



**DEPRECIATION REPORT
2015**

**Strata VR 1591
The Leicester**

**1545 West 13th Avenue
Vancouver BC V6J 2G5**

Created by Strata Council Members

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The authors have compiled this report in the interest of making information available to Strata Members and interested parties. No liability is accepted for any errors or omissions to the information.

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1 Introduction

A Depreciation Report is basically an inventory of a Strata Corporation's Common Property components. It identifies all of the systems that make up a building, and all the services that support it and the occupants. Many of these components are obvious to most strata owners – roofs, exterior cladding, paving, parking, landscaping, and a wide variety of other common amenities available for the use of the owners.

Less obvious are the systems that provide ongoing habitability to the building, such as water and sewer systems, site drainage, electrical and plumbing systems, common heating and hot water systems, and a host of others, which can vary widely across the broad range of building types that operate under the Strata Property Act (SPA) of BC.

The Strata Property Act requires those who develop a Depreciation Report to separate those systems which require scheduled or regular maintenance within the Strata's fiscal or budget year, from those that require periodic maintenance, whether scheduled or as required, at intervals that are longer than twelve months.

A simple example would be the exterior painting of a building – which should be a necessary part of the building's scheduled maintenance plan, but does not place annually. Regular painting is required in order to maintain the condition of the exterior cladding system to help avoid, or constructively delay, its eventual replacement. These items that require periodic maintenance are called Capital Maintenance, and must be included in a Depreciation Report, and must be considered in subsequent financial planning considerations for the Strata's Contingency Reserve Fund (CRF).

There is a requirement that a review and renewal of the Depreciation Report every three years be done. A Depreciation Report requires regular review to reflect changes in physical, financial and other conditions.

Strata Corporations and Councils should actively consider, monitor and review the information they hold annually, consult with professionals when necessary, adjust projections for their current conditions, and make changes to their CRF contributions within their annual budget.





2 Evaluation of Assets

An evaluation of assets, such as the [Asset Inventory \(Appendix 1\)](#) provides a detailed and comprehensive list of the Strata Corporation's Common Property assets for which it has full, or partial, responsibility for maintenance and replacement.

2.1 Physical Component

The physical component of the Asset Inventory details the condition and history of the various component systems, and details of their structure.

The Leicester has had some significant major maintenance and capital renewal projects over the years, starting with an upgrading in 1985 when the building was converted to condominiums. Following that, owners have followed a program of Capital Project renewal annually, whereby items such as the roof, boiler, exterior paint, windows, trim, interior paint, have been replaced or redone.

Physical Summary of Building (Fig.1)			
Construction Completed		September 1, 1928	
Condominium Upgrading Completed		October 15, 1985	
Gross Floor Area		965 square meters	
Stories		3	
Suites		15	
Features of the Building			
Fireplaces	Flooring	Light Fixtures	Metalwork
			

2.2 Financial Component

The Asset Inventory is complemented by Appendix 2, Long Term Maintenance Plan. Working from costs incurred when replacing or renewing assets, the Strata has created a table with an estimate of replacement and/or renewal costs for key components, based on current market values, extrapolated over a twenty year period.

Funding options by the Strata for Capital Asset Renewal are three-fold.

- 1 The Strata can opt to estimate the costs of renewal of an asset, and fully fund that cost in the annual amount going from the Strata budget to its Contingency Reserve Fund.
- 2 The Strata can opt to estimate the costs of renewal of an asset, and partially fund that cost in the annual amount going from the Strata budget to its Contingency Reserve Fund, making up the shortfall with an assessment of the Owners when the asset is renewed and actual costs are known.
- 3 The Strata can opt to estimate the costs of renewal of an asset, and fund those costs primarily as an assessment of the Owners when the asset is renewed and actual costs are known, with a small portion coming from the Contingency Reserve Fund.

Currently, the Strata funds Capital Assets by following 2, above. Appendix 2 gives an overview of a plan to more fully fund asset renewal, by incorporating anticipated costs into the annual budget for the Strata. This way of funding asset renewal would probably fall into a combination of category 2 & 3, above, whereby costs are anticipated but perhaps cannot always be predicted.

