%

Assumed Inflation Rate = 2.00%

Present Reserve Fund = \$198,953
As Of January 1st, 2015

#	Element	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Building Elements										
1	Roof System and Accessories (Replacements)										
2	Roof System and Accessories (Truss repairs)	4,000									
3	Gutters and Downspouts										
4	Soffits and Fascia										
5	Brick Masonry (Repairs to Units 19 and 52)			78,030							
6	Brick Masonry (Ongoing repairs to masonry walls)	15,000									
7	Foundation Walls	10,000									
8	Windows										
9	Window Sealants					63,647					
10	Sliding Glass Patio Doors										
11	Metal Guards					5,412					
12	Exterior Painting							39,416			
	Exterior Site Elements										
13	Site Concrete Sidewalks and Garbage Pads	7,500			7,959			8,446			8,963
14	Asphalt Pavement-Repairs	5,000					5,520				
15	Asphalt Pavement-Replacement					75,770	77,286				
16	Asphalt Driveways					69,276	70,661				
17	Asphalt Walkways		20,400								
18	Retaining Walls					16,236					
19	Site Lighting										
	Reserve Fund Studies										
20	Comprehensive RFS	5,600									
21	Reserve Fund Studies							5,068			
22	Reserve Fund Studies				3,024						3,406
	Contingencies										
23	Foundation Walls Contingency	6,667	6,800	6,936							
24	Wood Privacy Fencing Contingency	6,667	6,800	6,936							
25	Site Services	15,000					16,561				
26	Front Entrance Landings	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
27	Landscaping	5,000					5,520				
28	Engineering Studies	12,750									
29	Equipment	2,700	2,754							3,163	3,227
30	Miscellaneous										
	Total Expenditures	-96,883	-37,774	-92,942	-12,045	-231,424	-176,653	-54,056	-1,149	-4,335	-16,791
	Harmonized Sales Tax	-12,595	-4,911	-12,083	-1,566	-30,085	-22,965	-7,027	-149	-564	-2,183
	Corporation's Annual Contribution	99,462	100,954	102,468	104,005	105,565	107,149	108,756	110,387	112,043	112,043
	Special Assessment										
	Interest Income	2,454	3,105	3,338	4,394	3,033	1,473	1,637	3,069	4,734	6,265
	Annual Reserve Fund Balances (\$)	\$191,391	\$252,765	\$253,546	\$348,334	\$195,424	\$104,428	\$153,738	\$265,897	\$377,776	\$477,110
	Annual Contribution Increase (%)	N/A	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	0%



Table 2 - 30 Year Repair/Replacement Forecast For ACC #13, Elliot Lake, Ontario (Cont'd)
September - 2015

Assumed Interest Rate = 1.50%

Assumed Inflation Rate = 2.00%

Present Reserve Fund = \$198,953

#	Element	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Building Elements										
1	Roof System and Accessories (Replacement)									204,382	208,470
2	Roof System and Accessories (Truss repairs)										
3	Gutters and Downspouts									42,847	43,704
4	Soffits and Fascia	29,256									
5	Brick Masonry (Repairs to Units 19 and 52)										
6	Brick Masonry (Ongoing repairs to masonry)			19,024							
7	Foundation Walls	12,190									
8	Windows								182,031	185,672	
9	Window Sealants										
10	Sliding Glass Patio Doors			67,217	68,561						
11	Metal Guards										
12	Exterior Painting										
	Exterior Site Elements										
13	Site Concrete Sidewalks and Garbage Patches			9,512			10,094			10,712	
14	Asphalt Pavement-Repairs	6,095					6,729				
15	Asphalt Pavement-Replacement										
16	Asphalt Driveways										
17	Asphalt Walkways										
18	Retaining Walls										
19	Site Lighting	122,875									
	Reserve Fund Studies										
20	Comprehensive RFS										
21	Reserve Fund Studies			5,707						6,427	
22	Reserve Fund Studies						3,836				
	Contingencies										
23	Foundation Walls Contingency	8,127	8,289	8,455							
24	Wood Privacy Fencing Contingency	8,127	8,289	8,455							
25	Site Services	18,285					20,188				
26	Front Entrance Landings	1,219	1,243	1,268	1,294	1,319	1,346	1,373	1,400	1,428	1,457
27	Landscaping	6,095					6,729				
28	Engineering Studies										
29	Equipment							3,707	3,781		
30	Miscellaneous	16,740									
	Total Expenditures	-229,008	-17,822	-119,637	-69,855	-1,319	-48,922	-5,079	-187,212	-451,469	-253,631
	Harmonized Sales Tax	-29,771	-2,317	-15,553	-9,081	-172	-6,360	-660	-24,338	-58,691	-32,972
	Corporation's Annual Contribution	112,043	112,043	112,043	112,043	112,043	112,043	112,043	112,043	112,043	112,043
	Special Assessment										
	Interest Income	5,054	5,612	5,784	6,158	7,626	8,803	10,354	9,789	5,057	1,797
	Annual Reserve Fund Balances (\$)	\$335,428	\$432,944	\$415,581	\$454,846	\$573,025	\$638,589	\$755,246	\$665,528	\$272,469	\$99,706
	Annual Contribution Increase (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



