



Mountainview Townhouse Association, Inc.  
Reserve Fund Analysis Review

**Mountainview Townhouse Association, Inc.  
October 2015 Annual Meeting  
Reserve Fund Analysis Review – Recommendations & Options**

**Background:** During 2015 we retained Reserve Advisors, a firm specializing in reserve fund analysis of housing associations, to conduct a study and submit a report on how well Mountainview is funding its reserves according to the Association's responsibilities now and into the future. As an incoming board, we wanted surety that Mountainview is on solid footing and prepared for the future.

**Summary Results:** Reserve Advisors has determined we are not reserving for all future Association responsibilities and that the pricing utilized in the current reserves is inadequate. These findings have resulted in the recommendation of substantial increases to Mountainview Reserves over the next 4 years to "catch up" with their projected capital requirements.

**Board Opinion and Recommendation:** While we believe some valuable information has been communicated in the Reserve Advisor Report, we find their recommended increases, along with some of their cost assumptions, too high to recommend adoption by the Association. We do, however, agree that the Association needs to adjust the annual dues per unit to both allow for a more gradual ramp up of reserve funding to levels we believe will meet future requirements and to incorporate increased annual operating costs, which have not been adjusted since the Association started 10 years ago.

The following pages summarize both the Reserve Advisor report findings and the Board's recommendations for adoption. Also attached are the actual summary pages from the Reserve Advisor study (a full electronic copy will be made available to Association members on request).

The Board believes the adoption of our recommended gradual increase to Association Dues allows for both an inflation-increased Annual Operating Budget and will meet all anticipated future Mountainview costs that are the responsibility of the Homeowner's Association.



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**Reserve Expenditures:**

<u>Reserve Description</u>	<u>Being Reserved For</u>	<u>Useful Life Expectancy (years)</u>	<u>Useful Life Expectancy Remaining</u>	<u>Estimated Replacement Cost</u>	<u>Current Reserve Cost Estimates</u>
<b>Exterior Building</b>					
Balconies & Decks		20 - 25	14 - 16	\$193,800	\$0
Gutters & Downspouts	<input checked="" type="checkbox"/>	15 - 20	9 - 11	\$22,680	\$0
Light Fixtures		25	12	\$5,850	\$0
Roofs, Asphalt Shingles	<input checked="" type="checkbox"/>	15 - 20	9 - 11	\$109,650	\$33,828 (over 25 years)
Walls – siding & paint	<input checked="" type="checkbox"/>	8 - 10	4	\$34,860	\$22,325 (over 5 years)
Walls – masonry veneer		8 - 12	4	\$6,600	
<b>Property Site</b>					
Asphalt Repair & Seal		3 - 5	1	\$4,845	
Asphalt Mill & Overlay		15 - 20	8	\$48,450	
Asphalt Replace	<input checked="" type="checkbox"/>	15 - 20	26	\$94,050	\$17,653 (over 20 years)
Catch Basin Repair		15 - 20	8	\$4,800	
Concrete Curbs		65	30	\$36,850	
Sidewalks & Patios		65	30	\$49,400	
Concrete Stairs		10 - 15	4	\$13,750	
Wood Guard Rails		15 - 20	8	\$6,500	
Landscape Replace		5	1	\$5,000	
Light Poles/Fixtures		25	13	\$36,800	
Rip Rap, Liner Replace		20	10	\$15,400	

The report has taken these replacement costs, used a 3% annual inflation rate, and applied the expected costs by year over the next 30 years, then taken our existing reserve in 2015 and calculated the required annual reserve funds to meet those costs.

The net result is a large increase in required reserve funding over the next 4 years followed by annual inflation increases.