Summary of Key Financial Facts of The Leicester (Fig.2)	
Fiscal Year End	Dec 31
Building Reproduction Cost (Insurance Value)	see www.leicester.ca
Current Operating Budget	Appendix 3 & Strata Website
Current Annual Reserve Allocation	Appendix 3 & Strata Website
Current Accumulated Reserve Balance	Appendix 3 & Strata Website

3. Maintenance & Renewals Program

Maintenance includes the work that is necessary to preserve the assets and to allow their continued use and function above a minimum acceptable level of performance. For Strata VR 1591, examples of this can be the built-in cost of annual boiler inspections and powerwashing of sidewalks, etcetera. Such maintenance ensures that the assets achieve their full service lives. Renewal includes the financial planning and logistics for the replacement of the assets as they reach the end of their useful service lives, and is a result of the Strata Council considering the age of assets, taking advice, and knowledge and understanding acquired in longterm association with the building and its systems.

3.1 Maintenance Program

The Strata Corporation's maintenance budget can be seen in the Annual Budget, Appendix 3. As a general estimate, Strata VR 1591's Budget is about \$45,000 annually, of which approximately 33% goes to annual maintenance programs, and approximately 5% goes to the Contingency Reserve Funds. For up-to-date figures, see Appendix 3.

3.2 Renewals Program

Major Capital Assets that have the potential to need renewal, or which need renovation or repair to keep them in serviceable condition, are listed in the chart, Appendix 2.

Dollar Costs for when the asset was last renewed have been carried forward to Future Dollar Costs to reflect the costs which are anticipated when the asset will be renewed.

As with any building, the majority of the renewal costs are likely to occur in renewing the Enclosure system, such as the roof and exterior painting.

Strata VR 1591 takes on a Capital Project each year in order to keep pace with asset renewal. While there are always new projects on the horizon, with this program of renewal, many Capital Assets have been renewed in a relatively smooth way.

4. Project Planning

When it comes to Capital Asset Renewal, there are three different planning horizons:

- 1 Operational (1-5 years)
- 2 Tactical (6-10 years)
- 3 Strategic (11-20 years)

4.1 Operational Planning Horizon

Capital Assets that need to be renewed on a 1-5 year basis are more likely to be built into an annual maintenance budget, unless unexpected maintenance issues occur. Examples of an asset renewed on a 1-5 year basis would be Fire Safety equipment, which is checked annually, yet has components with a service life of just a few years.

4.2 Tactical Planning Horizon

Capital Assets that need to be renewed on a 6-10 year basis are more likely. Painting, interior and exterior, are examples of this. The Strata has addressed these in recent years.

4.3 Strategic Planning Horizon

Capital Assets that need to be renewed on a 20 year plan are few. Likely examples might be a roof replacement (done by the Strata in 2002), boiler renewal (done by the Strata in 2007), and Oil Tank removal (done by the Strata in 2005)

4.4 Project Implementation Strategies

There are three different ways to implement renewing Capital Assets. The Strata can use one method exclusively, or use a combination of methods to budget renewal and manage service disruptions most easily.

Targeted Projects, localized to one area of building, mean that work gets done on a particular place in the building, such as a common area that needs upgrading. An example of this for Strata VR 1591 was painting the Bike Room, and also painting and upgrading the walls in the Laundry Room.

Phased Projects, where Asset Renewal is carried out in multiple stages rather than as a single project, means that part of an asset is renewed at a time, as the budget permits. An example of this for Strata VR 1591 was window renewal. All the wood windows in the building were replaced by 2014, with work being done where renewal was needed most, over a period of a few years.

Comprehensive Projects, where asset renewal is carried out in all locations on building, as the best means of getting economic value for work. An example of this for Strata VR 1591 was the renewal of the interior wall paint and trim, which was carried out in all areas of the building over a few week period in 2013.

5. Funding Scenarios

The Strata must consider how to finance the Capital Assets that need renewal, as laid out 2.2 Financial Component.

