



HOW CONDOMINIUM CONTRIBUTIONS ARE ESTABLISHED

Sometimes Owners aren't sure exactly how Condominium contributions (also referred to as condo fees) are established and many have a negative perception toward the Board for assessing contributions. Condominium contributions are used to fund the Corporation's day-to-day operations and the long-term repair, maintenance and replacement of major components of the Condominium complex/property.

CALCULATING CONDOMINIUM CONTRIBUTIONS

Condominium contributions are generally calculated based on two major components:

- **The Operating Budget:** This is how you might calculate your day-to-day expenses – you know what you spent last year, and you make a plan for those expenses for next year. For a Condominium Corporation these items are categories such as: Administration, Insurance, Utilities, Repairs and Maintenance, Landscape and Snow Removal.
- **The Reserve Fund Plan:** This is a result of the Reserve Fund Study, and tells how much we need to put away today to fund long-term repair, maintenance and replacement of major components of your Condominium complex/property.

With this information in hand, the Board calculates estimates for the Operating Budget, and adds the recommended amount for the Reserve Fund. This sum is divided by the total number of Unit Factors of the Corporation (10,000), and that number is multiplied by your specific Unit Factor to determine your Condominium Contribution amount for the coming year.

Below is an average representation of Condominium contributions allocated by category.