By extending some of the life expectancies, and reducing a relatively small amount of the required reserve costs over the next 30 years (\$1.4 million versus \$1.7 million) the annual increase to reserve funding can be substantially reduced and spread out over 6 years then reduced to annual inflation increases. (See chart on next page)



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**Association Dues:**

Year	Current Annual/Quarterly Dues (Per Unit)	Reserve Report Recommended Dues (Per Unit)	Annual/Quarterly Increase (%)	Board Analysis Recommended Dues (Per Unit)	Annual/Quarterly Increase (%)
2015	\$1,986/\$497				
2016		\$2,497/\$624	26%	\$2,333/\$583	17%
2017		\$2,901/\$725	16%	\$2,487/\$622	7%
2018		\$3,307/\$827	14%	\$2,648/\$662	6%
2019		\$3,714/\$928	12%	\$2,816/\$704	6%
2020		\$3,814/\$953	3%	\$2,989/\$747	6%
2021		\$3,919/\$980	3%	\$3,171/\$793	6%
2022		\$4,026/\$1,006	3%	\$3,278/\$819	3%

**Notes:**

- Incorporated into both the reserve and board annual increases are 2.5% annual increases in Operating Budget, starting with the 2016 Budget of \$44,617
- The annual Reserve Fund Balance projections (attached) show a negative balance in several years (2030's), these years may be dealt with through lower actual costs, spreading costs further into future years, short-term loan etc.
- The Board recommendation results in annual dues that are almost 20% less than the recommended reserve report
- Other Local Association Quarterly Fees:
  - Stone Ridge - \$765
  - Alpine Meadows - \$609
  - Woods - \$600
  - Wildflower - \$735
  - Glenn Burn Trail - \$900



**Mountainview Townhouse Association**  
**Reserve Funding Plan Analysis - October 2015**  
**Cash Flow Analysis of Different Scenarios**

**Individual Reserve Budgets & Cash Flows for the Next 30 Years**

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total Capital
Reserves at beginning of year	\$63,358	\$56,240	\$64,682	\$87,135	\$124,195	\$108,615	\$150,678	\$194,301	\$242,309	\$211,955	\$209,157	\$185,512	\$175,189	\$215,105	\$222,495	\$125,402	
Total recommended reserve contributions	\$6,121	\$17,800	\$26,800	\$35,800	\$44,800	\$46,100	\$47,500	\$48,500	\$50,400	\$51,900	\$53,500	\$55,100	\$56,800	\$58,500	\$60,300	\$62,100	
Plus: Estimated interest earned during year	\$0	\$782	\$937	\$1,260	\$1,759	\$1,580	\$2,093	\$2,625	\$3,210	\$2,855	\$2,831	\$2,557	\$2,443	\$2,932	\$3,032	\$1,877	
Less: Anticipated Expenditures, by Year	-\$13,239	-\$10,140	-\$5,284	\$0	-\$62,139	-\$5,617	-\$5,970	-\$3,517	-\$83,964	-\$57,553	-\$79,976	-\$67,980	-\$19,327	-\$54,042	-\$160,425	-\$100,645	-\$729,618
<b>Anticipated Reserves at Year End</b>	<b>\$56,240</b>	<b>\$64,682</b>	<b>\$87,135</b>	<b>\$124,195</b>	<b>\$108,615</b>	<b>\$150,678</b>	<b>\$194,301</b>	<b>\$242,309</b>	<b>\$211,955</b>	<b>\$209,157</b>	<b>\$185,512</b>	<b>\$175,189</b>	<b>\$215,105</b>	<b>\$222,495</b>	<b>\$125,402</b>	<b>\$58,734</b>	
Annual increase per unit in Association Fees	\$0	\$362	\$360	\$360	\$360	\$52	\$56	\$56	\$60	\$60	\$64	\$64	\$68	\$68	\$72	\$72	
<b>Projected annual Operating Budget (2.5% annual increase)</b>	<b>\$43,529</b>	<b>\$44,617</b>	<b>\$46,733</b>	<b>\$48,876</b>	<b>\$48,048</b>	<b>\$49,249</b>	<b>\$50,480</b>	<b>\$51,742</b>	<b>\$53,036</b>	<b>\$54,362</b>	<b>\$55,721</b>	<b>\$57,114</b>	<b>\$58,542</b>	<b>\$60,005</b>	<b>\$61,505</b>	<b>\$63,043</b>	
Quarterly dues per unit	\$497	\$624	\$725	\$827	\$928	\$953	\$980	\$1,006	\$1,034	\$1,063	\$1,092	\$1,122	\$1,153	\$1,185	\$1,218	\$1,251	
Annual dues per unit	\$1,986	\$2,497	\$2,901	\$3,307	\$3,714	\$3,814	\$3,919	\$4,026	\$4,137	\$4,250	\$4,369	\$4,489	\$4,614	\$4,740	\$4,872	\$5,006	
Anticipated Reserves based on 2015 funding level of \$8,758	\$56,240	\$55,585	\$58,779	\$69,307	\$16,810	\$20,205	\$23,288	\$28,861	\$45,946	\$95,239	\$167,548	\$228,728	\$241,989	\$290,124	\$445,270	\$542,397	