5.1 Alternative Funding Levels

- 1 The Strata can opt to estimate the costs of renewal of an asset, and fully fund that cost in the annual amount going from the Strata budget to its Contingency Reserve Fund.
- 2 The Strata can opt to estimate the costs of renewal of an asset, and partially fund that cost in the annual amount going from the Strata budget to its Contingency Reserve Fund, making up the shortfall with an assessment of the Owners when the asset is renewed and actual costs are known.
- 3 The Strata can opt to estimate the costs of renewal of an asset, and fund those costs primarily as an assessment of the Owners when the asset is renewed and actual costs are known, with a small portion coming from the Contingency Reserve Fund.

5.2 Funding Scenario “A”

The Strata could consider fully funding Asset Renewal, as laid out in Appendix 2, Long Term Maintenance Plan.

5.3 Funding Scenario “B” Status Quo

Currently the Strata funds using item 2, above. An annual amount goes to the Contingency Reserve Fund to anticipate projected costs of asset renewal, with any shortfall being made up with an assessment of the Owners when the asset is renewed and actual costs are known.

5.4 Funding Scenario “C”

The Strata could consider Appendix 2, Long Term Maintenance Plan, and review fees and expenses annually to make the best possible preparation for upcoming costs, which could be a combination of either increasing Strata fees marginally or owner assessment where needed.

6. Recommendations






Strata VR 1591 will review its budget and its Contingency Reserve Fund budget annually. It will also review the Asset Inventory for items that are moving into the renewal horizon.

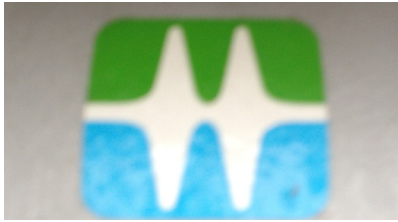
The Strata Council will hold the venue for Asset renewal discussions. Any member of the Strata may bring forward any concerns or ideas they have for building asset renewals. The Council will make final decisions on how the budget will be spent, and how the Contingency Reserve Fund will be brought into play.





Appendix 1 Asset Inventory





Enclosure





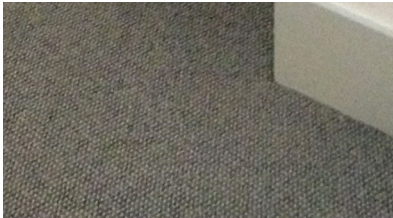
	<p>Encl 01 Location: Description: History:</p>	<p>Roof Top of building Torchon, Arbutus Roofing Roof done 2002: Estimate 25 yr.</p>
	<p>Encl 02 Location: Description: History:</p>	<p>Roof Flashing All upper edges of building exterior Metal Back and sides renewed 2002. Front capping part of exterior paint renewal 2009.</p>
	<p>Encl 03 Location: Description: History:</p>	<p>Stucco Siding All exterior walls of building Stucco over lath Repainted in 2009</p>
	<p>Encl 04 Location: Description: History:</p>	<p>Wood Siding West side doorway exterior lobby Tongue & groove panelling</p>
	<p>Encl 05 Location: Description: History:</p>	<p>Window Trim All sides of building Painted fir trim Scraped & painted 2009 and again in 2011. Some window sills renewed 2014.</p>
	<p>Comments:</p>	<p>Well-protected area, low maintenance.</p> <p>East side subject to most weather.</p>

	<p>Encl 06</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Aluminum Windows</p> <p>All sides of building</p> <p>All suites and common areas (except front and back doors).</p> <p>All wooden windows replaced in 3 stages: 2008, 2013, 2014.</p> <p>Window replacement program completed 2014.</p>
	<p>Encl 07</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Lobby Door Assembly</p> <p>Front of building</p> <p>Varnished wood door with transom and tile surround</p> <p>Maintained as part of annual budget, as needed.</p>
	<p>Encl 08</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Rear Door</p> <p>Rear of building</p> <p>Painted 15 light door</p> <p>Maintained with exterior painting of building.</p>
	<p>Encl 09</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Side Doors (5 east, 1 west)</p> <p>W: Entry Doors 3, Boiler & Electrical Rooms</p> <p>Solid doors</p> <p>Maintained with exterior painting of building.</p>
	<p>Encl 10</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Waterproofing at grade</p> <p>East and west sides of building.</p> <p>Maintenance as required.</p> <p>East side of building drainage and gravel /turf renewed 2000, West side sidewalk with drain tile.</p> <p>Sidewalk area low maintenance.</p> <p>Power-washed annually.</p>