**Table 2 - 30 Year Repair/Replacement Forecast For ACC #13, Elliot Lake, Ontario (Cont'd)
September - 2015**

Assumed Interest Rate = 1.50%

Assumed Inflation Rate = 2.00%

Present Reserve Fund = \$198,953

#	Element	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Building Elements											
1	Roof System and Accessories (Replacement)										
2	Roof System and Accessories (Truss repairs)										
3	Gutters and Downspouts										
4	Soffits and Fascia										
5	Brick Masonry (Repairs to Units 19 and 52)										
6	Brick Masonry (Ongoing repairs to masonry)					24,127					
7	Foundation Walls	14,859									
8	Windows										
9	Window Sealants									102,372	
10	Sliding Glass Patio Doors										
11	Metal Guards										
12	Exterior Painting							58,570			
Exterior Site Elements											
13	Site Concrete Sidewalks and Garbage Patches		11,367			12,063			12,802		
14	Asphalt Pavement-Repairs	7,430					8,203				
15	Asphalt Pavement-Replacement										124,309
16	Asphalt Driveways										113,654
17	Asphalt Walkways										
18	Retaining Walls										
19	Site Lighting										
Reserve Fund Studies											
20	Comprehensive RFS										
21	Reserve Fund Studies					7,238					
22	Reserve Fund Studies		4,320						4,865		
Contingencies											
23	Foundation Walls Contingency	9,906	10,104	10,307							
24	Wood Privacy Fencing Contingency	9,906	10,104	10,307							
25	Site Services	22,289					24,609				
26	Front Entrance Landings	1,486	1,516	1,546	1,577	1,608	1,641	1,673	1,707	1,741	1,776
27	Landscaping	7,430					8,203				
28	Engineering Studies										
29	Equipment					4,343	4,430				
30	Miscellaneous	20,407									
Total Expenditures		-93,713	-37,412	-22,159	-1,577	-49,379	-47,085	-60,243	-19,373	-104,113	-239,739
Harmonized Sales Tax		-12,183	-4,864	-2,881	-205	-6,419	-6,121	-7,832	-2,519	-13,535	-31,166
Corporation's Annual Contribution		112,043	112,043	112,043	112,043	112,043	112,043	112,043	112,043	112,043	112,043
Special Assessment											
Interest Income		1,148	1,912	3,189	4,814	5,942	6,910	7,735	9,038	9,454	7,779
Annual Reserve Fund Balances (\$)		\$107,001	\$178,681	\$268,874	\$383,949	\$446,136	\$511,883	\$563,586	\$662,776	\$666,625	\$515,542
Annual Contribution Increase (%)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

TABLE 3
Cash Flow Table



**Table 3 - Cash Flow Table For ACC#13, Elliot Lake, Ontario
September - 2015**

Opening Balance of the Reserve Fund **\$198,953**
Minimum Reserve Fund Balance (as indicated in this table) **\$99,706**
Assumed Annual Inflation Rate for Reserve Fund Expenditures **2.00%**
Assumed Annual Interest Rate for interest earned on the Reserve Fund **1.50%**