Anticipated Reserves based on:  
 Larger increase in 2016 17% Some adjustments made to asset life expectancy of 5 years  
 Smaller increase next 5 years 7%  
 Annual inflation increases 2 - 3%

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total Capital
Reserves at beginning of year	\$63,358	\$56,240	\$60,572	\$72,560	\$92,859	\$99,528	\$114,671	\$139,054	\$167,585	\$178,816	\$169,231	\$185,324	\$216,902	\$238,001	\$280,260	\$253,637	
Total recommended reserve contributions	\$6,121	\$13,715	\$16,446	\$19,313	\$22,324	\$25,485	\$28,804	\$30,198	\$31,620	\$33,071	\$34,550	\$36,059	\$37,598	\$39,168	\$40,769	\$42,403	
Plus: Estimated interest earned during year	\$0	\$757	\$826	\$987	\$1,248	\$1,275	\$1,549	\$1,850	\$2,201	\$2,344	\$2,238	\$2,440	\$2,828	\$3,091	\$3,608	\$3,298	
Less: Anticipated Expenditures, by Year	-\$13,239	-\$10,140	-\$5,284	\$0	-\$22,904	-\$5,617	-\$5,970	-\$3,517	-\$22,589	-\$45,000	-\$20,696	-\$6,921	-\$19,327	\$0	-\$71,000	\$72,000	
<b>Anticipated Reserves at Year End</b>	<b>\$56,240</b>	<b>\$60,572</b>	<b>\$72,560</b>	<b>\$92,859</b>	<b>\$93,528</b>	<b>\$114,671</b>	<b>\$139,054</b>	<b>\$167,585</b>	<b>\$178,816</b>	<b>\$169,231</b>	<b>\$185,324</b>	<b>\$216,902</b>	<b>\$238,001</b>	<b>\$280,260</b>	<b>\$253,637</b>	<b>\$227,338</b>	
Annual increase per unit in Association Fees	\$0	\$198	\$109	\$115	\$120	\$126	\$133	\$56	\$57	\$58	\$59	\$60	\$62	\$63	\$64	\$65	
<b>Projected annual Operating Budget (2.5% annual increase)</b>	<b>\$43,529</b>	<b>\$44,617</b>	<b>\$45,733</b>	<b>\$46,876</b>	<b>\$48,048</b>	<b>\$49,249</b>	<b>\$50,480</b>	<b>\$51,742</b>	<b>\$53,036</b>	<b>\$54,362</b>	<b>\$55,721</b>	<b>\$57,114</b>	<b>\$58,542</b>	<b>\$60,005</b>	<b>\$61,505</b>	<b>\$63,043</b>	
Quarterly dues per unit	\$497	\$583	\$622	\$662	\$704	\$747	\$793	\$819	\$847	\$874	\$903	\$932	\$961	\$992	\$1,023	\$1,054	
Annual dues per unit	\$1,986	\$2,333	\$2,487	\$2,648	\$2,815	\$2,989	\$3,171	\$3,278	\$3,386	\$3,497	\$3,611	\$3,727	\$3,846	\$3,967	\$4,091	\$4,218	