Electrical		
	<p>Elec 01</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Electrical Distribution</p> <p>East side of building, separate room.</p> <p>Had partial updating when building converted to condominiums, 1985.</p>
	<p>Elec 02</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Exterior Light Fixtures</p> <p>Front, west side, & back of building.</p> <p>Heritage fixtures at front, plus night fixtures on west side and back of building.</p> <p>Maintained as part of annual budget, as needed.</p>
	<p>Elec 03</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Enterphone</p> <p>South (Entrance)</p> <p>Mirtone intercom system</p> <p>Maintained annually by Vandelta Communication Systems Ltd.</p>
	<p>Elec 04</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Interior Light Fixtures</p> <p>Throughout the building.</p> <p>All ceiling fixtures in common areas replaced in 2000, except heritage glass fixture in front hallway.</p> <p>Maintained as part of annual budget, as needed.</p>






Mechanical		
	<p>Mech 01 Location: Description: History:</p> <p>Comments:</p>	<p>Valves & Water Intake to building. Bike Room, south wall</p> <p>Water supply and shutoffs labelled.</p>
	<p>Mech 02 Location: Description: History:</p> <p>Comments:</p>	<p>Boilers, Pumps & Controls West side of building: Boiler Room 2-IBC boilers installed 2007 by Reid Bros., 12 yr warranty on heat exchangers, Grundfos pumps; Bradford White tank; Extrol Expansion Tank</p> <p>Maintained annually, as part of annual budget.</p>
	<p>Mech 03 Location: Description: History:</p> <p>Comments:</p>	<p>Water Storage Tanks West side of building: Boiler Room Part of Boiler assembly, above. Installed 2007.</p> <p>Maintained annually, as part of annual budget.</p>
	<p>Mech 04 Location: Description: History:</p> <p>Comments:</p>	<p>Peripheral and Storm Drainage Distribution Sump in Bike Room, south floor area</p> <p>System flushed every 4-5 years, or as needed.</p>

	<p>Mech 05 Location: Description: History: Comments:</p>	<p>Domestic Water Distribution Ceilings, closet chases, attic Primarily copper piping All main hot/cold supply lines to suites replaced 2011.</p>
	<p>Mech 06 Location: Description: History: Comments:</p>	<p>Radiators All suites and common areas. All valves replaced in about 2000. Maintained as part of annual budget, as needed.</p>
	<p>Mech 07 Location: Description: History: Comments:</p>	<p>Plumbing Fixtures Laundry Room, ground floor Laundry sink. Maintained as part of annual budget, as needed.</p>
<p>Fire Safety</p>		
	<p>Fire 01 Location: Description: History: Comments:</p>	<p>Fire Control Panel Front hall Inspected and maintained annually as part of annual budget.</p>

	<p>Fire 02</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Fire Detection</p> <p>Throughout the building, in suites and common areas</p> <p>Ceiling fixtures</p> <p>Inspected and maintained annually as part of annual budget.</p>
	<p>Fire 03</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Fire Alarms</p> <p>As regulation requires</p> <p>Inspected and maintained annually as part of annual budget.</p>
	<p>Fire 04</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Portable Fire Extinguishers</p> <p>As regulation requires</p> <p>Inspected and maintained annually as part of annual budget.</p>
	<p>Fire 05</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Exit Signs</p> <p>As regulation requires</p> <p>Inspected and maintained annually as part of annual budget.</p> <p>Lights also replaced as needed throughout year.</p>
<p>Interior Finishes</p>		
	<p>Interior 01</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Carpet Flooring</p> <p>Ground floor, Floor 2, Floor 3</p> <p>Sturdy carpet in place Floor 2 & 3.</p> <p>Needs renewal. Ground floor replaced 2002, needs renewal.</p>

