YOUR UNUSED RESERVE FUND CONTRIBUTIONS– CAN YOU COLLECT WHEN SELLING?

CAN YOU GET YOUR UNUSED CONTRIBUTIONS BACK?

Most owners do not think about trying to recover "unused" money that they have contributed to the Condominium Reserve Fund. The Reserve Fund is that money the condominium sets aside on a regular basis or perhaps through a Special Assessment to pay for capital expenditures that fall outside the normal maintenance expenses.

At the Annual General Meeting of our condominium, the Auditor has on more than one occasion stated what to try. Here it is:

From the financial statement Balance Sheet (or Statement of Financial Position, or similarly named statement), go to the "Net Assets", or Members' Equity section and get two numbers:

▶ Capital Replacement **Reserve Fund** balance (the Reserve Fund amount) at the end of the fiscal year being considered.	$1,139,044
▶ **Operating Fund** balance at the end of the fiscal year being considered.	$ 327,548
Total of the unused net assets owners have paid and made available to the condo	**$1,466,592**
Number of units/suites in the condo complex	**123**
Average amount per unit/suite that owners have contributed to the "Reserve Fund and Operating Fund" combined	$1,466,592 / 123 = **$11,923.51**

So, the message to recover what you could was to increase your selling price by the calculated amount above to collect the unused portion what you have paid into the Reserve Fund and Operating fund.

Realistically though, the assessed value as assigned by the City does not take those contributions into account, how could it for all different buildings? I do not know this but am making that assumption.

Perhaps, just awareness and knowledge of the contributions you made will help you somewhere down the line. Maybe when working with a realtor, the asking price could be boosted to include some portion of your contributions. Or, maybe you could sell when the Reserve Fund is low, as ours is expected to be this year after major expenditures are completed and paid for.