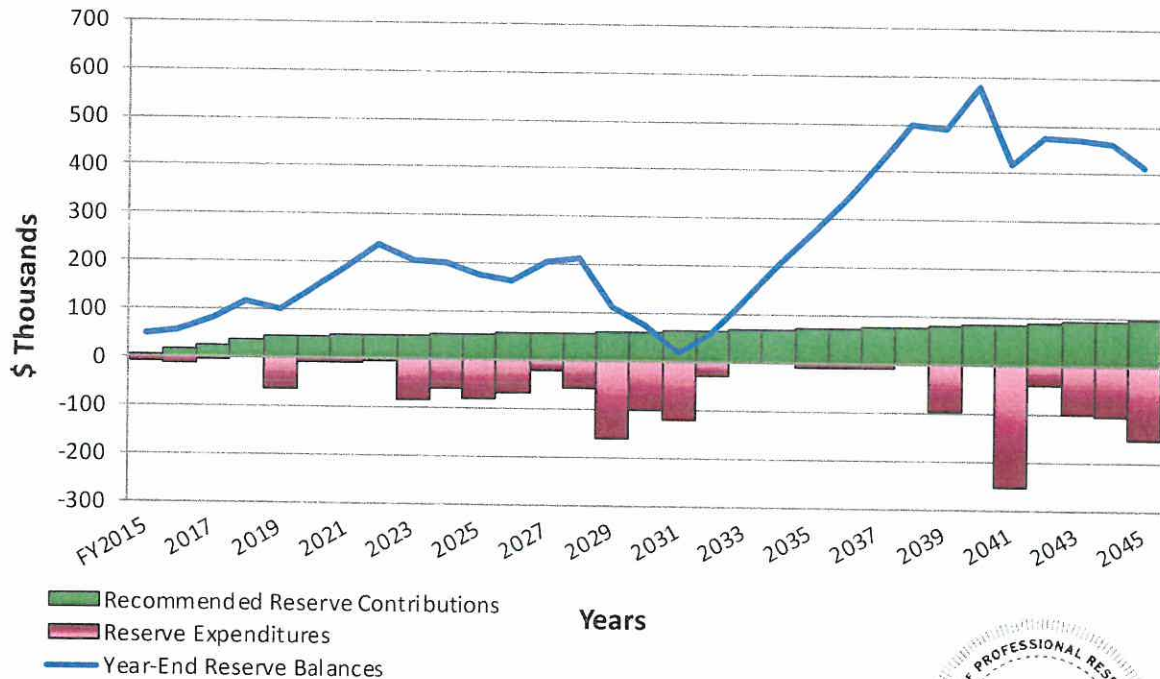
Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045	Total Capital
Reserves at beginning of year	\$88,734	\$34,720	\$73,978	\$143,173	\$215,211	\$281,474	\$350,196	\$425,777	\$510,059	\$503,638	\$503,683	\$435,255	\$489,048	\$485,844	\$482,290	
Total recommended reserve contributions	\$64,000	\$65,900	\$67,900	\$69,900	\$72,000	\$74,200	\$76,400	\$78,700	\$81,100	\$83,500	\$86,000	\$88,600	\$91,300	\$94,000	\$96,800	
Plus: Estimated interest earned during year	\$1,449	\$812	\$1,295	\$2,137	\$3,015	\$3,823	\$4,661	\$5,582	\$6,607	\$6,545	\$7,640	\$5,755	\$6,416	\$6,594	\$6,368	
Less: Anticipated Expenditures, by Year	-\$119,463	-\$27,454	\$0	\$0	-\$8,751	-\$9,301	-\$5,480	\$0	-\$94,128	\$0	-\$252,068	-\$40,561	-\$100,921	-\$103,948	-\$152,201	
<b>Anticipated Reserves at Year End</b>	<b>\$34,720</b>	<b>\$73,978</b>	<b>\$143,173</b>	<b>\$215,211</b>	<b>\$281,474</b>	<b>\$350,196</b>	<b>\$425,777</b>	<b>\$510,059</b>	<b>\$503,638</b>	<b>\$503,683</b>	<b>\$435,255</b>	<b>\$489,048</b>	<b>\$485,844</b>	<b>\$482,290</b>	<b>\$482,290</b>	<b>\$1,644,094</b>
Annual increase per unit in Association Fees	\$76	\$76	\$80	\$80	\$84	\$88	\$88	\$92	\$96	\$96	\$100	\$104	\$108	\$108	\$112	
Projected annual Operating Budget (2.5% annual increase)	\$64,619	\$66,235	\$67,890	\$69,588	\$71,327	\$73,111	\$74,938	\$76,812	\$78,732	\$80,700	\$82,718	\$84,786	\$86,905	\$89,078	\$91,305	
Quarterly dues per unit	\$1,286	\$1,321	\$1,358	\$1,395	\$1,433	\$1,473	\$1,513	\$1,555	\$1,598	\$1,642	\$1,687	\$1,734	\$1,782	\$1,831	\$1,881	
Annual dues per unit	\$5,145	\$5,285	\$5,432	\$5,580	\$5,733	\$5,892	\$6,054	\$6,220	\$6,393	\$6,568	\$6,749	\$6,935	\$7,128	\$7,323	\$7,524	
Anticipated Reserves based on 2015 funding level of \$8,758	-\$653,050	-\$679,530	-\$678,874	-\$678,210	-\$686,289	-\$685,015	-\$700,024	-\$699,614	-\$703,327	-\$704,036	-\$1,046,822	-\$1,091,134	-\$1,196,338	-\$1,305,832	-\$1,464,892	