	<p>Interior 02 Location: Description: History: Comments:</p>	<p>Cement Flooring Ground floor Maintained along with interior painting Renewed 2013</p>
	<p>Interior 03 Location: Description: History: Comments:</p>	<p>Interior Walls All floors, common areas Maintained along with interior painting Renewed 2013</p>
	<p>Interior 04 Location: Description: History: Comments:</p>	<p>Interior Trim & Woodwork All floors, common areas Maintained along with interior painting Renewed 2013</p>
	<p>Interior 05 Location: Description: History: Comments:</p>	<p>Suite Doors & Hall Doors All floors, common areas Maintained along with interior painting Renewed 2013</p>
	<p>Interior 06 Location: Description: History: Comments:</p>	<p>General Housekeeping All common areas Carpets, floors, recycling bins, general cleaning Janitorial contract for housekeeping part of annual budget</p>

Amenities		
	<p>Amenities 01</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Wood Storage Lockers</p> <p>Ground Floor, South end.</p> <p>Locker for each suite, owner lock.</p> <p>No maintenance required.</p>
	<p>Amenities 02</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Laundry Facilities</p> <p>Ground floor</p> <p>1 Washer/dryer pair, under revenue-sharing contract with Coinamatic</p> <p>Card-operated. Laundry hanging space.</p> <p>Machines maintained or replaced by Coinamatic.</p>
	<p>Amenities 03</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Bicycle Storage</p> <p>Ground Floor, South end.</p> <p>Bicycle racks. Owner locks.</p> <p>Walls, floors maintained as part of interior painting, renewed 2013.</p>
	<p>Amenities 04</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Public Signage</p> <p>South Entrance door</p> <p>"The Leicester", "1545", goldleaf lettering.</p> <p>Maintained as needed, as part of annual budget.</p>

Sitework		
	<p>Site 01</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Front Walkway & Stairs South Entrance</p> <p>Power-washed annually, and maintained as needed, from annual budget</p>
	<p>Site 02</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Retaining Walls/Planters South side of building, also west side concrete wall. Brick planters & west retaining wall Maintained as needed, from annual budget</p>
	<p>Site 03</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Railings Front entrance, and stairs on west side Metal railings, black Maintained as needed, from annual budget</p>
	<p>Site 04</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Asphalt Paving Rear (north) of building 6 strata lot parking stalls Low maintenance. Lines repainted in 2013.</p>
	<p>Site 05</p> <p>Location:</p> <p>Description:</p> <p>History:</p> <p>Comments:</p>	<p>Concrete Paving & Stairs West walkway & rear door stoop Low maintenance. Sidewalk power-washed annually.</p>

