

Reserve Study 2020 Funding Summary

Beginning Assumptions

of units 256

Fiscal Year End 31-Dec

Budgeted Monthly Reserve Allocation \$10,000

Projected Starting Reserve Balance \$500,000

Ideal Starting Reserve Balance \$1,483,013

Economic Assumptions

Projected Inflation Rate 3.00%

Reported After-Tax Interest Rate 0.10%

Current Reserve Status

Current Balance as a % of Ideal Balance 47%

Recommendations

Recommended Monthly Reserve Allocation \$12,825

Per Unit \$50.10

Future Annual Increases 3.00%

For number of years: 30

Increases thereafter: 0.00%

70% Funded Monthly Reserve Allocation Reference \$11,675

Per Unit \$45.61

Future Annual Increases 3.00%

For number of years: 30

Increases thereafter: 0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation \$2,825

as Percentage 28%

We are providing unit owners a summary of the most recent reserve analysis.

Reserve funds means money to cover the cost of repairing, replacing, or restoring common areas and facilities that have a useful life of three years or more and a remaining useful life of less than 30 years, if the cost cannot reasonably be funded from the general budget or other funds of the association of unit owners.

The purpose of this Reserve Study is to provide the Board and Association manager with a budgeting tool to help ensure that there are adequate funds available for the replacement of physical assets and the basis for the association replacement schedule.

The Board in partnership with the Association Manager has reviewed the Reserve Study in depth and have made allowable adjustments while staying within the guidelines of the study to achieve the ultimate goals of the analysis-replacement of physical assets, reserve allocation and timeline.

The adjustment to the monthly reserve revenue will eliminate the recommended 3% fee increase to owners. Savings throughout the year will be forwarded to the reserve account at year's end and we anticipate this amount will equal or surpass the Reserve Study recommendation.