<div>Anticipated Reserves based on:<div>Larger increase in 2016 Smaller increase next 5 years Annual inflation increases</div><div>17% Some adjustments made to asset life expectancy of 5 years 7% 2 - 3%</div></div>																
Reserves at beginning of year	\$227,338	\$193,399	\$214,309	\$206,668	\$86,713	-\$30,867	-\$88,007	-\$39,425	\$17,145	\$66,509	\$128,317	-\$59,158	-\$35,293	\$31,546	\$16,354	
Total recommended reserve contributions	\$44,069	\$45,768	\$47,502	\$49,270	\$51,073	\$52,913	\$54,789	\$56,703	\$58,655	\$60,646	\$62,677	\$64,748	\$66,861	\$69,016	\$71,215	
Plus: Estimated interest earned during year	\$2,992	\$2,595	\$2,857	\$2,776	\$1,347	-\$53	\$727	\$133	\$558	\$1,162	\$1,916	-\$321	-\$22	\$793	\$624	
Less: Anticipated Expenditures, by Year	-\$81,000	-\$27,454	-\$58,000	-\$172,000	-\$170,000	-\$110,000	-\$5,480	\$0	-\$9,849	\$0	-\$252,068	-\$40,561	-\$100,921	-\$103,000	-\$155,135	
<b>Anticipated Reserves at Year End</b>	<b>\$193,399</b>	<b>\$214,309</b>	<b>\$205,668</b>	<b>\$86,713</b>	<b>-\$30,867</b>	<b>-\$88,007</b>	<b>-\$39,425</b>	<b>\$17,145</b>	<b>\$66,509</b>	<b>\$128,317</b>	<b>-\$59,158</b>	<b>-\$35,293</b>	<b>\$31,546</b>	<b>\$16,354</b>	<b>\$43,058</b>	<b>-\$1,380,751</b>
Annual increase per unit in Association Fees	\$67	\$68	\$69	\$71	\$72	\$74	\$75	\$77	\$78	\$80	\$81	\$83	\$85	\$86	\$88	
Projected annual Operating Budget (2.5% annual increase)	\$64,619	\$66,235	\$67,890	\$69,588	\$71,327	\$73,111	\$74,938	\$76,812	\$78,732	\$80,700	\$82,718	\$84,786	\$86,905	\$89,078	\$91,305	
Quarterly dues per unit	\$1,087	\$1,120	\$1,154	\$1,189	\$1,224	\$1,260	\$1,297	\$1,335	\$1,374	\$1,413	\$1,454	\$1,495	\$1,538	\$1,581	\$1,625	
Annual dues per unit	\$4,348	\$4,480	\$4,616	\$4,754	\$4,896	\$5,041	\$5,189	\$5,341	\$5,495	\$5,654	\$5,816	\$5,981	\$6,151	\$6,324	\$6,501	