Appendix 2 Long Term Maintenance Plan (Fully Funded)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Hard Cost									
Boiler	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143
Windows	1,269	1,288	1,307	1,327	1,347	1,367	1,387	1,408	1,429
Exterior Paint	761	773	784	796	808	820	832	845	858
Roof	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143
Interior Paint	508	515	523	531	539	547	555	563	572
Carpet	1,015	1,030	1,046	1,061	1,077	1,093	1,110	1,126	1,143
Re-Piping	<u>761</u>	<u>773</u>	<u>784</u>	<u>796</u>	<u>808</u>	<u>820</u>	<u>832</u>	<u>845</u>	<u>858</u>
	6,344	6,439	6,535	6,633	6,733	6,834	6,937	7,041	7,146
Soft Cost									
Accounting	2100	2121	2142	2164	2185	2207	2229	2251	2274
Administration	150	152	153	155	156	158	159	161	162
Building and Grounds Maintenance	6500	6565	6631	6697	6764	6832	6900	6969	7039
Electricity	1400	1414	1428	1442	1457	1471	1486	1501	1516
Garbage Collection	4500	4545	4590	4636	4683	4730	4777	4825	4873
Gas	8000	8080	8161	8242	8325	8408	8492	8577	8663
Insurance	6900	6969	7039	7109	7180	7252	7324	7398	7472
Maintenance Supply	500	505	510	515	520	526	531	536	541
Maintenance Repairs	8425	8509	8594	8680	8767	8855	8943	9033	9123
Water	<u>2500</u>	<u>2525</u>	<u>2550</u>	<u>2576</u>	<u>2602</u>	<u>2628</u>	<u>2654</u>	<u>2680</u>	<u>2707</u>
	40,975	41,385	41,799	42,217	42,639	43,065	43,496	43,931	44,370
Total Costs per Year	\$47,319	\$47,824	\$48,334	\$48,850	\$49,372	\$49,899	\$50,432	\$50,971	\$51,516
5% Contingency	<u>\$2,366</u>	<u>\$2,391</u>	<u>\$2,417</u>	<u>\$2,443</u>	<u>\$2,469</u>	<u>\$2,495</u>	<u>\$2,522</u>	<u>\$2,549</u>	<u>\$2,576</u>
Total including 5%	\$49,685	\$50,215	\$50,751	\$51,293	\$51,840	\$52,394	\$52,954	\$53,520	\$54,092
Per Month*	\$4,140	\$4,185	\$4,229	\$4,274	\$4,320	\$4,366	\$4,413	\$4,460	\$4,508

* Figure varies from actual cost (\$3844--in 2015) as:

Budget reserves \$2500 currently for Contingency Fund
 Coinamatic Revenue \$1500 not included
 Bank Interest Revenue \$500 not included

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1,161	1,178	1,196	1,214	1,232	1,250	1,269	1,288	1,307	1,327	1,347
1,451	1,472	1,495	1,517	1,540	1,563	1,586	1,610	1,634	1,659	1,684
870	883	897	910	924	938	952	966	981	995	1,010
1,161	1,178	1,196	1,214	1,232	1,250	1,269	1,288	1,307	1,327	1,347
580	589	598	607	616	625	634	644	654	663	673
1,161	1,178	1,196	1,214	1,232	1,250	1,269	1,288	1,307	1,327	1,347
<u>870</u>	<u>883</u>	<u>897</u>	<u>910</u>	<u>924</u>	<u>938</u>	<u>952</u>	<u>952</u>	<u>952</u>	<u>952</u>	<u>952</u>
7,253	7,362	7,473	7,585	7,698	7,814	7,931	8,036	8,142	8,250	8,359
2297	2320	2343	2366	2390	2414	2438	2462	2487	2512	2537
164	166	167	169	171	172	174	176	178	179	181
7109	7180	7252	7324	7398	7472	7546	7622	7698	7775	7853
1531	1546	1562	1578	1593	1609	1625	1642	1658	1675	1691
4922	4971	5021	5071	5121	5173	5224	5277	5329	5383	5436
8749	8837	8925	9015	9105	9196	9288	9381	9474	9569	9665
7546	7622	7698	7775	7853	7931	8011	8091	8172	8253	8336
547	552	558	563	569	575	580	586	592	598	604
9214	9306	9400	9494	9588	9684	9781	9879	9978	10078	10178
<u>2734</u>	<u>2762</u>	<u>2789</u>	<u>2817</u>	<u>2845</u>	<u>2874</u>	<u>2902</u>	<u>2931</u>	<u>2961</u>	<u>2990</u>	<u>3020</u>
44,814	45,262	45,715	46,172	46,633	47,100	47,571	48,046	48,527	49,012	49,502
\$52,067	\$52,624	\$53,187	\$53,756	\$54,332	\$54,914	\$55,502	\$56,082	\$56,669	\$57,262	\$57,862
<u>\$2,603</u>	<u>\$2,631</u>	<u>\$2,659</u>	<u>\$2,688</u>	<u>\$2,717</u>	<u>\$2,746</u>	<u>\$2,775</u>	<u>\$2,804</u>	<u>\$2,833</u>	<u>\$2,863</u>	<u>\$2,893</u>
\$54,670	\$55,255	\$55,846	\$56,444	\$57,048	\$57,659	\$58,277	\$58,886	\$59,502	\$60,125	\$60,755
\$4,556	\$4,605	\$4,654	\$4,704	\$4,754	\$4,805	\$4,856	\$4,907	\$4,959	\$5,010	\$5,063