Year	Opening Balance	Recommended Annual Contribution	Estimated Inflation Adjusted Expenditures	Estimated Interest Earned	Percentage Increase in Recommended Annual Contribution	Closing Balance
2015	\$198,953	\$99,462	-\$109,478	\$2,454	N/A	\$191,391
2016	\$191,391	\$100,954	-\$42,685	\$3,105	1.5%	\$252,765
2017	\$252,765	\$102,468	-\$105,025	\$3,338	1.5%	\$253,546
2018	\$253,546	\$104,005	-\$13,611	\$4,394	1.5%	\$348,334
2019	\$348,334	\$105,565	-\$261,509	\$3,033	1.5%	\$195,424
2020	\$195,424	\$107,149	-\$199,618	\$1,473	1.5%	\$104,428
2021	\$104,428	\$108,756	-\$61,083	\$1,637	1.5%	\$153,738
2022	\$153,738	\$110,387	-\$1,298	\$3,069	1.5%	\$265,897
2023	\$265,897	\$112,043	-\$4,899	\$4,734	1.5%	\$377,776
2024	\$377,776	\$112,043	-\$18,974	\$6,265	0.0%	\$477,110
2025	\$477,110	\$112,043	-\$258,779	\$5,054	0.0%	\$335,428
2026	\$335,428	\$112,043	-\$20,139	\$5,612	0.0%	\$432,944
2027	\$432,944	\$112,043	-\$135,190	\$5,784	0.0%	\$415,581
2028	\$415,581	\$112,043	-\$78,936	\$6,158	0.0%	\$454,846
2029	\$454,846	\$112,043	-\$1,491	\$7,626	0.0%	\$573,025
2030	\$573,025	\$112,043	-\$55,282	\$8,803	0.0%	\$638,589
2031	\$638,589	\$112,043	-\$5,740	\$10,354	0.0%	\$755,246
2032	\$755,246	\$112,043	-\$211,550	\$9,789	0.0%	\$665,528
2033	\$665,528	\$112,043	-\$510,160	\$5,057	0.0%	\$272,469
2034	\$272,469	\$112,043	-\$286,603	\$1,797	0.0%	\$99,706
2035	\$99,706	\$112,043	-\$105,896	\$1,148	0.0%	\$107,001
2036	\$107,001	\$112,043	-\$42,275	\$1,912	0.0%	\$178,681
2037	\$178,681	\$112,043	-\$25,040	\$3,189	0.0%	\$268,874
2038	\$268,874	\$112,043	-\$1,782	\$4,814	0.0%	\$383,949
2039	\$383,949	\$112,043	-\$55,798	\$5,942	0.0%	\$446,136
2040	\$446,136	\$112,043	-\$53,206	\$6,910	0.0%	\$511,883
2041	\$511,883	\$112,043	-\$68,075	\$7,735	0.0%	\$563,586
2042	\$563,586	\$112,043	-\$21,892	\$9,038	0.0%	\$662,776
2043	\$662,776	\$112,043	-\$117,648	\$9,454	0.0%	\$666,625
2044	\$666,625	\$112,043	-\$270,905	\$7,779	0.0%	\$515,542

TABLE 4
Contribution Table



**Table 4 - Contribution Table For ACC#13, Elliot Lake, Ontario
September - 2015**

Year	A Recommended Annual Contribution	Percentage Increase Over Previous Year	B Other Contributions (e.g. special assessment, loan)	A + B Total Contribution Each Year to Reserve Fund
2015	\$99,462	N/A	\$0	\$99,462
2016	\$100,954	1%	\$0	\$100,954
2017	\$102,468	1%	\$0	\$102,468
2018	\$104,005	2%	\$0	\$104,005
2019	\$105,565	1%	\$0	\$105,565
2020	\$107,149	1%	\$0	\$107,149
2021	\$108,756	1%	\$0	\$108,756
2022	\$110,387	1%	\$0	\$110,387
2023	\$112,043	1%	\$0	\$112,043
2024	\$112,043	0%	\$0	\$112,043
2025	\$112,043	0%	\$0	\$112,043
2026	\$112,043	0%	\$0	\$112,043
2027	\$112,043	0%	\$0	\$112,043
2028	\$112,043	0%	\$0	\$112,043
2029	\$112,043	0%	\$0	\$112,043
2030	\$112,043	0%	\$0	\$112,043
2031	\$112,043	0%	\$0	\$112,043
2032	\$112,043	0%	\$0	\$112,043
2033	\$112,043	0%	\$0	\$112,043
2034	\$112,043	0%	\$0	\$112,043
2035	\$112,043	0%	\$0	\$112,043
2036	\$112,043	0%	\$0	\$112,043
2037	\$112,043	0%	\$0	\$112,043
2038	\$112,043	0%	\$0	\$112,043
2039	\$112,043	0%	\$0	\$112,043
2040	\$112,043	0%	\$0	\$112,043
2041	\$112,043	0%	\$0	\$112,043
2042	\$112,043	0%	\$0	\$112,043
2043	\$112,043	0%	\$0	\$112,043
2044	\$112,043	0%	\$0	\$112,043