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Plus: Estimated interest earned during year	\$2,992	\$2,595	\$2,857	\$2,776	\$1,347	-\$53	\$727	\$133	\$558	\$1,162	\$1,916	-\$321	-\$22	\$793	\$624	
Less: Anticipated Expenditures, by Year	-\$81,000	-\$27,454	-\$58,000	-\$172,000	-\$170,000	-\$110,000	-\$5,480	\$0	-\$9,849	\$0	-\$252,068	-\$40,561	-\$100,921	-\$103,000	-\$155,135	
<b>Anticipated Reserves at Year End</b>	<b>\$193,399</b>	<b>\$214,309</b>	<b>\$205,668</b>	<b>\$86,713</b>	<b>-\$30,867</b>	<b>-\$88,007</b>	<b>-\$39,425</b>	<b>\$17,145</b>	<b>\$66,509</b>	<b>\$128,317</b>	<b>-\$59,158</b>	<b>-\$35,293</b>	<b>\$31,546</b>	<b>\$16,354</b>	<b>\$43,058</b>	<b>-\$1,380,751</b>
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Quarterly dues per unit	\$1,087	\$1,120	\$1,154	\$1,189	\$1,224	\$1,260	\$1,297	\$1,335	\$1,374	\$1,413	\$1,454	\$1,495	\$1,538	\$1,581	\$1,625	
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<b>Anticipated Reserves at Year End</b>	<b>\$193,399</b>	<b>\$214,309</b>	<b>\$205,668</b>	<b>\$86,713</b>	<b>-\$30,867</b>	<b>-\$88,007</b>	<b>-\$39,425</b>	<b>\$17,145</b>	<b>\$66,509</b>	<b>\$128,317</b>	<b>-\$59,158</b>	<b>-\$35,293</b>	<b>\$31,546</b>	<b>\$16,354</b>	<b>\$43,058</b>	<b>-\$1,380,751</b>
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### Mountainview Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2016	17,800	58,696	2026	55,100	166,137	2036	74,200	336,775
2017	26,800	81,045	2027	56,800	205,828	2037	76,400	412,162
2018	35,800	118,032	2028	58,500	212,783	2038	78,700	496,280
2019	44,800	102,005	2029	60,300	114,611	2039	81,100	489,129
2020	46,100	143,955	2030	62,100	77,210	2040	83,500	579,000
2021	47,500	187,462	2031	64,000	22,341	2041	86,000	418,884
2022	48,900	235,367	2032	65,900	61,286	2042	88,600	472,238
2023	50,400	204,426	2033	67,900	130,329	2043	91,300	468,226
2024	51,900	201,192	2034	69,900	202,212	2044	94,000	463,837
2025	53,500	176,971	2035	72,000	268,267	2045	96,800	413,670