Appendix 3 Annual Budget for Strata VR 1591

FINANCIAL STATEMENTS

STRATA VR1591

Unaudited

December 31, 2014

BALANCE SHEET

As at December 31

Unaudited

	2014 \$	2013 \$
ASSETS		
Current		
Cash	(425)	538
Cash-contingency reserve [note 2]	6,868	20,118
Accounts receivable	1,182	250
Prepaid expenses	1,275	1,200
	8,900	22,106
LIABILITIES AND MEMBERS' EQUITY		
Current		
Accounts payable	1,207	1,123
Members' equity		
Contingency reserve [note 2]	6,868	20,118
Operating surplus	825	865
	7,693	20,983
	8,900	22,106

See accompanying notes

Strata VR1591**STATEMENT OF OPERATING REVENUES,
EXPENDITURES AND SURPLUS**

Year ended December 31

Unaudited

	2014	2013
	\$	\$
REVENUES		
General maintenance assessments	39,750	37,950
Coinamatic	1,370	1,633
Interest income	182	259
	41,302	39,842
EXPENDITURES		
Accounting	2,100	1,800
Administration	80	398
Building and grounds maintenance	5,910	5,751
Electricity	1,205	1,264
Garbage collection	3,957	3,893
Gas	6,302	6,527
Insurance	6,524	6,519
Maintenance supplies	545	168
Maintenance repairs (plus \$27,750 from contingency fund for window replacements)	9,987	6,634
Water	2,232	1,878
	38,842	34,832
Excess of revenues over operating expenditures	2,460	5,010
Less contingency reserve [note 2]	2,500	5,000
	(40)	10
Operating surplus, beginning of year	865	855
Operating surplus, end of year	825	865

See accompanying notes

1. OPERATIONS

The strata corporation is organized for non-profit purposes and exists solely for the purpose of controlling, managing and administering the common property, facilities and assets of the corporation for the benefit of all owners.

2. CONTINGENCY RESERVE

Section 117(j) of the condominium act requires that a contingency reserve fund be set up and contributed to at a rate of not less than 5% of the total annual budget, until the reserve reaches an amount that the strata council considers sufficient having regard to the type of buildings in the strata plan.

	2014	2013
	\$	\$
Balance, beginning of year	20,118	20,500
Special assessment	12,000	10,000
Annual transfer	2,500	5,000
	34,618	35,500
Window replacement (Painting interior walls 2013)	27,750	15,382

Balance, end of year	6,868	20,118

3. INCOME TAX

Revenue Canada requires a strata corporation to file a corporation income tax return. However, the excess of revenue over expenditures realized by the corporation is regarded as a reduction of members contributions towards the operation of the property and not as income from the property, provided operating and reserve funds are not maintained at an unreasonably high level.

Strata VR1591

BUDGET

Year ended December 31

Unaudited

	2015
	\$
REVENUES	
General maintenance assessments	41,825
Coinamatic	1,500
Interest	150
	43,475
EXPENDITURES	
Accounting	2,100
Administration	150
Building and grounds maintenance	6,500
Electricity	1,400
Garbage collection	4,500
Gas	8,000
Insurance	6,900
Maintenance supplies	500
Maintenance repairs	8,425
Water	2,500
	40,975
Excess of revenues over expenditures	2,500
Less contingency reserve	2,500

Appendix 4 Project Planning Horizons

Operational Planning Horizon				
2015	2016	2017	2018	2019
Carpet	Carpet	Window Trim		
Tactical Planning Horizon				
2020	2021	2022	2023	2024
				Exterior Paint 15 years
Strategic Planning Horizon				
2025	2026	2027	2028	2029
		Roof 25 years	Interior Paint 15 years	

	2030	2031	2032	2033	2034*
			Boiler 25 years		

*2036 Carpet 20 years
2039 Windows 25 years