Respectfully submitted on August 10, 2015 by  
RESERVE ADVISORS, INC.



Alan M. Ebert, PRA<sup>1</sup>, RS<sup>2</sup>, Associate Director of Quality Assurance  
Reviewed by: Nicole L. Lowery, PRA, RS, Associate Director of Quality Assurance  
Visual Inspection and Report by: Louise L. Heffernan



<sup>1</sup> PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.

<sup>2</sup> RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

**RESERVE EXPENDITURES**

Years 2016 to 2030

**Mountainview  
Townhouses Association, Inc.**  
Ellicottville, New York**Explanatory Notes:**

- 1) **3.0%** is the estimated future inflation rate for estimating Future Replacement Costs.  
 2) FY2016 is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$ (2015)	Per Phase Cost, \$ (2015)	Total Cost, \$ (2015)	30-Year Total FY2015 (Inflated)	RUL = 0 FY2015	Years																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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1.040	5,700	1,800	Square Feet	Balconies and Decks Composite Planted	2019	20 to 25	14 to 16	34.00	64,500	193,500	302,022																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	

RESERVE EXPENDITURESExpenditures - Page 3.3 - 2 of 2



**RESERVE FUNDING PLAN****CASH FLOW ANALYSIS****Mountainview****Townhouses Association, Inc.****Ellicottville, New York****Individual Reserve Budgets & Cash Flows for the Next 30 Years**

	FY2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reserves at Beginning of Year (Note 1)	52,180	50,385	58,696	81,045	118,032	102,005	143,955	187,462	236,367	204,426	201,192	176,971	166,137	205,828	212,783	114,611
Total Recommended Reserve Contributions (Note 2)	3,649	17,800	26,800	35,800	44,800	46,100	47,500	48,900	50,400	51,900	53,500	55,100	56,800	58,500	60,300	62,100
Plus Estimated Interest Earned, During Year (Note 3)	256	651	833	1,187	1,312	1,467	1,977	2,522	2,623	2,419	2,255	2,046	2,218	2,497	1,953	1,144
Less Anticipated Expenditures, By Year	(5,700)	(10,140)	(5,284)	0	(62,139)	(5,617)	(5,970)	(3,517)	(83,964)	(57,553)	(79,976)	(67,980)	(19,327)	(54,042)	(160,425)	(100,845)
Anticipated Reserves at Year End	\$50,385	\$58,696	\$81,045	\$118,032	\$102,005	\$143,955	\$187,462	\$236,367	\$204,426	\$201,192	\$176,971	\$166,137	\$205,828	\$212,783	\$114,611	\$77,210
Predicted Reserves based on 2015 funding level of:	\$8,758	50,385	49,599	53,689	63,144	10,200	13,482	16,449	21,919	(53,475)	(103,204)					

(continued)

**Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued**

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Reserves at Beginning of Year	77,210	22,341	61,286	130,329	202,212	268,267	336,775	412,162	496,280	489,129	579,000	418,884	472,238	468,226	463,837
Total Recommended Reserve Contributions	64,000	65,900	67,900	69,900	72,000	74,200	76,400	78,700	81,100	83,500	86,000	88,600	91,300	94,000	96,800
Plus Estimated Interest Earned, During Year	594	499	1,143	1,983	2,806	3,609	4,467	5,418	5,877	6,371	5,952	5,315	5,609	5,559	5,234
Less Anticipated Expenditures, By Year	(119,463)	(27,454)	0	0	(8,751)	(9,301)	(5,480)	0	(94,126)	0	(252,068)	(40,561)	(100,921)	(103,948)	(152,201)
Anticipated Reserves at Year End	\$22,341	\$61,286	\$130,329	\$202,212	\$268,267	\$336,775	\$412,162	\$496,280	\$489,129	\$579,000	\$418,884	\$472,238	\$468,226	\$463,837	\$413,670
	(NOTE 5)														(NOTE 4)

**Explanatory Notes:**

- 1) Year 2015 starting reserves are as of July 23, 2015; FY2015 starts January 1, 2015 and ends December 31, 2015.
- 2) Reserve Contributions for 2015 are the remaining budgeted 5 months; 2016 is the first year of recommended contributions.
- 3) 1.2% is the estimated annual rate of return on invested reserves; 2015 is a partial year of interest earned.
- 4) Accumulated year 2045 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).